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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other independent professional adviser.

If you have sold or transferred all your shares in GCL New Energy Holdings Limited 協鑫新能源控股有限公司, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**MAJOR TRANSACTION WITH
XINXIN FINANCE LEASING COMPANY LIMITED
AND
NOTICE OF SPECIAL GENERAL MEETING**

A notice convening the special general meeting of GCL New Energy Holdings Limited 協鑫新能源控股有限公司 to be held at Centenary Room I, G/F, Marco Polo Hongkong Hotel, 3 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on 5 July 2016 at 11:00 a.m. is set out on pages SGM-1 to SGM-3 of this circular.

Irrespective of whether you are able to attend the Special General Meeting in person, please complete the accompanying proxy form in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar and transfer office of the Company, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Special General Meeting or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the Special General Meeting or any adjournment thereof (as the case may be) should you so wish and in such event, the proxy form shall be deemed to be revoked.

17 June 2016

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DEFINITIONS

In this circular, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Additional Hainan Photovoltaic Power Generation Equipment”	certain additional solar modules owned by Hainan Yicheng
“Additional Menghai Photovoltaic Power Generation Equipment”	additional sets of photovoltaic power generation equipment owned by Menghai GCL
“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 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
“Elite Time Global”	Elite Time Global Limited, a company incorporated in British Virgin Islands with limited liability which, as at the Latest Practicable Date, holds 11,880,000,000 Shares of the Company representing approximately 62.28% of the issued share capital of the Company
“GCL-Poly”	GCL-Poly Energy Holdings Limited 保利協鑫能源控股有限公司, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange, with stock code 3800.
“Group”	the Company and its subsidiaries
“GW”	gigawatt(s)
“Hainan Finance Lease”	the agreement dated 25 April 2016 entered into between Xinxin Finance Leasing Company and Hainan Yicheng with respect to the leasing of the Hainan Photovoltaic Power Generation Equipment
“Hainan Letter of Undertaking”	the letter of undertaking addressed to Xinxin Finance Leasing Company by the Company dated 25 April 2016 in respect of the Hainan Finance Lease

DEFINITIONS

“Hainan Ownership Transfer Agreement”	the agreement dated 25 April 2016 between Hainan Yicheng and Xinxin Finance Leasing Company in relation to the transfer of the ownership of the Hainan Photovoltaic Power Generation Equipment from Hainan Yicheng to Xinxin Finance Leasing Company
“Hainan Photovoltaic Power Generation Equipment”	certain solar modules and solar power generation systems owned by Hainan Yicheng
“Hainan Receivables Pledge Agreement”	the agreement dated 25 April 2016 between Hainan Yicheng and Xinxin Finance Leasing Company in relation to the pledge of receivables under the electricity sales agreement relating to Hainan Yicheng’s 25MW agriculture photovoltaic power station project located in the Hainan Province, PRC to Xinxin Finance Leasing Company
“Hainan Security Deposit”	a refundable security deposit of RMB3,375,000.00 (equivalent to approximately HK\$3,997,350.00) payable by Hainan Yicheng under the Previous Hainan Finance Lease Agreements
“Hainan Services Agreement”	the agreement dated 25 April 2016 between Hainan Yicheng and Xinxin Finance Leasing Company in relation to certain services including production and distribution planning, business and product consultation, process optimisation, industry competition analysis and financial consultation services to be provided by Xinxin Finance Leasing Company to Hainan Yicheng
“Hainan Share Pledge Agreement”	the agreement dated 25 April 2016 between Suzhou GCL New Energy and Xinxin Finance Leasing Company (amongst others), pursuant to which Suzhou GCL New Energy has pledged 76.70% of the equity interest in Hainan Yicheng to Xinxin Finance Leasing Company
“Hainan Suzhou GCL Guarantee”	the agreement dated 25 April 2016 between Suzhou GCL New Energy and Xinxin Finance Leasing Company in connection with the guarantee provided by Suzhou GCL New Energy to Xinxin Finance Leasing Company in respect of Hainan Yicheng’s obligations under the Hainan Finance Lease
“Hainan Yicheng”	Hainan Yicheng New Energy Company Limited* (海南意晟新能源有限公司), a company incorporated in the PRC with limited liability and an indirect subsidiary of the Company
“Hami Finance Lease”	the agreement dated 25 April 2016 entered into between Xinxin Finance Leasing Company and Hami Ourui with respect to the leasing of the Hami Photovoltaic Power Generation Equipment

DEFINITIONS

“Hami Letter of Undertaking”	the letter of undertaking addressed to Xinxin Finance Leasing Company by the Company dated 25 April 2016 in respect of the Hami Finance Lease
“Hami Ourui”	Hami Ourui Photovoltaic Power Generation Company Limited* (哈密歐瑞光伏發電有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Hami Ownership Transfer Agreement”	the agreement dated 25 April 2016 between Hami Ourui and Xinxin Finance Leasing Company in relation to the transfer of the ownership of the Hami Photovoltaic Power Generation Equipment from Hami Ourui to Xinxin Finance Leasing Company
“Hami Photovoltaic Power Generation Equipment”	certain polysilicon modules, solar modules, frames, combiner boxes, control boxes, substations and other power generation equipment owned by Hami Ourui
“Hami Receivables Pledge Agreement”	the agreement dated 25 April 2016 between Hami Ourui and Xinxin Finance Leasing Company in relation to the pledge of receivables under the electricity sales agreement relating to Hami Ourui’s 20MW photovoltaic power station project located in Liushuquan in the Xinjiang Uyghur Autonomous Region, the PRC to Xinxin Finance Leasing Company
“Hami Security Deposit”	a refundable security deposit of RMB6,300,000.00 (equivalent to approximately HK\$7,461,720.00) payable by Hami Ourui under the Previous Hami Finance Lease Agreements
“Hami Services Agreement”	the agreement dated 25 April 2016 between Hami Ourui and Xinxin Finance Leasing Company in relation to certain services including production and distribution planning, business and product consultation, process optimisation, industry competition analysis and financial consultation services to be provided by Xinxin Finance Leasing Company to Hami Ourui
“Hami Share Pledge Agreement”	the agreement dated 25 April 2016 between Suzhou GCL New Energy and Xinxin Finance Leasing Company, pursuant to which Suzhou GCL New Energy has pledged 100% of the equity interest in Hami Ourui to Xinxin Finance Leasing Company
“Hami Suzhou GCL Guarantee”	the agreement dated 25 April 2016 between Suzhou GCL New Energy and Xinxin Finance Leasing Company in connection with the guarantee provided by Suzhou GCL New Energy to Xinxin Finance Leasing Company in respect of Hami Ourui’s obligations under the Hami Finance Lease

DEFINITIONS

“Hengshan Consultation Services Agreement”	the agreement dated 10 December 2015 entered into between Hengshan Jinghe and Xinxin Finance Leasing Company with respect to certain management and consultation services to be provided by Xinxin Finance Leasing Company to Hengshan Jinghe
“Hengshan Finance Lease”	the agreement dated 10 December 2015 entered into between Xinxin Finance Leasing Company and Hengshan Jinghe with respect to the leasing of the Hengshan Photovoltaic Power Generation Equipment
“Hengshan Jinghe”	Hengshan Jinghe Solar Energy Company Limited* (橫山晶合太陽能發電有限公司), a company incorporated in the PRC with limited liability, and an indirect subsidiary of the Company
“Hengshan Letter of Comfort”	the letter of comfort addressed to Xinxin Finance Leasing Company by the Company dated 10 December 2015 in respect of the Hengshan Finance Lease
“Hengshan Photovoltaic Power Generation Equipment”	certain photovoltaic power generation modules, combiner boxes, transformers and other ancillary equipment for the construction and development of 50MW solar power generation facilities to be operated by Hengshan Jinghe in Yulin City of Shaanxi Province, PRC
“Hengshan Repurchase Agreement”	the repurchase agreement dated 10 December 2015 entered into between Nanjing GCL New Energy and Xinxin Finance Leasing Company with respect to the Hengshan Photovoltaic Power Generation Equipment
“Hengshan Sale and Purchase Agreement”	the agreement dated 10 December 2015 entered into between Xinxin Finance Leasing Company, Nanjing GCL New Energy and Hengshan Jinghe pursuant to which Xinxin Finance Leasing Company has agreed to purchase, and Nanjing GCL New Energy has agreed to sell, the Hengshan Photovoltaic Power Generation Equipment
“Hengshan Security Deposit”	a refundable security deposit of RMB25,577,008.00 (equivalent to approximately HK\$30,293,408.28) payable by Hengshan Jinghe under the Previous Hengshan Finance Lease Agreements
“Hengshan Suzhou GCL Guarantee”	the agreement dated 10 December 2015 entered into between Suzhou GCL New Energy and Xinxin Finance Leasing Company in connection with the guarantee provided by Suzhou GCL New Energy in favour of Xinxin Finance Leasing Company for the obligations of Hengshan Jinghe under the Hengshan Finance Lease

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Jingbian County Shunfeng”	Jingbian County Shunfeng New Energy Co., Ltd.* (靖邊縣順風新能源有限公司), a company incorporated in the PRC with limited liability and an indirect subsidiary of the Company
“Jingbian Finance Lease”	the agreement dated 25 April 2016 entered into between Xinxin Finance Leasing Company and Jingbian County Shunfeng with respect to the leasing of the Jingbian Photovoltaic Power Generation Equipment
“Jingbian Letter of Undertaking”	the letter of undertaking addressed to Xinxin Finance Leasing Company by the Company dated 25 April 2016 in respect of the Jingbian Finance Lease
“Jingbian Ownership Transfer Agreement”	the agreement dated 25 April 2016 between Jingbian County Shunfeng and Xinxin Finance Leasing Company in relation to the transfer of the ownership of the Jingbian Photovoltaic Power Generation Equipment from Jingbian County Shunfeng to Xinxin Finance Leasing Company
“Jingbian Photovoltaic Power Generation Equipment”	polysilicon modules, cables, copper aluminium terminals, invertors, combiner boxes, an industrial monitor and other power generation equipment owned by Jingbian County Shunfeng
“Jingbian Receivables Pledge Agreement”	the agreement dated 25 April 2016 between Jingbian County Shunfeng and Xinxin Finance Leasing Company in relation to the pledge of receivables under the electricity sales agreement relating to its 40MW photovoltaic power station project located in Shaanxi Province, PRC to Xinxin Finance Leasing Company
“Jingbian Security Deposit”	a refundable security deposit of RMB3,015,000.00 (equivalent to approximately HK\$3,570,966.00) payable by Jingbian County Shunfeng under the Previous Jingbian Finance Lease Agreements
“Jingbian Services Agreement”	the agreement dated 25 April 2016 between Jingbian County Shunfeng and Xinxin Finance Leasing Company in relation to certain services including production and distribution planning, business and product consultation, process optimisation, industry competition analysis and financial consultation services to be provided by Xinxin Finance Leasing Company to Jingbian County Shunfeng

DEFINITIONS

“Jingbian Share Pledge Agreement”	the agreement dated 25 April 2016 between Suzhou GCL New Energy and Xinxin Finance Leasing Company (amongst others), pursuant to which Suzhou GCL New Energy has pledged 95% of the equity interest in Jingbian County Shunfeng to Xinxin Finance Leasing Company
“Jingbian Suzhou GCL Guarantee”	the agreement dated 25 April 2016 between Suzhou GCL New Energy and Xinxin Finance Leasing Company in connection with the guarantee provided by Suzhou GCL New Energy to Xinxin Finance Leasing Company in respect of Jingbian County Shunfeng’s obligations under the Jingbian Finance Lease
“Latest Practicable Date”	10 June 2016, being the latest practicable date of ascertaining certain information contained in this circular prior to its publication
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Menghai Finance Lease”	the agreement dated 25 April 2016 entered into between Xinxin Finance Leasing Company and Menghai GCL with respect to the leasing of the Menghai Photovoltaic Power Generation Equipment
“Menghai GCL”	Menghai GCL Solar Agricultural Power Company Limited* (勳海協鑫光伏農業電力有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Menghai Letter of Undertaking”	the letter of undertaking addressed to Xinxin Finance Leasing Company by the Company dated 25 April 2016 in respect of the Menghai Finance Lease
“Menghai Ownership Transfer Agreement”	the agreement dated 25 April 2016 between Menghai GCL and Xinxin Finance Leasing Company in relation to the transfer of the ownership of the Menghai Photovoltaic Power Generation Equipment from Menghai GCL to Xinxin Finance Leasing Company
“Menghai Photovoltaic Power Generation Equipment”	various sets of photovoltaic power generation equipment owned by Menghai GCL

DEFINITIONS

“Menghai Receivables Pledge Agreement”	the agreement dated 25 April 2016 between Menghai GCL and Xinxin Finance Leasing Company in relation to the pledge of receivables under the electricity sales agreement relating to its 50MW agriculture photovoltaic power station project in Menghai County of Xishuangbanna, PRC to Xinxin Finance Leasing Company
“Menghai Security Deposit”	a refundable security deposit of RMB7,470,000.00 (equivalent to approximately HK\$8,847,468.00) payable by Menghai GCL under the Previous Menghai Finance Lease Agreements
“Menghai Services Agreement”	the agreement dated 25 April 2016 between Menghai GCL and Xinxin Finance Leasing Company in relation to certain services including production and distribution planning, business and product consultation, process optimisation, industry competition analysis and financial consultation services to be provided by Xinxin Finance Leasing Company to Menghai GCL
“Menghai Share Pledge Agreement”	the agreement dated 25 April 2016 between Suzhou GCL New Energy and Xinxin Finance Leasing Company, pursuant to which Suzhou GCL New Energy has pledged 100% of the equity interest in Menghai GCL to Xinxin Finance Leasing Company
“Menghai Suzhou GCL Guarantee”	the agreement dated 25 April 2016 between Suzhou GCL New Energy and Xinxin Finance Leasing Company in connection with the guarantee provided by Suzhou GCL New Energy to Xinxin Finance Leasing Company in respect of Menghai GCL’s obligations under the Menghai Finance Lease
“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 with limited liability and an indirect wholly-owned subsidiary of the Company
“Overall Equipment”	collectively, the Additional Hainan Photovoltaic Power Generation Equipment, the Additional Menghai Photovoltaic Power Generation Equipment, the Hengshan Photovoltaic Power Generation Equipment, the Xiaoshan Photovoltaic Power Generation Equipment, the Hainan Photovoltaic Power Generation Equipment, the Hami Photovoltaic Power Generation Equipment, the Jingbian Photovoltaic Power Generation Equipment, the Menghai Photovoltaic Power Generation Equipment and the Shandong Photovoltaic Power Generation Equipment

DEFINITIONS

“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Previous Agreements”	collectively, the Previous Hengshan Finance Lease Agreements, the Previous Xiaoshan Finance Lease Agreements, the Previous Hainan Finance Lease Agreements, the Previous Hami Finance Lease Agreements, the Previous Jingbian Finance Lease Agreements, the Previous Menghai Finance Lease Agreements, the Previous Shandong Finance Lease Agreements and the Previous Supplemental Menghai Finance Lease Agreements
“Previous Hainan Finance Lease Agreements”	Hainan Finance Lease, Hainan Ownership Transfer Agreement, Hainan Services Agreement, Hainan Letter of Undertaking, Hainan Suzhou GCL Guarantee, Hainan Receivables Pledge Agreement, and Hainan Share Pledge Agreement
“Previous Hami Finance Lease Agreements”	Hami Finance Lease, Hami Ownership Transfer Agreement, Hami Services Agreement, Hami Letter of Undertaking, Hami Suzhou GCL Guarantee, Hami Receivables Pledge Agreement, and Hami Share Pledge Agreement
“Previous Hengshan Finance Lease Agreements”	Hengshan Finance Lease, Hengshan Sale and Purchase Agreement, Hengshan Consultation Services Agreement, Hengshan Repurchase Agreement, Hengshan Suzhou GCL Guarantee and the Hengshan Letter of Comfort
“Previous Jingbian Finance Lease Agreements”	Jingbian Finance Lease, Jingbian Ownership Transfer Agreement, Jingbian Services Agreement, Jingbian Letter of Undertaking, Jingbian Suzhou GCL Guarantee, Jingbian Receivables Pledge Agreement, and Jingbian Share Pledge Agreement
“Previous Menghai Finance Lease Agreements”	Menghai Finance Lease, Menghai Ownership Transfer Agreement, Menghai Services Agreement, Menghai Letter of Undertaking, Menghai Suzhou GCL Guarantee, Menghai Receivables Pledge Agreement, and Menghai Share Pledge Agreement
“Previous Shandong Finance Lease Agreements”	Shandong Finance Lease, Shandong Ownership Transfer Agreement, Shandong Services Agreement, Shandong Letter of Undertaking, Shandong Suzhou GCL Guarantee, Shandong Receivables Pledge Agreement, and Shandong Share Pledge Agreement

DEFINITIONS

“Previous Supplemental Menghai Finance Lease Agreements”	Supplemental Menghai Finance Lease, Supplemental Menghai Ownership Transfer Agreement, Supplemental Menghai Services Agreement, Supplemental Menghai Letter of Undertaking and Supplemental Menghai Suzhou GCL Guarantee
“Previous Xiaoshan Finance Lease Agreements”	Xiaoshan Finance Lease, Xiaoshan Ownership Transfer Agreement, Xiaoshan Services Agreement, Xiaoshan Share Pledge Agreement, Xiaoshan Suzhou GCL Guarantee, Xiaoshan Receivables Pledge Agreement and Xiaoshan Letter of Undertaking
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time
“SGM” or “Special General Meeting”	the special general meeting of the Company to be convened and held at Centenary Room I, G/F, Marco Polo Hongkong Hotel, 3 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on 5 July 2016 at 11:00 a.m., notice of which is set out on pages SGM-1 to SGM-3 of this circular and any adjournment thereof
“Shandong Finance Lease”	the agreement dated 29 April 2016 entered into between Xinxin Finance Leasing Company and Shandong Wanhai with respect to the leasing of the Shandong Photovoltaic Power Generation Equipment
“Shandong Letter of Undertaking”	the letter of undertaking addressed to Xinxin Finance Leasing Company by the Company dated 29 April 2016 in respect of the Shandong Finance Lease
“Shandong Ownership Transfer Agreement”	the agreement dated 29 April 2016 between Shandong Wanhai and Xinxin Finance Leasing Company in relation to the transfer of the ownership of the Shandong Photovoltaic Power Generation Equipment from Shandong Wanhai to Xinxin Finance Leasing Company
“Shandong Photovoltaic Power Generation Equipment”	certain polysilicon modules, modules, cables, photovoltaic station cable system, surveillance systems, printers, desktop computers and certain other photovoltaic power generation equipment owned by Shandong Wanhai
“Shandong Receivables Pledge Agreement”	the agreement dated 29 April 2016 between Shandong Wanhai and Xinxin Finance Leasing Company in relation to the pledge of receivables under the electricity sales agreement relating to Shandong Wanhai’s 35MW photovoltaic power station project located in Shandong Province, PRC to Xinxin Finance Leasing Company

DEFINITIONS

“Shandong Security Deposit”	a refundable security deposit of RMB1,080,000.00 (equivalent to approximately HK\$1,279,152.00) payable by Shandong Wanhai under the Previous Shandong Finance Lease Agreements
“Shandong Services Agreement”	the agreement dated 29 April 2016 between Shandong Wanhai and Xinxin Finance Leasing Company in relation to certain services including production and distribution planning, business and product consultation, process optimisation, industry competition analysis and financial consultation services to be provided by Xinxin Finance Leasing Company to Shandong Wanhai
“Shandong Share Pledge Agreement”	the agreement dated 29 April 2016 between Suzhou GCL New Energy and Xinxin Finance Leasing Company, pursuant to which Suzhou GCL New Energy has pledged 100% of the equity interest in Shandong Wanhai to Xinxin Finance Leasing Company
“Shandong Suzhou GCL Guarantee”	the agreement dated 29 April 2016 between Suzhou GCL New Energy and Xinxin Finance Leasing Company in connection with the guarantee provided by Suzhou GCL New Energy to Xinxin Finance Leasing Company in respect of Shandong Wanhai’s obligations under the Shandong Finance Lease
“Shandong Wanhai”	Shandong Wanhai Power Company Limited* (山東萬海電力有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“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 Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the same meaning ascribed to it under the Listing Rules
“Supplemental Hainan Finance Lease”	the agreement dated 26 May 2016 entered into between Xinxin Finance Leasing Company and Hainan Yicheng with respect to the leasing of the Hainan Photovoltaic Power Generation Equipment
“Supplemental Hainan Finance Lease Agreements”	Supplemental Hainan Finance Lease, Supplemental Hainan Ownership Transfer Agreement, Supplemental Hainan Services Agreement, Supplemental Hainan Letter of Undertaking and Supplemental Hainan Suzhou GCL Guarantee

DEFINITIONS

“Supplemental Hainan Letter of Undertaking”	the letter of undertaking addressed to Xinxin Finance Leasing Company by the Company dated 26 May 2016 in respect of the Supplemental Hainan Finance Lease
“Supplemental Hainan Ownership Transfer Agreement”	the agreement dated 26 May 2016 between Hainan Yicheng and Xinxin Finance Leasing Company in relation to the transfer of the ownership of the Additional Hainan Photovoltaic Power Generation Equipment from Hainan Yicheng to Xinxin Finance Leasing Company
“Supplemental Hainan Security Deposit”	a refundable security deposit of RMB4,410,000.00 (equivalent to approximately HK\$5,223,204.00) payable by Hainan Yicheng under the Supplemental Hainan Finance Lease Agreements
“Supplemental Hainan Services Agreement”	the agreement dated 26 May 2016 between Hainan Yicheng and Xinxin Finance Leasing Company in relation to certain services including production and distribution planning, business and product consultation, process optimisation, industry competition analysis and financial consultation services to be provided by Xinxin Finance Leasing Company to Hainan Yicheng
“Supplemental Hainan Suzhou GCL Guarantee”	the agreement dated 26 May 2016 between Suzhou GCL New Energy and Xinxin Finance Leasing Company in connection with the guarantee provided by Suzhou GCL New Energy to Xinxin Finance Leasing Company in respect of Hainan Yicheng’s obligations under both the Hainan Finance Lease and Supplemental Hainan Finance Lease
“Supplemental Menghai Finance Lease”	the agreement dated 19 May 2016 entered into between Xinxin Finance Leasing Company and Menghai GCL with respect to the leasing of the Additional Menghai Photovoltaic Power Generation Equipment
“Supplemental Menghai Letter of Undertaking”	the letter of undertaking addressed to Xinxin Finance Leasing Company by the Company dated 19 May 2016 in respect of the Supplemental Menghai Finance Lease
“Supplemental Menghai Ownership Transfer Agreement”	the agreement dated 19 May 2016 between Menghai GCL and Xinxin Finance Leasing Company in relation to the transfer of the ownership of the Menghai Photovoltaic Power Generation Equipment from Menghai GCL to Xinxin Finance Leasing Company
“Supplemental Menghai Security Deposit”	a refundable security deposit of RMB990,000.00 (equivalent to approximately HK\$1,172,556.00) payable by Menghai GCL under the Supplemental Menghai Finance Lease Agreements

DEFINITIONS

“Supplemental Menghai Services Agreement”	the agreement dated 19 May 2016 between Menghai GCL and Xinxin Finance Leasing Company in relation to certain services including production and distribution planning, business and product consultation, process optimisation, industry competition analysis and financial consultation services to be provided by Xinxin Finance Leasing Company to Menghai GCL
“Supplemental Menghai Suzhou GCL Guarantee”	the agreement dated 19 May 2016 between Suzhou GCL New Energy and Xinxin Finance Leasing Company in connection with the guarantee provided by Suzhou GCL New Energy to Xinxin Finance Leasing Company in respect of Menghai GCL’s obligations under both the Menghai Finance Lease and Supplemental Menghai Finance Lease
“Suzhou GCL New Energy”	Suzhou GCL New Energy Investment Company Limited* (蘇州協鑫新能源投資有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Xiaoshan Finance Lease”	the agreement dated 30 December 2015 entered into between Xinxin Finance Leasing Company and Zhejiang Shu Qimeng with respect to the leasing of the Xiaoshan Photovoltaic Power Generation Equipment
“Xiaoshan Letter of Undertaking”	the letter of undertaking addressed to Xinxin Finance Leasing Company by the Company dated 30 December 2015 in respect of the Xiaoshan Finance Lease
“Xiaoshan Ownership Transfer Agreement”	the agreement dated 30 December 2015 between Zhejiang Shu Qimeng and Xinxin Finance Leasing Company in relation to the transfer of the ownership of the Xiaoshan Photovoltaic Power Generation Equipment from Zhejiang Shu Qimeng to Xinxin Finance Leasing Company
“Xiaoshan Photovoltaic Power Generation Equipment”	certain polysilicon modules, solar modules, frames, combiner boxes, control boxes and other power generation equipment for the development and construction of the Xiaoshan Project
“Xiaoshan Project”	a 22.5MW solar power project located in Xiaoshan District in Hangzhou City of Zhejiang Province, PRC
“Xiaoshan Receivables Pledge Agreement”	the agreement dated 30 December 2015 between Zhejiang Shu Qimeng and Xinxin Finance Leasing Company in relation to the pledge of receivables under the electricity sales agreement relating to the Xiaoshan Project to Xinxin Finance Leasing Company

DEFINITIONS

“Xiaoshan Security Deposit”	a refundable security deposit of RMB4,000,000.00 (equivalent to approximately HK\$4,737,600.00) payable by Zhejiang Shu Qimeng under the Previous Xiaoshan Finance Lease Agreements
“Xiaoshan Services Agreement”	the agreement dated 30 December 2015 between Zhejiang Shu Qimeng and Xinxin Finance Leasing Company in relation to certain services including production and distribution planning, business and product consultation, process optimisation, industry competition analysis and financial consultation services to be provided by Xinxin Finance Leasing Company to Zhejiang Shu Qimeng
“Xiaoshan Share Pledge Agreement”	the agreement dated 30 December 2015 between Suzhou GCL New Energy and Xinxin Finance Leasing Company, pursuant to which Suzhou GCL New Energy has pledged 91% of its equity interest in Zhejiang Shu Qimeng to Xinxin Finance Leasing Company
“Xiaoshan Suzhou GCL Guarantee”	the agreement dated 30 December 2015 between Suzhou GCL New Energy and Xinxin Finance Leasing Company in connection with the guarantee provided by Suzhou GCL New Energy to Xinxin Finance Leasing Company in respect of Zhejiang Shu Qimeng’s obligations under the Xiaoshan Finance Lease
“Xinxin Finance Leasing Company”	Xinxin Finance Leasing Company Limited* (芯鑫融資租賃有限責任公司), a company incorporated in the PRC with limited liability
“Zhejiang Shu Qimeng”	Zhejiang Shu Qimeng Electrical Technology Co., Ltd.* (浙江舒奇蒙電力科技有限公司), a company incorporated in the PRC with limited liability and an indirect subsidiary of the Company
“%”	per cent.

* For identification purpose only. The Chinese names of the PRC entities and individuals have been translated into English in this circular. In the event of any discrepancies between the Chinese names and the English translation, the Chinese names prevail.

For ease of reference and unless otherwise specified in this circular, sums in HK\$ and RMB herein is translated at the rate RMB1.0 = HK\$1.1844. This does not mean that HK\$ could be converted into RMB, or vice versa, based on such exchange rate.



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)

Executive Directors:

Mr. Zhu Yufeng
Mr. Sun Xingping
Ms. Hu Xiaoyan
Mr. Tong Wan Sze
Mr. Yip Sum Yin

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Non-executive Directors:

Ms. Sun Wei
Mr. Sha Hongqiu
Mr. Yeung Man Chung, Charles

*Head office and principal place of
business in Hong Kong:*

Unit 1701A–1702A, Level 17
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

Independent non-executive Directors:

Mr. Wang Bohua
Mr. Xu Songda
Mr. Lee Conway Kong Wai
Mr. Wang Yanguo
Dr. Chen Ying

17 June 2016

To the Shareholders

**MAJOR TRANSACTION WITH
XINXIN FINANCE LEASING COMPANY LIMITED
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

On 26 May 2016, the Company announced that the Group entered into the Supplemental Hainan Finance Lease Agreements with Xinxin Finance Leasing Company (an independent third party of the Company) in relation to the financing of the Additional Hainan Photovoltaic Power Generation Equipment.

LETTER FROM THE BOARD

In addition, the Group entered into the Previous Agreements with Xinxin Finance Leasing Company in the past 12 months.

The purpose of this circular is to provide you with information regarding the details of the Supplemental Hainan Finance Lease Agreements and the Previous Agreements and to give you notice of the SGM at which a resolution will be proposed to consider and, if thought fit, approve, among other things, the Supplemental Hainan Finance Lease Agreements and the Previous Agreements.

1. THE SUPPLEMENTAL HAINAN FINANCE LEASE AGREEMENTS

A. Principal terms of the Supplemental Hainan Finance Lease Agreements

(i) Date

26 May 2016

(ii) Parties

Seller and lessee: Hainan Yicheng

Purchaser and lessor: Xinxin Finance Leasing Company

(iii) The Supplemental Hainan Finance Lease

Pursuant to the Supplemental Hainan Ownership Transfer Agreement, Xinxin Finance Leasing Company has agreed to purchase, and Hainan Yicheng has agreed to sell the Additional Hainan Photovoltaic Power Generation Equipment for a total consideration of RMB98,000,000.00 (equivalent to approximately HK\$116,071,200.00).

Pursuant to the Supplemental Hainan Finance Lease, Xinxin Finance Leasing Company shall lease back the Additional Hainan Photovoltaic Power Generation Equipment to Hainan Yicheng for a term of three years, commencing from the day Xinxin Finance Leasing Company pays the consideration for the Additional Hainan Photovoltaic Power Generation Equipment under the Supplemental Hainan Ownership Transfer Agreement.

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(iv) Payment of rent

The aggregate amount of rent payable by Hainan Yicheng to Xinxin Finance Leasing Company under the Supplemental Hainan Finance Lease Agreements is RMB112,744,559.39 (equivalent to approximately HK\$133,534,656.14) and is payable quarterly in instalments starting from 15 June 2016 in accordance with the following schedule:

Instalment	Repayment (RMB)
1.	4,394,687.50
2.	4,350,817.19
3.	4,306,946.88
4.	4,263,076.56
5.	4,219,206.25
6.	4,175,335.94
7.	4,131,465.63
8.	4,087,595.31
9.	4,043,725.00
10.	3,999,854.69
11.	3,955,984.38
12.	66,815,864.06

The aggregate amount of rent was calculated based on the principal lease cost plus the lease interest rate. The principal lease cost under the Supplemental Hainan Finance Lease was RMB98,000,000.00 (equivalent to approximately HK\$116,071,200.00).

(v) Interest rate

The interest rate under the Supplemental Hainan Finance Lease was calculated at an annualised interest rate of 6.00%, representing approximately 126.32% of the current benchmark lending rate (i.e. 4.75%) promulgated by the People's Bank of China. During the term of the Supplemental Hainan Finance Lease, if the applicable benchmark lending rate is adjusted by the People's Bank of China, the interest rate applicable shall be adjusted proportionally in the same direction as the adjusted benchmark lending rate.

In the 18 months following the commencement of the Supplemental Hainan Finance Lease, Hainan Yicheng shall not terminate the Supplemental Hainan Finance Lease or seek to vary the terms of the lease for any reason.

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(vi) Consultation services

Pursuant to the Supplemental Hainan Services Agreement, Xinxin Finance Leasing Company agreed to provide to Hainan Yicheng certain services including production and distribution planning, business and product consultation, process optimisation, industry competition analysis and financial consultation services for a total service fee of RMB2,616,600.00 (equivalent to approximately HK\$3,099,101.04). Hainan Yicheng shall pay an initial amount of RMB697,760.00 (equivalent to approximately HK\$826,426.94) within five days of signing of the Supplemental Hainan Services Agreement and then the remainder of the fees in 11 equal quarterly instalments of RMB174,440.00 (equivalent to approximately HK\$206,606.74) starting from the end of June 2016.

(vii) Basis of the consideration

The terms of the Supplemental Hainan Finance Lease and the Supplemental Hainan Services Agreement including the lease rent, lease interest rate, and services fee were determined after arm's length negotiation between Xinxin Finance Leasing Company and Hainan Yicheng with reference to the prevailing market rates for (i) finance leases for similar assets and (ii) similar consultation services.

The price for the purchase of the Additional Hainan Photovoltaic Power Generation Equipment payable by Xinxin Finance Leasing Company under the Supplemental Hainan Ownership Transfer Agreement was determined through arm's length negotiation between the parties with reference to the average fair market price of similar photovoltaic power generation equipment.

(viii) Ownership of the Additional Hainan Photovoltaic Power Generation Equipment

During the term of the Supplemental Hainan Finance Lease, the ownership of the Additional Hainan Photovoltaic Power Generation Equipment shall vest in Xinxin Finance Leasing Company.

Upon expiry of the term of the Supplemental Hainan Finance Lease and subject to the full payment of the entire amount of lease rent, and where applicable any tax, interest and default interest due under the Supplemental Hainan Finance Lease, Hainan Yicheng is eligible to purchase the Additional Hainan Photovoltaic Power Generation Equipment at a nominal purchase price of RMB1,000.00 (equivalent to approximately HK\$1,184.40).

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(ix) Security arrangements for the Supplemental Hainan Finance Lease

Pursuant to the Supplemental Hainan Finance Lease Agreements, Hainan Yicheng shall pay the Supplemental Hainan Security Deposit to Xinxin Finance Leasing Company which shall be deducted from the purchase price under the Supplemental Hainan Ownership Transfer Agreement to secure Hainan Yicheng's obligations under the Supplemental Hainan Finance Lease.

Xinxin Finance Leasing Company shall be entitled to deduct from the Supplemental Hainan Security Deposit any unpaid rent, interest, default interest and any other amount due and payable by Hainan Yicheng. In the event of such deduction, Hainan Yicheng shall forthwith make up for the deduction and restore the amount of the Supplemental Hainan Security Deposit to RMB4,410,000.00 (equivalent to approximately HK\$5,223,204.00).

Following the expiry of the Supplemental Hainan Finance Lease, any remaining balance of the Supplemental Hainan Security Deposit shall be refunded to Hainan Yicheng. The Supplemental Hainan Security Deposit shall not bear any interest during the term of the Supplemental Hainan Finance Lease.

In addition, the obligations under the Supplemental Hainan Finance Lease are secured by the following:

- (i) **Supplemental Hainan Letter of Undertaking:** pursuant to the Supplemental Hainan Letter of Undertaking, the Company has undertaken to make up any shortfall in outstanding payments if Hainan Yicheng fails to meet its payment obligations as they fall due under the Supplemental Hainan Finance Lease; and
- (ii) **Supplemental Hainan Suzhou GCL Guarantee:** pursuant to the Supplemental Hainan Suzhou GCL Guarantee, Suzhou GCL New Energy and Xinxin Finance Leasing Company agreed to amend the Hainan Suzhou GCL Guarantee such that Suzhou GCL New Energy's corporate guarantee shall secure Hainan Yicheng's obligations under both the Hainan Finance Lease and the Supplemental Hainan Finance Lease, including rental payments and other amounts due to Xinxin Finance Leasing Company.

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2. THE PREVIOUS AGREEMENTS

A. Principal terms of the Previous Hengshan Finance Lease Agreements

(i) Date

10 December 2015

(ii) Parties

Seller: Nanjing GCL New Energy

Purchaser and lessor: Xinxin Finance Leasing Company

Lessee: Hengshan Jinghe

(iii) The Hengshan Finance Lease

Pursuant to the Hengshan Sale and Purchase Agreement and the Hengshan Finance Lease, Xinxin Finance Leasing Company has agreed to purchase, and Nanjing GCL New Energy has agreed to sell, the Hengshan Photovoltaic Power Generation Equipment for a total consideration of RMB319,712,596.70 (equivalent to approximately HK\$378,667,599.53), and following the acquisition, Xinxin Finance Leasing Company shall lease back the Hengshan Photovoltaic Power Generation Equipment to Hengshan Jinghe for a term of two years, commencing from the day Xinxin Finance Leasing Company pays the consideration for the Hengshan Photovoltaic Power Generation Equipment under the Hengshan Sale and Purchase Agreement.

(iv) Payment of rent

The aggregate amount of rent payable by Hengshan Jinghe to Xinxin Finance Leasing Company under the Previous Hengshan Finance Lease Agreements is RMB355,430,888.01 (equivalent to approximately HK\$420,972,343.76).

The rent is payable semi-annually by four instalments in the following manner:

- (i) **First payment:** RMB24,298,157.35 (equivalent to approximately HK\$28,778,737.57), payable on 5 March 2016;
- (ii) **Second payment:** RMB23,856,953.97 (equivalent to approximately HK\$28,256,176.28), payable on 5 September 2016;
- (iii) **Third payment:** RMB23,415,750.58 (equivalent to approximately HK\$27,733,614.99), payable on 5 March 2017; and
- (iv) **Last payment:** RMB283,860,026.11 (equivalent to approximately HK\$336,203,814.92), payable on 5 September 2017.

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The aggregate amount of rent was calculated based on the principal lease cost plus the lease interest rate. The principal lease cost under the Previous Hengshan Finance Lease Agreements was RMB319,712,596.70 (equivalent to approximately HK\$378,667,599.53). The interest rate under the Previous Hengshan Finance Lease Agreements was calculated at an annualised interest rate of 6.00%, representing 126.32% of the then current benchmark lending rate (i.e. 4.75%) promulgated by the People's Bank of China for loans with a term of between one to five years. During the term of the Hengshan Finance Lease, if the applicable benchmark lending rate is adjusted by the People's Bank of China, the interest rate payable by Hengshan Jinghe shall change to the sum of (i) 1.25% and (ii) the adjusted benchmark lending rate.

In the 12 months following the commencement of the Hengshan Finance Lease, Hengshan Jinghe shall not terminate the Hengshan Finance Lease or seek to vary the terms of the Hengshan Finance Lease for any reason.

(v) Consultation services

Pursuant to the Hengshan Consultation Services Agreement in connection with the Hengshan Finance Lease, Xinxin Finance Leasing Company agreed to provide to Hengshan Jinghe certain management and financial consultation services for a total service fee of RMB4,189,514.00 (equivalent to approximately HK\$4,962,060.38). The fee is payable within three days upon signing of the relevant agreement by Xinxin Finance Leasing Company and Hengshan Jinghe.

The terms of the Hengshan Finance Lease and the Hengshan Consultation Services Agreement including the lease rent, the lease interest rate, the consultation services fee were determined after arm's length negotiation between Xinxin Finance Leasing Company and Hengshan Jinghe with reference to the prevailing market rates for (i) finance leases for similar assets and (ii) similar management and financial consultation services.

The price for the purchase of the Hengshan Photovoltaic Power Generation Equipment payable by Xinxin Finance Leasing Company under the Hengshan Sale and Purchase Agreement was determined through arm's length negotiation between the parties with reference to the average fair market price of similar photovoltaic power generation equipment.

(vi) Ownership of the Hengshan Photovoltaic Power Generation Equipment

During the term of the Hengshan Finance Lease, the ownership of the Hengshan Photovoltaic Power Generation Equipment shall vest in Xinxin Finance Leasing Company. Upon expiry of the term of the Hengshan Finance Lease and subject to the full payment of the entire amount of lease rent, and where applicable any tax, interest and default interest under the Hengshan Finance Lease, Hengshan Jinghe is eligible to purchase the Hengshan Photovoltaic Power Generation Equipment at a nominal purchase price of RMB1,000.00 (equivalent to approximately HK\$1,184.40).

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(vii) Security arrangements for the Hengshan Finance Lease

Pursuant to the Previous Hengshan Finance Lease Agreements, Hengshan Jinghe shall pay to Xinxin Finance Leasing Company the Hengshan Security Deposit within five business days of signing the Hengshan Finance Lease to secure Hengshan Jinghe's obligations under the Hengshan Finance Lease. Xinxin Finance Leasing Company shall be entitled to deduct from the Hengshan Security Deposit any unpaid rent, interest, default interest and any other amount due and payable by Hengshan Jinghe. In the event of such deduction, Hengshan Jinghe shall forthwith make up for the deduction and restore the amount of the Hengshan Security Deposit to RMB25,577,008.00 (equivalent to approximately HK\$30,293,408.28). Following the expiry of the Hengshan Finance Lease, any remaining balance of the Hengshan Security Deposit shall be refunded to Hengshan Jinghe. The Hengshan Security Deposit shall not bear any interest during the term of the Hengshan Finance Lease.

Pursuant to the Hengshan Repurchase Agreement, if Hengshan Jinghe fails to perform its repayment obligations for a consecutive period of four months under the Hengshan Finance Lease, Nanjing GCL New Energy shall repurchase from Xinxin Finance Leasing Company the Hengshan Photovoltaic Power Generation Equipment. The repurchase price shall be an amount equal to the nominal repurchase price of RMB1,000.00 (equivalent to approximately HK\$1,184.40) plus any outstanding rent and default interest due under the Hengshan Finance Lease, less the Hengshan Security Deposit.

Pursuant to the Hengshan Letter of Comfort, the Company will make up any shortfall in outstanding payments if Hengshan Jinghe fails to meet its payment obligations as they fall due under the Hengshan Finance Lease.

Pursuant to the Hengshan Suzhou GCL Guarantee, Suzhou GCL New Energy has agreed to provide a corporate guarantee to secure Hengshan Jinghe's obligations under the Hengshan Finance Lease, including rental payments and other amounts due under the Hengshan Finance Lease.

B. Principal terms of the Previous Xiaoshan Finance Lease Agreements

(i) Date

30 December 2015

(ii) Parties

Seller and lessee: Zhejiang Shu Qimeng

Purchaser and lessor: Xinxin Finance Leasing Company

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(iii) The Xiaoshan Finance Lease

Pursuant to the Xiaoshan Ownership Transfer Agreement and the Xiaoshan Finance Lease, Xinxin Finance Leasing Company has agreed to purchase, and Zhejiang Shu Qimeng has agreed to sell, the Xiaoshan Photovoltaic Power Generation Equipment for a total consideration of RMB100,000,000.00 (equivalent to approximately HK\$118,440,000.00), and following the acquisition, Xinxin Finance Leasing Company shall lease back the Xiaoshan Photovoltaic Power Generation Equipment to Zhejiang Shu Qimeng for a term of three years, commencing from the day Xinxin Finance Leasing Company pays the consideration for the Xiaoshan Photovoltaic Power Generation Equipment under the Xiaoshan Ownership Transfer Agreement.

(iv) Payment of rent

The aggregate amount of rent payable by Zhejiang Shu Qimeng to Xinxin Finance Leasing Company under the Previous Xiaoshan Finance Lease Agreements is RMB115,030,000.00 (equivalent to approximately HK\$136,241,532.00) and is payable in quarterly instalments starting from 19 March 2016 in accordance with the following schedule:

Instalment	Repayment (RMB)
1.	4,500,000.00
2.	4,455,000.00
3.	4,410,000.00
4.	4,365,000.00
5.	4,320,000.00
6.	4,275,000.00
7.	4,230,000.00
8.	4,185,000.00
9.	4,140,000.00
10.	4,095,000.00
11.	4,050,000.00
12.	68,005,000.00

The aggregate amount of rent was calculated based on the principal lease cost plus the lease interest rate. The principal lease cost under the Previous Xiaoshan Finance Lease Agreements was RMB100,000,000.00 (equivalent to approximately HK\$118,440,000.00). The interest rate under the Previous Xiaoshan Finance Lease Agreements was calculated at an annualised interest rate of 6.00%, representing 126.32% of the then current benchmark lending rate (i.e. 4.75%) promulgated by the People's Bank of China. During the term of the Xiaoshan Finance Lease, if the applicable benchmark lending rate is adjusted by the People's Bank of China, the interest rate applicable shall be adjusted proportionally in the same direction as adjusted benchmark lending rate.

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In the 6 months following the commencement of the Xiaoshan Finance Lease, Zhejiang Shu Qimeng shall not terminate the Xiaoshan Finance Lease or seek to vary the terms of the lease for any reason.

(v) Consultation services

Pursuant to the Xiaoshan Services Agreement, Xinxin Finance Leasing Company agreed to provide to Zhejiang Shu Qimeng certain services including production and distribution planning, business and product consultation, process optimisation, industry competition analysis and financial consultation services for a total service fee of RMB2,772,900.00 (equivalent to approximately HK\$3,284,222.76). Zhejiang Shu Qimeng shall pay an initial amount of RMB739,440.00 (equivalent to approximately HK\$875,792.74) within five days of the Xiaoshan Services Agreement and then remainder of the fees in 11 equal quarterly instalments of RMB184,860.00 (equivalent to approximately HK\$218,948.18) starting from 20 March 2016.

The terms of the Xiaoshan Finance Lease and the Xiaoshan Services Agreement including the lease rent, lease interest rate, and services fee were determined after arm's length negotiation between Xinxin Finance Leasing Company and Zhejiang Shu Qimeng with reference to the prevailing market rates for (i) finance leases for similar assets and (ii) similar consultation services.

The price for the purchase of the Xiaoshan Photovoltaic Power Generation Equipment payable by Xinxin Finance Leasing Company under the Xiaoshan Ownership Transfer Agreement was determined through arm's length negotiation between the parties with reference to the average fair market price of similar photovoltaic power generation equipment.

(vi) Ownership of the Xiaoshan Photovoltaic Power Generation Equipment

During the term of the Xiaoshan Finance Lease, the ownership of the Xiaoshan Photovoltaic Power Generation Equipment shall vest in Xinxin Finance Leasing Company. Upon expiry of the term of the Xiaoshan Finance Lease and subject to the full payment of the entire amount of lease rent, and where applicable any tax, interest and default interest due under the Xiaoshan Finance Lease, Zhejiang Shu Qimeng is eligible to purchase the Xiaoshan Photovoltaic Power Generation Equipment at a nominal purchase price of RMB1,000.00 (equivalent to approximately HK\$1,184.40).

(vii) Security arrangements for the Xiaoshan Finance Lease

Pursuant to the Previous Xiaoshan Finance Lease Agreements, Zhejiang Shu Qimeng shall pay to Xinxin Finance Leasing Company the Xiaoshan Security Deposit within five business days of signing the Xiaoshan Finance Lease to secure Zhejiang Shu Qimeng's obligations under the Xiaoshan Finance Lease. Xinxin Finance Leasing Company shall be entitled to deduct from the Xiaoshan Security Deposit any unpaid rent, interest, default interest and any other amount due and

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payable by Zhejiang Shu Qimeng. In the event of such deduction, Zhejiang Shu Qimeng shall forthwith make up for the deduction and restore the amount of the Xiaoshan Security Deposit to RMB4,000,000.00 (equivalent to approximately HK\$4,737,600.00). Following the expiry of the Xiaoshan Finance Lease, any remaining balance of the Xiaoshan Security Deposit shall be refunded to Zhejiang Shu Qimeng. The Xiaoshan Security Deposit shall not bear any interest during the term of the Xiaoshan Finance Lease.

In addition, the obligations under the Xiaoshan Finance Lease were secured by the following:

- (i) **Xiaoshan Letter of Undertaking:** pursuant to the Xiaoshan Letter of Undertaking, the Company shall make up any shortfall in outstanding payments if Zhejiang Shu Qimeng fails to meet its payment obligations as they fall due under the Xiaoshan Finance Lease;
- (ii) **Xiaoshan Suzhou GCL Guarantee:** pursuant to the Xiaoshan Suzhou GCL Guarantee, Suzhou GCL New Energy has agreed to provide a corporate guarantee to secure Zhejiang Shu Qimeng's obligations under the Xiaoshan Finance Lease, including rental payments and other amounts due to Xinxin Finance Leasing Company;
- (iii) **Xiaoshan Receivables Pledge Agreement:** pursuant to the Xiaoshan Receivables Pledge Agreement, Zhejiang Shu Qimeng has pledged 100% of the receivables under the electricity sales agreement in relation to the Xiaoshan Project to secure all obligations under the Xiaoshan Finance Lease, including all rental payments, administrative fees, damages and other amounts that may be due to Xinxin Finance Leasing Company; and
- (iv) **Xiaoshan Share Pledge Agreement:** pursuant to the Xiaoshan Share Pledge Agreement, Suzhou GCL New Energy has pledged 91% of the equity interest in Zhejiang Shu Qimeng to secure all of Zhejiang Shu Qimeng's obligations under the Xiaoshan Finance Lease.

C. Principal terms of the Previous Hainan Finance Lease Agreements

(i) *Date*

25 April 2016

(ii) *Parties*

Seller and lessee: Hainan Yicheng

Purchaser and lessor: Xinxin Finance Leasing Company

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(iii) The Hainan Finance Lease

Pursuant to the Hainan Ownership Transfer Agreement and the Hainan Finance Lease, Xinxin Finance Leasing Company has agreed to purchase, and Hainan Yicheng has agreed to sell, the Hainan Photovoltaic Power Generation Equipment for a total consideration of RMB75,000,000.00 (equivalent to approximately HK\$88,830,000.00), and following the acquisition, Xinxin Finance Leasing Company shall lease back the Hainan Photovoltaic Power Generation Equipment to Hainan Yicheng for a term of three years, commencing from the day Xinxin Finance Leasing Company pays the consideration for the Hainan Photovoltaic Power Generation Equipment under the Hainan Ownership Transfer Agreement.

(iv) Payment of rent

The aggregate amount of rent payable by Hainan Yicheng to Xinxin Finance Leasing Company under the Previous Hainan Finance Lease Agreements is RMB86,284,101.56 (equivalent to approximately HK\$102,194,889.89) and is payable quarterly in instalments starting from 15 June 2016 in accordance with the following schedule:

Instalment	Repayment (RMB)
1.	3,363,281.25
2.	3,329,707.03
3.	3,296,132.81
4.	3,262,558.59
5.	3,228,984.38
6.	3,195,410.16
7.	3,161,835.94
8.	3,128,261.72
9.	3,094,687.50
10.	3,061,113.28
11.	3,027,539.06
12.	51,134,589.84

The aggregate amount of rent was calculated based on the principal lease cost plus the lease interest rate. The principal lease cost under the Hainan Finance Lease was RMB75,000,000.00 (equivalent to approximately HK\$88,830,000.00). The interest rate under the Hainan Finance Lease was calculated at an annualised interest rate of 6.00%, representing approximately 126.32% of the current benchmark lending rate (i.e. 4.75%) promulgated by the People's Bank of China. During the term of the Hainan Finance Lease, if the applicable benchmark lending rate is adjusted by the People's Bank of China, the interest rate applicable shall be adjusted proportionally in the same direction as the adjusted benchmark lending rate.

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In the 18 months following the commencement of the Hainan Finance Lease, Hainan Yicheng shall not terminate the Hainan Finance Lease or seek to vary the terms of the lease for any reason.

(v) Consultation services

Pursuant to the Hainan Services Agreement, Xinxin Finance Leasing Company agreed to provide to Hainan Yicheng certain services including production and distribution planning, business and product consultation, process optimisation, industry competition analysis and financial consultation services for a total service fee of RMB2,002,500.00 (equivalent to approximately HK\$2,371,761.00). Hainan Yicheng shall pay an initial amount of RMB534,000.00 (equivalent to approximately HK\$632,469.60) within five days of signing of the Hainan Services Agreement and then the remainder of the fees in 11 equal quarterly instalments of RMB133,500.00 (equivalent to approximately HK\$158,117.40) starting from the end of June 2016.

The terms of the Hainan Finance Lease and the Hainan Services Agreement including the lease rent, lease interest rate, and services fee were determined after arm's length negotiation between Xinxin Finance Leasing Company and Hainan Yicheng with reference to the prevailing market rates for (i) finance leases for similar assets and (ii) similar consultation services.

The price for the purchase of the Hainan Photovoltaic Power Generation Equipment payable by Xinxin Finance Leasing Company under the Hainan Ownership Transfer Agreement was determined through arm's length negotiation between the parties with reference to the average fair market price of similar photovoltaic power generation equipment.

(vi) Ownership of the Hainan Photovoltaic Power Generation Equipment

During the term of the Hainan Finance Lease, the ownership of the Hainan Photovoltaic Power Generation Equipment shall vest in Xinxin Finance Leasing Company. Upon expiry of the term of the Hainan Finance Lease and subject to the full payment of the entire amount of lease rent, and where applicable any tax, interest and default interest due under the Hainan Finance Lease, Hainan Yicheng is eligible to purchase the Hainan Photovoltaic Power Generation Equipment at a nominal purchase price of RMB1,000.00 (equivalent to approximately HK\$1,184.40).

(vii) Security arrangements for the Hainan Finance Lease

Pursuant to the Previous Hainan Finance Lease Agreements, Hainan Yicheng shall pay to Xinxin Finance Leasing Company the Hainan Security Deposit which shall be deducted from the purchase price under the Hainan Ownership Transfer Agreement to secure Hainan Yicheng's obligations under the Hainan Finance Lease. Xinxin Finance Leasing Company shall be entitled to deduct from the Hainan Security Deposit any unpaid rent, interest, default

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interest and any other amount due and payable by Hainan Yicheng. In the event of such deduction, Hainan Yicheng shall forthwith make up for the deduction and restore the amount of the Hainan Security Deposit to RMB3,375,000.00 (equivalent to approximately HK\$3,997,350.00). Following the expiry of the Hainan Finance Lease, any remaining balance of the Hainan Security Deposit shall be refunded to Hainan Yicheng. The Hainan Security Deposit shall not bear any interest during the term of the Hainan Finance Lease.

In addition, the obligations under the Hainan Finance Lease are secured by the following:

- (i) **Hainan Letter of Undertaking:** pursuant to the Hainan Letter of Undertaking, the Company has undertaken to make up any shortfall in outstanding payments if Hainan Yicheng fails to meet its payment obligations as they fall due under the Hainan Finance Lease;
- (ii) **Hainan Suzhou GCL Guarantee:** pursuant to the Hainan Suzhou GCL Guarantee, Suzhou GCL New Energy has agreed to provide a corporate guarantee to secure Hainan Yicheng's obligations under the Hainan Finance Lease, including rental payments and other amounts due to Xinxin Finance Leasing Company;
- (iii) **Hainan Receivables Pledge Agreement:** pursuant to the Hainan Receivables Pledge Agreement, Hainan Yicheng has pledged 100% of the receivables under the electricity sales agreement relating to its 25MW agriculture photovoltaic power station project located in the Hainan Province, PRC to secure all obligations under the Hainan Finance Lease, including all rental payments, administrative fees, damages and other amounts that may be due to Xinxin Finance Leasing Company; and
- (iv) **Hainan Share Pledge Agreement:** pursuant to the Hainan Share Pledge Agreement, Suzhou GCL New Energy has pledged 76.70% of the equity interest in Hainan Yicheng to secure all of Hainan Yicheng's obligations under the Hainan Finance Lease.

D. Principal terms of the Previous Hami Finance Lease Agreements

(i) Date

25 April 2016

(ii) Parties

Seller and lessee: Hami Ourui

Purchaser and lessor: Xinxin Finance Leasing Company

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(iii) The Hami Finance Lease

Pursuant to the Hami Ownership Transfer Agreement and the Hami Finance Lease, Xinxin Finance Leasing Company has agreed to purchase, and Hami Ourui has agreed to sell, the Hami Photovoltaic Power Generation Equipment for a total consideration of RMB140,000,000.00 (equivalent to approximately HK\$165,816,000.00), and following the acquisition, Xinxin Finance Leasing Company shall lease back the Hami Photovoltaic Power Generation Equipment to Hami Ourui for a term of three years, commencing from the day Xinxin Finance Leasing Company pays the consideration for the Hami Photovoltaic Power Generation Equipment under the Hami Ownership Transfer Agreement.

(iv) Payment of rent

The aggregate amount of rent payable by Hami Ourui to Xinxin Finance Leasing Company under the Previous Hami Finance Lease Agreements is RMB161,063,656.28 (equivalent to approximately HK\$190,763,794.50) and is payable in quarterly instalments starting from 15 June 2016 in accordance with the following schedule:

Instalment	Repayment (RMB)
1.	6,278,125.00
2.	6,215,453.13
3.	6,152,781.25
4.	6,090,109.38
5.	6,027,437.50
6.	5,964,765.63
7.	5,902,093.75
8.	5,839,421.88
9.	5,776,750.00
10.	5,714,078.13
11.	5,651,406.25
12.	95,451,234.38

The aggregate amount of rent was calculated based on the principal lease cost plus the lease interest rate. The principal lease cost under the Previous Hami Finance Lease Agreements was RMB140,000,000.00 (equivalent to approximately HK\$165,816,000.00). The interest rate under the Hami Finance Lease was calculated at an annualised interest rate of 6.00%, representing approximately 126.32% of the current benchmark lending rate (i.e. 4.75%) promulgated by the People's Bank of China. During the term of the Hami Finance Lease, if the applicable benchmark lending rate is adjusted by the People's Bank of China, the interest rate applicable shall be adjusted proportionally in the same direction as the adjusted benchmark lending rate.

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In the 18 months following the commencement of the Hami Finance Lease, Hami Ourui shall not terminate the Hami Finance Lease or seek to vary the terms of the lease for any reason.

(v) Consultation services

Pursuant to the Hami Services Agreement, Xinxin Finance Leasing Company agreed to provide to Hami Ourui certain services including production and distribution planning, business and product consultation, process optimisation, industry competition analysis and financial consultation services for a total service fee of RMB3,738,000.00 (equivalent to approximately HK\$4,427,287.20). Hami Ourui shall pay an initial amount of RMB996,800.00 (equivalent to approximately HK\$1,180,609.92) within five days of signing the Hami Services Agreement and then the remainder of the fees in 11 equal quarterly instalments of RMB249,200.00 (equivalent to approximately HK\$295,152.48) starting from the end of June 2016.

The terms of the Hami Finance Lease and the Hami Services Agreement including the lease rent, lease interest rate, and services fee were determined after arm's length negotiation between Xinxin Finance Leasing Company and Hami Ourui with reference to the prevailing market rates for (i) finance leases for similar assets and (ii) similar consultation services.

The price for the purchase of the Hami Photovoltaic Power Generation Equipment payable by Xinxin Finance Leasing Company under the Hami Ownership Transfer Agreement was determined through arm's length negotiation between the parties with reference to the average fair market price of similar photovoltaic power generation equipment.

(vi) Ownership of the Hami Photovoltaic Power Generation Equipment

During the term of the Hami Finance Lease, the ownership of the Hami Photovoltaic Power Generation Equipment shall vest in Xinxin Finance Leasing Company. Upon expiry of the term of the Hami Finance Lease and subject to the full payment of the entire amount of lease rent, and where applicable any tax, interest and default interest due under the Hami Finance Lease, Hami Ourui is eligible to purchase the Hami Photovoltaic Power Generation Equipment at a nominal purchase price of RMB1,000.00 (equivalent to approximately HK\$1,184.40).

(vii) Security arrangements for the Hami Finance Lease

Pursuant to the Previous Hami Finance Lease Agreements, Hami Ourui shall pay to Xinxin Finance Leasing Company the Hami Security Deposit which shall be deducted from the purchase price under the Hami Ownership Transfer Agreement to secure Hami Ourui's obligations under the Hami Finance Lease. Xinxin Finance Leasing Company shall be entitled to deduct from the Hami Security Deposit any unpaid rent, interest, default interest and any other amount

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due and payable by Hami Ourui. In the event of such deduction, Hami Ourui shall forthwith make up for the deduction and restore the amount of the Hami Security Deposit to RMB6,300,000.00 (equivalent to approximately HK\$7,461,720.00). Following the expiry of the Hami Finance Lease, any remaining balance of the Hami Security Deposit shall be refunded to Hami Ourui. The Hami Security Deposit shall not bear any interest during the term of the Hami Finance Lease.

In addition, the obligations under the Hami Finance Lease are secured by the following:

- (i) **Hami Letter of Undertaking:** pursuant to the Hami Letter of Undertaking, the Company has undertaken to make up any shortfall in outstanding payments if Hami Ourui fails to meet its payment obligations as they fall due under the Hami Finance Lease;
- (ii) **Hami Suzhou GCL Guarantee:** pursuant to the Hami Suzhou GCL Guarantee, Suzhou GCL New Energy has agreed to provide a corporate guarantee to secure Hami Ourui's obligations under the Hami Finance Lease, including rental payments and other amounts due to Xinxin Finance Leasing Company;
- (iii) **Hami Receivables Pledge Agreement:** pursuant to the Hami Receivables Pledge Agreement, Hami Ourui has pledged 100% of the receivables under the electricity sales agreement relating to its 20MW photovoltaic power station project located in Liushuquan in the Xinjiang Uyghur Autonomous Region, PRC to secure all obligations under the Hami Finance Lease, including all rental payments, administrative fees, damages and other amounts that may be due to Xinxin Finance Leasing Company; and
- (iv) **Hami Share Pledge Agreement:** pursuant to the Hami Share Pledge Agreement, Suzhou GCL New Energy has pledged 100% of the equity interest in Hami Ourui to secure all of Hami Ourui's obligations under the Hami Finance Lease.

E. Principal terms of the Previous Jingbian Finance Lease Agreements

(i) *Date*

25 April 2016

(ii) *Parties*

Seller and lessee: Jingbian County Shunfeng

Purchaser and lessor: Xinxin Finance Leasing Company

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(iii) The Jingbian Finance Lease

Pursuant to the Jingbian Ownership Transfer Agreement and the Jingbian Finance Lease, Xinxin Finance Leasing Company has agreed to purchase, and Jingbian County Shunfeng has agreed to sell, the Jingbian Photovoltaic Power Generation Equipment for a total consideration of RMB67,000,000.00 (equivalent to approximately HK\$79,354,800.00), and following the acquisition, Xinxin Finance Leasing Company shall lease back the Jingbian Photovoltaic Power Generation Equipment to Jingbian County Shunfeng for a term of three years, commencing from the day Xinxin Finance Leasing Company pays the consideration for the Jingbian Photovoltaic Power Generation Equipment under the Jingbian Ownership Transfer Agreement.

(iv) Payment of rent

The aggregate amount of rent payable by Jingbian County Shunfeng to Xinxin Finance Leasing Company under the Previous Jingbian Finance Lease Agreements is RMB77,080,464.06 (equivalent to approximately HK\$91,294,101.63) and is payable in quarterly instalments starting from 15 June 2016 in accordance with the following schedule:

Instalment	Repayment (RMB)
1.	3,004,531.25
2.	2,974,538.28
3.	2,944,545.31
4.	2,914,552.34
5.	2,884,559.38
6.	2,854,566.41
7.	2,824,573.44
8.	2,794,580.47
9.	2,764,587.50
10.	2,734,594.53
11.	2,704,601.56
12.	45,680,233.59

The aggregate amount of rent was calculated based on the principal lease cost plus the lease interest rate. The principal lease cost under the Previous Jingbian Finance Lease Agreements was RMB67,000,000.00 (equivalent to approximately HK\$79,354,800.00). The interest rate under the Jingbian Finance Lease was calculated at an annualised interest rate of 6.00%, representing approximately 126.32% of the current benchmark lending rate (i.e. 4.75%) promulgated by the People's Bank of China. During the term of the Jingbian Finance Lease, if the applicable benchmark lending rate is adjusted by the People's Bank of China, the interest rate applicable shall be adjusted proportionally in the same direction as the adjusted benchmark lending rate.

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In the 18 months following the commencement of the Jingbian Finance Lease, Jingbian County Shunfeng shall not terminate the Jingbian Finance Lease or seek to vary the terms of the lease for any reason.

(v) Consultation services

Pursuant to the Jingbian Services Agreement, Xinxin Finance Leasing Company agreed to provide to Jingbian County Shunfeng certain services including production and distribution planning, business and product consultation, process optimisation, industry competition analysis and financial consultation services for a total service fee of RMB1,788,900.00 (equivalent to approximately HK\$2,118,773.16). Jingbian County Shunfeng shall pay an initial amount of RMB477,040.00 (equivalent to approximately HK\$565,006.18) within five days of signing the Jingbian Services Agreement and then remainder of the fees in 11 equal quarterly instalments of RMB119,260.00 (equivalent to approximately HK\$141,251.54) starting from the end of June 2016.

The terms of the Jingbian Finance Lease and the Jingbian Services Agreement including the lease rent, lease interest rate, and services fee were determined after arm's length negotiation between Xinxin Finance Leasing Company and Jingbian County Shunfeng with reference to the prevailing market rates for (i) finance leases for similar assets and (ii) similar consultation services.

The price for the purchase of the Jingbian Photovoltaic Power Generation Equipment payable by Xinxin Finance Leasing Company under the Jingbian Ownership Transfer Agreement was determined through arm's length negotiation between the parties with reference to the average fair market price of similar power generation equipment.

(vi) Ownership of the Jingbian Photovoltaic Power Generation Equipment

During the term of the Jingbian Finance Lease, the ownership of the Jingbian Photovoltaic Power Generation Equipment shall vest in Xinxin Finance Leasing Company. Upon expiry of the term of the Jingbian Finance Lease and subject to the full payment of the entire amount of lease rent, and where applicable any tax, interest and default interest due under the Jingbian Finance Lease, Jingbian County Shunfeng is eligible to purchase the Jingbian Photovoltaic Power Generation Equipment at a nominal purchase price of RMB1,000.00 (equivalent to approximately HK\$1,184.40).

(vii) Security arrangements for the Jingbian Finance Lease

Pursuant to the Previous Jingbian Finance Lease Agreements, Jingbian County Shunfeng shall pay to Xinxin Finance Leasing Company the Jingbian Security Deposit which shall be deducted from the purchase price payable by Xinxin Finance Leasing Company under the Jingbian Ownership Transfer Agreement to secure Jingbian County Shunfeng's obligations under the Jingbian Finance Lease. Xinxin Finance Leasing Company shall be entitled to

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deduct from the Jingbian Security Deposit any unpaid rent, interest, default interest and any other amount due and payable by Jingbian County Shunfeng. In the event of such deduction, Jingbian County Shunfeng shall forthwith make up for the deduction and restore the amount of the Jingbian Security Deposit to RMB3,015,000.00 (equivalent to approximately HK\$3,570,966.00). Following the expiry of the Jingbian Finance Lease, any remaining balance of the Jingbian Security Deposit shall be refunded to Jingbian County Shunfeng. The Jingbian Security Deposit shall not bear any interest during the term of the Jingbian Finance Lease.

In addition, the obligations under the Jingbian Finance Lease were secured by the following:

- (i) **Jingbian Letter of Undertaking:** pursuant to the Jingbian Letter of Undertaking, the Company has undertaken to make up any shortfall in outstanding payments if Jingbian County Shunfeng fails to meet its payment obligations as they fall due under the Jingbian Finance Lease;
- (ii) **Jingbian Suzhou GCL Guarantee:** pursuant to the Jingbian Suzhou GCL Guarantee, Suzhou GCL New Energy has agreed to provide a guarantee to secure Jingbian County Shunfeng's obligations under the Jingbian Finance Lease, including rental payments and other amounts due to Xinxin Finance Leasing Company;
- (iii) **Jingbian Receivables Pledge Agreement:** pursuant to the Jingbian Receivables Pledge Agreement, Jingbian County Shunfeng has pledged 100% of the receivables under the electricity sales agreement relating to its 40MW photovoltaic power station project located in Shaanxi Province, PRC to secure all obligations under the Jingbian Finance Lease, including all rental payments, administrative fees, damages and other amounts that may be due to Xinxin Finance Leasing Company; and
- (iv) **Jingbian Share Pledge Agreement:** pursuant to the Jingbian Share Pledge Agreement, Suzhou GCL New Energy has pledged 95% of the equity interest in Jingbian County Shunfeng to secure all of Jingbian County Shunfeng's obligations under the Jingbian Finance Lease.

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F. Principal terms of the Previous Menghai Finance Lease Agreements

(i) *Date*

25 April 2016

(ii) *Parties*

Seller and lessee: Menghai GCL

Purchaser and lessor: Xinxin Finance Leasing Company

(iii) *The Menghai Finance Lease*

Pursuant to the Menghai Ownership Transfer Agreement and the Menghai Finance Lease, Xinxin Finance Leasing Company has agreed to purchase, and Menghai GCL has agreed to sell, the Menghai Photovoltaic Power Generation Equipment for a total consideration of RMB166,000,000.00 (equivalent to approximately HK\$196,610,400.00), and following the acquisition, Xinxin Finance Leasing Company shall lease back the Menghai Photovoltaic Power Generation Equipment to Menghai GCL for a term of three years, commencing from the day Xinxin Finance Leasing Company pays the consideration for the Menghai Photovoltaic Power Generation Equipment under the Menghai Ownership Transfer Agreement.

(iv) *Payment of rent*

The aggregate amount of rent payable by Menghai GCL to Xinxin Finance Leasing Company under the Previous Menghai Finance Lease Agreements is RMB190,975,478.14 (equivalent to approximately HK\$226,191,356.31) and is payable in quarterly instalments starting from 15 June 2016 in accordance with the following schedule:

Instalment	Repayment (RMB)
1.	7,444,062.50
2.	7,369,751.56
3.	7,295,440.63
4.	7,221,129.69
5.	7,146,818.75
6.	7,072,507.81
7.	6,998,196.88
8.	6,923,885.94
9.	6,849,575.00
10.	6,775,264.06
11.	6,700,953.13
12.	113,177,892.19

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The aggregate amount of rent was calculated based on the principal lease cost plus the lease interest rate. The principal lease cost under the Previous Menghai Finance Lease Agreements was RMB166,000,000.00 (equivalent to approximately HK\$196,610,400.00). The interest rate under the Menghai Finance Lease was calculated at an annualised interest rate of 6.00%, representing approximately 126.32% of the current benchmark lending rate (i.e. 4.75%) promulgated by the People's Bank of China. During the term of the Menghai Finance Lease, if the applicable benchmark lending rate is adjusted by the People's Bank of China, the interest rate applicable shall be adjusted proportionally in the same direction as the adjusted benchmark lending rate.

In the 18 months following the commencement of the Menghai Finance Lease, Menghai GCL shall not terminate the Menghai Finance Lease or seek to vary the terms of the lease for any reason.

(v) Consultation services

Pursuant to the Menghai Services Agreement, Xinxin Finance Leasing Company agreed to provide to Menghai GCL certain services including production and distribution planning, business and product consultation, process optimisation, industry competition analysis and financial consultation services for a total service fee of RMB4,432,200.00 (equivalent to approximately HK\$5,249,497.68). Menghai GCL shall pay an initial amount of RMB1,181,920.00 (equivalent to approximately HK\$1,399,866.05) within five days of signing the Menghai Services Agreement and then remainder of the fees in 11 equal quarterly instalments of RMB295,480.00 (equivalent to approximately HK\$349,966.51) starting from the end of June 2016.

The terms of the Menghai Finance Lease and the Menghai Services Agreement including the lease rent, lease interest rate, and services fee were determined after arm's length negotiation between Xinxin Finance Leasing Company and Menghai GCL with reference to the prevailing market rates for (i) finance leases for similar assets and (ii) similar consultation services.

The price for the purchase of the Menghai Photovoltaic Power Generation Equipment payable by Xinxin Finance Leasing Company under the Menghai Ownership Transfer Agreement was determined through arm's length negotiation between the parties with reference to the average fair market price of similar photovoltaic power generation equipment.

(vi) Ownership of the Menghai Photovoltaic Power Generation Equipment

During the term of the Menghai Finance Lease, the ownership of the Menghai Photovoltaic Power Generation Equipment shall vest in Xinxin Finance Leasing Company. Upon expiry of the term of the Menghai Finance Lease and subject to the full payment of the entire amount of lease rent, and where applicable any tax, interest and default interest due under the Menghai Finance

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Lease, Menghai GCL is eligible to purchase the Menghai Photovoltaic Power Generation Equipment at a nominal purchase price of RMB1,000.00 (equivalent to approximately HK\$1,184.40).

(vii) Security arrangements for the Menghai Finance Lease

Pursuant to the Previous Menghai Finance Lease Agreements, Menghai GCL shall pay to Xinxin Finance Leasing Company the Menghai Security Deposit which shall be deducted from the purchase price payable by Xinxin Finance Leasing Company under the Menghai Ownership Transfer Agreement to secure Menghai GCL's obligations under the Menghai Finance Lease. Xinxin Finance Leasing Company shall be entitled to deduct from the Menghai Security Deposit any unpaid rent, interest, default interest and any other amount due and payable by Menghai GCL. In the event of such deduction, Menghai GCL shall forthwith make up for the deduction and restore the amount of the Menghai Security Deposit to RMB7,470,000.00 (equivalent to approximately HK\$8,847,468.00). Following the expiry of the Menghai Finance Lease, any remaining balance of the Menghai Security Deposit shall be refunded to Menghai GCL. The Menghai Security Deposit shall not bear any interest during the term of the Menghai Finance Lease.

In addition, the obligations under the Menghai Finance Lease were secured by the following:

- (i) **Menghai Letter of Undertaking:** pursuant to the Menghai Letter of Undertaking, the Company has undertaken to make up any shortfall in outstanding payments if Menghai GCL fails to meet its payment obligations as they fall due under the Menghai Finance Lease;
- (ii) **Menghai Suzhou GCL Guarantee:** pursuant to the Menghai Suzhou GCL Guarantee, Suzhou GCL New Energy has agreed to provide a corporate guarantee to secure Menghai GCL's obligations under the Menghai Finance Lease, including rental payments and other amounts due to Xinxin Finance Leasing Company;
- (iii) **Menghai Receivables Pledge Agreement:** pursuant to the Menghai Receivables Pledge Agreement, Menghai GCL has pledged 100% of the receivables under the electricity sales agreement relating to its 50MW agriculture photovoltaic power station located in Menghai County of Xishuangbanna, PRC to secure all obligations under the Menghai Finance Lease, including all rental payments, administrative fees, damages and other amounts that may be due to Xinxin Finance Leasing Company; and
- (iv) **Menghai Share Pledge Agreement:** pursuant to the Menghai Share Pledge Agreement, Suzhou GCL New Energy has pledged 100% of the equity interest in Menghai GCL to secure all of Menghai GCL's obligations under the Menghai Finance Lease.

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G. Principal terms of the Previous Shandong Finance Lease Agreements

(i) *Date*

29 April 2016

(ii) *Parties*

Seller and lessee: Shandong Wanhai

Purchaser and lessor: Xinxin Finance Leasing Company

(iii) *The Shandong Finance Lease*

Pursuant to the Shandong Ownership Transfer Agreement and the Shandong Finance Lease, Xinxin Finance Leasing Company agreed to purchase, and Shandong Wanhai agreed to sell, the Shandong Photovoltaic Power Generation Equipment for a total consideration of RMB224,000,000.00 (equivalent to approximately HK\$265,305,600.00), and following the acquisition, Xinxin Finance Leasing Company shall lease back the Shandong Photovoltaic Power Generation Equipment to Shandong Wanhai for a term of three years, commencing from the day Xinxin Finance Leasing Company pays the consideration for the Shandong Photovoltaic Power Generation Equipment under the Shandong Ownership Transfer Agreement.

(iv) *Payment of rent*

The aggregate amount of rent payable by Shandong Wanhai to Xinxin Finance Leasing Company under the Previous Shandong Finance Lease Agreements is RMB257,701,850.00 (equivalent to approximately HK\$305,222,071.14) and is payable in quarterly instalments starting from the first instalment on 15 June 2016 in accordance with the following schedule:

Instalment	Repayment (RMB)
1.	10,045,000.00
2.	9,944,725.00
3.	9,844,450.00
4.	9,744,175.00
5.	9,643,900.00
6.	9,543,625.00
7.	9,443,350.00
8.	9,343,075.00
9.	9,242,800.00
10.	9,142,525.00
11.	9,042,250.00
12.	152,721,975.00

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The aggregate amount of rent was calculated based on the principal lease cost plus the lease interest rate. The principal lease cost under the Previous Shandong Finance Lease Agreements was RMB224,000,000.00 (equivalent to approximately HK\$265,305,600.00). The interest rate under the Previous Shandong Finance Lease Agreements was calculated at an annualised interest rate of 6.00%, representing 126.32% of the then current benchmark lending rate (i.e. 4.75%) promulgated by the People's Bank of China. During the term of the Shandong Finance Lease, if the applicable benchmark lending rate is adjusted by the People's Bank of China, the interest rate applicable shall be adjusted proportionally in the same direction as the adjusted benchmark lending rate.

In the 18 months following the commencement of the Shandong Finance Lease, Shandong Wanhai shall not terminate the Shandong Finance Lease or seek to vary the terms of the lease for any reason.

(v) Consultation services

Pursuant to the Shandong Services Agreement, Xinxin Finance Leasing Company agreed to provide to Shandong Wanhai certain services including production and distribution planning, business and product consultation, process optimisation, industry competition analysis and financial consultation services for a total service fee of RMB5,980,800.00 (equivalent to approximately HK\$7,083,659.52). Shandong Wanhai shall pay an initial amount of RMB1,594,880.00 (equivalent to approximately HK\$1,888,975.87) with the five days of the Shandong Services Agreement and then remainder of the fees in 11 equal quarterly instalments of RMB398,720.00 (equivalent to approximately HK\$472,243.97) starting from the end of June 2016.

The terms of the Shandong Finance Lease and the Shandong Services Agreement including the lease rent, lease interest rate, and services fee were determined after arm's length negotiation between Xinxin Finance Leasing Company and Shandong Wanhai with reference to the prevailing market rates for (i) finance leases for similar assets and (ii) similar consultation services.

The price for the purchase of the Shandong Photovoltaic Power Generation Equipment payable by Xinxin Finance Leasing Company under the Shandong Ownership Transfer Agreement was determined through arm's length negotiation between the parties with reference to the average fair market price of similar photovoltaic power generation equipment.

(vi) Ownership of the Shandong Photovoltaic Power Generation Equipment

During the term of the Shandong Finance Lease, the ownership of the Shandong Photovoltaic Power Generation Equipment shall vest in Xinxin Finance Leasing Company. Upon expiry of the term of the Shandong Finance Lease and subject to the full payment of the entire amount of lease rent, and where applicable any tax, interest and default interest due under the Shandong Finance

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Lease, Shandong Wanhai is eligible to purchase the Shandong Photovoltaic Power Generation Equipment at a nominal purchase price of RMB1,000.00 (equivalent to approximately HK\$1,184.40).

(vii) Security arrangements for the Shandong Finance Lease

Pursuant to the Previous Shandong Finance Lease Agreements, Shandong Wanhai shall pay to Xinxin Finance Leasing Company the Shandong Security Deposit which shall be deducted from the purchase price under the Shandong Ownership Transfer Agreement to secure Shandong Wanhai's obligations under the Shandong Finance Lease.

Xinxin Finance Leasing Company shall be entitled to deduct from the Shandong Security Deposit any unpaid rent, interest, default interest and any other amount due and payable by Shandong Wanhai. In the event of such deduction, Shandong Wanhai shall forthwith make up for the deduction and restore the amount of the Shandong Security Deposit to RMB10,080,000.00 (equivalent to approximately HK\$11,938,752.00). Following the expiry of the Shandong Finance Lease, any remaining balance of the Shandong Security Deposit shall be refunded to Shandong Wanhai. The Shandong Security Deposit shall not bear any interest during the term of the Shandong Finance Lease.

In addition, the obligations under the Shandong Finance Lease were secured by the following:

- (i) **Shandong Letter of Undertaking:** pursuant to the Shandong Letter of Undertaking, the Company shall make up any shortfall in outstanding payments if Shandong Wanhai fails to meet its payment obligations as they fall due under the Shandong Finance Lease;
- (ii) **Shandong Suzhou GCL Guarantee:** pursuant to the Shandong Suzhou GCL Guarantee, Suzhou GCL New Energy has agreed to provide a corporate guarantee to secure Shandong Wanhai's obligations under the Shandong Finance Lease, including rental payments and other amounts due to Xinxin Finance Leasing Company;
- (iii) **Shandong Receivables Pledge Agreement:** pursuant to the Shandong Receivables Pledge Agreement, Shandong Wanhai has pledged 100% of the receivables under the electricity sales agreement in relation to its 35MW photovoltaic power station project in Shandong Province, the PRC to secure all obligations under the Shandong Finance Lease, including all rental payments, administrative fees, damages and other amounts that may be due to Xinxin Finance Leasing Company; and
- (iv) **Shandong Share Pledge Agreement:** pursuant to the Shandong Share Pledge Agreement, Suzhou GCL New Energy has pledged 100% of the equity interest in Shandong Wanhai to secure all of Shandong Wanhai's obligations under the Shandong Finance Lease.

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H. Principal terms of the Previous Supplemental Menghai Finance Lease Agreements

(i) *Date*

19 May 2016

(ii) *Parties*

Seller and lessee: Menghai GCL

Purchaser and lessor: Xinxin Finance Leasing Company

(iii) *The Supplemental Menghai Finance Lease*

Pursuant to the Supplemental Menghai Ownership Transfer Agreement and the Supplemental Menghai Finance Lease, Xinxin Finance Leasing Company has agreed to purchase, and Menghai GCL has agreed to sell, the Additional Menghai Photovoltaic Power Generation Equipment for a total consideration of RMB22,000,000.00 (equivalent to approximately HK\$26,056,800.00), and following the acquisition, Xinxin Finance Leasing Company shall lease back the Additional Menghai Photovoltaic Power Generation Equipment to Menghai GCL for a term of three years, commencing from the day Xinxin Finance Leasing Company pays the consideration for the Additional Menghai Photovoltaic Power Generation Equipment under the Supplemental Menghai Ownership Transfer Agreement.

(iv) *Payment of rent*

The aggregate amount of rent payable by Menghai GCL to Xinxin Finance Leasing Company under the Supplemental Menghai Finance Lease Agreements is RMB25,310,003.14 (equivalent to approximately HK\$29,977,167.72) and is payable quarterly in instalments starting from 15 June 2016 in accordance with the following schedule:

Instalment	Repayment (RMB)
1.	986,562.50
2.	976,714.06
3.	966,865.63
4.	957,017.19
5.	947,168.75
6.	937,320.31
7.	927,471.88
8.	917,623.44
9.	907,775.00
10.	897,926.56
11.	888,078.13
12.	14,999,479.69

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The aggregate amount of rent was calculated based on the principal lease cost plus the lease interest rate. The principal lease cost under the Supplemental Menghai Finance Lease Agreements was RMB22,000,000.00 (equivalent to approximately HK\$26,056,800.00). The interest rate under the Supplemental Menghai Finance Lease was calculated at an annualised interest rate of 6.00%, representing approximately 126.32% of the current benchmark lending rate (i.e. 4.75%) promulgated by the People's Bank of China. During the term of the Supplemental Menghai Finance Lease, if the applicable benchmark lending rate is adjusted by the People's Bank of China, the interest rate applicable shall be adjusted proportionally in the same direction as the adjusted benchmark lending rate.

In the 18 months following the commencement of the Supplemental Menghai Finance Lease, Menghai GCL shall not terminate the Supplemental Menghai Finance Lease or seek to vary the terms of the lease for any reason.

(v) Consultation services

Pursuant to the Supplemental Menghai Services Agreement, Xinxin Finance Leasing Company agreed to provide to Menghai GCL certain services including production and distribution planning, business and product consultation, process optimisation, industry competition analysis and financial consultation services for a total service fee of RMB587,400.00 (equivalent to approximately HK\$695,716.56). Menghai GCL shall pay an initial amount of RMB156,640.00 (equivalent to approximately HK\$185,524.42) within five days of signing of the Supplemental Menghai Services Agreement and then the remainder of the fees in 11 equal quarterly instalments of RMB39,160.00 (equivalent to approximately HK\$46,381.10) starting from the end of June 2016.

The terms of the Supplemental Menghai Finance Lease and the Supplemental Menghai Services Agreement including the lease rent, lease interest rate, and services fee were determined after arm's length negotiation between Xinxin Finance Leasing Company and Menghai GCL with reference to the prevailing market rates for (i) finance leases for similar assets and (ii) similar consultation services.

The price for the purchase of the Additional Menghai Photovoltaic Power Generation Equipment payable by Xinxin Finance Leasing Company under the Supplemental Menghai Ownership Transfer Agreement was determined through arm's length negotiation between the parties with reference to the average fair market price of similar photovoltaic power generation equipment.

(vi) Ownership of the Additional Menghai Photovoltaic Power Generation Equipment

During the term of the Supplemental Menghai Finance Lease, the ownership of the Additional Menghai Photovoltaic Power Generation Equipment shall vest in Xinxin Finance Leasing Company. Upon expiry of the term of the

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Supplemental Menghai Finance Lease and subject to the full payment of the entire amount of lease rent, and where applicable any tax, interest and default interest due under the Supplemental Menghai Finance Lease, Menghai GCL is eligible to purchase the Additional Menghai Photovoltaic Power Generation Equipment at a nominal purchase price of RMB1,000.00 (equivalent to approximately HK\$1,184.40).

(vii) Security arrangements for the Supplemental Menghai Finance Lease

Pursuant to the Supplemental Menghai Finance Lease Agreements, Menghai GCL shall pay to Xinxin Finance Leasing Company the Supplemental Menghai Security Deposit which shall be deducted from the purchase price under the Supplemental Menghai Ownership Transfer Agreement to secure Menghai GCL's obligations under the Supplemental Menghai Finance Lease.

Xinxin Finance Leasing Company shall be entitled to deduct from the Supplemental Menghai Security Deposit any unpaid rent, interest, default interest and any other amount due and payable by Menghai GCL. In the event of such deduction, Menghai GCL shall forthwith make up for the deduction and restore the amount of the Supplemental Menghai Security Deposit to RMB990,000.00 (equivalent to approximately HK\$1,172,556.00). Following the expiry of the Supplemental Menghai Finance Lease, any remaining balance of the Supplemental Menghai Security Deposit shall be refunded to Menghai GCL. The Supplemental Menghai Security Deposit shall not bear any interest during the term of the Supplemental Menghai Finance Lease.

In addition, the obligations under the Supplemental Menghai Finance Lease are secured by the following:

- (i) **Supplemental Menghai Letter of Undertaking:** pursuant to the Supplemental Menghai Letter of Undertaking, the Company has undertaken to make up any shortfall in outstanding payments if Menghai GCL fails to meet its payment obligations as they fall due under the Supplemental Menghai Finance Lease; and
- (ii) **Supplemental Menghai Suzhou GCL Guarantee:** pursuant to the Supplemental Menghai Suzhou GCL Guarantee, Suzhou GCL New Energy and Xinxin Finance Leasing Company agreed to amend the Menghai Suzhou GCL Guarantee such that Suzhou GCL New Energy's corporate guarantee shall secure Menghai GCL's obligations under both the Menghai Finance Lease and the Supplemental Menghai Finance Lease, including rental payments and other amounts due to Xinxin Finance Leasing Company.

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3. FINANCIAL IMPACT OF THE SUPPLEMENTAL HAINAN FINANCE LEASE AGREEMENTS AND THE PREVIOUS AGREEMENTS AND INTENDED USE OF PROCEEDS

As a result of the transactions contemplated under the Supplemental Hainan Finance Lease Agreements and the Previous Agreements which in substance are financing arrangements, it is expected that (i) the total assets of the Group will increase to reflect the sale proceeds of the Overall Equipment and there will be no financial impact on the fixed assets of the Group; and (ii) the total liabilities of the Group will increase to reflect the payment obligations of the Group under the Supplemental Hainan Finance Lease Agreements and the Previous Agreements. The Company considers that there is no immediate material impact on the earnings of the Group as a result of the Supplemental Hainan Finance Lease Agreements and the Previous Agreements. However, the interest elements of approximately RMB169,908,000.00 and consultancy fees of approximately RMB28,109,000.00 will be charged to the income statement of the Group over the lease period under the Supplemental Hainan Finance Lease Agreements and the Previous Agreements.

The Directors consider that the consideration received for the Overall Equipment will improve the liquidity of the Group.

The total net book value of the Overall Equipment as at 30 April 2016 was approximately RMB1,239,747,000.00. The sale of the Overall Equipment is not expected to result in any gain or loss to the Group in its consolidated financial statements pursuant to applicable accounting principles.

Save as described above, it is not expected that there will be any material impact on the earnings and assets and liabilities of the Group as a result of the Supplemental Hainan Finance Lease Agreements and the Previous Agreements.

The funds received under the Supplemental Hainan Finance Lease Agreements and the Previous Agreements will be used for project developments.

4. REASONS FOR AND BENEFITS OF THE TRANSACTION

The Board had considered and used alternative methods of financing for the Group in the past. For example, in February 2016, the Group raised net proceeds of approximately HK\$2.3 billion in a rights issue, with most of the proceeds to be used to expand its solar energy business and improve its capital structure. The Board considered that the Supplemental Hainan Finance Lease Agreements and the Previous Agreements was an appropriate source of financing for the Group on this occasion. In comparison to other forms of financing considered, the Supplemental Hainan Finance Lease Agreements and the Previous Agreements (i) had comparably low financing costs; and (ii) were a quicker form of financing from the point of application to drawdown.

The terms of the Supplemental Hainan Finance Lease Agreements and the Previous Agreements have been agreed after arm's length negotiation between the relevant parties. The Directors believe that the Group will be able to derive additional liquidity through the

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financial arrangements under the Supplemental Hainan Finance Lease Agreements and the Previous Agreements, and benefit from 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 Supplemental Hainan Finance Lease Agreements and the Previous Agreements are on normal commercial terms, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

5. INFORMATION ON THE PARTIES TO THE SUPPLEMENTAL HAINAN FINANCE LEASE AGREEMENTS AND THE PREVIOUS AGREEMENTS

Xinxin Finance Leasing Company

Xinxin Finance Leasing Company is a company incorporated in the PRC with limited liability and it is principally engaged in finance lease and other leasing business. GCL-Poly is indirectly interested in 5.28% of the equity interest in Xinxin Finance Leasing Company. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, save as otherwise disclosed in this circular, Xinxin Finance Leasing Company 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 solar power stations as well as the manufacturing and selling of printed circuit boards.

6. LISTING RULES IMPLICATIONS

As the Previous Agreements were entered into with Xinxin Finance Leasing Company within a 12-month period prior to and inclusive of the date of the Supplemental Hainan Finance Lease Agreements, the Supplemental Hainan Finance Lease Agreements and the Previous Agreements will be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Supplemental Hainan Finance Lease Agreements and the Previous Agreements (in aggregate) exceeds 25% for the Company, the entering into of the Supplemental Hainan Finance Lease Agreements and the Previous Agreements, in aggregate, constitutes a major transaction of the Company and the Company shall comply with the reporting and announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

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7. SPECIAL GENERAL MEETING

A notice convening the SGM to be held at Centenary Room I, G/F, Marco Polo Hongkong Hotel, 3 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on 5 July 2016 at 11:00 a.m. is set out on pages SGM-1 to SGM-3 of this circular. An ordinary resolution will be proposed at the SGM to approve, among other things, the Supplemental Hainan Finance Lease Agreements and the Previous Agreements.

A proxy form for use at the SGM is enclosed. Whether or not you are able to attend the SGM in person, please complete the accompanying proxy form in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar and transfer office of the Company, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish.

As disclosed in GCL-Poly's and the Company's joint announcement dated 8 June 2016, as GCL-Poly is in discussion with one of the shareholders of Xinxin Finance Leasing Company in relation to a certain co-investment opportunity, Elite Time Global (being a wholly-owned subsidiary of GCL-Poly and the controlling Shareholder holding 11,880,000,000 ordinary Shares or approximately 62.28% of the issued Shares and the Shareholders' voting rights as at the Latest Practicable Date), will abstain from voting on the resolution to approve the major transaction relating to the Supplemental Hainan Finance Lease Agreements and the Previous Agreements.

Save as disclosed above and to the best of the knowledge, information and belief of the Directors and after having made all reasonable enquiries, as at the date of this circular, none of the Shareholders has a material interest in the major transaction and therefore none of them would be required to abstain from voting on the resolution to be proposed at the SGM in respect of the major transaction relating to the Supplemental Hainan Finance Lease Agreements and the Previous Agreements.

Pursuant to Rule 13.39(4) of the Listing Rules, any votes of the Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, the chairman of the SGM will demand a poll for each and every resolution put forward at the SGM. The Company will appoint scrutineers to handle vote-taking procedures at the SGM. The results of the poll will be published on the websites of the Stock Exchange and the Company as soon as possible in accordance with Rule 13.39(5) of the Listing Rules.

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8. RECOMMENDATION

The Board considers the Supplemental Hainan Finance Lease Agreements and the Previous Agreements are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution to be proposed at the SGM.

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
By order of the Board
GCL New Energy Holdings Limited
協鑫新能源控股有限公司
Zhu Yufeng
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for the year ended 31 March 2014, the audited consolidated financial statements of the Group for the nine month period from 1 April 2014 to 31 December 2014, and the audited consolidated financial statements of the Group for the year ended 31 December 2015 together with the relevant notes thereto are disclosed in the following documents, which were published on both the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.gclnewenergy.com):

- the annual report of the Company for the year ended 31 March 2014 published on 15 July 2014 (pages 31–100);
- the annual report of the Company for the nine month period from 1 April 2014 to 31 December 2014 published on 22 April 2015 (pages 53–143); and
- the annual report to the Company for the year ended 31 December 2015 published on 20 April 2016 (pages 59–169).

2. STATEMENT OF INDEBTEDNESS AND CONTINGENT LIABILITIES OF THE GROUP

At the close of business on 30 April 2016, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following outstanding borrowings:

	The Group		Total
	Secured	Unsecured	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Carrying amount of bank and other borrowings	7,069,468	5,862,370	12,931,838
Carrying amount of obligations under finance leases	79,543	—	79,543
Principal amount of convertible bonds	—	811,868	811,868
Principal amount of bonds payable	—	360,000	360,000
Principal amount of loans from a fellow subsidiary	—	529,260	529,260
	<u>7,149,011</u>	<u>7,563,498</u>	<u>14,712,509</u>

The Group's secured bank and other borrowings were secured by (i) the Group's property, plant and equipment; (ii) the Group's land use rights situated in the PRC; (iii) pledged bank and other deposits as at 30 April 2016; (iv) certain subsidiaries' trade receivables and fee collection rights in relation to the sales of electricity; (v) equity interest

of fellow subsidiaries; and (vi) equity interests in some project companies. The Group's obligations under finance leases were secured by a legal charge on the Group's plant and equipment as at 30 April 2016.

At 30 April 2016, certain bank and other loans of the Group amounting to RMB3,897,170,000 are guaranteed by fellow subsidiaries, RMB5,595,089,000 are guaranteed by entities within the Group, RMB756,907,000 are guaranteed by fellow subsidiaries and entities within the Group, RMB30,000,000 are guaranteed by a shareholder, RMB239,631,000 are guaranteed by third parties and RMB104,292,000 are guaranteed by a third party and entities within the Group. At 30 April 2016, the bonds payable amounting to RMB360,000,000 is guaranteed by GCL-Poly. All other borrowings are not guaranteed.

The Group's convertible bonds were issued on 27 May 2015 and 20 July 2015 at a nominal value of HK\$775,100,000 (equivalent to approximately RMB645,348,000) and HK\$200,000,000 (equivalent to approximately RMB166,520,000), respectively. The bonds mature three years from the date of issuance at its nominal value or can be converted into ordinary shares of the Company at a conversion price of HK\$0.754 per Share as adjusted pursuant to the terms of the convertible bonds. The convertible bonds are interest bearing at 6% per annum and carried at fair value. Unless previously redeemed, converted or purchased and cancelled, the Company will redeem all the principal amount of the convertible bonds outstanding on the maturity date at 112% of the outstanding principal amounts.

The Group's bonds payable was issued on 19 June 2015 and 7 July 2015 at a total nominal value of RMB360,000,000. The bonds mature one year from the date of issuance. The bonds payable is interest bearing at 6.7% per annum. The Group's bonds payable are guaranteed by GCL-Poly.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables in the ordinary course of business, as at the close of business on 30 April 2016, the Group did not have any debt securities authorised or otherwise created but unissued, or any term loans, other borrowings or indebtedness in the nature of borrowing including bank overdrafts, loans, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchase commitments, mortgages or charges, material contingent liabilities or guarantees outstanding.

To the best of the knowledge of the Directors, having made all reasonable enquiries, there has been no material change in the level of indebtedness of the Group since 30 April 2016.

3. WORKING CAPITAL

According to the Group's cash flow projections, as at 30 April 2016, the total committed capital expenditures relating to the acquisition and construction of solar power plants to be settled in the coming fourteen months ending 30 June 2017 amounted to approximately RMB9,154 million. As at 30 April 2016, the Group's total borrowings comprising bank and other borrowings, convertible bonds, bonds, obligations under finance leases and loans from a fellow subsidiary amounted to approximately RMB14,724 million. In addition, the Group, subject to the availability of further financial resources, is currently looking for further opportunities to increase the scale of its solar power plant operations through mergers and acquisitions. In the event that the Group is successful in securing more solar power plant investments or expanding the investments in the existing solar power plants in the coming twelve months from the date of this circular, significant additional cash outflows will be required to settle further committed capital expenditures. The Group expects that such amounts will be funded through the following resources and/or measures, which will generate adequate financing and operating cash flows for the Group.

The Directors have reviewed the Group's cash flow projections which cover a period of not less than twelve months from the date of this circular. They are of the opinion that the Group will have sufficient working capital to meet its financial obligations, including those committed capital expenditures relating to the solar power plants, that will be due in the coming twelve months from the date of this circular based on the Group's existing resources and upon successful implementation of the following measures which will generate adequate financing and operating cash inflows for the Group:

- (i) as at 30 April 2016, the Group had cash and cash equivalents of RMB1,848 million;
- (ii) the Group has been negotiating with banks for renewal of its current borrowings as necessary when they fall due in the coming twelve months following the date of this circular. Based on the past experience, the Group did not encounter any significant difficulties in renewing the borrowings and the Directors are confident that all borrowings can be renewed upon the Company's application when necessary;
- (iii) in March 2014, GCL-Poly together with three of its subsidiaries ("**GCL-Poly Subsidiaries**") jointly signed a framework borrowing agreement with a state-owned bank in the PRC for a total uncommitted banking facility of RMB5,000 million to finance the solar energy projects undertaken by GCL-Poly Subsidiaries. Up to 30 April 2016, approximately RMB1,905 million were drawn down by GCL-Poly and its subsidiaries other than any members of the Group, and approximately RMB1,230 million were drawn down by the subsidiaries of the Group. The remaining undrawn facility of approximately RMB1,865 million is available for the Group to draw down to finance its solar power plant projects. Under this framework agreement, guarantees from GCL-Poly Subsidiaries are required for the loan drawdowns. In addition, the drawdown of the facilities and

the terms of the borrowings, including the borrowings amounts, pledges or guarantees required and repayment terms, are subject to further approval of the bank upon application by the Group, and provision of guarantees from GCL-Poly Subsidiaries. The Group is in the process of discussing with GCL-Poly to obtain further written support from GCL-Poly for the provision of guarantees from GCL-Poly Subsidiaries that the bank requires when the applications for the loan drawdowns are submitted;

- (iv) the Group is negotiating with several banks in both Hong Kong and the PRC for additional financing. It has received detailed proposals from certain banks for total banking facilities with repayment periods from one year or more. The Group also received letters of intent from certain other banks which indicated that these banks tentatively offer banking facilities to the Group;
- (v) the Group is negotiating with other private investors for additional financing in the form of equity or debt or a combination of both. During 2016 and up to the date of this circular, the Group entered into trust scheme arrangements with certain financial institutions to secure a loan facility with maturities of more than one year; and
- (vi) the Group has completed the construction of 43 solar power plants with approval for on-grid connection up to 30 April 2016. The Group also has additional 11 solar power plants under construction targeting to achieve on-grid connection within the coming twelve months from the date of this circular. The abovementioned solar power plants have an aggregate installed capacity of approximately 2.4GW and are expected to generate operating cash inflows to the Group.

After taking into account the Group's business prospects, internal resources, and the available financing facilities, the Directors are satisfied that, the Group has sufficient working capital for its present requirements for at least the next twelve months from the date of this circular.

Notwithstanding the above, significant uncertainties exist as to whether the Group can achieve the plans and measures described in (ii) to (vi) above. The sufficiency of the Group's working capital to satisfy its present requirements for at least the next twelve months from the date of this circular is dependent on the Group's ability to generate adequate financing and operating cash flows through successful renewal of its bank borrowings upon expiry, compliance with the covenants under the borrowing agreements or obtaining waiver from the relevant banks if the Group is not able to satisfy any of the covenant requirements, successful securing of the financing from banks with repayment terms beyond twelve months from the date of this circular, obtaining the necessary guarantees from GCL-Poly and GCL-Poly Subsidiaries that the bank (mentioned in note (iii) above) requires and other short-term or long-term financing; and the completion of the construction of the solar power plants to generate adequate cash inflows as scheduled.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Company since 31 December 2015, being the date to which the latest published audited financial results of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

For the year ended 31 December 2015, the Group recorded a total revenue of approximately RMB1,970 million, whilst the total revenue for the period between 1 April 2014 and 31 December 2014 (“**Prior Period**”) was approximately RMB930 million. Gross profit for the year ended 31 December 2015 was approximately RMB523 million and gross profit margin was 26.5% whilst the gross profit for Prior Period was approximately RMB75 million and 8.1%. Loss attributable to owners of the Company for the year ended 31 December 2015 amounted to approximately RMB15 million as compared to the loss attributable to owners of the Company of RMB89 million for the Prior Period.

In 2016, the Group aims to add an installed capacity of 2 to 2.5 GW. To achieve this target, the Group will further optimize its development and construction strategy and focus on the Solar Frontrunner Program and poverty alleviation projects. Meanwhile, the Group will also strive to expand its project reserves including agriculture-photovoltaic, fishery-photovoltaic solar power projects and other projects.

As a leading solar enterprise, the Group will continue to expand its business in China while increasing its overseas presence. To support the Group’s global outreach, it aims to explore regional markets with ideal attributes and seek quality investment opportunities complementing the “One Belt, One Road” initiative.

Led by a strong management team, the Group expects the Solar Energy Business to become its main growth driver, and will strive to reduce costs of construction, development, operations and maintenance. The Group will grow its business by using its in-house development capabilities to build a sound model for sustainable development, while honing its long-term competitiveness. The Group’s revenue and profit are expected to grow rapidly in step with its development.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(i) Interests of Directors and chief executives of the Company

As at the Latest Practicable Date, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning in Part XV of the SFO) which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of SFO); (ii) required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(a) Long positions in the Shares

Name of Director	Beneficiary of a trust	Number of Shares (Note 1)		Approximate percentage of issued Shares
		Number of underlying Shares	Total	
Mr. Zhu Yufeng	—	3,523,100	3,523,100	0.02%
Mr. Sun Xingping	—	16,105,600	16,105,600	0.08%
Ms. Hu Xiaoyan	—	19,125,400	19,125,400	0.10%
Mr. Tong Wan Sze		8,052,800	8,052,800	0.04%
Mr. Yip Sum Yin	708,963,376 (Note 2)	14,797,020	723,760,396	3.79%
Ms. Sun Wei		27,178,200	27,178,200	0.14%
Mr. Sha Hongqiu		8,052,800	8,052,800	0.04%
Mr. Yeung Man Chung, Charles		15,099,000	15,099,000	0.08%
Mr. Wang Bohua		2,617,160	2,617,160	0.01%
Mr. Wang Yanguo		1,006,600	1,006,600	0.01%
Mr. Xu Songda		2,617,160	2,617,160	0.01%
Mr. Lee Conway Kong Wai		2,617,160	2,617,160	0.01%
Dr. Chen Ying		1,006,600	1,006,600	0.01%

Notes:

- Adjustments are required to be made to the number of underlying Shares as a result of the rights issue with effect from 2 February 2016. Details can be referred to the announcement of the Company dated 2 February 2016.
- 708,663,400 Shares of HK\$1/240 each (equivalent to HK\$0.00416) of the Company were beneficially owned by Sum Tai Holdings Limited (“Sum Tai”), which is wholly owned by Aberdare Assets Limited (“Aberdare”). Aberdare is wholly owned by Mr. Yip How Yin, Maurice as trustee of a discretionary trust established for the benefit of Mr. Yip Sum Yin, Ms. Yu Hung Min and their family (including Mr. Yip Wing Fung). 299,976 Shares were beneficially owned by Maroc Ventures Inc. (“Maroc”), which is wholly owned by Mr. Yip Sum Yin as trustee of a discretionary trust established for the benefit of Mr. Yip How Yin, Maurice and his family.

(b) Long positions in Shares of associated corporation

Name of Director	Beneficiary of a trust	Number of ordinary shares in GCL-Poly			Total	Approximate percentage of issued shares
		Corporate interests	Personal interests	Number of underlying shares		
Mr. Zhu Yufeng	6,127,721,489 <i>(Note 1)</i>	—	—	245,184,592 <i>(Notes 1 & 3)</i>	6,372,906,081	34.29%
Ms. Sun Wei	—	—	5,723,000	4,733,699 <i>(Note 2)</i>	10,456,699	0.06%
Mr. Sha Hongqiu	—	—	—	1,692,046	1,692,046	0.01%

Notes:

- Mr. Zhu Yufeng is beneficially interested in a trust as to 6,370,388,156 shares in GCL-Poly. Of these interest of 6,370,388,156 shares in GCL-Poly, 366,880,131 shares in GCL-Poly, 13,200,000 shares in GCL-Poly and 5,990,308,025 shares in GCL-Poly are legally held by Highexcel Investments Limited, Get Famous Investments Limited and Happy Genius Holdings Limited (together, the “Trust Companies”), respectively. Each of the Trust Companies is wholly-owned by Golden Concord Group Limited, which in turn is wholly-owned by Asia Pacific Energy Holdings Limited. Asia Pacific Energy Holdings Limited is in turn wholly-owned by Asia Pacific Energy Fund Limited, which itself is held under a discretionary trust with Credit Suisse Trust Limited as trustee and Mr. Zhu Gongshan (a director and chairman of GCL-Poly) and his family (including Mr. Zhu Yufeng, a director of GCL-Poly and the son of Mr. Zhu Gongshan) as beneficiaries. Of the 6,370,388,156 shares in GCL-Poly as stated above, 242,666,667 underlying shares in GCL-Poly are legally held by Pacific Alliance Asia Opportunity Fund LP (“PAA”) as the shares in GCL-Poly borrowed by it from Happy Genius Holdings Limited pursuant to the securities lending agreement dated 23 November 2013 (as amended by a number of agreements) entered into between Happy Genius Holdings Limited as lender and PAA as borrower.
- These are share options granted by GCL-Poly to the eligible persons, pursuant to the pre-IPO share option scheme and the share option scheme of GCL-Poly, both adopted by the shareholders of GCL-Poly on 22 October 2007. Such granted share options can be exercised by the eligible persons at various intervals during the period from 1 April 2009 to 23 March 2024 at an exercise price of HK\$4.071, HK\$2.867 or HK\$0.586 per share.

- (3) The 245,184,592 underlying shares of GCL-Poly comprises the long position of 242,666,667 shares of GCL-Poly held by Happy Genius Holdings Limited under Note (1) and 2,517,925 option shares mentioned under Note (2) above.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning in Part XV of the SFO) which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of SFO); (ii) required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Listing Rules to be notified to the Company and the Stock Exchange.

(ii) Interests of substantial shareholders

As at the Latest Practicable Date, so far as is known to the Directors, the following persons (other than a Director or chief executive of the Company) had interest in the Shares of the Company as recorded in the register required to be kept by the Company under section 336 of the Part XV of the SFO:

Name	Nature of interest	Number of Shares (Note 1)	Approximate percentage in issued Shares
Elite Time Global	Beneficial owner	11,880,000,000 (L) (Note 2)	62.28%
GCL-Poly	Corporate interest	11,880,000,000 (L) (Note 2)	62.28%
COAMI ABS No. 1 Limited	Beneficial owner	1,027,984,084 (L) (Note 3)	5.39%
Walkers Fiduciary Limited	Corporate interest	1,027,984,084 (L) (Note 3)	5.39%
Haitong International New Energy VIII Limited	Beneficial owner	1,844,978,301 (L) (Note 4)	9.67%
Haitong International Securities Group Limited	Corporate interest	1,844,978,301 (L) (Note 4)	9.67%
Haitong Securities Co., Ltd.	Corporate interest	1,844,978,301 (L) (Note 4)	9.67%

Notes:

1. "L" denotes a long position whilst the letter "S" denotes a short position.
2. Elite Time Global is wholly owned by GCL-Poly.
3. Talent Legend Holdings Ltd. assigned the outstanding convertible bonds in the aggregate principal amount of HK\$775,100,000.00 issued to Talent Legend Holdings Ltd. due on 27 March 2018 to COAMI ABS No. 1 Limited with effect from 11 December 2015. COAMI ABS No. 1 Limited is wholly owned by Walkers Fiduciary Limited. To the best of the Directors'

knowledge, information and belief, having made all reasonable enquiry, COAMI ABS No. 1 Limited and its ultimate holding company are not connected persons (as defined in the Listing Rules) of the Company.

4. According to the notice of interests filed by Haitong International Securities Group Limited and Haitong Securities Co., Ltd. on 3 February 2016, Haitong International New Energy VIII Limited is indirectly wholly-owned by Haitong International Securities Group Limited, which is indirectly owned as to 60.01% by Haitong Securities Co., Ltd.

Save as disclosed herein, as at the Latest Practicable Date, according to the register of interests required to be kept by the Company under section 336 of the SFO, the Company is not aware of any other persons who had any interest or short position in the Shares or underlying Shares.

3. DISCLOSURE OF OTHER INTERESTS OF THE DIRECTORS

(i) Interests in competing interests

Each of the companies in the Concord Group (a general reference to the companies in which Mr. Zhu Yufeng and his family members have a direct or indirect interest) operates within its own legal, corporate and financial framework. As at the Latest Practicable Date, the Concord Group might have had or developed interests in business similar to those of the Group and there was a chance that such businesses might have competed with the businesses of the Group.

The Directors are fully aware of, and have been discharging, their fiduciary duty to the Company. The Company and the Directors would comply with the relevant requirements of the bye-laws of the Company and the Listing Rules whenever a Director has any conflict of interest in the transaction(s) with the Company. Therefore, the Directors believe that the Company is capable of carrying out its business independently of, and at arm's length from the Concord Group.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors and their respective close associates (has the same meaning ascribed to it under the Listing Rules) are considered to have interests in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group required to be disclosed under the Listing Rules.

(ii) Interests in contracts or arrangements

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any subsisting contract or arrangement which was significant in relation to the business of the Group.

(iii) Interests in assets

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2015 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or been proposed to enter, into any service contract with the Company or any other member of the Group which is not expiring or may not be terminable by the Group within one year without payment of compensation (other than statutory compensation).

5. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within the two years immediately preceding the Latest Practicable Date which are or may be material:

- (i) the placing agreement dated 8 October 2014 entered into between the Company, Elite Time Global and Sun Hung Kai Investment Services Limited (as placing agent) in respect of placing of up to 291,000,000 Shares to independent third parties at the placing price of HK\$2.55 per top-up placing share;
- (ii) the subscription agreement dated 8 October 2014 entered into between the Company and Elite Time Global in respect of subscription of up to 291,000,000 new Shares by Elite Time Global at a consideration of HK\$742,050,000.00;
- (iii) the subscription agreement dated 26 April 2015 between the Company, GCL Yield Holding Company Limited (“**Yield Holding**”) and Goldman Sachs Investment Holdings (Asia) Limited in respect of the propose issuance of the convertible bonds to be issued in two tranches in an aggregate principal amount of US\$100,000,000.00 by Yield Holding;
- (iv) the subscription agreement dated 29 April 2015 entered into between the Company and Talent Legend Holdings Ltd. in respect of the subscription of convertible bonds in the principal amount of HK\$775,100,000.00;
- (v) the subscription agreement dated 29 April 2015 entered into between the Company and Ivyrock China Focus Master Fund in respect of the subscription of convertible bonds in the principal amount of HK\$200,000,000.00;
- (vi) the placing agreement dated 29 April 2015 entered into between the Company and Essence International Securities (Hong Kong) Limited in respect of the private placement of the convertible bonds in the principal amount of HK\$975,100,000.00;

- (vii) the partnership agreement dated 29 May 2015 entered into between Nanjing GCL New Energy, Suzhou GCL New Energy, Galaxy Capital Asset Management Company Ltd.* (銀河資本資產管理有限公司) and JIC Capital Management (Tianjin) Ltd.* (中建投資本管理(天津)有限公司) in respect of the establishment of Jiali (Tianjin) Asset Management Enterprise (Limited Partnership)* (嘉立(天津)資產管理合夥企業(有限合夥)), an investment fund with an initial capital commitment of RMB1,251,000,000.00;
- (viii) the agreements in relation to the issue of bonds by Nanjing GCL New Energy on 4 June 2015 in the PRC in the maximum principal amount of RMB360,000,000.00 with a term of one year from the date of issue and be privately issued to qualifying investors on the Jiangsu Equity Exchange Center Limited Liability Company;
- (ix) the amendment and restatement deed on 14 July 2015 in relation to the convertible bonds in the principal amount of HK\$200,000,000.00 to be issued to Ivyrock China Focus Master Fund;
- (x) the underwriting agreement dated 15 December 2015 entered into between the Company, Elite Time Global and Haitong International Securities Company Limited in relation to the underwriting of rights shares of the Company and certain other arrangements in respect of the rights issue of the Company;
- (xi) the cooperation agreement dated 27 April 2016 entered into between Beijing Dongfu Jueqi Economic Consulting Centre (Limited Partnership)* (北京東富崛起經濟諮詢中心(有限合夥)) (“**Dongfu Jueqi**”), Nanjing GCL New Energy, Suzhou GCL New Energy and the Company in relation to cooperation for the Beijing Guande Xinneng Investment Management Centre (Limited Partnership)* (北京冠德新能投資管理中心(有限合夥)) (the “**Beijing Limited Partnership**”); and
- (xii) the partnership agreement dated 27 April 2016 entered into between Dongfu Jueqi, Nanjing GCL New Energy and Dongfu (Beijing) Huitong Investment Management Company Limited* (東富(北京)投資管理有限公司) in relation to the establishment of the Beijing Limited Partnership.

6. CLAIMS AND LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

7. GENERAL

- (i) the registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11 Bermuda.

- (ii) the principal place of business of the Company in Hong Kong is situated at Unit 1701A–1702A, Level 17, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.
- (iii) the branch share registrar and transfer office of the Company is Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
- (iv) the company secretary of the Company is Mr. Cheng Man Wah, who is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.
- (v) in case of inconsistencies, the English texts of this circular and proxy form shall prevail over the Chinese texts thereof.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal place of business of the Company in Hong Kong at Unit 1701A–1702A, Level 17, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong from 9:00 a.m. to 5:30 p.m. on any business day from the date of this circular up to and including the date of the SGM:

- (i) the memorandum of association and bye-laws of the Company;
- (ii) the material contracts referred to in the section headed “Material contracts” in this appendix;
- (iii) the annual reports of the Company for the period/year ended 31 December 2014 and 31 December 2015; and
- (iv) this circular.

NOTICE OF SPECIAL GENERAL MEETING



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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting (the “SGM”) of GCL New Energy Holdings Limited 協鑫新能源控股有限公司 (the “Company”) will be held at Centenary Room I, G/F, Marco Polo Hongkong Hotel, 3 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on 5 July 2016 at 11:00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolution:

ORDINARY RESOLUTION

“**THAT** the Supplemental Hainan Finance Lease Agreements and the Previous Agreements (each as defined in the circular dated 17 June 2016 despatched to the shareholders (the “Shareholders”) of the Company and copies of which are produced to the SGM and initialed by the chairman of the SGM for identification purpose), and the transactions contemplated therein, be and are hereby unconditionally approved, confirmed and ratified and any one or more of the directors of the Company be and are hereby authorised on behalf of the Company to do such things or acts (including but not limited to executing any further documents, instruments and agreements) as he/she/they may consider necessary, desirable or expedient to give effect to such transactions.”

By order of the Board
GCL New Energy Holdings Limited
協鑫新能源控股有限公司
Cheng Man Wah
Company Secretary

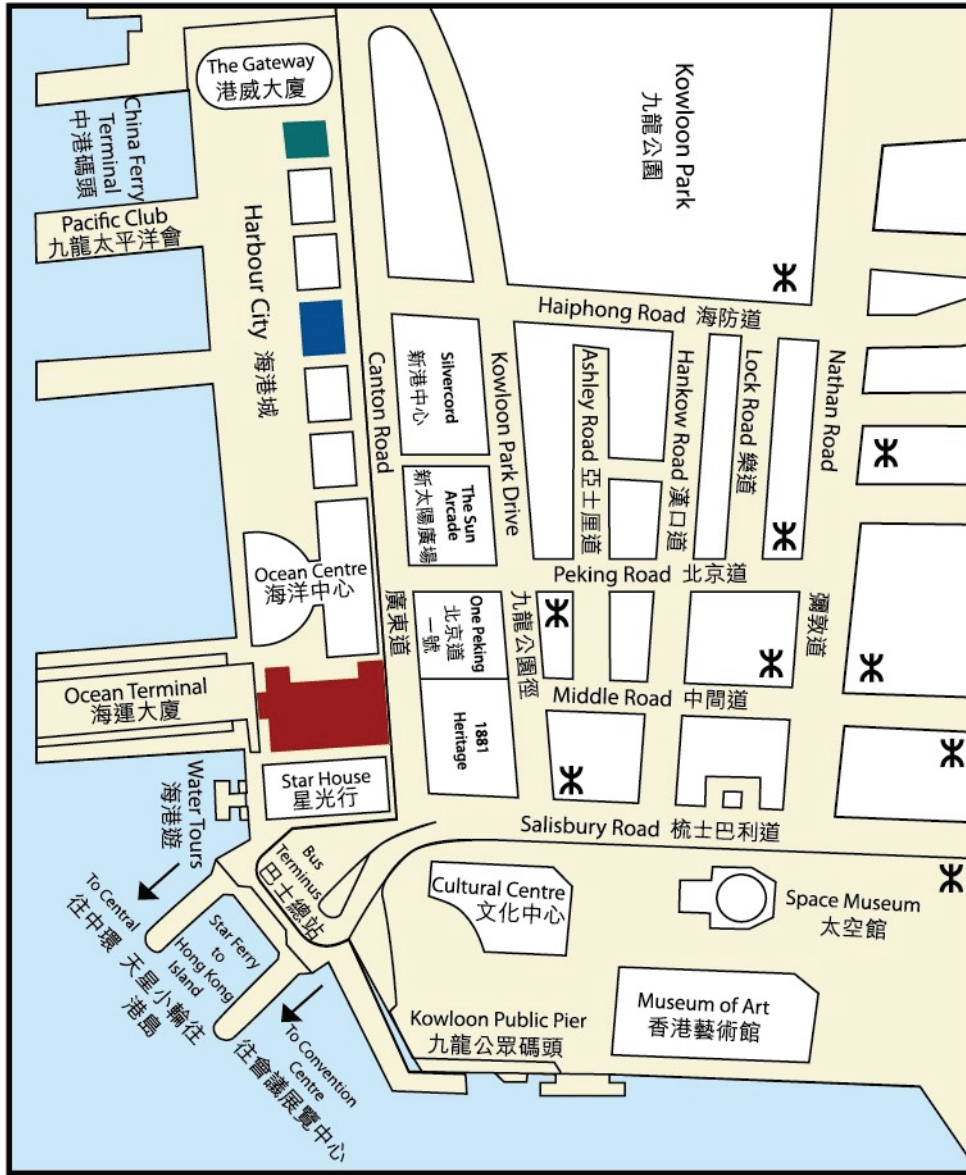
Hong Kong, 17 June 2016

NOTICE OF SPECIAL GENERAL MEETING

Notes:

1. Any member entitled to attend and vote at the SGM is entitled to appoint another person as his/her proxy to attend and vote on his/her behalf. A member who is the holder of two or more shares of the Company may appoint more than one proxy to attend on the same occasion. A proxy need not be a member of the Company.
2. In order to be valid, proxy forms in prescribed form together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority should be deposited to the Company's Hong Kong branch share registrar and transfer office, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable, but in any event not less than 48 hours before the time fixed for holding the SGM or any adjournment thereof (as the case may be).
3. Completion and delivery of the proxy form will not preclude members from attending and voting in person at the SGM or any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the proxy form shall be deemed to be revoked.
4. In the case of joint holders of shares of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she/it were solely entitled thereto, but if more than one of such joint holders are present at the SGM of the Company, personally or by proxy, that one of the said persons so present whose name stands first in the register in respect of such shares shall alone be entitled to vote in respect thereof.
5. Pursuant to Rule 13.39(4) of the Listing Rules, resolutions will be put to vote at the SGM by way of poll.
6. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 8:00 a.m. on the date of the SGM, the SGM will be postponed. Shareholders may visit the website of the Company at www.gclnewenergy.com for details of the postponement and alternative meeting arrangement.

NOTICE OF SPECIAL GENERAL MEETING



- Marco Polo Hongkong Hotel 馬哥孛羅香港酒店
- Gateway Hotel 港威酒店
- Prince Hotel 太子酒店
- ✕ Tsim Sha Tsui / East Tsim Sha Tsui MTR Station 尖沙咀 / 尖東鐵路站