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GCL-Poly Energy Holdings Limited

保利協鑫能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3800)



GCL New Energy Holdings Limited

協鑫新能源控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 451)

**DISCLOSEABLE TRANSACTION
WITH CHINA FINANCIAL
LEASING COMPANY LIMITED**

**VOLUNTARY ANNOUNCEMENT
TRANSACTION WITH CHINA
FINANCIAL LEASING
COMPANY LIMITED**

On 19 October 2016, the GNE Group entered into the following finance lease arrangements with China Financial:

- (a) the Gaoyou Finance Lease Agreements in relation to the financing of the Gaoyou Photovoltaic Power Generation Equipment, pursuant to which (i) the Gaoyou Photovoltaic Power Generation Equipment shall be sold by Nanjing GCL New Energy to China Financial for RMB61,337,800.00 (equivalent to approximately HK\$70,710,215.84) and then leased to Gaoyou GCL (an indirect wholly-owned subsidiary of GNE) for a term of ten years for an aggregate estimated rent of RMB77,615,595.59 (equivalent to approximately HK\$89,475,258.60) and (ii) Gaoyou GCL shall pay to China Financial an administrative fee of RMB1,520,000.00 (equivalent to approximately HK\$1,752,256.00); and
- (b) the Baoying Finance Lease Agreements in relation to the financing of the Baoying Photovoltaic Power Generation Equipment, pursuant to which (i) the Baoying Photovoltaic Power Generation Equipment shall be sold by Nanjing GCL New Energy to China Financial for RMB36,896,047.58 (equivalent to approximately HK\$42,533,763.65) and then leased to Baoying GCL (an indirect wholly-owned subsidiary of GNE) for a term of ten years for an aggregate estimated rent of RMB46,569,357.35 (equivalent to approximately HK\$53,685,155.15) and (ii) Baoying GCL shall pay to China Financial an administrative fee of RMB1,260,000.00 (equivalent to approximately HK\$1,452,528.00),

(together, the “Finance Lease Agreements”).

In addition, on 29 April 2016, the GNE Group entered into the following finance lease arrangements with China Financial:

- (a) the Macheng Finance Lease Agreements in relation to the financing of the Macheng Photovoltaic Power Generation Equipment, pursuant to which (i) the Macheng Photovoltaic Power Generation Equipment shall be sold to China Financial for RMB620,000,000.00 (equivalent to approximately HK\$714,736,000.00) and then leased back to Macheng City Jinfu (an indirect wholly-owned subsidiary of GNE) for a term of one year for an aggregate rent of RMB664,838,888.89 (equivalent to approximately HK\$766,426,271.11) and (ii) Macheng City Jinfu shall pay to China Financial an administrative fee of RMB9,300,000.00 (equivalent to approximately HK\$10,721,040.00);
- (b) the Tongyu Finance Lease Agreements in relation to the financing of the Tongyu Photovoltaic Power Generation Equipment, pursuant to which (i) the Tongyu Photovoltaic Power Generation Equipment shall be sold to China Financial for RMB90,000,000.00 (equivalent to approximately HK\$103,752,000.00) and then leased back to Tongyu County Poultry (an indirect wholly-owned subsidiary of GNE) for a term of two years for an aggregate rent of RMB100,137,937.50 (equivalent to approximately HK\$115,439,014.35) and (ii) Tongyu County Poultry shall pay to China Financial an administrative fee of RMB2,350,000.00 (equivalent to approximately HK\$2,709,080.00); and
- (c) the Hefei Finance Lease Agreements in relation to the financing of the Hefei Photovoltaic Power Generation Equipment, pursuant to which (i) the Hefei Photovoltaic Power Generation Equipment shall be sold to China Financial for RMB110,000,000.00 (equivalent to approximately HK\$126,808,000.00) and then leased back to Hefei Jiuyang (an indirect subsidiary of GNE) for a term of two years for an aggregate rent of RMB122,390,812.50 (equivalent to approximately HK\$141,092,128.65) and (ii) Hefei Jiuyang shall pay to China Financial an administrative fee of RMB3,200,000.00 (equivalent to approximately HK\$3,688,960.00),

(together, the “**Previous Agreements**”).

LISTING RULES IMPLICATIONS FOR GCL-POLY

As none of the applicable percentage ratio in respect of the Previous Agreements (on their own) exceeded 5% for GCL-Poly, the entering into of the Previous Agreements did not constitute a discloseable transaction for GCL-Poly under Chapter 14 of the Listing Rules.

As the Previous Agreements were entered into with China Financial within a 12-month period prior to and inclusive of the date of the Finance Lease Agreements, the Finance Lease Agreements and the Previous Agreements will be aggregated as a series of transactions for GCL-Poly pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Finance Lease Agreements and the Previous Agreements (in aggregate) exceeds 5% but is less than 25% for GCL-Poly, the entering into of the Finance Lease Agreements and the Previous Agreements, in aggregate, constitutes a discloseable transaction for GCL-Poly and GCL-Poly shall comply with the reporting and announcement requirements under Chapter 14 of the Listing Rules.

LISTING RULES IMPLICATIONS FOR GNE

As none of the applicable percentage ratio in respect of the Finance Lease Agreements (on their own) exceeded 5% for GNE, the entering into of the Finance Lease Agreements did not constitute a discloseable transaction for GNE under Chapter 14 of the Listing Rules.

As disclosed in GNE's announcement dated 29 April 2016, the entering into of the Previous Agreements constituted a discloseable transaction for GNE under Chapter 14 of the Listing Rules.

As the Previous Agreements were entered into with China Financial within a 12-month period prior to and inclusive of the date of the Finance Lease Agreements, the Finance Lease Agreements and the Previous Agreements will be aggregated as a series of transactions for GNE pursuant to Rule 14.22 of the Listing Rules.

The entering into of the Finance Lease Agreements and the Previous Agreements (in aggregate) did not trigger a higher classification of a major transaction for GNE under Chapter 14 of the Listing Rules. This announcement is made by GNE on a voluntary basis.

1. THE FINANCE LEASE AGREEMENTS

A. Principal terms of the Gaoyou Finance Lease Agreements

Date	19 October 2016
Parties	(i) Seller: Nanjing GCL New Energy (ii) Purchaser and lessor: China Financial (iii) Lessee: Gaoyou GCL

Gaoyou Finance Lease

Pursuant to the Gaoyou Sale and Purchase Agreement and the Gaoyou Finance Lease, China Financial has agreed to purchase the Gaoyou Photovoltaic Power Generation Equipment from Nanjing GCL New Energy for a total consideration of RMB61,337,800.00 (equivalent to approximately HK\$70,710,215.84). The purchase price is payable in two instalments: (i) RMB6,337,800.00 (equivalent to approximately HK\$7,306,215.84) payable by Gaoyou GCL upon the signing of the Gaoyou Sale and Purchase Agreement and (ii) RMB55,000,000.00 (equivalent to approximately HK\$63,404,000.00) payable by China Financial upon the satisfaction of all payment terms under the Gaoyou Sale and Purchase Agreement within two months of signing.

Following the acquisition, China Financial shall lease the Gaoyou Photovoltaic Power Generation Equipment to Gaoyou GCL for a term of ten years, commencing from the Gaoyou Commencement Date.

Payment of rent

The aggregate estimated amount of rent payable by Gaoyou GCL to China Financial under the Gaoyou Finance Lease is RMB77,615,595.59 (equivalent to approximately HK\$89,475,258.60) and is payable in a total of 40 quarterly instalments starting from the next 15th day of the month after the Gaoyou Commencement Date. The first six instalments will only cover the lease interest, which is calculated based on the total unpaid principal amount multiplied by the annual lease interest rate and the actual number of days of the instalment divided by 360. The remaining 34 instalments will cover the principal lease cost plus the lease interest.

The aggregate estimated amount of rent was calculated based on the principal lease cost plus the lease interest rate based on the estimated Gaoyou Commencement Date of 19 October 2016. The principal lease cost under the Gaoyou Finance Lease was RMB55,000,000.00 (equivalent to approximately HK\$63,404,000.00). The interest rate under the Gaoyou Finance Lease was calculated at an annual interest rate of 6.9%, representing 2.0% above the prevailing benchmark lending rate of 4.9% promulgated by the People's Bank of China. During the term of the Gaoyou 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. If the applicable benchmark lending rate promulgated by the People's Bank of China is adjusted to below 4.5%, then the applicable interest rate under the Gaoyou Finance Lease shall not be adjusted further downwards.

Administrative fee

Pursuant to the Gaoyou Administrative Fee Agreement, China Financial agreed to provide to Gaoyou GCL certain services including finance leasing products consultation, industry and market analysis, financing proposals, financial management consulting, post-rental project management report and risk alert for an administrative fee of RMB1,520,000.00 (equivalent to approximately HK\$1,752,256.00).

Gaoyou GCL shall pay an initial amount of RMB80,000.00 (equivalent to approximately HK\$92,224.00) within two months of signing the Gaoyou Sale and Purchase Agreement and prior to the Gaoyou Commencement Date. Gaoyou GCL shall then pay the remainder of the fee in 18 equal quarterly instalments of RMB80,000.00 (equivalent to approximately HK\$92,224.00) on each payment date for the first 18 instalments of rent under the Gaoyou Finance Lease.

The terms of the Gaoyou Main Agreements, including the lease rent, lease interest rate, purchase price and administrative fee, were determined after arm's length negotiation between China Financial and Gaoyou GCL with reference to (i) the prevailing market rates for finance leases for similar assets, (ii) the prevailing market rates for similar management and financial consultation services and (iii) the fair market price for similar photovoltaic power generation equipment.

Ownership of the Gaoyou Photovoltaic Power Generation Equipment

During the term of the Gaoyou Finance Lease, the ownership of the Gaoyou Photovoltaic Power Generation Equipment shall vest in China Financial. During the lease period, Gaoyou GCL will use and keep the Gaoyou Photovoltaic Power Generation Equipment and China Financial shall not interfere with the normal use of the Gaoyou Photovoltaic Power Generation Equipment by Gaoyou GCL. Upon expiry of the term of the Gaoyou Finance Lease, subject to the full payment of the entire amount of lease rent and any other amounts due and there being no breach under the Gaoyou Finance Lease, Gaoyou GCL is eligible to purchase the Gaoyou Photovoltaic Power Generation Equipment at a nominal purchase price of RMB10,000.00 (equivalent to approximately HK\$11,528.00).

Security arrangements for the Gaoyou Finance Lease

Pursuant to the Gaoyou Rental Deposit Agreement, Gaoyou GCL shall pay to China Financial a rental deposit of RMB2,700,000.00 (equivalent to approximately HK\$3,112,560.00) within two months of signing the Gaoyou Sale and Purchase Agreement and prior to the Gaoyou Commencement Date to secure Gaoyou GCL's obligations under the Gaoyou Finance Lease.

China Financial shall be entitled to deduct from the rental deposit any unpaid rent, interest, any other amount due and payable and any cost incurred as a result of a breach of the Gaoyou Finance Lease by Gaoyou GCL. In the event of such deduction, when notified by China Financial, Gaoyou GCL shall make up for the deduction and restore the amount of the rental deposit to RMB2,700,000.00 (equivalent to approximately HK\$3,112,560.00).

Following the expiry of the Gaoyou Finance Lease, any remaining balance of the rental deposit may be used, with the consent of China Financial, to offset the rental payment for the last instalment or any other amount payable under the Gaoyou Finance Lease. The rental deposit shall not bear any interest.

In addition, Gaoyou GCL's obligations under the Gaoyou Main Agreements are secured by the following:

- (i) **Gaoyou Suzhou GCL Guarantee:** pursuant to the Gaoyou Suzhou GCL Guarantee, Suzhou GCL New Energy has agreed to provide a corporate guarantee to secure Gaoyou GCL's obligations under the Gaoyou Main Agreements, including all interest, rental payments, administrative fees, damages and other amounts due to China Financial;
- (ii) **Gaoyou Receivables Pledge Agreement:** pursuant to the Gaoyou Receivables Pledge Agreement, Gaoyou GCL has agreed to pledge all receivables in respect of income (including electricity fees and subsidies) arising from the photovoltaic power station relating to the Gaoyou Photovoltaic Power Generation Equipment to secure all obligations under the Gaoyou Main Agreements, including all interest, rental payments, administrative fees, damages and other amounts that may be due to China Financial;

- (iii) **Gaoyou Share Pledge Agreement:** pursuant to the Gaoyou Share Pledge Agreement, Suzhou GCL New Energy has pledged 100% of its equity interest in Gaoyou GCL and other distributions arising from such equity interest (including but not limited to dividends, bonus shares and other distributions) to secure all of Gaoyou GCL's obligations under the Gaoyou Main Agreements; and
- (iv) **Gaoyou Obligation Transfer Agreement:** pursuant to the Gaoyou Obligation Transfer Agreement, Nanjing GCL New Energy has agreed to assume Gaoyou GCL's obligations under the Gaoyou Finance Lease (including any outstanding rent, interest, damages, loss and payment of any other amounts due to China Financial) if Gaoyou GCL commits a material breach under the terms of the Gaoyou Finance Lease.

B. Principal terms of the Baoying Finance Lease Agreements

Date	19 October 2016
Parties	(i) Seller: Nanjing GCL New Energy
	(ii) Purchaser and lessor: China Financial
	(iii) Lessee: Baoying GCL

Baoying Finance Lease

Pursuant to the Baoying Sale and Purchase Agreement and the Baoying Finance Lease, China Financial has agreed to purchase the Baoying Photovoltaic Power Generation Equipment from Nanjing GCL New Energy for a total consideration of RMB36,896,047.58 (equivalent to approximately HK\$42,533,763.65). The purchase price is payable in two instalments: (i) RMB3,896,047.58 (equivalent to approximately HK\$4,491,363.65) payable by Baoying GCL upon the signing of the Baoying Sale and Purchase Agreement and (ii) RMB33,000,000.00 (equivalent to approximately HK\$38,042,400.00) payable by China Financial upon the satisfaction of all payment terms under the Baoying Sale and Purchase Agreement within two months of signing.

Following the acquisition, China Financial shall lease the Baoying Photovoltaic Power Generation Equipment to Baoying GCL for a term of ten years, commencing from the Baoying Commencement Date.

Payment of rent

The aggregate estimated amount of rent payable by Baoying GCL to China Financial under the Baoying Finance Lease is RMB46,569,357.35 (equivalent to approximately HK\$53,685,155.15) and is payable in a total of 40 quarterly instalments starting from the next 15th day of the month after the Baoying Commencement Date. The first six instalments will only cover the lease interest, which is calculated based on the total unpaid principal amount multiplied by the annual lease interest rate and the actual number of days of the instalment divided by 360. The remaining 34 instalments will cover the principal lease cost plus the lease interest.

The aggregate estimated amount of rent was calculated based on the principal lease cost plus the lease interest rate based on the estimated Baoying Commencement Date of 19 October 2016. The principal lease cost under the Baoying Finance Lease was RMB33,000,000.00 (equivalent to approximately HK\$38,042,400.00). The interest rate under the Baoying Finance Lease was calculated at an annual interest rate of 6.9%, representing 2.0% above the prevailing benchmark lending rate of 4.9% promulgated by the People's Bank of China. During the term of the Baoying 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. If the applicable benchmark lending rate promulgated by the People's Bank of China is adjusted to below 4.5%, then the applicable interest rate under the Baoying Finance Lease shall not be adjusted further downwards.

Administrative fee

Pursuant to the Baoying Administrative Fee Agreement, China Financial agreed to provide to Baoying GCL certain services including finance leasing products consultation, industry and market analysis, financing proposals, financial management consulting, post-rental project management report and risk alert for an administrative fee of RMB1,260,000.00 (equivalent to approximately HK\$1,452,528.00).

Baoying GCL shall pay an initial amount of RMB60,000.00 (equivalent to approximately HK\$69,168.00) within two months of signing the Baoying Sale and Purchase Agreement and prior to the Baoying Commencement Date. Baoying GCL shall then pay the remainder of the fee in 20 equal quarterly instalments of RMB60,000.00 (equivalent to approximately HK\$69,168.00) on each payment date for the first 20 instalments of rent under the Baoying Finance Lease.

The terms of the Baoying Main Agreements, including the lease rent, lease interest rate, purchase price and administrative fee, were determined after arm's length negotiation between China Financial and Baoying GCL with reference to (i) the prevailing market rates for finance leases for similar assets, (ii) the prevailing market rates for similar management and financial consultation services and (iii) the fair market price for similar photovoltaic power generation equipment.

Ownership of the Baoying Photovoltaic Power Generation Equipment

During the term of the Baoying Finance Lease, the ownership of the Baoying Photovoltaic Power Generation Equipment shall vest in China Financial. During the lease period, Baoying GCL will use and keep the Baoying Photovoltaic Power Generation Equipment and China Financial shall not interfere with the normal use of the Baoying Photovoltaic Power Generation Equipment by Baoying GCL. Upon expiry of the term of the Baoying Finance Lease, subject to the full payment of the entire amount of lease rent and any other amounts due and there being no breach under the Baoying Finance Lease, Baoying GCL is eligible to purchase the Baoying Photovoltaic Power Generation Equipment at a nominal purchase price of RMB5,000.00 (equivalent to approximately HK\$5,764.00).

Security arrangements for the Baoying Finance Lease

Pursuant to the Baoying Rental Deposit Agreement, Baoying GCL shall pay to China Financial a rental deposit of RMB1,200,000.00 (equivalent to approximately HK\$1,383,360.00) within two months of signing the Baoying Sale and Purchase Agreement and prior to the Baoying Commencement Date to secure Baoying GCL's obligations under the Baoying Finance Lease.

China Financial shall be entitled to deduct from the rental deposit any unpaid rent, interest, any other amount due and payable and any cost incurred as a result of a breach of the Baoying Finance Lease by Baoying GCL. In the event of such deduction, when notified by China Financial, Baoying GCL shall make up for the deduction and restore the amount of the rental deposit to RMB1,200,000.00 (equivalent to approximately HK\$1,383,360.00).

Following the expiry of the Baoying Finance Lease, any remaining balance of the rental deposit may be used, with the consent of China Financial, to offset the rental payment for the last instalment or any other amount payable under the Baoying Finance Lease. The rental deposit shall not bear any interest.

In addition, Baoying GCL's obligations under the Baoying Main Agreements are secured by the following:

- (i) **Baoying Suzhou GCL Guarantee:** pursuant to the Baoying Suzhou GCL Guarantee, Suzhou GCL New Energy has agreed to provide a corporate guarantee to secure Baoying GCL's obligations under the Baoying Main Agreements, including all interest, rental payments, administrative fees, damages and other amounts due to China Financial;
- (ii) **Baoying Receivables Pledge Agreement:** pursuant to the Baoying Receivables Pledge Agreement, Baoying GCL has agreed to pledge all receivables in respect of income (including electricity fees and subsidies) arising from the photovoltaic power station relating to the Baoying Photovoltaic Power Generation Equipment to secure all obligations under the Baoying Main Agreements, including all interest, rental payments, administrative fees, damages and other amounts that may be due to China Financial;
- (iii) **Baoying Share Pledge Agreement:** pursuant to the Baoying Share Pledge Agreement, Suzhou GCL New Energy has pledged 100% of its equity interest in Baoying GCL and other distributions arising from such equity interest (including but not limited to dividends, bonus shares and other distributions) to secure all of Baoying GCL's obligations under the Baoying Main Agreements; and

- (iv) **Baoying Obligation Transfer Agreement:** pursuant to the Baoying Obligation Transfer Agreement, Nanjing GCL New Energy has agreed to assume Baoying GCL's obligations under the Baoying Finance Lease (including any outstanding rent, interest, damages, loss and payment of any other amounts due to China Financial) if Baoying GCL commits a material breach under the terms of the Baoying Finance Lease.

2. THE PREVIOUS AGREEMENTS

A. Principal terms of the Macheng Finance Lease Agreements

Date	29 April 2016
Parties	(i) Seller and lessee: Macheng City Jinfu
	(ii) Purchaser and lessor: China Financial

Macheng Finance Lease

Pursuant to the Macheng Finance Lease, China Financial has agreed to purchase, and Macheng City Jinfu has agreed to sell, the Macheng Photovoltaic Power Generation Equipment for a total consideration of RMB620,000,000.00 (equivalent to approximately HK\$714,736,000.00), and following the acquisition, China Financial shall lease back the Macheng Photovoltaic Power Generation Equipment to Macheng City Jinfu for a term of one year, commencing from the Macheng Commencement Date.

Payment of rent

The aggregate amount of rent payable by Macheng City Jinfu to China Financial under the Macheng Finance Lease is RMB664,838,888.89 (equivalent to approximately HK\$766,426,271.11) and is payable in quarterly instalments starting from the next 15th day of the month after the Macheng Commencement Date. The expected repayment schedule is as follows:

Instalment	Repayment (RMB)
1.	836,111.11
2.	11,091,111.11
3.	11,091,111.11
4.	11,091,111.11
5.	630,729,444.45

The aggregate amount of rent was calculated based on the principal lease cost plus the lease interest rate. The principal lease cost under the Macheng Finance Lease was RMB620,000,000.00 (equivalent to approximately HK\$714,736,000.00). The interest rate under the Macheng Finance Lease was calculated at an annual interest rate of 7.00%, representing 2.65% above the then applicable one-year benchmark lending rate of 4.35% promulgated by the People's Bank of China. During the term of the Macheng 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. If the applicable benchmark lending rate promulgated by the People's Bank of China is adjusted to below 4%, then the applicable interest rate under the Macheng Finance Lease shall not be adjusted further downwards.

Administrative fee

Pursuant to the Macheng Administrative Fee Agreement, Macheng City Jinfu has agreed to pay an administrative fee of RMB9,300,000.00 (equivalent to approximately HK\$10,721,040.00) to China Financial. The administrative fee shall be paid by Macheng City Jinfu in three instalments as follows:

- (1) *First instalment:* RMB7,000,000.00 (equivalent to approximately HK\$8,069,600.00) within two months after signing the Macheng Finance Lease;
- (2) *Second instalment:* RMB1,800,000.00 (equivalent to approximately HK\$2,075,040.00) on the date for the payment of the second instalment of rent under the Macheng Finance Lease; and
- (3) *Third instalment:* RMB500,000.00 (equivalent to approximately HK\$576,400.00) on the date for the payment of the third instalment of rent under the Macheng Finance Lease.

The terms of the Macheng Finance Lease and the Macheng Administrative Fee Agreement including the lease rent, lease interest rate, purchase price and administrative fee were determined after arm's length negotiation between China Financial and Macheng City Jinfu with reference to (i) the prevailing market rates for finance leases for similar assets and (ii) the fair market price for similar photovoltaic power generation equipment.

Ownership of the Macheng Photovoltaic Power Generation Equipment

During the term of the Macheng Finance Lease, the ownership of the Macheng Photovoltaic Power Generation Equipment shall vest in China Financial. Upon expiry of the term of the Macheng Finance Lease, subject to the full payment of the entire amount of lease rent and any other amounts due and there being no breach under the Macheng Finance Lease, Macheng City Jinfu is eligible to purchase the Macheng Photovoltaic Power Generation Equipment at a nominal purchase price of RMB10,000.00 (equivalent to approximately HK\$11,528.00).

Security Arrangements for the Macheng Finance Lease

The obligations under the Macheng Finance Lease are secured by the following:

- (i) **Macheng Suzhou GCL Guarantee:** pursuant to the Macheng Suzhou GCL Guarantee, Suzhou GCL New Energy has agreed to provide a corporate guarantee to secure Macheng City Jinfu's obligations under the Macheng Finance Lease, including rental payments and other amounts due to China Financial;

- (ii) **Macheng Receivables Pledge Agreement:** pursuant to the Macheng Receivables Pledge Agreement, Macheng City Jinfu has agreed to pledge all receivables in respect of income (including electricity fees and subsidies) arising from the photovoltaic power station relating to the Macheng Photovoltaic Power Generation Equipment to secure all obligations under the Macheng Finance Lease, including all interest, rental payments, administrative fees, damages and other amounts that may be due to China Financial;
- (iii) **Macheng Share Pledge Agreement:** pursuant to the Macheng Share Pledge Agreement, Suzhou GCL New Energy has pledged 100% of its equity interest in Macheng City Jinfu and distributions arising from such equity interest (including but not limited to dividends, bonus shares and other distributions) to secure all of Macheng City Jinfu's obligations under the Macheng Finance Lease; and
- (iv) **Macheng Obligation Transfer Agreement:** pursuant to the Macheng Obligation Transfer Agreement, Nanjing GCL New Energy has agreed to assume Macheng City Jinfu's obligations under the Macheng Finance Lease (including any outstanding rent, interest, damages, loss and payment of any other amounts due to China Financial) if Macheng City Jinfu commits a material breach under the terms of the Macheng Finance Lease.

B. Principal terms of the Tongyu Finance Lease Agreements

Date	29 April 2016
Parties	(i) Seller and lessee: Tongyu County Poultry (ii) Purchaser and lessor: China Financial

Tongyu Finance Lease

Pursuant to the Tongyu Finance Lease, China Financial has agreed to purchase, and Tongyu County Poultry has agreed to sell, the Tongyu Photovoltaic Power Generation Equipment for a total consideration of RMB90,000,000.00 (equivalent to approximately HK\$103,752,000.00), and following the acquisition, China Financial shall lease back the Tongyu Photovoltaic Power Generation Equipment to Tongyu County Poultry for a term of two years, commencing from the Tongyu Commencement Date.

Payment of rent

The aggregate amount of rent payable by Tongyu County Poultry to China Financial under the Tongyu Finance Lease is RMB100,137,937.50 (equivalent to approximately HK\$115,439,014.35) and is payable in quarterly instalments starting from the next 15th day of the month after the Tongyu Commencement Date. The expected repayment schedule is as follows:

Instalment	Repayment (RMB)
1.	184,250.00
2.	1,541,000.00
3.	1,541,000.00
4.	1,541,000.00
5.	1,490,750.00
6.	24,041,000.00
7.	23,655,750.00
8.	23,270,500.00
9.	22,872,687.50

The aggregate amount of rent was calculated based on the principal lease cost plus the lease interest rate. The principal lease cost under the Tongyu Finance Lease was RMB90,000,000.00 (equivalent to approximately HK\$103,752,000.00). The interest rate under the Tongyu Finance Lease was calculated at an annual interest rate of 6.70%, representing 1.95% above the then applicable one to five year benchmark lending rate of 4.75% promulgated by the People's Bank of China. During the term of the Tongyu 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. If the applicable benchmark lending rate promulgated by the People's Bank of China is adjusted to below 4.4%, then the applicable interest rate under the Tongyu Finance Lease shall not be adjusted further downwards.

Administrative fee

Pursuant to the Tongyu Administrative Fee Agreement, Tongyu County Poultry has agreed to pay an administrative fee of RMB2,350,000.00 (equivalent to approximately HK\$2,709,080.00) to China Financial. The administrative fee shall be paid by Tongyu County Poultry in two instalments as follows:

- (1) *First instalment:* RMB1,000,000.00 (equivalent to approximately HK\$1,152,800.00) within two months after signing the Tongyu Finance Lease; and
- (2) *Second instalment:* RMB1,350,000.00 (equivalent to approximately HK\$1,556,280.00) on the date for the payment of the third instalment of rent under the Tongyu Finance Lease.

The terms of the Tongyu Finance Lease and the Tongyu Administrative Fee Agreement including the lease rent, lease interest rate, purchase price and administrative fee were determined after arm's length negotiation between China

Financial and Tongyu County Poultry with reference to (i) the prevailing market rates for finance leases for similar assets and (ii) the fair market price for similar photovoltaic power generation equipment.

Ownership of the Tongyu Photovoltaic Power Generation Equipment

During the term of the Tongyu Finance Lease, the ownership of the Tongyu Photovoltaic Power Generation Equipment shall vest in China Financial. Upon expiry of the term of the Tongyu Finance Lease, subject to the full payment of the entire amount of lease rent and any other amounts due and there being no breach under the Tongyu Finance Lease, Tongyu County Poultry is eligible to purchase the Tongyu Photovoltaic Power Generation Equipment at a nominal purchase price of RMB10,000.00 (equivalent to approximately HK\$11,528.00).

Security Arrangements for the Tongyu Finance Lease

The obligations under the Tongyu Finance Lease are secured by the following:

- (i) **Tongyu Suzhou GCL Guarantee:** pursuant to the Tongyu Suzhou GCL Guarantee, Suzhou GCL New Energy has agreed to provide a corporate guarantee to secure Tongyu County Poultry's obligations under the Tongyu Finance Lease, including rental payments and other amounts due to China Financial;
- (ii) **Tongyu Receivables Pledge Agreement:** pursuant to the Tongyu Receivables Pledge Agreement, Tongyu County Poultry has agreed to pledge all receivables in respect of income (including electricity fees and subsidies) arising from the photovoltaic power station relating to the Tongyu Photovoltaic Power Generation Equipment to secure all obligations under the Tongyu Finance Lease, including all interest, rental payments, administrative fees, damages and other amounts that may be due to China Financial;
- (iii) **Tongyu Share Pledge Agreement:** pursuant to the Tongyu Share Pledge Agreement, Suzhou GCL New Energy has pledged 100% of its equity interest in Tongyu County Poultry and other distributions arising from such equity interest (including but not limited to dividends, bonus shares and other distributions) to secure all of Tongyu County Poultry's obligations under the Tongyu Finance Lease; and
- (iv) **Tongyu Obligation Transfer Agreement:** pursuant to the Tongyu Obligation Transfer Agreement, Nanjing GCL New Energy has agreed to assume Tongyu County Poultry's obligations under the Tongyu Finance Lease (including any outstanding rent, interest, damages, loss and payment of any other amounts due to China Financial) if Tongyu County Poultry commits a material breach under the terms of the Tongyu Finance Lease.

C. Principal terms of the Hefei Finance Lease Agreements

Date	29 April 2016
Parties	(i) Seller and lessee: Hefei Jiuyang
	(ii) Purchaser and lessor: China Financial

Hefei Finance Lease

Pursuant to the Hefei Finance Lease, China Financial has agreed to purchase, and Hefei Jiuyang has agreed to sell, the Hefei Photovoltaic Power Generation Equipment for a total consideration of RMB110,000,000.00 (equivalent to approximately HK\$126,808,000.00), and following the acquisition, China Financial shall lease back the Hefei Photovoltaic Power Generation Equipment to Hefei Jiuyang for a term of two years, commencing from the Hefei Commencement Date.

Payment of Rent

The aggregate amount of rent payable by Hefei Jiuyang to China Financial under the Hefei Finance Lease is RMB122,390,812.50 (equivalent to approximately HK\$141,092,128.65) and is payable in quarterly instalments starting from the next 15th day of the month after the Hefei Commencement Date. The expected repayment schedule is as follows:

Instalment	Repayment (RMB)
1.	225,194.44
2.	1,883,444.44
3.	1,883,444.44
4.	1,883,444.44
5.	1,822,027.78
6.	29,383,444.44
7.	28,912,583.33
8.	28,441,722.22
9.	27,955,506.97

The aggregate amount of rent was calculated based on the principal lease cost plus the lease interest rate. The principal lease cost under the Hefei Finance Lease was RMB110,000,000.00 (equivalent to approximately HK\$126,808,000.00). The interest rate under the Hefei Finance Lease was calculated at an annual interest rate of 6.70%, representing 1.95% above the then applicable one to five year benchmark lending rate of 4.75% promulgated by the People's Bank of China. During the term of the Hefei 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. If the applicable benchmark lending rate promulgated by the People's Bank of China is adjusted to below 4.4%, then the applicable interest rate under the Hefei Finance Lease shall not be adjusted further downwards.

Administrative fee

Pursuant to the Hefei Administrative Fee Agreement, Hefei Jiuyang has agreed to pay an administrative fee of RMB3,200,000.00 (equivalent to approximately HK\$3,688,960.00) to China Financial. The administrative fee shall be paid by Hefei Jiuyang in five instalments as follows:

- (1) *First instalment:* RMB1,000,000.00 (equivalent to approximately HK\$1,152,800.00) within two months after signing the Hefei Finance Lease;
- (2) *Second instalment:* RMB700,000.00 (equivalent to approximately HK\$806,960.00) on the date for the payment of the second instalment of rent under the Hefei Finance Lease;
- (3) *Third instalment:* RMB500,000.00 (equivalent to approximately HK\$576,400.00) on the date for the payment of the third instalment of rent under the Hefei Finance Lease;
- (4) *Fourth instalment:* RMB500,000.00 (equivalent to approximately HK\$576,400.00) on the date for the payment of the fourth instalment of rent under the Hefei Finance Lease; and
- (5) *Fifth instalment:* RMB500,000.00 (equivalent to approximately HK\$576,400.00) on the date for the payment of the fifth instalment of rent under the Hefei Finance Lease.

The terms of the Hefei Finance Lease and the Hefei Administrative Fee Agreement including the lease rent, lease interest rate, purchase price and administrative fee were determined after arm's length negotiation between China Financial and Hefei Jiuyang with reference to (i) the prevailing market rates for finance leases for similar assets and (ii) the fair market price for similar photovoltaic power generation equipment.

Ownership of the Hefei Photovoltaic Power Generation Equipment

During the term of the Hefei Finance Lease, the ownership of the Hefei Photovoltaic Power Generation Equipment shall vest in China Financial. Upon expiry of the term of the Hefei Finance Lease, subject to the full payment of the entire amount of lease rent and any other amounts due and there being no breach under the Hefei Finance Lease, Hefei Jiuyang is eligible to purchase the Hefei Photovoltaic Power Generation Equipment at a nominal purchase price of RMB10,000.00 (equivalent to approximately HK\$11,528.00).

Security Arrangements for the Hefei Finance Lease

The obligations under the Hefei Finance Lease are secured by the following:

- (i) **Hefei Suzhou GCL Guarantee:** pursuant to the Hefei Suzhou GCL Guarantee, Suzhou GCL New Energy has agreed to provide a corporate guarantee to secure Hefei Jiuyang's obligations under the Hefei Finance Lease, including rental payments and other amounts due to China Financial;

- (ii) **Hefei Receivables Pledge Agreement:** pursuant to the Hefei Receivables Pledge Agreement, Hefei Jiuyang has agreed to pledge all receivables in respect of income (including electricity fees and subsidies) arising from the photovoltaic power station relating to the Hefei Photovoltaic Power Generation Equipment to secure all obligations under the Hefei Finance Lease, including all interest, rental payments, administrative fees, damages and other amounts that may be due to China Financial;
- (iii) **Hefei Share Pledge Agreement:** pursuant to the Hefei Share Pledge Agreement, Suzhou GCL New Energy has pledged 70% of its equity interest in Hefei Jiuyang and distributions arising from such equity interest (including but not limited to dividends, bonus shares and other distributions) to secure all of Hefei Jiuyang's obligations under the Hefei Finance Lease; and
- (iv) **Hefei Obligation Transfer Agreement:** pursuant to the Hefei Obligation Transfer Agreement, Nanjing GCL New Energy has agreed to assume Hefei Jiuyang's obligations under the Hefei Finance Lease (including any outstanding rent, interest, damages, losses and payment of any other amounts due to China Financial) if Hefei Jiuyang commits a material breach under the terms of the Hefei Finance Lease.

3. REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The terms of the Finance Lease Agreements and the Previous Agreements have been agreed after arm's length negotiation between the relevant parties. The GNE Directors believe that the GNE Group will be able to derive additional liquidity through the financial arrangements under the 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 and having considered all relevant factors, the GNE Directors believe and consider that the terms of the Finance Lease Agreements and the Previous Agreements are on normal commercial terms, are fair and reasonable and are in the interests of GNE and the GNE Shareholders as a whole.

Based on the views of the GNE Directors and having considered all relevant factors, the GCL-Poly Directors believe and consider that the terms of the Finance Lease Agreements and the Previous Agreements are on normal commercial terms, are fair and reasonable and are in the interests of GCL-Poly and the GCL-Poly Shareholders as a whole.

4. LISTING RULES IMPLICATIONS

A. Listing Rules implications for GCL-Poly

As none of the applicable percentage ratio in respect of the Previous Agreements (on their own) exceeded 5% for GCL-Poly, the entering into of the Previous Agreements did not constitute a discloseable transaction for GCL-Poly under Chapter 14 of the Listing Rules.

As the Previous Agreements were entered into with China Financial within a 12-month period prior to and inclusive of the date of the Finance Lease Agreements, the Finance Lease Agreements and the Previous Agreements will be aggregated as a series of transactions for GCL-Poly pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Finance Lease Agreements and the Previous Agreements (in aggregate) exceeds 5% but is less than 25% for GCL-Poly, the entering into of the Finance Lease Agreements and the Previous Agreements, in aggregate, constitutes a discloseable transaction for GCL-Poly and GCL-Poly shall comply with the reporting and announcement requirements under Chapter 14 of the Listing Rules.

B. Listing Rules implications for GNE

As none of the applicable percentage ratio in respect of the Finance Lease Agreements (on their own) exceeded 5% for GNE, the entering into of the Finance Lease Agreements did not constitute a discloseable transaction for GNE under Chapter 14 of the Listing Rules.

As disclosed in GNE's announcement dated 29 April 2016, the entering into of the Previous Agreements constituted a discloseable transaction for GNE under Chapter 14 of the Listing Rules.

As the Previous Agreements were entered into with China Financial within a 12-month period prior to and inclusive of the date of the Finance Lease Agreements, the Finance Lease Agreements and the Previous Agreements will be aggregated as a series of transactions for GNE pursuant to Rule 14.22 of the Listing Rules.

The entering into of the Finance Lease Agreements and the Previous Agreements (in aggregate) did not trigger a higher classification of a major transaction for GNE under Chapter 14 of the Listing Rules. This announcement is made by GNE on a voluntary basis.

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

China Financial

China Financial is a company incorporated on 6 June 2013 in the PRC with limited liability. China Financial is principally engaged in finance lease businesses, transfer of receivables to commercial banks, the issue of financial debt instruments, lending to financial institutions, lending of foreign exchange overseas, sale of finance lease assets, consulting, and other businesses permitted by the China Banking Regulatory Commission.

To the best of the GCL-Poly Directors' and GNE Directors' knowledge, information and belief after having made all reasonable enquiries, China Financial and its ultimate beneficial owner(s) are third parties independent of GCL-Poly and GNE and each of their connected persons.

The GCL-Poly Group

GCL-Poly is an investment company and its subsidiaries are principally engaged in the manufacturing of polysilicon and wafers for the solar industry as well as the development, management and operation of environmentally friendly power plants.

The GNE Group

The GNE 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. DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

“Baoying Administrative Fee Agreement”	the agreement dated 19 October 2016 entered into between Baoying GCL and China Financial in relation to the administrative fee payable by Baoying GCL to China Financial
“Baoying Commencement Date”	the date on which China Financial pays the consideration for the Baoying Photovoltaic Power Generation Equipment under the Baoying Sale and Purchase Agreement
“Baoying Finance Lease”	the agreement dated 19 October 2016 entered into between China Financial and Baoying GCL in relation to the leasing of the Baoying Photovoltaic Power Generation Equipment
“Baoying Finance Lease Agreements”	Baoying Sale and Purchase Agreement, Baoying Finance Lease, Baoying Administrative Fee Agreement, Baoying Rental Deposit Agreement, Baoying Suzhou GCL Guarantee, Baoying Receivables Pledge Agreement, Baoying Share Pledge Agreement and Baoying Obligation Transfer Agreement
“Baoying GCL”	Baoying GCL Photovoltaic Power Company Limited* (寶應協鑫光伏電力有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of GNE
“Baoying Main Agreements”	Baoying Sale and Purchase Agreement, Baoying Finance Lease, and Baoying Administrative Fee Agreement
“Baoying Obligation Transfer Agreement”	the agreement dated 19 October 2016 entered into between Nanjing GCL New Energy and China Financial, pursuant to which Nanjing GCL New Energy has agreed to assume Baoying GCL’s obligations in the event of a material breach by Baoying GCL of the terms of the Baoying Finance Lease
“Baoying Photovoltaic Power Generation Equipment”	certain polysilicon modules, cables, cable accessories, dynamic reactive power compensation devices, transformers, inverters, combiner boxes, inflatable switch gears, photovoltaic transmission system operators, surveillance systems, fixed steel frames cables and certain other photovoltaic power generation equipment owned by Nanjing GCL New Energy

“Baoying Receivables Pledge Agreement”	the agreement dated 19 October 2016 entered into between Baoying GCL and China Financial in relation to the pledge of receivables in respect of income arising from the photovoltaic power station relating to the Baoying Photovoltaic Power Generation Equipment
“Baoying Rental Deposit Agreement”	the agreement dated 19 October 2016 entered into between China Financial and Baoying GCL in relation to the payment of a rental deposit to secure Baoying GCL’s obligations under the Baoying Finance Lease
“Baoying Sale and Purchase Agreement”	the agreement dated 19 October 2016 entered into between Nanjing GCL New Energy as seller and China Financial as purchaser in relation to the sale and purchase of the Baoying Photovoltaic Power Generation Equipment
“Baoying Share Pledge Agreement”	the agreement dated 19 October 2016 entered into between Suzhou GCL New Energy and China Financial, pursuant to which Suzhou GCL New Energy has pledged 100% of its equity interest in Baoying GCL to China Financial
“Baoying Suzhou GCL Guarantee”	the agreement dated 19 October 2016 entered into between China Financial and Suzhou GCL New Energy in connection with the guarantee provided by Suzhou GCL New Energy to China Financial in respect of Baoying GCL’s obligations under the Baoying Main Agreements
“China Financial”	China Financial Leasing Company Limited* (中國金融租賃有限公司), a company incorporated in the PRC with limited liability
“connected persons”	has the same meaning ascribed to it under the Listing Rules
“Finance Lease Agreements”	Gaoyou Finance Lease Agreements and Baoying Finance Lease Agreements
“Gaoyou Administrative Fee Agreement”	the agreement dated 19 October 2016 entered into between Gaoyou GCL and China Financial in relation to the administrative fee payable by Gaoyou GCL to China Financial
“Gaoyou Commencement Date”	the date on which China Financial pays the consideration for the Gaoyou Photovoltaic Power Generation Equipment under the Gaoyou Sale and Purchase Agreement
“Gaoyou Finance Lease”	the agreement dated 19 October 2016 entered into between China Financial and Gaoyou GCL in relation to the leasing of the Gaoyou Photovoltaic Power Generation Equipment
“Gaoyou Finance Lease Agreements”	Gaoyou Sale and Purchase Agreement, Gaoyou Finance Lease, Gaoyou Administrative Fee Agreement, Gaoyou Rental Deposit Agreement, Gaoyou Suzhou GCL Guarantee, Gaoyou Receivables Pledge Agreement, Gaoyou Share Pledge Agreement and Gaoyou Obligation Transfer Agreement

“Gaoyou GCL”	Gaoyou GCL Photovoltaic Power Company Limited* (高郵協鑫光伏電力有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of GNE
“Gaoyou Main Agreements”	Gaoyou Sale and Purchase Agreement, Gaoyou Finance Lease, and Gaoyou Administrative Fee Agreement
“Gaoyou Obligation Transfer Agreement”	the agreement dated 19 October 2016 entered into between Nanjing GCL New Energy and China Financial, pursuant to which Nanjing GCL New Energy has agreed to assume Gaoyou GCL’s obligations in the event of a material breach by Gaoyou GCL of the terms of the Gaoyou Finance Lease
“Gaoyou Photovoltaic Power Generation Equipment”	certain polysilicon modules, frames, transformers, inverters, combiner boxes, cables, step-up substation equipment, control and protection equipment and certain other photovoltaic power generation equipment owned by Nanjing GCL New Energy
“Gaoyou Receivables Pledge Agreement”	the agreement dated 19 October 2016 entered into between Gaoyou GCL and China Financial in relation to the pledge of receivables in respect of income arising from the photovoltaic power station relating to the Gaoyou Photovoltaic Power Generation Equipment
“Gaoyou Rental Deposit Agreement”	the agreement dated 19 October 2016 entered into between China Financial and Gaoyou GCL in relation to the payment of a rental deposit to secure Gaoyou GCL’s obligations under the Gaoyou Finance Lease
“Gaoyou Sale and Purchase Agreement”	the agreement dated 19 October 2016 entered into between Nanjing GCL New Energy as seller and China Financial as purchaser in relation to the sale and purchase of the Gaoyou Photovoltaic Power Generation Equipment
“Gaoyou Share Pledge Agreement”	the agreement dated 19 October 2016 entered into between Suzhou GCL New Energy and China Financial, pursuant to which Suzhou GCL New Energy has pledged 100% of its equity interest in Gaoyou GCL to China Financial
“Gaoyou Suzhou GCL Guarantee”	the agreement dated 19 October 2016 entered into between China Financial and Suzhou GCL New Energy in connection with the guarantee provided by Suzhou GCL New Energy to China Financial in respect of Gaoyou GCL’s obligations under the Gaoyou Main Agreements
“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. As at the date of this announcement, GCL-Poly is interested in approximately 62.28% of the issued share capital of GNE

“GCL-Poly Board”	the board of the GCL-Poly Directors
“GCL-Poly Director(s)”	director(s) of GCL-Poly
“GCL-Poly Group”	GCL-Poly and its subsidiaries
“GCL-Poly Share(s)”	ordinary shares of HK\$0.10 each in the share capital of GCL-Poly
“GCL-Poly Shareholder(s)”	holder(s) of the GCL-Poly Share(s)
“GNE”	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
“GNE Board”	the board of the GNE Directors
“GNE Director(s)”	director(s) of GNE
“GNE Group”	GNE and its subsidiaries
“GNE 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 GNE
“GNE Shareholder(s)”	holder(s) of the GNE Share(s)
“Hefei Administrative Fee Agreement”	the agreement dated 29 April 2016 entered into between Hefei Jiuyang and China Financial in relation to the administrative fee payable by Hefei Jiuyang to China Financial
“Hefei Commencement Date”	the date on which China Financial pays the consideration for the Hefei Photovoltaic Power Generation Equipment under the Hefei Finance Lease
“Hefei Finance Lease”	the agreement dated 29 April 2016 entered into between Hefei Jiuyang and China Financial with respect to the leasing of the Hefei Photovoltaic Power Generation Equipment
“Hefei Finance Lease Agreements”	Hefei Finance Lease, Hefei Administrative Fee Agreement, Hefei Suzhou GCL Guarantee, Hefei Receivables Pledge Agreement, Hefei Share Pledge Agreement and Hefei Obligation Transfer Agreement
“Hefei Jiuyang”	Hefei Jiuyang New Energy Limited* (合肥久陽新能源有限公司), a company incorporated in the PRC with limited liability and an indirect subsidiary of GNE

“Hefei Obligation Transfer Agreement”	the agreement dated 29 April 2016 entered into between Nanjing GCL New Energy and China Financial, pursuant to which Nanjing GCL New Energy has agreed to assume Hefei Jiuyang’s obligations in the event of material breach by Hefei Jiuyang of the terms of the Hefei Finance Lease
“Hefei Photovoltaic Power Generation Equipment”	certain combiner boxes, frames, transformers, inverters, polysilicon battery modules, cables, surveillance systems and certain other photovoltaic power generation equipment previously owned by Hefei Jiuyang
“Hefei Receivables Pledge Agreement”	the agreement dated 29 April 2016 entered into between Hefei Jiuyang and China Financial in relation to the pledge of receivables in respect of income arising from the photovoltaic power station relating to the Hefei Photovoltaic Power Generation Equipment
“Hefei Share Pledge Agreement”	the agreement dated 29 April 2016 entered into between Suzhou GCL New Energy and China Financial, pursuant to which Suzhou GCL New Energy has pledged 70% of its equity interest in Hefei Jiuyang to China Financial
“Hefei Suzhou GCL Guarantee”	the agreement dated 29 April 2016 entered into between Suzhou GCL New Energy and China Financial in connection with the guarantee provided by Suzhou GCL New Energy to China Financial in respect of Hefei Jiuyang’s obligations under the Hefei Finance Lease
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macheng Administrative Fee Agreement”	the agreement dated 29 April 2016 entered into between Macheng City Jinfu and China Financial in relation to the administrative fee payable by Macheng City Jinfu to China Financial
“Macheng City Jinfu”	Hubei Province Macheng City Jinfu Solar Power Limited* (湖北省麻城市金伏太陽能電力有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of GNE
“Macheng Commencement Date”	the date on which China Financial pays the consideration for the Macheng Photovoltaic Power Generation Equipment under the Macheng Finance Lease
“Macheng Finance Lease”	the agreement dated 29 April 2016 entered into between Macheng City Jinfu and China Financial with respect to the leasing of the Macheng Photovoltaic Power Generation Equipment

“Macheng Finance Lease Agreements”	Macheng Finance Lease, Macheng Administrative Fee Agreement, Macheng Suzhou GCL Guarantee, Macheng Receivables Pledge Agreement, Macheng Share Pledge Agreement and Macheng Obligation Transfer Agreement
“Macheng Obligation Transfer Agreement”	the agreement dated 29 April 2016 entered into between Nanjing GCL New Energy and China Financial, pursuant to which Nanjing GCL New Energy has agreed to assume Macheng City Jinfu’s obligations in the event of a material breach by Macheng City Jinfu of the terms of the Macheng Finance Lease
“Macheng Photovoltaic Power Generation Equipment”	certain photovoltaic modules, inverters, data collection equipment, transformers, combiner boxes, fixed and adjustable frames, cables, outdoor equipment, switch boards, surveillance system and certain other photovoltaic power generation equipment previously owned by Macheng City Jinfu
“Macheng Receivables Pledge Agreement”	the agreement dated 29 April 2016 entered into between Macheng City Jinfu and China Financial in relation to the pledge of receivables in respect of income arising from the photovoltaic power station relating to the Macheng Photovoltaic Power Generation Equipment
“Macheng Share Pledge Agreement”	the agreement dated 29 April 2016 entered into between Suzhou GCL New Energy and China Financial, pursuant to which Suzhou GCL New Energy has pledged 100% of its equity interest in Macheng City Jinfu to China Financial
“Macheng Suzhou GCL Guarantee”	the agreement dated 29 April 2016 entered into between Suzhou GCL New Energy and China Financial in connection with the guarantee provided by Suzhou GCL New Energy to China Financial in respect of Macheng City Jinfu’s obligations under the Macheng Finance Lease
“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 GNE
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Previous Agreements”	Macheng Finance Lease Agreements, Tongyu Finance Lease Agreements and Hefei Finance Lease Agreements
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the same meaning ascribed to it under the Listing Rules

“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 GNE
“Tongyu Administrative Fee Agreement”	the agreement dated 29 April 2016 entered into between Tongyu County Poultry and China Financial in relation to the administrative fee payable by Tongyu County Poultry to China Financial
“Tongyu Commencement Date”	the date on which China Financial pays the consideration for the Tongyu Photovoltaic Power Generation Equipment under the Tongyu Finance Lease
“Tongyu County Poultry”	Tongyu County Poultry Technology Limited* (通榆縣咱家禽業科技有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of GNE
“Tongyu Finance Lease”	the agreement dated 29 April 2016 entered into between Tongyu County Poultry and China Financial with respect to the leasing of the Tongyu Photovoltaic Power Generation Equipment
“Tongyu Finance Lease Agreements”	Tongyu Finance Lease, Tongyu Administrative Fee Agreement, Tongyu Suzhou GCL Guarantee, Tongyu Receivables Pledge Agreement, Tongyu Share Pledge Agreement and Tongyu Obligation Transfer Agreement
“Tongyu Obligation Transfer Agreement”	the agreement dated 29 April 2016 entered into between Nanjing GCL New Energy and China Financial, pursuant to which Nanjing GCL New Energy has agreed to assume Tongyu County Poultry’s obligations in the event of a material breach by Tongyu County Poultry of the terms of the Tongyu Finance Lease
“Tongyu Photovoltaic Power Generation Equipment”	certain photovoltaic modules, polysilicon modules, steel frames and scaffolding systems, transformers, inverters, combiner boxes, cable cabinets, lightning protectors, electric current sensors, cables and certain other photovoltaic power generation equipment previously owned by Tongyu County Poultry
“Tongyu Receivables Pledge Agreement”	the agreement dated 29 April 2016 entered into between Tongyu County Poultry and China Financial in relation to the pledge of receivables in respect of income arising from the photovoltaic power station relating to the Tongyu Photovoltaic Power Generation Equipment
“Tongyu Share Pledge Agreement”	the agreement dated 29 April 2016 entered into between Suzhou GCL New Energy and China Financial, pursuant to which Suzhou GCL New Energy has pledged 100% of its equity interest in Tongyu County Poultry to China Financial

“Tongyu Suzhou GCL Guarantee” the agreement dated 29 April 2016 entered into between Suzhou GCL New Energy and China Financial in connection with the guarantee provided by Suzhou GCL New Energy to China Financial in respect of Tongyu County Poultry’s obligations under the Tongyu Finance Lease

“%” per cent.

This announcement contains translation between Renminbi and Hong Kong dollar amounts at RMB1 = HK\$1.1528, being the exchange rate prevailing on 18 October 2016. The translation should not be taken as a representation that the Renminbi could actually be converted into Hong Kong dollars at that rate or at all.

** All of the English titles or names of the PRC entities, as well as certain items contained in this announcement have been included for identification purpose only and may not necessarily be the official English translations of the corresponding Chinese titles or names. If there is any inconsistency between the English translations and the Chinese titles or names, the Chinese titles or names shall prevail.*

By order of the GCL-Poly Board
GCL-Poly Energy Holdings Limited
保利協鑫能源控股有限公司
Zhu Gongshan
Chairman

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

Hong Kong, 19 October 2016

As at the date of this announcement, the GCL-Poly Board comprises Mr. Zhu Gongshan (Chairman), Mr. Zhu Zhanjun, Mr. Ji Jun, Mr. Zhu Yufeng, Ms. Sun Wei, Mr. Yeung Man Chung, Charles, Mr. Jiang Wenwu and Mr. Zheng Xiongjiu as executive directors; Ir. Dr. Ho Chung Tai, Raymond, Mr. Yip Tai Him, Dr. Shen Wenzhong and Mr. Wong Man Chung, Francis as independent non-executive directors.

As at the date of this announcement, the GNE Board comprises Mr. Zhu Yufeng, Mr. Sun Xingping, Ms. Hu Xiaoyan and Mr. Tong Wan Sze as executive directors; Ms. Sun Wei, Mr. Sha Hongqiu and Mr. Yeung Man Chung, Charles as non-executive directors; and Mr. Wang Bohua, Mr. Xu Songda, Mr. Lee Conway Kong Wai, Mr. Wang Yanguo and Dr. Chen Ying as independent non-executive directors.