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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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 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 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**  
**CITIC FINANCIAL LEASING CO., LTD**

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16 March 2017

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## DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of the Directors
“Citic Financial Leasing”	Citic Financial Leasing Co., Ltd* (中信金融租賃有限公司), a company incorporated in the PRC with limited liability
“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, a wholly-owned subsidiary of GCL-Poly which, as at the Latest Practicable Date, holds 11,880,000,000 Shares, 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
“Guangdong Power Grid”	Guangdong Power Grid Co. Ltd* (廣東電網有限責任公司), a company incorporated in the PRC with limited liability
“Guangxi Power Grid”	Guangxi Power Grid Co. Ltd* (廣西電網有限責任公司), a company incorporated in the PRC with limited liability
“GW”	gigawatt(s)
“Haifeng Asset Management Consulting Agreement”	the agreement dated 23 February 2017 between Citic Financial Leasing and Haifeng GCL in relation to certain asset management consulting services to be provided by Citic Financial Leasing to Haifeng GCL

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## DEFINITIONS

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“Haifeng Electricity Fees Pledge Agreement”	the agreement dated 23 February 2017 between Citic Financial Leasing and Haifeng GCL, pursuant to which Haifeng GCL has pledged to Citic Financial Leasing 100% of its right to electricity fees and related receivables under any electricity sales agreement entered or to be entered into between Haifeng GCL and Guangdong Power Grid for the Haifeng Project
“Haifeng Finance Lease”	the agreement dated 23 February 2017 between Citic Financial Leasing and Haifeng GCL in relation to the leasing of the Haifeng Leased Assets
“Haifeng Finance Lease Agreements”	the Haifeng Finance Lease, Haifeng Sale and Purchase Agreement, Haifeng Asset Management Consulting Agreement, Nanjing GCL Haifeng Guarantee, Suzhou GCL Haifeng Guarantee, Suzhou GCL Haifeng Share Pledge Agreement, Haifeng Leased Assets Mortgage Agreement and Haifeng Electricity Fees Pledge Agreement
“Haifeng GCL”	Haifeng GCL Photovoltaic Power Company Limited* (海豐縣協鑫光伏電力有限公司), an indirect wholly-owned subsidiary of the Company incorporated in the PRC with limited liability
“Haifeng Leased Assets”	certain solar modules, frames, inverters, transformers, combiner boxes, cables, and other photovoltaic equipment and installations to be used for the Haifeng Project
“Haifeng Leased Assets Mortgage Agreement”	the agreement dated 23 February 2017 between Citic Financial Leasing and Haifeng GCL, pursuant to which Haifeng GCL has mortgaged the Haifeng Leased Assets to Citic Financial Leasing
“Haifeng Project”	a 100MW photovoltaic power station project located in Gongping Town, Haifeng County, Shanwei City, the PRC
“Haifeng Sale and Purchase Agreement”	the agreement dated 23 February 2017 among Nanjing GCL New Energy (as seller), Citic Financial Leasing (as purchaser and lessor) and Haifeng GCL (as lessee) in relation to the sale and purchase of the Haifeng Leased Assets
“Haifeng Security Deposit”	a refundable security deposit of RMB5,600,000.00 (equivalent to approximately HK\$6,326,880.00) payable by Haifeng GCL under the Haifeng Finance Lease
“HKEx”	Hong Kong Exchanges and Clearing Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

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## DEFINITIONS

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“Inner Mongolia Jinxi”	Inner Mongolia Jinxi Energy Company Limited* (內蒙古金曦能源有限公司), an indirect wholly-owned subsidiary of the Company incorporated in the PRC with limited liability
“Inner Mongolia Power”	Inner Mongolia Power (Group) Co., Ltd* (內蒙古電力(集團)有限責任公司), a company incorporated in the PRC with limited liability
“Inner Mongolia Yuanhai”	Inner Mongolia Yuanhai New Energy Company Limited* (內蒙古源海新能源有限責任公司), an indirect wholly-owned subsidiary of the Company incorporated in the PRC with limited liability
“Jinxi Consulting Services Agreement”	the agreement dated 20 December 2016 between Citic Financial Leasing and Inner Mongolia Jinxi in relation to certain consulting services to be provided by Citic Financial Leasing to Inner Mongolia Jinxi
“Jinxi Electricity Fees Pledge Agreement”	the agreement dated 20 December 2016 between Citic Financial Leasing and Inner Mongolia Jinxi, pursuant to which Inner Mongolia Jinxi has pledged to Citic Financial Leasing 100% of its right to electricity fees and related receivables under any electricity sales agreement entered or to be entered into between Inner Mongolia Jinxi and Inner Mongolia Power for the Jinxi Project
“Jinxi Finance Lease”	the agreement dated 20 December 2016 between Citic Financial Leasing and Inner Mongolia Jinxi in relation to the leasing of the Jinxi Leased Assets
“Jinxi Finance Lease Agreements”	the Jinxi Finance Lease, Jinxi Consulting Services Agreement, Nanjing GCL Jinxi Guarantee, Suzhou GCL Jinxi Guarantee, Suzhou GCL Jinxi Share Pledge Agreement, Jinxi Leased Assets Mortgage Agreement and Jinxi Electricity Fees Pledge Agreement
“Jinxi Leased Assets”	certain solar modules, communication wires, cables, frames, ground resistors, inverters, transformers, combiner boxes, switch boxes, booster stations and other photovoltaic equipment and installations to be used for the Jinxi Project
“Jinxi Leased Assets Mortgage Agreement”	the agreement dated 20 December 2016 between Citic Financial Leasing and Inner Mongolia Jinxi, pursuant to which Inner Mongolia Jinxi has mortgaged the Jinxi Leased Assets to Citic Financial Leasing
“Jinxi Project”	a 10MW photovoltaic power station located in Sonid Right Banner, Xilingol in Inner Mongolia

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## DEFINITIONS

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“Jinxi Security Deposit”	a refundable security deposit of RMB1,500,000.00 (equivalent to approximately HK\$1,694,700.00) payable by Inner Mongolia Jinxi under the Jinxi Finance Lease
“Latest Practicable Date”	13 March 2017, 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
“MW”	megawatt (s)
“Nanjing GCL Haifeng Guarantee”	the agreement dated 23 February 2017 between Citic Financial Leasing and Nanjing GCL New Energy, pursuant to which Nanjing GCL New Energy has agreed to provide a guarantee to Citic Financial Leasing to secure Haifeng GCL’s obligations under the Haifeng Finance Lease and Haifeng Asset Management Consulting Agreement
“Nanjing GCL Jinxi Guarantee”	the agreement dated 20 December 2016 between Citic Financial Leasing and Nanjing GCL New Energy in connection with the guarantee provided by Nanjing GCL New Energy to Citic Financial Leasing in respect of Inner Mongolia Jinxi’s obligations under the Jinxi Finance Lease and Jinxi Consulting Services Agreement
“Nanjing GCL New Energy”	Nanjing GCL New Energy Development Co., Ltd. (南京協鑫新能源發展有限公司), an indirect wholly-owned subsidiary of the Company incorporated in the PRC with limited liability
“Nanjing GCL Shanglin Guarantee”	the agreement dated 20 December 2016 between Citic Financial Leasing and Nanjing GCL New Energy in connection with the guarantee provided by Nanjing GCL New Energy to Citic Financial Leasing in respect of Shanglin GCL’s obligations under the Shanglin Finance Lease, Shanglin Asset Management Agreements and Shanglin Consulting Services Agreements

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## DEFINITIONS

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“Nanjing GCL Taoyuan Guarantee”	the agreement dated 20 December 2016 between Citic Financial Leasing and Nanjing GCL New Energy in connection with the guarantee provided by Nanjing GCL New Energy to Citic Financial Leasing in respect of (i) Taoyuan Xinneng’s obligations under the Taoyuan Finance Lease I, Taoyuan Asset Management Agreement I and Taoyuan Consulting Services Agreement I; (ii) Taoyuan Xinhui’s obligations under the Taoyuan Finance Lease II, Taoyuan Asset Management Agreement II and Taoyuan Consulting Services Agreement II and (iii) Taoyuan Xinyuan’s obligations under the Taoyuan Finance Lease III, Taoyuan Asset Management Agreement III and Taoyuan Consulting Services Agreement III
“Nanjing GCL Urad Guarantee”	the agreement dated 20 December 2016 between Citic Financial Leasing and Nanjing GCL New Energy in connection with the guarantee provided by Nanjing GCL New Energy to Citic Financial Leasing in respect of Urad Yuanhai’s obligations under the Urad Finance Lease and Urad Consulting Services Agreement
“Overall Equipment”	collectively, the Haifeng Leased Assets, the Shanglin Leased Assets, the Urad Leased Assets, the Jinxi Leased Assets, the Taoyuan Leased Assets I, the Taoyuan Leased Assets II and the Taoyuan Leased Assets III
“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”	the Shanglin Finance Lease Agreements, the Urad Finance Lease Agreements, the Jinxi Finance Lease Agreements, the Taoyuan Finance Lease Agreements I, the Taoyuan Finance Lease Agreements II and the Taoyuan Finance Lease Agreements III entered into by the Group with Citic Financial Leasing in the past 12 months
“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
“Shanglin Asset Management Agreement I”	the agreement dated 20 December 2016 between Citic Financial Leasing and Shanglin GCL in relation to certain asset management services to be provided by Citic Financial Leasing to Shanglin GCL for RMB9,800,000.00 (equivalent to approximately HK\$11,072,040.00)

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“Shanglin Asset Management Agreement II”	the agreement dated 20 December 2016 between Citic Financial Leasing and Shanglin GCL in relation to certain asset management services to be provided by Citic Financial Leasing to Shanglin GCL for RMB6,125,000.00 (equivalent to approximately HK\$6,920,025.00)
“Shanglin Asset Management Agreements”	the Shanglin Asset Management Agreement I and the Shanglin Asset Management Agreement II
“Shanglin Consulting Services Agreement I”	the agreement dated 20 December 2016 between Citic Financial Leasing and Shanglin GCL in relation to certain consulting services to be provided by Citic Financial Leasing to Shanglin GCL for RMB6,200,000.00 (equivalent to approximately HK\$7,004,760.00)
“Shanglin Consulting Services Agreement II”	the agreement dated 20 December 2016 between Citic Financial Leasing and Shanglin GCL in relation to certain consulting services to be provided by Citic Financial Leasing to Shanglin GCL for RMB3,875,000.00 (equivalent to approximately HK\$4,377,975.00)
“Shanglin Consulting Services Agreements”	the Shanglin Consulting Services Agreement I and the Shanglin Consulting Services Agreement II
“Shanglin Electricity Fees Pledge Agreement”	the agreement dated 20 December 2016 between Citic Financial Leasing and Shanglin GCL, pursuant to which Shanglin GCL has pledged to Citic Financial Leasing 100% of its right to electricity fees and related receivables under any electricity sales agreement entered or to be entered into between Shanglin GCL and Guangxi Power Grid for the Shanglin Project
“Shanglin Finance Lease”	the agreement dated 20 December 2016 between Citic Financial Leasing and Shanglin GCL in relation to the leasing of the Shanglin Leased Assets
“Shanglin Finance Lease Agreements”	the Shanglin Finance Lease, Shanglin Sale and Purchase Agreement, Shanglin Asset Management Agreements, Shanglin Consulting Services Agreements, Nanjing GCL Shanglin Guarantee, Suzhou GCL Shanglin Guarantee, Suzhou GCL Shanglin Share Pledge Agreement, Shanglin Leased Assets Mortgage Agreement and Shanglin Electricity Fees Pledge Agreement
“Shanglin GCL”	Shanglin GCL Photovoltaic Power Company Limited* (上林協鑫光伏電力有限公司), an indirect wholly-owned subsidiary of the Company incorporated in the PRC with limited liability



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## DEFINITIONS

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“Shanglin Leased Assets”	certain solar modules, frames, solar energy tracking systems, inverters, transformers, combiner boxes, distributors, cables, and other photovoltaic equipment to be used for the Shanglin Project
“Shanglin Leased Assets Mortgage Agreement”	the agreement dated 20 December 2016 between Citic Financial Leasing and Shanglin GCL, pursuant to which Shanglin GCL has mortgaged the Shanglin Leased Assets to Citic Financial Leasing
“Shanglin Project”	a 60MW fishery photovoltaic power station located in Shanglin County in Nanning City, the PRC
“Shanglin Sale and Purchase Agreement”	the agreement dated 20 December 2016 among Nanjing GCL New Energy (as seller), Citic Financial Leasing (as purchaser) and Shanglin GCL (as lessee) in relation to the sale and purchase of the Shanglin Leased Assets
“Shanglin Security Deposit”	a refundable security deposit of RMB14,625,000.00 (equivalent to approximately HK\$16,523,325.00) payable by Shanglin GCL under the Shanglin Finance Lease
“State Grid Hunan Province”	State Grid Hunan Province Power Company Changde Power Supply Branch* (國網湖南省電力公司常德供電分公司), a company incorporated in the PRC
“Share(s)”	ordinary shares of one-two-hundred-fortieth (1/240) of a Hong Kong dollar each (equivalent to HK\$0.00416) in the share capital of the Company
“Shareholder(s)”	holder(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
“Suzhou GCL Haifeng Guarantee”	the agreement dated 23 February 2017 between Citic Financial Leasing and Suzhou GCL New Energy, pursuant to which Suzhou GCL New Energy has agreed to provide a guarantee to Citic Financial Leasing to secure Haifeng GCL’s obligations under the Haifeng Finance Lease and Haifeng Asset Management Consulting Agreement
“Suzhou GCL Haifeng Share Pledge Agreement”	the agreement dated 23 February 2017 between Citic Financial Leasing and Suzhou GCL New Energy, pursuant to which Suzhou GCL New Energy has pledged 100% of the equity interest in Haifeng GCL to Citic Financial Leasing

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“Suzhou GCL Jinxi Guarantee”	the agreement dated 20 December 2016 between Citic Financial Leasing and Suzhou GCL New Energy in connection with the guarantee provided by Suzhou GCL New Energy to Citic Financial Leasing in respect of Inner Mongolia Jinxi’s obligations under the Jinxi Finance Lease and Jinxi Consulting Services Agreement
“Suzhou GCL Jinxi Share Pledge Agreement”	the agreement dated 20 December 2016 between Citic Financial Leasing and Suzhou GCL New Energy, pursuant to which Suzhou GCL New Energy has pledged 100% of the equity interest in Inner Mongolia Jinxi to Citic Financial Leasing
“Suzhou GCL New Energy”	Suzhou GCL New Energy Investment Company Limited* (蘇州協鑫新能源投資有限公司), an indirect wholly-owned subsidiary of the Company incorporated in the PRC with limited liability
“Suzhou GCL Shanglin Guarantee”	the agreement dated 20 December 2016 between Citic Financial Leasing and Suzhou GCL New Energy in connection with the guarantee provided by Suzhou GCL New Energy to Citic Financial Leasing in respect of Shanglin GCL’s obligations under the Shanglin Finance Lease, Shanglin Asset Management Agreements and Shanglin Consulting Services Agreements
“Suzhou GCL Shanglin Share Pledge Agreement”	the agreement dated 20 December 2016 between Citic Financial Leasing and Suzhou GCL New Energy, pursuant to which Suzhou GCL New Energy has pledged 100% of the equity interest in Shanglin GCL to Citic Financial Leasing
“Suzhou GCL Taoyuan Guarantee”	the agreement dated 20 December 2016 between Citic Financial Leasing and Suzhou GCL New Energy in connection with the guarantee provided by Suzhou GCL New Energy to Citic Financial Leasing in respect of (i) Taoyuan Xinneng’s obligations under the Taoyuan Finance Lease I, Taoyuan Asset Management Agreement I, and Taoyuan Consulting Services Agreement I; (ii) Taoyuan Xinhui’s obligations under the Taoyuan Finance Lease II, Taoyuan Asset Management Agreement II and Taoyuan Consulting Services Agreement II and (iii) Taoyuan Xinyuan’s obligations under the Taoyuan Finance Lease III, Taoyuan Asset Management Agreement III, and Taoyuan Consulting Services Agreement III
“Suzhou GCL Taoyuan Share Pledge Agreement I”	the agreement dated 20 December 2016 between Citic Financial Leasing and Suzhou GCL New Energy, pursuant to which Suzhou GCL New Energy has pledged 100% of the equity interest in Taoyuan Xinneng to Citic Financial Leasing

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## DEFINITIONS

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“Suzhou GCL Taoyuan Share Pledge Agreement II”	the agreement dated 20 December 2016 between Citic Financial Leasing and Suzhou GCL New Energy, pursuant to which Suzhou GCL New Energy has pledged 100% of the equity interest in Taoyuan Xinhui to Citic Financial Leasing
“Suzhou GCL Taoyuan Share Pledge Agreement III”	the agreement dated 20 December 2016 between Citic Financial Leasing and Suzhou GCL New Energy, pursuant to which Suzhou GCL New Energy has pledged 100% of the equity interest in Taoyuan Xinyuan to Citic Financial Leasing
“Suzhou GCL Urad Guarantee”	the agreement dated 20 December 2016 between Citic Financial Leasing and Suzhou GCL New Energy in connection with the guarantee provided by Suzhou GCL New Energy to Citic Financial Leasing in respect of Urad Yuanhai’s obligations under the Urad Finance Lease and Urad Consulting Services Agreement
“Taoyuan Asset Management Agreement I”	the agreement dated 20 December 2016 between Citic Financial Leasing and Taoyuan Xinneng in relation to certain asset management services to be provided by Citic Financial Leasing to Taoyuan Xinneng
“Taoyuan Asset Management Agreement II”	the agreement dated 20 December 2016 between Citic Financial Leasing and Taoyuan Xinhui in relation to certain asset management services to be provided by Citic Financial Leasing to Taoyuan Xinhui
“Taoyuan Asset Management Agreement III”	the agreement dated 20 December 2016 between Citic Financial Leasing and Taoyuan Xinyuan in relation to certain asset management services to be provided by Citic Financial Leasing to Taoyuan Xinyuan
“Taoyuan Consulting Services Agreement I”	the agreement dated 20 December 2016 between Citic Financial Leasing and Taoyuan Xinneng in relation to certain consulting services to be provided by Citic Financial Leasing to Taoyuan Xinneng
“Taoyuan Consulting Services Agreement II”	the agreement dated 20 December 2016 between Citic Financial Leasing and Taoyuan Xinhui in relation to certain consulting services to be provided by Citic Financial Leasing to Taoyuan Xinhui
“Taoyuan Consulting Services Agreement III”	the agreement dated 20 December 2016 between Citic Financial Leasing and Taoyuan Xinyuan in relation to certain consulting services to be provided by Citic Financial Leasing to Taoyuan Xinyuan

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## DEFINITIONS

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“Taoyuan Electricity Fees Pledge Agreement I”	the agreement dated 20 December 2016 between Citic Financial Leasing and Taoyuan Xinneng, pursuant to which Taoyuan Xinneng has pledged to Citic Financial Leasing 100% of its right to electricity fees and related receivables under any electricity sales agreement entered or to be entered into between Taoyuan Xinneng and State Grid Hunan Province for the Taoyuan Project I
“Taoyuan Electricity Fees Pledge Agreement II”	the agreement dated 20 December 2016 between Citic Financial Leasing and Taoyuan Xinhui, pursuant to which Taoyuan Xinhui has pledged to Citic Financial Leasing 100% of its right to electricity fees and related receivables under any electricity sales agreement entered or to be entered into between Taoyuan Xinhui and State Grid Hunan Province for the Taoyuan Project II
“Taoyuan Electricity Fees Pledge Agreement III”	the agreement dated 20 December 2016 between Citic Financial Leasing and Taoyuan Xinyuan, pursuant to which Taoyuan Xinyuan has pledged to Citic Financial Leasing 100% of its right to electricity fees and related receivables under any electricity sales agreement entered or to be entered into between Taoyuan Xinyuan and State Grid Hunan Province for the Taoyuan Project III
“Taoyuan Finance Lease I”	the agreement dated 20 December 2016 between Citic Financial Leasing and Taoyuan Xinneng in relation to the leasing of the Taoyuan Leased Assets I
“Taoyuan Finance Lease II”	the agreement dated 20 December 2016 between Citic Financial Leasing and Taoyuan Xinhui in relation to the leasing of the Taoyuan Leased Assets II
“Taoyuan Finance Lease III”	the agreement dated 20 December 2016 between Citic Financial Leasing and Taoyuan Xinyuan in relation to the leasing of the Taoyuan Leased Assets III
“Taoyuan Finance Lease Agreements I”	the Taoyuan Finance Lease I, Taoyuan Asset Management Agreement I, Taoyuan Consulting Services Agreement I, Nanjing GCL Taoyuan Guarantee, Suzhou GCL Taoyuan Guarantee, Suzhou GCL Taoyuan Share Pledge Agreement I, Taoyuan Leased Assets Mortgage Agreement I and Taoyuan Electricity Fees Pledge Agreement I
“Taoyuan Finance Lease Agreements II”	the Taoyuan Finance Lease II, Taoyuan Asset Management Agreement II, Taoyuan Consulting Services Agreement II, Nanjing GCL Taoyuan Guarantee, Suzhou GCL Taoyuan Guarantee, Suzhou GCL Taoyuan Share Pledge Agreement II, Taoyuan Leased Assets Mortgage Agreement II and Taoyuan Electricity Fees Pledge Agreement II

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## DEFINITIONS

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“Taoyuan Finance Lease Agreements III”	the Taoyuan Finance Lease III, Taoyuan Asset Management Agreement III, Taoyuan Consulting Services Agreement III, Nanjing GCL Taoyuan Guarantee, Suzhou GCL Taoyuan Guarantee, Suzhou GCL Taoyuan Share Pledge Agreement III, Taoyuan Leased Assets Mortgage Agreement III and Taoyuan Electricity Fees Pledge Agreement III
“Taoyuan Leased Assets I”	certain modules, cables, frames, inverters, compensation devices, prefabricated cabin, control cabin, combiner boxes, transformers and other photovoltaic equipment to be used for the Taoyuan Project I
“Taoyuan Leased Assets II”	certain modules, inverters, compensation devices, prefabricated cabin, control cabin, combiner boxes, transformers, frames, cables, switch boxes and other photovoltaic equipment used for the Taoyuan Project II
“Taoyuan Leased Assets III”	certain modules, cables, frames, inverters, compensation devices, prefabricated cabin, control cabin, combiner boxes, transformers and other photovoltaic equipment used for the Taoyuan Project III
“Taoyuan Leased Assets Mortgage Agreement I”	the agreement dated 20 December 2016 between Citic Financial Leasing and Taoyuan Xinneng, pursuant to which Taoyuan Xinneng has mortgaged the Taoyuan Leased Assets I to Citic Financial Leasing
“Taoyuan Leased Assets Mortgage Agreement II”	the agreement dated 20 December 2016 between Citic Financial Leasing and Taoyuan Xinhui, pursuant to which Taoyuan Xinhui has mortgaged the Taoyuan Leased Assets II to Citic Financial Leasing
“Taoyuan Leased Assets Mortgage Agreement III”	the agreement dated 20 December 2016 between Citic Financial Leasing and Taoyuan Xinyuan, pursuant to which Taoyuan Xinyuan has mortgaged the Taoyuan Leased Assets III to Citic Financial Leasing
“Taoyuan Project I”	a 20MW photovoltaic power station located in Jipo Mountain in Taoyuan County, Hunan Province, the PRC
“Taoyuan Project II”	a 20MW photovoltaic power station located in Zhuangjia Qiao in Taoyuan County, Hunan Province, the PRC
“Taoyuan Project III”	a 20MW photovoltaic power station located in Qikou in Taoyuan County, Hunan Province, the PRC

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## DEFINITIONS

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“Taoyuan Xinhui”	Taoyuan County Xinhui Photovoltaic Power Limited* (桃源縣鑫輝光伏電力有限公司), an indirect wholly-owned subsidiary of the Company incorporated in the PRC with limited liability
“Taoyuan Xinneng”	Taoyuan County Xinneng Photovoltaic Power Limited* (桃源縣鑫能光伏電力有限公司), an indirect wholly-owned subsidiary of the Company incorporated in the PRC with limited liability
“Taoyuan Xinyuan”	Taoyuan County Xinyuan Photovoltaic Power Company Limited* (桃源縣鑫源光伏電力有限公司), an indirect wholly-owned subsidiary of the Company incorporated in the PRC with limited liability
“Urad Consulting Services Agreement”	the agreement dated 20 December 2016 between Citic Financial Leasing and Urad Yuanhai in relation to certain consulting services to be provided by Citic Financial Leasing to Urad Yuanhai
“Urad Electricity Fees Pledge Agreement”	the agreement dated 20 December 2016 between Citic Financial Leasing and Urad Yuanhai, pursuant to which Urad Yuanhai has pledged to Citic Financial Leasing 100% of its right to electricity fees and related receivables under any electricity sales agreement entered or to be entered into between Urad Yuanhai and Inner Mongolia Power for the Urad Project
“Urad Finance Lease”	the agreement dated 20 December 2016 between Citic Financial Leasing and Urad Yuanhai in relation to the leasing of the Urad Leased Assets
“Urad Finance Lease Agreements”	the Urad Finance Lease, Urad Consulting Services Agreement, Nanjing GCL Urad Guarantee, Suzhou GCL Urad Guarantee, Suzhou GCL Urad Share Pledge Agreement, Urad Leased Assets Mortgage Agreement and Urad Electricity Fees Pledge Agreement
“Urad Leased Assets”	certain solar modules, frames, combiner boxes, inverters, cables, switch boxes, booster stations and other photovoltaic equipment and installations to be used for the Urad Project
“Urad Leased Assets Mortgage Agreement”	the agreement dated 20 December 2016 between Citic Financial Leasing and Urad Yuanhai, pursuant to which Urad Yuanhai has mortgaged the Urad Leased Assets to Citic Financial Leasing
“Urad Project”	a 40MW photovoltaic power station located in Urad Rear Banner, Bayannur in Inner Mongolia

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## DEFINITIONS

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“Urad Security Deposit”	a refundable security deposit of RMB6,400,000.00 (equivalent to approximately HK\$7,230,720.00) payable by Urad Yuanhai under the Urad Finance Lease
“Urad Share Pledge Agreement”	the agreement dated 20 December 2016 between Citic Financial Leasing and Inner Mongolia Yuanhai, pursuant to which Inner Mongolia Yuanhai has pledged 100% of the equity interest in Urad Yuanhai to Citic Financial Leasing
“Urad Yuanhai”	Urad Rear Banner Yuanhai New Energy Company Limited* (烏拉特後旗源海新能源有限責任公司), an indirect wholly-owned subsidiary of the Company incorporated in the PRC with limited liability
“%”	per cent.

- \* *All of the English titles or names of the PRC entities, as well as certain items contained in this circular 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.*

*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\$1.1298. The translation should not be taken as a representation that the Renminbi could actually be converted into Hong Kong dollars, or vice versa, at that rate or at all.*

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

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

*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

16 March 2017

*To the Shareholders*

Dear Sir or Madam,

### **MAJOR TRANSACTION WITH CITIC FINANCIAL LEASING CO., LTD**

#### **INTRODUCTION**

On 23 February 2017, the Company announced that the Group entered into the Haifeng Finance Lease Agreements with Citic Financial Leasing (an independent third party of the Company) in relation to the financing of the Haifeng Leased Assets.

In addition, as disclosed in the Company's announcement dated 20 December 2016, the Group entered into the Previous Agreements with Citic Financial Leasing in the past 12 months.



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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with information regarding the details of the Haifeng Finance Lease Agreements and the Previous Agreements and to give you notice that the Company will request a written Shareholders' approval from Elite Time Global to approve the major transaction pursuant to Rule 14.44 of the Listing Rules.

### 1. THE HAIFENG FINANCE LEASE AGREEMENTS

#### A. Principal terms of the Haifeng Finance Lease Agreements

(i) *Date*

23 February 2017

(ii) *Parties*

Seller: Nanjing GCL New Energy

Lessee: Haifeng GCL

Purchaser and lessor: Citic Financial Leasing

(iii) *The Haifeng Finance Lease and the Haifeng Sale and Purchase Agreement*

Pursuant to the Haifeng Finance Lease and the Haifeng Sale and Purchase Agreement, (i) Citic Financial Leasing shall purchase the Haifeng Leased Assets from Nanjing GCL New Energy at a consideration of RMB280,000,000.00 (equivalent to approximately HK\$316,344,000.00); and (ii) following the acquisition, Citic Financial Leasing shall lease the Haifeng Leased Assets to Haifeng GCL at an aggregate estimated rent of RMB381,351,050.99 (approximately HK\$430,850,417.41) for a term of nine and a half years.

Citic Financial Leasing shall first pay the consideration in a lump sum to a designated bank account opened by Haifeng GCL, which account shall be used exclusively for the purchase of the Haifeng Leased Assets, on a date to be agreed between Citic Financial Leasing and Haifeng GCL after the following conditions are satisfied:

- (1) all transaction documents for the transaction contemplated under the Haifeng Finance Lease are in effect and not in breach;
- (2) Haifeng GCL has obtained all approvals for the transaction;
- (3) copies of all corporate authorisations for giving security under the Haifeng Finance Lease have been provided to Citic Financial Leasing;
- (4) all security documents have been signed and Haifeng GCL is not in breach of such security documents;

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## LETTER FROM THE BOARD

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- (5) Citic Financial Leasing has received evidence showing that all security documents requiring registration have been registered;
- (6) Citic Financial Leasing has received the Haifeng Security Deposit;
- (7) all representations and warranties under the Haifeng Finance Lease and the Haifeng Sale and Purchase Agreement are true, accurate and not misleading;
- (8) there is no material change in the PRC tax, financial policies and government regulations on finance leases and no material change in market financing costs; and
- (9) other payment conditions recognised by Citic Financial Leasing have been fulfilled.

Citic Financial Leasing shall then authorise Haifeng GCL to pay Nanjing GCL New Energy the relevant sum in instalments from the designated bank account based on the terms of the Haifeng Sale and Purchase Agreement and the progress of supplying the Haifeng Leased Assets to Haifeng GCL after the following conditions are satisfied:

- (1) Citic Financial Leasing has received the payment request letter from Haifeng GCL;
- (2) Citic Financial Leasing has received the supporting documents showing the progress of supplying the Haifeng Leased Assets;
- (3) Haifeng GCL and Nanjing GCL New Energy have provided the acceptance letter of the Haifeng Leased Assets, the certificate of transfer of ownership and other relevant documentation evidencing that Haifeng GCL has purchased insurance for the Haifeng Leased Assets as required by Citic Financial Leasing; and
- (4) there is no breach that is continuing or incapable of being remedied under the Haifeng Finance Lease or any other agreements signed between Citic Financial Leasing and Haifeng GCL.

**(iv) *Payment of Rent***

The estimated aggregate amount of rent payable by Haifeng GCL to Citic Financial Leasing under the Haifeng Finance Lease Agreements is RMB381,351,050.99 (equivalent to approximately HK\$430,850,417.41) and is payable in a total of 38 quarterly instalments. Based on the estimated commencement date of 15 March 2017, the initial two instalments are RMB4,207,466.67 (equivalent to approximately HK\$4,753,595.84) each, the next eight instalments range from RMB5,969,000.00 (equivalent to approximately HK\$6,743,776.20) to RMB6,161,733.33 (equivalent to approximately HK\$6,961,526.32) each, and the remaining 28 instalments range from RMB11,340,709.50 (equivalent to approximately HK\$12,812,733.59) to RMB11,828,262.81 (equivalent to approximately HK\$13,363,571.32) each.

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The estimated aggregate amount of rent was calculated based on the principal lease cost plus the lease interest rate. The principal lease cost under the Haifeng Finance Lease was RMB280,000,000.00 (equivalent to approximately HK\$316,344,000.00).

**(v) Interest Rate**

The interest rate under the Haifeng Finance Lease was calculated at an annualised interest rate of 5.88%, representing 120% of the current benchmark lending rate promulgated by the People's Bank of China for a term of five years or more. During the term of the Haifeng 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.

**(vi) Asset Management Consulting Services**

Pursuant to the Haifeng Asset Management Consulting Agreement, Citic Financial Leasing agreed to provide to Haifeng GCL certain asset management services, including asset inspection, operational monitoring and related consulting services for a service fee of RMB20,160,000.00 (equivalent to approximately HK\$22,776,768.00). Haifeng GCL shall pay the service fee in eight annual instalments beginning on 15 March 2017, of which the first instalment is RMB4,480,000.00 (equivalent to approximately HK\$5,061,504.00) and the remaining seven instalments are in equal amounts of RMB2,240,000.00 (equivalent to approximately HK\$2,530,752.00) each.

The terms of the Haifeng Finance Lease, the Haifeng Sale and Purchase Agreement and the Haifeng Asset Management Consulting Agreement, including the lease rent, lease interest rate, and service fee were determined after arm's length negotiation among Citic Financial Leasing, Haifeng GCL and Nanjing GCL New Energy with reference to the prevailing market rates for (i) finance leases for similar assets and (ii) similar asset management and consulting services.

The price for the purchase of the Haifeng Leased Assets payable by Citic Financial Leasing under the Haifeng Sale and Purchase Agreement was determined through arm's length negotiation among Citic Financial Leasing, Haifeng GCL and Nanjing GCL New Energy with reference to the average fair market price of similar photovoltaic power generation equipment and the amount of financing agreed to be provided by Citic Financial Leasing.

**(vii) Ownership of the Haifeng Leased Assets**

During the term of the Haifeng Finance Lease, the ownership of the Haifeng Leased Assets shall vest in Citic Financial Leasing. During the lease period, the Haifeng Leased Assets will be used by Haifeng GCL for the Haifeng Project. Upon expiry of the term of the Haifeng Finance Lease and subject to the full payment of the entire amount of the lease rent and any other amounts due under the Haifeng Finance Lease, Haifeng GCL shall purchase the Haifeng Leased Assets on an "as is" basis from Citic Financial Leasing for a nominal purchase price of RMB1.00 (equivalent to approximately HK\$1.13).

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## LETTER FROM THE BOARD

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*(viii) Security arrangements for the Haifeng Finance Lease Agreements*

Pursuant to the Haifeng Finance Lease, Haifeng GCL shall pay to Citic Financial Leasing the Haifeng Security Deposit which shall be paid prior to Citic Financial Leasing paying the consideration for the Haifeng Leased Assets to secure Haifeng GCL's obligations under the Haifeng Finance Lease. Citic Financial Leasing shall be entitled to deduct from the Haifeng Security Deposit any unpaid rent, interest, default interest and any other amount due and payable by Haifeng GCL. In the event of such deduction, Haifeng GCL shall make up for the deduction and restore the amount of the Haifeng Security Deposit to RMB5,600,000.00 (equivalent to approximately HK\$6,326,880.00) upon notice from Citic Financial Leasing. Following the expiry of the Haifeng Finance Lease, any remaining balance of the Haifeng Security Deposit shall be used to offset the amounts due from Haifeng GCL. The Haifeng Security Deposit shall not bear any interest during the term of the Haifeng Finance Lease.

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

- (1) Suzhou GCL Haifeng Guarantee: pursuant to the Suzhou GCL Haifeng Guarantee, Suzhou GCL New Energy has agreed to provide a guarantee to secure Haifeng GCL's obligations under the Haifeng Finance Lease and the Haifeng Asset Management Consulting Agreement, including rental payments, interest, service and consulting fees and other amounts due to Citic Financial Leasing;
- (2) Nanjing GCL Haifeng Guarantee: pursuant to the Nanjing GCL Haifeng Guarantee, Nanjing GCL New Energy has agreed to provide a guarantee to secure Haifeng GCL's obligations under the Haifeng Finance Lease and the Haifeng Asset Management Consulting Agreement, including rental payments, interest, service and consulting fees and other amounts due to Citic Financial Leasing;
- (3) Suzhou GCL Haifeng Share Pledge Agreement: pursuant to the Suzhou GCL Haifeng Share Pledge Agreement, Suzhou GCL New Energy has pledged 100% of the equity interest in Haifeng GCL to Citic Financial Leasing to secure all of Haifeng GCL's obligations under the Haifeng Finance Lease and the Haifeng Asset Management Consulting Agreement;
- (4) Haifeng Leased Assets Mortgage Agreement: pursuant to the Haifeng Leased Assets Mortgage Agreement, Haifeng GCL has mortgaged the Haifeng Leased Assets to secure all of Haifeng GCL's obligations under the Haifeng Finance Lease and the Haifeng Asset Management Consulting Agreement; and
- (5) Haifeng Electricity Fees Pledge Agreement: pursuant to the Haifeng Electricity Fees Pledge Agreement, Haifeng GCL has pledged its right to electricity fees and related receivables under any electricity sales agreement entered or to be entered into between Haifeng GCL and Guangdong Power Grid for the Haifeng Project to secure its obligations under the Haifeng Finance Lease and the Haifeng Asset Management Consulting Agreement.

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### 2. THE PREVIOUS AGREEMENTS

#### A. Principal terms of the Shanglin Finance Lease Agreements

(i) *Date*

20 December 2016

(ii) *Parties*

Seller: Nanjing GCL New Energy

Lessee: Shanglin GCL

Purchaser and lessor: Citic Financial Leasing

(iii) *The Shanglin Finance Lease*

Pursuant to the Shanglin Finance Lease, (i) Citic Financial Leasing shall purchase the Shanglin Leased Assets from Nanjing GCL New Energy at a consideration of RMB325,000,000.00 (equivalent to approximately HK\$367,185,000.00) and (ii) following the acquisition, Citic Financial Leasing shall lease the Shanglin Leased Assets to Shanglin GCL at an aggregate estimated rent of RMB433,273,373.35 (equivalent to approximately HK\$489,512,257.21) for a term of ten years. Citic Financial Leasing shall pay the consideration to Nanjing GCL New Energy in two instalments:

- (a) RMB200,000,000.00 (equivalent to approximately HK\$225,960,000.00) shall be paid within 10 working days after certain conditions are met, including: (i) all transaction documents for the finance lease transaction being in effect and not being in breach, (ii) Shanglin GCL having obtained all approvals for the transaction, (iii) copies of all corporate authorisations for the security under the finance lease having been given to Citic Financial Leasing, (iv) all security documents having been signed and not being in breach (v) Nanjing GCL New Energy having made an application for payment; (vi) evidence is provided showing all security requiring registration having been registered; (vii) Citic Financial Leasing having received the security deposit for the transaction; (viii) all representation and warranties remaining true and accurate; (ix) there being no material change in PRC tax, financial policy and government regulation on finance leases and no material change in market financing costs; and (x) Citic Financial Leasing having agreed that such conditions having been fulfilled; and
- (b) the remaining RMB125,000,000.00 (equivalent to approximately HK\$141,225,000.00) shall be paid within 10 working days after receiving all relevant transfer documents for the transfer of the Shanglin Leased Assets.

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## LETTER FROM THE BOARD

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### *(iv) Payment of Rent*

The estimated aggregate amount of rent payable by Shanglin GCL to Citic Financial Leasing under the Shanglin Finance Lease Agreements is RMB433,273,373.35 (equivalent to approximately HK\$489,512,257.21) and is payable in a total of 40 quarterly instalments. The initial five instalments are RMB4,379,375.00 (equivalent to approximately HK\$4,947,817.88), RMB4,428,034.74 (equivalent to approximately HK\$5,002,793.65), RMB4,476,694.44 (equivalent to approximately HK\$5,057,769.38), RMB4,476,694.44 (equivalent to approximately HK\$5,057,769.38) and RMB4,379,375.00 (equivalent to approximately HK\$4,947,817.88), and the remaining 35 instalments are RMB11,746,662.85 (equivalent to approximately HK\$13,271,379.69) each based on the estimated commencement date of 15 January 2017.

The estimated aggregate amount of rent was calculated based on the principal lease cost plus the lease interest rate. The principal lease cost under the Shanglin Finance Lease was RMB325,000,000.00 (equivalent to approximately HK\$367,185,000.00). The interest rate under the Shanglin Finance Lease was calculated at an annualised interest rate of 5.39%, representing 110% of the current benchmark lending rate promulgated by the People's Bank of China for a term of five years or more. During the term of the Shanglin 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.

### *(v) Asset Management Services*

Pursuant to the Shanglin Asset Management Agreements, Citic Financial Leasing agreed to provide to Shanglin GCL certain asset management services, including asset inspection, operational monitoring and related consulting services for an aggregate service fee of RMB15,925,000.00 (equivalent to approximately HK\$17,992,065.00).

Under the Shanglin Asset Management Agreement I, Shanglin GCL shall pay a total service fee of RMB9,800,000.00 (equivalent to approximately HK\$11,072,040.00) in nine annual instalments beginning on 15 December 2017, of which the first four instalments will be RMB646,154.00 (equivalent to approximately HK\$730,024.79) each, the next four instalments will be RMB1,446,154.00 (equivalent to approximately HK\$1,633,864.79) each and the final instalment will be RMB1,430,768.00 (equivalent to approximately HK\$1,616,481.69).

Under the Shanglin Asset Management Agreement II, Shanglin GCL shall pay a total service fee of RMB6,125,000.00 (equivalent to approximately HK\$6,920,025.00) in nine annual instalments beginning on 15 December 2017, of which the first four instalments will be RMB403,846.00 (equivalent to approximately HK\$456,265.21) each, the next four instalments will be RMB903,846.00 (equivalent to approximately HK\$1,021,165.21) each and the final instalment will be RMB894,232.00 (equivalent to approximately HK\$1,010,303.31).

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*(vi) Consulting Services*

Pursuant to the Shanglin Consulting Services Agreements, Citic Financial Leasing agreed to provide to Shanglin GCL certain consulting services, including consulting in relation to the structuring and arranging of finance leases and related financial, tax and economic issues for an aggregate service fee of RMB10,075,000.00 (equivalent to approximately HK\$11,382,735.00).

Under the Shanglin Consulting Services Agreement I, Shanglin GCL shall pay a total service fee of RMB6,200,000.00 (equivalent to approximately HK\$7,004,760.00) in five instalments, of which the first instalment of RMB3,000,000.00 (equivalent to approximately HK\$3,389,400.00) shall be payable on 23 December 2016 and the remaining four instalments of RMB800,000.00 (equivalent to approximately HK\$903,840.00) each will be paid annually from 15 December 2017.

Under the Shanglin Consulting Services Agreement II, Shanglin GCL shall pay a total service fee of RMB3,875,000.00 (equivalent to approximately HK\$4,377,975.00) in five instalments, of which the first instalment of RMB1,875,000.00 (equivalent to approximately HK\$2,118,375.00) shall be payable on 15 March 2017 and the remaining four instalments of RMB500,000.00 (equivalent to approximately HK\$564,900.00) each will be paid annually from 15 December 2017.

The terms of the Shanglin Finance Lease, the Shanglin Asset Management Agreements and the Shanglin Consulting Services Agreements including the lease rent, lease interest rate, and services fee were determined after arm's length negotiation between Citic Financial Leasing and Shanglin GCL with reference to the prevailing market rates for (i) finance leases for similar assets and (ii) similar consulting and asset management services.

The price for the purchase of the Shanglin Leased Assets payable by Citic Financial Leasing under the Shanglin Finance Lease was determined through arm's length negotiation between the parties with reference to the average fair market price of similar photovoltaic power generation equipment and the amount of financing agreed to be provided by Citic Financial Leasing.

*(vii) Ownership of the Shanglin Leased Assets*

During the term of the Shanglin Finance Lease, the ownership of the Shanglin Leased Assets shall vest in Citic Financial Leasing. During the lease period, the Shanglin Leased Assets will be used by Shanglin GCL for the Shanglin Project. Upon expiry of the term of the Shanglin Finance Lease and subject to the full payment of the entire amount of the lease rent, and any other amounts due under the Shanglin Finance Lease, Shanglin GCL shall purchase the Shanglin Leased Assets on an "as is" basis from Citic Financial Leasing for the nominal purchase price of RMB1.00 (equivalent to approximately HK\$1.13).

*(viii) Security Arrangements for the Shanglin Finance Lease*

Pursuant to the Shanglin Finance Lease Agreements, Shanglin GCL shall pay to Citic Financial Leasing the Shanglin Security Deposit, which shall be paid prior to Citic Financial Leasing paying the consideration for the Shanglin Leased Assets to secure Shanglin GCL's obligations under the Shanglin Finance Lease. Citic Financial Leasing shall be entitled to deduct from the Shanglin

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## LETTER FROM THE BOARD

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Security Deposit any unpaid rent, interest, default interest and any other amount due and payable by Shanglin GCL. In the event of such deduction, Shanglin GCL shall make up for the deduction and restore the amount of the Shanglin Security Deposit to RMB14,625,000.00 (equivalent to approximately HK\$16,523,325.00) upon notice from Citic Financial Leasing. Following the expiry of the Shanglin Finance Lease, any remaining balance of the Shanglin Security Deposit shall be used to offset amounts due from Shanglin GCL. The Shanglin Security Deposit shall not bear any interest during the term of the Shanglin Finance Lease.

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

- (1) Suzhou GCL Shanglin Guarantee: pursuant to the Suzhou GCL Shanglin Guarantee, Suzhou GCL New Energy has agreed to provide a guarantee to secure Shanglin GCL's obligations under the Shanglin Finance Lease, Shanglin Asset Management Agreements and Shanglin Consulting Services Agreements, including rental payments, interest, consulting fees and other amounts due to Citic Financial Leasing;
- (2) Nanjing GCL Shanglin Guarantee: pursuant to the Nanjing GCL Shanglin Guarantee, Nanjing GCL New Energy has agreed to provide a guarantee to secure Shanglin GCL's obligations under the Shanglin Finance Lease, Shanglin Asset Management Agreements and Shanglin Consulting Services Agreements, including rental payments, interest, consulting fees and other amounts due to Citic Financial Leasing;
- (3) Suzhou GCL Shanglin Share Pledge Agreement: pursuant to the Suzhou GCL Shanglin Share Pledge Agreement, Suzhou GCL New Energy has pledged 100% of the equity interest in Shanglin GCL to secure all of Shanglin GCL's obligations under the Shanglin Finance Lease, Shanglin Asset Management Agreements and Shanglin Consulting Services Agreements;
- (4) Shanglin Leased Assets Mortgage Agreement: pursuant to the Shanglin Leased Assets Mortgage Agreement, Shanglin GCL has mortgaged the Shanglin Leased Assets to secure all of Shanglin GCL's obligations under the Shanglin Finance Lease, Shanglin Asset Management Agreements and Shanglin Consulting Services Agreements; and
- (5) Shanglin Electricity Fees Pledge Agreement: pursuant to the Shanglin Electricity Fees Pledge Agreement, Shanglin GCL has pledged its right to electricity fees and related receivables under any electricity sales agreement entered or to be entered into between Shanglin GCL and Guangxi Power Grid for the Shanglin Project to secure its obligations under the Shanglin Finance Lease, Shanglin Asset Management Agreements and Shanglin Consulting Services Agreements.

### **B. Principal terms of the Urad Finance Lease Agreements**

(i) *Date*

20 December 2016



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*(ii) Parties*

Seller and lessee: Urad Yuanhai  
Purchaser and lessor: Citic Financial Leasing

*(iii) The Urad Finance Lease*

Pursuant to the Urad Finance Lease, (i) Citic Financial Leasing shall purchase the Urad Leased Assets from Urad Yuanhai at a consideration of RMB320,000,000.00 (equivalent to approximately HK\$361,536,000.00) and (ii) following the acquisition, Citic Financial Leasing shall lease the Urad Leased Assets to Urad Yuanhai at an aggregate estimated rent of RMB415,237,709.99 (equivalent to approximately HK\$469,135,564.75) for a term of nine years, commencing from a date to be notified in writing by Citic Financial Leasing.

*(iv) Payment of Rent and Administrative Fees*

The estimated aggregate amount of rent payable by Urad Yuanhai to Citic Financial Leasing under the Urad Finance Lease Agreements is RMB415,237,709.99 (equivalent to approximately HK\$469,135,564.75) and is payable in a total of 36 quarterly instalments based on the estimated commencement date of 15 January 2017. The initial eight instalments are between approximately RMB7,300,000.00 (equivalent to approximately HK\$8,247,540.00) and RMB7,500,000.00 (equivalent to approximately HK\$8,473,500.00) each, and the remaining 28 instalments are approximately RMB12,000,000.00 (equivalent to approximately HK\$13,557,600.00) to RMB13,000,000.00 (equivalent to approximately HK\$14,687,400.00) each.

The estimated aggregate amount of rent was calculated based on the principal lease cost plus the lease interest rate. The principal lease cost under the Urad Finance Lease was RMB320,000,000.00 (equivalent to approximately HK\$361,536,000.00). The interest rate under the Urad Finance Lease was calculated at an annualised interest rate of 5.39%, representing 110% of the current benchmark lending rate promulgated by the People's Bank of China for a term of five years or more. During the term of the Urad 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.

The administrative fee of RMB13,440,000.00 (equivalent to approximately HK\$15,184,512.00) shall be paid in seven equal annual instalments of RMB1,920,000.00 (equivalent to approximately HK\$2,169,216.00) each between 2017 and 2023 on the last instalment date of each year.

*(v) Consultation Services*

Pursuant to the Urad Consulting Services Agreement, Citic Financial Leasing agreed to provide to Urad Yuanhai certain consulting services, including consulting in relation to the structuring and arranging of finance leases and related financial, tax and economic issues, for a total service fee

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of RMB5,120,000.00 (equivalent to approximately HK\$5,784,576.00). Urad Yuanhai shall pay the service fee in full within three working days after the date of the Urad Consulting Services Agreement.

The terms of the Urad Finance Lease and the Urad Consulting Services Agreement including the lease rent, lease interest rate, and services fee were determined after arm's length negotiation between Citic Financial Leasing and Urad Yuanhai with reference to the prevailing market rates for (i) finance leases for similar assets and (ii) similar consulting services.

The price for the purchase of the Urad Leased Assets payable by Citic Financial Leasing under the Urad Finance Lease was determined through arm's length negotiation between the parties with reference to the average fair market price of similar photovoltaic power generation equipment and the amount of financing agreed to be provided by Citic Financial Leasing.

*(vi) Ownership of the Urad Leased Assets*

During the term of the Urad Finance Lease, the ownership of the Urad Leased Assets shall vest in Citic Financial Leasing. During the lease period, the Urad Leased Assets will be used by Urad Yuanhai for the Urad Project. Upon expiry of the term of the Urad Finance Lease and subject to the full payment of the entire amount of the lease rent, and any other amounts due under the Urad Finance Lease, Urad Yuanhai shall purchase the Urad Leased Assets on an "as is" basis from Citic Financial Leasing for the nominal purchase price of RMB1.00 (equivalent to approximately HK\$1.13).

*(vii) Security arrangements for the Urad Finance Lease*

Pursuant to the Urad Finance Lease Agreements, Urad Yuanhai shall pay to Citic Financial Leasing the Urad Security Deposit which shall be paid prior to Citic Financial Leasing paying the consideration for the Urad Leased Assets to secure Urad Yuanhai's obligations under the Urad Finance Lease. Citic Financial Leasing shall be entitled to deduct from the Urad Security Deposit any unpaid rent, interest, default interest and any other amount due and payable by Urad Yuanhai. In the event of such deduction, Urad Yuanhai shall make up for the deduction and restore the amount of the Urad Security Deposit to RMB6,400,000.00 (equivalent to approximately HK\$7,230,720.00) upon notice from Citic Financial Leasing. Following the expiry of the Urad Finance Lease, any remaining balance of the Urad Security Deposit shall be used to offset amounts due from Urad Yuanhai. The Urad Security Deposit shall not bear any interest during the term of the Urad Finance Lease.

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

- (1) Suzhou GCL Urad Guarantee: pursuant to the Suzhou GCL Urad Guarantee, Suzhou GCL New Energy has agreed to provide a guarantee to secure Urad Yuanhai's obligations under the Urad Finance Lease and Urad Consulting Services Agreement, including rental payments, interest, consulting fees and other amounts due to Citic Financial Leasing;

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- (2) Nanjing GCL Urad Guarantee: pursuant to the Nanjing GCL Urad Guarantee, Nanjing GCL New Energy has agreed to provide a guarantee to secure Urad Yuanhai's obligations under the Urad Finance Lease and Urad Consulting Services Agreement, including rental payments, interest, consulting fees and other amounts due to Citic Financial Leasing;
- (3) Urad Share Pledge Agreement: pursuant to the Urad Share Pledge Agreement, Inner Mongolia Yuanhai has pledged 100% of the equity interest in Urad Yuanhai to secure all of Urad Yuanhai's obligations under the Urad Finance Lease and Urad Consulting Services Agreement;
- (4) Urad Leased Assets Mortgage Agreement: pursuant to the Urad Leased Assets Mortgage Agreement, Urad Yuanhai has mortgaged the Urad Leased Assets to secure all of Urad Yuanhai's obligations under the Urad Finance Lease and Urad Consulting Services Agreement; and
- (5) Urad Electricity Fees Pledge Agreement: pursuant to the Urad Electricity Fees Pledge Agreement, Urad Yuanhai has pledged its right to electricity fees and related receivables under any electricity sales agreement entered or to be entered into between Urad Yuanhai and Inner Mongolia Power for the Urad Project to secure its obligations under the Urad Finance Lease and Urad Consulting Services Agreement.

### **C. Principal terms of the Jinxi Finance Lease Agreements**

*(i) Date*

20 December 2016

*(ii) Parties*

Seller and lessee: Inner Mongolia Jinxi

Purchaser and lessor: Citic Financial Leasing

*(iii) The Jinxi Finance Lease*

Pursuant to the Jinxi Finance Lease, (i) Citic Financial Leasing shall purchase the Jinxi Leased Assets from Inner Mongolia Jinxi at a consideration of RMB75,000,000.00 (equivalent to approximately HK\$84,735,000.00) and (ii) following the acquisition, Citic Financial Leasing shall lease the Jinxi Leased Assets to Inner Mongolia Jinxi at an aggregate estimated rent of RMB97,321,338.47 (equivalent to approximately HK\$109,953,648.20) for a term of nine years, commencing from a date to be notified in writing by Citic Financial Leasing.

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*(iv) Payment of Rent and Administrative Fees*

The estimated aggregate amount of rent payable by Inner Mongolia Jinxi to Citic Financial Leasing under the Jinxi Finance Lease Agreements is RMB97,321,338.47 (equivalent to approximately HK\$109,953,648.20) and is payable in a total of 36 quarterly instalments based on the estimated commencement date of 15 January 2017. The initial eight instalments are approximately RMB1,700,000.00 (equivalent to approximately HK\$1,920,660.00) each, and the remaining 28 instalments are approximately RMB3,000,000.00 each (equivalent to approximately HK\$3,389,400.00).

The estimated aggregate amount of rent was calculated based on the principal lease cost plus the lease interest rate. The principal lease cost under the Jinxi Finance Lease was RMB75,000,000.00 (equivalent to approximately HK\$84,735,000.00). The interest rate under the Jinxi Finance Lease was calculated at an annualised interest rate of 5.39%, representing 110% of the current benchmark lending rate promulgated by the People's Bank of China for a term of five years or more. During the term of the Jinxi 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.

The administrative fee of RMB3,150,000.00 (equivalent to approximately HK\$3,558,870.00) shall be paid in seven equal annual instalments of RMB450,000.00 (equivalent to approximately HK\$508,410.00) each between 2017 and 2023 on the last instalment date of each year.

*(v) Consulting Services*

Pursuant to the Jinxi Consulting Services Agreement, Citic Financial Leasing agreed to provide to Inner Mongolia Jinxi certain consulting services, including consulting in relation to the structuring and arranging of finance leases and related financial, tax and economic issues, for a total service fee of RMB1,200,000.00 (equivalent to approximately HK\$1,355,760.00). Inner Mongolia Jinxi shall pay the service fee in full within three working days after the date of the Jinxi Consulting Services Agreement.

The terms of the Jinxi Finance Lease and the Jinxi Consulting Services Agreement including the lease rent, lease interest rate, and services fee were determined after arm's length negotiation between Citic Financial Leasing and Inner Mongolia Jinxi with reference to the prevailing market rates for (i) finance leases for similar assets and (ii) similar consulting services.

The price for the purchase of the Jinxi Leased Assets payable by Citic Financial Leasing under the Jinxi Finance Lease was determined through arm's length negotiation between the parties with reference to the average fair market price of similar photovoltaic power generation equipment and the amount of financing agreed to be provided by Citic Financial Leasing.

*(vi) Ownership of the Jinxi Leased Assets*

During the term of the Jinxi Finance Lease, the ownership of the Jinxi Leased Assets shall vest in Citic Financial Leasing. During the lease period, the Jinxi Leased Assets will be used by Inner Mongolia Jinxi for the Jinxi Project. Upon expiry of the term of the Jinxi Finance Lease and subject

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to the full payment of the entire amount of the lease rent and any other amounts due under the Jinxi Finance Lease, Inner Mongolia Jinxi shall purchase the Jinxi Leased Assets on an “as is” basis from Citic Financial Leasing for the nominal purchase price of RMB1.00 (equivalent to approximately HK\$1.13).

*(vii) Security Arrangements for the Jinxi Finance Lease*

Pursuant to the Jinxi Finance Lease Agreements, Inner Mongolia Jinxi shall pay to Citic Financial Leasing the Jinxi Security Deposit which shall be paid prior to Citic Financial Leasing paying the consideration for the Jinxi Leased Assets to secure Inner Mongolia Jinxi’s obligations under the Jinxi Finance Lease. Citic Financial Leasing shall be entitled to deduct from the Jinxi Security Deposit any unpaid rent, interest, default interest and any other amount due and payable by Inner Mongolia Jinxi. In the event of such deduction, Inner Mongolia Jinxi shall make up for the deduction and restore the amount of the Jinxi Security Deposit to RMB1,500,000.00 (equivalent to approximately HK\$1,694,700.00) upon notice from Citic Financial Leasing. Following the expiry of the Jinxi Finance Lease, any remaining balance of the Jinxi Security Deposit shall be used to offset amounts due from Inner Mongolia Jinxi. The Jinxi Security Deposit shall not bear any interest during the term of the Jinxi Finance Lease.

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

- (1) Suzhou GCL Jinxi Guarantee: pursuant to the Suzhou GCL Jinxi Guarantee, Suzhou GCL New Energy has agreed to provide a guarantee to secure Inner Mongolia Jinxi’s obligations under the Jinxi Finance Lease and Jinxi Consulting Services Agreement, including rental payments, interest, consulting fees and other amounts due to Citic Financial Leasing;
- (2) Nanjing GCL Jinxi Guarantee: pursuant to the Nanjing GCL Jinxi Guarantee, Nanjing GCL New Energy has agreed to provide a guarantee to secure Inner Mongolia Jinxi’s obligations under the Jinxi Finance Lease and Jinxi Consulting Services Agreement, including rental payments, interest, consulting fees and other amounts due to Citic Financial Leasing;
- (3) Suzhou GCL Jinxi Share Pledge Agreement: pursuant to the Suzhou GCL Jinxi Share Pledge Agreement, Suzhou GCL New Energy has pledged 100% of the equity interest in Inner Mongolia Jinxi to secure all of Inner Mongolia Jinxi’s obligations under the Jinxi Finance Lease and Jinxi Consulting Services Agreement;
- (4) Jinxi Leased Assets Mortgage Agreement: pursuant to the Jinxi Leased Assets Mortgage Agreement, Inner Mongolia Jinxi has mortgaged the Jinxi Leased Assets to secure all of Inner Mongolia Jinxi’s obligations under the Jinxi Finance Lease and Jinxi Consulting Services Agreement; and

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- (5) Jinxi Electricity Fees Pledge Agreement: pursuant to the Jinxi Electricity Fees Pledge Agreement, Inner Mongolia Jinxi has pledged its right to electricity fees and related receivables under any electricity sales agreement entered or to be entered into between Inner Mongolia Jinxi and Inner Mongolia Power for the Jinxi Project to secure its obligations under the Jinxi Finance Lease and Jinxi Consulting Services Agreement.

### **D. Principal terms of the Taoyuan Finance Lease Agreements I**

**(i) Date**

20 December 2016

**(ii) Parties**

Seller and lessee: Taoyuan Xinneng

Purchaser and lessor: Citic Financial Leasing

**(iii) The Taoyuan Finance Lease I**

Pursuant to the Taoyuan Finance Lease I, (i) Citic Financial Leasing shall purchase the Taoyuan Leased Assets I from Taoyuan Xinneng at a consideration of RMB104,000,000.00 (equivalent to approximately HK\$117,499,200.00) and (ii) following the acquisition, Citic Financial Leasing shall lease the Taoyuan Leased Assets I to Taoyuan Xinneng at an aggregate estimated rent of RMB137,389,036.80 (equivalent to approximately HK\$155,222,133.78) for a term of ten years, commencing from a date to be notified in writing by Citic Financial Leasing.

**(iv) Payment of Rent**

The estimated aggregate amount of rent payable by Taoyuan Xinneng to Citic Financial Leasing under the Taoyuan Finance Lease Agreements I is RMB137,389,036.80 (equivalent to approximately HK\$155,222,133.78) and is payable in a total of 39 quarterly instalments. Based on the estimated commencement date of 15 January 2017, the initial three instalments are RMB2,767,128.00 (equivalent to approximately HK\$3,126,301.21), RMB1,406,496.00 (equivalent to approximately HK\$1,589,059.18) and RMB1,406,496.00 (equivalent to approximately HK\$1,589,059.18), and the remaining 36 instalments shall be in equal amounts of RMB3,661,358.80 (equivalent to approximately HK\$4,136,603.17) each.

The estimated aggregate amount of rent was calculated based on the principal lease cost plus the lease interest rate. The principal lease cost under the Taoyuan Finance Lease I was RMB104,000,000.00 (equivalent to approximately HK\$117,499,200.00). The interest rate under the Taoyuan Finance Lease I was calculated at an annualised interest rate of 5.292%, representing 108% of the current benchmark lending rate promulgated by the People's Bank of China for a term of five years or more. During the term of the Taoyuan Finance Lease I, 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.

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**(v) *Asset Management Services***

Pursuant to the Taoyuan Asset Management Agreement I, Citic Financial Leasing agreed to provide to Taoyuan Xinneng certain asset management services, including asset inspection, operational monitoring and related consulting services, for a total service fee of RMB3,744,000.00 (equivalent to approximately HK\$4,229,971.20). Taoyuan Xinneng shall pay the service fee in nine equal annual instalments of RMB416,000.00 (equivalent to approximately HK\$469,996.80) each beginning on 23 December 2017.

**(vi) *Consultation Services***

Pursuant to the Taoyuan Consulting Services Agreement I, Citic Financial Leasing agreed to provide to Taoyuan Xinneng certain consulting services, including consulting in relation to the structuring and arranging of finance leases and related financial, tax and economic issues, for a total service fee of RMB3,432,000.00 (equivalent to approximately HK\$3,877,473.60). Taoyuan Xinneng shall pay the service fee in ten instalments, with the first instalment being RMB1,560,000.00 (equivalent to approximately HK\$1,762,488.00) payable on 23 December 2016 and the remaining nine instalments payable in equal annual instalments of RMB208,000.00 (equivalent to approximately HK\$234,998.40) each from 23 December 2017.

The terms of the Taoyuan Finance Lease I, the Taoyuan Asset Management Agreement I and the Taoyuan Consulting Services Agreement I including the lease rent, lease interest rate, and services fee were determined after arm's length negotiation between Citic Financial Leasing and Taoyuan Xinneng with reference to the prevailing market rates for (i) finance leases for similar assets and (ii) similar consulting and asset management services.

The price for the purchase of the Taoyuan Leased Assets I payable by Citic Financial Leasing under the Taoyuan Finance Lease I was determined through arm's length negotiation between the parties with reference to the average fair market price of similar photovoltaic power generation equipment and the amount of financing agreed to be provided by Citic Financial Leasing.

**(vii) *Ownership of the Taoyuan Leased Assets I***

During the term of the Taoyuan Finance Lease I, the ownership of the Taoyuan Leased Assets I shall vest in Citic Financial Leasing. During the lease period, the Taoyuan Leased Assets I will be used by Taoyuan Xinneng for the Taoyuan Project I. Upon expiry of the term of the Taoyuan Finance Lease I and subject to the full payment of the entire amount of the lease rent, and any other amounts due under the Taoyuan Finance Lease I, Taoyuan Xinneng shall purchase the Taoyuan Leased Assets I on an "as is" basis from Citic Financial Leasing for the nominal purchase price of RMB1.00 (equivalent to approximately HK\$1.13).

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### *(viii) Security Arrangements for the Taoyuan Finance Lease I*

The obligations under the Taoyuan Finance Lease Agreements I are secured by the following:

- (1) Suzhou GCL Taoyuan Guarantee: pursuant to the Suzhou GCL Taoyuan Guarantee, Suzhou GCL New Energy has agreed to provide a guarantee to secure, among other things, Taoyuan Xinneng's obligations under the Taoyuan Finance Lease I, Taoyuan Asset Management Agreement I and Taoyuan Consulting Services Agreement I, including rental payments, interest, consulting fees and other amounts due to Citic Financial Leasing;
- (2) Nanjing GCL Taoyuan Guarantee: pursuant to the Nanjing GCL Taoyuan Guarantee, Nanjing GCL New Energy has agreed to provide a guarantee to secure, among other things, Taoyuan Xinneng's obligations under the Taoyuan Finance Lease I, Taoyuan Asset Management Agreement I and Taoyuan Consulting Services Agreement I, including rental payments, interest, consulting fees and other amounts due to Citic Financial Leasing;
- (3) Suzhou GCL Taoyuan Share Pledge Agreement I: pursuant to the Suzhou GCL Taoyuan Share Pledge Agreement I, Suzhou GCL New Energy has pledged 100% of the equity interest in Taoyuan Xinneng to secure all of Taoyuan Xinneng's obligations under the Taoyuan Finance Lease I, Taoyuan Asset Management Agreement I and Taoyuan Consulting Services Agreement I;
- (4) Taoyuan Leased Assets Mortgage Agreement I: pursuant to the Taoyuan Leased Assets Mortgage Agreement I, Taoyuan Xinneng has mortgaged the Taoyuan Leased Assets I to secure all of Taoyuan Xinneng's obligations under the Taoyuan Finance Lease I, Taoyuan Asset Management Agreement I and Taoyuan Consulting Services Agreement I; and
- (5) Taoyuan Electricity Fees Pledge Agreement I: pursuant to the Taoyuan Electricity Fees Pledge Agreement I, Taoyuan Xinneng has pledged its right to electricity fees and related receivables under any electricity sales agreement entered or to be entered into between Taoyuan Xinneng and State Grid Hunan Province for the Taoyuan Project I to secure its obligations under the Taoyuan Finance Lease I, Taoyuan Asset Management Agreement I and Taoyuan Consulting Services Agreement I.

### **E. Principal terms of the Taoyuan Finance Lease Agreements II**

#### *(i) Date*

20 December 2016



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**(ii) Parties**

Seller and lessee: Taoyuan Xinhui

Purchaser and lessor: Citic Financial Leasing

**(iii) The Taoyuan Finance Lease II**

Pursuant to the Taoyuan Finance Lease II, (i) Citic Financial Leasing shall purchase the Taoyuan Leased Assets II from Taoyuan Xinhui at a consideration of RMB112,000,000.00 (equivalent to approximately HK\$126,537,600.00) and (ii) following the acquisition, Citic Financial Leasing shall lease the Taoyuan Leased Assets II to Taoyuan Xinhui at an aggregate estimated rent of RMB147,957,424.08 (equivalent to approximately HK\$167,162,297.73) for a term of ten years, commencing from a date to be notified in writing by Citic Financial Leasing.

**(iv) Payment of Rent**

The estimated aggregate amount of rent payable by Taoyuan Xinhui to Citic Financial Leasing under the Taoyuan Finance Lease Agreements II is RMB147,957,424.08 (equivalent to approximately HK\$167,162,297.73) and is payable in a total of 39 quarterly instalments. Based on the estimated commencement date of 15 January 2017, the initial three instalments are RMB2,979,984.00 (equivalent to approximately HK\$3,366,785.92), RMB1,514,688.00 (equivalent to approximately HK\$1,711,294.50) and RMB1,514,688.00 (equivalent to approximately HK\$1,711,294.50), and the remaining 36 instalments shall be in equal amounts of RMB3,943,001.78 (equivalent to approximately HK\$4,454,803.41) each.

The estimated aggregate amount of rent was calculated based on the principal lease cost plus the lease interest rate. The principal lease cost under the Taoyuan Finance Lease II was RMB112,000,000.00 (equivalent to approximately HK\$126,537,600.00). The interest rate under the Taoyuan Finance Lease II was calculated at an annualised interest rate of 5.292%, representing 108% of the current benchmark lending rate promulgated by the People's Bank of China for a term of five years or more. During the term of the Taoyuan Finance Lease II, 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.

**(v) Asset Management Services**

Pursuant to the Taoyuan Asset Management Agreement II, Citic Financial Leasing agreed to provide to Taoyuan Xinhui certain asset management services, including asset inspection, operational monitoring and related consulting services, for a total service fee of RMB4,032,000.00 (equivalent to approximately HK\$4,555,353.60). Taoyuan Xinhui shall pay the service fee in nine equal annual instalments of RMB448,000.00 (equivalent to approximately HK\$506,150.40) beginning on 23 December 2017.

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### *(vi) Consultation Services*

Pursuant to the Taoyuan Consulting Services Agreement II, Citic Financial Leasing agreed to provide to Taoyuan Xinhui certain consulting services, including consulting in relation to the structuring and arranging of finance leases and related financial, tax and economic issues, for a total service fee of RMB3,696,000.00 (equivalent to approximately HK\$4,175,740.80). Taoyuan Xinhui shall pay the service fee in ten instalments, with the first instalment being RMB1,680,000.00 (equivalent to approximately HK\$1,898,064.00) payable on 23 December 2016 and the remaining nine instalments payable in equal annual instalments of RMB224,000.00 (equivalent to approximately HK\$253,075.20) each from 23 December 2017.

The terms of the Taoyuan Finance Lease II, the Taoyuan Asset Management Agreement II and the Taoyuan Consulting Services Agreement II including the lease rent, lease interest rate, and services fee were determined after arm's length negotiation between Citic Financial Leasing and Taoyuan Xinhui with reference to the prevailing market rates for (i) finance leases for similar assets and (ii) similar consulting and asset management services.

The price for the purchase of the Taoyuan Leased Assets II payable by Citic Financial Leasing under the Taoyuan Finance Lease II was determined through arm's length negotiation between the parties with reference to the average fair market price of similar photovoltaic power generation equipment and the amount of financing agreed to be provided by Citic Financial Leasing.

### *(vii) Ownership of the Taoyuan Leased Assets II*

During the term of the Taoyuan Finance Lease II, the ownership of the Taoyuan Leased Assets II shall vest in Citic Financial Leasing. During the lease period, the Taoyuan Leased Assets II will be used by Taoyuan Xinhui for the Taoyuan Project II. Upon expiry of the term of the Taoyuan Finance Lease II and subject to the full payment of the entire amount of the lease rent, and any other amounts due under the Taoyuan Finance Lease II, Taoyuan Xinhui shall purchase the Taoyuan Leased Assets II on an "as is" basis from Citic Financial Leasing for the nominal purchase price of RMB1.00 (equivalent to approximately HK\$1.13).

### *(viii) Security Arrangements for the Taoyuan Finance Lease II*

The obligations under the Taoyuan Finance Lease Agreements II are secured by the following:

- (1) Suzhou GCL Taoyuan Guarantee: pursuant to the Suzhou GCL Taoyuan Guarantee, Suzhou GCL New Energy has agreed to provide a guarantee to secure, among other things, Taoyuan Xinhui's obligations under the Taoyuan Finance Lease II, Taoyuan Asset Management Agreement II and Taoyuan Consulting Services Agreement II, including rental payments, interest, consulting fees and other amounts due to Citic Financial Leasing;
- (2) Nanjing GCL Taoyuan Guarantee: pursuant to the Nanjing GCL Taoyuan Guarantee, Nanjing GCL New Energy has agreed to provide a guarantee to secure, among other things, Taoyuan Xinhui's obligations under the Taoyuan Finance Lease II, Taoyuan

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Asset Management Agreement II and Taoyuan Consulting Services Agreement II, including rental payments, interest, consulting fees and other amounts due to Citic Financial Leasing;

- (3) Suzhou GCL Taoyuan Share Pledge Agreement II: pursuant to the Suzhou GCL Taoyuan Share Pledge Agreement II, Suzhou GCL New Energy has pledged 100% of the equity interest in Taoyuan Xinhui to secure all of Taoyuan Xinhui's obligations under the Taoyuan Finance Lease II, Taoyuan Asset Management Agreement II and Taoyuan Consulting Services Agreement II;
- (4) Taoyuan Leased Assets Mortgage Agreement II: pursuant to the Taoyuan Leased Assets Mortgage Agreement II, Taoyuan Xinhui has mortgaged the Taoyuan Leased Assets II to secure all of Taoyuan Xinhui's obligations under the Taoyuan Finance Lease II, Taoyuan Asset Management Agreement II and Taoyuan Consulting Services Agreement II; and
- (5) Taoyuan Electricity Fees Pledge Agreement II: pursuant to the Taoyuan Electricity Fees Pledge Agreement II, Taoyuan Xinhui has pledged its right to electricity fees and related receivables under any electricity sales agreement entered or to be entered into between Taoyuan Xinhui and State Grid Hunan Province for the Taoyuan Project II to secure its obligations under the Taoyuan Finance Lease II, Taoyuan Asset Management Agreement II and Taoyuan Consulting Services Agreement II.

### **F. Principal terms of the Taoyuan Finance Lease Agreements III**

**(i) Date**

20 December 2016

**(ii) Parties**

Seller and lessee: Taoyuan Xinyuan

Purchaser and lessor: Citic Financial Leasing

**(iii) The Taoyuan Finance Lease III**

Pursuant to the Taoyuan Finance Lease III, (i) Citic Financial Leasing shall purchase the Taoyuan Leased Assets III from Taoyuan Xinyuan at a consideration of RMB111,000,000.00 (equivalent to approximately HK\$125,407,800.00) and (ii) following the acquisition, Citic Financial Leasing shall lease the Taoyuan Leased Assets III to Taoyuan Xinyuan at an aggregate estimated rent of RMB146,636,375.76 (equivalent to approximately HK\$165,669,777.33) for a term of ten years, commencing from a date to be notified in writing by Citic Financial Leasing.

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### *(iv) Payment of Rent*

The estimated aggregate amount of rent payable by Taoyuan Xinyuan to Citic Financial Leasing under the Taoyuan Finance Lease Agreements III is RMB146,636,375.76 (equivalent to approximately HK\$165,669,777.33) and is payable in a total of 39 quarterly instalments. Based on the estimated commencement date of 15 January 2017, the initial three instalments are RMB2,953,377.00 (equivalent to approximately HK\$3,336,725.33), RMB1,501,164.00 (equivalent to approximately HK\$1,696,015.09) and RMB1,501,164.00 (equivalent to approximately HK\$1,696,015.09), and the remaining 36 instalments shall be in equal amounts of RMB3,907,796.41 (equivalent to approximately HK\$4,415,028.38) each.

The estimated aggregate amount of rent was calculated based on the principal lease cost plus the lease interest rate. The principal lease cost under the Taoyuan Finance Lease III was RMB111,000,000.00 (equivalent to approximately HK\$125,407,800.00). The interest rate under the Taoyuan Finance Lease III was calculated at an annualised interest rate of 5.292%, representing 108% of the current benchmark lending rate promulgated by the People's Bank of China for a term of five years or more. During the term of the Taoyuan Finance Lease III, 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.

### *(v) Asset Management Services*

Pursuant to the Taoyuan Asset Management Agreement III, Citic Financial Leasing agreed to provide to Taoyuan Xinyuan certain asset management services, including asset inspection, operational monitoring and related consulting services, for a total service fee of RMB3,996,000.00 (equivalent to approximately HK\$4,514,680.80). Taoyuan Xinyuan shall pay the service fee in nine equal annual instalments of RMB444,000.00 (equivalent to approximately HK\$501,631.20) each beginning on 23 December 2017.

### *(vi) Consultation Services*

Pursuant to the Taoyuan Consulting Services Agreement III, Citic Financial Leasing agreed to provide to Taoyuan Xinyuan certain consulting services, including consulting in relation to the structuring and arranging of finance leases and related financial, tax and economic issues, for a total service fee of RMB3,663,000.00 (equivalent to approximately HK\$4,138,457.40). Taoyuan Xinyuan shall pay the service fee in ten instalments, with the first instalment being RMB1,665,000.00 (equivalent to approximately HK\$1,881,117.00) payable on 23 December 2016 and the remaining nine instalments payable in equal annual instalments of RMB222,000.00 (equivalent to approximately HK\$250,815.60) each from 23 December 2017.

The terms of the Taoyuan Finance Lease III, the Taoyuan Asset Management Agreement III and the Taoyuan Consulting Services Agreement III including the lease rent, lease interest rate, and services fee were determined after arm's length negotiation between Citic Financial Leasing and Taoyuan Xinyuan with reference to the prevailing market rates for (i) finance leases for similar assets and (ii) similar consulting and asset management services.

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## LETTER FROM THE BOARD

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The price for the purchase of the Taoyuan Leased Assets III payable by Citic Financial Leasing under the Taoyuan Finance Lease III was determined through arm's length negotiation between the parties with reference to the average fair market price of similar photovoltaic power generation equipment and the amount of financing agreed to be provided by Citic Financial Leasing.

***(vii) Ownership of the Taoyuan Leased Assets III***

During the term of the Taoyuan Finance Lease III, the ownership of the Taoyuan Leased Assets III shall vest in Citic Financial Leasing. During the lease period, the Taoyuan Leased Assets III will be used by Taoyuan Xinyuan for the Taoyuan Project III. Upon expiry of the term of the Taoyuan Finance Lease III and subject to the full payment of the entire amount of the lease rent, and any other amounts due under the Taoyuan Finance Lease III, Taoyuan Xinyuan shall purchase the Taoyuan Leased Assets III on an "as is" basis from Citic Financial Leasing for the nominal purchase price of RMB1.00 (equivalent to approximately HK\$1.13).

***(viii) Security arrangements for the Taoyuan Finance Lease III***

The obligations under the Taoyuan Finance Lease Agreements III are secured by the following:

- (1) Suzhou GCL Taoyuan Guarantee: pursuant to the Suzhou GCL Taoyuan Guarantee, Suzhou GCL New Energy has agreed to provide a guarantee to secure, among other things, Taoyuan Xinyuan's obligations under the Taoyuan Finance Lease III, Taoyuan Asset Management Agreement III and Taoyuan Consulting Services Agreement III, including rental payments, interest, consulting fees and other amounts due to Citic Financial Leasing;
- (2) Nanjing GCL Taoyuan Guarantee: pursuant to the Nanjing GCL Taoyuan Guarantee, Nanjing GCL New Energy has agreed to provide a guarantee to secure, among other things, Taoyuan Xinyuan's obligations under the Taoyuan Finance Lease III, Taoyuan Asset Management Agreement III and Taoyuan Consulting Services Agreement III, including rental payments, interest, consulting fees and other amounts due to Citic Financial Leasing;
- (3) Suzhou GCL Taoyuan Share Pledge Agreement III: pursuant to the Suzhou GCL Taoyuan Share Pledge Agreement III, Suzhou GCL New Energy has pledged 100% of the equity interest in Taoyuan Xinyuan to secure all of Taoyuan Xinyuan's obligations under the Taoyuan Finance Lease III, Taoyuan Asset Management Agreement III and Taoyuan Consulting Services Agreement III;
- (4) Taoyuan Leased Assets Mortgage Agreement III: pursuant to the Taoyuan Leased Assets Mortgage Agreement III, Taoyuan Xinyuan has mortgaged the Taoyuan Leased Assets III to secure all of Taoyuan Xinyuan's obligations under the Taoyuan Finance Lease III, Taoyuan Asset Management Agreement III and Taoyuan Consulting Services Agreement III; and

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- (5) Taoyuan Electricity Fees Pledge Agreement III: pursuant to the Taoyuan Electricity Fees Pledge Agreement III, Taoyuan Xinyuan has pledged its right to electricity fees and related receivables under any electricity sales agreement entered or to be entered into between Taoyuan Xinyuan and State Grid Hunan Province for the Taoyuan Project III to secure its obligations under the Taoyuan Finance Lease III, Taoyuan Asset Management Agreement III and Taoyuan Consulting Services Agreement III.

### **3. FINANCIAL IMPACT OF THE HAIFENG FINANCE LEASE AGREEMENTS AND THE PREVIOUS AGREEMENTS AND INTENDED USE OF PROCEEDS**

As a result of the transactions contemplated under the Haifeng 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 Haifeng 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 Haifeng Finance Lease Agreements and the Previous Agreements. However, the interest elements of approximately RMB432,166,309.44 (equivalent to approximately HK\$488,261,496.41) in aggregate and administrative, consultancy and asset management fees of approximately RMB91,633,000.00 (equivalent to approximately HK\$103,526,963.40) in aggregate will be charged to the income statement of the Group over the lease period under the Haifeng 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 31 January 2017 was approximately RMB1,327,000,000.00 (equivalent to approximately HK\$1,499,244,600.00). 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 Haifeng Finance Lease Agreements and the Previous Agreements.

The funds received under the Haifeng 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 November and December 2016, the Group issued perpetual notes of RMB800,000,000 and RMB1,000,000,000 respectively to the subsidiaries of GCL-Poly, with most of the proceeds to be used to expand its solar energy business and improve its capital structure. The Board considered that the Haifeng Finance Lease Agreements and the Previous Agreements were appropriate sources of financing for the

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## LETTER FROM THE BOARD

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Group on this occasion. In comparison to other forms of financing considered, the Haifeng 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 Haifeng 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 financial arrangements under the Haifeng 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 Haifeng 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 HAIFENG FINANCE LEASE AGREEMENTS AND THE PREVIOUS AGREEMENTS**

#### **Citic Financial Leasing**

Citic Financial Leasing is a company incorporated in the PRC with limited liability and it is principally engaged in finance lease and other leasing business.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Citic Financial Leasing and its ultimate beneficial owner(s) are third parties independent of the Company and 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 Citic Financial Leasing within a 12-month period prior to and inclusive of the date of the Haifeng Finance Lease Agreements, the Haifeng 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 Haifeng Finance Lease Agreements and the Previous Agreements (in aggregate) exceeds 25%, the entering into of the Haifeng Finance Lease Agreements and the Previous Agreements, in aggregate, constitutes a major transaction of the Company and the Company shall comply with the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

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### 7. GENERAL

Pursuant to the Listing Rules, Shareholders' approval is required for a major transaction. To the best of the knowledge, information and belief of the Directors and after having made all reasonable enquiries, as at the Latest Practicable Date, none of the Shareholders has a material interest in the major transaction and therefore none of them would be required to abstain from voting if the Company were to convene a general meeting for approving the major transaction. Elite Time Global, being 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, has given written approval for the major transaction. Pursuant to Rule 14.44 of the Listing Rules, the Shareholders' approval requirement is deemed to have been fulfilled and hence no separate general meeting will need to be convened for approving the major transaction.

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, the audited consolidated financial statements of the Group for the year ended 31 December 2015 and the unaudited condensed interim consolidated financial statements of the Group for the six months ended 30 June 2016 together with the relevant notes thereto are disclosed in the following documents, which were published on both HKEx's website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.gclnewenergy.com](http://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 months period from 1 April 2014 to 31 December 2014 published on 22 April 2015 (pages 53-143);
- the annual report to the Company for the year ended 31 December 2015 published on 20 April 2016 (pages 59-169); and
- the interim report of the Company for the six months ended 30 June 2016 published on 12 September 2016 (pages 37-70).

## 2. INDEBTEDNESS STATEMENT OF THE GROUP

At the close of business on 31 January 2017, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following outstanding borrowings:

	<b>Secured</b>	<b>The Group Unsecured</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Carrying amount of bank and other borrowings	19,195,059	2,630,091	21,825,150
Carrying amount of obligations under finance leases	62,432	–	62,432
Principal amount of convertible bonds	–	862,183	862,183
Principal amount of loans from fellow subsidiaries	–	675,447	675,447
	<u>19,257,491</u>	<u>4,167,721</u>	<u>23,425,212</u>

The Group's secured bank and other borrowings were secured individually or in combination 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 31 January 2017; (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 31 January 2017.

At 31 January 2017, certain bank and other borrowings of the Group amounting to RMB21,150,466,000 are guaranteed individually or in combination by (i) fellow subsidiaries; (ii) the ultimate holding company; (iii) entities within the Group; (iv) a shareholder; and (v) a third party. 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 RMB685,343,000) and HK\$200,000,000 (equivalent to approximately RMB176,840,000), 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.

In addition, the Group received a no-objection letter from the Shanghai Stock Exchange in relation to the issuance of non-public corporate bonds to qualifying investors in the maximum principal amount of RMB2,000,000,000 which were fully underwritten and shall have a term of up to 3 years and outstanding for issuance as at 31 January 2017.

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 31 January 2017, the Group did not have any other 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 31 January 2017.

### **3. WORKING CAPITAL**

According to the Group's cash flow projections, as at 31 January 2017, the total committed capital expenditures relating to the acquisition and construction of solar power plants to be settled in the coming fourteen months ending 31 March 2018 amounted to approximately RMB13,658,085,000. As at 31 January 2017, the Group's total borrowings comprising bank and other borrowings, convertible bonds, obligations under finance leases and loans from fellow subsidiaries amounted to approximately RMB23,425,212,000. 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) The Group has been negotiating with lenders for the renewal of its current borrowings as necessary when they fall due in the coming twelve months. 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 Group's application when necessary;
- (ii) The Group is currently negotiating with several lenders in both Hong Kong and the PRC for additional financing. It has received detailed proposals from certain banks for banking facilities with repayment periods for more than one year. The Group also received letters of intent from certain other banks which indicated that these banks preliminarily agreed to offer banking facilities to the Group;
- (iii) In February 2016, the Group completed a rights issue of shares for a net proceeds of approximately RMB1,941,000,000. During 2016, the Group proposed the issuance of non-public corporate bonds and non-public green bonds to qualifying investors in the maximum principal amount of RMB2,000,000,000 and RMB1,750,000,000, respectively, which were fully underwritten and shall have a term of up to 3 years. In November 2016 and February 2017, the Group has received no-objection letters from the Shanghai Stock Exchange and the Shenzhen Stock Exchange in relation to these issues, respectively. In November and December 2016, the Group, as a borrower, issued perpetual notes of RMB800,000,000 and RMB1,000,000,000 respectively to the subsidiaries of GCL-Poly. The Group is also negotiating with other private investors for additional financing in the form of equity or debt or a combination of both; and
- (iv) The Group has completed the construction of 87 solar power plants with approval for on-grid connection up to 31 January 2017. The Group also has additional 21 solar power plants under construction targeting to achieve on-grid connection within the coming twelve months from the date of approval of this circular. The abovementioned solar power plants have an aggregate installed capacity of approximately 4.1 GW 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 and forthcoming 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 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 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 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

For the year ended 31 December 2015, the Group recorded a total revenue of approximately RMB1,970,000,000, whilst the total revenue for the period between 1 April 2014 and 31 December 2014 (the "Prior Period") was approximately RMB930,000,000. Gross profit for the year ended 31 December 2015 was approximately RMB523,000,000 and gross profit margin was 26.5% whilst the gross profit and gross profit margin for Prior Period was approximately RMB75,000,000 and 8.1%. Loss attributable to owners of the Company for the year ended 31 December 2015 amounted to approximately RMB15,000,000 as compared to the loss attributable to owners of the Company of RMB89,000,000 for the Prior Period.

The solar energy business has become the growth driver of the Group. During the six months ended 30 June 2016, the revenue and segment profit of the Group's solar energy business surged approximately 233% to approximately RMB929 million and approximately 129% to approximately RMB261 million respectively. In the first half of 2016, the Group operated 68 solar power plants in China, compared to 17 plants in the same period of last year, spanning across 19 provinces in the country. Total capacity reached approximately 2,735MW (30 June 2015: approximately 772MW), representing a year-on-year growth of approximately 254%. Grid-connected capacity has also significantly increased by 238%, from 645MW as at 30 June 2015 to approximately 2,182MW as at 30 June 2016, and total sales of electricity was approximately 1.17 million MWh, a significant rise of approximately 232% compared to the same period of last year.

Benefiting from the strong growth of the solar energy business, the Group's revenue grew by approximately 86% to approximately RMB1,671 million in the first half of 2016. Gross profit during the first half of 2016 was approximately RMB772 million, representing an increase of approximately 198% compared to the same period last year, with a gross profit margin of approximately 46%. Profit for the first half of 2016 of the Group surged approximately 141% to approximately RMB171 million. There were two non-recurring items – bargain purchases from business combination and change in fair value of convertible bonds in the first half of 2016 and the first half of 2015. If both non-recurring items were excluded, the adjusted profit for the period of the Group in the first half of 2016 would be approximately RMB212 million

(first half of 2015 would be: approximately RMB4 million), representing a substantial surge of approximately 59 times period-on-period. This reflects the Company's exceptional capability in developing and operating solar energy power plants.

For the first half of 2016, the Group's solar energy business delivered remarkable results by significantly adding an installed capacity of approximately 1,095 MW.

Projects that completed on-grid power connection between 1 January 2016 and 30 June 2016:

Location	Number of Solar Power Plant	Installed Capacity (MW)
Subsidiaries		
Inner Mongolia	7	316
Jiangsu	15	313
Shaanxi	4	240
Henan	4	220
Hebei	4	192
Anhui	3	180
Shanxi	4	180
Ningxia	4	150
Qinghai	4	150
Jiangxi	3	120
Hubei	1	116
Guangdong	1	100
Shandong	3	95
Xinjiang	2	80
Yunnan	2	80
Hunan	1	60
Hainan	2	50
Zhejiang	1	23
Jilin	1	15
<b>Sub-total</b>	<b>66</b>	<b>2,680</b>
Joint Ventures		
Qinghai	1	30
Xinjiang	1	25
<b>Total</b>	<b>68</b>	<b>2,735</b>

Particulars of the Group's current projects under development as at 30 June 2016 are as follows:

<b>Location</b>	<b>Number of Projects</b>	<b>Installed Capacity (MW)</b>
Shaanxi	2	300
Henan	1	120
Hubei	1	100
Hebei	3	80
Ningxia	1	50
Sichuan	1	35
Xinjiang	1	20
<b>Total</b>	<b>10</b>	<b>705</b>

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.

## 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/she 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	Nature of interest	Number of underlying Shares (Note)	Approximate percentage of issued Shares
Mr. ZHU Yufeng	Beneficial owner	3,523,100	0.02%
Mr. SUN Xingping	Beneficial owner	16,105,600	0.08%
Ms. HU Xiaoyan	Beneficial owner	19,125,400	0.10%
Mr. TONG Wan Sze	Beneficial owner	8,052,800	0.04%
Ms. SUN Wei	Beneficial owner	27,178,200	0.14%
Mr. SHA Hongqiu	Beneficial owner	8,052,800	0.04%
Mr. YEUNG Man Chung, Charles	Beneficial owner	15,099,000	0.08%
Mr. WANG Bohua	Beneficial owner	2,617,160	0.01%
Mr. XU Songda	Beneficial owner	2,617,160	0.01%
Mr. LEE Conway Kong Wai	Beneficial owner	2,617,160	0.01%
Mr. WANG Yanguo	Beneficial owner	1,006,600	0.01%
Dr. CHEN Ying	Beneficial owner	1,006,600	0.01%

*Note:* Adjustments have been 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.



*(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 (Note 1)	-	-	245,184,592 (Notes 1, 2 & 3)	6,372,906,081	34.29%
Ms. SUN Wei	-	-	5,723,000	4,733,699 (Note 2)	10,456,699	0.06%
Mr. SHA Hongqiu	-	-	-	1,692,046 (Note 2)	1,692,046	0.01%
Mr. YEUNG Man Chung, Charles	-	-	-	1,700,000 (Note 2)	1,700,000	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 the 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 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 27 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 28 March 2026 at an exercise price of HK\$0.586, HK\$4.071, HK\$2.867 or HK\$1.160 per share.
- 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 share options 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/she 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%
Haitong International New Energy VIII Limited	Beneficial owner	1,844,978,301 (L) (Note 3)	9.67%
Haitong International Securities Group Limited	Corporate interest	1,844,978,301 (L) (Note 3)	9.67%
Haitong Securities Co., Ltd.	Corporate interest	1,844,978,301 (L) (Note 3)	9.67%
COAMI ABS No. 1 Limited	Beneficial owner	1,027,984,084 (L) (Note 4)	5.39%
Walkers Fiduciary Limited	Corporate interest	1,027,984,084 (L) (Note 4)	5.39%

*Notes:*

1. "L" denotes a long position.
2. Elite Time Global is wholly owned by GCL-Poly.
3. 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.

4. 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.

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 by-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 carry 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 subscription agreement dated 24 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 by Yield Holding;
- (ii) 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;
- (iii) 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;
- (iv) 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;
- (v) the partnership agreement dated 29 May 2015 entered into between the Company, Nanjing GCL New Energy and 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;

- (vi) 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 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;
- (vii) the amendment and restatement deed on 14 July 2015 in relation to the convertible bonds in the principal amount of HK\$200,000,000 to be issued to Ivyrock China Focus Master Fund;
- (viii) 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;
- (ix) 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**”);
- (x) 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;
- (xi) the underwriting agreement dated 18 July 2016 entered into between Suzhou GCL New Energy and Guotai Junan Securities Co. Ltd.\* (國泰君安證券股份有限公司) in relation to the issuance of non-public corporate bonds to qualifying investors in the maximum principal amount of RMB2,000,000,000 on the Shanghai Stock Exchange (上海證券交易所) and certain other arrangements in respect of the nonpublic corporate bonds with a term of up to 3 years;
- (xii) the perpetual notes agreement dated 18 November 2016 entered into between Nanjing GCL New Energy and GCL-Poly (Suzhou) New Energy Co., Ltd.\* (保利協鑫(蘇州)新能源有限公司), Jiangsu GCL Silicon Material Technology Development Co., Ltd. (江蘇協鑫硅材料科技發展有限公司), Suzhou GCL Photovoltaic Technology Co., Ltd. (蘇州協鑫光伏科技有限公司) and Taicang GCL Photovoltaic Technology Co., Ltd. (太倉協鑫光伏科技有限公司) in relation to perpetual notes in the maximum amount of RMB1,800,000,000 with an indefinite term;
- (xiii) the agreements dated 7 December 2016 in relation to the issuance of non-public green bonds by Suzhou GCL New Energy in the PRC in the maximum principal amount of RMB1,750,000,000 with a term of not more than three years to not more than 200 qualifying investors on the Shenzhen Stock Exchange (深圳證券交易所); and

- (xiv) the sale and purchase agreement dated 30 December 2016 entered into between the Company and Mr. Yip Sum Yin in relation to the disposal of the entire equity interest in Same Time International (B.V.I.) Limited.

## **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 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 5 April 2017:

- (i) the memorandum of association and bye-laws of the Company;
- (ii) the annual reports of the Company for the nine months ended 31 December 2014 and the year ended 31 December 2015 and the interim report of the Company for the six months ended 30 June 2016;
- (iii) the material contracts referred to in the section headed "Material contracts" in this appendix;
- (iv) the circular of the Company dated 17 June 2016 in relation to the major transaction with Xinxin Finance Leasing Company Limited;

- (v) the circular of the Company dated 29 June 2016 in relation to the major transaction with Nanjing CNI Energy Engineering Company Limited;
- (vi) the circular of the Company dated 20 January 2017 in relation to the major and connected transaction for the disposal of the printed circuit board business; and
- (vii) this circular.