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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 and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**GCL New Energy Holdings Limited****協鑫新能源控股有限公司**

(Incorporated in Bermuda with limited liability)

(Stock code: 451)

**MAJOR TRANSACTION WITH XI'AN DATANG
ELECTRIC POWER DESIGN AND RESEARCH INSTITUTE CO., LTD.***

(西安大唐電力設計研究院有限公司)

AND

NOTICE OF SPECIAL GENERAL MEETING

Capitalised terms used in this cover shall have the same meanings as those defined in the section headed "Definitions" in this circular. A letter from the Board is set out on pages 6 to 25 of this circular.

A notice convening the Special General Meeting to be held at Strategy II & III, 8/F, W Hong Kong, 1 Austin Road West, Kowloon Station, Kowloon, Hong Kong on Thursday, 8 June 2017 at 11:00 a.m. is set out on pages SGM-1 to SGM-2 of this circular.

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

19 May 2017

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	6
APPENDIX I – FINANCIAL INFORMATION OF THE GROUP	26
APPENDIX II – GENERAL INFORMATION	32
NOTICE OF SPECIAL GENERAL MEETING	SGM-1

DEFINITIONS

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

“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Beijing Limited Partnership”	Beijing Guande Xinneng Investment Management Centre (Limited Partnership)* (北京冠德新能投資管理中心(有限合夥))
“Board”	the board of the Directors
“Company”	GCL New Energy Holdings Limited 協鑫新能源控股有限公司, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange, with stock code 451
“connected persons”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Dongfu Jueqi”	Beijing Dongfu Jueqi Economic Consulting Centre (Limited Partnership)* (北京東富崛起經濟諮詢中心(有限合夥))
“Elite Time Global”	Elite Time Global Limited, a company incorporated in British Virgin Islands with limited liability, a wholly-owned subsidiary of GCL-Poly and 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
“EPC”	engineering, procurement and construction
“EPC and Equipment Purchase Agreements”	together, (i) the Huarong EPC Agreement, (ii) the Huarong EPC Supplemental Agreement, (iii) the Huarong Equipment Purchase Agreement, (iv) the Huarong GNE Guarantee, (v) the Henan Sanmenxia EPC Agreement, (vi) the Henan Sanmenxia EPC Supplemental Agreement, (vii) the Henan Sanmenxia Equipment Purchase Agreement, and (viii) the Henan Sanmenxia GNE Guarantee
“Equipment Purchase Agreements”	together, (i) the Huarong Equipment Purchase Agreement, (ii) the Henan Sanmenxia Equipment Purchase Agreement, and (iii) the Previous Lianshui Equipment Purchase Agreement
“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

DEFINITIONS

“Group”	the Company and its subsidiaries
“GW”	gigawatt(s)
“Henan Sanmenxia EPC Agreement”	the EPC agreement dated 28 April 2017 entered into between Sanmenxia GCL New Energy as principal and Xi’an Datang Electric as contractor under which Xi’an Datang Electric undertakes to provide engineering, procurement and construction services in relation to the Henan Sanmenxia Project
“Henan Sanmenxia EPC Supplemental Agreement”	the EPC supplemental agreement dated 28 April 2017 entered into between Suzhou GCL New Energy and Sanmenxia GCL New Energy as joint principals and Xi’an Datang Electric as contractor in relation to the Henan Sanmenxia Project
“Henan Sanmenxia Equipment Purchase Agreement”	the equipment purchase agreement dated 28 April 2017 entered into between Xi’an Datang Electric as customer and Nanjing GCL New Energy as supplier and Sanmenxia GCL New Energy as principal in relation to the sale and purchase of certain system equipment for Henan Sanmenxia Project
“Henan Sanmenxia GNE Guarantee”	the agreement dated 28 April 2017 entered into between the Company and Xi’an Datang Electric in connection with the guarantee provided by the Company to Xi’an Datang Electric in respect of Sanmenxia GCL New Energy’s obligation under the Henan Sanmenxia EPC Agreement
“Henan Sanmenxia Project”	the 50MW photovoltaic power station project located in Cizhong village of Hubin District of Sanmenxia City of Henan Province, the PRC
“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
“Huarong EPC Agreement”	the EPC agreement dated 28 April 2017 entered into between Huarong GCL New Energy as principal and Xi’an Datang Electric as contractor under which Xi’an Datang Electric undertakes to provide engineering, procurement and construction services in relation to the Huarong Project

DEFINITIONS

“Huarong EPC Supplemental Agreement”	the EPC supplemental agreement dated 28 April 2017 entered into between Suzhou GCL New Energy and Huarong GCL New Energy as joint principals and Xi’an Datang Electric as contractor in relation to the Huarong Project
“Huarong Equipment Purchase Agreement”	the equipment purchase agreement dated 28 April 2017 entered into between Xi’an Datang Electric as customer and Nanjing GCL New Energy as supplier and Huarong GCL New Energy as principal in relation to the sale and purchase of certain system equipment for Huarong Project
“Huarong GCL New Energy”	Huarong GCL New Energy Company Limited* (華容縣協鑫光伏電力有限公司), an indirect wholly-owned subsidiary of the Company which is incorporated in the PRC with limited liability
“Huarong GNE Guarantee”	the agreement dated 28 April 2017 entered into between the Company and Xi’an Datang Electric in connection with the guarantee provided by the Company to Xi’an Datang Electric in respect of Huarong GCL New Energy’s obligation under the Huarong EPC Agreement
“Huarong Project”	phase one (100MW) of the 200MW fishery-photovoltaic power station project located in Ta’xi Lake of Huarong County of Yueyang City of Hunan Province, the PRC
“Konca Solar”	Konca Solar Cell Co., Ltd.* (高佳太陽能股份有限公司), a subsidiary of GCL-Poly incorporated in the PRC
“Latest Practicable Date”	16 May 2017, being the latest practicable date of ascertaining certain information contained in this circular prior to its publication
“Lianshui GCL New Energy”	Lianshui GCL New Energy Company Limited* (漣水鑫源光伏電力有限公司), an indirect wholly-owned subsidiary of the Company which is incorporated in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	megawatt(s)
“Nanjing GCL New Energy”	Nanjing GCL New Energy Development Co., Ltd. (南京協鑫新能源發展有限公司), an indirect wholly-owned subsidiary of the Company which is incorporated in the PRC with limited liability
“PAA”	Pacific Alliance Asia Opportunity Fund LP

DEFINITIONS

“PRC” or “China”	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”	together, (i) the Previous Lianshui EPC Agreement, (ii) the Previous Lianshui EPC Supplemental Agreement, and (iii) the Previous Lianshui Equipment Purchase Agreement
“Previous Lianshui EPC Agreement”	the EPC agreement dated 30 December 2016 entered into between Lianshui GCL New Energy as principal and Xi’an Datang Electric as contractor under which Xi’an Datang Electric undertakes to provide engineering, procurement and construction services in relation to the Previous Lianshui Project
“Previous Lianshui EPC Supplemental Agreement”	the EPC supplemental agreement dated 30 December 2016 entered into between Suzhou GCL New Energy and Lianshui GCL New Energy as joint principals and Xi’an Datang Electric as contractor in relation to the Previous Lianshui Project
“Previous Lianshui Equipment Purchase Agreement”	the equipment purchase agreement dated 17 January 2017 entered into between Xi’an Datang Electric as customer and Nanjing GCL New Energy as supplier and Lianshui GCL New Energy as principal in relation to the sale and purchase of certain system equipment for Previous Lianshui Project
“Previous Lianshui Project”	the 15MW agricultural photovoltaic power station project located in Tangji town of Lianshui County of Huai’an City, the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Sales Proceeds”	the sales proceeds under the Equipment Purchase Agreements
“Sanmenxia GCL New Energy”	Sanmenxia GCL New Energy Co., Ltd* (三門峽協立光伏電力有限公司), an indirect wholly-owned subsidiary of the Company which is incorporated in the PRC with limited liability
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time
“SGM” or “Special General Meeting”	the special general meeting of the Company to be convened and held at Strategy II & III, 8/F, W Hong Kong, 1 Austin Road West, Kowloon Station, Kowloon, Hong Kong on Thursday, 8 June 2017 at 11:00 a.m. , notice of which is set out on pages SGM-1 to SGM-2 of this circular and any adjournment thereof for the purpose of approving, among other things, the EPC and Equipment Purchase Agreements and the Previous Agreements

DEFINITIONS

“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)
“Solar Power Station Equipment”	certain solar power station equipment under the Equipment Purchase Agreements
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the same meaning ascribed to it under the Listing Rules
“Supply Agreements”	relevant supply agreements under which Nanjing GCL New Energy purchases the Solar Power Station Equipment from its suppliers
“Suzhou GCL New Energy”	Suzhou GCL New Energy Investment Co., Ltd.* (蘇州協鑫新能源投資有限公司), an indirect wholly-owned subsidiary of the Company which is incorporated in the PRC with limited liability
“Trust Companies”	Highexcel Investments Limited, Get Famous Investments Limited and Happy Genius Holdings Limited
“Wuxi Guolian”	Wuxi Guolian Development (Group) Company Limited* (無錫市國聯發展(集團)有限公司), a company incorporated in the PRC and owned by Wuxi Government
“Xi’an Datang Electric”	Xi’an Datang Electric Power Design and Research Institute Co., Ltd.* (西安大唐電力設計研究院有限公司), a 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 purposes 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\$1.1289. This does not mean that HK\$ could be converted into RMB, or vice versa, based on such exchange rate.

LETTER FROM THE BOARD



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:

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Non-executive Directors:

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

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

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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

19 May 2017

To the Shareholders

MAJOR TRANSACTION WITH XI'AN DATANG ELECTRIC POWER DESIGN AND RESEARCH INSTITUTE CO., LTD* **(西安大唐電力設計研究院有限公司)**

INTRODUCTION

On 28 April 2017, the Company announced that the Company, through its subsidiaries, entered into the following agreements respectively with Xi'an Datang Electric:

- (1) the Huarong EPC Agreement;
- (2) the Huarong GNE Guarantee;

LETTER FROM THE BOARD

- (3) the Huarong EPC Supplemental Agreement;
- (4) the Huarong Equipment Purchase Agreement;
- (5) the Henan Sanmenxia EPC Agreement;
- (6) the Henan Sanmenxia GNE Guarantee;
- (7) the Henan Sanmenxia EPC Supplemental Agreement; and
- (8) the Henan Sanmenxia Equipment Purchase Agreement,

(together, the “**EPC and Equipment Purchase Agreements**”).

In addition, the Company, through its subsidiaries, previously entered into the Previous Agreements with Xi’an Datang Electric in the past 12 months.

As one or more of the applicable percentage ratios in respect of the EPC and Equipment Purchase Agreements and the Previous Agreements (in aggregate) exceeds 25% but is less than 100% for the Company, the entering into of the EPC and Equipment Purchase Agreements and the Previous Agreements (in aggregate) constitutes a major transaction of the Company and the Company shall comply with the reporting and announcement and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

The purpose of this circular is to provide you with (i) details of the EPC and Equipment Purchase Agreements and the Previous Agreements; (ii) financial information of the Group and other information required under the Listing Rules and (iii) a notice of the SGM.

1. EPC AND EQUIPMENT PURCHASE AGREEMENTS

A. Principal terms of the Huarong EPC Agreement

(i) *Date*

28 April 2017

(ii) *Parties*

Principal: Huarong GCL New Energy

Contractor: Xi’an Datang Electric

(iii) *Subject Matter*

Huarong GCL New Energy agreed to engage Xi’an Datang Electric to provide engineering, procurement and construction services in relation to the Huarong Project. The relevant construction work will commence pursuant to the notice of commencement given by

LETTER FROM THE BOARD

Huarong GCL New Energy. It is expected that full-on-grid connection for Huarong Project will be completed on 30 June 2017. By 30 July 2017, all EPC work will be completed and the Test Run and Quality Check Certificate* (工程試運和移交生產驗收鑒定書) will be obtained after the test run. The Construction Completion Certificate* (工程竣工驗收鑒定書) will be obtained within three months after the issuance of the Test Run and Quality Check Certificate.

(iv) Basis of Consideration

The consideration for the solar power station equipment and services under the Huarong EPC Agreement is estimated to be RMB614,885,158.70 (equivalent to approximately HK\$694,143,855.66), comprising of:

- (a) the solar power station equipment fee for the estimated amount of RMB528,716,546.70 (equivalent to approximately HK\$596,868,109.57); and
- (b) the services and other construction materials relating to the Huarong Project for the estimated amount of RMB86,168,612.00 (equivalent to approximately HK\$97,275,746.09).

The final consideration may be adjusted if (a) Huarong GCL New Energy has changed the capacity of the power station which results in a change in quantity of construction work; (b) the number of pipe piles required differs from the number stated in the tender documents; or (c) there are substantial adjustments between the construction plan and the tender documents which result in a cumulative amount equal to or above RMB500,000.00 (equivalent to approximately HK\$564,450.00).

The Huarong EPC Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms, and was awarded after a bidding process in accordance with the Company's procurement policies to ensure its terms are in line with prevailing market terms of projects of similar nature and scale in the region. The consideration was determined with reference to (a) the quality standard of the services to be provided under the Huarong EPC Agreement; (b) the anticipated profit margin of the Huarong Project (set with reference to profit margins of other similar projects in the market and of other similar projects of the Group); and (c) the prevailing market price.

Given that there are limited regional resources and service providers from whom the engineering, procurement and construction services under the Huarong EPC Agreement could be procured, the Company followed its procurement policies and used the selective bidding method to procure the engineering, procurement and construction services, and determined that the consideration was fair and reasonable based on the market price of similar services, having considered other bids submitted in the bidding process for the Group's previous projects for similar services.

The Company uses selective bidding to select third party service providers in certain circumstances, such as, (a) where the required technology is monopolised in the region, (b) there is a limited number of service providers, (c) there are requirements imposed by laws and

LETTER FROM THE BOARD

regulations, or (d) there is a lack of regional expertise. When the Company determines that procurement through selective bidding is appropriate, the Company will solicit bids from one or multiple service providers who meet the Company's specific technical, pricing and timing requirements. The Company sets out specific requirements regarding the quality of service in the bid invitation (including the specific technical and timing requirements of the Huarong Project), and selects the most appropriate service provider after considering the price, timing, technical level and other terms of the bids received. The Company considers its bidding process to be in line with market and industry practice, enabling the Company to procure services from the most appropriate service provider.

(v) *Payment terms*

The consideration for the solar power station equipment and services under the Huarong EPC Agreement shall be paid by Huarong GCL New Energy to Xi'an Datang Electric in accordance with the following milestones:

Payment terms for the solar power station equipment

First instalment	10% of the estimated equipment fees shall be paid by Huarong GCL New Energy to Xi'an Datang Electric as prepayment immediately after the signing of the Huarong EPC Agreement
Subsequent instalments	Upon the payment of each equipment fee instalment by Xi'an Datang Electric in accordance with the Huarong Equipment Purchase Agreement, Huarong GCL New Energy shall pay 100% of the equipment procurement fees for each instalment upon the earlier of (i) eight months after the payment of each instalment by Xi'an Datang Electric under the Huarong Equipment Purchase Agreement or (ii) the date on which the solar power station equipment is pledged and/or mortgaged and the bank releases the loan funds for the Huarong Project

Payment terms for the services and other construction materials relating to the Huarong Project

First instalment	10% of the estimated services fees shall be paid by Huarong GCL New Energy to Xi'an Datang Electric as prepayment immediately after signing of the Huarong EPC Agreement
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LETTER FROM THE BOARD

Second instalment	Huarong GCL New Energy shall pay to Xi'an Datang Electric: <ul style="list-style-type: none">(a) 65% of the estimated services fees upon the earlier of (i) 60 days from the date on which 90% capacity of the on-grid power connection facilities for Huarong Project are in place or (ii) within seven days from the date of reaching 90% capacity on-grid power connection for Huarong Project; or(b) 75% of the estimated services fees if the facilities for the full capacity on-grid power connection for the Huarong Project are partially in place, but the remaining facilities are incomplete due to problems with the land provided by Huarong GCL New Energy
Third instalment	Depending on the amount paid in the second instalment, 10% or 20% of the estimated services fees shall be paid by Huarong GCL New Energy to Xi'an Datang Electric once all the construction work is completed, the solar power station has been handed over after inspection and all accounts have been settled
Fourth instalment	5% of the estimated service fees shall be paid by Huarong GCL New Energy to Xi'an Datang Electric after the expiration of the warranty period provided that there are no quality issues, or any issues have been remedied by Xi'an Datang Electric

(vi) Guarantee

Pursuant to Huarong GNE Guarantee, the Company has agreed to provide a guarantee for RMB614,885,158.70 (equivalent to approximately HK\$694,143,855.66), being the total contract price, as well as for damages, legal fees, administrative fees and other amounts due to Xi'an Datang Electric in respect of Huarong GCL New Energy's obligations under the Huarong EPC Agreement.

(vii) Huarong EPC Supplemental Agreement

Pursuant to the Huarong EPC Supplemental Agreement, Suzhou GCL New Energy and Huarong GCL New Energy will act as joint principals and agreed to engage Xi'an Datang Electric as contractor to provide engineering, procurement and construction services in relation to the Huarong Project. Suzhou GCL New Energy and Huarong GCL New Energy agreed to undertake the relevant obligations and liabilities under the Huarong EPC Agreement.

LETTER FROM THE BOARD

Furthermore, Suzhou GCL New Energy and Huarong GCL New Energy, as joint principals, undertake that:

- (a) if a bank loan has been obtained using the Huarong Project and the income generated from the Huarong Project as security, the joint principals shall immediately transfer the loan payments to Xi'an Datang Electric as payment of the consideration under the Huarong EPC Agreement; and
- (b) if within three months after the completion date of the Huarong Project the joint principals are unable to obtain a sufficient bank loan and to pay for the total consideration under the Huarong EPC Agreement, the joint principals agreed to enter into a pledge agreement with Xi'an Datang Electric to pledge Huarong GCL New Energy's equity interest, income arising from the photovoltaic power station and all assets relating to the photovoltaic power stations, and the joint principals shall complete the relevant registration within one month.

B. Principal terms of the Huarong Equipment Purchase Agreement

(i) Date

28 April 2017

(ii) Parties

Principal: Huarong GCL New Energy

Supplier: Nanjing GCL New Energy

Customer: Xi'an Datang Electric

(iii) Subject Matter

Nanjing GCL New Energy agreed to supply, and Xi'an Datang Electric agreed to purchase certain solar power station equipment for a consideration of RMB512,013,185.60 (equivalent to approximately HK\$578,011,685.22) for the Huarong Project. The equipment purchased included solar modules, frames, string converters, voltage converter and cables.

(iv) Basis of consideration

The Huarong Equipment Purchase Agreement was signed together with the Huarong EPC Agreement after a bidding process. The Huarong Equipment Purchase Agreement was negotiated and entered into on an arms' length basis and on normal commercial terms. The consideration is calculated on the basis of the market price of similar products sold by the Group and by other suppliers in the region and with reference to the relevant brands, payment methods and size of order.

LETTER FROM THE BOARD

(v) *Payment terms*

The consideration for the solar modules under the Huarong Equipment Purchase Agreement shall be paid by Xi'an Datang Electric to Nanjing GCL New Energy in accordance with the following milestones:

First instalment	40% of the total consideration shall be paid by Xi'an Datang Electric to Nanjing GCL New Energy within two weeks from the date on which Xi'an Datang Electric receives the prepayment of the solar power station equipment from Huarong GCL New Energy under the Huarong EPC Agreement
Second instalment	30% of the total consideration shall be paid within six weeks after signing of the Huarong Equipment Purchase Agreement
Third instalment	30% of the total consideration shall be paid within ten weeks after signing of the Huarong Equipment Purchase Agreement

C. Principal terms of the Henan Sanmenxia EPC Agreement

(i) *Date*

28 April 2017

(ii) *Parties*

Principal: Sanmenxia GCL New Energy

Contractor: Xi'an Datang Electric

(iii) *Subject Matter*

Sanmenxia GCL New Energy agreed to engage Xi'an Datang Electric as contractor to provide engineering, procurement and construction services in relation to the Henan Sanmenxia Project. The relevant construction work will commence pursuant to the notice of commencement given by Sanmenxia GCL New Energy. It is expected that full-on-grid connection for Henan Sanmenxia Project will be completed on 30 June 2017. By 30 July 2017, all EPC work will be completed and the Test Run and Quality Check Certificate* (工程試運和移交生產驗收鑒定書) will be obtained after the test run. The Construction Completion Certificate* (工程竣工驗收鑒定書) will be obtained within three months after the issuance of the Test Run and Quality Check Certificate.

LETTER FROM THE BOARD

(iv) Basis of Consideration

The consideration for the solar power station equipment and services under the Henan Sanmenxia EPC Agreement is estimated to be RMB269,253,610.00 (equivalent to approximately HK\$303,960,400.33), comprising of:

- (a) the solar power station equipment fee for the estimated amount of RMB236,376,586.00 (equivalent to approximately HK\$266,845,527.94); and
- (b) the services relating to the Henan Sanmenxia Project for the estimated amount of RMB32,877,024.00 (equivalent to approximately HK\$37,114,872.39).

The final consideration may be adjusted if (a) Sanmenxia GCL New Energy has changed the capacity of the power station which results in a quantity change of construction work; (b) the number of pipe piles required differs from the number stated in the tender documents; (c) there are substantial adjustments between the construction plan and the tender documents which result in a cumulative amount equal or above to RMB500,000.00 (equivalent to approximately HK\$564,450.00); or (d) the price of the pipe piles purchased differs from the estimated price of the pipe piles.

The Henan Sanmenxia EPC Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms, and was awarded after a bidding process in accordance with the Company's procurement policies to ensure its terms are in line with prevailing market terms of projects of similar nature and scale in the region. The consideration was determined with reference to (a) the quality standard of the services to be provided under the Henan Sanmenxia EPC Agreement; (b) the anticipated profit margin of the Henan Sanmenxia Project (set with reference to profit margins of other similar projects in the market and of other similar projects of the Group); and (c) the prevailing market price.

Given that there are limited regional resources and service providers from whom the engineering, procurement and construction services under the Henan Sanmenxia EPC Agreement could be procured, the Company followed its procurement policies and used the selective bidding method to procure the engineering, procurement and construction services, and determined that the consideration was fair and reasonable based on the market price of similar services, having considered other bids submitted in the bidding process for the Group's previous projects for similar services.

The Company uses selective bidding to select third party service providers in certain circumstances, such as, (a) where the required technology is monopolised in the region, (b) there is a limited number of service providers, (c) there are requirements imposed by laws and regulations, or (d) there is a lack of regional expertise. When the Company determines that procurement through selective bidding is appropriate, the Company will solicit bids from one or multiple service providers who meet the Company's specific technical, pricing and timing requirements. The Company sets out specific requirements regarding the quality of service in the bid invitation (including the specific technical and timing requirements of the Henan Sanmenxi Project), and selects the most appropriate service provider after considering the

LETTER FROM THE BOARD

price, timing, technical level and other terms of the bids received. The Company considers its bidding process to be in line with market and industry practice, enabling the Company to procure services from the most appropriate service provider.

(v) *Payment terms*

The consideration for the solar power station equipment and services under the Henan Sanmenxia EPC Agreement shall be paid by Sanmenxia GCL New Energy to Xi'an Datang Electric in accordance with the following milestones:

Payment terms for the solar power station equipment

First instalment	10% of the estimated equipment fees shall be paid by Sanmenxia GCL New Energy to Xi'an Datang Electric as prepayment immediately after the signing of the Henan Sanmenxia EPC Agreement
Subsequent instalments	Upon the payment of each equipment fee instalment by Xi'an Datang Electric in accordance with the Henan Sanmenxia Equipment Purchase Agreement, Sanmenxia GCL New Energy shall pay 100% of the equipment procurement fees for each instalment upon the earlier of (i) eight months after the payment of each instalment by Xi'an Datang Electric under the Henan Sanmenxia Equipment Purchase Agreement or (ii) the date on which the solar power station equipment is pledged and/or mortgaged and the bank releases the loan funds for the Henan Sanmenxia Project

Payment terms for the services and other construction materials relating to the Henan Sanmenxia Project

First instalment	10% of the estimated services fees shall be paid by Sanmenxia GCL New Energy to Xi'an Datang Electric as prepayment immediately after signing of the Henan Sanmenxia EPC Agreement
Second instalment	Sanmenxia GCL New Energy shall pay to Xi'an Datang Electric: (a) 65% of the estimated services fees upon the earlier of (i) 60 days from the date on which 90% capacity of the on-grid power connection facilities for Henan Sanmenxia Project are in place or (ii) within seven days from the date of reaching 90% capacity on-grid power connection for Henan Sanmenxia Project; or

LETTER FROM THE BOARD

- (b) 75% of the estimated services fees if the facilities for the full capacity on-grid power connection for the Henan Sanmenxia Project are partially in place, but the remaining facilities are incomplete due to problems with the land provided by Sanmenxia GCL New Energy

Third instalment Depending on the amount paid in the second instalment, 10% or 20% of the estimated services fees shall be paid by Sanmenxia GCL New Energy to Xi'an Datang Electric once all the construction work is completed, the solar power station has been handed over after inspection and all accounts have been settled

Fourth instalment 5% of the estimated service fees shall be paid by Sanmenxia GCL New Energy to Xi'an Datang Electric after the expiration of the warranty period provided that there are no quality issues, or any issues have been remedied by Xi'an Datang Electric

(vi) Guarantee

Pursuant to Henan Sanmenxia GNE Guarantee, the Company has agreed to provide a guarantee for RMB269,253,610.00 (equivalent to approximately HK\$303,960,400.33), being the total contract price, as well as for damages, legal fees, administrative fees and other amounts due to Xi'an Datang Electric in respect of Sanmenxia GCL New Energy's obligations under the Henan Sanmenxia EPC Agreement.

(vii) Henan Sanmenxia EPC Supplemental Agreement

Pursuant to the Henan Sanmenxia EPC Supplemental Agreement, Suzhou GCL New Energy and Sanmenxia GCL New Energy will act as joint principals and agreed to engage Xi'an Datang Electric as contractor to provide engineering, procurement and construction services in relation to the Henan Sanmenxia Project. Suzhou GCL New Energy and Sanmenxia GCL New Energy, as joint principals, agreed to undertake the relevant obligations and liabilities under the Henan Sanmenxia EPC Agreement.

Furthermore, Suzhou GCL New Energy and Sanmenxia GCL New Energy, as joint principals, undertake that:

- (a) if a bank loan has been obtained using the Henan Sanmenxia Project and the income generated from the Henan Sanmanxia Project as security, the joint principals shall immediately transfer the loan payments to Xi'an Datang Electric as payment of the consideration under the Henan Sanmenxia EPC Agreement; and

LETTER FROM THE BOARD

- (b) if within three months after the completion date of the Henan Sanmenxia Project the joint principals are unable to obtain a sufficient bank loan and to pay for the total consideration under the Henan Sanmenxia EPC Agreement, the joint principals agreed to enter into a pledge agreement with Xi'an Datang Electric to pledge Sanmenxia GCL New Energy's equity interest, income arising from the photovoltaic power station and all assets relating to the photovoltaic power stations, and the joint principals shall complete the relevant registration within one month.

D. Principal terms of the Henan Sanmenxia Equipment Purchase Agreement

(i) *Date*

28 April 2017

(ii) *Parties*

Principal: Sanmenxia GCL New Energy

Supplier: Nanjing GCL New Energy

Customer: Xi'an Datang Electric

(iii) *Subject Matter*

Nanjing GCL New Energy agreed to supply, and Xi'an Datang Electric agreed to purchase certain solar power station equipment for a consideration of RMB228,908,910.77 (equivalent to approximately HK\$258,415,269.37) for the Henan Sanmenxia Project. The equipment purchased included solar modules, frames, string converters, voltage converter and cables.

(iv) *Basis of consideration*

The Henan Sanmenxia Equipment Purchase Agreement was signed together with the Henan Sanmenxia EPC Agreement after a bidding process. The Henan Sanmenxia Equipment Purchase Agreement was negotiated and entered into on an arms' length basis and on normal commercial terms. The consideration is calculated on the basis of the market price of similar products sold by the Group and by other suppliers in the region and with reference to the relevant brands, payment methods and size of order.

LETTER FROM THE BOARD

(v) *Payment terms*

The consideration for the solar modules under the Henan Sanmenxia Equipment Purchase Agreement shall be paid by Xi'an Datang Electric to Nanjing GCL New Energy in accordance with the following milestones:

First instalment	40% of the total consideration shall be paid by Xi'an Datang Electric to Nanjing GCL New Energy within two weeks from the date on which Xi'an Datang Electric receives the prepayment of the solar power station equipment from Sanmenxia GCL New Energy under the Henan Sanmenxia EPC Agreement
Second instalment	30% of the total consideration shall be paid within six weeks after signing of the Henan Sanmenxia Equipment Purchase Agreement
Third instalment	30% of the total consideration shall be paid within ten weeks after signing of the Henan Sanmenxia Equipment Purchase Agreement

2. THE PREVIOUS AGREEMENTS

A. Principal terms of the Previous Lianshui EPC Agreement

(i) *Date*

30 December 2016

(ii) *Parties*

Principal: Lianshui GCL New Energy

Contractor: Xi'an Datang Electric

(iii) *Subject Matter*

Lianshui GCL New Energy agreed to engage Xi'an Datang Electric as contractor to provide engineering, procurement and construction services in relation to the Previous Lianshui Project. The relevant construction work commenced pursuant to the notice of commencement given by Lianshui GCL New Energy. It was expected that full-on-grid connection for Previous Lianshui Project would be completed on 31 December 2016. It was expected that by 31 January 2017, all EPC work would be completed and the Test Run and Quality Check Certificate* (工程試運和移交生產驗收鑒定書) would be obtained after the test run. The Construction Completion Certificate* (工程竣工驗收鑒定書) would be obtained within three months after the issuance of the Test Run and Quality Check Certificate.

LETTER FROM THE BOARD

(iv) Basis of Consideration

The consideration for the solar power station equipment and services under the Previous Lianshui EPC Agreement is estimated to be RMB102,291,232.00 (equivalent to approximately HK\$115,476,571.80), comprising of:

- (a) the solar power station equipment fee for the estimated amount of RMB89,891,232.00 (equivalent to approximately HK\$101,478,211.80); and
- (b) the services and other construction materials relating to the Previous Lianshui Project for the estimated amount of RMB12,400,000.00 (equivalent to approximately HK\$13,998,360.00).

The final consideration may be adjusted if (a) Lianshui GCL New Energy has changed the capacity of the power station which results in a quantity change of construction work; (b) the number of pipe piles required differs from the number in the tender documents; or (c) there are substantial adjustments between the construction plan and the tender documents which result in a cumulative amount equal or above to RMB500,000.00 (equivalent to approximately HK\$564,450.00).

The Previous Lianshui EPC Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms, and was awarded after a bidding process in accordance with the Company's procurement policies to ensure its terms are in line with prevailing market terms of projects of similar nature and scale in the region. The consideration was determined with reference to (a) the quality standard of the services to be provided under the Previous Lianshui EPC Agreement; (b) the anticipated profit margin of the Previous Lianshui Project (set with reference to profit margins of the other similar projects in the market and of other similar projects of the Group); and (c) the prevailing market price.

Given that there are limited regional resources and service providers from whom the engineering, procurement and construction services under the Previous Lianshui EPC Agreement could be procured, the Company followed its procurement policies and used the selective bidding method to procure the engineering, procurement and construction services, and determined that the consideration was fair and reasonable based on the market price of similar services, having considered other bids submitted in the bidding process for the Group's previous projects for similar services.

The Company uses selective bidding to select third party service providers in certain circumstances, such as, (a) where the required technology is monopolised in the region, (b) there is a limited number of service providers, (c) there are requirements imposed by laws and regulations, or (d) there is a lack of regional expertise. When the Company determines that procurement through selective bidding is appropriate, the Company will solicit bids from one or multiple service providers who meet the Company's specific technical, pricing and timing requirements. The Company sets out specific requirements regarding the quality of service in the bid invitation (including the specific technical and timing requirements of the Previous Lianshui Project), and selects the most appropriate service provider after considering the price,

LETTER FROM THE BOARD

timing, technical level and other terms of the bids received. The Company considers its bidding process to be in line with market and industry practice, enabling the Company to procure services from the most appropriate service provider.

(v) *Payment terms*

The consideration for the solar power station equipment and services under the Previous Lianshui EPC Agreement shall be paid by Lianshui GCL New Energy to Xi'an Datang Electric in accordance with the following milestones:

Payment terms for the solar power station equipment

First instalment	10% of the estimated equipment fees shall be paid by Lianshui GCL New Energy to Xi'an Datang Electric as prepayment immediately after the signing of the Previous Lianshui EPC Agreement
Subsequent instalments	Upon the payment of each equipment fee instalment by Xi'an Datang Electric in accordance with the Previous Lianshui Equipment Purchase Agreement, Lianshui GCL New Energy shall pay 100% of the equipment procurement fees for each instalment upon the earlier of (i) eight months after the payment of each instalment by Xi'an Datang Electric under the Previous Lianshui Equipment Purchase Agreement or (ii) the date on which the solar power station equipment is pledged and/or mortgaged and the bank releases the loan funds for the Previous Lianshui Project

Payment terms for the services and other construction materials relating to the Previous Lianshui Project

First instalment	10% of the estimated services fees shall be paid by Lianshui GCL New Energy to Xi'an Datang Electric as prepayment immediately after signing of the Previous Lianshui EPC Agreement
Second instalment	Lianshui GCL New Energy shall pay to Xi'an Datang Electric: (a) 65% of the estimated services fees upon the earlier of (i) 60 days from the date on which 90% capacity of the on-grid power connection facilities for Previous Lianshui Project are in place or (ii) within seven days from the date of reaching 90% capacity on-grid power connection for Previous Lianshui Project; or

LETTER FROM THE BOARD

- (b) 75% of the estimated services fees if the facilities for the full capacity on-grid power connection for the Previous Lianshui Project are partially in place, but the remaining facilities are incomplete due to problems with the land provided by Lianshui GCL New Energy

Third instalment	Depending on the amount paid in the second instalment, 10% or 20% of the estimated services fees shall be paid by Lianshui GCL New Energy to Xi'an Datang Electric once all the construction work is completed, the solar power station has been handed over after inspection and all accounts have been settled
Fourth instalment	5% of the estimated service fees shall be paid by Lianshui GCL New Energy to Xi'an Datang Electric after the expiration of the warranty period provided that there are no quality issues, or any issues have been remedied by Xi'an Datang Electric

(vi) Previous Lianshui EPC Supplemental Agreement

Pursuant to the Previous Lianshui EPC Supplemental Agreement, Suzhou GCL New Energy and Lianshui GCL New Energy will act as joint principals and agreed to engage Xi'an Datang Electric as contractor to provide engineering, procurement and construction services in relation to the Previous Lianshui Project. Suzhou GCL New Energy and Lianshui GCL New Energy, as joint principals, agreed to undertake the relevant obligations and liabilities under the Previous Lianshui EPC Agreement.

Furthermore, Suzhou GCL New Energy and Lianshui GCL New Energy, as joint principals, undertook that:

- (a) if a bank loan has been obtained using the Previous Lianshui Project and the income generated from the Previous Lianshui Project as security, the joint principals would immediately transfer the loan payments to Xi'an Datang Electric as payment of the consideration under the Previous Lianshui EPC Agreement; and
- (b) prior to the effective date of such loan agreement, the joint principals would pledge all income and receivables arising from the Previous Lianshui Project in respect of the joint principal's obligation to repay Xi'an Datang Electric for the consideration under the Previous Lianshui EPC Agreement.

LETTER FROM THE BOARD

B. Principal terms of the Previous Lianshui Equipment Purchase Agreement

(i) Date

17 January 2017

(ii) Parties

Principal: Lianshui GCL New Energy

Supplier: Nanjing GCL New Energy

Customer: Xi'an Datang Electric

(iii) Subject Matter

Nanjing GCL New Energy agreed to supply, and Xi'an Datang Electric agreed to purchase certain solar power station equipment for a consideration of RMB87,051,363.05 (equivalent to approximately HK\$98,272,283.75) for the Previous Lianshui Project. The equipment purchased included solar modules, frames, voltage converter, cables and fire alarm system.

(iv) Basis of consideration

The Previous Lianshui Equipment Purchase Agreement was signed together with the Previous Lianshui EPC Agreement after a bidding process. The Previous Lianshui Equipment Purchase Agreement was negotiated and entered into on an arms' length basis and on normal commercial terms. The consideration is calculated on the basis of the market price of similar products sold by the Group and by other suppliers in the region and with reference to the relevant brands, payment methods and size of order.

(v) Payment terms

The total consideration for the solar modules under the Previous Lianshui Equipment Purchase Agreement shall be paid by Xi'an Datang Electric to Nanjing GCL New Energy within two working days from the date on which Xi'an Datang Electric receives the prepayment of the solar power station equipment from Lianshui GCL New Energy under the Previous Lianshui EPC Agreement.

LETTER FROM THE BOARD

3. FINANCIAL IMPACT OF THE EPC AND EQUIPMENT PURCHASE AGREEMENTS AND THE PREVIOUS AGREEMENTS

Based on current facts and circumstances, it is estimated that the entering into of the EPC and Equipment Purchase Agreements and the Previous Agreements by the Group, with a total consideration of RMB986,430,000.70 (equivalent to approximately HK\$1,113,580,827.79) would constitute capital commitments of the Group of the same amount. The Group would have to incur cash outflow to settle these capital commitments according to the payment schedules stipulated above.

The Directors do not expect that the entering into of the EPC and Equipment Purchase Agreements and the Previous Agreements would have any material adverse financial impact on the earnings, assets and liabilities of the Group.

4. REASONS FOR AND BENEFITS OF THE TRANSACTION

As a developer of photovoltaic power station projects, the Group, similar to other developers of photovoltaic power stations, has to engage external contractors to provide engineering, procurement and constructions services to construct its power generation projects and to source solar modules, balance-of-system equipment and other photovoltaic power generation equipment. As a result, the EPC and Equipment Purchase Agreements and the Previous Agreements entered into with Xi'an Datang Electric are important to the development of the Huarong Project, Henan Sanmenxia Project and Previous Lianshui Project. Particulars of the Group's current projects under development and projects that completed on-grid power connection as at 31 December 2016 are set out in the section headed "Financial and Trading Prospects" in Appendix I to this circular.

Xi'an Datang Electric is an established EPC contractor and power generation equipment supplier and has extensive local resources. The Group believes that it can deliver service at a quality standard which meets the expectations of the Group.

As a result of its experience, Xi'an Datang Electric is familiar with the local government policies, rules and regulations, and market conditions, and has the financial and human resources needed to effectively complete the Huarong Project, Henan Sanmenxia Project and Previous Lianshui Project. The Group believes that Xi'an Datang Electric can deliver service and supply solar modules and photovoltaic power generation equipment at a quality standard which meets the expectations of the Group.

Under the Equipment Purchase Agreements, Nanjing GCL New Energy sells the Solar Power Station Equipment to Xi'an Datang Electric. Nanjing GCL New Energy purchases the Solar Power Station Equipment from its suppliers under the Supply Agreements on different payment terms than those under the Equipment Purchase Agreements. Under the Supply Agreements, payment by Nanjing GCL New Energy is by instalments over a one year period following signing of the Supply Agreements; whereas under the Equipment Purchase Agreements, Nanjing GCL New Energy receives full consideration from Xi'an Datang Electric within 10 weeks of signing of the Equipment Purchase Agreements at the latest.

The Group will therefore be able to benefit from short term use of the Sales Proceeds prior to paying its suppliers under the Supply Agreements. Approximately 10% of the Sales Proceeds will be used as deposits to Xi'an Datang Electric under the Huarong EPC Agreement, the Henan Sanmenxia EPC

LETTER FROM THE BOARD

Agreement and the Previous Lianshui EPC Agreement; approximately 30% of the Sales Proceeds will be used to pay the suppliers for the Solar Power Station Equipment under the Supply Agreements; and approximately 60% of the Sales Proceeds will be used for other projects of the Group.

Under the Huarong EPC Agreement, the Henan Sanmenxia EPC Agreement and the Previous Lianshui EPC Agreement, Xi'an Datang Electric sells back the Solar Power Station Equipment to the Group at a premium of approximately 3.26% of the consideration payable under the Huarong Equipment Purchase Agreement, Henan Sanmenxia Equipment Purchase Agreement and Previous Lianshui Equipment Purchase Agreement respectively. The Directors consider the premium (which is equivalent to an interest rate of approximately 4.57% per annum) is better than the prevailing market rate available to the Group.

If the major transaction had been voted down by the Shareholders, the Group would need to engage other EPC contractor(s) and/or equipment supplier(s) in the region, and it would have taken the Group one to two months to identify and engage the appropriate EPC contractor(s) and/or equipment supplier(s). The Group expects that the consideration for the EPC and Equipment Purchase Agreements would be increased by at least approximately 5%, and the completion of the Huarong Project, Henan Sanmenxia Project and Previous Lianshui Project would be delayed by one to two months.

Based on the above reasons, the Directors believe and consider that the terms of the EPC and Equipment Purchase 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 EPC AND EQUIPMENT AGREEMENTS AND THE PREVIOUS AGREEMENTS

Xi'an Datang Electric

Xi'an Datang Electric was established in 1991. It is an established EPC contractor and principally engaged in the provision of sub-contracting services in relation to new energy projects such as procurement and sale of equipment and materials, installation and testing of equipment, design, construction and technical consultancy.

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 none of the applicable percentage ratios in respect of the Previous Agreements (in aggregate) exceeded 5% for the Company, the entering into of the Previous Agreements did not constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

As the Previous Agreements were entered into with Xi'an Datang Electric within a 12-month period prior to and inclusive of the date of the EPC and Equipment Purchase Agreements, the EPC and Equipment Purchase Agreements and the Previous Agreements will be aggregated as a series of transactions for the Company pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the EPC and Equipment Purchase Agreements and the Previous Agreements (in aggregate) exceeds 25% but is less than 100% for the Company, the entering into of the EPC and Equipment Purchase Agreements and the Previous Agreements (in aggregate) constitutes a major transaction of the Company and the Company shall comply with the reporting and announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As Wuxi Guolian indirectly holds approximately 24.81% shareholding interests in Konca Solar (a subsidiary of GCL-Poly), Wuxi Guolian is a connected person of GCL-Poly at the subsidiary level (but not a connected person of the Company). In addition, Wuxi Guolian effectively holds approximately 42.6% of shareholding interests in Xi'an Datang Electric, Xi'an Datang Electric is therefore an associate of a connected person of GCL-Poly at the subsidiary level (but not a connected person of the Company).

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, saved as disclosed above, Xi'an Datang Electric and each of its ultimate beneficial owners are third parties independent of the Company and each of its connected persons.

7. SGM

Pursuant to Rule 14.44 of the Listing Rules, shareholders' approval is required for a major transaction. A notice convening the SGM to be held at Strategy II & III, 8/F, W Hong Kong, 1 Austin Road West, Kowloon Station, Kowloon, Hong Kong on Thursday, 8 June 2017 at 11:00 a.m. is set out on pages SGM-1 to SGM-2 of this circular. At the SGM, an ordinary resolution will be proposed for the approval by the Shareholders of the EPC and Equipment Purchase Agreements and the Previous Agreements, being a major transaction of the Company with Xi'an Datang Electric.

As Xi'an Datang Electric is a connected person at the subsidiary level of GCL-Poly, Elite Time Global (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) will abstain from voting at the SGM.

Save as disclosed above, and to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, as at the date of this circular, no other Shareholders has a material interest in the major transaction and no other Shareholders would be required to abstain from voting at the SGM.

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

LETTER FROM THE BOARD

adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM and any adjournment thereof (as the case may be) should you so wish.

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

8. RECOMMENDATION

The Board considers that the EPC and Equipment Purchase Agreements and the Previous Agreements are on normal commercial terms, are fair and reasonable and are in the interest of the Company and the Shareholders as a whole. Accordingly the Board recommends the Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the EPC and Equipment Purchase Agreements and the Previous Agreements, being the major transaction with Xi'an Datang Electric.

9. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular and the notice of SGM.

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 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 audited consolidated financial statements of the Group for the year ended 31 December 2016 together with the relevant notes thereto are disclosed in the following documents, which were published on both HKEx's website (www.hkexnews.hk) and the Company's website (www.gclnewenergy.com):

- the annual report of the Company for the nine month period from 1 April 2014 to 31 December 2014 published on 22 April 2015 (pages 53-143);
- the annual report of the Company for the year ended 31 December 2015 published on 20 April 2016 (pages 59-169);
- the annual report of the Company for the year ended 31 December 2016 published on 13 April 2017 (pages 79-186)

2. STATEMENT OF INDEBTEDNESS AND CONTINGENT LIABILITIES OF THE GROUP

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

	The Group		Total
	Secured	Unsecured	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Carrying amount of bank and other borrowings	21,193,670	2,670,663	23,864,333
Carrying amount of obligations under finance leases	55,750	–	55,750
Principal amount of convertible bonds	–	865,694	865,694
Principal amount of loan from a fellow subsidiary	–	75,892	75,892
	<u>21,249,420</u>	<u>3,612,249</u>	<u>24,861,669</u>

The Group's secured bank and other borrowings were secured by (i) the Group's property, plant and equipment; (ii) the Group's land use rights situated in the PRC; (iii) pledged bank and other deposits as at 31 March 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 March 2017.

At 31 March 2017, certain bank and other borrowings of the Group amounting to RMB23,165,216,000 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 RMB688,134,000) and HK\$200,000,000 (equivalent to approximately RMB177,560,000), 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 no-objection letters from the Shanghai Stock Exchange and Shenzhen Stock Exchange in relation to 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 and outstanding for issuance as at 31 March 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 March 2017, the Group did not have any debt securities authorised or otherwise created but unissued, or any term loans, other borrowings or indebtedness in the nature of borrowing including bank overdrafts, loans, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchase commitments, mortgages or charges, material contingent liabilities or guarantees outstanding.

To the best of the knowledge of the Directors, having made all reasonable enquiries, there has been no material change in the level of indebtedness of the Group since 31 March 2017.

3. WORKING CAPITAL STATEMENT

According to the Group's cash flow projections, as at 31 March 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 May 2018 amounted to approximately RMB12,894,328,000. As at 31 March 2017, the Group's total borrowings comprising bank and other borrowings, convertible bonds, obligations under finance leases and loan from a fellow subsidiary amounted to approximately RMB24,861,669,000. 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 July and December 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. The Group has received no-objection letters from the Shanghai Stock Exchange and the Shenzhen Stock Exchange in relation to these issues. 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) As at 31 March 2017, the Group has completed the construction of 94 solar power plants with approval for on-grid connection and it also has additional 19 solar power plants under construction targeting to achieve on-grid connection within the coming twelve months from the date of this circular. The abovementioned solar power plants have an aggregate installed capacity of approximately 4.4GW and are expected to generate operating cash inflows to the Group.

After taking into account the Group's business prospects, internal resources, and the available 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 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 2016, 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 2016, the Group recorded a total revenue from continuing operations of approximately RMB2,246 million, whilst the total revenue from continuing operations for the year ended 31 December 2015 (the “**Prior Year**”) was approximately RMB688 million. Gross profit for the year ended 31 December 2016 was approximately RMB1,571 million and gross profit margin was approximately 70.0% whilst the gross profit and gross profit margin for Prior Year was approximately RMB496 million and 72.1%, respectively. Profit attributable to owners of the Company from continuing operations for the year ended 31 December 2016 amounted to approximately RMB299 million as compared to the profit attributable to owners of the Company from continuing operations of RMB76 million for Prior Year.

The Solar Energy Business, being the continuing operations of the Group, has become the growth driver of the Group. As at 31 December 2016, the Group operated 90 solar power plants, compared to 41 plants in the same period of last year, spanning across different provinces in China and overseas. Total capacity reached approximately 3,516MW (31 December 2015: approximately 1,640MW), representing a year-on-year growth of approximately 114%. Grid-connected capacity has also significantly increased by 138%, from 1,316MW as at 31 December 2015 to approximately 3,138MW as at 31 December 2016, and total sales of electricity was approximately 2,790 million kWh, a significant rise of approximately 221% compared to the same period of last year.

For the year ended 31 December 2016, the Group’s solar energy business delivered remarkable results by significantly adding an installed capacity of approximately 1,876 MW. We are optimistic and confident in the development of the solar energy industry in the coming year. Currently, we have an aggregate pipeline capacity of approximately 1GW of projects, an aggregate capacity of approximately 360MW of Frontrunner Program projects and an aggregate capacity of approximately 250MW of solar poverty alleviation projects, which have given us the confidence in achieving our goal of reaching a total installed capacity of approximately 1.5 to 2 GW for the year.

Projects that completed on-grid power connection as at 31 December 2016:

	Tariff Zones	Number of solar power plant	Aggregate Installed Capacity ⁽¹⁾ (MW)	Grid-connected Capacity ⁽¹⁾ (MW)
Subsidiaries				
Inner Mongolia	1	8	326	327 ⁽²⁾
Ningxia	1	4	150	150
Qinghai	1	3	100	107 ⁽²⁾
Xinjiang	1	2	80	81 ⁽²⁾
Sub-total	Zone 1	17	656	665
Shaanxi	2	7	590	466
Hebei	2	1	85	89 ⁽²⁾
Qinghai	2	2	80	80
Yunnan	2	2	80	71
Sichuan	2	1	50	50
Jilin	2	2	25	25
Liaoning	2	1	20	7
Sub-total	Zone 2	16	930	788
Henan	3	7	325	287
Jiangsu	3	15	314	261
Hebei	3	4	137	139
Anhui	3	6	230	228
Hubei	3	2	216	219 ⁽²⁾
Shanxi	3	5	180	161
Jiangxi	3	3	120	121 ⁽²⁾
Shandong	3	4	115	116 ⁽²⁾
Guangdong	3	1	100	2
Hainan	3	2	50	50
Hunan	3	1	60	45
Guizhou	3	1	30	5
Zhejiang	3	2	23	21
Sub-total	Zone 3	53	1,900	1,655
Total of subsidiaries		86	3,486	3,108
Joint ventures				
PRC	2	1	25	25
Overseas	–	3	5	5
Total		90	3,516	3,138

- (1) Aggregate installed capacity represents the maximum capacity that approved by the local government authorities while grid-connected capacity represents that the actual capacity connected to the State Grid.
- (2) The grid-connected capacity of some projects are larger than its installed capacity as approved by the local government.

Particulars of the Group's current projects under development as at 31 December 2016 are as follows:

Location	Installed Capacity (MW)
Anhui	70
Shaanxi	100
Henan	120
Guizhou	90
Jiangsu	21
Guangxi	120
Gansu	35
Shenyang	20
Xinjiang	20
	<hr/>
Total	<hr/> 596 <hr/>

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

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

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

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

As at the Latest Practicable Date, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning in Part XV of the SFO) which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/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**GCL-Poly*

Name of Director	Beneficiary of a trust	Corporate interests	Personal interests	Number of ordinary shares in GCL-Poly		Approximate percentage of issued shares
				Number of underlying shares	Total	
Mr. ZHU Yufeng	6,197,054,822 <i>(Note 1)</i>	-	-	175,851,259 <i>(Notes 1, 2 & 3)</i>	6,372,906,081	34.29%
Ms. SUN Wei	-	-	5,723,000	4,733,699 <i>(Note 2)</i>	10,456,699	0.06%
Mr. SHA Hongqiu	-	-	-	1,692,046 <i>(Note 2)</i>	1,692,046	0.01%
Mr. YEUNG Man Chung, Charles	-	-	-	1,700,000 <i>(Note 2)</i>	1,700,000	0.01%

Notes:

1. 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 each of 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, 173,333,334 shares in GCL-Poly are legally held by 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.
2. 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\$1.160 or HK\$1.324 per share.
3. The 175,851,259 underlying shares of GCL-Poly comprises the long position of 173,333,334 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 other Directors or the chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning in Part XV of the SFO) which were (i) required to be notified to the Company and the

Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of SFO); (ii) required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Listing Rules to be notified to the Company and the Stock Exchange.

(ii) Interests of substantial Shareholders

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

Long positions in the Shares

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

Notes:

- Elite Time Global is wholly-owned by GCL-Poly.
- 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.
- 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 carrying out its business independently of, and at arm's length from the Concord Group.

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

(ii) Interests in contracts or arrangements

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

(iii) Interests in assets

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2016 (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 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;
- (ii) the agreements in relation to the issuance 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;
- (iii) 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;
- (iv) 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;
- (v) the cooperation agreement dated 27 April 2016 entered into between Dongfu Jueqi, Nanjing GCL New Energy, Suzhou GCL New Energy and the Company in relation to cooperation for the Beijing Limited Partnership;
- (vi) 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;

- (vii) 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 non-public corporate bonds with a term of up to 3 years;
- (viii) 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;
- (ix) the agreements in relation to the issuance of non-public green bonds by Suzhou GCL New Energy on 7 December 2016 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
- (x) 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 and including the date of the SGM:

- (i) the memorandum of association and bye-laws of the Company;
- (ii) the annual reports of the Company for each of the year ended 31 December 2015 and 31 December 2016;
- (iii) the material contracts referred to in the section headed “Material Contracts” in this appendix;
- (iv) the EPC and Equipment Purchase Agreements;
- (v) the Previous Agreements;
- (vi) the circular of the Company dated 17 June 2016 in relation to the major transaction with Xinxin Finance Leasing Company Limited* (芯鑫融資租賃有限公司);
- (vii) the circular of the Company dated 29 June 2016 in relation to the major transaction with Nanjing CNI Energy Engineering Company Limited* (南京中核能源工程有限公司);
- (viii) 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;
- (ix) the circular of the Company dated 16 March 2017 in relation to the major transaction with Citic Financial Leasing Co., Ltd.* (中信金融租賃有限公司); and
- (x) this circular.

NOTICE OF SPECIAL GENERAL MEETING



GCL New Energy Holdings Limited **協鑫新能源控股有限公司**

(Incorporated in Bermuda with limited liability)

(Stock code: 451)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting (the “SGM”) of GCL New Energy Holdings Limited 協鑫新能源控股有限公司 (the “Company”) will be held at Strategy II & III, 8/F, W Hong Kong, 1 Austin Road West, Kowloon Station, Kowloon, Hong Kong on Thursday, 8 June 2017 at 11:00 a.m. to consider and, if thought fit, pass with or without amendments, the following resolution:

ORDINARY RESOLUTION

“**THAT** the EPC and Equipment Purchase Agreements and the Previous Agreements (each as defined in the circular dated 19 May 2017 despatched to the shareholders of the Company and copies of which are produced to the SGM and initialled by the chairman of the SGM for identification purpose) and the transactions contemplated therein, be and are hereby unconditionally approved, confirmed and ratified and any one or more of the directors of the Company be and are hereby authorised on behalf of the Company to do such things or acts (including but not limited to executing any further documents, instruments and agreements) as he/she/they may consider necessary, desirable or expedient to give effect to such transactions”

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

Hong Kong, 19 May 2017

NOTICE OF SPECIAL GENERAL MEETING

Notes:

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