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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 POWERCHINA GROUP

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 10 to 45 of this circular.

15 June 2017

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DEFINITIONS

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

“Anlong Project”	the 30MW photovoltaic power station project located in Puping town of Anlong County of Buyi and Miao Autonomous Prefecture, Qianxi, Guizhou Province, the PRC
“associate(s)”	has the 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
“Ceheng 90MW Project”	the 90MW photovoltaic power station project located in Yata town of Ceheng County of Buyi and Miao Autonomous Prefecture, Qianxi, Guizhou Province, the PRC
“Ceheng 100MW Project”	the 100MW photovoltaic power station project located in Yata town of Ceheng County of Buyi and Miao Autonomous Prefecture, Qianxi, Guizhou Province, the PRC
“Ceheng GCL”	Ceheng GCL Photovoltaic Power Company Limited* (冊亨協鑫光伏電力有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“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
“Delingha Power”	Delingha Century Concord Photovoltaic Power Co., Ltd.* (德令哈協合光伏發電有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Director”	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))

DEFINITIONS

“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
“EPC”	engineering, procurement and construction
“EPC and Equipment Purchase Agreements”	together, (i) the Fenxi PC Agreement, (ii) the Fenxi Equipment Purchase Agreement, (iii) the Fenxi GNE Guarantee, (iv) the Fenxi Suzhou GCL Guarantee, (v) the Shicheng PC Agreement, (vi) the Shicheng Equipment Purchase Agreement, (vii) the Shicheng GNE Guarantee, (viii) the Shicheng Suzhou GCL Guarantee, (ix) the Ruicheng PC Agreement, (x) the Ruicheng Equipment Purchase Agreement, (xi) the Ruicheng GNE Guarantee, (xii) the Ruicheng Suzhou GCL Guarantee, and (xiii) the Ningxia Zhongwei EPC Agreement
“Equipment Purchase Agreements”	together, (i) the Fenxi Equipment Purchase Agreement, (ii) the Shicheng Equipment Purchase Agreement, (iii) the Ruicheng Equipment Purchase Agreement, and (iv) the Previous Yanbian Equipment Purchase Agreement
“Fenxi PC Agreement”	the PC agreement dated 26 May 2017 entered into between Fenxi GCL as principal and SinoHydro Bureau 10 as contractor under which SinoHydro Bureau 10 undertakes to provide PC services in relation to the Fenxi Project
“Fenxi Equipment Purchase Agreement”	the equipment purchase agreement dated 26 May 2017 entered into between SinoHydro Bureau 10 as customer and Nanjing GCL New Energy as supplier and Fenxi GCL as principal in relation to the sale and purchase of certain photovoltaic power station equipment for Fenxi Project
“Fenxi GCL”	Fenxi GCL Photovoltaic Power Company Limited* (汾西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
“Fenxi GNE Guarantee”	the agreement dated 26 May 2017 entered into between the Company and SinoHydro Bureau 10 in connection with the guarantee provided by the Company to SinoHydro Bureau 10 in respect of Fenxi GCL’s obligation under the Fenxi PC Agreement
“Fenxi Project”	the 100MW photovoltaic power station project located in Fenxi County of Linfen City of Shanxi Province, the PRC

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“Fenxi Suzhou GCL Guarantee”	the agreement dated 26 May 2017 entered into between Fenxi GCL as principal, SinoHydro Bureau 10 as contractor and Suzhou GCL New Energy as the guarantor, under which Suzhou GCL New Energy agreed to undertake Fenxi GCL’s obligations under the Fenxi PC 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
“Group”	the Company and its subsidiaries
“GW”	gigawatt(s)
“Guizhou Electric”	Guizhou Electric Power Design & Research Institute* (貴州電力設計研究院), a company incorporated in the PRC with limited liability and an indirect subsidiary of PowerChina
“Henan Electric”	Henan Electric Power Survey & Design Institute* (河南省電力勘测設計院), a company incorporated in the PRC with limited liability and an indirect subsidiary of PowerChina
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“KW”	kilowatt(s)
“Latest Practicable Date”	12 June 2017, being the latest practicable date of ascertaining certain information contained in this circular prior to publication
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Luodian GCL”	Luodian GCL Photovoltaic Power Company Limited* (羅甸協鑫光伏電力有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Luodian Project”	the 100MW (originally 40MW under the Previous Luodian Technical Services Agreement) photovoltaic power station project located in Luodian County of Qiannan, Guizhou Province, the PRC

DEFINITIONS

“Mao’an New Energy”	Anlong County Mao’an New Energy Development Company Limited*(安龍縣茂安新能源發展有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“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
“NDRC”	the National Development and Reform Commission of the PRC
“Ningxia Zhongwei EPC Agreement”	the EPC agreement dated 26 May 2017 entered into between Ningxia Zhongwei GCL as principal and SinoHydro Bureau 10 as contractor under which SinoHydro Bureau 10 undertakes to provide EPC services in relation to the Ningxia Zhongwei Project
“Ningxia Zhongwei GCL”	Ningxia Zhongwei GCL Photovoltaic Power Company Limited*(寧夏中衛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
“Ningxia Zhongwei Project”	the 100MW photovoltaic power station project located in Yingshuiqiao County of Shapotou District of Zhongwei City of Ningxia Province, the PRC
“Other Previous Agreements”	together, (i) the Previous Ceheng Technical Services Agreement, (ii) the Previous Ceheng Design Services Agreement, (iii) the Previous Ruyang Technical Services Agreement, (iv) the Previous Anlong EPC Agreement, (v) the Previous Ceheng EPC Agreement, (vi) the Previous Qinghai General Agreement, (vii) the Previous Luodian Technical Services Agreement, (viii) the Previous Luodian Supplemental Agreement, (ix) the Previous Zhenping Technical Services Agreement and (x) the Previous Weishan Technical and Design Services Agreement
“PAA”	Pacific Alliance Asia Opportunity Fund LP
“PC”	procurement and construction
“PowerChina”	Power Construction Corporation of China* (中國電力建設集團有限公司), a company incorporated in the PRC with limited liability
“PowerChina Group”	PowerChina and its subsidiaries

DEFINITIONS

“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Previous Anlong EPC Agreement”	the EPC agreement dated 9 October 2016 entered into between Mao’an New Energy as principal and SinoHydro Bureau 10 as contractor under which SinoHydro Bureau 10 undertakes to provide EPC services in relation to the Anlong Project
“Previous Ceheng Design Services Agreement”	the design services agreement dated 25 June 2016 between Ceheng GCL as principal and Guizhou Electric as contractor in relation to the Ceheng 100MW Project
“Previous Ceheng EPC Agreement”	the EPC agreement dated 11 October 2016 entered into between Ceheng GCL as principal and SinoHydro Bureau 10 as contractor under which SinoHydro Bureau 10 undertakes to provide EPC services in relation to the Ceheng 90MW Project
“Previous Ceheng Technical Services Agreement”	the technical services agreement dated 2 June 2016 between Ceheng GCL as principal and Guizhou Electric as contractor in relation to the Ceheng 100MW Project
“Previous Luodian Supplemental Agreement”	the supplemental agreement dated 6 March 2017 between Luodian GCL as principal and Guizhou Electric as contractor in relation to the Luodian Project
“Previous Luodian Technical Services Agreement”	the technical services agreement dated 19 January 2017 between Luodian GCL as principal and Guizhou Electric as contractor in relation to the Luodian Project
“Previous Qinghai General Agreement”	the general agreement dated 22 December 2016 between Delingha Power as principal and Qinghai Electric as contractor in relation to the Qinghai Project
“Previous Ruyang Technical Services Agreement”	the technical services agreement dated 1 September 2016 between Ruyang GCL New Energy as principal and Henan Electric as contractor in relation to the Ruyang Project
“Previous Weishan Technical and Design Services Agreement”	the technical and design services agreement dated 20 March 2017 between Weihsan GCL New Energy as principal and Zhongnan Engineering as contractor in relation to the Weishan Project
“Previous Yanbian Agreements”	together, (i) the Previous Yanbian Equipment Purchase Agreement and (ii) the Previous Yanbian PC Agreement

DEFINITIONS

“Previous Yanbian Equipment Purchase Agreement”	the purchase agreement dated 27 May 2016 among SinoHydro Bureau 10 as customer, Nanjing GCL New Energy as supplier and Yanbian GCL New Energy as principal in relation to the supply of photovoltaic power station equipment for the Yanbian Project
“Previous Yanbian PC Agreement”	the PC agreement dated 27 May 2016 between Yanbian GCL New Energy as principal and SinoHydro Bureau 10 as contractor in relation to the Yanbian Project
“Previous Zhenping Technical Services Agreement”	the technical services agreement dated 22 February 2017 between Zhenping GCL as principal and Henan Electric as contractor in relation to the Zhenping Project
“Projects”	together, (i) the Fenxi Project, (ii) the Shicheng Project, (iii) the Ruicheng Project, (iv) the Zhongwei Project, (v) the Yanbian Project, (vi) the Ceheng 100MW Project, (vii) the Ruyang Project, (viii) the Anlong Project, (ix) the Ceheng 90MW Project, (x) the Qinghai Project, (xi) the Luodian Project, (xii) the Zhenping Project and (xiii) the Weishan Project
“Qinghai Electric”	Qinghai Electric Power Design Institute* (青海省電力設計院), a company incorporated in the PRC with limited liability and an indirect subsidiary of PowerChina
“Qinghai Project”	the 330KW photovoltaic power station project located in Huangzhong County of Xining City of Qinghai Province, the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Ruicheng PC Agreement”	the PC agreement dated 26 May 2017 entered into between Ruicheng GCL as principal and SinoHydro Bureau 10 as contractor under which SinoHydro Bureau 10 undertakes to provide PC services in relation to the Ruicheng Project
“Ruicheng Equipment Purchase Agreement”	the equipment purchase agreement dated 26 May 2017 entered into between SinoHydro Bureau 10 as customer and Nanjing GCL New Energy as supplier and Ruicheng GCL as principal in relation to the sale and purchase of certain system equipment for Ruicheng Project
“Ruicheng GCL”	Ruicheng GCL Photovoltaic Power Co., Ltd.* (芮城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

DEFINITIONS

“Ruicheng GNE Guarantee”	the agreement dated 26 May 2017 entered into between the Company and SinoHydro Bureau 10 in connection with the guarantee provided by the Company to SinoHydro Bureau 10 in respect of Ruicheng GCL’s obligation under the Ruicheng PC Agreement
“Ruicheng Project”	the 100MW photovoltaic power station project located in Ruicheng County of Yuncheng City of Shanxi Province, the PRC
“Ruicheng Suzhou GCL Guarantee”	the agreement dated 26 May 2017 entered into between Ruicheng GCL as principal, SinoHydro Bureau 10 as contractor and Suzhou GCL New Energy as the guarantor, under which Suzhou GCL New Energy agreed to undertake Ruicheng GCL’s obligations under the Ruicheng PC Agreement
“Ruyang GCL New Energy”	Ruyang GCL New Energy Co., Ltd.* (汝陽協鑫新能源有限公司), an indirect wholly-owned subsidiary of the Company which is incorporated in the PRC with limited liability
“Ruyang Project”	the 50MW photovoltaic power station project located in Chengguan County of Ruyang City of Henan Province, the PRC
“Sales Proceeds”	the sales proceeds under the Equipment Purchase Agreements
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time
“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)
“Shicheng PC Agreement”	the PC agreement dated 26 May 2017 entered into between Shicheng GCL as principal and SinoHydro Bureau 10 as contractor under which SinoHydro Bureau 10 undertakes to provide PC services in relation to the Shicheng Project
“Shicheng Equipment Purchase Agreement”	the equipment purchase agreement dated 26 May 2017 entered into between SinoHydro Bureau 10 as customer and Nanjing GCL New Energy as supplier and Shicheng GCL as principal in relation to the sale and purchase of certain system equipment for Shicheng Project
“Shicheng GCL”	Shicheng GCL Photovoltaic Power Company Limited* (石城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

DEFINITIONS

“Shicheng GNE Guarantee”	the agreement dated 26 May 2017 entered into between the Company and SinoHydro Bureau 10 in connection with the guarantee provided by the Company to SinoHydro Bureau 10 in respect of Shicheng GCL’s obligation under the Shicheng PC Agreement
“Shicheng Project”	the 60MW photovoltaic power station project located in Shicheng County of Ganzhou City of Jiangxi Province, the PRC
“Shicheng Suzhou GCL Guarantee”	the agreement dated 26 May 2017 entered into between Shicheng GCL as principal, SinoHydro Bureau 10 as contractor and Suzhou GCL New Energy as the guarantor, under which Suzhou GCL New Energy agreed to undertake Shicheng GCL’s obligations under the Shicheng PC Agreement
“SinoHydro Bureau 10”	SinoHydro Bureau 10 Co., Ltd.* (中國水利水電第十工程局有限公司), a company incorporated in the PRC with limited liability and an indirect subsidiary of PowerChina
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the same meaning ascribed to it under the Listing Rules
“Supply Agreements”	the relevant supply agreements under which Nanjing GCL New Energy purchases the photovoltaic 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
“Weishan GCL New Energy”	Weishan GCL New Energy Development Co., Ltd.* (微山鑫能光伏電力有限公司), an indirect wholly-owned subsidiary of the Company which is incorporated in the PRC with limited liability
“Weishan Project”	the 50MW photovoltaic power station project located in Weishan County of Jining City of Shandong Province, the PRC
“Yanbian GCL New Energy”	Yanbian GCL New Energy Development Co., Ltd.* (鹽邊鑫能光伏電力有限公司), an indirect wholly-owned subsidiary of the Company which is incorporated in the PRC with limited liability

DEFINITIONS

“Yanbian Project”	the 35MW agricultural photovoltaic power station project at Yanbian County of Sichuan Province, the PRC
“Zhenping GCL”	Zhenping GCL Photovoltaic Power Company Limited* (鎮平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
“Zhenping Project”	the 50MW photovoltaic power station project located in Zhenping County of Nanyang City of Henan Province, the PRC
“Zhongnan Engineering”	Zhongnan Engineering Corporation Limited of PowerChina* (中國電建集團中南勘測設計研究院有限公司), a company incorporated in the PRC with limited liability and an indirect subsidiary of PowerChina
“%”	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\$1.1337. 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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Hamilton HM 11
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Non-executive Directors:

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

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Independent non-executive Directors:

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

15 June 2017

To the Shareholders

MAJOR TRANSACTION WITH POWERCHINA GROUP

INTRODUCTION

On 26 May 2017, the Company, through its subsidiaries, entered into the following agreements with PowerChina Group:

- (1) the Fenxi PC Agreement between Fenxi GCL (an indirect wholly-owned subsidiary of the Company) as principal and SinoHydro Bureau 10 (an indirect subsidiary of PowerChina) as contractor in relation to the Fenxi Project at an estimated consideration of RMB534,825,013.00 (equivalent to approximately HK\$606,331,117.24);

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- (2) the Fenxi GNE Guarantee between the Company and SinoHydro Bureau 10 in connection with the guarantee provided by the Company to SinoHydro Bureau 10 in respect of Fenxi GCL's obligations under the Fenxi PC Agreement;
- (3) the Fenxi Suzhou GCL Guarantee between Fenxi GCL, SinoHydro Bureau 10 and Suzhou GCL New Energy (an indirect wholly-owned subsidiary of the Company), under which Suzhou GCL New Energy agreed to provide guarantee to SinoHydro Bureau 10 in respect of Fenxi GCL's obligations under the Fenxi PC Agreement;
- (4) the Fenxi Equipment Purchase Agreement between SinoHydro Bureau 10 as customer, Nanjing GCL New Energy (an indirect wholly-owned subsidiary of the Company) as supplier and Fenxi GCL as principal in relation to the sale and purchase of certain photovoltaic power station equipment for the Fenxi Project at a consideration of RMB456,860,491.00 (equivalent to approximately HK\$517,942,738.65);
- (5) the Shicheng PC Agreement between Shicheng GCL (an indirect wholly-owned subsidiary of the Company) as principal and SinoHydro Bureau 10 as contractor in relation to the Shicheng Project at an estimated consideration of RMB337,242,389.00 (equivalent to approximately HK\$382,331,696.41);
- (6) the Shicheng GNE Guarantee between the Company and SinoHydro Bureau 10 in connection with the guarantee provided by the Company to SinoHydro Bureau 10 in respect of Shicheng GCL's obligations under the Shicheng PC Agreement;
- (7) the Shicheng Suzhou GCL Guarantee between Shicheng GCL, SinoHydro Bureau 10 and Suzhou GCL New Energy, under which Suzhou GCL New Energy agreed to provide guarantee to SinoHydro Bureau 10 in respect of Shicheng GCL's obligations under the Shicheng PC Agreement;
- (8) the Shicheng Equipment Purchase Agreement between SinoHydro Bureau 10 as customer, Nanjing GCL New Energy as supplier and Shicheng GCL as principal in relation to the sale and purchase of certain photovoltaic power station equipment for Shicheng Project at a consideration of RMB284,083,205.80 (equivalent to approximately HK\$322,065,130.42);
- (9) the Ruicheng PC Agreement between Ruicheng GCL (an indirect wholly-owned subsidiary of the Company) as principal and SinoHydro Bureau 10 as contractor in relation to the Ruicheng Project at an estimated consideration of RMB551,358,650.00 (equivalent to approximately HK\$625,075,301.51);
- (10) the Ruicheng GNE Guarantee between the Company and SinoHydro Bureau 10 in connection with the guarantee provided by the Company to SinoHydro Bureau 10 in respect of Ruicheng GCL's obligations under the Ruicheng PC Agreement;

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- (11) the Ruicheng Suzhou GCL Guarantee between Ruicheng GCL, SinoHydro Bureau 10 and Suzhou GCL New Energy, under which Suzhou GCL New Energy agreed to provide guarantee to SinoHydro Bureau 10 in respect of Ruicheng GCL's obligations under the Ruicheng PC Agreement;
- (12) the Ruicheng Equipment Purchase Agreement between SinoHydro Bureau 10 as customer and Nanjing GCL New Energy as supplier and Ruicheng GCL as principal in relation to the sale and purchase of certain photovoltaic power station equipment for Ruicheng Project at a consideration of RMB119,299,964.80 (equivalent to approximately HK\$135,250,370.09); and
- (13) the Ningxia Zhongwei EPC Agreement between Ningxia Zhongwei GCL (an indirect wholly-owned subsidiary of the Company) as principal and SinoHydro Bureau 10 as contractor in relation to the Ningxia Zhongwei Project at an estimated consideration of RMB48,429,500.00 (equivalent to approximately HK\$54,904,524.15),

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

As disclosed in the Company's announcement dated 27 May 2016, the Company, through its subsidiaries, previously entered into the Previous Yanbian Agreements with PowerChina Group in the past 12 months.

In addition, the Company, through its subsidiaries, previously entered into the Other Previous Agreements with PowerChina Group in the past 12 months.

As one or more of the applicable percentage ratios in respect of the EPC and Equipment Purchase Agreements, the Previous Yanbian Agreements and the Other Previous Agreements (in aggregate) exceeds 25% but is less than 100% for the Company, the entering into of the EPC and Equipment Purchase Agreements, the Previous Yanbian Agreements and the Other 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.

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

1. THE EPC AND EQUIPMENT PURCHASE AGREEMENTS

A. Principal terms of the Fenxi PC Agreement

(i) *Date*

26 May 2017

(ii) *Parties*

a) Principal: Fenxi GCL

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b) Contractor: SinoHydro Bureau 10

(iii) Subject Matter

Fenxi GCL agreed to engage SinoHydro Bureau 10 to provide PC services in relation to the Fenxi Project. The relevant construction work will commence pursuant to the notice of commencement given by Fenxi GCL. It is expected that an initial 60MW on-grid connection for Fenxi Project will be completed on 25 June 2017, and the full on-grid connection will be completed on 25 July 2017.

(iv) Effective Date

The Fenxi PC Agreement shall be effective when:

- a) it is signed and executed by both parties;
- b) its execution is in compliance with the Listing Rules; and
- c) it is approved by the Board and in the Shareholders' meeting (or by written resolution of the Shareholders).

(v) Basis of Consideration

The consideration for the photovoltaic power station equipment and services under the Fenxi PC Agreement is estimated to be RMB534,825,013.00 (equivalent to approximately HK\$606,331,117.24), comprising of:

- a) the photovoltaic power station equipment fee for the estimated amount of RMB471,171,557.00 (equivalent to approximately HK\$534,167,194.17); and
- b) the construction fee for the estimated amount of RMB63,653,456.00 (equivalent to approximately HK\$72,163,923.07).

The Fenxi PC Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration was determined with reference to (a) the quality standard of the services to be provided under the Fenxi PC Agreement; (b) the profit margin of the Fenxi Project; and (c) the prevailing market price.

(vi) Payment terms

The consideration for the photovoltaic power station equipment and services under the Fenxi PC Agreement shall be paid by Fenxi GCL to SinoHydro Bureau 10 in accordance with the following milestones:

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Payment terms for the photovoltaic power station equipment fee

- First instalment 90% of the estimated equipment fee:
- (a) within 14 days after the construction is completed and inspected; or
 - (b) if the construction is delayed due to reasons not caused by SinoHydro Bureau 10, upon the earlier of (i) 21 days from the date on which all equipment is installed and initial inspection is completed or (ii) 31 October 2017
- Second instalment 10% of the estimated equipment fee within 7 working days after one year of the payment of the first instalment under the Fenxi Equipment Purchase Agreement

Payment terms for the construction fee

- First instalment 10% of the estimated construction fee as prepayment
- (i) upon the provision of a 6-month irrevocable bank guarantee for the same amount;
 - (ii) within 15 days of the effective date of the Fenxi PC Agreement; and
 - (iii) when SinoHydro Bureau 10 is ready to enter, or has entered the site
- Second instalment 75% of the estimated construction fee within 3 months of the date the Fenxi Project has completed full on-grid connection or has met all requirements for such connection
- Third instalment 10% of the estimated construction fee:
- (a) once all the construction is completed, the photovoltaic power station has been handed over after inspection and all accounts have been settled; or
 - (b) if the construction is delayed due to reasons not caused by SinoHydro Bureau 10, within 14 days after the initial inspection on the construction

LETTER FROM THE BOARD

Fourth instalment

5% of the estimated construction fee:

- (a) after the expiration of one year during the warranty period provided that there are no quality issues, or any issues have been remedied by SinoHydro Bureau 10; or
- (b) within seven days of receiving a quality guarantee for the same amount provided by SinoHydro Bureau 10

(vii) Fenxi GNE Guarantee

Pursuant to the Fenxi GNE Guarantee, the Company has agreed to provide a guarantee for an amount up to RMB534,825,013.00 (equivalent to approximately HK\$606,331,117.24), being the total contract price, to secure the payment of equipment fee and construction fee (including damages, interest and other amounts connected therein) by Fenxi GCL to SinoHydro Bureau 10 under the Fenxi PC Agreement.

(viii) Fenxi Suzhou GCL Guarantee

Pursuant to the Fenxi Suzhou GCL Guarantee, Suzhou GCL New Energy has agreed to provide a guarantee for an amount up to RMB534,825,013.00 (equivalent to approximately HK\$606,331,117.24), being the total contract price, to secure the payment of equipment fee and construction fee (including damages, interest and other amounts connected therein) by Fenxi GCL to SinoHydro Bureau 10 under the Fenxi PC Agreement.

B. Principal terms of the Fenxi Equipment Purchase Agreement

(i) Date

26 May 2017

(ii) Parties

- a) Principal: Fenxi GCL
- b) Supplier: Nanjing GCL New Energy
- c) Customer: SinoHydro Bureau 10

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(iii) Effective Date

The Fenxi Equipment Purchase Agreement shall be effective on the date of signing and execution by both parties, subject to the fulfilment of (a) and (b) below:

- a) the Fenxi Equipment Purchase Agreement shall be approved in the Shareholders' meeting, or by the major Shareholders in writing; and
- b) the execution of the Fenxi Equipment Purchase Agreement is in compliance with the Listing Rules.

(iv) Subject Matter

Nanjing GCL New Energy agreed to supply, and SinoHydro Bureau 10 agreed to purchase certain photovoltaic power station equipment for a consideration of RMB456,860,491.00 (equivalent to approximately HK\$517,942,738.65) for the Fenxi Project. The equipment purchased included solar modules, frames, string converters, voltage converter and cables.

(v) Basis of Consideration

The Fenxi Equipment Purchase Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration is calculated on the basis of the market price of similar products.

(vi) Payment terms

The consideration for the photovoltaic power station equipment under the Fenxi Equipment Purchase Agreement shall be paid by SinoHydro Bureau 10 to Nanjing GCL New Energy in accordance with the following milestones:

First instalment	90% of the total consideration within 14 days upon the provision of guarantee by Suzhou GCL New Energy (the parent company of Nanjing GCL New Energy) to SinoHydro Bureau 10
Second instalment	10% of the total consideration within 7 working days upon the receipt of the second instalment of the photovoltaic power station equipment fee payable by Fenxi GCL to SinoHydro Bureau 10 under the Fenxi PC Agreement

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C. Principal terms of the Shicheng PC Agreement

(i) *Date*

26 May 2017

(ii) *Parties*

- a) Principal: Shicheng GCL
- b) Contractor: SinoHydro Bureau 10

(iii) *Subject Matter*

Shicheng GCL agreed to engage SinoHydro Bureau 10 as contractor to provide PC services in relation to the Shicheng Project. The relevant construction work will commence pursuant to the notice of commencement given by Shicheng GCL. It is expected that an initial 40MW on-grid connection for Shicheng Project will be completed on 30 June 2017, and full on-grid connection for Shicheng Project will be completed on 15 August 2017. By 15 September 2017, all PC 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 six months after the issuance of the Test Run and Quality Check Certificate.

(iv) *Effective Date*

The Shicheng PC Agreement shall be effective when:

- a) it is signed and executed by both parties;
- b) its execution is in compliance with the Listing Rules; and
- c) it is approved by the Board and in the Shareholders' meeting (or by written resolution of the Shareholders).

(v) *Basis of Consideration*

The consideration for the photovoltaic power station equipment and services under the Shicheng PC Agreement is estimated to be RMB337,242,389.00 (equivalent to approximately HK\$382,331,696.41), comprising of:

- a) the photovoltaic power station equipment fee for the estimated amount of RMB295,851,613.96 (equivalent to approximately HK\$335,406,974.75); and
- b) the construction fee for the estimated amount of RMB41,390,775.04 (equivalent to approximately HK\$46,924,721.66).

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The Shicheng PC Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration was determined with reference to (a) the quality standard of the services to be provided under the Shicheng PC Agreement; (b) the profit margin of the Shicheng Project; and (c) the prevailing market price.

(vi) *Payment terms*

The consideration for the photovoltaic power station equipment and services under the Shicheng PC Agreement shall be paid by Shicheng GCL to SinoHydro Bureau 10 in accordance with the following milestones:

Payment terms for the photovoltaic power station equipment fee

First instalment	90% of the estimated equipment fee: <ul style="list-style-type: none">(a) within 14 days after the construction is completed and inspected; or(b) if the construction is delayed due to reasons not caused by SinoHydro Bureau 10, upon the earlier of (i) 21 days from the date on which all equipment is installed and initial inspection is completed or (ii) 20 December 2017
Second instalment	10% of the estimated equipment fee within 7 working days after one year of the payment of the first instalment under the Shicheng Equipment Purchase Agreement

Payment terms for the construction fee

First instalment	10% of the estimated construction fee as prepayment: <ul style="list-style-type: none">(a) upon the provision of a 6-month irrevocable bank guarantee for the same amount;(b) within 15 days of the effective date of the Shicheng PC Agreement; and(c) when SinoHydro Bureau 10 is ready to enter, or has entered the site
Second instalment	75% of the estimated construction fee within 3 months of the date the Shicheng Project has completed full on-grid connection or has met all requirements for such connection

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- | | |
|-------------------|---|
| Third instalment | 10% of the estimated construction fee: <ul style="list-style-type: none">(a) once all the construction is completed, the photovoltaic power station has been handed over after inspection and all accounts have been settled; or(b) if the construction is delayed due to reasons not caused by SinoHydro Bureau 10, within 14 days after the initial inspection on the construction |
| Fourth instalment | 5% of the estimated construction fee: <ul style="list-style-type: none">(a) after the expiration of one year during the warranty period provided that there are no quality issues, or any issues have been remedied by SinoHydro Bureau 10; or(b) within seven days of receiving a quality guarantee for the same amount provided by SinoHydro Bureau 10 |

(vii) Shicheng GNE Guarantee

Pursuant to the Shicheng GNE Guarantee, the Company has agreed to provide a guarantee for RMB337,242,389.00 (equivalent to approximately HK\$382,331,696.41), being the total contract price, to secure the payment of equipment fee and construction fee (including damages, interest and other amounts connected therein) by Shicheng GCL to SinoHydro Bureau 10 under the Shicheng PC Agreement.

(viii) Shicheng Suzhou GCL Guarantee

Pursuant to the Shicheng Suzhou GCL Guarantee, Suzhou GCL New Energy has agreed to provide a guarantee for RMB337,242,389.00 (equivalent to approximately HK\$382,331,696.41), being the total contract price, to secure the payment of equipment fee and construction fee (including damages, interest and other amounts connected therein) by Shicheng GCL to SinoHydro Bureau 10 under the Shicheng PC Agreement.

D. Principal terms of the Shicheng Equipment Purchase Agreement

(i) Date

26 May 2017

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(ii) Parties

- a) Principal: Shicheng GCL
- b) Supplier: Nanjing GCL New Energy
- c) Customer: SinoHydro Bureau 10

(iii) Effective Date

The Shicheng Equipment Purchase Agreement shall be effective on the date of signing and execution by both parties, subject to the fulfilment of (a) and (b) below:

- a) the Shicheng Equipment Purchase Agreement shall be approved in the Shareholders' meeting, or by the major Shareholders in writing; and
- b) the execution of the Shicheng Equipment Purchase Agreement is in compliance with the Listing Rules.

(iv) Subject Matter

Nanjing GCL New Energy agreed to supply, and SinoHydro Bureau 10 agreed to purchase certain photovoltaic power station equipment for a consideration of RMB284,083,205.80 (equivalent to approximately HK\$322,065,130.42) for the Shicheng Project. The equipment purchased included solar modules, frames, string converters, voltage converter and cables.

(v) Basis of Consideration

The Shicheng Equipment Purchase Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration is calculated on the basis of the market price of similar products.

(vi) Payment terms

The consideration for the photovoltaic power station equipment under the Shicheng Equipment Purchase Agreement shall be paid by SinoHydro Bureau 10 to Nanjing GCL New Energy in accordance with the following milestones:

- First instalment 90% of the total consideration within 14 days upon the provision of guarantee by Suzhou GCL New Energy (the parent company of Nanjing GCL New Energy) to SinoHydro Bureau 10

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Second instalment 10% of the total consideration within 7 working days upon the receipt of the second instalment of the photovoltaic power station equipment fee payable by Shicheng GCL to SinoHydro Bureau 10 under the Shicheng PC Agreement

E. Principal terms of the Ruicheng PC Agreement

(i) Date

26 May 2017

(ii) Parties

- a) Principal: Ruicheng GCL
- b) Contractor: SinoHydro Bureau 10

(iii) Subject Matter

Ruicheng GCL agreed to engage SinoHydro Bureau 10 as contractor to provide PC services in relation to the Ruicheng Project. The relevant construction work will commence pursuant to the notice of commencement given by Ruicheng GCL. It is expected that power connection for Ruicheng Project will be completed on 30 June 2017, and the full on-grid connection will be completed on 25 July 2017.

(iv) Effective Date

The Ruicheng PC Agreement shall be effective when:

- a) it is signed and executed by both parties;
- b) its execution is in compliance with the Listing Rules; and
- c) it is approved by the Board and in the Shareholders' meeting (or by written resolution of the Shareholders).

(v) Basis of Consideration

The consideration for the photovoltaic power station equipment and services under the Shicheng PC Agreement is estimated to be RMB551,358,650.00 (equivalent to approximately HK\$625,075,301.51), comprising of:

- a) the photovoltaic power station equipment fee for the estimated amount of RMB490,454,100.00 (equivalent to approximately HK\$556,027,813.17); and

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- b) the construction fee for the estimated amount of RMB60,904,550.00 (equivalent to approximately HK\$69,047,488.34).

The Ruicheng PC Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration was determined with reference to (a) the quality standard of the services to be provided under the Ruicheng PC Agreement; (b) the profit margin of the Ruicheng Project; and (c) the prevailing market price.

(vi) *Payment terms*

The consideration for the photovoltaic power station equipment and services under the Ruicheng PC Agreement shall be paid by Ruicheng GCL to SinoHydro Bureau 10 in accordance with the following milestones:

Payment terms for the photovoltaic power station equipment fee

- | | |
|-------------------|---|
| First instalment | 90% of the estimated equipment fee: |
| | (a) within 14 days after the construction is completed and inspected; or |
| | (b) if the construction is delayed due to reasons not caused by SinoHydro Bureau 10, upon the earlier of (i) 21 days from the date on which all equipment is installed and initial inspection is completed or (ii) 30 November 2017 |
| Second instalment | 10% of the estimated equipment fee within 7 working days after one year of the payment of the first instalment |

Payment terms for the construction fee

- | | |
|------------------|---|
| First instalment | 10% of the estimated construction fee as prepayment: |
| | (a) upon the provision of 6-month irrevocable bank guarantee for the same amount; |
| | (b) within 15 days of the effective date of the Ruicheng PC Agreement; and |
| | (c) when SinoHydro Bureau 10 is ready to enter, or has entered the site |

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Second instalment	75% of the estimated construction fee within 3 months of the date the Ruicheng Project has completed full on-grid connection or has met all requirements for such connection
Third instalment	10% of the estimated construction fee: <ul style="list-style-type: none">(a) once all the construction is completed, the photovoltaic power station has been handed over after inspection and all accounts have been settled; or(b) if the construction is delayed due to reasons not caused by SinoHydro Bureau 10, within 14 days after the initial inspection on the construction
Fourth instalment	5% of the estimated construction fee: <ul style="list-style-type: none">(a) after the expiration of one year during the warranty period provided that there are no quality issues, or any issues have been remedied by SinoHydro Bureau 10; or(b) within seven days of receiving a quality guarantee for the same amount provided by SinoHydro Bureau 10

(vii) Ruicheng GNE Guarantee

Pursuant to the Ruicheng GNE Guarantee, the Company has agreed to provide a guarantee for RMB551,358,650.00 (equivalent to approximately HK\$625,075,301.51), being the total contract price, to secure the payment of equipment fee and construction fee (including damages, interest and other amounts connected therein) by Ruicheng GCL to SinoHydro Bureau 10 under the Ruicheng PC Agreement.

(viii) Ruicheng Suzhou GCL Guarantee

Pursuant to the Ruicheng Suzhou GCL Guarantee, Suzhou GCL New Energy has agreed to provide a guarantee for RMB551,358,650.00 (equivalent to approximately HK\$625,075,301.51), being the total contract price, to secure the payment of equipment fee and construction fee (including damages, interest and other amounts connected therein) by Ruicheng GCL to SinoHydro Bureau 10 under the Ruicheng PC Agreement.

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F. Principal terms of the Ruicheng Equipment Purchase Agreement

(i) Date

26 May 2017

(ii) Parties

- a) Principal: Ruicheng GCL
- b) Supplier: Nanjing GCL New Energy
- c) Customer: SinoHydro Bureau 10

(iii) Subject Matter

Nanjing GCL New Energy agreed to supply, and SinoHydro Bureau 10 agreed to purchase certain photovoltaic power station equipment for a consideration of RMB119,299,964.80 (equivalent to approximately HK\$135,250,370.09) for the Ruicheng Project. The equipment purchased included solar modules, frames, string converters, voltage converter and cables.

(iv) Effective Date

The Ruicheng Equipment Purchase Agreement shall be effective on the date of signing and execution by both parties, subject to the fulfilment of (a) and (b) below:

- a) the Ruicheng Equipment Purchase Agreement shall be approved in the Shareholders' meeting, or by the major Shareholders in writing; and
- b) the execution of the Ruicheng Equipment Purchase Agreement is in compliance with the Listing Rules.

(v) Basis of Consideration

The Ruicheng Equipment Purchase Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration is calculated on the basis of the market price of similar products.

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(vi) Payment terms

The consideration for the photovoltaic power station equipment under the Ruicheng Equipment Purchase Agreement shall be paid by SinoHydro Bureau 10 to Nanjing GCL New Energy in accordance with the following milestones:

First instalment	90% of the total consideration within 14 days upon the provision of guarantee by Suzhou GCL New Energy (the parent company of Nanjing GCL New Energy) to SinoHydro Bureau 10
Second instalment	10% of the total consideration within 7 working days upon the receipt of the second instalment of the photovoltaic power station equipment fee payable by Ruicheng GCL to SinoHydro Bureau 10 under the Ruicheng PC Agreement

G. Principal terms of the Ningxia Zhongwei EPC Agreement

(i) Date

26 May 2017

(ii) Parties

- | | |
|----------------|----------------------|
| a) Principal: | Ningxia Zhongwei GCL |
| b) Contractor: | SinoHydro Bureau 10 |

(iii) Subject Matter

Ningxia Zhongwei GCL agreed to engage SinoHydro Bureau 10 as contractor to provide EPC services in relation to the Ningxia Zhongwei Project. The relevant construction work will commence pursuant to the notice of commencement given by Ningxia Zhongwei GCL. It is expected that all EPC work under the Ningxia Zhongwei Project will be completed on 30 June 2017.

(iv) Effective Date

The Ningxia Zhongwei EPC Agreement shall be effective when:

- it is signed and executed by both parties;
- its execution is in compliance with the Listing Rules; and

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- c) it is approved by the Board and in the Shareholders' meeting (or by written resolution of the Shareholders).

(v) ***Basis of Consideration***

The consideration for the photovoltaic power station equipment and services under the Ningxia Zhongwei EPC Agreement is estimated to be RMB48,429,500.00 (equivalent to approximately HK\$54,904,524.15).

The Ningxia Zhongwei EPC Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration was determined with reference to (a) the actual installed capacity; (b) the quality standard of the services to be provided under the Ningxia Zhongwei EPC Agreement; (c) the profit margin of the Ningxia Zhongwei Project; and (d) the prevailing market price.

(vi) ***Payment terms***

The consideration for the photovoltaic power station equipment and services under the Ningxia Zhongwei EPC Agreement shall be paid by Ningxia Zhongwei GCL to SinoHydro Bureau 10 in accordance with the following milestones:

Payment terms for the construction fee

First instalment	10% of the estimated construction fee as prepayment: <ul style="list-style-type: none">(a) within 15 days of the effective date of the Ningxia Zhongwei EPC Agreement; and(b) when SinoHydro Bureau 10 is ready to enter, or has entered the site
Second instalment	75% of the estimated construction fee within 7 days of the date the Ningxia Zhongwei Project has completed full on-grid connection or has met all requirements for such connection
Third instalment	10% of the estimated construction fee: <ul style="list-style-type: none">(a) once all the construction is completed, the photovoltaic power station has been handed over after inspection and all accounts have been settled; or(b) if the construction is delayed due to reasons not caused by SinoHydro Bureau 10, within 14 days after the initial inspection on the construction

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Fourth instalment

5% of the estimated construction fee:

- (a) after the expiration of one year during the warranty period provided that there are no quality issues, or any issues have been remedied by SinoHydro Bureau 10; or
- (b) within seven days of receiving a quality guarantee for the same amount provided by SinoHydro Bureau 10

2. THE PREVIOUS YANBIAN AGREEMENTS

A. Principal terms of the Previous Yanbian PC Agreement

(i) *Date*

27 May 2016

(ii) *Parties*

- a) Principal: Yanbian GCL New Energy
- b) Contractor: SinoHydro Bureau 10

(iii) *Subject Matter*

Yanbian GCL New Energy as principal agreed to engage SinoHydro Bureau 10 as contractor to provide PC services in relation to the Yanbian Project. The relevant construction work commenced on the date notified by the principal. It was expected that full on-grid connection for the Yanbian Project would be completed on 15 June 2016. It was expected that a test run and the quality check would be performed on the Yanbian Project 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 before 15 July 2016 following full power generation. The Construction Completion Certificate* (工程竣工驗收鑒定書) will be obtained within 3 months after the construction work for the Yanbian Project is completed.

(iv) *Basis of Consideration*

The consideration for the photovoltaic power station equipment and services under the Previous Yanbian PC Agreement is RMB196,156,584.72 (equivalent to approximately HK\$222,382,720.10), comprising of:

- a) RMB189,632,767.72 (equivalent to approximately HK\$214,986,668.76) for the photovoltaic power station equipment; and

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- b) RMB6,523,817.00 (equivalent to approximately HK\$7,396,051.33) for the services relating to the Yanbian Project.

The Previous Yanbian PC Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration under the Previous Yanbian PC Agreement was determined with reference to (a) the quality standard and cost of the services under the Yanbian Project; (b) the profit margin of the Yanbian Project; and (c) the prevailing market price of similar services.

(v) *Payment terms*

The consideration for the photovoltaic power station equipment and services under the Previous Yanbian PC Agreement shall be paid by Yanbian GCL New Energy to SinoHydro Bureau 10 in separate payment terms in accordance with the following milestones:

Payment terms for the photovoltaic power station equipment

First instalment	No prepayment is required. 90% of the total consideration within 14 days from the date of the completion of construction
Second instalment	10% of the total consideration with no interest within seven working days after the expiration of one year upon the receipt of prepayment paid by SinoHydro Bureau 10 under the Previous Yanbian Equipment Purchase Agreement

Payment terms for the construction services provided

First instalment	10% of the total consideration as prepayment
Second instalment	75% of the total consideration within the expiry of three months after full on-grid connection for the Yanbian Project, provided that SinoHydro Bureau 10 provides an invoice to the satisfaction of Yanbian GCL New Energy
Third instalment	5% of the total consideration after completion and inspection of the construction work for the Yanbian Project, provided that SinoHydro Bureau 10 provides Yanbian GCL New Energy with an invoice as requested by Yanbian GCL New Energy
Fourth instalment	10% of the total consideration with no interest after the expiration of the warranty period of one year provided that there are no issues in relation to the quality of services and construction work

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(vi) *Guarantee*

Pursuant to a guarantee agreement dated 27 May 2016 between Yanbian GCL New Energy, SinoHydro Bureau 10 and Suzhou GCL New Energy, Suzhou GCL New Energy provided a guarantee for up to RMB189,632,767.72 (equivalent to approximately HK\$214,986,668.76) in respect of Yanbian GCL New Energy's liabilities for the photovoltaic power station equipment under the Previous Yanbian PC Agreement.

B. Principal terms of the Previous Yanbian Equipment Purchase Agreement

(i) *Date*

27 May 2016

(ii) *Parties*

- | | |
|---------------|------------------------|
| a) Principal: | Yanbian GCL New Energy |
| b) Supplier: | Nanjing GCL New Energy |
| c) Customer: | SinoHydro Bureau 10 |

(iii) *Subject Matter*

Nanjing GCL New Energy agreed to supply, and SinoHydro Bureau 10 agreed to purchase certain photovoltaic power station equipment for a consideration of RMB182,230,142.00 (equivalent to approximately HK\$206,594,311.99). The equipment purchased included solar modules, frames, string converters, voltage converter and cables. The equipment will be used in the Yanbian Project.

Yanbian GCL New Energy is the principal of the Yanbian Project.

(iv) *Basis of Consideration*

The Previous Yanbian Equipment Purchase Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration is calculated on the basis of the market price of similar products.

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(v) *Payment terms*

The consideration for the photovoltaic power station equipment under the Previous Yanbian Equipment Purchase Agreement shall be paid by SinoHydro Bureau 10 to Nanjing GCL New Energy in accordance with the following milestones:

First instalment	90% of the total consideration as prepayment to be paid within 14 days after signing of the Previous Yanbian Equipment Purchase Agreement; and
Second instalment	10% of the total consideration to be paid within seven days after the expiration of the warranty period of 12 months from the date of the prepayment.

3. THE OTHER PREVIOUS AGREEMENTS

A. Principal terms of the Previous Ceheng Technical Services Agreement

(i) *Date*

2 June 2016

(ii) *Parties*

- | | |
|----------------|------------------|
| a) Principal: | Ceheng GCL |
| b) Contractor: | Guizhou Electric |

(iii) *Subject Matter*

Ceheng GCL agreed to engage Guizhou Electric as contractor to produce a feasibility study report in relation to the Ceheng 100MW Project. It was expected that the first draft of the feasibility study report of the Ceheng 100MW Project (including the layout plan of the solar module) would be provided by 10 June 2016; the submission draft of the feasibility study report would be provided on 20 June 2016; and the official report incorporating experts' opinions would be provided within 3 working days after the experts' review.

(iv) *Basis of Consideration*

The consideration for the technical services under the Previous Ceheng Technical Services Agreement is RMB440,000.00 (equivalent to approximately HK\$498,828.00).

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The Previous Ceheng Technical Services Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration was determined with reference to (a) the quality standard of the services to be provided under the Previous Ceheng Technical Services Agreement; (b) the profit margin of the Ceheng 100MW Project; and (c) the prevailing market price.

(v) *Payment terms*

The consideration for the technical services under the Previous Ceheng Technical Services Agreement shall be paid by Ceheng GCL to Guizhou Electric in accordance with the following milestones:

Payment terms for the contract price

First instalment	50% of the contract price within 10 working days of the date of receiving experts' opinion on the feasibility study report and when the invoice for the corresponding amount is delivered
Second instalment	30% of the contract price within 10 working days of the date of submission of the revised report approved by the experts and when the invoice for the corresponding amount is delivered
Third instalment	20% of the contract price within 10 working days of the date that the Ceheng 100MW Project is filed with or approved by NDRC and when the invoice for the corresponding amount is delivered

B. Principal terms of the Previous Ceheng Design Services Agreement

(i) *Date*

25 June 2016

(ii) *Parties*

- a) Principal: Ceheng GCL
- b) Contractor: Guizhou Electric

(iii) *Subject Matter*

Ceheng GCL agreed to engage Guizhou Electric as contractor to design the access system for the Ceheng 100MW Project. It was expected that the first draft of the access system report of the Ceheng 100MW Project would be provided by 30 June 2016; the submission draft

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of the access system report would be provided by 10 July 2016; and the official report incorporating experts' opinions would be provided within 5 working days after the experts' review.

(iv) Basis of Consideration

The consideration for the design services under the Previous Ceheng Design Services Agreement is RMB380,000.00 (equivalent to approximately HK\$430,806.00).

The Previous Ceheng Design Services Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration was determined with reference to (a) the quality standard of the services to be provided under the Previous Ceheng Design Services Agreement; (b) the profit margin of the Ceheng 100MW Project; and (c) the prevailing market price.

(v) Payment terms

The consideration for the design services under the Previous Ceheng Design Services Agreement shall be paid by Ceheng GCL to Guizhou Electric in accordance with the following milestones:

Payment terms for the contract price

First instalment	70% of the contract price within 10 working days after the submission draft of the access system report is completed and delivered to Ceheng GCL and when the invoice for the corresponding amount is delivered
Second instalment	30% of the contract price within 10 working days of the date that the access system design is approved by the experts and the documentation for approval of on-grid connection is obtained

C. Principal terms of the Previous Ruyang Technical Services Agreement

(i) Date

1 September 2016

(ii) Parties

- | | |
|----------------|-----------------------|
| a) Principal: | Ruyang GCL New Energy |
| b) Contractor: | Henan Electric |

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(iii) Subject Matter

Ruyang GCL New Energy agreed to engage Henan Electric as contractor to produce study reports on the access system of the Ruyang Project. It was expected that the study reports (including the first and the second reports) of the Ruyang Project would be provided within 20 days after all necessary materials are available.

(iv) Basis of Consideration

The consideration for the technical services under the Previous Ruyang Technical Services Agreement is RMB350,000.00 (equivalent to approximately HK\$396,795.00).

The Previous Ruyang Technical Services Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration was determined with reference to (a) the quality standard of the services to be provided under the Previous Ruyang Technical Services Agreement; (b) the profit margin of the Ruyang Project; (c) the prevailing market price; and (d) relevant national regulations on fee scale.

(v) Payment terms

The consideration for the technical services under the Previous Ruyang Technical Services Agreement shall be paid by Ruyang GCL New Energy to Henan Electric in accordance with the following milestones:

Payment terms for the contract price

First instalment	20% of the contract price as prepayment within 15 working days of the effective date of the Previous Ruyang Technical Services Agreement
Second instalment	30% of the contract price within 15 working days of the completion of the first and the second study reports
Third instalment	50% of the contract price upon obtaining expert's approval of the first and second reports and the completion of the final draft of the access system study report

D. Principal terms of the Previous Anlong EPC Agreement

(i) Date

9 October 2016

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(ii) Parties

- a) Principal: Mao'an New Energy
- b) Contractor: SinoHydro Bureau 10

(iii) Subject Matter

Mao'an New Energy agreed to engage SinoHydro Bureau 10 as contractor to provide EPC services in relation to the Anlong Project. The relevant construction work commenced pursuant to the notice of commencement given by Mao'an New Energy. It was expected that all construction work for the Anlong Project would be completed on 30 November 2016.

(iv) Basis of Consideration

The consideration for the construction work under the Previous Anlong EPC Agreement is RMB4,006,495.00 (equivalent to approximately HK\$4,542,163.38).

The Previous Anlong EPC Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration was determined with reference to (a) the quality standard of the services to be provided under the Previous Anlong EPC Agreement; (b) the profit margin of the Anlong Project; and (c) the prevailing market price.

(v) Payment terms

The consideration for the photovoltaic power station equipment and services under the Previous Anlong EPC Agreement shall be paid by Mao'an New Energy to SinoHydro Bureau 10 in accordance with the following milestones:

Payment terms for the contract price

- | | |
|-------------------|---|
| First instalment | 10% of the contract price as prepayment: |
| | (a) within 15 days of the effective date of the Previous Anlong EPC Agreement; and |
| | (b) when SinoHydro Bureau 10 is ready to enter, or has entered the site |
| Second instalment | 65% of the contract price within 3 months of the date of reaching full on-grid power connection capacity for the Anlong Project |

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Third instalment	15% of the contract price once all the construction is completed, the construction completion certificate is obtained and all accounts have been settled
Fourth instalment	10% of the contract price after the expiration of the warranty period provided that there are no quality issues, or any issues have been remedied by SinoHydro Bureau 10

E. Principal terms of the Previous Ceheng EPC Agreement

(i) Date

11 October 2016

(ii) Parties

- a) Principal: Ceheng GCL
- b) Contractor: SinoHydro Bureau 10

(iii) Subject Matter

Ceheng GCL agreed to engage SinoHydro Bureau 10 as contractor to provide EPC services in relation to the Ceheng 90MW Project. The relevant construction work commenced pursuant to the notice of commencement given by Ceheng GCL. It was expected that all construction work for Ceheng 90MW Project would be completed on 25 December 2016.

(iv) Basis of Consideration

The consideration for the construction work under the Previous Ceheng EPC Agreement is RMB48,188,905.00 (equivalent to approximately HK\$54,631,761.60), comprising of:

- a) the construction work of section I for the amount of RMB26,902,545.00 (equivalent to approximately HK\$30,499,415.27); and
- b) the construction work of section II for the amount of RMB21,286,360.00 (equivalent to approximately HK\$24,132,346.33).

The Previous Ceheng EPC Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration was determined with reference to (a) the quality standard of the services to be provided under the Previous Ceheng EPC Agreement; (b) the profit margin of the Ceheng 90MW Project; and (c) the prevailing market price.

LETTER FROM THE BOARD

(v) **Payment terms**

The consideration for the photovoltaic power station equipment and services under the Previous Ceheng EPC Agreement shall be paid by Ceheng GCL to SinoHydro Bureau 10 in accordance with the following milestones:

Payment terms for the contract price

First instalment	10% of the contract price as prepayment
	(a) within 15 days of the effective date of the Previous Ceheng EPC Agreement; and
	(b) when SinoHydro Bureau 10 is ready to enter, or has entered the site
Second instalment	65% of the contract price within 3 months of the date of reaching 90MW full on-grid power connection capacity for the Ceheng 90MW Project and delivery of invoice for the corresponding amount
Third instalment	15% of the contract price once all the construction is completed, all accounts have been settled and the invoice of the remaining amount is delivered
Fourth instalment	10% of the contract price after the expiration of the warranty period provided that there are no quality issues, or any issues have been remedied by SinoHydro Bureau 10

F. Principal terms of the Previous Qinghai General Agreement

(i) **Date**

22 December 2016

(ii) **Parties**

- | | |
|----------------|------------------|
| a) Principal: | Delingha Power |
| b) Contractor: | Qinghai Electric |

LETTER FROM THE BOARD

(iii) Subject Matter

Delingha Power agreed to engage Qinghai Electric as contractor to provide design, engineering, procurement, debugging and inspection services in relation to the Qinghai Project. It was expected that the relevant work would be carried out in accordance with the schedule finalised in the meeting dated 26 August 2016 held in Xining City, Qinghai Province, the PRC.

(iv) Basis of Consideration

The consideration for the services provided under the Previous Qinghai General Agreement is RMB16,270.30 (equivalent to approximately HK\$18,445.64).

The Previous Qinghai General Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration was determined with reference to (a) the quality standard of the services to be provided under the Previous Qinghai General Agreement; (b) the profit margin of the Qinghai Project; and (c) the prevailing market price.

(v) Payment terms

The consideration for the services provided under the Previous Qinghai General Agreement shall be paid by Delingha Power to Qinghai Electric within 5 working days of signing of the Previous Qinghai General Agreement.

G. Principal terms of the Previous Luodian Technical Services Agreement

(i) Date

19 January 2017

(ii) Parties

- a) Principal: Luodian GCL
- b) Contractor: Guizhou Electric

(iii) Subject Matter

Luodian GCL agreed to engage Guizhou Electric as contractor to produce a feasibility study report in relation to the Luodian Project. It was expected that the first draft of the feasibility study report would be provided by 23 January 2017; and the official report incorporating experts' opinions would be provided within 5 working days after the experts' review.

LETTER FROM THE BOARD

(iv) Basis of Consideration

The consideration for the technical services under the Previous Luodian Technical Services Agreement depends on the progress of work:

- (a) if the submission draft of the feasibility report is completed within 10 working days prior to the project inspection, the consideration will be RMB360,000.00 (equivalent to approximately HK\$408,132.00); or
- (b) if the submission draft of the feasibility report is completed within 20 working days prior to the project inspection, the consideration will be RMB300,000.00 (equivalent to approximately HK\$340,110.00).

The Previous Luodian Technical Services Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration was determined with reference to (a) the progress of work; (b) the quality standard of the services to be provided under the Previous Luodian Technical Services Agreement; (c) the profit margin of the Luodian Project; and (c) the prevailing market price.

(v) Payment terms

The consideration for the technical services under the Previous Luodian Technical Services Agreement shall be paid by Luodian GCL to Guizhou Electric in accordance with the following milestones:

Payment terms for the contract price

- | | |
|-------------------|---|
| First instalment | 50% of the contract price: |
| | (a) within 10 working days prior to the project inspection, if the submission draft of the feasibility report is completed within 10 working days prior to the project inspection; or |
| | (b) within 20 working days prior to the project inspection, if the submission draft of the feasibility report is completed within 20 working days prior to the project inspection |
| Second instalment | 50% of the contract price: |
| | (a) within 10 working days of the approval by experts and submission of the final report incorporating experts' opinions, if the submission draft of the feasibility report is completed within 10 working days prior to the project inspection; or |

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- (b) within 20 working days of the approval by experts and submission of the final report incorporating experts' opinions, if the submission draft of the feasibility report is completed within 20 working days prior to the project inspection

H. Principal terms of the Previous Luodian Supplemental Agreement

(i) Date

6 March 2017

(ii) Parties

- a) Principal: Luodian GCL
- b) Contractor: Guizhou Electric

(iii) Subject Matter

The Previous Luodian Supplemental Agreement was made to amend the terms of the Previous Luodian Technical Services Agreement. The size of the Luodian Project was amended from 40MW to 100MW. It was expected that the 40MW first phase of the Luodian Project would achieve on-grid connection by 30 June 2017; and the construction for the 60MW second phase of the Luodian Project would commence in 2018.

(iv) Basis of Consideration

The consideration for the technical services under the Previous Luodian Technical Services Agreement was amended to RMB440,000.00 (equivalent to approximately HK\$498,828.00).

The Previous Luodian Supplemental Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration was determined with reference to (a) the quality standard of the services to be provided under the Previous Luodian Technical Services Agreement; (b) the profit margin of the Luodian Project; and (c) the prevailing market price.

(v) Payment terms

The consideration for the technical services under the Previous Luodian Technical Services Agreement shall be paid by Luodian GCL to Guizhou Electric in accordance with the following milestones:

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Payment terms for the contract price

First instalment	50% of the contract price within 10 working days prior to the project inspection, after the submission draft of the feasibility report is completed within 10 working days and when the invoice for the whole contract price is delivered
Second instalment	50% of the contract price within 10 working days of the approval by experts and the submission of the final report incorporating experts' opinions

I. Principal terms of the Previous Zhenping Technical Services Agreement

(i) Date

22 February 2017

(ii) Parties

- a) Principal: Zhenping GCL
- b) Contractor: Henan Electric

(iii) Subject Matter

Zhenping GCL agreed to engage Henan Electric as contractor to produce study reports on the access system of the Zhenping Project. It was expected that the study reports (including the first and the second reports) of the Zhenping Project would be provided within 20 days after all necessary materials are available.

(vi) Basis of Consideration

The consideration for the technical services under the Previous Zhenping Technical Services Agreement is RMB300,000.00 (equivalent to approximately HK\$340,110.00).

The Previous Zhenping Technical Services Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration was determined with reference to (a) the quality standard of the services to be provided under the Previous Zhenping Technical Services Agreement; (b) the profit margin of the Zhenping Project; (c) the prevailing market price; and (d) relevant national rules on fee scale.

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(vii) Payment terms

The consideration for the technical services under the Previous Zhenping Technical Services Agreement shall be paid by Zhenping GCL to Henan Electric in accordance with the following milestones:

Payment terms for the contract price

First instalment	20% of the contract price as prepayment within 15 working days of the effective date of the Previous Zhenping Technical Services Agreement
Second instalment	30% of the contract price within 15 working days of the completion of the first and the second study reports
Third instalment	50% of the contract price upon obtaining expert's approval of the first and second reports and the completion of the final draft of the access system study report

J. Principal terms of the Previous Weishan Technical and Design Services Agreement

(i) Date

20 March 2017

(ii) Parties

- | | |
|----------------|------------------------|
| a) Principal: | Weishan GCL New Energy |
| b) Contractor: | Zhongnan Engineering |

(iii) Subject Matter

Weishan GCL New Energy agreed to engage Zhongnan Engineering as contractor to provide technical and design services in relation to the Weishan Project. It was expected that after all necessary materials are available, (a) feasibility study report would be provided within 15 days of the effective date of the Previous Weishan Technical and Design Services Agreement; (b) mapping report and geological investigation report would be provided within 30 days of the effective date of the Previous Weishan Technical and Design Services Agreement; (c) first draft of design proposal would be provided within 45 days of the effective date of the Previous Weishan Technical and Design Services Agreement; (d) working drawings would be provided within 50 days of the effective date of the Previous Weishan Technical and Design Services Agreement; and (e) as-built drawings would be provided upon Weishan GCL New Energy's request.

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(iv) *Basis of Consideration*

The consideration for the technical and design services under the Previous Weishan Technical and Design Services Agreement is RMB1,880,000.00 (equivalent to approximately HK\$2,131,356.00).

The Previous Weishan Technical and Design Services Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration was determined with reference to (a) the quality standard of the services to be provided under the Previous Weishan Technical and Design Services Agreement; (b) the profit margin of the Weishan Project; and (c) the prevailing market price.

(v) *Payment terms*

The consideration for the technical services under the Previous Weishan Technical and Design Services Agreement shall be paid by Weishan GCL New Energy to Zhongnan Engineering in accordance with the following milestones:

Payment terms for the contract price

First instalment	20% of the contract price as prepayment upon the effective date of the Previous Weishan Technical and Design Services Agreement
Second instalment	10% of the contract price upon the provision of feasibility study report of the Weishan Project
Third instalment	10% of the contract price upon the provision of mapping report of the Weishan Project
Fourth instalment	10% of the contract price upon the provision of geological investigation report of the Weishan Project
Fifth instalment	30% of the contract price upon the provision of working drawings of the Weishan Project
Sixth instalment	20% of the contract price upon the provision of as-built drawings of the Weishan Project

LETTER FROM THE BOARD

4. FINANCIAL IMPACT OF THE EPC AND EQUIPMENT PURCHASE AGREEMENTS AND THE OTHER PREVIOUS AGREEMENTS

Based on current facts and circumstances, it is estimated that the entering into of the EPC and Equipment Purchase Agreements, the Previous Yanbian Agreements and the Other Previous Agreements by the Group, with a total consideration of RMB2,766,847,611.00 (equivalent to approximately HK\$3,136,775,136.59) 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, the Previous Yanbian Agreements and the Other Previous Agreements would have any material adverse financial impact on the earnings, assets and liabilities of the Group.

5. REASONS FOR AND BENEFITS OF THE TRANSACTION

As a developer of photovoltaic power station projects, the Group, similar to other developers of photovoltaic power station projects, has to engage external contractors to provide engineering, procurement and construction 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, the Previous Yanbian Agreements and the Other Previous Agreements entered into with the PowerChina Group are important to the development of the Projects. 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.

PowerChina Group is an established service provider for EPC services as well as technical and design services, and has extensive local resources. PowerChina Group 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 Projects. The Group believes that PowerChina Group can deliver services and supply solar modules and photovoltaic power generation equipment at a quality standard which meets the expectations of the Group.

Under Equipment Purchase Agreements, Nanjing GCL New Energy sells certain photovoltaic power station equipment to SinoHydro Bureau 10 for a total consideration of RMB1,042,473,803.60 (equivalent to approximately HK\$1,181,852,551.14). On the other hand, Nanjing GCL New Energy purchases these photovoltaic power station equipment from its suppliers under the Supply Agreements on payment terms different from 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 relevant Supply Agreements; whereas under the Equipment Purchase Agreements, Nanjing GCL New Energy receives 90% consideration from SinoHydro Bureau 10 within 14 days of signing of the relevant Equipment Purchase Agreements at the latest.

The Group will therefore be able to benefit from short term use of the Sales Proceeds from the Equipment Purchase Agreements prior to paying its suppliers under the Supply Agreements. Approximately 10% of the Sales Proceeds will be used as deposits to SinoHydro Bureau 10 under the Fenxi PC Agreement, the Shicheng PC Agreement, the Ruicheng PC Agreement and the Previous Yanbian PC Agreement;

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approximately 30% of the Sales Proceeds will be used to pay the suppliers for the photovoltaic 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 Fenxi PC Agreement, the Shicheng PC Agreement, the Ruicheng PC Agreement and the Previous Yanbian PC Agreement, SinoHydro Bureau 10 sells back these photovoltaic power station equipment to the Group at a premium of approximately 3.52% of the consideration payable under the Equipment Purchase Agreements. The Directors consider the premium (which is equivalent to an interest rate of approximately 6.5% per annum) is better than the prevailing market rate available to the Group.

Based on the above reasons, the Directors believe and consider that the terms of the EPC and Equipment Purchase Agreements, the Previous Yanbian Agreements and the Other Previous Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

6. INFORMATION ON THE PARTIES TO THE EPC AND EQUIPMENT PURCHASE AGREEMENTS AND THE OTHER PREVIOUS AGREEMENTS

PowerChina Group

PowerChina is a state-owned enterprise incorporated in the PRC with limited liability. PowerChina Group is principally engaged in investigation, planning, designing and construction of architectural engineering; development and operation of electric power, hydropower and other resources; real estate development and management; and manufacture and leasing of relevant equipment.

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.

7. LISTING RULES IMPLICATIONS

As disclosed in the Company's announcement dated 27 May 2016, the entering into of the Previous Yanbian Agreements (in aggregate) constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

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

As the Previous Yanbian Agreements were entered into with PowerChina Group within a 12-month period prior to and inclusive of the dates of the Other Previous Agreements, the Previous Yanbian Agreements and the Other Previous Agreements will be aggregated as a series of transactions for the Company pursuant to Rule 14.22 of the Listing Rules.

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The entering into of the Previous Yanbian Agreements and the Other Previous Agreements (in aggregate) did not trigger a higher classification of a major transaction for the Company under Chapter 14 of the Listing Rules.

Further, as the Previous Yanbian Agreements and the Other Previous Agreements were entered into with PowerChina Group 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, the Previous Yanbian Agreements and the Other 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, the Previous Yanbian Agreements and the Other Previous Agreements (in aggregate) exceeds 25% but is less than 100% for the Company, the entering into of the EPC and Equipment Purchase Agreements, the Previous Yanbian Agreements and the Other 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.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, saved as disclosed above, PowerChina Group and each of its ultimate beneficial owners are third parties independent of the Company and are not connected persons of the Company.

8. 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, 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.

9. ADDITIONAL INFORMATION

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 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); and
- 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 30 April 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	21,753,572	2,203,176	23,956,748
Carrying amount of obligations under finance leases	49,750	–	49,750
Principal amount of convertible bonds	–	863,744	863,744
Principal amount of loans from fellow subsidiaries	–	675,824	675,824
	<u>21,803,322</u>	<u>3,742,744</u>	<u>25,546,066</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 30 April 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 30 April 2017.

At 30 April 2017, certain bank and other borrowings of the Group amounting to RMB23,553,268,000 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 RMB686,584,000) and HK\$200,000,000 (equivalent to approximately RMB177,160,000), 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 30 April 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 30 April 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 knowledge of the Directors, having made all reasonable enquiries, there has been no material change in the level of indebtedness of the Group since 30 April 2017.

3. WORKING CAPITAL STATEMENT

According to the Group's cash flow projections, as at 30 April 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 30 June 2018 amounted to approximately RMB12,759,955,000. As at 30 April 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 RMB25,546,066,000. 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 30 April 2017, the Group has completed the construction of 95 solar power plants with approval for on-grid connection and it also has additional 22 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 4.6GW 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 the Prior Year were 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 the 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 1,876MW. We are optimistic and confidence 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 1.5GW to 2GW for the year.

APPENDIX I
FINANCIAL INFORMATION OF THE GROUP

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 approved by the local government authorities while grid-connected capacity represents 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	<u><u>596</u></u>

As a leading solar energy 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 has made the solar energy business 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 enhancing 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	Personal interests	Number of Shares		Approximate percentage of issued Shares
			Number of underlying Shares (Note)	Total	
Mr. ZHU Yufeng	Beneficial owner	-	3,523,100	3,523,100	0.02%
Mr. SUN Xingping	Beneficial owner	-	16,105,600	16,105,600	0.08%
Ms. HU Xiaoyan	Beneficial owner	-	19,125,400	19,125,400	0.10%
Mr. TONG Wan Sze	Beneficial owner	-	8,052,800	8,052,800	0.04%
Ms. SUN Wei	Beneficial owner	-	27,178,200	27,178,200	0.14%
Mr. SHA Hongqiu	Beneficial owner	3,000,000	8,052,800	11,052,800	0.06%
Mr. YEUNG Man Chung, Charles	Beneficial owner	-	15,099,000	15,099,000	0.08%
Mr. WANG Bohua	Beneficial owner	-	2,617,160	2,617,160	0.01%
Mr. XU Songda	Beneficial owner	-	2,617,160	2,617,160	0.01%
Mr. LEE Conway Kong Wai	Beneficial owner	-	2,617,160	2,617,160	0.01%
Mr. WANG Yanguo	Beneficial owner	-	1,006,600	1,006,600	0.01%
Dr. CHEN Ying	Beneficial owner	-	1,006,600	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 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;
- (ii) 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;
- (iii) 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;
- (iv) the partnership agreement dated 27 April 2016 entered into between Dongfu Jueqi, Nanjing GCL New Energy and Dongfu (Beijing) Huitong Investment Management Company Limited* (北京東富崛起經濟諮詢中心(有限合夥)) in relation to the establishment of the Beijing Limited Partnership;
- (v) 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;
- (vi) 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;

- (vii) 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
- (viii) 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 from 9:00 a.m. to 5:30 p.m. 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 for a period of 14 days from the date of this circular:

- (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 Yanbian Agreements;
- (vi) the Other Previous Agreements;
- (vii) 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;
- (viii) 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);
- (ix) the circular of the Company dated 19 May 2017 in relation to the 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
- (x) this circular.