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GCL-Poly Energy Holdings Limited

保利協鑫能源控股有限公司

*(Incorporated in the Cayman Islands
with limited liability)*

(Stock code: 3800)



GCL New Energy Holdings Limited

協鑫新能源控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 451)

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

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

On 21 June 2017 (after trading hours), the GNE Group entered into the Yulin Finance Lease Agreements with China Financial, pursuant to which:

- (a) China Financial conditionally agreed to purchase from Nanjing GCL New Energy (an indirect wholly-owned subsidiary of GNE and an indirect subsidiary of GCL-Poly) the Yulin Leased Assets for RMB488,271,000 (equivalent to approximately HK\$558,533,197) of which (i) RMB480,000,000 (equivalent to approximately HK\$549,072,000) shall be payable by China Financial and (ii) RMB8,271,000 (equivalent to approximately HK\$9,461,197) shall be payable by Yulin Yushen (an indirect wholly-owned subsidiary of GNE and an indirect subsidiary of GCL-Poly); and
- (b) China Financial conditionally agreed to lease the Yulin Leased Assets to Yulin Yushen for an estimated aggregate lease consideration of RMB669,001,250 (equivalent to approximately HK\$765,270,530) payable by quarterly instalments for a term of 10 years. In addition, Yulin Yushen shall pay an administrative fee to China Financial in the sum of RMB17,000,000 (equivalent to approximately HK\$19,446,300) in two instalments during the lease period.

As disclosed in GCL-Poly's and GNE's joint announcement dated 19 October 2016 and GNE's announcement dated 20 December 2016 (the "**Previous Announcements**"), the GNE Group entered into the Gaoyou Finance Lease Agreements, the Baoying Finance Lease Agreements, the Anlong Finance Lease Agreements, the Huai'an Finance Lease Agreements and the Qinzhou Finance Lease Agreements (as defined in the Previous Announcements, together, the "**Previous Finance Lease Agreements**") with China Financial in the past 12 months.

LISTING RULES IMPLICATIONS

GCL-Poly

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

The entering into of the Previous Finance Lease Agreements and the Yulin Finance Lease Agreements (in aggregate) did not trigger a higher classification of a major transaction for GCL-Poly under Chapter 14 of the Listing Rules.

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

GNE

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

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

GENERAL

Pursuant to the Listing Rules, GNE Shareholders' approval is required for a major transaction. To the best knowledge, information and belief of the GNE Directors, having made all reasonable enquiries, as at the date of this announcement, none of the GNE Shareholders has a material interest in the major transaction and therefore none of them would be required to abstain from voting if GNE were to convene a general meeting for approving the major transaction. Pursuant to Rule 14.44 of the Listing Rules, GNE will request a written GNE Shareholders' approval from Elite Time Global (which as at the date of this announcement, holds 11,880,000,000 GNE Shares,

representing approximately 62.28% of the issued share capital of GNE) to approve the major transaction. If GNE receives such written GNE Shareholders' approval, no GNE Shareholders' meeting will be held to approve the major transaction pursuant to Rule 14.44 of the Listing Rules.

In accordance with the requirements of the Listing Rules, a circular of GNE containing further details of the major transaction will be dispatched to the GNE Shareholders on or before 12 July 2017.

1. YULIN FINANCE LEASE AGREEMENTS

Principal terms of the Yulin Finance Lease Agreements

(i) Date

21 June 2017

(ii) Parties

- (a) Seller: Nanjing GCL New Energy
- (b) Purchaser and lessor: China Financial
- (c) Lessee: Yulin Yushen

(iii) Yulin Finance Lease Agreements

Pursuant to the Yulin Finance Lease Agreements:

- (a) China Financial conditionally agreed to purchase from Nanjing GCL New Energy the Yulin Leased Assets for RMB488,271,000 (equivalent to approximately HK\$558,533,197) of which (i) RMB480,000,000 (equivalent to approximately HK\$549,072,000) shall be payable by China Financial and (ii) RMB8,271,000 (equivalent to approximately HK\$9,461,197) shall be payable by Yulin Yushen; and
- (b) China Financial conditionally agreed to lease the Yulin Leased Assets to Yulin Yushen for an estimated aggregate lease consideration of RMB669,001,250 (equivalent to approximately HK\$765,270,530) payable by quarterly instalments for a term of 10 years.

Pursuant to the Yulin Purchase Agreement, China Financial and Yulin Yushen shall pay to Nanjing GCL New Energy the consideration for the Yulin Leased Assets in three tranches as follows:

- (a) First Tranche: RMB8,271,000 (equivalent to approximately HK\$9,461,197) shall be payable by Yulin Yushen upon the signing of the Yulin Purchase Agreement;
- (b) Second Tranche: RMB336,000,000 (equivalent to approximately HK\$384,350,400) upon the fulfilment or waiver of the following conditions within two months of the signing of the Yulin Purchase Agreement:
 - (1) China Financial having received the signed and effective copies of the Yulin Purchase Agreement, the Yulin Finance Lease, security documents relating to the Yulin Finance Lease and other legal documents related to the Yulin Finance Lease;
 - (2) China Financial having received all internal and external approvals and consents for the finance lease transaction;
 - (3) if the security and guarantees provided under the Yulin Finance Lease Agreements is required to be registered under PRC law, China Financial having received proof of registration and other internal and external approvals and consents required under the constitutional documents of the relevant party;
 - (4) China Financial having received the Rent Prepayment and the first instalment of the administrative fee from Yulin Yushen;
 - (5) Yulin Yushen having obtained insurance for the Yulin Leased Assets listing China Financial as the first ranking beneficiary or China Financial having been updated as the first ranking beneficiary under the existing insurance policy for the Yulin Leased Assets, and China Financial having received the original insurance contract and a copy of the receipt showing payment of the insurance premium;
 - (6) China Financial having received a copy of the payment confirmation showing payment of the first tranche of the consideration by Yulin Yushen;
 - (7) China Financial having received the certificate showing acceptance of the Yulin Leased Assets issued by Yulin Yushen;
 - (8) the Yulin Leased Assets having been delivered by Nanjing GCL New Energy to Yulin Yushen and Yulin Yushen having issued the inspection and acceptance certificate in respect of the Yulin Leased Assets;

- (9) 20% of the capital requirement for the Yulin Project having been paid in, and a bank statement proving the capital payment having been provided;
 - (10) the Yulin Purchase Agreement being effective, and there being no material adverse change in the business and financial condition of Yulin Yushen;
 - (11) China Financial having received written notice for payment from Nanjing GCL New Energy and Yulin Yushen;
 - (12) there being no breach under the Yulin Purchase Agreement, Yulin Finance Lease or any other agreement related to finance lease transaction by Yulin Yushen, Nanjing GCL New Energy or any other party providing security, or any such breach having been remedied to the satisfaction of China Financial; and
 - (13) Nanjing GCL New Energy and Yulin Yushen having satisfied any other conditions as requested by China Financial;
- (c) Third Tranche: RMB144,000,000 (equivalent to approximately HK\$164,721,600), within 10 business days after the fulfillment of the following conditions:
- (1) the Yulin Project having been grid connected and proof of the grid connection having been provided;
 - (2) Yulin Yushen having signed the 28MW construction and engineering contract with Shaanxi Xinrong;
 - (3) Yulin Yushen having signed a termination agreement in respect of its contracting agreement with China Energy. Save for the RMB25,195,831 (equivalent to approximately HK\$28,821,511) already paid by Yulin Yushen to China Energy, Yulin Yushen having made no further payments to China Energy and having provided confirmation of ownership in relation to the equipment already delivered under the relevant contracting agreement to Yulin Yushen; and
 - (4) Yulin Yushen having signed an electricity sales agreement with the relevant local energy company.

(iv) *Payment of Rent*

The estimated aggregate amount of rent payable by Yulin Yushen to China Financial under the Yulin Finance Lease Agreements is RMB669,001,250 (equivalent to approximately HK\$765,270,530) and is payable in 40 instalments: (a) the initial eight instalments are in the range of between approximately RMB7,200,000 (equivalent to

approximately HK\$8,236,080) to RMB7,360,000 (equivalent to approximately HK\$8,419,104) each and (b) the remaining 32 instalments are in the range of between approximately RMB15,249,167 (equivalent to approximately HK\$17,443,522) to RMB22,973,333 (equivalent to approximately HK\$26,279,196) each.

The aggregate amount of rent was calculated based on the principal lease cost plus the lease interest rate. The principal lease cost under the Yulin Finance Lease is RMB480,000,000 (equivalent to approximately HK\$549,072,000). The interest rate applicable for the initial eight instalments of rent shall be the Benchmark Rate plus 110 basis points. The interest rate applicable for the remaining 32 instalments of rent shall be the Benchmark Rate plus 160 basis points. As the current Benchmark Rate is 4.9% p.a., the interest rate applicable for the initial eight instalments of rent shall be an annualised rate of 6% and the interest rate applicable for the remaining 32 instalments of rent shall be an annualised rate of 6.5%.

(v) *Administrative Fee*

Pursuant to the Yulin Administrative Fee Agreement, Yulin Yushen shall pay an administrative fee to China Financial in the sum of RMB17,000,000 (equivalent to approximately HK\$19,446,300) in two instalments: (i) the first instalment of RMB10,000,000 (equivalent to approximately HK\$11,439,000) shall be paid within two months of the signing the Yulin Purchase Agreement; and (ii) the second instalment of RMB7,000,000 (equivalent to approximately HK\$8,007,300) shall be paid at the same time as when the fifth instalment of rent under the Yulin Finance Lease is paid.

The terms of the Yulin Finance Lease Agreements including the lease rent, lease interest rate, and administrative fee were determined after arm's length negotiation between China Financial and Yulin Yushen with reference to the prevailing market rates for (i) finance leases for similar assets and (ii) similar finance lease services.

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

(vi) *Ownership of the Yulin Leased Assets*

During the term of the Yulin Finance Lease, the ownership of the Yulin Leased Assets shall vest in China Financial. Upon expiry of the term of the Yulin Finance Lease and subject to the full payment of all amounts due under the Yulin Finance Lease and there being no breach under the Yulin Finance Lease or such breach having been remedied, Yulin Yushen shall purchase the Yulin Leased Assets from China Financial for the nominal purchase price of RMB10,000 (equivalent to approximately HK\$11,439).

(vii) Security Arrangements for the Yulin Finance Lease

Pursuant to the Yulin Rent Prepayment Agreement, Yulin Yushen shall pay to China Financial a rent prepayment of RMB14,000,000 (equivalent to approximately HK\$16,014,600) (the “**Rent Prepayment**”) within two months of the Yulin Purchase Agreement. Such payment shall be made prior to the second tranche of the consideration for the Yulin Leased Assets being paid by China Financial.

China Financial shall be entitled to deduct from the Rent Prepayment any unpaid fees and other amounts payable, liquidated damages, damages or rent which may be payable by Yulin Yushen. In the event of such deduction, Yulin Yushen shall make up for the deduction upon notice from China Financial. Prior to the final instalment of rent payable under the Yulin Finance Lease and with the consent of China Financial, the Rent Prepayment may be deducted from the final instalment of rent and other amounts payable to China Financial, provided that Yulin Yushen has complied with its obligations under the Yulin Finance Lease and all other rent instalments have been paid.

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

- (1) Yulin Guarantee: pursuant to the Yulin Guarantee, Suzhou GCL New Energy has agreed to guarantee the obligations of Yulin Yushen under the Yulin Finance Lease, Yulin Administrative Fee Agreement and Yulin Purchase Agreement, including rental payments, interest, administrative fees and other amounts due to China Financial;
- (2) Yulin Share Pledge Agreement: pursuant to the Yulin Share Pledge Agreement, Xi'an GCL has pledged 100% of the equity interest in Yulin Yushen to secure all of Yulin Yushen's obligations under the Yulin Finance Lease, Yulin Administrative Fee Agreement and Yulin Purchase Agreement;
- (3) Yulin Electricity Fees Pledge Agreement: pursuant to the Yulin Electricity Fees Pledge Agreement, Yulin Yushen has pledged its right to electricity fees in relation to the Yulin Project to secure its obligations under the Yulin Finance Lease, Yulin Administrative Fee Agreement and Yulin Purchase Agreement; and
- (4) Yulin Obligation Transfer Agreement: pursuant to the Yulin Obligation Transfer Agreement, Nanjing GCL New Energy has agreed to assume Yulin Yushen's obligations under the Yulin Finance Lease (including any outstanding interest, rent, damages, loss and payment of any other amounts due to China Financial) if Yulin Yushen commits a material breach under the terms of the Yulin Finance Lease.

2. PREVIOUS FINANCE LEASE AGREEMENTS

Please refer to the Previous Announcements and below for the principal terms of the Previous Finance Lease Agreements.

A. Principal terms of the Anlong Finance Lease Agreements

(i) Date

20 December 2016

(ii) Parties

- (a) Seller: Nanjing GCL New Energy
- (b) Purchaser and lessor: China Financial
- (c) Lessee: Mao'an New Energy

(iii) Anlong Finance Lease

Pursuant to the Anlong Sale and Purchase Agreement and the Anlong Finance Lease, China Financial has agreed to purchase the Anlong Photovoltaic Power Generation Equipment from Nanjing GCL New Energy for a total consideration of RMB161,142,700 (equivalent to approximately HK\$184,331,135). The purchase price is payable in two instalments: (i) RMB1,142,700 (equivalent to approximately HK\$1,307,135) payable by Mao'an New Energy upon the signing of the Anlong Sale and Purchase Agreement, and (ii) RMB160,000,000 (equivalent to approximately HK\$183,024,000) payable by China Financial upon the satisfaction of all payment terms under the Anlong Sale and Purchase Agreement within two months of signing.

Following the acquisition, China Financial shall lease the Anlong Photovoltaic Power Generation Equipment to Mao'an New Energy for a term of ten years, commencing from the Anlong Commencement Date.

(iv) Payment of rent

The aggregate estimated amount of rent payable by Mao'an New Energy to China Financial under the Anlong Finance Lease is RMB223,601,778 (equivalent to approximately HK\$255,778,074) and is payable in a total of forty quarterly instalments starting from the 15th day of the following three months after the Anlong Commencement Date. The first eight instalments will only cover the lease interest, which is calculated

based on the total unpaid principal amount multiplied by the annual lease interest rate and the actual number of days of that instalment divided by 360. The remaining thirty-two instalments will cover the principal lease cost plus the lease interest.

The aggregate estimated amount of rent was calculated based on the principal lease cost plus the lease interest rate based on the estimated Anlong Commencement Date of 15 January 2017. The principal lease cost under the Anlong Finance Lease was RMB160,000,000 (equivalent to approximately HK\$183,024,000). The interest rate under the Anlong Finance Lease was calculated at an annual interest rate of 6.4%, representing 1.5% above the prevailing benchmark lending rate of 4.9% promulgated by the People's Bank of China. During the term of the Anlong Finance Lease, if the applicable benchmark lending rate is adjusted by the People's Bank of China, the interest rate applicable shall be adjusted proportionally in the same direction. If the applicable benchmark lending rate promulgated by the People's Bank of China is adjusted to 4.5% or below, then the applicable interest rate under the Anlong Finance Lease shall not be adjusted further downwards.

(v) *Administrative fee*

Pursuant to the Anlong Administrative Fee Agreement, China Financial agreed to provide to Mao'an New Energy certain services including finance leasing products consultation, industry and market analysis, financing proposals, financial management consulting, post-rental project management report and risk alert for an administrative fee of RMB6,300,000 (equivalent to approximately HK\$7,206,570).

Mao'an New Energy shall pay an initial amount of RMB1,300,000 (equivalent to approximately HK\$1,487,070) within two months of signing the Anlong Sale and Purchase Agreement and prior to the Anlong Commencement Date. Mao'an New Energy shall then pay the remainder of the fee in ten equal quarterly instalments of RMB500,000 (equivalent to approximately HK\$571,950) on each payment date for the 2nd, 6th, 10th, 14th, 18th, 22nd, 26th, 30th, 34th and 38th instalments of rent under the Anlong Finance Lease.

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

(vi) Ownership of the Anlong Photovoltaic Power Generation Equipment

During the term of the Anlong Finance Lease, the ownership of the Anlong Photovoltaic Power Generation Equipment shall vest in China Financial. During the lease period, Mao'an New Energy will use and keep the Anlong Photovoltaic Power Generation Equipment and China Financial shall not interfere with the normal use of the Anlong Photovoltaic Power Generation Equipment by Mao'an New Energy unless Mao'an New Energy commits a breach under the Anlong Finance Lease. Upon expiry of the term of the Anlong Finance Lease, subject to the full payment of the entire amount of lease rent and any other amounts due and there being no breach under the Anlong Finance Lease (or all breaches have been rectified in full, as the case may be), Mao'an New Energy is eligible to purchase the Anlong Photovoltaic Power Generation Equipment at a nominal purchase price of RMB10,000 (equivalent to approximately HK\$11,439).

(vii) Security arrangements for the Anlong Finance Lease

Pursuant to the Anlong Rental Deposit Agreement, Mao'an New Energy shall pay China Financial a rental deposit of RMB3,000,000 (equivalent to approximately HK\$3,431,700) within two months of signing the Anlong Sale and Purchase Agreement and prior to the Anlong Commencement Date to secure Mao'an New Energy's obligations under the Anlong Finance Lease.

China Financial shall be entitled to deduct from the rental deposit any unpaid rent, interest, any other amount due and payable and any cost incurred as a result of a breach of the Anlong Finance Lease by Mao'an New Energy. In the event of such deduction, when notified by China Financial, Mao'an New Energy shall make up for the deduction and restore the amount of the rental deposit to RMB3,000,000 (equivalent to approximately HK\$3,431,700).

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

In addition, Mao'an New Energy's obligations under the Anlong Main Agreements are secured by the following:

- (1) **Anlong Suzhou GCL Guarantee:** pursuant to the Anlong Suzhou GCL Guarantee, Suzhou GCL New Energy has agreed to provide a guarantee to secure Mao'an New Energy's obligations under the Anlong Main Agreements, including all interest, rental payments, administrative fees, damages and other amounts due to China Financial;

- (2) **Anlong Receivables Pledge Agreement:** pursuant to the Anlong Receivables Pledge Agreement, Mao'an New Energy has agreed to pledge all receivables in respect of income (including electricity fees and subsidies) arising from the photovoltaic power station relating to the Anlong Photovoltaic Power Generation Equipment to secure all obligations under the Anlong Main Agreements, including all interest, rental payments, administrative fees, damages and other amounts that may be due to China Financial;
- (3) **Anlong Guizhou Zhongxinneng Share Pledge Agreement:** pursuant to the Anlong Guizhou Zhongxinneng Share Pledge Agreement, Guizhou Zhongxinneng has pledged 51% of its equity interest in Mao'an New Energy and other distributions arising from such equity interest (including but not limited to dividends, bonus shares and other distributions) to secure all of Mao'an New Energy's obligations under the Anlong Main Agreements;
- (4) **Anlong Guiyang Xinruizhi Share Pledge Agreement:** pursuant to the Anlong Guiyang Xinruizhi Share Pledge Agreement, Guiyang Xinruizhi has pledged 49% of its equity interest in Mao'an New Energy and other distributions arising from such equity interest (including but not limited to dividends, bonus shares and other distributions) to secure all of Mao'an New Energy's obligations under the Anlong Main Agreements; and
- (5) **Anlong Obligation Transfer Agreement:** pursuant to the Anlong Obligation Transfer Agreement, Nanjing GCL New Energy has agreed to assume Mao'an New Energy's obligations under the Anlong Finance Lease (including any outstanding rent, interest, damages, loss and payment of any other amounts due to China Financial) if Mao'an New Energy commits a material breach under the terms of the Anlong Finance Lease.

B. Principal terms of the Huai'an Finance Lease Agreements

(i) Date

20 December 2016

(ii) Parties

- (a) Purchaser and lessor: China Financial
- (b) Seller and lessee: Huai'an Ronggao

(iii) *Huai'an Finance Lease*

Pursuant to the Huai'an Finance Lease, China Financial has agreed to purchase the Huai'an Photovoltaic Power Generation Equipment from Huai'an Ronggao for a total consideration of RMB55,000,000 (equivalent to approximately HK\$62,914,500). The purchase price is payable by China Financial upon the satisfaction of all payment terms under the Huai'an Finance Lease within two months of signing.

Following the acquisition, China Financial shall lease the Huai'an Photovoltaic Power Generation Equipment back to Huai'an Ronggao for a term of ten years, commencing from the Huai'an Commencement Date.

(iv) *Payment of rent*

The aggregate estimated amount of rent payable by Huai'an Ronggao to China Financial under the Huai'an Finance Lease is RMB76,630,826 (equivalent to approximately HK\$87,658,002) and is payable in a total of forty quarterly instalments starting from the 15th day of the following three months after the Huai'an Commencement Date. The first six instalments will only cover the lease interest, which is calculated based on the total unpaid principal amount multiplied by the annual lease interest rate and the actual number of days of the instalment divided by 360. The remaining thirty-four instalments will cover the principal lease cost plus the lease interest.

The aggregate estimated amount of rent was calculated based on the principal lease cost plus the lease interest rate based on the estimated Huai'an Commencement Date of 15 January 2017. The principal lease cost under the Huai'an Finance Lease was RMB55,000,000 (equivalent to approximately HK\$62,914,500). The interest rate under the Huai'an Finance Lease was calculated at an annual interest rate of 6.6%, representing 1.7% above the prevailing benchmark lending rate of 4.9% promulgated by the People's Bank of China. During the term of the Huai'an Finance Lease, if the applicable benchmark lending rate is adjusted by the People's Bank of China, the interest rate applicable shall be adjusted proportionally in the same direction. If the applicable benchmark lending rate promulgated by the People's Bank of China is adjusted to 4.5% or below, then the applicable interest rate under the Huai'an Finance Lease shall not be adjusted further downwards.

(v) *Administrative fee*

Pursuant to the Huai'an Administrative Fee Agreement, China Financial agreed to provide to Huai'an Ronggao certain services including finance leasing products consultation, industry and market analysis, financing proposals, financial management consulting, post-rental project management report and risk alert for an administrative fee of RMB950,000 (equivalent to approximately HK\$1,086,705).

Huai'an Ronggao shall pay an initial amount of RMB50,000 (equivalent to approximately HK\$57,195) within two months of signing the Huai'an Finance Lease and prior to the Huai'an Commencement Date. Huai'an Ronggao shall then pay the remainder of the fee in eighteen equal quarterly instalments of RMB50,000 (equivalent to approximately HK\$57,195) on each payment date for the first eighteen instalments of rent under the Huai'an Finance Lease.

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

(vi) *Ownership of the Huai'an Photovoltaic Power Generation Equipment*

During the term of the Huai'an Finance Lease, the ownership of the Huai'an Photovoltaic Power Generation Equipment shall vest in China Financial. During the lease period, Huai'an Ronggao will use and keep the Huai'an Photovoltaic Power Generation Equipment and China Financial shall not interfere with the normal use of the Huai'an Photovoltaic Power Generation Equipment by Huai'an Ronggao unless Huai'an Ronggao commits a breach under the Huai'an Finance Lease. Upon expiry of the term of the Huai'an Finance Lease, subject to the full payment of the entire amount of lease rent and any other amounts due and there being no breach under the Huai'an Finance Lease (or all breaches have been rectified in full, as the case may be), Huai'an Ronggao is eligible to purchase the Huai'an Photovoltaic Power Generation Equipment at a nominal purchase price of RMB5,000 (equivalent to approximately HK\$5,720).

(vii) *Security arrangements for the Huai'an Finance Lease*

Pursuant to the Huai'an Rental Deposit Agreement, Huai'an Ronggao shall pay China Financial a rental deposit of RMB1,900,000 (equivalent to approximately HK\$2,173,410) within two months of signing the Huai'an Finance Lease and prior to the Huai'an Commencement Date to secure Huai'an Ronggao's obligations under the Huai'an Finance Lease.

China Financial shall be entitled to deduct from the rental deposit any unpaid rent, interest, any other amount due and payable and any cost incurred as a result of a breach of the Huai'an Finance Lease by Huai'an Ronggao. In the event of such deduction, when notified by China Financial, Huai'an Ronggao shall make up for the deduction and restore the amount of the rental deposit to RMB1,900,000 (equivalent to approximately HK\$2,173,410).

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

In addition, Huai'an Ronggao's obligations under the Huai'an Main Agreements are secured by the following:

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

C. Principal terms of the Qinzhou Finance Lease Agreements

(i) *Date*

20 December 2016

(ii) Parties

- (a) Seller: Nanjing GCL New Energy
- (b) Purchaser and lessor: China Financial
- (c) Lessee: Qinzhou Xinjin

(iii) Qinzhou Finance Lease

Pursuant to the Qinzhou Sale and Purchase Agreement and the Qinzhou Finance Lease, China Financial has agreed to purchase the Qinzhou Photovoltaic Power Generation Equipment from Nanjing GCL New Energy for a total consideration of RMB308,922,400 (equivalent to approximately HK\$353,376,333). The purchase price is payable in three instalments: (i) RMB215,600,000 (equivalent to approximately HK\$246,624,840) payable by China Financial upon the satisfaction of all payment terms for the first instalment under the Qinzhou Sale and Purchase Agreement within two months of signing; (ii) RMB92,400,000 (equivalent to approximately HK\$105,696,360) payable by China Financial upon the satisfaction of all payment terms for the second instalment under the Qinzhou Sale and Purchase Agreement within two months from the payment of the first instalment; and (iii) RMB922,400 (equivalent to approximately HK\$1,055,133) payable by Qinzhou Xinjin within one month from the payment of the second instalment.

Following the acquisition, China Financial shall lease the Qinzhou Photovoltaic Power Generation Equipment to Qinzhou Xinjin for a term of ten years, commencing from the Qinzhou Commencement Date. The pre-lease period under the Qinzhou Finance Lease shall commence from the date China Financial pays the first instalment under the Qinzhou Sale and Purchase Agreement and expire on the Qinzhou Commencement Date, which period shall not exceed 2 months.

(iv) Payment of rent

The aggregate estimated amount of rent payable by Qinzhou Xinjin to China Financial under the Qinzhou Finance Lease is RMB430,419,733 (equivalent to approximately HK\$492,357,133) and is payable in a total of forty quarterly instalments starting from the 15th day of the following three months after the Qinzhou Commencement Date. The first eight instalments will only cover the lease interest, which is calculated based on the total unpaid principal amount multiplied by the annual lease interest rate and the actual number of days of that instalment divided by 360. The remaining thirty-two instalments will cover the principal lease cost plus the lease interest.

The aggregate estimated amount of rent was calculated based on the principal lease cost plus the lease interest rate based on the estimated Qinzhou Commencement Date of 15 February 2017. The principal lease cost under the Qinzhou Finance Lease was RMB308,000,000 (equivalent to approximately HK\$352,321,200). The interest rate under the Qinzhou Finance Lease was calculated at an annual interest rate of 6.4%, representing 1.5% above the prevailing benchmark lending rate of 4.9% promulgated by the People's Bank of China. During the term of the Qinzhou Finance Lease, if the applicable benchmark lending rate is adjusted by the People's Bank of China, the interest rate applicable shall be adjusted proportionally in the same direction. If the applicable benchmark lending rate promulgated by the People's Bank of China is adjusted to 4.5% or below, then the applicable interest rate under the Qinzhou Finance Lease shall not be adjusted further downwards.

Qinzhou Xinjin shall also pay to China Financial a pre-lease interest upon the expiry of the pre-lease period. The pre-lease interest is calculated daily based on the actual amount of purchase price already paid by China Financial and by reference to the annual interest rate (a year is regarded as having 360 days) and the actual number of days of owing such purchase price.

(v) *Administrative fee*

Pursuant to the Qinzhou Administrative Fee Agreement, China Financial agreed to provide to Qinzhou Xinjin certain services including finance leasing products consultation, industry and market analysis, financing proposals, financial management consulting, post-rental project management report and risk alert for an administrative fee of RMB14,700,000 (equivalent to approximately HK\$16,815,330).

Qinzhou Xinjin shall pay an initial amount of RMB3,200,000 (equivalent to approximately HK\$3,660,480) within two months of signing the Qinzhou Sale and Purchase Agreement and prior to the payment of the first instalment thereunder. Qinzhou Xinjin shall then pay the remainder of the fee in ten equal quarterly instalments of RMB1,150,000 (equivalent to approximately HK\$1,315,485) on each payment date for the 1st, 5th, 9th, 13th, 17th, 21st, 25th, 29th, 33rd and 37th instalments of rent under the Qinzhou Finance Lease.

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

(vi) Ownership of the Qinzhou Photovoltaic Power Generation Equipment

During the term of the Qinzhou Finance Lease, the ownership of the Qinzhou Photovoltaic Power Generation Equipment shall vest in China Financial. During the lease period, Qinzhou Xinjin will use and keep the Qinzhou Photovoltaic Power Generation Equipment and China Financial shall not interfere with the normal use of the Qinzhou Photovoltaic Power Generation Equipment by Qinzhou Xinjin unless Qinzhou Xinjin commits a breach under the Qinzhou Finance Lease. Upon expiry of the term of the Qinzhou Finance Lease, subject to the full payment of the entire amount of lease rent and any other amounts due and there being no breach under the Qinzhou Finance Lease (or all breaches have been rectified in full, as the case may be), Qinzhou Xinjin is eligible to purchase the Qinzhou Photovoltaic Power Generation Equipment at a nominal purchase price of RMB10,000 (equivalent to approximately HK\$11,439).

(vii) Security arrangements for the Qinzhou Finance Lease

Pursuant to the Qinzhou Rental Deposit Agreement, Qinzhou Xinjin shall pay China Financial a rental deposit of RMB5,700,000 (equivalent to approximately HK\$6,520,230) within two months of signing the Qinzhou Sale and Purchase Agreement and prior to the payment of the first instalment thereunder.

China Financial shall be entitled to deduct from the rental deposit any unpaid rent, interest, any other amount due and payable and any cost incurred as a result of a breach of the Qinzhou Finance Lease by Qinzhou Xinjin. In the event of such deduction, when notified by China Financial, Qinzhou Xinjin shall make up for the deduction and restore the amount of the rental deposit to RMB5,700,000 (equivalent to approximately HK\$6,520,230).

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

In addition, Qinzhou Xinjin's obligations under the Qinzhou Main Agreements are secured by the following:

- (1) **Qinzhou Suzhou GCL Guarantee:** pursuant to the Qinzhou Suzhou GCL Guarantee, Suzhou GCL New Energy has agreed to provide a guarantee to secure Qinzhou Xinjin's obligations under the Qinzhou Main Agreements, including all interest, rental payments, administrative fees, damages and other amounts due to China Financial;

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

3. REASONS FOR AND BENEFITS OF THE TRANSACTION

The terms of the Yulin Finance Lease Agreements and the Previous Finance Lease Agreements have been agreed after arm's length negotiation between the relevant parties. The GNE Directors believe that the GNE Group will be able to derive additional liquidity through the financial arrangements under the Yulin Finance Lease Agreements and the Previous Finance Lease Agreements and benefit from additional working capital to support its business and operational activities.

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

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

4. LISTING RULES IMPLICATIONS

GCL-Poly

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

The entering into of the Previous Finance Lease Agreements and the Yulin Finance Lease Agreements (in aggregate) did not trigger a higher classification of a major transaction for GCL-Poly under Chapter 14 of the Listing Rules.

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

GNE

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

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

5. GENERAL

Pursuant to the Listing Rules, GNE Shareholders' approval is required for a major transaction. To the best knowledge, information and belief of the GNE Directors, having made all reasonable enquiries, as at the date of this announcement, none of the GNE Shareholders has a material interest in the major transaction and therefore none of them would be required to abstain from voting if GNE were to convene a general meeting for approving the major transaction. Pursuant to Rule 14.44 of the Listing Rules, GNE will request a written GNE Shareholders' approval from Elite Time Global (which as at the date of this announcement, holds 11,880,000,000 GNE Shares, representing approximately 62.28% of the issued share

capital of GNE) to approve the major transaction. If GNE receives such written GNE Shareholders' approval, no GNE Shareholders' meeting will be held to approve the major transaction pursuant to Rule 14.44 of the Listing Rules.

In accordance with the requirements of the Listing Rules, a circular of GNE containing further details of the major transaction will be dispatched to the GNE Shareholders on or before 12 July 2017.

6. INFORMATION ON THE PARTIES TO THE DISCLOSEABLE TRANSACTION

China Financial

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

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

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

The GCL-Poly Group

GCL-Poly is an investment company and its subsidiaries are principally engaged in the manufacturing and sale of polysilicon and wafer products, and developing, owning and operating downstream solar farms.

The GNE Group

The GNE Group is principally engaged in the development, construction, operation and management of solar power stations as well as the manufacturing and selling of printed circuit boards.

7. DEFINITIONS

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

“Anlong Administrative Fee Agreement”	the agreement dated 20 December 2016 entered into between Mao’an New Energy and China Financial in relation to the administrative fee payable by Mao’an New Energy to China Financial
“Anlong Commencement Date”	the date on which China Financial pays the second instalment for the Anlong Photovoltaic Power Generation Equipment under the Anlong Sale and Purchase Agreement
“Anlong Finance Lease”	the agreement dated 20 December 2016 entered into between China Financial and Mao’an New Energy in relation to the leasing of the Anlong Photovoltaic Power Generation Equipment
“Anlong Finance Lease Agreements”	together, (i) the Anlong Sale and Purchase Agreement, (ii) the Anlong Finance Lease, (iii) the Anlong Administrative Fee Agreement, (iv) the Anlong Rental Deposit Agreement, (v) the Anlong Suzhou GCL Guarantee, (vi) the Anlong Receivables Pledge Agreement, (vii) the Anlong Guizhou Zhongxinneng Share Pledge Agreement, (viii) the Anlong Guiyang Xinruizhi Share Pledge Agreement and (ix) the Anlong Obligation Transfer Agreement
“Anlong Guiyang Xinruizhi Share Pledge Agreement”	the agreement dated 20 December 2016 entered into between Guiyang Xinruizhi and China Financial, pursuant to which Guiyang Xinruizhi has pledged 49% of its equity interest in Mao’an New Energy to China Financial
“Anlong Guizhou Zhongxinneng Share Pledge Agreement”	the agreement dated 20 December 2016 entered into between Guizhou Zhongxinneng and China Financial, pursuant to which Guizhou Zhongxinneng has pledged 51% of its equity interest in Mao’an New Energy to China Financial
“Anlong Main Agreements”	together, (i) the Anlong Sale and Purchase Agreement, (ii) the Anlong Finance Lease and (iii) the Anlong Administrative Fee Agreement

“Anlong Obligation Transfer Agreement”	the agreement dated 20 December 2016 entered into between Nanjing GCL New Energy and China Financial, pursuant to which Nanjing GCL New Energy has agreed to assume Mao’an New Energy’s obligations in the event of a material breach by Mao’an New Energy of the terms of the Anlong Finance Lease
“Anlong Photovoltaic Power Generation Equipment”	certain photovoltaic modules, frames, combiner boxes, inverters, transformers, cables and step-up substation equipment previously owned by Nanjing GCL New Energy
“Anlong Receivables Pledge Agreement”	the agreement dated 20 December 2016 entered into between Mao’an New Energy and China Financial in relation to the pledge of receivables in respect of income arising from the photovoltaic power station relating to the Anlong Photovoltaic Power Generation Equipment
“Anlong Rental Deposit Agreement”	the agreement dated 20 December 2016 entered into between China Financial and Mao’an New Energy in relation to the payment of a rental deposit to secure Mao’an New Energy’s obligations under the Anlong Finance Lease
“Anlong Sale and Purchase Agreement”	the agreement dated 20 December 2016 entered into between Nanjing GCL New Energy as seller and China Financial as purchaser in relation to the sale and purchase of the Anlong Photovoltaic Power Generation Equipment
“Anlong Suzhou GCL Guarantee”	the agreement dated 20 December 2016 entered into between China Financial and Suzhou GCL New Energy in connection with the guarantee provided by Suzhou GCL New Energy to China Financial in respect of Mao’an New Energy’s obligations under the Anlong Main Agreements
“Baoying Finance Lease Agreements”	Baoying Finance Lease Agreements as disclosed in GCL-Poly’s and GNE’s joint announcement dated 19 October 2016
“Benchmark Rate”	the benchmark lending rate promulgated by the People’s Bank of China for a term of five years or more
“China Energy”	China Energy Construction Group Jiangsu Province Power Construction First Construction Co. Ltd.* (中國能源建設集團江蘇省電力建設第一工程有限公司), a company incorporated in the PRC

“China Financial”	China Financial Leasing Company Limited* (中國金融租賃有限公司), a company incorporated in the PRC
“connected persons”	has the same meaning ascribed to it under the Listing Rules
“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 date of this announcement, holds 11,880,000,000 Shares representing approximately 62.28% of the issued share capital of GNE
“Gaoyou Finance Lease Agreements”	Gaoyou Finance Lease Agreements as disclosed in GCL-Poly’s and GNE’s joint announcement dated 19 October 2016
“GCL-Poly”	GCL-Poly Energy Holdings Limited 保利協鑫能源控股有限公司, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange, with stock code 3800. As at the date of this joint announcement, GCL-Poly is interested in approximately 62.28% of the issued share capital of GNE
“GCL-Poly Board”	the board of the GCL-Poly Directors
“GCL-Poly Director(s)”	director(s) of GCL-Poly
“GCL-Poly Group”	GCL-Poly and its subsidiaries
“GCL-Poly Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of GCL-Poly
“GCL-Poly Shareholder(s)”	holder(s) of the GCL-Poly Share(s)
“GNE”	GCL New Energy Holdings Limited 協鑫新能源控股有限公司, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange, with stock code 451
“GNE Board”	the board of the GNE Directors
“GNE Director(s)”	director(s) of the GNE
“GNE Group”	GNE and its subsidiaries

“GNE Share(s)”	ordinary shares of one-two-hundred-fortieth (1/240) of a Hong Kong dollar each (equivalent to HK\$0.00416) in the share capital of GNE
“GNE Shareholder(s)”	holder(s) of the GNE Share(s)
“Guiyang Xinruizhi”	Guiyang Xinruizhi Electrical Equipment Company Limited* (貴陽欣銳志電力設備有限公司), a company incorporated in the PRC with limited liability
“Guizhou Zhongxinneng”	Guizhou Zhongxinneng New Energy Development Company Limited* (貴州中新能新能源發展有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of GNE and an indirect subsidiary of GCL-Poly
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Huai’an Administrative Fee Agreement”	the agreement dated 20 December 2016 entered into between Huai’an Ronggao and China Financial in relation to the administrative fee payable by Huai’an Ronggao to China Financial
“Huai’an Commencement Date”	the date on which China Financial pays the purchase price for the Huai’an Photovoltaic Power Generation Equipment under the Huai’an Finance Lease
“Huai’an Finance Lease”	the agreement dated 20 December 2016 entered into between China Financial and Huai’an Ronggao in relation to the sale, purchase and the leasing of the Huai’an Photovoltaic Power Generation Equipment
“Huai’an Finance Lease Agreements”	together, (i) the Huai’an Finance Lease, (ii) the Huai’an Administrative Fee Agreement, (iii) the Huai’an Rental Deposit Agreement, (iv) the Huai’an Suzhou GCL Guarantee, (v) the Huai’an Receivables Pledge Agreement, (vi) the Huai’an Share Pledge Agreement and (vii) the Huai’an Obligation Transfer Agreement
“Huai’an Main Agreements”	together, (i) the Huai’an Finance Lease and (ii) the Huai’an Administrative Fee Agreement

“Huai’an Obligation Transfer Agreement”	the agreement dated 20 December 2016 entered into between Nanjing GCL New Energy and China Financial, pursuant to which Nanjing GCL New Energy has agreed to assume Huai’an Ronggao’s obligations in the event of a material breach by Huai’an Ronggao of the terms of the Huai’an Finance Lease
“Huai’an Photovoltaic Power Generation Equipment”	certain photovoltaic modules, transformers, inverters, combiner boxes, cables, cable accessories, cold shrink cable terminals, copper-aluminum transit joints, aluminum alloy cables, frames, surveillance systems, grounding transformers, small resistance equipment sets, high and low voltage switchgears, reactive power compensation devices, ladder type frames, security systems and certain other photovoltaic power generation equipment previously owned by Huai’an Ronggao
“Huai’an Receivables Pledge Agreement”	the agreement dated 20 December 2016 entered into between Huai’an Ronggao and China Financial in relation to the pledge of receivables in respect of income arising from the photovoltaic power station relating to the Huai’an Photovoltaic Power Generation Equipment
“Huai’an Rental Deposit Agreement”	the agreement dated 20 December 2016 entered into between China Financial and Huai’an Ronggao in relation to the payment of a rental deposit to secure Huai’an Ronggao’s obligations under the Huai’an Finance Lease
“Huai’an Ronggao”	Huai’an Ronggao Photovoltaic Power Company Limited* (淮安融高光伏發電有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of GNE and an indirect subsidiary of GCL-Poly
“Huai’an Share Pledge Agreement”	the agreement dated 20 December 2016 entered into between Suzhou GCL New Energy and China Financial, pursuant to which Suzhou GCL New Energy has pledged 100% of its equity interest in Huai’an Ronggao to China Financial
“Huai’an Suzhou GCL Guarantee”	the agreement dated 20 December 2016 entered into between China Financial and Suzhou GCL New Energy in connection with the guarantee provided by Suzhou GCL New Energy to China Financial in respect of Huai’an Ronggao’s obligations under the Huai’an Main Agreements

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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 subsidiary of GNE and an indirect subsidiary of GCL-Poly
“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 GNE and an indirect subsidiary of GCL-Poly incorporated in the PRC with limited liability
“Previous Announcements”	GCL-Poly’s and GNE’s joint announcement dated 19 October 2016 and GNE’s announcement dated 20 December 2016
“Previous Finance Lease Agreements”	together, (i) the Gaoyou Finance Lease Agreements, (ii) the Baoying Finance Lease Agreements, (iii) the Anlong Finance Lease Agreements, (iv) the Huai’an Finance Lease Agreements and (v) the Qinzhou Finance Lease Agreements, as defined and disclosed in the Previous Announcements
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Qinzhou Administrative Fee Agreement”	the agreement dated 20 December 2016 entered into between Qinzhou Xinjin and China Financial in relation to the administrative fee payable by Qinzhou Xinjin to China Financial
“Qinzhou Commencement Date”	the date on which the photovoltaic power station relating to the Qinzhou Photovoltaic Power Generation Equipment is accepted for grid connection
“Qinzhou Finance Lease”	the agreement dated 20 December 2016 entered into between China Financial and Qinzhou Xinjin in relation to the leasing of the Qinzhou Photovoltaic Power Generation Equipment

“Qinzhou Finance Lease Agreements”	together, (i) the Qinzhou Sale and Purchase Agreement, (ii) the Qinzhou Finance Lease, (iii) the Qinzhou Administrative Fee Agreement, (iv) the Qinzhou Rental Deposit Agreement, (v) the Qinzhou Suzhou GCL Guarantee, (vi) the Qinzhou Receivables Pledge Agreement, (vii) the Qinzhou Share Pledge Agreement and (viii) the Qinzhou Obligation Transfer Agreement
“Qinzhou Main Agreements”	together, (i) the Qinzhou Sale and Purchase Agreement, (ii) the Qinzhou Finance Lease and (iii) the Qinzhou Administrative Fee Agreement
“Qinzhou Obligation Transfer Agreement”	the agreement dated 20 December 2016 entered into between Nanjing GCL New Energy and China Financial, pursuant to which Nanjing GCL New Energy has agreed to assume Qinzhou Xinjin’s obligations in the event of a material breach by Qinzhou Xinjin of the terms of the Qinzhou Finance Lease
“Qinzhou Photovoltaic Power Generation Equipment”	certain photovoltaic modules, inverters, transformers, frames, combiner boxes, power distribution cabinets, cables, image surveillance sub-system, photovoltaic operation transmission system, outdoors PASS equipment, capacitor voltage transformers, arresters, switchboards, grounding transformers, cable cabinets, retractive power compensation device, small resistance equipment sets and certain other photovoltaic power generation equipment previously owned by Nanjing GCL New Energy
“Qinzhou Receivables Pledge Agreement”	the agreement dated 20 December 2016 entered into between Qinzhou Xinjin and China Financial in relation to the pledge of receivables in respect of income arising from the photovoltaic power station relating to the Qinzhou Photovoltaic Power Generation Equipment
“Qinzhou Rental Deposit Agreement”	the agreement dated 20 December 2016 entered into between China Financial and Qinzhou Xinjin in relation to the payment of a rental deposit to secure Qinzhou Xinjin’s obligations under the Qinzhou Finance Lease
“Qinzhou Sale and Purchase Agreement”	the agreement dated 20 December 2016 entered into between Nanjing GCL New Energy as seller and China Financial as purchaser in relation to the sale and purchase of the Qinzhou Photovoltaic Power Generation Equipment

“Qinzhou Share Pledge Agreement”	the agreement dated 20 December 2016 entered into between Suzhou GCL New Energy and China Financial, pursuant to which Suzhou GCL New Energy has pledged 100% of its equity interest in Qinzhou Xinjin to China Financial
“Qinzhou Suzhou GCL Guarantee”	the agreement dated 20 December 2016 entered into between China Financial and Suzhou GCL New Energy in connection with the guarantee provided by Suzhou GCL New Energy to China Financial in respect of Qinzhou Xinjin’s obligations under the Qinzhou Main Agreements
“Qinzhou Xinjin”	Qinzhou Xinjin Photovoltaic Power Company Limited* (欽州鑫金光伏電力有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of GNE and an indirect subsidiary of GCL-Poly
“Rent Prepayment”	the rent prepayment of RMB14,000,000 (equivalent to approximately HK\$16,014,600) payable under the Yulin Rent Prepayment Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Shaanxi Xinrong”	Shaanxi Xinrong Construction Engineering Co., Ltd.* (陝西欣榮建築工程有限公司), a company incorporated in the PRC with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the same meaning ascribed to it under the Listing Rules
“Suzhou GCL New Energy”	Suzhou GCL New Energy Investment Company Limited* (蘇州協鑫新能源投資有限公司), an indirect wholly-owned subsidiary of GNE and an indirect subsidiary of GCL-Poly incorporated in the PRC with limited liability
“Xi’an GCL”	Xi’an GCL New Energy Management Co. Ltd* (西安協鑫新能源管理有限公司), an indirect wholly-owned subsidiary of GNE and an indirect subsidiary of GCL-Poly incorporated in the PRC with limited liability
“Yulin Administrative Fee Agreement”	the agreement dated 21 June 2017 between China Financial and Yulin Yushen, pursuant to which Yulin Yushen has agreed to pay an administrative fee to China Financial

“Yulin Electricity Fees Pledge Agreement”	the agreement dated 21 June 2017 between China Financial and Yulin Yushen, pursuant to which Yulin Yushen has pledged to China Financial its right to electricity fees in relation to the Yulin Project
“Yulin Finance Lease”	the agreement dated 21 June 2017 between China Financial and Yulin Yushen in relation to the leasing of the Yulin Leased Assets
“Yulin Finance Lease Agreements”	together, (i) the Yulin Finance Lease, (ii) the Yulin Purchase Agreement, (iii) the Yulin Guarantee, (iv) the Yulin Share Pledge Agreement, (v) the Yulin Electricity Fees Pledge Agreement, (vi) the Yulin Obligation Transfer Agreement, (vii) the Yulin Administrative Fee Agreement and (viii) the Yulin Rent Prepayment Agreement
“Yulin Guarantee”	the agreement dated 21 June 2017 between Suzhou GCL New Energy and China Financial, pursuant to which Suzhou GCL New Energy has agreed to guarantee Yulin Yushen’s obligations under the Yulin Finance Lease, Yulin Administrative Fee Agreement and Yulin Purchase Agreement
“Yulin Leased Assets”	certain solar modules, fixed frames, transfers, inverters, combiner boxes, solar cables, power cables, terminals and connectors and other photovoltaic equipment for the Yulin Project
“Yulin Obligation Transfer Agreement”	the agreement dated 21 June 2017, pursuant to which Nanjing GCL New Energy has agreed to assume Yulin Yushen’s obligations in the event of a material breach by Yulin Yushen of the terms of the Yulin Finance Lease
“Yulin Project”	the solar power plant project located in Yushen Industrial District, Shenfu Economic Development Area, Yulin City, Shaanxi Province, PRC
“Yulin Purchase Agreement”	the sale and purchase agreement dated 21 June 2017 entered into between the China Financial, Nanjing GCL New Energy and Yulin Yushen in relation to the sale and purchase of the Yulin Leased Assets
“Yulin Rent Prepayment Agreement”	the agreement dated 21 June 2017, pursuant to which Yulin Yushen has agreed to pay the Rent Prepayment to China Financial

“Yulin Share Pledge Agreement”	the agreement dated 21 June 2017, pursuant to which Xi’an GCL has pledged 100% of the equity interest in Yulin Yushen to secure all of Yulin Yushen’s obligations under the Yulin Finance Lease, Yulin Administrative Fee Agreement and Yulin Purchase Agreement
“Yulin Yushen”	Yulin City Yushen Industrial District Dongtuo Energy Co. Ltd.* (榆林市榆神工業區東投能源有限公司), an indirect wholly-owned subsidiary of GNE and an indirect subsidiary of GCL-Poly incorporated in the PRC with limited liability
“%”	per cent.

This announcement contains translation between Renminbi and Hong Kong dollar amounts at RMB1= HK\$1.1439 , being the exchange rate prevailing on 21 June 2017. The translation should not be taken as a representation that the Renminbi could actually be converted into Hong Kong dollars at that rate or at all.

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

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

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

Hong Kong, 21 June 2017

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

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