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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)

DISCLOSEABLE TRANSACTION WITH CNEC FINANCIAL LEASING (SHENZHEN) CO., LTD.* AND XI'AN DATANG ELECTRIC POWER DESIGN AND RESEARCH INSTITUTE CO., LTD.*

On 30 June 2017 (after trading hours), the Group entered into:

- (a) the Lianshui Finance Lease Agreements with CNEC Financial Leasing (an independent third party and an indirect wholly-owned subsidiary of CNETC), pursuant to which (i) CNEC Financial Leasing shall purchase from Xi'an Datang Electric, the Lianshui Leased Assets at a consideration of RMB84,000,000 (equivalent to approximately HK\$96,482,400) and (ii) following the acquisition of Lianshui Leased Assets, CNEC Financial Leasing as lessor shall lease them to Lianshui GCL (an indirect wholly-owned subsidiary of the Company as lessee at an aggregate estimated rent of RMB106,161,198 (equivalent to approximately HK\$121,936,752) and an aggregate handling fee of RMB5,040,000 (equivalent to approximately HK\$5,788,944) for a term of eight years; and
- (b) the Lianshui EPC Supplemental Agreement with Xi'an Datang Electric, pursuant to which the terms of the Previous Lianshui EPC Agreement were amended so that Xi'an Datang Electric no longer needs to procure the Lianshui Leased Assets for Lianshui GCL and the total consideration is reduced by RMB84,000,000 (equivalent to approximately HK\$96,482,400),

(together, the "**Current Agreements**").

As disclosed in the Company's announcement dated 28 April 2017, the Group also entered into the Huarong EPC Agreement, the Huarong GNE Guarantee, the Huarong EPC Supplemental Agreement, the Huarong Equipment Purchase Agreement, the Henan Sanmenxia EPC Agreement, the Henan Sanmenxia GNE Guarantee, the Henan Sanmenxia EPC Supplemental Agreement, the Henan Sanmenxia Equipment Purchase Agreement and the Previous Lianshui Equipment Purchase Agreement with Xi'an Datang Electric (together, the "**Previously Disclosed Agreements**").

In addition, the following agreements were entered into with CNEC Financial Leasing and its connected parties in the past 12 months:

- (a) the Fuyang Finance Lease Agreements I with CNEC Financial Leasing on 27 July 2016, pursuant to which (i) CNEC Financial Leasing shall purchase from CNI Energy (an independent third party and an indirect wholly-owned subsidiary of CNETC) the Fuyang Leased Assets I at a consideration of RMB71,211,400 (equivalent to approximately HK\$81,793,414) and (ii) following the acquisition, CNEC Financial Leasing as lessor shall lease the Fuyang Leased Assets I to Fuyang Hengming (an indirect wholly-owned subsidiary of the Company) as lessee at an aggregate estimated rent of RMB86,964,130 (equivalent to approximately HK\$99,887,000) and an aggregate handling fee of RMB7,920,000 (equivalent to approximately HK\$9,096,912) for a term of eight years;
- (b) the Fuyang Finance Lease Agreements II with CNEC Financial Leasing on 27 July 2016, pursuant to which (i) CNEC Financial Leasing shall purchase from Fuyang Hengming the Fuyang Leased Assets II at a consideration of RMB38,788,600 (equivalent to approximately HK\$44,552,586) and (ii) following the acquisition, CNEC Financial Leasing as lessor shall lease the Fuyang Leased Assets II back to Fuyang Hengming as lessee at an aggregate estimated rent of RMB47,369,057 (equivalent to approximately HK\$54,408,099) for a term of eight years;
- (c) the Fuyang Guarantee with EXIM Bank on 20 October 2016, pursuant to which Nanjing GCL New Energy (an indirect wholly-owned subsidiary of the Company) agreed to guarantee RMB107,000,000 (equivalent to approximately HK\$122,900,200) of principal and any other interest, damages and fees owed by CNEC Financial Leasing under the Factoring Agreement. CNEC Financial Leasing has transferred the rent receivables under the Fuyang Financial Leases to EXIM Bank in return for a facility of RMB107,000,000 (equivalent to approximately HK\$122,900,200);
- (d) the Tianchang City EPC 2nd Supplemental Agreement on 27 October 2016 between Tianchang GCL (an indirect wholly-owned subsidiary of the Company) and CNI Energy in relation to the amendment of the Tianchang City EPC Agreement entered into between the same parties on 31 July 2015;
- (e) the Tianchang City Second Phase EPC Agreement 29 November 2016 between Tianchang GCL as principal and CNI Energy as contractor in relation to the Tianchang City Project (Phase II) at a consideration of RMB7,472,437 (equivalent to approximately HK\$8,582,841);
- (f) the Dangshan EPC Agreement on 1 March 2017 between Dangshan GCL (an indirect wholly-owned subsidiary of the Company) as principal and CNI Energy as contractor in relation to the Dangshan Project at a consideration of RMB21,101,600 (equivalent to approximately HK\$24,237,298);
- (g) the Yushen Technical and Design Supplemental Agreement on 14 March 2017 between Yushen Energy (an indirect wholly-owned subsidiary) and CNI Energy in relation to the amendment of the Yushen Technical and Design Agreement entered into between the same parties on 11 November 2014;

- (h) the Haifeng First Phase EC Agreement on 2 May 2017 between Haifeng GCL (an indirect wholly-owned subsidiary of the Company) as principal and CNI Huatai (an independent third party and an indirect subsidiary of CNECC, which indirectly owns approximately 30.46% of the issued share capital of CNETC) as contractor in relation to the Haifeng Chikeng Project (Phase I) at a consideration of RMB34,500,000 (equivalent to approximately HK\$39,626,700); and
- (i) the Suixi First Phase EC Agreement on 11 May 2017 between Suixi GCL (an indirect wholly-owned subsidiary of the Company) as principal and CNI Huatai as contractor in relation to the Suixi Project (Phase I) at a consideration of RMB42,000,000 (equivalent to approximately HK\$48,241,200).

(together, the “**Previously Undisclosed Agreements**”).

LISTING RULES IMPLICATIONS

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

Both CNEC Financial Leasing and CNI Energy are indirect subsidiary of CNETC. CNI Huatai is an indirect subsidiary of CNECC, which as of the date of this announcement is interested in approximately 30.46% of the issued share capital of CNETC. As a result, CNEC Financial Leasing, CNI Energy and CNI Huatai are all connected parties.

As the Previously Disclosed Agreements and the Previously Undisclosed Agreements were entered into with CNEC Financial Leasing or parties connected with CNEC Financial Leasing and Xi’an Datang Electric within a 12-month period prior to and inclusive of the date of the Current Agreements, the Current Agreements, the Previously Disclosed Agreements and the Previously Undisclosed 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 Current Agreements, the Previously Disclosed Agreements and the Previously Undisclosed Agreements (in aggregate) exceeds 5% but is less than 25%, the entering into of the Current Agreements, the Previously Disclosed Agreements and the Previously Undisclosed Agreements, in aggregate, constitutes a discloseable transaction of the Company and the Company shall comply with the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As Wuxi Huaguang (a Company incorporated in the PRC and the shares of which are listed on the Shanghai Stock Exchange, with Stock code 600475) holds approximately 24.81% shareholding interests in Konca Solar (a subsidiary of GCL-Poly which, as at the date of this announcement, is interested in approximately 62.28% of the issued share capital of the Company), Wuxi Huaguang is a connected person of GCL-Poly at the subsidiary level (but not a connected person of the Company). In addition, Wuxi Huaguang effectively holds approximately 90.33% of shareholding interests in Xi'an Datang Electric, Xi'an Datang Electric is therefore an associate of a connected person of GCL-Poly at the subsidiary level (but not a connected person of the Company). To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, saved as disclosed above, Xi'an Datang Electric and each of its ultimate beneficial owners are third parties independent of the Company and each of its connected person.

1. THE CURRENT AGREEMENTS

A. Principal terms of the Lianshui Finance Lease Agreements

(i) Date

30 June 2017

(ii) Parties

- (1) Seller: Xi'an Datang Electric
- (2) Purchaser and lessor: CNEC Financial Leasing
- (3) Lessee: Lianshui GCL

(iii) The Lianshui Finance Lease and Lianshui Sale and Purchase Agreement

Pursuant to the Lianshui Finance Lease and the Lianshui Sale and Purchase Agreement, (i) CNEC Financial Leasing shall purchase the Lianshui Leased Assets from Xi'an Datang Electric at a consideration of RMB84,000,000 (equivalent to approximately HK\$96,482,400 and (ii) following the acquisition, CNEC Financial Leasing shall lease the Lianshui Leased Asset to Lianshui GCL at an aggregated estimated rent of RMB106,161,198 (equivalent to approximately HK\$121,936,752) and an aggregated handling fee of RMB5,040,000 (equivalent to approximately HK\$5,788,944) for a term of eight years.

CNEC Financial Leasing shall pay the consideration in a lump sum to Xi'an Datang Electric through bank transfer five working days after the following conditions are satisfied:

- (1) Lianshui GCL has paid the first instalment of the handling fee of RMB1,008,000 (equivalent to approximately HK\$1,157,789) and the Lianshui Security Deposit of RMB840,000 (equivalent to approximately HK\$964,824) to CNEC Financial Leasing in accordance with the Lianshui Finance Lease;
- (2) Lianshui GCL has obtained all approvals for the transaction;

- (3) CNEC Financial Leasing has received all signed security documents and other transaction documents contemplated under the Lianshui Finance Lease and such documents are in effect and not in breach;
- (4) all security documents requiring registration have been registered;
- (5) Lianshui GCL has purchased insurance for the Lianshui Leased Assets as required by CNEC Financial Leasing; and
- (6) other payment conditions recognized by CNEC Financial Leasing have been fulfilled.

(iv) Payment of rent and handling fee

The estimated aggregate amount of rent payable by Lianshui GCL to CNEC Financial Leasing under the Lianshui Finance Lease Agreements is RMB106,161,198 (equivalent to approximately HK\$121,936,752) and is payable in a total of 32 quarterly instalments starting from 30 June 2017 and with the last instalment payable on 30 June 2025. The first two 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, and are RMB1,131,900 (equivalent to approximately HK\$1,300,100) each. The third instalments to the fifteenth will cover the principal lease cost plus the lease interest and range from RMB3,131,900 (equivalent to approximately HK\$3,597,300) to RMB2,808,500 (equivalent to approximately HK\$3,225,843). The remaining seventeen instalments will also cover the principal lease cost plus the lease interest and are RMB3,840,282 (equivalent to approximately HK\$4,410,948) each.

The estimated aggregate amount of rent payable was calculated based on the principal lease cost plus the lease interest. The principal lease cost under the Lianshui Finance Lease was RMB84,000,000 (equivalent to approximately HK\$96,482,400). The interest rate under the Lianshui Finance Lease was calculated at an annualised interest rate of 5.39%, representing approximately 110% of the current benchmark lending rate promulgated by the People's Bank of China for a term of five years or more. During the term of the Lianshui 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 starting from the next day.

Under the Lianshui Finance Lease, Lianshui GCL shall also pay a handling fee in the sum of RMB5,040,000 (equivalent to approximately HK\$5,788,944). The handling fee shall be paid in eight annual instalments starting 30 June 2017 and with the last instalment payable on 30 June 2025. The first two instalments are RMB1,008,000 (equivalent to approximately HK\$1,157,789) each and the remaining six instalments are RMB504,000 (equivalent to approximately HK\$578,894) each.

During the lease period, either party shall have the right to terminate the Lianshui Finance Lease by giving 60 days' prior written notice to the other party. In the event the Lianshui Finance Lease is terminated before the maturity date, Lianshui GCL shall pay to CNEC Financial Leasing all the due and unpaid rental fees, handling fees and other outstanding charges.

(v) Basis of consideration

The terms of the Lianshui Finance Lease, including the lease rent, lease interest rate and handling fee were determined after arm's length negotiation between CNEC Financial Leasing and Lianshui GCL with reference to the prevailing market rates for finance leases for similar assets.

The price for the purchase of the Lianshui Leased Assets payable by CNEC Financial Leasing under the Lianshui Finance Lease and the Lianshui Sale and Purchase Agreement was determined through arm's length negotiation among CNEC Financial Leasing, Lianshui GCL and Xi'an Datang Electric with reference to the average fair market price of similar photovoltaic power generation equipment and the amount of financing agreed to be provided by CNEC Financial Leasing.

(vi) Ownership of the Lianshui Leased Assets

During the term of the Lianshui Finance Lease, the ownership of the Lianshui Leased Assets shall vest in CNEC Financial Leasing. During the lease period, the Lianshui Leased Assets will be used by Lianshui GCL for the Lianshui Project. Upon expiry of the Lianshui Finance Lease and subject to the full payment of the entire amount of the lease rent, the handling fee and any other amounts due under the Lianshui Finance Lease, Lianshui GCL shall purchase the Lianshui Leased Assets on an "as is" basis from CNEC Financial Leasing for the nominal price of RMB100 (equivalent to approximately HK\$115). If delayed settlement of rental fees occurs during the lease period, the purchase price shall be RMB840,000 (equivalent to approximately HK\$964,824).

(vii) Security arrangements for the Lianshui Finance Lease

Pursuant to the Lianshui Finance Lease, Lianshui GCL shall pay to CNEC Financial Leasing the Lianshui Security Deposit which shall be paid prior to the commencement of the Lianshui Finance Lease and prior to CNEC Financial Leasing paying the consideration for the Lianshui Leased Assets to secure Lianshui GCL's obligations under the Lianshui Finance Lease. CNEC Financial Leasing shall be entitled to deduct from the Lianshui Security Deposit any unpaid rent, interest, default interest and any other amount due and payable by Lianshui GCL. In the event of such deduction, Lianshui GCL shall make up for the deduction and restore the amount of the Lianshui Security Deposit to RMB840,000 (equivalent to approximately HK\$964,824) upon notice from CNEC Financial Leasing. Following the expiry of the Lianshui Finance Lease, any remaining balance of the Lianshui Security Deposit shall be used to offset the amounts due from Lianshui GCL. The Lianshui Security Deposit shall not bear any interest during the term of the Lianshui Finance Lease.

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

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

B. Principal terms of the Lianshui EPC Supplemental Agreement

(i) Date

30 June 2017

(ii) Parties

- (1) Principal: Lianshui GCL
- (2) Contractor: Xi'an Datang Electric

(iii) Subject Matter

The Lianshui EPC Supplemental Agreement is an amendment to the Previous Lianshui EPC Agreement entered into between Lianshui GCL and Xi'an Datang Electric on 30 December 2016. Please refer to the Company's announcement dated 28 April 2017 for the principal terms of the Previous Lianshui EPC Agreement.

Pursuant to the Lianshui EPC Supplemental Agreement, the terms of the Previous Lianshui EPC Agreement are amended so that Xi'an Datang Electric no longer needs to procure the Lianshui Leased Assets for Lianshui GCL and accordingly the solar power station equipment fee is reduced from RMB89,891,232 (equivalent to approximately HK\$103,249,069) to RMB5,891,232 (equivalent to approximately HK\$6,766,669). The total

consideration is reduced from RMB102,291,232 (equivalent to approximately HK\$117,491,709) to RMB18,292,232 (equivalent to approximately HK\$21,010,458).

(iv) Basis of consideration

The Lianshui EPC 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 of the Lianshui Leased Assets to be procure by Xi'an Datang Electric under the Lianshui EPC Supplemental Agreement; (b) the profit margin of the Lianshui Project and (c) the prevailing market price.

2. THE PREVIOUSLY DISCLOSED AGREEMENTS

Please refer to the Company's announcements dated 28 April 2017 for the principal terms of the Previously Disclosed Agreements.

3. THE PREVIOUSLY UNDISCLOSED AGREEMENTS

A. Principal terms of the Fuyang Finance Lease Agreements I

(i) Date

27 July 2016

(ii) Parties

- (1) Seller: CNI Energy
- (2) Purchaser and lessor: CNEC Financial Leasing
- (3) Lessee: Fuyang Hengming

(iii) The Fuyang Finance Lease I and Fuyang Sale and Purchase Agreement I

Pursuant to the Fuyang Finance Lease I and the Fuyang Sale and Purchase Agreement I, (i) CNEC Financial Leasing shall purchase from CNI Energy the Fuyang Leased Assets I at a consideration of RMB71,211,400 (equivalent to approximately HK\$81,793,414) and (ii) following the acquisition, CNEC Financial Leasing as lessor shall lease the Fuyang Leased Assets I to Fuyang Hengming as lessee at an aggregate estimated rent of RMB86,964,130 (equivalent to approximately HK\$99,887,000) and an aggregate handling fee of RMB7,920,000 (equivalent to approximately HK\$9,096,912) for a term of eight years.

CNEC Financial Leasing shall pay the consideration in a lump sum to CNI Energy through bank transfer five working days after the following conditions are satisfied:

- (1) Fuyang Hengming has paid the first instalment of the handling fee of RMB3,300,000 (equivalent to approximately HK\$3,790,380) and the Fuyang Security Deposit I of RMB3,560,570 (equivalent to approximately HK\$4,089,671) to CNEC Financial Leasing in accordance with the Fuyang Finance Lease I;
- (2) Fuyang Hengming has obtained all approvals for the transaction;
- (3) CNEC Financial Leasing has received all signed security documents and other transaction documents contemplated under the Fuyang Finance Lease I and such documents are in effect and not in breach;
- (4) all security documents requiring registration have been registered;
- (5) Fuyang Hengming has purchased insurance for the Fuyang Leased Assets I as required by CNEC Financial Leasing; and
- (6) CNI Energy has transferred the ownership of the Fuyang Leased Assets I to Fuyang Hengming and Fuyang Hengming has installed and tested such assets and is satisfied with its quality.

(iv) Payment of rent and handling Fee

The estimated aggregate amount of rent payable by Fuyang Hengming to CNEC Financial Leasing under the Fuyang Finance Lease I is RMB86,964,130 (equivalent to approximately HK\$99,887,000) and is payable in a total of 32 equal quarterly instalments of RMB2,717,629 (equivalent to approximately HK\$3,121,469) starting from 7 September 2016 and with the last instalment payable on 7 June 2024.

The estimated aggregate amount of rent payable was calculated based on the principal lease cost plus the lease interest. The principal lease cost under the Fuyang Finance Lease I was RMB71,211,400 (equivalent to approximately HK\$81,793,414). The interest rate under the Fuyang Finance Lease I was calculated at an annualised interest rate of 5.39%, representing approximately 110% of the current benchmark lending rate promulgated by the People's Bank of China for a term of five years or more. During the term of the Fuyang Finance Lease I, if the applicable benchmark lending rate is adjusted by the People's Bank of China, the interest rate applicable shall be adjusted proportionally in the same direction starting from the next day.

Under the Fuyang Finance Lease I, Fuyang Hengming shall also pay a handling fee in the sum of RMB7,920,000 (equivalent to approximately HK\$9,096,912). The handling fee shall be paid in four instalments during the lease period. The first instalment of RMB3,300,000 (equivalent to approximately HK\$3,790,380) shall be paid prior to the commencement of the Fuyang Finance Lease I and the remaining three instalments of RMB1,540,000 (equivalent to approximately HK\$1,768,844) each shall be paid on the 9th, 17th and 25th instalment of the lease.

(v) Basis of consideration

The terms of the Fuyang Finance Lease I, including the lease rent, lease interest rate and handling fee were determined after arm's length negotiation between CNEC Financial Leasing and Fuyang Hengming with reference to the prevailing market rates for finance leases for similar assets.

The price for the purchase of the Fuyang Leased Assets I payable by CNEC Financial Leasing under the Fuyang Finance Lease I and the Fuyang Sale and Purchase Agreement I was determined through arm's length negotiation among CNEC Financial Leasing, Fuyang Hengming and CNI Energy with reference to the average fair market price of similar photovoltaic power generation equipment and the amount of financing agreed to be provided by CNEC Financial Leasing.

(vi) Ownership of the Fuyang Leased Assets I

During the term of the Fuyang Finance Lease I, the ownership of the Fuyang Leased Assets I shall vest in CNEC Financial Leasing. During the lease period, the Fuyang Leased Assets I will be used by Fuyang Hengming for the Fuyang Project. Upon expiry of the Fuyang Finance Lease I and subject to the full payment of the entire amount of the lease rent, the handling fee and any other amounts due under the Fuyang Finance Lease I, Fuyang Hengming shall purchase the Fuyang Leased Assets I on an "as is" basis from CNEC Financial Leasing for the nominal price of RMB100 (equivalent to approximately HK\$115).

(vii) Security arrangements for the Fuyang Leased Assets I

Pursuant to the Fuyang Finance Lease I, Fuyang Hengming shall pay to CNEC Financial Leasing the Fuyang Security Deposit I which shall be paid on the date of the Fuyang Finance Lease I and prior to CNEC Financial Leasing paying the consideration of the Fuyang Leased Assets I to secure Fuyang Hengming's obligations under the Fuyang Finance Lease I. CNEC Financial Leasing shall be entitled to deduct from the Fuyang Security Deposit any unpaid rent, interest, default interest and any other amount due and payable by Fuyang Hengming. In the event of such deduction, Fuyang Hengming shall make up for the deduction and restore the amount of the Fuyang Security Deposit I to RMB3,560,570 (equivalent to approximately HK\$4,089,671) upon notice from CNEC Financial Leasing. Following the expiry of the Fuyang Finance Lease I, any remaining balance of the Fuyang Security Deposit I shall be used to offset the amounts due from Fuyang Hengming. The Fuyang Security Deposit I shall not bear any interest during the term of the Fuyang Finance Lease I.

In addition, the obligations under the Fuyang Finance Lease I are secured by the following:

- (1) Fuyang Leased Assets Mortgage Agreement I: pursuant to the Fuyang Leased Assets Mortgage Agreement I, Fuyang Hengming has mortgaged the Fuyang Leased Assets I to secure all of its obligations under the Fuyang Finance Lease I;

- (2) Suzhou GCL Fuyang Share Pledge Agreement I: pursuant to the Suzhou GCL Fuyang Share Pledge Agreement I, Suzhou GCL New Energy has pledged 65% of the equity interest in Fuyang Hengming to secure all of Fuyang Hengming's obligations under the Fuyang Finance Lease I; and
- (3) Fuyang Electricity Fees Pledge Agreement: pursuant to the Fuyang Electricity Fees Pledge Agreement, Fuyang Hengming has pledged its right to electricity fees in relation to the Fuyang Project to secure its obligations under the Fuyang Finance Lease I and Fuyang Finance Lease II.

B. Principal terms of the Fuyang Finance Lease Agreements II

(i) Date

27 July 2016

(ii) Parties

- (1) Seller and lessee: Fuyang Hengming
- (2) Purchaser and lessor: CNEC Financial Leasing

(iii) The Fuyang Finance Lease II and Fuyang Sale and Purchase Agreement II

Pursuant to the Fuyang Finance Lease II and the Fuyang Sale and Purchase Agreement II, (i) CNEC Financial Leasing shall purchase from Fuyang Hengming the Fuyang Leased Assets II at a consideration of RMB38,788,600 (equivalent to approximately HK\$44,552,586) and (ii) following the acquisition, CNEC Financial Leasing as lessor shall lease the Fuyang Leased Assets II back to Fuyang Hengming as lessee at an aggregate estimated rent of RMB47,369,057 (equivalent to approximately HK\$54,408,099) for a term of eight years.

CNEC Financial Leasing shall pay the consideration in a lump sum to Fuyang Hengming through bank transfer five working days after the following conditions are satisfied:

- (1) Fuyang Hengming has paid the Fuyang Security Deposit II of RMB1,939,430 (equivalent to approximately HK\$2,227,629) to CNEC Financial Leasing in accordance with the Fuyang Finance Lease II;
- (2) Fuyang Hengming has obtained all approvals for the transaction;
- (3) CNEC Financial Leasing has received all signed security documents and other transaction documents contemplated under the Fuyang Finance Lease II and such documents are in effect and not in breach;
- (4) all security documents requiring registration have been registered;
- (5) Fuyang Hengming has purchased insurance for the Fuyang Leased Assets II as required by CNEC Financial Leasing;
- (6) Fuyang Hengming has installed and tested the Fuyang Leased Assets II and is satisfied with its quality; and

- (7) CNEC Financial Leasing has received the payment request letter from Fuyang Hengming.

(iv) Payment of rent

The estimated aggregate amount of rent payable by Fuyang Hengming to CNEC Financial Leasing under the Fuyang Finance Lease II is RMB47,369,057 (equivalent to approximately HK\$54,408,099) and is payable in a total of 32 equal quarterly instalments of RMB1,480,283 (equivalent to approximately HK\$1,700,253) starting from 7 September 2016 and with the last instalment payable on 7 June 2024.

The estimated aggregate amount of rent payable was calculated based on the principal lease cost plus the lease interest. The principal lease cost under the Fuyang Finance Lease II was RMB38,788,600 (equivalent to approximately HK\$44,552,586). The interest rate under the Fuyang Finance Lease II was calculated at an annualised interest rate of 5.39%, representing approximately 110% of the current benchmark lending rate promulgated by the People's Bank of China for a term of five years or more. During the term of the Fuyang Finance Lease II, if the applicable benchmark lending rate is adjusted by the People's Bank of China, the interest rate applicable shall be adjusted proportionally in the same direction starting from the next day.

(v) Basis of consideration

The terms of the Fuyang Finance Lease II, including the lease rent, lease interest rate and handling fee were determined after arm's length negotiation between CNEC Financial Leasing and Fuyang Hengming with reference to the prevailing market rates for finance leases for similar assets.

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

(vi) Ownership of the Fuyang Leased Assets II

During the term of the Fuyang Finance Lease II, the ownership of the Fuyang Leased Assets II shall vest in CNEC Financial Leasing. During the lease period, the Fuyang Leased Assets II will be used by Fuyang Hengming for the Fuyang Project. Upon expiry of the Fuyang Finance Lease II and subject to the full payment of the entire amount of the lease rent and any other amounts due under the Fuyang Finance Lease II, Fuyang Hengming shall purchase the Fuyang Leased Assets II on an "as is" basis from CNEC Financial leasing for the nominal price of RMB100 (equivalent to approximately HK\$115).

(vii) Security arrangements for the Fuyang Leased Assets II

Pursuant to the Fuyang Finance Lease II, Fuyang Hengming shall pay to CNEC Financial Leasing the Fuyang Security Deposit II which shall be paid on the date of the Fuyang Finance Lease II and prior to CNEC Financial Leasing paying the consideration of the Fuyang Leased Assets II to secure Fuyang Hengming's obligations under the Fuyang Finance Lease II. CNEC Financial Leasing shall be entitled to deduct from the Fuyang Security Deposit any unpaid rent, interest, default interest and any other amount due and payable by Fuyang Hengming. In the event of such deduction, Fuyang Hengming shall make up for the deduction and restore the amount of the Fuyang Security Deposit II to RMB1,939,430 (equivalent to approximately HK\$2,227,629) upon notice from CNEC Financial Leasing. Following the expiry of the Fuyang Finance Lease II, any remaining balance of the Fuyang Security Deposit II shall be used to offset the amounts due from Fuyang Hengming. The Fuyang Security Deposit II shall not bear any interest during the term of the Fuyang Finance Lease II.

In addition, the obligations under the Fuyang Finance Lease II are secured by the following:

- (1) Fuyang Leased Assets Mortgage Agreement II: pursuant to the Fuyang Leased Assets Mortgage Agreement II, Fuyang Hengming has mortgaged the Fuyang Leased Assets II to secure all of its obligations under the Fuyang Finance Lease II;
- (2) Suzhou GCL Fuyang Share Pledge Agreement II: pursuant to the Suzhou GCL Fuyang Share Pledge Agreement II, Suzhou GCL New Energy has pledged 35% of the equity interest in Fuyang Hengming to secure all of Fuyang Hengming's obligations under the Fuyang Finance Lease II; and
- (3) Fuyang Electricity Fees Pledge Agreement: pursuant to the Fuyang Electricity Fees Pledge Agreement, Fuyang Hengming has pledged its right to electricity fees in relation to the Fuyang Project to secure its obligations under the Fuyang Finance Lease I and Fuyang Finance Lease II.

Pursuant to the terms of Fuyang Finance Leases, the Fuyang Finance Lease I and Fuyang Finance Lease II are inter-conditional with each other, i.e. Fuyang Finance Lease I shall not come into effect unless Fuyang Finance Lease II has come into effect, and vice versa. Both CNEC Financial Leasing and Fuyang Hengming have the right from the first anniversary date of the commencement of the finance lease to terminate the Fuyang Finance Leases by giving 60 days prior written notice to the other party. If either party terminates the Fuyang Finance Lease I, the relevant party must also terminate the Fuyang Finance Lease II and vice versa. In the event that the Fuyang Finance Leases are terminated before their respective maturity date, Fuyang Hengming shall pay to CNEC Financial Leasing all due and unpaid rental fees and other charge together with all outstanding amounts of the principal rent. If Fuyang Hengming breaches any of the Fuyang Finance Leases, it shall be deemed to have breached both the Fuyang Finance Leases.

C. Principal terms of Fuyang Guarantee

(i) Date

20 October 2016

(ii) Parties

(1) Nanjing GCL New Energy

(2) EXIM Bank

(iii) Subject matter

Pursuant to the Fuyang Guarantee, Nanjing GCL New Energy agreed to guarantee RMB107,000,000 (equivalent to approximately HK\$122,900,200) of principal and any other interest, damages and fees owed by CNEC Financial Leasing under the Factoring Agreement.

Under the Factoring Agreement between the EXIM Bank and CNEC Financial Leasing, CNEC Financial Leasing transferred the rent receivables under the Fuyang Finance Leases to EXIM Bank in return for RMB107,000,000 (equivalent to approximately HK\$122,900,200). CNEC Financial Leasing agreed under the Factoring Agreement to notify Fuyang Hengming to pay all rent due under the Fuyang Finance Leases into a specified CNEC Financial Leasing account held with EXIM Bank.

D. Principal terms of the Tianchang City EPC 2nd Supplemental Agreement

(i) Date

27 October 2016

(ii) Parties

(1) Principal: Tianchang GCL

(2) Contractor: CNI Energy

(iii) Subject matter

The Tianchang City EPC 2nd Supplemental Agreement is an amendment to the Tianchang City EPC Agreement entered into between Tianchang GCL and CNI Energy Electric on 31 July 2015. Please refer to the Company's announcement dated 31 July 2015 for the principal terms of the Tianchang City EPC Agreement.

Under the original terms of the Tianchang City EPC Agreement, the EPC services provided by CNI Energy do not cover the entrance roads outside the site of the Tianchang City Project. Pursuant to the Tianchang City EPC 2nd Supplemental Agreement, the terms of the Tianchang City EPC Agreement were amended so that Tianchang GCL shall provide additional EPC services in relation to the construction of connecting roads outside the site of the Tianchang City Project for an additional consideration of RMB847,500 (equivalent to approximately HK\$973,439).

(iv) Basis of consideration

The Tianchang City EPC 2nd 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 of the services to be provided by CNI Energy under the Tianchang City EPC 2nd Supplemental Agreement; (b) the profit margin of the Tianchang City Project and (c) the prevailing market price.

E. Principal terms of the Tianchang City Second Phase EPC Agreement

(i) Date

29 November 2016

(ii) Parties

(1) Principal: Tianchang GCL

(2) Contractor: CNI Energy

(iii) Subject matter

Tianchang GCL agreed to engage CNI Energy to provide EPC services in relation to the Tianchang City Project (Phase II).

(iv) Basis of consideration

The consideration for the EPC services under the Tianchang City Project (Phase II) is RMB7,472,437 (equivalent to approximately HK\$8,582,841), comprising of:

- (a) the photovoltaic power station equipment fee for the estimated amount of RMB6,522,437 (equivalent to approximately HK\$7,491,671); and
- (b) the construction and installation fee for the estimated amount of RMB950,000 (equivalent to approximately HK\$1,091,170).

The Tianchang City Second Phase EPC Agreement was negotiated and entered into on 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 Tianchang City Second Phase EPC Agreement; (b) the profit margin of the Tianchang City Project (Phase II); and (c) the prevailing market price.

(v) Payment terms

The consideration for the EPC services under the Tianchang City Second Phase EPC Agreement shall be paid by Tianchang GCL to CNI Energy in accordance with the following milestones:

Payment terms for total consideration

First instalment	90% of the total consideration within 1 month after completion and settlement of the EPC work for the Tianchang City Project (Phase II)
Second instalment	10% of the total consideration after the expiration of the warranty period of 12 months provided that there are no issues in relation to the quality of services and EPC work, or any issues have been remedied

F. Principal terms of the Dangshan EPC Agreement

(i) Date

1 March 2017

(ii) Parties

(1) Principal: Dangshan GCL

(2) Contractor: CNI Energy

(iii) Subject matter

Dangshan GCL agreed to engage CNI Energy to provide EPC services in relation to the Dangshan Project. The relevant EPC work would commence upon on the date notified by the principal. It was expected that all relevant EPC work in relation to the Dangshan Project would be completed by 27 January 2017 and the full on-grid connection would be completed by 15 March 2017.

(iv) Basis of consideration

The consideration for the EPC services under the Dangshan Project is RMB21,101,600 (equivalent to approximately HK\$24,237,298), comprising of:

- (a) the photovoltaic power station requirement fee of RMB15,854,400 (equivalent to approximately HK\$18,210,364);
- (b) the construction and installation fee of RMB5,047,200 (equivalent to approximately HK\$5,797,214); and
- (c) the design consultation fee of RMB200,000 (equivalent to approximately HK\$229,720).

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

(v) Payment terms

The consideration for the EPC services under the Dangshan EPC Agreement shall be paid by Dangshan GCL to CNI Energy in accordance with the following milestones:

First instalment	5% of the total consideration as prepayment within 15 days of the effective day of the Dangshan EPC Agreement
Second instalment	Up to 95% of the total consideration after the completion and inspection by Dangshan GCL and the local authorities
Third instalment	5% of the total consideration after the expiration of the warranty period of two years provided that there are no issues in relation to the quality of the services and construction work or any issues have been remedied

G. Principal terms of the Yushen Technical and Design Supplemental Agreement

(i) Date

14 March 2017

(ii) Parties

- (1) Principal: Yushen Dongtou
- (2) Contractor: CNI Energy

(iii) Subject matter

Yushen Dongtou and CNI Energy agreed to amend the terms of the Yushen Technical and Design Agreement entered into between the same parties on 11 November 2014, including:

- (a) the efficiency of the photovoltaic power station in relation to the Yushen Project is amended to be 82% and CNI Energy shall compensate Yushen Dongtou if the photovoltaic power station's efficiency falls below 82% or has a lifespan of less than 25 years;
- (b) the photovoltaic area is changed from 100MW to being designed in 1552 acres of land;
- (c) the amendment of the design area to include all areas of the photovoltaic power plant other than the external transmission cable, external areas and electricity system installation;
- (d) the total technical and design fee is amended from RMB1,850,000 (equivalent to approximately HK\$2,124,910) to RMB1,532,500.00 (equivalent to approximately HK\$1,760,230); and
- (e) amendment of the payment terms.

(iv) Basis of consideration

The total consideration of the Yushen Technical and Design Agreement is amended to be RMB1,850,000 (equivalent to approximately HK\$2,124,910), comprising of:

- (a) testing fee of RMB350,000 (equivalent to approximately HK\$402,010);
- (b) inspection fee of RMB400,000 (equivalent to approximately HK\$459,440);
and
- (c) design fee of RMB782,500 (equivalent to approximately HK\$898,780).

The Yushen Technical and Design Agreement was negotiated and entered into on 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 Yushen Technical and Design Supplemental Agreement; (b) the profit margin of the Yushen Project; and (c) the prevailing market price.

(v) Payment terms

Out of the total consideration for the technical and design services under the Yushen Project, RMB832,500 (equivalent to approximately HK\$956,210) has already been paid by Yushen Energy to CNI Energy. The remaining RMB700,000 (equivalent to approximately HK\$804,020) shall be paid by Yushen Energy to CNI Energy in accordance with the following milestones:

First instalment	10% of the consideration as prepayment within 7 days of the effective date of the Yushen Technical and Design Supplemental Agreement
Second instalment	30% of the consideration within 7 days after the construction graphics have been completed and delivered by CNI Energy
Third instalment	30% of the consideration within 7 days after the electricity installation graphics have been completed and delivered by CNI Energy
Fourth instalment	20% of the consideration within 7 days after full on-grid connection for the Yushen Project
Fifth installment	5% of the consideration within 7 days after the completion graphics have been delivered by CNI Energy

H. Principal terms of the Haifeng First Phase EC Agreement

(i) Date

2 May 2017

(ii) Parties

(1) Principal: Haifeng GCL

(2) Contractor: CNI Huatai

(iii) Subject matter

Haifeng GCL agreed to engage CNI Huatai to provide EC services in relation to the Haifeng Chikeng Project (Phase I). The relevant EC work would commence on the date notified by the principal. It was expected that all the EC work in relation to the Haifeng Chikeng Project (Phase I) would be completed on 27 June 2017.

(iv) Basis of consideration

The consideration for the EC services under the Haifeng First Phase EC Agreement is RMB34,500,000 (equivalent to approximately HK\$39,626,700).

The Haifeng First Phase EC Agreement was negotiated and entered into on 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 Haifeng First Phase EC Agreement; (b) the profit margin of the Haifeng Chikeng Project (Phase I); and (c) the prevailing market price.

(v) Payment terms

The consideration for the EC services under the Haifeng First Phase EC Agreement shall be paid by Haifeng First Phase EC Agreement shall be paid by Haifeng GCL to CNI Huatai in accordance with the following milestones:

- | | |
|-------------------|---|
| First instalment | 10% of the total consideration as prepayment: |
| | (a) upon the provision of a 3-month irrevocable bank guarantee for the same amount; |
| | (b) within 15 days of the effective date of the Haifeng First Phase EC Agreement; |
| | (c) when CNI Huatai is ready to enter, or has entered the site |
| Second instalment | up to 30% of the total consideration when: |
| | (a) 50% of the construction work in relation to the Haifeng Chikeng Project (Phase I) has been completed; and |

	(b) full on-grid connection or ready for full on-grid connection for the Haifeng Chikeng Project (Phase I)
Third instalment	up to 85% of the total consideration within 2 months after full on-grid connection for the Haifeng Chikeng Project (Phase I) or Haifeng GCL confirms that the Haifeng Chikeng Project (Phase I) is ready for full on-grid connection
Fourth instalment	up to 95% of the total consideration within 1 month after the receipt of the completion acceptance certificate and the completion of settlement
Fifth installment	5% of the total consideration after the expiration of the warranty period of two years provided that there are no issues in relation to the quality of services and construction work or any issues have been remedied

I. Principal terms of the Suixi First Phase EC Agreement

(i) Date

11 May 2017

(ii) Parties

- (1) Principal: Suixi GCL
- (2) Contractor: CNI Huatai

(iii) Subject matter

Suixi GCL agreed to engage CNI Huatai to provide EC services in relation to the Suixi Project (Phase I). The relevant EC work would commence on the date notified by the principal. It was expected that all the EC work in relation to the Suixi Project (Phase I) would be completed on 27 June 2017 and completion inspection would be completed within 3 months after full-grid connection of the Suixi Project (Phase I).

(iv) Basis of consideration

The consideration for the EC services under the Suixi First Phase EC Agreement is RMB42,000,000 (equivalent to approximately HK\$48,241,200).

The Suixi First Phase EC Agreement was negotiated and entered into on 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 Suixi First Phase EC Agreement; (b) the profit margin of the Suixi Project (Phase I); and (c) the prevailing market price.

(v) Payment terms

First instalment	10% of the total consideration as prepayment: <ul style="list-style-type: none">(a) upon the provision of a 3-month irrevocable bank guarantee for the same amount;(b) within 15 days of the effective date of the Suixi First Phase EC Agreement;(c) when CNI Huatai is ready to enter, or has entered the site
Second instalment	up to 30% of the total consideration when: <ul style="list-style-type: none">(a) 50% of the construction work in relation to the Suixi Project (Phase I) has been completed; and(b) full on-grid connection or ready for full on-grid connection for the Suixi Project (Phase I)
Third instalment	up to 85% of the total consideration within 2 months after full on-grid connection for the Suixi Project (Phase I) or Suixi GCL confirms that the Suixi Project (Phase I) is ready for full on-grid connection
Fourth instalment	up to 95% of the total consideration within 1 month after the receipt of the completion acceptance certificate and the completion of settlement
Fifth installment	5% of the total consideration after the expiration of the warranty period of two years provided that there are no issues in relation to the quality of services and construction work or any issues have been remedied

4. REASONS FOR AND BENEFITS FOR THE DISCLOSEABLE TRANSACTIONS

The terms of the Current Agreements and the Previously Undisclosed Agreements have been agreed after arm's length negotiation between the relevant parties. As a developer of photovoltaic power station projects, the Group requires capital from time to time to construct its power generation projects. The finance lease agreements in the Current Agreements and the Previously Undisclosed Agreements provide the Group with additional liquidity by utilising its existing investments in its existing equipment and assets, and fund the acquisition of new equipment and assets. The Group will benefit from additional working capital which can be used to fund other business and operational activities.

In addition, as a developer of photovoltaic power station projects, the Group has to engaged contractors to provide EPC services to construct its power generation projects. Xi'an Datang Electric, CNI Energy and CNI Huatai are all established EPC contractor and have extensive local resources. The Group believes that they can deliver services at a quality standard which meets the expectations of the Group.

The entering into of the Lianshui Finance Lease Agreements mean that Lianshui GCL can acquire the Lianshui Leased Assets for the Lianshui Project through finance lease arrangements with CNEC Financial Leasing. Therefore, Lianshui GCL no longer needs to acquire the Lianshui Leased Assets directly from Xi'an Datang Electric and the Lianshui EPC Supplemental Agreement is entered into to amend the Previous Lianshui EPC Agreement to effect such change.

Based on the above reasons, the Directors believe and consider that the terms of the Current Agreements and the Previously Undisclosed Agreements are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

5. LISTING RULES IMPLICATIONS

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

Both CNEC Financial Leasing and CNI Energy are indirect subsidiary of CNETC. CNI Huatai is an indirect subsidiary of CNECC, which as of the date of this announcement is interested in approximately 30.46% of the issued share capital of CNETC. As a result, CNEC Financial Leasing, CNI Energy and CNI Huatai are all connected parties.

As the Previously Disclosed Agreements and the Previously Undisclosed Agreements were entered into with CNEC Financial Leasing or parties connected with CNEC Financial Leasing and Xi'an Datang Electric within a 12-month period prior to and inclusive of the date of the Current Agreements, the Current Agreements, the Previously Disclosed Agreements and the Previously Undisclosed 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 Current Agreements, the Previously Disclosed Agreements and the Previously Undisclosed Agreements (in aggregate) exceeds 5% but is less than 25%, the entering into of the Current Agreements, the Previously Disclosed Agreements and the Previously Undisclosed Agreements, in aggregate, constitutes a discloseable transaction of the Company and the Company shall comply with the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As Wuxi Huaguang (a Company incorporated in the PRC and the shares of which are listed on the Shanghai Stock Exchange, with Stock code 600475) holds approximately 24.81% shareholding interests in Konca Solar (a subsidiary of GCL-Poly which, as at the date of this announcement, is interested in approximately 62.28% of the issued share capital of the Company), Wuxi Huaguang is a connected person of GCL-Poly at the subsidiary level (but not a connected person of the Company). In addition, Wuxi Huaguang effectively holds approximately 90.33% of shareholding interests in Xi'an Datang Electric, Xi'an Datang Electric is therefore an associate of a connected person of GCL-Poly at the subsidiary level (but not a connected person of the Company). To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, saved as disclosed above, Xi'an Datang Electric and each of its ultimate beneficial owners are third parties independent of the Company and each of its connected person.

6. INFORMATION ON THE PARTIES TO THE DISCLOSEABLE TRANSACTIONS

CNEC Financial Leasing

CNEC Financial Leasing is a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of CNETC. It is principally engaged in finance lease and other leasing business.

CNI Energy

CNI Energy is a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of CNETC. It is principally engaged in the provision of sub-contracting services in relation to new energy projects such as procurement and sale of equipment and materials, installation and testing of equipment, design, construction and technical consultancy.

CNI Huatai

CNI Huatai is a company incorporated in the PRC with limited liability and an indirect subsidiary of CNECC, which as of the date of this announcement is interested in approximately 30.46% of the issued share capital of CNETC. It is principally engaged in the provision of sub-contracting services of construction projects such as the housing, roads, machinery installation, building materials, design and others.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, CNEC Financial Leasing, CNI Energy, CNI Huatai and each of their ultimate beneficial owner(s) are third parties independent of the Company and their connected persons.

Xi'an Datang Electric

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

As Wuxi Huaguang (a Company incorporated in the PRC and the shares of which are listed on the Shanghai Stock Exchange, with Stock code 600475) holds approximately 24.81% shareholding interests in Konca Solar (a subsidiary of GCL-Poly which, as at the date of this announcement, is interested in approximately 62.28% of the issued share capital of the Company), Wuxi Huaguang is a connected person of GCL-Poly at the subsidiary level (but not a connected person of the Company). In addition, Wuxi Huaguang effectively holds approximately 90.33% of shareholding interests in Xi'an Datang Electric, Xi'an Datang Electric is therefore an associate of a connected person of GCL-Poly at the subsidiary level (but not a connected person of the Company). To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, saved as disclosed above, Xi'an Datang Electric and each of its ultimate beneficial owners are third parties independent of the Company and each of its connected person.

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. DEFINITIONS

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

“Board”	the board of the Directors
“CNECC”	China Nuclear Engineering Group Corporation* (中國核工業建設集團公司), a company incorporate in the PRC. As of the date of this announcement, CNECC is indirectly interested in approximately 30.46% of the issued share capital of CNETC.
“CNEC Financial Leasing”	CNEC Financial Leasing (Shenzhen) Co., Ltd.* (核建融資租賃(深圳)有限公司), a company incorporated in the PRC
“CNETC”	China Nuclear Energy Technology Corporation Limited (中國核能科技集團有限公司), a company incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange, with stock code 611
“CNI Energy”	Nanjing CNI Energy Engineering Company Limited* (南京中核能源工程有限公司), an indirect subsidiary of CNETC incorporated in the PRC
“CNI Huatai”	China Nuclear Industry Huatai Construction Co., Ltd.* (中核華泰建設有限公司), an indirect subsidiary of CNECC incorporated in the PRC
“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
“Current Agreements”	the Lianshui Finance Lease Agreements and the Lianshui EPC Supplemental Agreement
“Dangshan EPC Agreement”	the EPC agreement dated 1 March 2017 entered into between Dangshan GCL as principal and CNI Energy as contractor under which CNI Energy undertakes to provide EPC services in relation to the Dangshan Project
“Dangshan GCL”	Dangshan GCL Photovoltaic Power Co., Ltd.* (碭山協鑫光伏電力有限公司), an indirect wholly owned subsidiary of the Company incorporated in the PRC with limited liability

“Dangshan Project”	the 3.6MW photovoltaic power station project (ten 0.36MW photovoltaic power stations) located in Dangshan County of Anhui Province, the PRC
“Director(s)”	director(s) of the Company
“EC”	Engineering and construction
“EPC”	Engineering, procurement and construction
“EXIM Bank”	the Export-Import Bank of China (Shenzhen Branch)
“Factoring Agreement”	the agreement dated 17 October 2016 between the EXIM Bank and CNEC Financial Leasing in relation to the factoring of the rent payable under Fuyang Finance Leases
“Fuyang Electricity Fees Pledge Agreement”	the agreement dated 27 July 2016 between CNEC Financial Leasing and Linshui, pursuant to which Linshui GCL has pledged to CNEC Financial Leasing 100% of its right to electricity fees and related receivables under any electricity sales agreement entered or to be entered in relation to the Lianshui Project
“Fuyang Finance Lease Agreements I”	together, the Fuyang Finance Lease I, Fuyang Sale and Purchase Agreement I, Fuyang Guarantee, Suzhou GCL Fuyang Share Pledge Agreement I, Fuyang Leased Assets Mortgage Agreement I and Fuyang Electricity Fees Pledge Agreement
“Fuyang Finance Lease Agreements II”	together, the Fuyang Finance Lease II, Fuyang Sale and Purchase Agreement II, Fuyang Guarantee, Suzhou GCL Fuyang Share Pledge Agreement II, Fuyang Leased Assets Mortgage Agreement II and Fuyang Electricity Fees Pledge Agreement
“Fuyang Finance Lease I”	the agreement dated 27 July 2016 between CNEC Financial Leasing and Fuyang Hengming in relation to the leasing of the Fuyang Leased Assets I
“Fuyang Finance Lease II”	the agreement dated 27 July 2016 between CNEC Financial Leasing and Fuyang Hengming in relation to the leasing of the Fuyang Leased Assets II
“Fuyang Finance Leases”	the Fuyang Finance Lease I and Fuyang Finance Lease II
“Fuyang Guarantee”	the guarantee dated 20 October 2016 entered into between Nanjing GCL New Energy and the EXIM Bank to secure CNEC Financial Leasing’s obligations under the Factoring Agreement
“Fuyang Hengming”	Fuyang Hengming Solar Power Co., Ltd.* (阜陽衡銘太陽能電力有限公司), an indirect wholly-owned subsidiary of the Company incorporated in the PRC with limited liability

“Fuyang Leased Assets I”	certain solar modules, frames, solar energy tracking systems, inverters, transformers, combiner boxes, distributors, cables, and other photovoltaic equipment to be used for the Fuyang Project
“Fuyang Leased Assets II”	certain solar modules, frames, solar energy tracking systems, inverters, transformers, combiner boxes, distributors, cables, and other photovoltaic equipment to be used for the Fuyang Project
“Fuyang Leased Assets Mortgage Agreement I”	the agreement dated 27 July 2016 between CNEC Financial Leasing and Fuyang Hengming, pursuant to which Fuyang Hengming has mortgaged the Fuyang Leased Assets I to CNEC Financial Leasing
“Fuyang Leased Assets Mortgage Agreement II”	the agreement dated 27 July 2016 between CNEC Financial Leasing and Fuyang Hengming, pursuant to which Fuyang Hengming has mortgaged the Fuyang Leased Assets II to CNEC Financial Leasing
“Fuyang Project”	the 20MW solar power plant located in Fuyang City in Anhui Province, the PRC
“Fuyang Sale and Purchase Agreement I”	The agreement dated 27 July 2016 among CNI Energy (as seller), CNEC Financial Leasing (as purchaser and lessor) and Fuyang Hengming (as lessee) in relation to the sale and purchase of the Fuyang Leased Assets I
“Fuyang Sale and Purchase Agreement II”	The agreement dated 27 July 2016 among CNEC Financial Leasing (as purchaser and lessor) and Fuyang Hengming (as seller and lessee) in relation to the sale and purchase of the Fuyang Leased Assets II
“Fuyang Security Deposit I”	a refundable security deposit of RMB3,560,570 (equivalent to approximately HK\$4,089,671) payable by Fuyang Hengming under the Fuyang Finance Lease I
“Fuyang Security Deposit II”	a refundable security deposit of RMB1,939,430 (equivalent to approximately HK\$2,227,629) payable by Fuyang Hengming under the Fuyang Finance Lease II
“GCL-Poly”	GCL-Poly Energy Holdings Limited (保利協鑫能源控股有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange, with stock code 3800. As at the date of this announcement, GCL-Poly is interested in approximately 62.28% of the issued share capital of the Company
“Group”	the Company and its subsidiaries
“Haifeng Chikeng Project (Phase I)”	the phase I (30MW) of the 150MW photovoltaic power station project located in the Chikeng town, Haifeng County of Guangdong Province, the PRC

“Haifeng First Phase EC Agreement”	the EC agreement dated 2 May 2017 entered into between Haifeng GCL as principal and CNI Huatai as contractor under which CNI Huatai undertakes to provide EC services in relation to the Haifeng Chikeng Project (Phase I)
“Haifeng GCL”	Haifeng GCL Photovoltaic Power Limited* (海豐縣協鑫光伏電力有限公司), an indirect wholly-owned subsidiary of the Company incorporated in the PRC with limited liability
“Henan Sanmenxia EPC Agreement”	Henan Sanmenxia EPC Agreement as disclosed in the Company’s announcement dated 28 April 2017
“Henan Sanmenxia EPC Supplemental Agreement”	Henan Sanmenxia EPC Supplemental Agreement as disclosed in the Company’s announcement dated 28 April 2017
“Henan Sanmenxia Equipment Purchase Agreement”	Henan Sanmenxia Equipment Purchase Agreement as disclosed in the Company’s announcement dated 28 April 2017
“Henan Sanmenxia GNE Guarantee”	Henan Sanmenxia GNE Guarantee as disclosed in the Company’s announcement dated 28 April 2017
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Huarong EPC Agreement”	Huarong EPC Agreement as disclosed in the Company’s announcement dated 28 April 2017
“Huarong EPC Supplemental Agreement”	Huarong EPC Supplemental Agreement as disclosed in the Company’s announcement dated 28 April 2017
“Huarong Equipment Purchase agreement”	Huarong Equipment Purchase agreement as disclosed in the Company’s announcement dated 28 April 2017
“Huarong GCL New Energy”	Huarong GCL New Energy Company Limited (華容縣協鑫光伏電力有限公司), an indirect wholly-owned subsidiary of the Company which is incorporated in the PRC with limited liability
“Huarong GNE Guarantee”	Huarong GNE Guarantee as disclosed in the Company’s announcement dated 28 April 2017
“Konca Solar”	Konca Solar Cell Co., Ltd.* (高佳太陽能股份有限公司), a subsidiary of GCL-Poly incorporated in the PRC

“Lianshui Electricity Fees Pledge Agreement”	the agreement dated 30 June 2017 between CNEC Financial Leasing and Linshui, pursuant to which Linshui GCL has pledged to CNEC Financial Leasing 100% of its right to electricity fees and related receivables under any electricity sales agreement entered or to be entered in relation to the Lianshui Project
“Lianshui EPC Supplemental Agreement”	the agreement dated 30 June 2017 between Linshui GCL and Xi’an Datang Electric, pursuant to which the terms of the Previous Linshui EPC Agreement are amended
“Lianshui Finance Lease”	the agreement dated 30 June 2017 between CNEC Financial Leasing and Lianshui GCL in relation to the leasing of the Lianshui Leased Assets
“Lianshui Finance Lease Agreements”	together, the Lianshui Finance Lease, Lianshui Sale and Purchase Agreement, Nanjing GCL Lianshui Guarantee, Suzhou GCL Lianshui Share Pledge Agreement, Lianshui Leased Assets Mortgage Agreement, Lianshui Electricity Fees Pledge Agreement
“Lianshui Finance Lease Agreements I”	together, the Fuyang Finance Lease I, Fuyang Sale and Purchase Agreement I, Suzhou GCL Fuyang Share Pledge Agreement I, Fuyang Leased Assets Mortgage Agreement I, Fuyang Electricity Fees Pledge Agreement
“Lianshui Finance Lease Agreements II”	together, the Fuyang Finance Lease II, Fuyang Sale and Purchase Agreement II, Suzhou GCL Fuyang Share Pledge Agreement II, Fuyang Leased Assets Mortgage Agreement II, Fuyang Electricity Fees Pledge Agreement
“Lianshui GCL”	Lianshui GCL Photovoltaic Power Co., Ltd.* (漣水鑫源光伏电力有限公司), an indirect wholly-owned subsidiary of the Company incorporated in the PRC with limited liability
“Lianshui Leased Assets”	certain solar modules, frames, solar energy tracking systems, inverters, transformers, combiner boxes, distributors, cables, and other photovoltaic equipment to be used for the Lianshui Project
“Lianshui Leased Assets Mortgage Agreement”	the agreement dated 30 June 2017 between CNEC Financial Leasing and Lianshui GCL, pursuant to which Lianshui GCL has mortgaged the Lianshui Leased Assets to CNEC Financial Leasing
“Lianshui Project”	the 15MW agricultural photovoltaic power station project located in Tangji town of Lianshui County of Huai’an City, the PRC
“Lianshui Sale and Purchase Agreement”	The agreement dated 30 June 2017 among Xi’an Datang Electric (as seller), CNEC Financial Leasing (as purchaser and lessor) and Lianshui GCL (as lessee) in relation to the sale and purchase of the Lianshui Leased Assets

“Lianshui Security Deposit”	a refundable security deposit of RMB840,000 (equivalent to approximately HK\$964,824) payable by Lianshui GCL under the Lianshui Finance Lease
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“MW”	megawatt(s)
“Nanjing GCL Lianshui Guarantee”	the agreement dated 30 June 2017 between CNEC Financial Leasing and Nanjing GCL New Energy in connection with the guarantee provided by Nanjing GCL New Energy to CNEC Financial Leasing to secure Lianshui GCL’s obligations under the Lianshui Finance Lease
“Nanjing GCL New Energy”	Nanjing GCL New Energy Development Co., Ltd. (南京協鑫新能源發展有限公司), an indirect wholly-owned subsidiary of the Company which is incorporated in the PRC with limited liability
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Previous Lianshui EPC Agreement”	Previous Lianshui EPC Agreement as disclosed in the Company’s announcement dated 28 April 2017
“Previous Lianshui Equipment Purchase Agreement”	Previous Lianshui Equipment Purchase Agreement as disclosed in the Company’s announcement dated 28 April 2017
“Previously Disclosed Agreements”	together, the Huarong EPC Agreement, the Huarong GNE Guarantee, the Huarong EPC Supplemental Agreement, the Huarong Equipment Purchase Agreement, the Henan Sanmenxia EPC Agreement, the Henan Sanmenxia GNE Guarantee, the Henan Sanmenxia EPC Supplemental Agreement, the Henan Sanmenxia Equipment Purchase Agreement and the Previous Lianshui Equipment Purchase Agreement, as defined and disclosed in the Company’s announcement dated 28 April 2017
“Previously Undisclosed Agreements”	together, the Fuyang Finance Lease Agreements I, the Fuyang Finance Lease Agreements II, the Fuyang Guarantee, the Tianchang City EPC 2nd Supplemental Agreement, the Tianchang City Second Phase EPC Agreement, the Dangshan EPC Agreement, the Yushen Technical and Design Supplemental Agreement, the Haifeng First Phase EC Agreement and the Suixi First Phase EC Agreement
“RMB”	Renminbi, the lawful currency of the PRC

“Sanmenxia GCL”	Sanmenxia GCL New Energy Co., Ltd.* (三門峽協立光伏電力有限公司), an indirect wholly-owned subsidiary of the Company which is incorporated in the PRC with limited liability
“Share(s)”	ordinary shares of one-two-hundred-fortieth (1/240) of a Hong Kong dollar each (equivalent to HK\$0.00416) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the same meaning ascribed to it under the Listing Rules
“Suixi First Phase EC Agreement”	the agreement dated 11 May 2017 between Suixi GCL as principal and CNI Huatai as contractor under which CNI Huatai undertakes to provide EC services in relation to the Suixi Project
“Suixi GCL”	Suixi GCL Photovoltaic Power Co., Ltd.* (遂溪協鑫光伏電力有限公司), an indirect wholly-owned subsidiary of the Company incorporated in the PRC with limited liability
“Suixi Project”	the 120MW photovoltaic power station project in Jianghong Town, Suixi County, Zhangjiang City, Guangdong Province, the PRC
“Suzhou GCL Fuyang Share Pledge Agreement I”	the agreement dated 27 July 2016 between CNEC Financial Leasing and Suzhou GCL New Energy, pursuant to which Suzhou GCL New Energy has pledged 65% of the equity interest in Fuyang Hengming to CNEC Financial Leasing
“Suzhou GCL Fuyang Share Pledge Agreement II”	the agreement dated 27 July 2016 between CNEC Financial Leasing and Suzhou GCL New Energy, pursuant to which Suzhou GCL New Energy has pledged 35% of the equity interest in Fuyang Hengming to CNEC Financial Leasing
“Suzhou GCL Lianshui Share Pledge Agreement”	the agreement dated 30 June 2017 between CNEC Financial Leasing and Suzhou GCL New Energy, pursuant to which Suzhou GCL New Energy has pledged 100% of the equity interest in Lianshui GCL to CNEC Financial Leasing
“Suzhou GCL New Energy”	Suzhou GCL New Energy Investment Company Limited* (蘇州協鑫新能源投資有限公司), an indirect wholly-owned subsidiary of the Company incorporated in the PRC with limited liability
“Tianchang City EPC Agreement”	the agreement dated 31 July 2015 between Tianchang GCL as principal and CNI Energy as contractor in relation to the provision of EPC services
“Tianchang City EPC 2nd Supplemental Agreement”	the agreement dated 27 October 2016 between Tianchang GCL as principal and CNI Energy as contractor, pursuant to which the Tianchang City EPC Agreement dated 31 July 2015 between the same parties was amended

“Tianchang City Second Phase EPC Agreement”	the EPC agreement dated 29 November 2016 between Tianchang GCL as principal and CNI Energy as contractor pursuant to which CNI Energy undertakes to provide EPC services in relation to the Tianchang City Project (Phase II)
“Tianchang City Project”	the 40MW photovoltaic power station project in Tianchang City, Anhui Province, the PRC
“Tianchang City Project (Phase II)”	the 1MW photovoltaic power station project located in Tianchang City, Anhui Province, the PRC
“Tianchang GCL”	Tianchang City GCL Photovoltaic Power Co., Ltd.* (天長市協鑫新能源投資有限公司), an indirect wholly-owned subsidiary of the Company incorporated in the PRC with limited liability
“Wuxin Huaguang”	Wuxi Huaguang Guolu Holding Limited* (無錫華光鍋爐股份有限公司), a company incorporated in the PRC and the Shares of which are listed on the Shanghai Stock Exchange with Stock code 600475
“Xi’an Datang Electric”	Xi’an Datang Electric Power Design and Research Institute Co., Ltd.* (西安大唐電力設計研究院有限公司), a company incorporated in the PRC with limited liability
“Yushen Energy”	Yulin City Yuenshen Industrial Area Dongtou 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 the Company incorporated in the PRC with limited liability
“Yushen Project”	the 100MW photovoltaic power station project in Yushen Industrial Area, Yulin City, Shanxi Province, the RPC
“Yushen Technical and Design Agreement”	the agreement between Yushen Energy and CNI Energy dated 11 November 2014, pursuant to which CNI Energy undertakes to provide technical and design services in relation to the Yushen Project
“Yushen Technical and Design Supplemental Agreement”	the agreement between Yushen Energy and CNI Energy dated 14 March 2017, pursuant to which the Yushen Technical and Design Agreement was amended
“%”	per cent.

This announcement contains translation between Renminbi and Hong Kong dollar amounts at RMB1 = HK\$1.1486, being the exchange rate prevailing on 29 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 Board
GCL New Energy Holdings Limited
協鑫新能源控股有限公司
Zhu Yufeng
Chairman

Hong Kong, 30 June 2017

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