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If you have sold or transferred all your shares in GCL New Energy Holdings Limited 協鑫新能源控股有限公司, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

(Incorporated in Bermuda with limited liability)

(Stock code: 451)

MAJOR TRANSACTION WITH
CHINA FINANCIAL LEASING COMPANY LIMITED

Capitalised terms used in this cover shall have the same meanings as those defined in the section headed “Definitions” in this circular. A letter from the Board is set out on pages 13 to 37 of this circular.

12 July 2017

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	13
APPENDIX I – FINANCIAL INFORMATION OF THE GROUP	38
APPENDIX II – GENERAL INFORMATION	44

DEFINITIONS

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

“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

DEFINITIONS

“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
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Baoying Administrative Fee Agreement”	the agreement dated 19 October 2016 entered into between Baoying GCL and China Financial in relation to the administrative fee payable by Baoying GCL to China Financial
“Baoying Commencement Date”	the date on which China Financial pays the consideration for the Baoying Photovoltaic Power Generation Equipment under the Baoying Sale and Purchase Agreement
“Baoying Finance Lease”	the agreement dated 19 October 2016 entered into between China Financial and Baoying GCL in relation to the leasing of the Baoying Photovoltaic Power Generation Equipment
“Baoying Finance Lease Agreements”	together, (i) the Baoying Sale and Purchase Agreement, (ii) the Baoying Finance Lease, (iii) the Baoying Administrative Fee Agreement, (iv) the Baoying Rental Deposit Agreement, (v) the Baoying Suzhou GCL Guarantee, (vi) the Baoying Receivables Pledge Agreement, (vii) the Baoying Share Pledge Agreement and (viii) the Baoying Obligation Transfer Agreement

DEFINITIONS

“Baoying GCL”	Baoying GCL Photovoltaic Power Company Limited* (寶應協鑫光伏電力有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Baoying Main Agreements”	together, (i) the Baoying Sale and Purchase Agreement, (ii) the Baoying Finance Lease, and (iii) the Baoying Administrative Fee Agreement
“Baoying Obligation Transfer Agreement”	the agreement dated 19 October 2016 entered into between Nanjing GCL New Energy and China Financial, pursuant to which Nanjing GCL New Energy has agreed to assume Baoying GCL’s obligations in the event of a material breach by Baoying GCL of the terms of the Baoying Finance Lease
“Baoying Photovoltaic Power Generation Equipment”	certain polysilicon modules, cables, cable accessories, dynamic reactive power compensation devices, transformers, inverters, combiner boxes, inflatable switch gears, photovoltaic transmission system operators, surveillance systems, fixed steel frames cables and certain other photovoltaic power generation equipment owned by Nanjing GCL New Energy
“Baoying Receivables Pledge Agreement”	the agreement dated 19 October 2016 entered into between Baoying GCL and China Financial in relation to the pledge of receivables in respect of income arising from the photovoltaic power station relating to the Baoying Photovoltaic Power Generation Equipment
“Baoying Rental Deposit Agreement”	the agreement dated 19 October 2016 entered into between China Financial and Baoying GCL in relation to the payment of a rental deposit to secure Baoying GCL’s obligations under the Baoying Finance Lease
“Baoying Sale and Purchase Agreement”	the agreement dated 19 October 2016 entered into between Nanjing GCL New Energy as seller and China Financial as purchaser in relation to the sale and purchase of the Baoying Photovoltaic Power Generation Equipment
“Baoying Share Pledge Agreement”	the agreement dated 19 October 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 Baoying GCL to China Financial
“Baoying Suzhou GCL Guarantee”	the agreement dated 19 October 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 Baoying GCL’s obligations under the Baoying Main Agreements

DEFINITIONS

“Beijing Limited Partnership”	Beijing Guande Xinneng Investment Management Centre (Limited Partnership)* (北京冠德新能投資管理中心(有限合夥))
“Benchmark Rate”	the benchmark lending rate promulgated by the People’s Bank of China for a term of five years or more
“Board”	the board of the Directors
“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
“Company”	GCL New Energy Holdings Limited 協鑫新能源控股有限公司, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange, with stock code 451
“connected persons”	has the same meaning ascribed to it under the Listing Rules
“Director”	director(s) of the Company
“Dongfu Jueqi”	Beijing Dongfu Jueqi Economic Consulting Centre (Limited Partnership)* (北京東富崛起經濟諮詢中心(有限合夥))
“Elite Time Global”	Elite Time Global Limited, a company incorporated in British Virgin Islands with limited liability, a wholly-owned subsidiary of GCL-Poly which, as at the Latest Practicable Date, holds 11,880,000,000 Shares representing approximately 62.28% of the issued share capital of the Company
“Gaoyou Administrative Fee Agreement”	the agreement dated 19 October 2016 entered into between Gaoyou GCL and China Financial in relation to the administrative fee payable by Gaoyou GCL to China Financial
“Gaoyou Commencement Date”	the date on which China Financial pays the consideration for the Gaoyou Photovoltaic Power Generation Equipment under the Gaoyou Sale and Purchase Agreement
“Gaoyou Finance Lease”	the agreement dated 19 October 2016 entered into between China Financial and Gaoyou GCL in relation to the leasing of the Gaoyou Photovoltaic Power Generation Equipment

DEFINITIONS

“Gaoyou Finance Lease Agreements”	together, (i) the Gaoyou Sale and Purchase Agreement, (ii) the Gaoyou Finance Lease, (iii) the Gaoyou Administrative Fee Agreement, (iv) the Gaoyou Rental Deposit Agreement, (v) the Gaoyou Suzhou GCL Guarantee, (vi) the Gaoyou Receivables Pledge Agreement, (vii) the Gaoyou Share Pledge Agreement and (viii) the Gaoyou Obligation Transfer Agreement
“Gaoyou GCL”	Gaoyou GCL Photovoltaic Power Company Limited* (高郵協鑫光伏電力有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Gaoyou Main Agreements”	together, (i) the Gaoyou Sale and Purchase Agreement, (ii) the Gaoyou Finance Lease, and (iii) the Gaoyou Administrative Fee Agreement
“Gaoyou Obligation Transfer Agreement”	the agreement dated 19 October 2016 entered into between Nanjing GCL New Energy and China Financial, pursuant to which Nanjing GCL New Energy has agreed to assume Gaoyou GCL’s obligations in the event of a material breach by Gaoyou GCL of the terms of the Gaoyou Finance Lease
“Gaoyou Photovoltaic Power Generation Equipment”	certain polysilicon modules, frames, transformers, inverters, combiner boxes, cables, step-up substation equipment, control and protection equipment and certain other photovoltaic power generation equipment owned by Nanjing GCL New Energy
“Gaoyou Receivables Pledge Agreement”	the agreement dated 19 October 2016 entered into between Gaoyou GCL and China Financial in relation to the pledge of receivables in respect of income arising from the photovoltaic power station relating to the Gaoyou Photovoltaic Power Generation Equipment
“Gaoyou Rental Deposit Agreement”	the agreement dated 19 October 2016 entered into between China Financial and Gaoyou GCL in relation to the payment of a rental deposit to secure Gaoyou GCL’s obligations under the Gaoyou Finance Lease
“Gaoyou Sale and Purchase Agreement”	the agreement dated 19 October 2016 entered into between Nanjing GCL New Energy as seller and China Financial as purchaser in relation to the sale and purchase of the Gaoyou Photovoltaic Power Generation Equipment
“Gaoyou Share Pledge Agreement”	the agreement dated 19 October 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 Gaoyou GCL to China Financial

DEFINITIONS

“Gaoyou Suzhou GCL Guarantee”	the agreement dated 19 October 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 Gaoyou GCL’s obligations under the Gaoyou Main Agreements
“GCL-Poly”	GCL-Poly Energy Holdings Limited 保利協鑫能源控股有限公司, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange, with stock code 3800
“Group”	the Company and its subsidiaries
“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 the Company
“GW”	gigawatt(s)
“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

DEFINITIONS

“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 the Company
“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

DEFINITIONS

“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
“Latest Practicable Date”	7 July 2017, being the latest practicable date of ascertaining certain information contained in this circular prior to publication
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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 the Company
“MW”	megawatt(s)
“Nanjing GCL New Energy”	Nanjing GCL New Energy Development Co., Ltd. (南京協鑫新能源發展有限公司), an indirect wholly-owned subsidiary of the Company incorporated in the PRC with limited liability
“PAA”	Pacific Alliance Asia Opportunity Fund LP
“Previous Announcements”	GCL-Poly’s and the Company’s joint announcement dated 19 October 2016 and the Company’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 circular, 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

DEFINITIONS

“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

DEFINITIONS

“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 the Company
“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
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time
“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
“Share(s) ”	ordinary shares of one two-hundred-fortieth (1/240) of a Hong Kong dollar each (equivalent to HK\$0.00416) in the share capital of the Company
“Shareholder(s) ”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the same meaning ascribed to it under the Listing Rules
“Suzhou GCL 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
“Trust Companies”	Highexcel Investments Limited, Get Famous Investments Limited and Happy Genius Holdings Limited

DEFINITIONS

“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 the Company 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

DEFINITIONS

“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 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
“%”	per cent.

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

For ease of reference and unless otherwise specified in this circular, sums in HK\$ and RMB herein is translated at the rate RMB1.0 = HK\$1.1439. This does not mean that HK\$ could be converted into RMB, or vice versa, based on such exchange rate.

LETTER FROM THE BOARD



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

(Incorporated in Bermuda with limited liability)

(Stock code: 451)

Executive Directors:

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

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Non-executive Directors:

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

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

Unit 1701A-1702A, Level 17
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

Independent non-executive Directors:

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

12 July 2017

To the Shareholders

MAJOR TRANSACTION WITH CHINA FINANCIAL LEASING COMPANY LIMITED

INTRODUCTION

On 21 June 2017 (after trading hours), the 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 the Company) 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 the Company); and

LETTER FROM THE BOARD

- (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 the Previous Announcements, the Group entered into the Previous Finance Lease Agreements with China Financial in the past 12 months.

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 the Company 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 the Company and the Company shall comply with the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The purpose of this circular is to provide you with (i) details of the Yulin Finance Lease Agreements and the Previous Finance Lease Agreements; and (ii) financial information of the Group and other information required under the Listing Rules.

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 |

LETTER FROM THE BOARD

(iii) *Yulin Finance Lease*

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;

LETTER FROM THE BOARD

- (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.

LETTER FROM THE BOARD

(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 a nominal purchase price of RMB10,000 (equivalent to approximately HK\$11,439).

LETTER FROM THE BOARD

(vii) Security Arrangements for the Yulin Finance Lease

Pursuant to the Yulin Rent Prepayment Agreement, Yulin Yushen shall pay to China Financial 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.

LETTER FROM THE BOARD

2. PREVIOUS FINANCE LEASE AGREEMENTS

A. Principal terms of the Gaoyou Finance Lease Agreements

(i) *Date*

19 October 2016

(ii) *Parties*

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

(iii) *Gaoyou Finance Lease*

Pursuant to the Gaoyou Sale and Purchase Agreement and the Gaoyou Finance Lease, China Financial has agreed to purchase the Gaoyou Photovoltaic Power Generation Equipment from Nanjing GCL New Energy for a total consideration of RMB61,337,800 (equivalent to approximately HK\$70,164,309). The purchase price is payable in two instalments: (i) RMB6,337,800 (equivalent to approximately HK\$7,249,809) payable by Gaoyou GCL upon the signing of the Gaoyou Sale and Purchase Agreement and (ii) RMB55,000,000 (equivalent to approximately HK\$62,914,500) payable by China Financial upon the satisfaction of all payment terms under the Gaoyou Sale and Purchase Agreement within two months of signing.

Following the acquisition, China Financial shall lease the Gaoyou Photovoltaic Power Generation Equipment to Gaoyou GCL for a term of ten years, commencing from the Gaoyou Commencement Date.

(iv) *Payment of rent*

The aggregate estimated amount of rent payable by Gaoyou GCL to China Financial under the Gaoyou Finance Lease is RMB77,615,596 (equivalent to approximately HK\$88,784,480) and is payable in a total of 40 quarterly instalments starting from the next 15th day of the month after the Gaoyou 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 34 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 Gaoyou Commencement Date of 19 October 2016. The principal lease cost under the Gaoyou Finance Lease was RMB55,000,000 (equivalent to approximately HK\$62,914,500). The interest rate under the Gaoyou Finance

LETTER FROM THE BOARD

Lease was calculated at an annual interest rate of 6.9%, representing 2.0% above the prevailing benchmark lending rate of 4.9% promulgated by the People's Bank of China. During the term of the Gaoyou 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 below 4.5%, then the applicable interest rate under the Gaoyou Finance Lease shall not be adjusted further downwards.

(v) *Administrative fee*

Pursuant to the Gaoyou Administrative Fee Agreement, China Financial agreed to provide to Gaoyou GCL 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 RMB1,520,000 (equivalent to approximately HK\$1,738,728).

Gaoyou GCL shall pay an initial amount of RMB80,000 (equivalent to approximately HK\$91,512) within two months of signing the Gaoyou Sale and Purchase Agreement and prior to the Gaoyou Commencement Date. Gaoyou GCL shall then pay the remainder of the fee in 18 equal quarterly instalments of RMB80,000 (equivalent to approximately HK\$91,512) on each payment date for the first 18 instalments of rent under the Gaoyou Finance Lease.

The terms of the Gaoyou 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 Gaoyou GCL 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 Gaoyou Photovoltaic Power Generation Equipment*

During the term of the Gaoyou Finance Lease, the ownership of the Gaoyou Photovoltaic Power Generation Equipment shall vest in China Financial. During the lease period, Gaoyou GCL will use and keep the Gaoyou Photovoltaic Power Generation Equipment and China Financial shall not interfere with the normal use of the Gaoyou Photovoltaic Power Generation Equipment by Gaoyou GCL. Upon expiry of the term of the Gaoyou 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 Gaoyou Finance Lease, Gaoyou GCL is eligible to purchase the Gaoyou Photovoltaic Power Generation Equipment at a nominal purchase price of RMB10,000 (equivalent to approximately HK\$11,439).

LETTER FROM THE BOARD

(vii) Security arrangements for the Gaoyou Finance Lease

Pursuant to the Gaoyou Rental Deposit Agreement, Gaoyou GCL shall pay to China Financial a rental deposit of RMB2,700,000 (equivalent to approximately HK\$3,088,530) within two months of signing the Gaoyou Sale and Purchase Agreement and prior to the Gaoyou Commencement Date to secure Gaoyou GCL's obligations under the Gaoyou 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 Gaoyou Finance Lease by Gaoyou GCL. In the event of such deduction, when notified by China Financial, Gaoyou GCL shall make up for the deduction and restore the amount of the rental deposit to RMB2,700,000 (equivalent to approximately HK\$3,088,530).

Following the expiry of the Gaoyou 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 Gaoyou Finance Lease. The rental deposit shall not bear any interest.

In addition, Gaoyou GCL's obligations under the Gaoyou Main Agreements are secured by the following:

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

LETTER FROM THE BOARD

rent, interest, damages, loss and payment of any other amounts due to China Financial) if Gaoyou GCL commits a material breach under the terms of the Gaoyou Finance Lease.

B. Principal terms of the Baoying Finance Lease Agreements

(i) Date

19 October 2016

(ii) Parties

(a) Seller: Nanjing GCL New Energy

(b) Purchaser and lessor: China Financial

(c) Lessee: Baoying GCL

(iii) Baoying Finance Lease

Pursuant to the Baoying Sale and Purchase Agreement and the Baoying Finance Lease, China Financial has agreed to purchase the Baoying Photovoltaic Power Generation Equipment from Nanjing GCL New Energy for a total consideration of RMB36,896,048 (equivalent to approximately HK\$42,205,389). The purchase price is payable in two instalments: (i) RMB3,896,048 (equivalent to approximately HK\$4,456,689) payable by Baoying GCL upon the signing of the Baoying Sale and Purchase Agreement and (ii) RMB33,000,000 (equivalent to approximately HK\$37,748,700) payable by China Financial upon the satisfaction of all payment terms under the Baoying Sale and Purchase Agreement within two months of signing.

Following the acquisition, China Financial shall lease the Baoying Photovoltaic Power Generation Equipment to Baoying GCL for a term of ten years, commencing from the Baoying Commencement Date.

(iv) Payment of rent

The aggregate estimated amount of rent payable by Baoying GCL to China Financial under the Baoying Finance Lease is RMB46,569,357 (equivalent to approximately HK\$53,270,687) and is payable in a total of 40 quarterly instalments starting from the next 15th day of the month after the Baoying 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 34 instalments will cover the principal lease cost plus the lease interest.

LETTER FROM THE BOARD

The aggregate estimated amount of rent was calculated based on the principal lease cost plus the lease interest rate based on the estimated Baoying Commencement Date of 19 October 2016. The principal lease cost under the Baoying Finance Lease was RMB33,000,000 (equivalent to approximately HK\$37,748,700). The interest rate under the Baoying Finance Lease was calculated at an annual interest rate of 6.9%, representing 2.0% above the prevailing benchmark lending rate of 4.9% promulgated by the People's Bank of China. During the term of the Baoying 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 below 4.5%, then the applicable interest rate under the Baoying Finance Lease shall not be adjusted further downwards.

(v) *Administrative fee*

Pursuant to the Baoying Administrative Fee Agreement, China Financial agreed to provide to Baoying GCL 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 RMB1,260,000 (equivalent to approximately HK\$1,441,314).

Baoying GCL shall pay an initial amount of RMB60,000 (equivalent to approximately HK\$68,634) within two months of signing the Baoying Sale and Purchase Agreement and prior to the Baoying Commencement Date. Baoying GCL shall then pay the remainder of the fee in 20 equal quarterly instalments of RMB60,000 (equivalent to approximately HK\$68,634) on each payment date for the first 20 instalments of rent under the Baoying Finance Lease.

The terms of the Baoying 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 Baoying GCL 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 Baoying Photovoltaic Power Generation Equipment*

During the term of the Baoying Finance Lease, the ownership of the Baoying Photovoltaic Power Generation Equipment shall vest in China Financial. During the lease period, Baoying GCL will use and keep the Baoying Photovoltaic Power Generation Equipment and China Financial shall not interfere with the normal use of the Baoying Photovoltaic Power Generation Equipment by Baoying GCL. Upon expiry of the term of the Baoying 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 Baoying Finance Lease, Baoying GCL is eligible to purchase the Baoying Photovoltaic Power Generation Equipment at a nominal purchase price of RMB5,000 (equivalent to approximately HK\$5,720).

LETTER FROM THE BOARD

(vii) Security arrangements for the Baoying Finance Lease

Pursuant to the Baoying Rental Deposit Agreement, Baoying GCL shall pay to China Financial a rental deposit of RMB1,200,000 (equivalent to approximately HK\$1,372,680) within two months of signing the Baoying Sale and Purchase Agreement and prior to the Baoying Commencement Date to secure Baoying GCL's obligations under the Baoying 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 Baoying Finance Lease by Baoying GCL. In the event of such deduction, when notified by China Financial, Baoying GCL shall make up for the deduction and restore the amount of the rental deposit to RMB1,200,000 (equivalent to approximately HK\$1,372,680).

Following the expiry of the Baoying 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 Baoying Finance Lease. The rental deposit shall not bear any interest.

In addition, Baoying GCL's obligations under the Baoying Main Agreements are secured by the following:

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

LETTER FROM THE BOARD

rent, interest, damages, loss and payment of any other amounts due to China Financial) if Baoying GCL commits a material breach under the terms of the Baoying Finance Lease.

C. 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.

LETTER FROM THE BOARD

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

LETTER FROM THE BOARD

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;

LETTER FROM THE BOARD

- (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.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Guiyang Xinruizhi and its ultimate beneficial owner(s) are third parties independent of the Company and each of its connected persons.

D. 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.

LETTER FROM THE BOARD

(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.

LETTER FROM THE BOARD

(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

LETTER FROM THE BOARD

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.

E. 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.

LETTER FROM THE BOARD

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).

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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. FINANCIAL IMPACT OF THE YULIN FINANCE LEASE AGREEMENTS AND THE PREVIOUS FINANCE LEASE AGREEMENTS

As a result of the transactions contemplated under the Yulin Finance Lease Agreements and the Previous Finance Lease Agreements which in substance are financing arrangements, it is expected that (i) the total assets of the Group will increase to reflect the sale proceeds of the Yulin Leased Assets, the Gaoyou Photovoltaic Power Generation Equipment, the Baoying Photovoltaic Power Generation Equipment, the Anlong Photovoltaic Power Generation Equipment, the Huai'an Photovoltaic Power Generation Equipment and the Qinzhou Photovoltaic Power Generation Equipment, and there will be no financial impact on the fixed assets of the Group; and (ii) the total liabilities of the Group will increase to reflect the payment obligations of the Group under the Yulin Finance Lease Agreements and the Previous Finance Lease Agreements. The Company considers that there is no immediate material impact on the earnings of the Group as a result of the Yulin Finance Lease Agreements and the Previous Finance Lease Agreements. However, the interest elements of approximately RMB487,838,540 (equivalent to approximately HK\$558,038,506) in aggregate and administrative, consultancy and asset management fees of

LETTER FROM THE BOARD

approximately RMB41,730,000 (equivalent to approximately HK\$47,734,947) in aggregate will be charged to the income statement of the Group over the lease period under the Yulin Finance Lease Agreements and the Previous Finance Lease Agreements.

The Directors consider that the consideration received for the Yulin Leased Assets, the Gaoyou Photovoltaic Power Generation Equipment, the Baoying Photovoltaic Power Generation Equipment, the Anlong Photovoltaic Power Generation Equipment, the Huai'an Photovoltaic Power Generation Equipment and the Qinzhou Photovoltaic Power Generation Equipment will improve the liquidity of the Group.

The total net book value of the Yulin Leased Assets, the Gaoyou Photovoltaic Power Generation Equipment, the Baoying Photovoltaic Power Generation Equipment, the Anlong Photovoltaic Power Generation Equipment, the Huai'an Photovoltaic Power Generation Equipment and the Qinzhou Photovoltaic Power Generation Equipment as at 31 May 2017 was approximately RMB1,036,000,000 (equivalent to approximately HK\$1,185,080,400). The sale of the Yulin Leased Assets, the Gaoyou Photovoltaic Power Generation Equipment, the Baoying Photovoltaic Power Generation Equipment, the Anlong Photovoltaic Power Generation Equipment, the Huai'an Photovoltaic Power Generation Equipment and the Qinzhou Photovoltaic Power Generation Equipment is not expected to result in any gain or loss to the Group in its consolidated financial statements pursuant to applicable accounting principles.

Save as described above, the Directors do not expect that the entering into of the Yulin Finance Lease Agreements and the Previous Finance Lease Agreements would have any material adverse financial impact on the earnings, assets and liabilities of the Group.

The funds received under the Yulin Finance Lease Agreements and the Previous Finance Lease Agreements will be used for project developments.

4. REASONS FOR AND BENEFITS OF THE TRANSACTION

The Board had considered and used alternative methods of financing for the Group in the past. For example, in November and December 2016, the Group issued perpetual notes of RMB800,000,000 and RMB1,000,000,000 respectively to the subsidiaries of GCL-Poly, with most of the proceeds to be used to expand its solar energy business and improve its capital structure. The Board considered that the Yulin Finance Lease Agreements and the Previous Finance Lease Agreements were appropriate sources of financing for the Group on this occasion. In comparison to other forms of financing considered, the Yulin Finance Lease Agreements and the Previous Finance Lease Agreements (i) had comparably low financing costs; and (ii) were a quicker form of financing from the point of application to drawdown.

The terms of the Yulin Finance Lease Agreements and the Previous Finance Lease Agreements have been agreed after arm's length negotiation between the relevant parties. The Directors believe that the Group will be able to derive additional liquidity through the financial arrangements under the 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, the 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 the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

5. INFORMATION ON THE PARTIES TO THE YULIN FINANCE LEASE AGREEMENTS AND THE PREVIOUS FINANCE LEASE AGREEMENTS

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

The Group

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

6. LISTING RULES IMPLICATIONS

As the Previous 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 the Company 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 the Company and the Company shall comply with the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

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

LETTER FROM THE BOARD

7. GENERAL

Pursuant to the Listing Rules, shareholders' approval is required for a major transaction. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, none of the Shareholders has a material interest in the major transaction and therefore none of them would be required to abstain from voting if the Company were to convene a general meeting for approving the major transaction. Elite Time Global, being the controlling Shareholder holding 11,880,000,000 ordinary Shares or approximately 62.28% of the issued Shares and the Shareholders' voting rights as at the Latest Practicable Date, has given written approval for the major transaction. Pursuant to Rule 14.44 of the Listing Rules, the Shareholders' approval requirement is deemed to have been fulfilled and hence no separate general meeting will need to be convened for approving the major transaction.

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,

By order of the Board

GCL New Energy Holdings Limited

協鑫新能源控股有限公司

Zhu Yufeng

Chairman

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for the nine month period from 1 April 2014 to 31 December 2014, the audited consolidated financial statements of the Group for the year ended 31 December 2015 and the audited consolidated financial statements of the Group for the year ended 31 December 2016 together with the relevant notes thereto are disclosed in the following documents, which were published on both HKEx's website (www.hkexnews.hk) and the Company's website (www.gclnewenergy.com):

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

2. STATEMENT OF INDEBTEDNESS AND CONTINGENT LIABILITIES OF THE GROUP

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

	The Group		
	Secured <i>RMB'000</i>	Unsecured <i>RMB'000</i>	Total <i>RMB'000</i>
Carrying amount of bank and other borrowings	22,447,413	2,289,703	24,737,116
Carrying amount of obligations under finance leases	47,043	–	47,043
Principal amount of convertible bonds	–	858,868	858,868
Principal amount of loans from fellow subsidiaries	–	675,496	675,496
	<u>22,494,456</u>	<u>3,824,067</u>	<u>26,318,523</u>

The Group's secured bank and other borrowings were secured individually or in combination by (i) the Group's property, plant and equipment; (ii) the Group's land use rights situated in the PRC; (iii) pledged bank and other deposits as at 31 May 2017; (iv) certain subsidiaries' trade receivables and fee collection rights in relation to the sales of electricity; (v) equity interest of fellow subsidiaries; and (vi) equity interests in some project companies. The Group's obligations under finance leases were secured by a legal charge on the Group's leased plant and equipment as at 31 May 2017.

At 31 May 2017, certain bank and other borrowings of the Group amounting to RMB24,330,998,000 are guaranteed individually or in combination by (i) fellow subsidiaries, (ii) the ultimate holding company, (iii) entities within the Group, (iv) a shareholder, and (v) a third party. All remaining borrowings amounting to RMB1,987,525,000 are not guaranteed.

The Group's convertible bonds were issued on 27 May 2015 and 20 July 2015 at a nominal value of HK\$775,100,000 (equivalent to approximately RMB682,708,000) and HK\$200,000,000 (equivalent to approximately RMB176,160,000), respectively. The bonds mature three years from the date of issuance at its nominal value or can be converted into ordinary shares of the Company at a conversion price of HK\$0.754 per Share as adjusted pursuant to the terms of the convertible bonds. The convertible bonds are interest bearing at 6% per annum and carried at fair value. Unless previously redeemed, converted or purchased and cancelled, the Company will redeem all the principal amount of the convertible bonds outstanding on the maturity date at 112% of the outstanding principal amounts.

In addition, the Group received no-objection letters from the Shanghai Stock Exchange and Shenzhen Stock Exchange in relation to the issuance of non-public corporate bonds and non-public green bonds to qualifying investors in the maximum principal amount of RMB2,000,000,000 and RMB1,750,000,000, respectively, which were outstanding for issuance as at 31 May 2017.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables in the ordinary course of business, as at the close of business on 31 May 2017, the Group did not have any other debt securities authorised or otherwise created but unissued, or any term loans, other borrowings or indebtedness in the nature of borrowing including bank overdrafts, loans, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchase commitments, mortgages or charges, material contingent liabilities or guarantees outstanding.

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

3. WORKING CAPITAL STATEMENT

According to the Group's cash flow projections, as at 31 May 2017, the total committed capital expenditures relating to the acquisition and construction of solar power plants to be settled in the coming fourteen months ending 31 July 2018 amounted to approximately RMB11,604,715,000. As at 31 May 2017, the Group's total borrowings comprising bank and other borrowings, convertible bonds, obligations under finance leases and loans from fellow subsidiaries amounted to approximately RMB26,318,523,000. In addition, the Group, subject to the availability of further financial resources, is currently looking for further opportunities to increase the scale of its solar power plant operations through mergers and acquisitions. In the event that the Group is successful in securing more solar power plant investments or expanding the investments in the existing solar power plants in the coming twelve months from the date of this circular, significant additional cash outflows will be required to settle further committed capital expenditures. The Group expects that such amounts will be funded through the following resources and/or measures which will generate adequate financing and operating cash flows for the Group.

The Directors have reviewed the Group's cash flow projections which cover a period of not less than twelve months from the date of this circular. They are of the opinion that the Group will have sufficient working capital to meet its financial obligations, including those committed capital expenditures relating to the solar power plants, that will be due in the coming twelve months from the date of this circular based on the Group's existing resources and upon successful implementation of the following measures which will generate adequate financing and operating cash inflows for the Group:

- (i) The Group has been negotiating with lenders for the renewal of its current borrowings as necessary when they fall due in the coming twelve months. Based on the past experience, the Group did not encounter any significant difficulties in renewing the borrowings and the Directors are confident that all borrowings can be renewed upon the Group's application when necessary;
- (ii) The Group is currently negotiating with several lenders in both Hong Kong and the PRC for additional financing. It has received detailed proposals from certain banks for banking facilities with repayment periods for more than one year. The Group also received letters of intent from certain other banks which indicated that these banks preliminarily agreed to offer banking facilities to the Group;
- (iii) In July and December 2016, the Group proposed the issuance of non-public corporate bonds and non-public green bonds to qualifying investors in the maximum principal amount of RMB2,000,000,000 and RMB1,750,000,000, respectively, which were fully underwritten and shall have a term of up to 3 years. The Group has received no-objection letters from the Shanghai Stock Exchange and the Shenzhen Stock Exchange in relation to these issues. The Group is also negotiating with other private investors for additional financing in the form of equity or debt or a combination of both;
- (iv) On 30 June 2017, the Group entered into share transfer agreements to sell two of its solar power projects to a joint venture, which is set up with an independent third party. The Group is actively negotiating similar arrangements to derive additional liquidity and working capital to the Group; and
- (v) As at 31 May 2017, the Group has completed the construction of 95 solar power plants with approval for on-grid connection and it also has additional 23 solar power plants under construction targeting to achieve on-grid connection within the coming twelve months from the date of this circular. The abovementioned solar power plants have an aggregate installed capacity of approximately 4.6GW and are expected to generate operating cash inflows to the Group.

After taking into account the Group's business prospects, internal resources, and the available and forthcoming financing facilities, the Directors are satisfied that the Group has sufficient working capital for its present requirements for at least the next twelve months from the date of this circular.

Notwithstanding the above, significant uncertainties exist as to whether the Group can achieve the plans and measures described above. The sufficiency of the Group's working capital to satisfy its present requirements for at least the next twelve months from the date of this circular is dependent on the Group's

ability to generate adequate financing and operating cash flows through successful renewal of its borrowings upon expiry, compliance with the covenants under the borrowing agreements or obtaining waiver from the relevant banks if the Group is not able to satisfy any of the covenant requirements, successful securing of the financing from banks with repayment terms beyond twelve months from the date of this circular and other short-term or long-term financing, and the completion of the construction of the solar power plants to generate adequate cash inflows as scheduled.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Company since 31 December 2016, being the date to which the latest published audited financial results of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS

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

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

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

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

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

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

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

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

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

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

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

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

As at the Latest Practicable Date, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning in Part XV of the SFO) which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of SFO); (ii) required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(a) Long positions in the Shares

Name of Director	Nature of interest	Number of Shares			Approximate percentage of issued Shares
		Personal interests	Number of underlying Shares (Note)	Total	
Mr. ZHU Yufeng	Beneficial owner	–	3,523,100	3,523,100	0.02%
Mr. SUN Xingping	Beneficial owner	–	16,105,600	16,105,600	0.08%
Ms. HU Xiaoyan	Beneficial owner	–	19,125,400	19,125,400	0.10%
Mr. TONG Wan Sze	Beneficial owner	–	8,052,800	8,052,800	0.04%
Ms. SUN Wei	Beneficial owner	–	27,178,200	27,178,200	0.14%
Mr. SHA Hongqiu	Beneficial owner	3,000,000	8,052,800	11,052,800	0.06%
Mr. YEUNG Man Chung, Charles	Beneficial owner	–	15,099,000	15,099,000	0.08%
Mr. WANG Bohua	Beneficial owner	–	2,617,160	2,617,160	0.01%
Mr. XU Songda	Beneficial owner	–	2,617,160	2,617,160	0.01%
Mr. LEE Conway Kong Wai	Beneficial owner	–	2,617,160	2,617,160	0.01%
Mr. WANG Yanguo	Beneficial owner	–	1,006,600	1,006,600	0.01%
Dr. CHEN Ying	Beneficial owner	–	1,006,600	1,006,600	0.01%

Note: Adjustments have been made to the number of underlying Shares as a result of the rights issue with effect from 2 February 2016. Details can be referred to the announcement of the Company dated 2 February 2016.

(b) Long positions in shares of associated corporation

GCL-Poly

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

Notes:

- Mr. Zhu Yufeng is beneficially interested in a trust as to 6,370,388,156 shares in GCL-Poly. Of these interest of 6,370,388,156 shares in GCL-Poly, 366,880,131 shares in GCL-Poly, 13,200,000 shares in GCL-Poly and 5,990,308,025 shares in GCL-Poly are legally held by each of the Trust Companies, respectively. Each of the Trust Companies is wholly-owned by Golden Concord Group Limited, which in turn is wholly-owned by Asia Pacific Energy Holdings Limited. Asia Pacific Energy Holdings Limited is in turn wholly-owned by Asia Pacific Energy Fund Limited, which itself is held under a discretionary trust with Credit Suisse Trust Limited as trustee and Mr. Zhu Gongshan (a director and the chairman of GCL-Poly) and his family (including Mr. Zhu Yufeng, a director of GCL-Poly and the son of Mr. Zhu Gongshan) as beneficiaries. Of the 6,370,388,156 shares in GCL-Poly as stated above, 173,333,334 shares in GCL-Poly are legally held by PAA as the shares in GCL-Poly borrowed by it from Happy Genius Holdings Limited pursuant to the securities lending agreement dated 27 November 2013 (as amended by a number of agreements) entered into between Happy Genius Holdings Limited as lender and PAA as borrower.
- These are share options granted by GCL-Poly to the eligible persons, pursuant to the pre-IPO share option scheme and the share option scheme of GCL-Poly, both adopted by the shareholders of GCL-Poly on 22 October 2007. Such granted share options can be exercised by the eligible persons at various intervals during the period from 1 April 2009 to 28 March 2026 at an exercise price of HK\$0.586, HK\$4.071, HK\$1.160 or HK\$1.324 per share.
- The 175,851,259 underlying shares of GCL-Poly comprises the long position of 173,333,334 shares of GCL-Poly held by Happy Genius Holdings Limited under Note (1) and 2,517,925 share options mentioned under Note (2) above.

Save as disclosed above, as at the Latest Practicable Date, none of the other Directors or the chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning in Part XV of the SFO) which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of SFO); (ii) required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Listing Rules to be notified to the Company and the Stock Exchange.

(ii) Interests of substantial Shareholders

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

Long positions in the Shares

Name	Nature of interest	Number of Shares	Approximate percentage in issued Shares
Elite Time Global	Beneficial owner	11,880,000,000 <i>(Note 1)</i>	62.28%
GCL-Poly	Corporate interest	11,880,000,000 <i>(Note 1)</i>	62.28%
Haitong International New Energy VIII Limited	Beneficial owner	1,844,978,301 <i>(Note 2)</i>	9.67%
Haitong International Securities Group Limited	Corporate interest	1,844,978,301 <i>(Note 2)</i>	9.67%
Haitong Securities Co., Ltd.	Corporate interest	1,844,978,301 <i>(Note 2)</i>	9.67%
China Orient Asset Management Co., Ltd.	Corporate interest	1,027,984,084 <i>(Note 3)</i>	5.39%

Notes:

1. Elite Time Global is wholly-owned by GCL-Poly.
2. According to the notice of interests filed by Haitong International Securities Group Limited and Haitong Securities Co., Ltd. on 3 February 2016, Haitong International New Energy VIII Limited is indirectly wholly-owned by Haitong International Securities Group Limited, which is indirectly owned as to 60.01% by Haitong Securities Co., Ltd.
3. Talent Legend Holdings Ltd. holds outstanding convertible bonds in the aggregate principal amount of HK\$775,100,000.00 due on 27 March 2018. Talent Legend Holdings Ltd. is indirectly controlled by China Orient Asset Management Co., Ltd.

Save as disclosed herein, as at the Latest Practicable Date, according to the register of interests required to be kept by the Company under section 336 of the SFO, the Company is not aware of any other persons who had any interest or short position in the Shares or underlying Shares.

3. DISCLOSURE OF OTHER INTERESTS OF THE DIRECTORS

(i) Interests in competing interests

Each of the companies in the Concord Group (a general reference to the companies in which Mr. Zhu Yufeng and his family members have a direct or indirect interest) operates within its own legal, corporate and financial framework. As at the Latest Practicable Date, the Concord Group might have had or developed interests in business similar to those of the Group and there was a chance that such businesses might have competed with the businesses of the Group.

The Directors are fully aware of, and have been discharging, their fiduciary duty to the Company. The Company and the Directors would comply with the relevant requirements of the by-laws of the Company and the Listing Rules whenever a Director has any conflict of interest in the transaction(s) with the Company. Therefore, the Directors believe that the Company is capable of carrying out its business independently of, and at arm's length from the Concord Group.

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

(ii) Interests in contracts or arrangements

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

(iii) Interests in assets

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2016 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or been proposed to enter, into any service contract with the Company or any other member of the Group which is not expiring or may not be terminable by the Group within one year without payment of compensation (other than statutory compensation).

5. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within the two years immediately preceding the Latest Practicable Date which are or may be material:

- (i) the amendment and restatement deed on 14 July 2015 in relation to the convertible bonds in the principal amount of HK\$200,000,000 to be issued to Ivyrock China Focus Master Fund;
- (ii) the underwriting agreement dated 15 December 2015 entered into between the Company, Elite Time Global and Haitong International Securities Company Limited in relation to the underwriting of rights shares of the Company and certain other arrangements in respect of the rights issue of the Company;
- (iii) the cooperation agreement dated 27 April 2016 entered into between Dongfu Jueqi, Nanjing GCL New Energy, Suzhou GCL New Energy and the Company in relation to cooperation for the Beijing Limited Partnership;
- (iv) the partnership agreement dated 27 April 2016 entered into between Dongfu Jueqi, Nanjing GCL New Energy and Dongfu (Beijing) Huitong Investment Management Company Limited* (北京東富崛起經濟諮詢中心(有限合夥)) in relation to the establishment of the Beijing Limited Partnership;
- (v) the underwriting agreement dated 18 July 2016 entered into between Suzhou GCL New Energy and Guotai Junan Securities Co. Ltd.* (國泰君安證券股份有限公司) in relation to the issuance of non-public corporate bonds to qualifying investors in the maximum principal amount of RMB2,000,000,000 on the Shanghai Stock Exchange (上海證券交易所) and certain other arrangements in respect of the non-public corporate bonds with a term of up to 3 years;
- (vi) the perpetual notes agreement dated 18 November 2016 entered into between Nanjing GCL New Energy and GCL-Poly (Suzhou) New Energy Co., Ltd.* (保利協鑫(蘇州)新能源有限公司), Jiangsu GCL Silicon Material Technology Development Co., Ltd. (江蘇協鑫硅材料科技發展有限公司), Suzhou GCL Photovoltaic Technology Co., Ltd. (蘇州協鑫光伏科技有限公司) and Taicang GCL Photovoltaic Technology Co., Ltd. (太倉協鑫光伏科技有限公司) in relation to perpetual notes in the maximum amount of RMB1,800,000,000 with an indefinite term;
- (vii) the agreements in relation to the issuance of non-public green bonds by Suzhou GCL New Energy on 7 December 2016 in the PRC in the maximum principal amount of RMB1,750,000,000 with a term of not more than three years to not more than 200 qualifying investors on the Shenzhen Stock Exchange (深圳證券交易所); and
- (viii) the sale and purchase agreement dated 30 December 2016 entered into between the Company and Mr. Yip Sum Yin in relation to the disposal of the entire equity interest in Same Time International (B.V.I.) Limited.

6. CLAIMS AND LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

7. GENERAL

- (i) the registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11 Bermuda.
- (ii) the principal place of business of the Company in Hong Kong is situated at Unit 1701A – 1702A, Level 17, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.
- (iii) the branch share registrar and transfer office of the Company is Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
- (iv) the company secretary of the Company is Mr. Cheng Man Wah, who is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.
- (v) in case of inconsistencies, the English texts of this circular shall prevail over the Chinese texts thereof.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection from 9:00 a.m. to 5:30 p.m. at the principal place of business of the Company in Hong Kong at Unit 1701A – 1702A, Level 17, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong for a period of 14 days from the date of this circular:

- (i) the memorandum of association and bye-laws of the Company;
- (ii) the annual reports of the Company for each of the year ended 31 December 2015 and 31 December 2016;
- (iii) the material contracts referred to in the section headed “Material Contracts” in this appendix;
- (iv) the Yulin Finance Lease Agreements;
- (v) the Previous Finance Lease Agreements;
- (vi) the circular of the Company dated 20 January 2017 in relation to the major and connected transaction for the disposal of the printed circuit board business;

- (vii) the circular of the Company dated 16 March 2017 in relation to the major transaction with Citic Financial Leasing Co., Ltd.* (中信金融租賃有限公司);
- (viii) the circular of the Company dated 19 May 2017 in relation to the major transaction with Xi'an Datang Electric Power Design and Research Institute Co., Ltd.* (西安大唐電力設計研究院有限公司);
- (ix) the circular of the Company dated 15 June 2017 in relation to the major transaction with PowerChina Group* (中國電建集團); and
- (x) this circular.