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GCL-Poly Energy Holdings Limited

保利協鑫能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3800)



GCL New Energy Holdings Limited

協鑫新能源控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 451)

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

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

**THE HUARONG FINANCE LEASE AGREEMENTS WITH CINDA
FINANCIAL LEASING AND THE SECOND HUARONG EPC
SUPPLEMENTAL AGREEMENT WITH XI'AN DATANG ELECTRIC**

On 23 October 2017, the GNE Group entered into:

- (i) the Huarong Finance Lease Agreements, with Cinda Financial Leasing, pursuant to which (i) Cinda Financial Leasing shall purchase from Xi'an Datang Electric the Huarong Leased Assets at a consideration of RMB554,597,773 (equivalent to approximately HK\$653,582,904), of which RMB550,000,000 (equivalent to approximately HK\$648,164,516) shall be payable by Cinda Financial Leasing and the remainder shall be payable by Huarong GCL New Energy; (ii) following the acquisition, Cinda Financial Leasing, as the lessor, shall lease the Huarong Leased Assets to Huarong GCL New Energy, as the lessee, at an aggregated estimated rent of RMB676,642,770 (equivalent to approximately HK\$797,410,606 for a term of 8 years, commencing from the date that the Huarong Lease Assets are delivered to Huarong GCL New Energy; and (iii) Nanjing GCL New Energy shall be liable for any defects (if any) in respect of the Huarong Leased Assets). In addition, pursuant to the Huarong Finance Lease Agreements, Huarong GCL New Energy shall pay Cinda Financial Leasing a finance lease service fee of RMB48,400,000 (equivalent to approximately HK\$57,038,477); and
- (ii) the Second Huarong EPC Supplemental Agreement, with Xi'an Datang Electric, pursuant to which the terms of the Huarong EPC Agreement shall be amended so that Xi'an Datang Electric no longer needs to procure the Huarong Lease Assets for Huarong GCL New Energy and the total consideration is reduced by RMB550,000,000 (equivalent to approximately HK\$648,164,516).

(together, the "Current Agreements").

THE UNDISCLOSED PREVIOUS FINANCE LEASE AGREEMENTS WITH CINDA FINANCIAL LEASING

In addition, the GNE Group entered into the following finance lease agreements with Cinda Financial Leasing in the past 12 months which were not previously disclosed:

- (i) the Meng II Finance Lease Agreements, pursuant to which (i) Cinda Financial Leasing purchased from Nanjing GCL New Energy the Meng II Leased Assets at a consideration of RMB48,878,699 (equivalent to approximately HK\$57,602,615), of which RMB48,000,000 (equivalent to approximately HK\$56,567,085) was payable by Cinda Financial Leasing and the remainder was payable by Meng County Puyang; and (ii) following the acquisition, Cinda Financial Leasing, as the lessor, leased the Meng II Leased Assets to Meng County Puyang, as the lessee, for a term of 8 years at an aggregated estimated rent of RMB58,694,242 (equivalent to approximately HK\$69,170,045). In addition, pursuant to the Meng II Finance Lease Agreements, Meng County Puyang agreed to pay Cinda Financial Leasing a financial lease service fee of RMB3,792,000 (equivalent to approximately HK\$4,468,800);
- (ii) the Yilian Finance Lease Agreements, pursuant to which (i) Cinda Financial Leasing purchased from Jilin Yilian GCL New Energy the Yilian Leased Assets at a consideration of RMB60,000,000 (equivalent to approximately HK\$70,708,856); and (ii) following the acquisition, Cinda Financial Leasing, as the lessor, leased the Yilian Leased Assets to Jilin Yilian GCL New Energy, as the lessee, for a term of 8 years at an aggregated estimated rent of RMB73,531,440 (equivalent to approximately HK\$86,655,400). In addition, pursuant to the Yilian Finance Lease Agreements, Jilin Yilian GCL New Energy agreed to pay Cinda Financial Leasing a financial lease service fee of RMB4,800,000 (equivalent to approximately HK\$5,656,709); and
- (iii) the Tongyu Finance Lease Agreements, pursuant to which (i) Cinda Financial Leasing purchased from Tongyu County Zanjia the Tongyu Leased Assets at a consideration of RMB105,000,000 (equivalent to approximately HK\$123,740,498); and (ii) following the acquisition, Cinda Financial Leasing, as the lessor, leased the Tongyu Leased Assets to Tongyu County Zanjia, as the lessee, for a term of 8 years at an aggregated estimated rent of RMB128,680,020 (equivalent to approximately HK\$151,646,951). In addition, pursuant to the Tongyu Finance Lease Agreements, Tongyu County Zanjia agreed to pay Cinda Financial Leasing a financial lease service fee of RMB8,400,000 (equivalent to approximately HK\$9,899,240),

(together, the “**Undisclosed Previous Finance Lease Agreements**”).

THE DISCLOSED PREVIOUS FINANCE LEASE AGREEMENTS WITH CINDA FINANCIAL LEASING

As disclosed in the Previous Cinda Announcements, the GNE Group also entered into the following finance lease agreements with Cinda Financial Leasing in the past 12 months:

- (i) the Ruzhou Finance Lease Agreements, pursuant to which (i) Cinda Financial Leasing purchased from Nanjing GCL New Energy the Ruzhou Leased Assets at a consideration of RMB504,523,164 (equivalent to approximately HK\$594,570,932); and (ii) following the acquisition, Cinda Financial Leasing, as the lessor, leased the Ruzhou Leased Assets to Ruzhou GCL, as the lessee, for a term of 8 years at an aggregate estimated rent of RMB538,005,073 (equivalent to approximately HK\$634,028,723). In addition, pursuant to the Ruzhou Finance Lease Agreements, Ruzhou GCL agreed to pay Cinda Financial Leasing a finance lease service fee of RMB21,072,000 (equivalent to approximately HK\$24,832,950);
- (ii) the Taigu Finance Lease Agreements, pursuant to which (i) Cinda Financial Leasing purchased from Taigu Fengguang the Taigu Leased Assets at a consideration of RMB120,000,000 (equivalent to approximately HK\$141,417,713); and (ii) following the acquisition, Cinda Financial Leasing, as the lessor, leased the Taigu Leased Assets to Taigu Fengguang, as the lessee, for a term of 8 years at an aggregate estimated rent of RMB147,000,787 (equivalent to approximately HK\$173,237,625). In addition, pursuant to the Taigu Finance Lease Agreements, Taigu Fengguang agreed to pay Cinda Financial Leasing a finance lease service fee of RMB5,760,000 (equivalent to approximately HK\$6,788,050);
- (iii) the Shanggao Finance Lease Agreements, pursuant to which (i) Cinda Financial Leasing purchased from Shanggao County Lifeng the Shanggao Leased Assets at a consideration of RMB120,000,000 (equivalent to approximately HK\$141,417,713); and (ii) following the acquisition, Cinda Financial Leasing, as the lessor, leased the Shanggao Leased Assets to Shanggao County Lifeng, as the lessee, for a term of 8 years at an aggregate estimated rent of RMB147,062,890 (equivalent to approximately HK\$173,310,813). In addition, pursuant to the Shanggao Finance Lease Agreements, Shanggao County Lifeng agreed to pay Cinda Financial Leasing a finance lease service fee of RMB5,760,000 (equivalent to approximately HK\$6,788,050);

- (iv) the Meng Finance Lease Agreements, pursuant to which (i) Cinda Financial Leasing purchased from Meng County Puyang the Meng Leased Assets at a consideration of RMB180,000,000 (equivalent to approximately HK\$212,126,569); and (ii) following the acquisition, Cinda Financial Leasing, as the lessor, leased the Meng Leased Assets to Meng County Puyang, as the lessee, for a term of 8 years at an aggregate estimated rent of RMB220,594,335 (equivalent to approximately HK\$259,966,219). In addition, pursuant to the Meng Finance Lease Agreements, Meng County Puyang agreed to pay Cinda Financial Leasing a finance lease service fee of RMB8,640,000 (equivalent to approximately HK\$10,182,075); and
- (v) the Anfu Finance Lease Agreements, pursuant to which (i) Cinda Financial Leasing purchased the from Anfu GCL the Anfu Leased Assets at a consideration of RMB100,000,000 (equivalent to approximately HK\$117,848,094); and (ii) following the acquisition, Cinda Financial Leasing, as the lessor, leased the Anfu Leased Assets to Anfu GCL, as the lessee, for a term of 6 years at an aggregate estimated rent of RMB118,257,936 (equivalent to approximately HK\$139,364,723), commencing from the date that the consideration for the Anfu Leased Assets is paid by Cinda Financial Leasing. In addition, pursuant to the Anfu Finance Lease Agreements, Anfu GCL agreed to pay Cinda Financial Leasing a finance lease service fee of RMB3,600,000 (equivalent to approximately HK\$4,242,531),

(together, the “**Disclosed Previous Finance Lease Agreements**”).

THE PREVIOUS PC/EPC AND EQUIPMENT PURCHASE AGREEMENTS WITH XI’AN DATANG ELECTRIC

As disclosed in the Previous Xi’an Datang Electric Announcements, the GNE Group entered into the following PC/EPC agreements and equipment purchase agreements with Xi’an Datang Electric in the past 12 months:

- (i) the Huaibei PC Agreement, the Huaibei PC Supplemental Agreement, the Huaibei GNE Guarantee and the Huaibei Equipment Purchase Agreement all dated 15 September 2017;
- (ii) the Huarong EPC Agreement, the Huarong EPC Supplemental Agreement, the Huarong GNE Guarantee and the Huarong Equipment Purchase Agreement all dated 28 April 2017;

- (iii) the Henan Sanmenxia EPC Agreement, the Henan Sanmenxia EPC Supplemental Agreement, the Henan Sanmenxia GNE Guarantee and the Henan Sanmenxia Equipment Purchase Agreement all dated 28 April 2017; and
- (iv) the Lianshui EPC Supplemental Agreement dated 30 June 2017, the Previous Lianshui Equipment Purchase Agreement dated 17 January 2017, the Previous Lianshui EPC Agreement and the Previous Lianshui EPC Supplemental Agreement both dated 30 December 2016.

LISTING RULES IMPLICATIONS

GCL-Poly

As Wuxi Huaguang (a company incorporated in the PRC and the shares of which are listed on the Shanghai Stock Exchange, with stock code 600475) holds approximately 24.81% shareholding interest in Konca Solar (a subsidiary of GCL-Poly) and as at the date of this joint announcement, GCL-Poly is interested in approximately 62.28% of the issued share capital of GNE, therefore, Wuxi Huaguang is a connected person of GCL-Poly at the subsidiary level (but not a connected person of GNE). In addition, Wuxi Huaguang effectively holds approximately 90.33% of shareholding interests in Xi'an Datang Electric, Xi'an Datang Electric is therefore an associate of a connected person of GCL-Poly at the subsidiary level (but not a connected person of GNE). Accordingly, the entering into of the Huarong Finance Lease Agreements constitutes a connected transaction for GCL-Poly under Chapter 14A of the Listing Rules.

As the GNE Group entered into the Huaibei PC and Equipment Purchase Agreements with Xi'an Datang Electric within a 12-month period prior to and inclusive of the date of the Huarong Finance Lease Agreements, the Huaibei PC and Equipment Purchase Agreements and the Huarong Finance Lease Agreements shall be aggregated as a series of transactions for GCL-Poly pursuant to Rule 14A.81 of the Listing Rules.

As the highest applicable percentage ratio in respect of the Huarong Finance Lease Agreements and the Huaibei PC and Equipment Purchase Agreements, on an aggregated basis, exceed 5% for GCL-Poly, the entering into of the Huarong Finance Lease Agreements constitutes a connected transaction for GCL-Poly. The GCL-Poly Directors (including the independent non-executive GCL-Poly Directors) have approved the Huarong Finance Lease Agreements and confirmed that the terms of the Huarong Finance Lease Agreements are fair and reasonable, the Huarong Finance Lease Agreements are on normal commercial terms or better and in the interests of GCL-Poly and the GCL-Poly Shareholders as a whole. Pursuant to Rule 14A.101 of the Listing Rules, the Huarong Finance Lease Agreements are subject to the reporting and announcement requirements but are exempted from the circular, independent financial advice and shareholders' approval requirements.

GNE

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

As the highest applicable percentage ratio in respect of the Current Agreements exceeds 5% but is less than 25% for GNE, the entering into of the Current Agreements constitutes discloseable transactions for GNE and GNE shall comply with the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the Previous Finance Lease Agreements were entered into with Cinda Financial Leasing within a 12-month period prior to and inclusive of the date of the Huarong Finance Lease Agreements, the Huarong Finance Lease Agreements and the Previous Finance Lease Agreements shall be aggregated as a series of transactions for GNE pursuant to Rule 14.22 of the Listing Rules. The entering into of the Huarong Finance Lease Agreements and the Previous Finance Lease Agreements (in aggregate) did not trigger a classification higher than a discloseable transaction for GNE under Chapter 14 of the Listing Rules.

As the Previous EPC and Equipment Purchase Agreements were entered into with Xi'an Datang Electric within a 12-month period prior to and inclusive of the date of the Current Agreements, the Huarong Sale and Purchase Agreement, the Second Huarong EPC Supplemental Agreement and the Previous EPC and Equipment Purchase Agreements shall be aggregated as a series of transactions for GNE pursuant to Rule 14.22 of the Listing Rules. The entering into of the Huarong Sale and Purchase Agreement, the Second Huarong EPC Supplemental Agreement and the Previous EPC and Equipment Purchase Agreement with Xi'an Datang Electric (in aggregate) did not trigger a classification higher than a major transaction for GNE under Chapter 14 of the Listing Rules.

1. THE CURRENT AGREEMENTS

A. Principle terms of the Huarong Finance Lease Agreements

(i) **Date:** 23 October 2017

(ii) **Parties:** (1) Lessee: Huarong GCL New Energy

(2) Lessor and Purchaser: Cinda Financial Leasing

(3) Seller: Xi'an Datang Electric

(4) Supplier: Nanjing GCL New Energy

(iii) **The Huarong Finance Lease and the Huarong Sale and Purchase Agreement**

Pursuant to the Huarong Finance Lease and the Huarong Sale and Purchase Agreement, (i) Cinda Financial Leasing shall purchase the Huarong Leased Assets from Xi'an Datang Electric at a consideration of RMB554,597,773 (equivalent to approximately HK\$653,582,904), of which RMB550,000,000 (equivalent to approximately HK\$648,164,516) shall be payable by Cinda Financial Leasing and the remainder shall be payable by Huarong GCL New Energy; (ii) following the acquisition, Cinda Financial Leasing shall lease the Huarong Leased Assets to Huarong GCL New Energy at an aggregate estimated rent of RMB676,642,770 (equivalent to approximately HK\$797,410,606) for a term of 8 years, commencing from the date that the Huarong Lease Assets are delivered to Huarong GCL New Energy; and (iii) Nanjing GCL New Energy shall be liable for any defects (if any) in respect of the Huarong Leased Assets.

Cinda Financial Leasing shall pay the relevant part of the consideration for the Huarong Leased Assets to Xi'an Datang Electric within 30 business days after the signing of the Huarong Finance Lease and the Huarong Sale and Purchase Agreement, provided that the following conditions have been satisfied: (i) Cinda Financial Leasing having received the corresponding portion of the finance lease service fee and the Huarong Security Deposit payable by Huarong GCL New Energy under the Huarong Finance Lease; (ii) Huarong GCL New Energy or such other parties to the Huarong Finance Lease Agreements cooperate with Cinda Financial Leasing to complete registration procedures for the Huarong Share Pledge Agreement, the Huarong Electricity Fee Pledge Agreement, the Huarong Leased Assets Mortgage Agreement and the Huarong Land Use Right Pledge Agreement or such other pledges with regards to projects under construction and confirmation from Cinda Financial Leasing that the registration has been completed; (iii) Huarong GCL New Energy having changed the priority beneficiary of the insurance policy covering the Huarong Leased Assets to Cinda Financial Leasing; and (iv) other conditions under the Huarong Finance Lease being satisfied.

(iv) Payment of Rent and Service Fee

The estimated aggregate amount of rent payable by Huarong GCL New Energy to Cinda Financial Leasing under the Huarong Finance Lease Agreements is RMB676,642,770 (equivalent to approximately HK\$797,410,606) and shall be payable in a total of 32 quarterly instalments. Based on the commencement date of 25 October 2017, the initial two instalments will be RMB6,872,250 (equivalent to approximately HK\$8,098,816), respectively. Each of the remaining 30 instalments will be RMB22,096,609 (equivalent to approximately HK\$26,040,433).

The estimated aggregate amount of rent was calculated based on the principal lease cost plus the lease interest rate. The principal lease cost under the Huarong Finance Lease was RMB550,000,000 (equivalent to approximately HK\$648,582,904). The interest rate under the Huarong Finance Lease was calculated at an annualised interest rate of 4.998%, representing the current benchmark lending rate promulgated by the People's Bank of China for an 8-year term. During the term of the Huarong 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.

In addition, Huarong GCL New Energy has agreed to pay a finance lease service fee to Cinda Financial Leasing of RMB48,400,000 (equivalent to approximately HK\$57,038,477). Huarong GCL New Energy shall pay the service fee in equal annual instalments of RMB6,050,000 (equivalent to approximately HK\$7,129,810), the first instalment of which shall be paid to Cinda Financial Leasing within five days of the signing of the Huarong Finance Lease.

The terms of the Huarong Finance Lease including the lease rent, lease interest rate and service fee were determined after arm's length negotiation between Cinda Financial Leasing and Huarong GCL New Energy 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 Huarong Leased Assets payable by Cinda Financial Leasing and Huarong GCL New Energy under the Huarong Sale and Purchase Agreement was determined through arm's length negotiation between the parties with reference to the average fair market price of similar equipment and the amount of financing agreed to be provided by Cinda Financial Leasing.

(v) Ownership of the Huarong Leased Assets

During the term of the Huarong Finance Lease, the ownership of the Huarong Leased Assets shall vest in Cinda Financial Leasing and Cinda Financial Leasing shall not interfere with the normal use of the Huarong Leased Assets by Huarong GCL New Energy unless Huarong GCL New Energy commits a breach under the Huarong Finance Lease. Upon expiry of the term of the Huarong Finance Lease and subject to the full payment of the entire amount of the lease rent and interest and any other amounts due under the Huarong Finance Lease, Huarong GCL New Energy shall purchase the Huarong Leased Assets on an "as is" basis from Cinda Financial Leasing for a nominal purchase price of RMB100 (equivalent to approximately HK\$118).

(vi) Security Arrangements for the Huarong Finance Lease

Pursuant to the Huarong Finance Lease Agreements, Huarong GCL New Energy shall within 5 days of the signing of the Huarong Finance Lease pay to Cinda Financial Leasing the one-off Huarong Security Deposit which shall be paid prior to Cinda Financial Leasing paying the consideration for the Huarong Leased Assets to secure Huarong GCL New Energy's obligations under the Huarong Finance Lease. Cinda Financial Leasing shall be entitled to deduct from the Huarong Security Deposit any unpaid rent, interest, default interest and any other amount due and payable by Huarong GCL New Energy. In the event of such deduction, Huarong GCL New Energy shall make up for the deduction and restore the amount of the

Huarong Security Deposit to RMB22,000,000 (equivalent to approximately HK\$25,926,581) upon notice from Cinda Financial Leasing. Following the expiry of the Huarong Finance Lease, any remaining balance of the Huarong Security Deposit shall be refunded to Huarong GCL New Energy. The Huarong Security Deposit shall not bear any interest during the term of the Huarong Finance Lease.

Furthermore, the obligations under the Huarong Finance Lease Agreements are secured by the following:

- (a) ***Nanjing GCL Huarong Guarantee:*** pursuant to the Nanjing GCL Huarong Guarantee, Nanjing GCL New Energy has agreed to provide a guarantee to secure Huarong GCL New Energy's obligations under the Huarong Finance Lease, including rental payments, interest, finance lease service fee, security deposit and other amounts due to Cinda Financial Leasing;
- (b) ***Suzhou GCL Huarong Guarantee:*** pursuant to the Suzhou GCL Huarong Guarantee, Suzhou GCL New Energy has agreed to provide a guarantee to secure Huarong GCL New Energy's obligations under the Huarong Finance Lease, including rental payments, interest, finance lease service fee, security deposit and other amounts due to Cinda Financial Leasing;
- (c) ***Huarong Leased Assets Mortgage Agreement:*** pursuant to the Huarong Leased Assets Mortgage Agreement, Huarong GCL New Energy has agreed to mortgage the Huarong Leased Assets to secure all of its obligations under the Huarong Finance Lease;
- (d) ***Huarong Land Use Rights Pledge Agreement:*** pursuant to the Huarong Land Use Rights Pledge Agreement, Huarong GCL New Energy agreed to pledge the land use rights in relation to a piece of land owned by Huarong GCL New Energy located in Ta'xi Lake of Huarong County of Yueyang City of Henan Province, the PRC, with an area of 11,340 square meters and valued at RMB3,212,900 (equivalent to approximately HK\$3,786,341);
- (e) ***Huarong Electricity Fee Pledge Agreement:*** pursuant to the Huarong Electricity Pledge Agreement, Huarong GCL New Energy agreed to pledge 100% of its right to electricity fees in relation to the Huarong Project to secure its obligations under the Huarong Finance Lease; and
- (f) ***Huarong Share Pledge Agreement:*** pursuant to the Huarong Share Pledge Agreement, Suzhou GCL New Energy has agreed to pledge 100% of the equity interest in Huarong GCL New Energy to secure all of Huarong GCL New Energy's obligations under the Huarong Finance Lease.

B. Principle terms of the Second Huarong EPC Supplemental Agreement

- (i) **Date:** 23 October 2017
- (ii) **Parties:** (1) Joint principals: Suzhou GCL New Energy
Huarong GCL New Energy
- (2) Contractors: Xi'an Datang Electric

(iii) The Second Huarong EPC Supplemental Agreement

The Second Huarong EPC Supplemental Agreement is an amendment to the Huarong EPC Agreement entered into between Huarong GCL New Energy and Xi'an Datang Electric on 28 April 2017. For further information, please refer to the announcement of GNE dated 28 April 2017.

Pursuant to the Second Huarong EPC Supplemental Agreement, the terms of the Huarong EPC Agreement shall be amended so that Xi'an Datang Electric no longer needs to procure the Huarong Leased Assets for Huarong GCL New Energy and accordingly, the solar power station equipment fee and construction material fee is reduced from RMB554,597,773 (equivalent to approximately HK\$653,582,904) to RMB4,597,773 (equivalent to approximately HK\$5,418,388). The total consideration is reduced from RMB614,885,159 (equivalent to approximately HK\$724,630,439) to RMB64,885,159 (equivalent to approximately HK\$76,465,923).

The Second Huarong EPC Supplemental Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration was determined with reference to (a) the quality of the Huarong Leased Assets that was originally to be procured by Xi'an Datang Electric; (b) the profit margin of the Huarong Project; and (c) the prevailing market price of the Huarong Leased Assets.

2. THE UNDISCLOSED PREVIOUS FINANCE LEASE AGREEMENTS WITH CINDA FINANCIAL LEASING

A. Principal terms of the Meng II Finance Lease Agreements

- (i) Date:** 27 June 2017
- (ii) Parties:**
 - (1) Lessee: Meng County Puyang
 - (2) Lessor: Cinda Financial Leasing
- (iii) The Meng II Finance Lease and the Meng II Sale and Purchase Agreement**

Pursuant to the terms of the Meng II Finance Lease and the Meng II Sale and Purchase Agreement, (i) Cinda Financial Leasing and Meng County Puyang purchased the Meng II Leased Assets from Nanjing GCL New Energy at a consideration of RMB48,878,699 (equivalent to approximately HK\$57,602,615), of which RMB48,000,000 (equivalent to approximately HK\$56,567,085) was payable by Cinda Financial Leasing and RMB878,699 (equivalent to approximately HK\$1,035,530) was payable by Meng County Puyang; and (ii) following the acquisition, Cinda Financial Leasing, as the lessor, leased the Meng II Leased Assets to Meng County Puyang, as the lessee, at an aggregate estimated rent of RMB58,694,242 (equivalent to approximately HK\$69,170,045) for a term of 8 years, commencing from the date that the Meng II Leased Assets are delivered to Meng County Puyang.

Cinda Financial Leasing was required to pay the relevant part of the consideration for the Meng II Leased Assets to Nanjing GCL New Energy in two instalments:

- (1) RMB43,200,000 (equivalent to approximately HK\$50,910,377) was required to be paid within 30 days after the signing of the Meng II Finance Lease and the Meng II Sale and Purchase Agreement, provided that the following conditions were satisfied: (i) Cinda Financial Leasing received the corresponding portion of the finance lease service fee and the Meng II Security Deposit payable by Meng County Puyang under the Meng II Finance Lease; and (ii) Cinda Financial Leasing received a notice of payment issued by Nanjing GCL New Energy; and

- (2) the remaining RMB4,800,000 (equivalent to approximately HK\$5,656,709) shall be paid within 12 months after the aforementioned consideration has been paid by Cinda Financial Leasing to Nanjing GCL New Energy, provided that the following conditions are satisfied: (i) Cinda Financial Leasing having received the corresponding portion of the finance lease service fee and the Meng II Security Deposit payable by Meng County Puyang under the Meng II Finance Lease; and (ii) Cinda Financial Leasing having received a notice of payment issued by Nanjing GCL New Energy.

(iv) Payment of Rent and Service Fee

The estimated aggregate amount of rent payable by Meng County Puyang to Cinda Financial Leasing under the Meng II Finance Lease Agreements is RMB58,694,242 (equivalent to approximately HK\$69,170,045). As the consideration for the Meng II Leased Assets is payable by Cinda Financial Leasing to Nanjing GCL New Energy in two instalments, the aggregate amount of rent payable shall be divided into two separate payment streams, as follows:

- (1) RMB52,942,650 (equivalent to approximately HK\$62,391,904) shall be payable in a total of 32 quarterly instalments. Based on the commencement date of 30 June 2017, the initial two instalments was RMB529,200 (equivalent to approximately HK\$623,652) each. Each of the remaining 30 instalments will be RMB1,729,475 (equivalent to approximately HK\$2,038,153) (the “**First Payment Stream**”); and
- (2) RMB5,751,592 (equivalent to approximately HK\$6,778,142) shall be payable in a total of 28 quarterly instalments. Based on the commencement date of 30 June 2018, the initial two instalments will be RMB58,800 (equivalent to approximately HK\$69,295) each. Each of the remaining 26 instalments shall be RMB216,692 (equivalent to approximately HK\$255,367) (the “**Second Payment Stream**”).

The estimated aggregate amount of rent was calculated based on the principal lease cost plus the lease interest rate. The principal lease cost under the First Payment Stream of the Meng II Finance Lease and the Second Payment Stream under the Meng II Finance Lease was RMB43,200,000 (equivalent to approximately HK\$50,910,377) and RMB4,800,000 (equivalent to approximately HK\$5,656,709), respectively. The interest rate under the Meng II Finance Lease was calculated at an annualised interest rate of 4.9%, representing the current benchmark lending rates promulgated by the People’s Bank of China for an 8-year term and a 7-year term, respectively. During the term of the Meng II 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.

In addition, Meng County Puyang agreed to pay an aggregate finance lease service fee to Cinda Financial Leasing of RMB3,792,000 (equivalent to approximately HK\$4,468,800). Meng County Puyang shall pay the service fee in respect of the First Payment Stream in equal annual instalments of RMB432,000 (equivalent to approximately HK\$509,104), the first instalment under the First Payment Stream was paid within five days of the signing of the Meng II Finance Lease. Meng County Puyang shall pay the service fee in respect of the Second Payment Stream in equal annual instalments of RMB48,000 (equivalent to approximately HK\$56,567), the first instalment under the Second Payment Stream shall be paid before Cinda Financial Leasing pays the second instalment of the consideration to Nanjing GCL New Energy.

The terms of the Meng II Finance Lease including the lease rent, lease interest rate and service fee were determined after arm's length negotiation between Cinda Financial Leasing and Meng County Puyang 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 Meng II Leased Assets payable by Cinda Financial Leasing under the Meng II Sale and Purchase Agreement was determined through arm's length negotiation between the parties with reference to the average fair market price of similar equipment and the amount of financing agreed to be provided by Cinda Financial Leasing.

(v) Ownership of the Meng II Leased Assets

During the term of the Meng II Finance Lease, the ownership of the Meng II Leased Assets shall vest in Cinda Financial Leasing and Cinda Financial Leasing shall not interfere with the normal use of the Meng II Leased Assets by Meng County Puyang unless Meng County Puyang commits a breach under the Meng II Finance Lease. Upon expiry of the term of the Meng II Finance Lease and subject to the full payment of the entire amount of the lease rent and interest and any other amounts due under the Meng II Finance Lease, Meng County Puyang shall purchase the Meng II Leased Assets on an "as is" basis from Cinda Financial Leasing for a nominal purchase price of RMB100 (equivalent to approximately HK\$118).

(vi) **Security Arrangements for the Meng II Finance Lease**

Pursuant to the Meng II Finance Lease Agreements, Meng County Puyang shall pay to Cinda Financial Leasing the Meng II Security Deposit which was and shall be (as the case may be) paid prior to Cinda Financial Leasing paying the consideration for the Meng II Leased Assets to secure Meng County Puyang's obligations under the Meng II Finance Lease. Cinda Financial Leasing shall be entitled to deduct from the Meng II Security Deposit any unpaid rent, interest, default interest and any other amount due and payable by Meng County Puyang. In the event of such deduction, Meng County Puyang shall make up for the deduction and restore the amount of the Meng II Security Deposit to RMB3,840,000 (equivalent to approximately HK\$4,525,367) upon notice from Cinda Financial Leasing. Following the expiry of the Meng II Finance Lease, any remaining balance of the Meng II Security Deposit shall be refunded to Meng County Puyang. The Meng II Security Deposit shall not bear any interest during the term of the Meng II Finance Lease.

Furthermore, the obligations under the Meng II Finance Lease Agreements are secured by the following:

- (a) ***Suzhou GCL Meng II Guarantee:*** pursuant to the Suzhou GCL Meng II Guarantee, Suzhou GCL New Energy agreed to provide a guarantee to secure Meng County Puyang's obligations under the Meng II Finance Lease, including rental payments, interest, finance lease service fee, security deposit and other amounts due to Cinda Financial Leasing;
- (b) ***Meng II Leased Assets Mortgage Agreement:*** pursuant to the Meng II Leased Assets Mortgage Agreement, Meng County Puyang agreed to mortgage the Meng II Leased Assets to secure all of its obligations under the Meng II Finance Lease;
- (c) ***Meng II Electricity Fee Pledge Agreement:*** pursuant to the Meng II Electricity Fee Pledge Agreement, Meng County Puyang agreed to pledge 100% of its right to electricity fees in relation to the Meng II Project to secure its obligations under the Meng II Finance Lease; and

- (d) **Meng II Repurchase Agreement:** pursuant to the Meng II Repurchase Agreement, Nanjing GCL New Energy agreed to repurchase the Meng II Leased Assets (or, as the case may be, Meng County Puyang's debts under the Meng II Finance Lease) from Cinda Financial Leasing for a price equal to all outstanding rent, interest, default interest, liquidated damages and any other amounts due to Cinda Financial Leasing under the Meng II Finance Lease in the event of (i) Meng County Puyang failing to pay two consecutive instalments under the Meng II Finance Lease; (ii) Meng County Puyang failing to pay a total of three instalments or more under the Meng II Finance Lease; (iii) there being an outstanding amount of RMB5,000,000 (equivalent to approximately HK\$5,892,405) due and unpaid under the Meng II Finance Lease; or (iv) there being outstanding rent due upon expiry of the term of the Meng II Finance Lease.

B. Principal terms of the Yilian Finance Lease Agreements

- (i) **Date:** 27 June 2017
- (ii) **Parties:** (1) Lessee: Jilin Yilian GCL New Energy
(2) Lessor: Cinda Financial Leasing

(iii) The Yilian Finance Lease

Pursuant to the terms of the Yilian Finance Lease, (i) Cinda Financial Leasing purchased the Yilian Leased Assets from Jilin Yilian GCL New Energy at a consideration of RMB60,000,000 (equivalent to approximately HK\$70,708,856); and (ii) following the acquisition, Cinda Financial Leasing, as the lessor, leased the Yilian Leased Assets to Jilin Yilian GCL New Energy, as the lessee, at an aggregate estimated rent of RMB73,531,440 (equivalent to approximately HK\$86,655,400) for a term of 8 years, commencing from the date that the consideration for the Yilian Leased Assets is paid by Cinda Financial Leasing.

(iv) Payment of Rent and Service Fee

The estimated aggregate amount of rent payable by Jilin Yilian GCL New Energy to Cinda Financial Leasing under the Yilian Finance Lease Agreements is RMB73,531,445 (equivalent to approximately HK\$86,655,406) and is payable in a total of 32 quarterly instalments. Based on the commencement date of 30 June 2017, the initial two instalments was RMB735,000 (equivalent to approximately HK\$866,183) each. Each of the of the remaining 30 instalments shall be RMB2,402,048 (equivalent to approximately HK\$2,830,768).

The estimated aggregate amount of rent was calculated based on the principal lease cost plus the lease interest rate. The principal lease cost under the Yilian Finance Lease was RMB60,000,000 (equivalent to approximately HK\$70,708,856). The interest rate under the Yilian Finance Lease was calculated at an annualised interest rate of 4.9%, representing the current benchmark lending rate promulgated by the People's Bank of China for an 8-year term. During the term of the Yilian 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.

In addition, Jilin Yilian GCL New Energy agreed to pay a finance lease service fee to Cinda Financial Leasing of RMB4,800,000 (equivalent to approximately HK\$5,656,709). Jilin Yilian GCL New Energy shall pay the service fee in equal annual instalments of RMB600,000 (equivalent to approximately HK\$707,089), the first instalment of which was paid within five days of the signing of the Yilian Finance Lease.

The terms of the Yilian Finance Lease including the lease rent, lease interest rate and service fee were determined after arm's length negotiation between Cinda Financial Leasing and Jilin Yilian GCL New Energy 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 Yilian Leased Assets payable by Cinda Financial Leasing under the Yilian Finance Lease was determined through arm's length negotiation between the parties with reference to the average fair market price of similar equipment and the amount of financing agreed to be provided by Cinda Financial Leasing.

(v) Ownership of the Yilian Leased Assets

During the term of the Yilian Finance Lease, the ownership of the Yilian Leased Assets shall vest in Cinda Financial Leasing and Cinda Financial Leasing shall not interfere with the normal use of the Yilian Leased Assets by Jilin Yilian GCL New Energy unless Jilin Yilian GCL New Energy commits a breach under the Yilian Finance Lease. Upon expiry of the term of the Yilian Finance Lease and subject to the full payment of the entire amount of the lease rent and interest and any other amounts due under the Yilian Finance Lease, Jilin Yilian GCL New Energy shall purchase the Yilian Leased Assets on an "as is" basis from Cinda Financial Leasing for a nominal purchase price of RMB100 (equivalent to approximately HK\$118).

(vi) **Security Arrangements for the Yilian Finance Lease**

Pursuant to the Yilian Finance Lease, Jilin Yilian GCL New Energy shall pay to Cinda Financial Leasing the Yilian Security Deposit which was paid within 5 days of the signing of the Yilian Finance Lease to secure Jilin Yilian GCL New Energy's obligations under the Yilian Finance Lease. Cinda Financial Leasing shall be entitled to deduct from the Yilian Security Deposit any unpaid rent, interest, default interest and any other amount due and payable by Jilin Yilian GCL New Energy. In the event of such deduction, Jilin Yilian GCL New Energy shall make up for the deduction and restore the amount of the Yilian Security Deposit to RMB4,800,000 (equivalent to approximately HK\$5,656,709) upon notice from Cinda Financial Leasing. Following the expiry of the Yilian Finance Lease, any remaining balance of the Yilian Security Deposit shall be refunded to Jilin Yilian GCL New Energy. The Yilian Security Deposit shall not bear any interest during the term of the Yilian Finance Lease.

Furthermore, the obligations under the Yilian Finance Lease Agreements are secured by the following:

- (a) ***Nanjing GCL Yilian Guarantee:*** pursuant to the Nanjing GCL Yilian Guarantee, Nanjing GCL New Energy agreed to provide a guarantee to secure Jilin Yilian GCL New Energy's obligations under the Yilian Finance Lease, including rental payments, interest, finance lease service fee, security deposit and other amounts due to Cinda Financial Leasing;
- (b) ***Suzhou GCL Yilian Guarantee:*** pursuant to the Suzhou GCL Yilian Guarantee, Suzhou GCL New Energy agreed to provide a guarantee to secure Jilin Yilian GCL New Energy's obligations under the Yilian Finance Lease, including rental payments, interest, finance lease service fee, security deposit and other amounts due to Cinda Financial Leasing;
- (c) ***Yilian Leased Assets Mortgage Agreement:*** pursuant to the Yilian Leased Assets Mortgage Agreement, Jilin Yilian GCL New Energy agreed to mortgage the Yilian Leased Assets to secure all of its obligations under the Yilian Finance Lease;
- (d) ***Yilian Electricity Fee Pledge Agreement:*** pursuant to the Yilian Electricity Pledge Agreement, Jilin Yilian GCL New Energy agreed to pledge 100% of its right to electricity fees in relation to the Yilian Project to secure its obligations under the Yilian Finance Lease; and

- (e) ***Yilian Share Pledge Agreement:*** pursuant to the Yilian Share Pledge Agreement, Suzhou GCL New Energy agreed to pledge 100% of the equity interest in Jilin Yilian GCL New Energy to secure all of Jilin Yilian GCL New Energy's obligations under the Yilian Finance Lease.

C. Principal terms of the Tongyu Finance Lease Agreements

- (i) **Date:** 28 June 2017
- (ii) **Parties:** (1) Lessee: Tongyu County Zanjia
(2) Lessor: Cinda Financial Leasing

(iii) The Tongyu Finance Lease

Pursuant to the terms of the Tongyu Finance Lease, (i) Cinda Financial Leasing purchased the Tongyu Leased Assets from Tongyu County Zanjia at a consideration of RMB105,000,000 (equivalent to approximately HK\$123,740,498); and (ii) following the acquisition, Cinda Financial Leasing, as the lessor, leased the Tongyu Leased Assets to Tongyu County Zanjia, as the lessee, at an aggregate estimated rent of RMB128,680,029 (equivalent to approximately HK\$151,646,961) for a term of 8 years, commencing from the date that the consideration for the Yilian Leased Assets is paid by Cinda Financial Leasing.

(iv) Payment of Rent and Service Fee

The estimated aggregate amount of rent payable by Tongyu County Zanjia to Cinda Financial Leasing under the Tongyu Finance Lease Agreements is RMB128,680,020 (equivalent to approximately HK\$151,646,951) and is payable in a total of 32 quarterly instalments. Based on the commencement date of 15 May 2017, the initial two instalments was RMB1,286,250 (equivalent to approximately HK\$1,515,821) each. Each of the of the remaining 30 instalments shall be RMB4,203,584 (equivalent to approximately HK\$4,953,844).

The estimated aggregate amount of rent was calculated based on the principal lease cost plus the lease interest rate. The principal lease cost under the Tongyu Finance Lease was RMB105,000,000 (equivalent to approximately HK\$123,740,498). The interest rate under the Tongyu Finance Lease was calculated at an annualised interest rate of 4.9%, representing the current benchmark lending rate promulgated by the People's Bank of China for an 8-year term. During the term of the Tongyu 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.

In addition, Tongyu County Zanjia agreed to pay a finance lease service fee to Cinda Financial Leasing of RMB8,400,000 (equivalent to approximately HK\$9,899,240). Tongyu County Zanjia shall pay the service fee in equal annual instalments of RMB1,050,000 (equivalent to approximately HK\$1,237,405), the first instalment of which was paid within five days of the signing of the Tongyu Finance Lease.

The terms of the Tongyu Finance Lease including the lease rent, lease interest rate and service fee were determined after arm's length negotiation between Cinda Financial Leasing and Tongyu County Zanjia 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 Tongyu Leased Assets payable by Cinda Financial Leasing under the Tongyu Finance Lease was determined through arm's length negotiation between the parties with reference to the average fair market price of similar equipment and the amount of financing agreed to be provided by Cinda Financial Leasing.

(v) Ownership of the Tongyu Leased Assets

During the term of the Tongyu Finance Lease, the ownership of the Tongyu Leased Assets shall vest in Cinda Financial Leasing and Cinda Financial Leasing shall not interfere with the normal use of the Tongyu Leased Assets by Tongyu County Zanjia unless Tongyu County Zanjia commits a breach under the Tongyu Finance Lease. Upon expiry of the term of the Tongyu Finance Lease and subject to the full payment of the entire amount of the lease rent and interest and any other amounts due under the Tongyu Finance Lease, Tongyu County Zanjia shall purchase the Tongyu Leased Assets on an "as is" basis from Cinda Financial Leasing for a nominal purchase price of RMB100 (equivalent to approximately HK\$118).

(vi) **Security Arrangements for the Tongyu Finance Lease**

Pursuant to the Tongyu Finance Lease, Tongyu County Zanjia shall pay to Cinda Financial Leasing the Tongyu Security Deposit which was paid within 5 days of the signing of the Tongyu Finance Lease to secure Tongyu County Zanjia's obligations under the Tongyu Finance Lease. Cinda Financial Leasing shall be entitled to deduct from the Tongyu Security Deposit any unpaid rent, interest, default interest and any other amount due and payable by Tongyu County Zanjia. In the event of such deduction, Tongyu County Zanjia shall make up for the deduction and restore the amount of the Tongyu Security Deposit to RMB8,400,000 (equivalent to approximately HK\$9,899,240) upon notice from Cinda Financial Leasing. Following the expiry of the Tongyu Finance Lease, any remaining balance of the Tongyu Security Deposit shall be refunded to Tongyu County Zanjia. The Tongyu Security Deposit shall not bear any interest during the term of the Tongyu Finance Lease.

Furthermore, the obligations under the Tongyu Finance Lease Agreements are secured by the following:

- (a) ***Nanjing GCL Tongyu Guarantee:*** pursuant to the Nanjing GCL Tongyu Guarantee, Nanjing GCL New Energy agreed to provide a guarantee to secure Tongyu County Zanjia's obligations under the Tongyu Finance Lease, including rental payments, interest, finance lease service fee, security deposit and other amounts due to Cinda Financial Leasing;
- (b) ***Suzhou GCL Tongyu Guarantee:*** pursuant to the Suzhou GCL Tongyu Guarantee, Suzhou GCL New Energy agreed to provide a guarantee to secure Tongyu County Zanjia's obligations under the Tongyu Finance Lease, including rental payments, interest, finance lease service fee, security deposit and other amounts due to Cinda Financial Leasing;
- (c) ***Tongyu Leased Assets Mortgage Agreement:*** pursuant to the Tongyu Leased Assets Mortgage Agreement, Tongyu County Zanjia agreed to mortgage the Tongyu Leased Assets to secure all of its obligations under the Tongyu Finance Lease;
- (d) ***Tongyu Electricity Fee Pledge Agreement:*** pursuant to the Tongyu Electricity Pledge Agreement, Tongyu County Zanjia agreed to pledge 100% of its right to electricity fees in relation to the Tongyu Project to secure its obligations under the Tongyu Finance Lease; and

- (e) ***Tongyu Share Pledge Agreement:*** pursuant to the Tongyu Share Pledge Agreement, Suzhou GCL New Energy agreed to pledge 100% of the equity interest in Tongyu County Zanjia to secure all of Tongyu County Zanjia's obligations under the Tongyu Finance Lease.

3. THE DISCLOSED PREVIOUS FINANCE LEASE AGREEMENTS WITH CINDA FINANCIAL LEASING

As disclosed in the Previous Cinda Announcements, the GNE Group also entered into the following finance lease agreements with Cinda Financial Leasing in the past 12 months:

- (i) the Ruzhou Finance Lease Agreements, pursuant to which (i) Cinda Financial Leasing purchased from Nanjing GCL New Energy the Ruzhou Leased Assets at a consideration of RMB504,523,164 (equivalent to approximately HK\$594,570,932); and (ii) following the acquisition, Cinda Financial Leasing, as the lessor, leased the Ruzhou Leased Assets to Ruzhou GCL, as the lessee, for a term of 8 years at an aggregate estimated rent of RMB538,005,073 (equivalent to approximately HK\$634,028,723). In addition, pursuant to the Ruzhou Finance Lease Agreements, Ruzhou GCL agreed to pay Cinda Financial Leasing a finance lease service fee of RMB21,072,000 (equivalent to approximately HK\$24,832,950);
- (ii) the Taigu Finance Lease Agreements, pursuant to which (i) Cinda Financial Leasing purchased from Taigu Fengguang the Taigu Leased Assets at a consideration of RMB120,000,000 (equivalent to approximately HK\$141,417,713); and (ii) following the acquisition, Cinda Financial Leasing, as the lessor, leased the Taigu Leased Assets to Taigu Fengguang, as the lessee, for a term of 8 years at an aggregate estimated rent of RMB147,000,787 (equivalent to approximately HK\$173,237,625). In addition, pursuant to the Taigu Finance Lease Agreements, Taigu Fengguang agreed to pay Cinda Financial Leasing a finance lease service fee of RMB5,760,000 (equivalent to approximately HK\$6,788,050);
- (iii) the Shanggao Finance Lease Agreements, pursuant to which (i) Cinda Financial Leasing purchased from Shanggao County Lifeng the Shanggao Leased Assets at a consideration of RMB120,000,000 (equivalent to approximately HK\$141,417,713); and (ii) following the acquisition, Cinda Financial Leasing, as the lessor, leased the Shanggao Leased Assets to Shanggao County Lifeng, as the lessee, for a term of 8 years at an aggregate estimated rent of RMB147,062,890 (equivalent to approximately HK\$173,310,813). In addition, pursuant to the Shanggao Finance Lease Agreements, Shanggao County Lifeng agreed to pay Cinda Financial Leasing a finance lease service fee of RMB5,760,000 (equivalent to approximately HK\$6,788,050);

- (iv) the Meng Finance Lease Agreements, pursuant to which (i) Cinda Financial Leasing purchased from Meng County Puyang the Meng Leased Assets at a consideration of RMB180,000,000 (equivalent to approximately HK\$212,126,569); and (ii) following the acquisition, Cinda Financial Leasing, as the lessor, leased the Meng Leased Assets to Meng County Puyang, as the lessee, for a term of 8 years at an aggregate estimated rent of RMB220,594,335 (equivalent to approximately HK\$259,966,219). In addition, pursuant to the Meng Finance Lease Agreements, Meng County Puyang agreed to pay Cinda Financial Leasing a finance lease service fee of RMB8,640,000 (equivalent to approximately HK\$10,182,075); and
- (v) the Anfu Finance Lease Agreements, pursuant to which (i) Cinda Financial Leasing purchased the from Anfu GCL the Anfu Leased Assets at a consideration of RMB100,000,000 (equivalent to approximately HK\$117,848,094); and (ii) following the acquisition, Cinda Financial Leasing, as the lessor, leased the Anfu Leased Assets to Anfu GCL, as the lessee, for a term of 6 years at an aggregate estimated rent of RMB118,257,936 (equivalent to approximately HK\$139,364,723), commencing from the date that the consideration for the Anfu Leased Assets is paid by Cinda Financial Leasing. In addition, pursuant to the Anfu Finance Lease Agreements, Anfu GCL agreed to pay Cinda Financial Leasing a finance lease service fee of RMB3,600,000 (equivalent to approximately HK\$4,242,531).

For further information on the Disclosed Previous Finance Lease Agreements with Cinda Financial Leasing, please refer to the Previous Cinda Announcements.

4. THE PREVIOUS PC/EPC AND EQUIPMENT PURCHASE AGREEMENTS WITH XI'AN DATANG ELECTRIC

As disclosed in the Previous Xi'an Datang Electric Announcements, the GNE Group entered into the following PC/EPC agreements and equipment purchase agreements with Xi'an Datang Electric in the past 12 months:

- (i) the Huaibei PC Agreement, the Huaibei PC Supplemental Agreement, the Huaibei GNE Guarantee and the Huaibei Equipment Purchase Agreement all dated 15 September 2017;
- (ii) the Huarong EPC Agreement, the Huarong EPC Supplemental Agreement, the Huarong GNE Guarantee and the Huarong Equipment Purchase Agreement all dated 28 April 2017;
- (iii) the Henan Sanmenxia EPC Agreement, the Henan Sanmenxia EPC Supplemental Agreement, the Henan Sanmenxia GNE Guarantee and the Henan Sanmenxia Equipment Purchase Agreement all dated 28 April 2017; and

- (iv) the Lianshui EPC Supplemental Agreement dated 30 June 2017, the Previous Lianshui Equipment Purchase Agreement dated 17 January 2017, the Previous Lianshui EPC Agreement and the Previous Lianshui EPC Supplemental Agreement both dated 30 December 2016.

For further information on the Previous PC/EPC and Equipment Purchase Agreements with Xi'an Datang Electric, please refer to the Previous Xi'an Datang Electric Announcements.

5. REASONS FOR AND BENEFITS OF THE HUARONG FINANCE LEASE AGREEMENTS AND THE UNDISCLOSED PREVIOUS FINANCE LEASE AGREEMENTS

The terms of the Huarong Finance Lease Agreements and the Undisclosed Previous Finance Lease Agreements have been agreed upon after arm's length negotiations between the relevant parties. As a developer of photovoltaic power station projects, GNE requires capital from time to time to construct its photovoltaic power station projects. The Huarong Finance Lease Agreements and the Undisclosed Previous Finance Lease Agreements provide GNE with additional liquidity by utilising its existing investments in its existing equipment and assets. GNE will benefit from additional working capital which can be used to fund other business and operation activities of the GNE Group.

Based on the above reasons, the GNE Directors believe and consider that the terms of the Huarong Finance Lease Agreements and the Undisclosed Previous Finance Lease Agreements are on normal commercial terms, fair and reasonable and are in the interest of GNE and the GNE Shareholders as a whole.

Based on the views of the GNE Directors and having considered all relevant factors, the GCL-Poly Directors (including the independent non-executive GCL-Poly Directors) consider that the terms of the Huarong Finance Lease Agreements and the Undisclosed Previous Finance Lease Agreements are fair and reasonable and on normal commercial terms and are in the interest of GCL-Poly and GCL-Poly Shareholders as a whole.

In addition, as a developer of photovoltaic power station projects, the GNE Group has to engage contractors to provide EPC services to construct its power station projects. Xi'an Datang Electric is an established EPC contractor and has extensive local resources. The GNE Group believes that Xi'an Datang Electric can deliver services at a quality standard which meets the expectations of the GNE Group.

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

6. LISTING RULE IMPLICATIONS

GCL-Poly

As Wuxi Huaguang (a company incorporated in the PRC and the shares of which are listed on the Shanghai Stock Exchange, with stock code 600475) holds approximately 24.81% shareholding interest in Konca Solar (a subsidiary of GCL-Poly) and as at the date of this joint announcement, GCL-Poly is interested in approximately 62.28% of the issued share capital of GNE, therefore, Wuxi Huaguang is a connected person of GCL-Poly at the subsidiary level (but not a connected person of GNE). In addition, Wuxi Huaguang effectively holds approximately 90.33% of shareholding interests in Xi'an Datang Electric, Xi'an Datang Electric is therefore an associate of a connected person of GCL-Poly at the subsidiary level (but not a connected person of GNE). Accordingly, the entering into of the Huarong Finance Lease Agreements constitutes a connected transaction for GCL-Poly under Chapter 14A of the Listing Rules.

As the GNE Group entered into the Huaibei PC and Equipment Purchase Agreements with Xi'an Datang Electric within a 12-month period prior to and inclusive of the date of the Huarong Finance Lease Agreements, the Huaibei PC and Equipment Purchase Agreements and the Huarong Finance Lease Agreements shall be aggregated as a series of transactions for GCL-Poly pursuant to Rule 14A.81 of the Listing Rules.

As the highest applicable percentage ratio in respect of the Huarong Finance Lease Agreements and the Huaibei PC and Equipment Purchase Agreements, on an aggregated basis, exceed 5% for GCL-Poly, the entering into of the Huarong Finance Lease Agreements constitutes a connected transaction for GCL-Poly. The GCL-Poly Directors (including the independent non-executive GCL-Poly Directors) have approved the Huarong Finance Lease Agreements and confirmed that the terms of the Huarong Finance Lease Agreements are fair and reasonable, the Huarong Finance Lease Agreements are on normal commercial terms or better and in the interests of GCL-Poly and the GCL-Poly Shareholders as a whole. Pursuant to Rule 14A.101 of the Listing Rules, the Huarong Finance Lease Agreements are subject to the reporting and announcement requirements but are exempted from the circular, independent financial advice and shareholders' approval requirements.

GNE

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

As the highest applicable percentage ratio in respect of the Current Agreements exceeds 5% but is less than 25% for GNE, the entering into of the Current Agreements constitutes discloseable transactions for GNE and GNE shall comply with the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the Previous Finance Lease Agreements were entered into with Cinda Financial Leasing within a 12-month period prior to and inclusive of the date of the Huarong Finance Lease Agreements, the Huarong Finance Lease Agreements and the Previous Finance Lease Agreements shall be aggregated as a series of transactions for GNE pursuant to Rule 14.22 of the Listing Rules. The entering into of the Huarong Finance Lease Agreements and the Previous Finance Lease Agreements (in aggregate) did not trigger a classification higher than a discloseable transaction for GNE under Chapter 14 of the Listing Rules.

As the Previous EPC and Equipment Purchase Agreements were entered into with Xi'an Datang Electric within a 12-month period prior to and inclusive of the date of the Current Agreements, the Huarong Sale and Purchase Agreement, the Second Huarong EPC Supplemental Agreement and the Previous EPC and Equipment Purchase Agreements shall be aggregated as a series of transactions for GNE pursuant to Rule 14.22 of the Listing Rules. The entering into of the Huarong Sale and Purchase Agreement, the Second Huarong EPC Supplemental Agreement and the Previous EPC and Equipment Purchase Agreement with Xi'an Datang Electric (in aggregate) did not trigger a classification higher than a major transaction for GNE under Chapter 14 of the Listing Rules.

7. INFORMATION ON THE PARTIES TO THE HUARONG FINANCE LEASE AGREEMENTS AND THE UNDISCLOSED PREVIOUS FINANCE LEASE AGREEMENTS

Cinda Financial Leasing

Cinda Financial Leasing is a company incorporated in the PRC with limited liability and is principally engaged in finance leasing businesses.

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

GCL-Poly

The Company is an investment company and its subsidiaries are principally engaged in the manufacturing and sale of polysilicon and wafer products, and developing, owning and operation of solar farms. As at the date of this joint announcement, GCL-Poly is interest in approximately 62.28% of the issue share capital of GNE.

GNE

GNE is principally engaged in the development, construction, operation and management of solar power stations.

Xi'an Datang Electric

Xi'an Datang Electric was established in 1991. It is an established EPC contractor and principally engaged in the provision of sub-contracting services in relation to new energy projects such as procurement and sale of equipment and materials, installation and testing of equipment, design, construction and technical consultancy. Xi'an Datang Electric is a connected person at the subsidiary level of GCL-Poly but not a connected person of GNE.

8. DEFINITIONS

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

“associate”	has the same meaning ascribed to it under the Listing Rules
“Anfu Electricity Fee Pledge Agreement”	the agreement dated 26 October 2016 between Cinda Financial Leasing and Anfu GCL, pursuant to which Anfu GCL has pledged to Cinda Financial Leasing 100% of its right to electricity fees in relation to the Anfu Project
“Anfu Finance Lease”	the agreement dated 26 October 2016 between Cinda Financial Leasing and Anfu GCL in relation to the leasing of the Anfu Leased Assets
“Anfu Finance Lease Agreements”	the Anfu Finance Lease, the Suzhou GCL Anfu Guarantee, the Nanjing GCL Anfu Guarantee, the Anfu Share Pledge Agreement, the Anfu Leased Assets Mortgage Agreement and the Anfu Electricity Fee Pledge Agreement
“Anfu GCL”	Anfu GCL New Energy Limited* (安福協鑫新能源有限公司), an indirect subsidiary of GCL-Poly and an indirect wholly-owned subsidiary of GNE which is incorporated in the PRC with limited liability
“Anfu Leased Assets”	certain solar modules, combiner boxes, cables, tubing, inverters, cable cabinets, fire safety equipment, power testing equipment and other photovoltaic equipment and installations used by Anfu GCL for the Anfu Project
“Anfu Leased Assets Mortgage Agreement”	the agreement dated 26 October 2016 between Cinda Financial Leasing and Anfu GCL, pursuant to which Anfu GCL has mortgaged the Anfu Leased Assets to Cinda Financial Leasing
“Anfu Project”	the 20MW photovoltaic power station project located in Anfu County in Ji’an City, Jiangxi Province, the PRC
“Anfu Security Deposit”	a refundable security deposit of RMB8,000,000 (equivalent to approximately HK\$9,427,848) payable by Anfu GCL under the Anfu Finance Lease

“Anfu Share Pledge Agreement”	the agreement dated 26 October 2016 between Cinda Financial Leasing and Suzhou GCL New Energy, pursuant to which Suzhou GCL New Energy has pledged 100% of the equity interest in Anfu GCL to Cinda Financial Leasing
“Cinda Financial Leasing”	Cinda Financial Leasing Co., Ltd* (信達金融租賃有限公司), a company incorporated in the PRC
“connected persons”	has the same meaning ascribed to it under the Listing Rules
“Current Agreements”	the Huarong Finance Lease Agreements and the Second Huarong EPC Supplemental Agreement
“Disclosed Previous Finance Lease Agreements”	the Ruzhou Finance Lease Agreements, the Taigu Finance Lease Agreements, the Shangao Finance Lease Agreements, the Meng Finance Lease Agreements and the Anfu Finance Lease Agreements
“EPC”	engineering, procurement and construction
“GCL-Poly”	GCL-Poly Energy Holdings Limited (保利協鑫能源控股), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange, with stock code 3800. As at the date of this joint announcement, GCL-Poly is interested in approximately 62.28% of the issued share capital of GNE
“GCL-Poly Board”	the board of GCL-Poly Directors
“GCL-Poly Directors”	the directors of GCL-Poly
“GCL-Poly Shareholders”	the shareholders of GCL-Poly

“GNE”	GCL New Energy Holdings Limited 協鑫新能源控股有限公司, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange, with stock code 451
“GNE Board”	the board of GNE Directors
“GNE Directors”	the directors of GNE
“GNE Group”	GNE and its subsidiaries
“GNE Share(s)”	ordinary shares of one-two-hundred-fortieth (1/240) of a Hong Kong dollar each (equivalent to HK\$0.00416) in the share capital of GNE
GNE Shareholder”	holder(s) of the GNE Shares
“Henan GCL New Energy”	Henan GCL New Energy Investment Company Limited* (河南協鑫新能源投資有限公司), an indirect subsidiary of GCL-Poly and an indirect wholly-owned subsidiary of GNE which is incorporated in the PRC with limited liability
“Henan Sanmenxia EPC and Equipment Purchase Agreements”	the Henan Sanmenxia EPC Agreement, the Henan Sanmenxia EPC Supplemental Agreement, the Henan Sanmenxia GNE Guarantee and the Henan Sanmenxia Equipment Purchase Agreement, as defined and disclosed in the Previous Xi’an Datang Electric Announcements
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the PRC
“Huaibei PC and Equipment Purchase Agreements”	the Huaibei PC Agreement, the Huaibei PC Supplemental Agreement, the Huaibei GNE Guarantee and the Huaibei Equipment Purchase Agreement, as defined and disclosed in the Previous Xi’an Datang Electric Announcements
“Huarong Electricity Fee Pledge Agreement”	the agreement dated 23 October 2017 between Cinda Financial Leasing and Huarong GCL New Energy, pursuant to which Huarong GCL New Energy pledged to Cinda Financial Leasing 100% of its right to electricity fees in relation to the Huarong Project

“Huarong Finance Lease”	the finance lease agreement dated 23 October 2017 between Cinda Financial Leasing and Huarong GCL New Energy in relation to the leasing of the Huarong Leased Assets
“Huarong Finance Lease Agreements	the Huarong Finance Lease, the Huarong Sale and Purchase Agreement, the Suzhou GCL Huarong Guarantee, the Nanjing GCL Huarong Guarantee, the Huarong Leased Assets Mortgage Agreement, the Huarong Land Use Rights Pledge Agreement, the Huarong Electricity Fee Pledge Agreement and the Huarong Share Pledge Agreement, of which, Xi'an Datang is a party to the Huarong Sale and Purchase Agreement only, and thus attributed to the entering into of the Huarong Finance Lease Agreements constituting a connected transaction of GCL-Poly under Chapter 14A of the Listing Rules
“Huarong GCL New Energy”	Huarong GCL New Energy Company Limited* (華容縣協鑫光伏電力有限公司), an indirect subsidiary of GCL-Poly and an indirect wholly-owned subsidiary of GNE which is incorporated in the PRC with limited liability
“Huarong Land Use Rights Pledge Agreement”	the agreement dated 23 October 2017 between Cinda Financial Leasing and Huarong GCL New Energy, pursuant to which Huarong GCL New Energy has pledged the land use rights in relation to a piece of land owned by Huarong GCL New Energy located in Ta’xi Lake of Huarong County of Yueyang City of Henan Province, the PRC
“Huarong Leased Assets”	certain solar modules, frames, string converters, voltage converter and cables used by Huarong GCL New Energy for the Huarong Project
“Huarong Leased Assets Mortgage Agreement”	the agreement dated 23 October 2017 between Cinda Financial Leasing and Huarong GCL New Energy, pursuant to which Huarong GCL New Energy has mortgaged the Huarong Leased Assets to Cinda Financial Leasing
“Huarong EPC and Equipment Purchase Agreements”	the Huarong EPC Agreement, the Huarong EPC Supplemental Agreement, the Huarong GNE Guarantee and the Huarong Equipment Purchase Agreement, as defined and disclosed in the Previous Xi’an Datang Electric Announcements

“Huarong Project”	phase one (100MW) of the 200MW fishery-photovoltaic power station project located in Ta’xi Lake of Huarong County of Yueyang City of Hunan Province, the PRC
“Huarong Sale and Purchase Agreement”	the agreement dated 23 October 2017 between Cinda Financial Leasing (as purchaser), Xi’an Datang Electric (as seller), Huarong GCL New Energy (as lessee) and Nanjing GCL New Energy (as supplier) for the sale and purchase of Huarong Leased Assets used for the Huarong Project
“Huarong Security Deposit”	a refundable security deposit of RMB22,000,000 (equivalent to approximately HK\$25,926,581) payable by Huarong GCL New Energy under the Huarong Finance Lease
“Huarong Share Pledge Agreement”	the agreement dated 23 October 2017 between Cinda Financial Leasing and Suzhou GCL New Energy, pursuant to which Suzhou GCL New Energy has pledged 100% of the equity interest in Huarong GCL New Energy to Cinda Financial Leasing
“Jilin Yilian GCL New Energy”	Jilin Yilian New Energy Technology Limited* (吉林億聯新能源科技有限公司), an indirect subsidiary of GCL-Poly and an indirect wholly-owned subsidiary of GNE which is incorporated in the PRC with limited liability
“Konca Solar”	Konca Solar Cell Co., Ltd.* (高佳太陽能股份有限公司), a subsidiary of GCL-Poly which is incorporated in the PRC with limited liability
“Lianshui EPC and Equipment Purchase Agreements”	the Lianshui EPC Supplemental Agreement, the Previous Lianshui EPC Agreement, the Previous Lianshui EPC Supplemental Agreement and the Previous Lianshui Equipment Purchase Agreement, as defined and disclosed in the Previous Xi’an Datang Electric Announcements
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Meng County Puyang”	Meng County Puyang New Energy Limited* (孟縣晉陽新能源發電有限公司), an indirect subsidiary of GCL-Poly and an indirect wholly-owned subsidiary of GNE which is incorporated in the PRC with limited liability

“Meng Electricity Fee Pledge Agreement”	the agreement dated 7 December 2016 between Cinda Financial Leasing and Meng County Puyang, pursuant to which Meng County Puyang has pledged to Cinda Financial Leasing 100% of its right to electricity fees in relation to the Meng Project
“Meng II Electricity Fee Pledge Agreement”	the agreement dated 27 June 2017 between Cinda Financial Lease and Meng County Puyang, pursuant to which Meng County Puyang pledged to Cinda Financial Leasing 100% of its right to electricity fees in relation to the Meng II Project
“Meng Finance Lease”	the agreement dated 7 December 2016 between Cinda Financial Leasing and Meng County Puyang in relation to the leasing of the Meng Leased Assets
“Meng II Finance Lease”	the agreement dated 27 June 2017 between Cinda Financial Leasing and Meng County Puyang in relation to the leasing of the Meng II Leased Assets
“Meng Finance Lease Agreements”	the Meng Finance Lease, the Suzhou GCL Meng Guarantee, the Nanjing GCL Meng Guarantee, the Meng Share Pledge Agreement, the Meng Leased Assets Mortgage Agreement and the Meng Electricity Fee Pledge Agreement
“Meng II Finance Lease Agreements”	the Meng II Finance Lease, the Meng II Sale and Purchase Agreement, the Suzhou GCL Meng II Guarantee, the Meng II Leased Assets Mortgage Agreement, the Meng II Electricity Fee Pledge Agreement and the Meng II Repurchase Agreement
“Meng Leased Assets”	certain solar modules, frames, combiner boxes, inverters, cables, and other photovoltaic equipment and installations used by Meng County Puyang for the Meng Project
“Meng II Leased Assets”	certain solar modules, frames, combiner boxes, inverters, transformers, cables, and other photovoltaic equipment and installations used by Meng County Puyang for the Meng II Project
“Meng Leased Assets Mortgage Agreement”	the agreement dated 7 December 2016 between Cinda Financial Leasing and Meng County Puyang, pursuant to which Meng County Puyang has mortgaged the Meng Leased Assets to Cinda Financial Leasing

“Meng II Leased Assets Mortgage Agreement”	the agreement dated 27 June 2017 between Cinda Financial Leasing and Meng County Puyang, pursuant to which Meng County Puyang mortgaged the Meng II Leased Assets to Cinda Financial Leasing
“Meng Project”	the second phase 30MW photovoltaic power station project located in Meng County in Yangquan City, Shanxi Province, the PRC
“Meng II Project”	the 10MW photovoltaic power station project located in Nanxia Village in Niucun Town in Meng County, Shanxi Province, the PRC
“Meng II Repurchase Agreement”	the agreement dated 27 June 2017 between Nanjing GCL New Energy and Cinda Financial Leasing, pursuant to which Nanjing GCL New Energy agreed to repurchase the Meng II Leased Assets upon the occurrence of certain events
“Meng II Sale and Purchase Agreement”	the agreement dated 27 June 2017 between Cinda Financial Leasing (as purchaser), Nanjing GCL New Energy (as seller) and Meng County Puyang (as lessee) for the sale and purchase of Meng II Leased Assets used for the Meng II Project
“Meng Security Deposit”	a refundable security deposit of RMB12,780,000 (equivalent to approximately HK\$15,060,986) payable by Meng County Puyang under the Meng Finance Lease
“Meng II Security Deposit”	a refundable security deposit of RMB3,840,000 (equivalent to approximately HK\$4,525,367) payable by Meng County Puyang under the Meng II Finance Lease
“Meng Share Pledge Agreement”	the agreement dated 7 December 2016 between Cinda Financial Leasing and Suzhou GCL New Energy, pursuant to which Suzhou GCL New Energy has pledged 48.89% of the equity interest in Meng County Puyang to Cinda Financial Leasing
“MW”	megawatt(s)
“Nanjing GCL Anfu Guarantee”	the guarantee dated 26 October 2016 given by Nanjing GCL New Energy to Cinda Financial Leasing to secure Anfu GCL’s obligations under the Anfu Finance Lease

“Nanjing GCL Huarong Guarantee”	the guarantee dated 23 October 2017 given by Nanjing GCL New Energy to Cinda Financial Leasing to secure Huarong GCL New Energy’s obligations under the Huarong Finance Lease
“Nanjing GCL Meng Guarantee”	the guarantee dated 7 December 2016 given by Nanjing GCL New Energy to Cinda Financial Leasing to secure Meng County Puyang’s obligations under the Meng Finance Lease
“Nanjing GCL New Energy”	Nanjing GCL New Energy Development Co., Ltd. 南京協鑫新能源發展有限公司, an indirect subsidiary of GCL-Poly and an indirect wholly-owned subsidiary of GNE incorporated in the PRC with limited liability
“Nanjing GCL Shanggao Guarantee”	the guarantee dated 7 December 2016 given by Nanjing GCL New Energy to Cinda Financial Leasing to secure Shanggao County Lifeng’s obligations under the Shanggao Finance Lease
“Nanjing GCL Taigu Guarantee”	the guarantee dated 20 December 2016 given by Nanjing GCL New Energy to Cinda Financial Leasing to secure Taigu Fengguang’s obligations under the Taigu Finance Lease
“Nanjing GCL Tongyu Guarantee”	the guarantee dated 28 June 2017 given by Nanjing GCL New Energy to Cinda Financial Leasing to secure Tongyu County Zanjia’s obligations under the Tongyu Finance Lease
“Nanjing GCL Yilian Guarantee”	the guarantee dated 27 June 2017 given by Nanjing GCL New Energy to Cinda Financial Leasing to secure Jilin Yilian GCL New Energy’s obligations under the Yilian Finance Lease
“PC”	procurement and construction
“PRC”	the People’s Republic of China
“Previous Cinda Announcements”	the announcement of GNE dated 7 December 2016 and the joint announcement of GCL-Poly and GNE dated 19 January 2017

“Previous PC/EPC and Equipment Purchase Agreements”	the Huaibei PC and Equipment Purchase Agreements, the Huarong EPC and Equipment Purchase Agreements, the Henan Sanmenxia EPC and Equipment Purchase Agreements and the Lianshui EPC and Equipment Purchase Agreements
“Previous Finance Lease Agreements”	the Disclosed Previous Finance Lease Agreements and the Undisclosed Previous Finance Lease Agreements
“Previous Xi’an Datang Electric Announcements”	the announcements of GCL-Poly and GNE both dated 28 April 2017, the announcement of GNE dated 30 June 2017 and the joint announcement of GCL-Poly and GNE dated 15 September 2017
“RMB”	Renminbi, the lawful currency of the PRC
“Ruzhou Electricity Fee Pledge Agreement”	the agreement dated 19 January 2017 between Cinda Financial Leasing and Ruzhou GCL, pursuant to which Ruzhou GCL has pledged to Cinda Financial Leasing 100% of its right to electricity fees in relation to the Ruzhou Project
“Ruzhou Finance Lease”	the agreement dated 19 January 2017 between Cinda Financial Leasing and Ruzhou GCL in relation to the leasing of the Ruzhou Leased Assets
“Ruzhou Finance Lease Agreements”	the Ruzhou Finance Lease, the Ruzhou Sale and Purchase Agreement, the Suzhou GCL Ruzhou Guarantee, the Ruzhou Share Pledge Agreement, the Ruzhou Leased Assets Mortgage Agreement, the Ruzhou Electricity Fee Pledge Agreement and the Ruzhou Repurchase Agreement
“Ruzhou GCL”	Ruzhou GCL Photovoltaic Power Company Limited* (汝州協鑫光伏電力有限公司), an indirect subsidiary of GCL-Poly and an indirect wholly-owned subsidiary of GNE which is incorporated in the PRC with limited liability
“Ruzhou Leased Assets”	certain solar modules, frames, combiner boxes, inverters, cables, and other photovoltaic equipment and installations used by Ruzhou GCL for the Ruzhou Project

“Ruzhou Leased Assets Mortgage Agreement”	the agreement dated 19 January 2017 between Cinda Financial Leasing and Ruzhou GCL, pursuant to which Ruzhou GCL has mortgaged the Ruzhou Leased Assets to Cinda Financial Leasing
“Ruzhou Project”	the 80MW photovoltaic power station project located in Wangzhai County in Ruzhou City, Henan Province, the PRC
“Ruzhou Repurchase Agreement”	the agreement dated 19 January 2017 between Cinda Financial Leasing, Nanjing GCL New Energy and Ruzhou GCL in relation to the repurchase of the Ruzhou Leased Assets (or, as the case may be, Ruzhou GCL’s debts under the Ruzhou Finance Lease) by Nanjing GCL New Energy
“Ruzhou Sale and Purchase Agreement”	the agreement dated 19 January 2017 between Cinda Financial Leasing (as purchaser), Nanjing GCL New Energy (as seller) and Ruzhou GCL (as lessee) for the sale and purchase of Ruzhou Leased Assets used for the Ruzhou Project
“Ruzhou Security Deposit”	a refundable security deposit of RMB35,120,000 (equivalent to approximately HK\$41,388,251) payable by Ruzhou GCL under the Ruzhou Finance Lease
“Ruzhou Share Pledge Agreement”	the agreement dated 19 January 2017 between Cinda Financial Leasing and Henan GCL New Energy, pursuant to which Henan GCL New Energy has pledged 100% of the equity interest in Ruzhou GCL to Cinda Financial Leasing
“Second Huarong EPC Supplemental Agreement”	the supplemental agreement dated 23 October 2017 among Suzhou GCL New Energy, Huarong GCL New Energy and Xi’an Datang Electric
“Shanggao County Lifeng”	Shanggao County Lifeng New Energy Limited* (上高縣利豐新能源有限公司), an indirect subsidiary of GCL-Poly and an indirect wholly-owned subsidiary of GNE which is incorporated in the PRC with limited liability

“Shanggao Electricity Fee Pledge Agreement”	the agreement dated 7 December 2016 between Cinda Financial Leasing and Shanggao County Lifeng, pursuant to which Shanggao County Lifeng has pledged to Cinda Financial Leasing 100% of its right to electricity fees in relation to the Shanggao Project
“Shanggao Finance Lease”	the agreement dated 7 December 2016 between Cinda Financial Leasing and Shanggao County Lifeng in relation to the leasing of the Shanggao Leased Assets
“Shanggao Finance Lease Agreements”	the Shanggao Finance Lease, the Suzhou GCL Shanggao Guarantee, the Nanjing GCL Shanggao Guarantee, the Shanggao Share Pledge Agreement, the Shanggao Leased Assets Mortgage Agreement and the Shanggao Electricity Fee Pledge Agreement
“Shanggao Leased Assets”	certain solar modules, inverters, transformers, combiner boxes, frames, cables and other photovoltaic equipment and installations used by Shanggao County Lifeng for the Shanggao Project
“Shanggao Leased Assets Mortgage Agreement”	the agreement dated 7 December 2016 between Cinda Financial Leasing and Shanggao County Lifeng, pursuant to which Shanggao County Lifeng has mortgaged the Shanggao Leased Assets to Cinda Financial Leasing
“Shanggao Project”	the 20MW photovoltaic power station project located in Shanggao County in Yichun City, Jiangxi Province, the PRC
“Shanggao Security Deposit”	a refundable security deposit of RMB8,520,000 (equivalent to approximately HK\$10,040,658) payable by Shanggao County Lifeng under the Shanggao Finance Lease
“Shanggao Share Pledge Agreement”	the agreement dated 7 December 2016 between Cinda Financial Leasing and Suzhou GCL New Energy, pursuant to which Suzhou GCL New Energy has pledged 100% of the equity interest in Shanggao County Lifeng to Cinda Financial Leasing
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the same meaning ascribed to it under the Listing Rules

“Suzhou GCL Anfu Guarantee”	the guarantee dated 26 October 2016 from Suzhou GCL New Energy given to Cinda Financial Leasing in respect of Anfu GCL’s obligations under the Anfu Finance Lease
“Suzhou GCL Huarong Guarantee”	the guarantee dated 23 October 2017 given by Suzhou GCL New Energy to Cinda Financial Leasing to secure Huarong GCL New Energy’s obligations under the Huarong Finance Lease
“Suzhou GCL Meng Guarantee”	the guarantee dated 7 December 2016 given by Suzhou GCL New Energy to Cinda Financial Leasing to secure Meng County Puyang’s obligations under the Meng Finance Lease
“Suzhou GCL Meng II Guarantee”	the guarantee dated 27 June 2017 given by Suzhou GCL New Energy to Cinda Financial Leasing to secure Meng County Puyang’s obligations under the Meng II Finance Lease
“Suzhou GCL New Energy”	Suzhou GCL New Energy Investment Co., Ltd.* (蘇州協鑫新能源投資有限公司), an indirect subsidiary of GCL-Poly and an indirect wholly-owned subsidiary of GNE which is incorporated in the PRC with limited liability
“Suzhou GCL Ruzhou Guarantee”	the guarantee dated 19 January 2017 given by Suzhou GCL New Energy to Cinda Financial Leasing to secure Ruzhou GCL’s obligations under the Ruzhou Finance Lease
“Suzhou GCL Shanggao Guarantee”	the guarantee dated 7 December 2016 given by Suzhou GCL New Energy to Cinda Financial Leasing to secure Shanggao County Lifeng’s obligations under the Shanggao Finance Lease
“Suzhou GCL Taigu Guarantee”	the guarantee dated 20 December 2016 given by Suzhou GCL New Energy to Cinda Financial Leasing to secure Taigu Fengguang’s obligations under the Taigu Finance Lease
“Suzhou GCL Tongyu Guarantee”	the guarantee dated 28 June 2017 given by Suzhou GCL New Energy to Cinda Financial Leasing to secure Tongyu County Zanjia’s obligations under the Tongyu Finance Lease

“Suzhou GCL Yilian Guarantee”	the guarantee dated 27 June 2017 given by Suzhou GCL New Energy to Cinda Financial Leasing to secure Jilin Yilian GCL New Energy’s obligation under the Yilian Finance Lease
“Taigu Electricity Fees Pledge Agreement”	the agreement dated 20 December 2016 between Cinda Financial Leasing and Taigu Fengguang, pursuant to which Taigu Fengguang has pledged to Cinda Financial Leasing 100% of its right to electricity fees in relation to the Taigu Project
“Taigu Fengguang”	Taigu County Fengguang Power Company Limited* (太谷縣風光發電有限公司), an indirect subsidiary of GCL-Poly and an indirect wholly-owned subsidiary of GNE which is incorporated in the PRC with limited liability
“Taigu Finance Lease”	the agreement dated 20 December 2016 between Cinda Financial Leasing and Taigu Fengguang in relation to the leasing of the Taigu Leased Assets
“Taigu Finance Lease Agreements”	the Taigu Finance Lease, the Suzhou GCL Taigu Guarantee, the Nanjing GCL Taigu Guarantee, the Taigu Share Pledge Agreement, the Taigu Leased Assets Mortgage Agreement and the Taigu Electricity Fee Pledge Agreement
“Taigu Leased Assets”	certain solar modules, inverters, transformers, combiner boxes, frames, cables and other photovoltaic equipment and installations used by Taigu Fengguang for the Taigu Project
“Taigu Leased Assets Mortgage Agreement”	the agreement dated 20 December 2016 between Cinda Financial Leasing and Taigu Fengguang, pursuant to which Taigu Fengguang has mortgaged the Taigu Leased Assets to Cinda Financial Leasing
“Taigu Project”	the 20MW photovoltaic power station project located in Taigu County in Jinzhong City, Shanxi Province, the PRC
“Taigu Security Deposit”	a refundable security deposit of RMB8,520,000 (equivalent to approximately HK\$10,040,658) payable by Taigu Fengguang under the Taigu Finance Lease

“Taigu Share Pledge Agreement”	the agreement dated 20 December 2016 between Cinda Financial Leasing and Suzhou GCL New Energy, pursuant to which Suzhou GCL New Energy has pledged 100% of the equity interest in Taigu Fengguang to Cinda Financial Leasing
“Tongyu County Zanjia”	Tongyu County Zanjia Poultry Industry Technology Company Limited* (通榆縣咱家家禽業科技有限公司), an indirect subsidiary of GCL-Poly and an indirect wholly-owned subsidiary of GNE which is incorporated in the PRC with limited liability
“Tongyu Electricity Fee Pledge Agreement”	the agreement dated 28 June 2017 between Cinda Financial Leasing and Tongyu County Zanjia, pursuant to which Tongyu County Zanjia pledged to Cinda Financial Leasing 100% of its right to electricity fees in relation to the Tongyu Project
“Tongyu Finance Lease”	the agreement dated 28 June 2017 between Cinda Financial Leasing and Tongyu County Zanjia in relation to the leasing of the Tongyu Leased Assets
“Tongyu Finance Lease Agreements”	the Tongyu Finance Lease, the Nanjing GCL Tongyu Guarantee, the Suzhou GCL Tongyu Guarantee, the Tongyu Leased Assets Mortgage Agreement, the Tongyu Electricity Fee Pledge Agreement and the Tongyu Share Pledge Agreement
“Tongyu Leased Assets”	certain solar modules, inverters, transformers, cables cabinets, monitoring systems and other photovoltaic equipment and installations used by Tongyu County Zanjia for the Tongyu Project
“Tongyu Leased Assets Mortgage Agreement”	the agreement dated 28 June 2017 between Cinda Financial Leasing and Tongyu County Zanjia, pursuant to which Tongyu County Zanjia mortgaged the Tongyu Leased Assets to Cinda Financial Leasing
“Tongyu Project”	15MW animal husbandry photovoltaic solar power station project located in Bianzhao Town in Tongyu County, Jilin Province, the PRC
“Tongyu Security Deposit”	a refundable security deposit of RMB8,400,000 (equivalent to approximately HK\$9,899,240) payable by Tongyu County Zanjia under the Tongyu Finance Lease

“Tongyu Share Pledge Agreement”	the agreement dated 28 June 2017 between Cinda Financial Leasing and Suzhou GCL New Energy, pursuant to which Suzhou GCL New Energy pledged 100% of the equity interest in Tongyu County Zanjia to Cinda Financial Leasing
“Yilian Electricity Fee Pledge Agreement”	the agreement dated 27 June 2017 between Cinda Financial Leasing and Jilin Yilian GCL New Energy, pursuant to which Jilin Yilian GCL New Energy pledged to Cinda Financial Leasing 100% of its right to electricity fees in relation to the Yilian Project
“Yilian Finance Lease”	the agreement dated 27 June 2017 between Cinda Financial Leasing and Jilin Yilian GCL New Energy in relation to the leasing of the Yilian Leased Assets
“Yilian Finance Lease Agreements”	the Yilian Finance Lease, the Suzhou GCL Yilian Guarantee, the Yilian Leased Assets Mortgage Agreement, the Yilian Electricity Fee Pledge Agreement and the Yilian Share Pledge Agreement
“Yilian Leased Assets”	certain solar modules, inverters, transformers, cables cabinets, monitoring systems and other photovoltaic equipment and installations used by Jilin Yilian GCL New Energy for the Yilian Project
“Yilian Leased Assets Mortgage Agreement”	the agreement dated 27 June 2017 between Cinda Financial Leasing and Jilin Yilian GCL New Energy, pursuant to which Jilin Yilian GCL New Energy mortgaged the Yilian Leased Assets to Cinda Financial Leasing
“Yilian Project”	the 10MW photovoltaic power station project located in Heiyupao Town in Zhenlai County, Jilin Province, the PRC
“Yilian Security Deposit”	a refundable security deposit of RMB4,800,000 (equivalent to approximately HK\$5,656,709) payable by Jilin Yilian GCL New Energy under the Yilian Finance Lease
“Yilian Share Pledge Agreement”	the agreement dated 27 June 2017 between Cinda Financial Leasing and Jilin Yilian GCL New Energy, pursuant to which Suzhou GCL New Energy pledged 100% of the equity interest in Jilin Yilian GCL New Energy to Cinda Financial Leasing

“Undisclosed Previous Finance Lease Agreements”	the Meng II Finance Lease Agreements, the Yilian Finance Lease Agreements and the Tongyu Finance Lease Agreements
“Wuxi Huaguang”	Wuxi Huaguang Guolu Holding Limited* (無錫華光鍋爐股份有限公司), a company incorporated in the PRC and the shares of which are listed on the Shanghai Stock Exchange with stock code 600475
“Xi’an Datang Electric”	Xi’an Datang Electric Power Design and Research Institute Co., Ltd.* (西安大唐電力設計研究院有限公司), a company incorporated in the PRC with limited liability
“%”	per cent.

For illustration purposes, this joint announcement contains translations between Renminbi and Hong Kong dollar amounts at HK\$1 = RMB0.84855, being the exchange rate prevailing on 23 October 2017. The translations should not be taken as a representation that the Renminbi could actually be converted into Hong Kong dollars at that rate or at all.

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

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

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

Hong Kong, 23 October 2017

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

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