

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



GCL-Poly Energy Holdings Limited

保利協鑫能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3800)



GCL New Energy Holdings Limited

協鑫新能源控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 451)

DISCLOSEABLE TRANSACTION WITH CINDA FINANCIAL LEASING CO., LTD.*

DISCLOSEABLE TRANSACTION WITH CINDA FINANCIAL LEASING

On 20 December 2017, the GNE Group entered into the Ruicheng Finance Lease Agreements with Cinda Financial Leasing, pursuant to which (i) Cinda Financial Leasing shall purchase the Ruicheng Leased Assets from Ruicheng GCL at a consideration of RMB450,000,000; and (ii) following the acquisition, Cinda Financial Leasing, as the lessor, shall lease the Ruicheng Leased Assets to Ruicheng GCL, as the lessee, for a term of 8 years at an aggregate estimated rent of approximately RMB551,485,838. In addition, pursuant to the Ruicheng Finance Lease Agreements, Ruicheng GCL shall pay Cinda Financial Leasing a finance lease service fee of RMB36,000,000.

As disclosed in the Previous Announcements, GNE also entered into the Previous Finance Lease Agreements with Cinda Financial Leasing in the past 12 months. For further information on the Previous Finance Lease Agreements, please refer to the Previous Announcements.

LISTING RULES IMPLICATIONS

GCL-Poly

As none of the applicable percentage ratios in respect of the Ruicheng Finance Lease Agreements and the Previous Finance Lease Agreements, each on a standalone basis, exceeds 5%, the entering into of each of the Ruicheng Finance Lease Agreements and the Previous Finance Lease Agreements does not constitute a notifiable transaction for GCL-Poly under Chapter 14 of the Listing Rules.

As the GNE Group entered into the Previous Finance Lease Agreements with Cinda Financial Leasing within a 12-month period prior to and inclusive of the date of the Ruicheng Finance Lease Agreements, the Ruicheng Finance Lease Agreements and the Previous Finance Lease Agreements shall be aggregated as a series of transactions for GCL-Poly pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio in respect of the Ruicheng Finance Lease Agreements and the Previous Finance Lease Agreements (in aggregate) exceeds 5% but is less than 25% for GCL-Poly, the entering into of the Ruicheng Finance Lease Agreements and the Previous Finance Lease Agreements constitutes a discloseable transaction for GCL-Poly and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

GNE

As the highest applicable percentage ratio in respect of the Ruicheng Finance Lease Agreements on a standalone basis exceeds 5% but is less than 25% for GNE, the entering into of the Ruicheng Finance Lease Agreements constitutes a discloseable transaction for GNE and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As GNE entered into the Previous Finance Lease Agreements with Cinda Financial Leasing within a 12-month period prior to and inclusive of the date of the Ruicheng Finance Lease Agreements, the Ruicheng 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 Ruicheng Finance Lease Agreements and the Previous Finance Lease Agreements (in aggregate) does not trigger a classification higher than a discloseable transaction for GNE under Chapter 14 of the Listing Rules.

1. PRINCIPLE TERMS OF THE RUICHENG FINANCE LEASE AGREEMENTS

(i) Date: 20 December 2017

(ii) Parties: (1) Lessee and Seller: Ruicheng GCL
(2) Lessor and Purchaser: Cinda Financial Leasing

(iii) The Ruicheng Finance Lease Agreements

Pursuant to the Ruicheng Finance Lease Agreements, (i) Cinda Financial Leasing shall purchase the Ruicheng Leased Assets from Ruicheng GCL at a consideration of RMB450,000,000; and (ii) following the acquisition, Cinda Financial Leasing, as the lessor, shall lease the Ruicheng Leased Assets to Ruicheng GCL, as the lessee, for a term of 8 years at an aggregate estimated rent of approximately RMB551,485,838.

(iv) Payment of Rent and Financial Lease Service Fee

The estimated aggregate amount of rent payable by Ruicheng GCL to Cinda Financial Leasing under the Ruicheng Finance Lease is RMB551,485,838 and shall be payable in a total of 32 quarterly instalments.

The interest rate under the Ruicheng Finance Lease was calculated at an annualized interest rate of 4.9%. During the term of the Ruicheng Finance Lease, if the applicable benchmark lending rate promulgated by the PBOC for a term of eight years is adjusted, the interest rate shall be adjusted proportionally in the same direction.

In addition, Ruicheng GCL shall pay a finance lease service fee to Cinda Financial Leasing in the amount of RMB36,000,000 and shall be payable in 8 instalments.

The terms of the Ruicheng Finance Lease including the lease rent, lease interest rate and the finance lease service fee were determined after arm's length negotiation between Cinda Financial Leasing and Ruicheng GCL 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 Ruicheng Leased Assets payable by Cinda Financial Leasing under the Ruicheng 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 Ruicheng Leased Assets

During the term of the Ruicheng Finance Lease, the ownership of the Ruicheng Leased Assets shall vest in Cinda Financial Leasing. Upon expiry of the term of the Ruicheng 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 Ruicheng Finance Lease, Ruicheng GCL shall have the right to purchase the Ruicheng Leased Assets from Cinda Financial Leasing for nominal purchase price of RMB100.

(vi) Security Arrangements for the Ruicheng Finance Lease

Pursuant to the Ruicheng Finance Lease, Ruicheng GCL shall pay to Cinda Financial Leasing the Ruicheng Security Deposit which shall be paid prior to Cinda Financial Leasing paying the consideration for the Ruicheng Leased Assets to secure Ruicheng GCL's obligations under the Ruicheng Finance Lease. Cinda Financial Leasing shall be entitled to deduct from the Ruicheng Security Deposit any unpaid rent, interest, default interest and any other fees incidental to Cinda Financial Leasing recovering any outstanding amount under the Ruicheng Finance Lease. In the event of such deduction, Ruicheng GCL shall make up for the deduction and restore the amount of the Ruicheng Security Deposit to RMB36,000,000. Following the expiry of the Ruicheng Finance Lease,

any remaining balance of the Ruicheng Security Deposit shall be refunded to Ruicheng GCL. The Ruicheng Security Deposit shall not bear any interest during the term of the Ruicheng Finance Lease.

Furthermore, the obligations under the Ruicheng Finance Lease are secured by the Suzhou GCL Ruicheng Guarantee, the Nanjing GCL Ruicheng Guarantee, the Ruicheng Lease Assets Mortgage Agreement, the Ruicheng Share Pledge Agreement and the Ruicheng Electricity Fee Pledge Agreement.

2. THE PREVIOUS FINANCE LEASE AGREEMENTS

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

3. REASONS FOR AND BENEFITS OF THE RUICHENG FINANCE LEASE AGREEMENTS

The terms of the Ruicheng 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 Group requires capital from time to time to construct its photovoltaic power station projects. The GNE Directors believe that the GNE Group will be able to derive additional liquidity through the finance lease arrangements under the Ruicheng Finance Lease Agreements and benefit from the additional working capital to support its business and operational activities.

Based on the above reasons, the GNE Directors believe and consider that the terms of the Ruicheng 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 consider that the terms of the Ruicheng Finance Lease Agreements and the Previous Finance Lease Agreements are fair and reasonable and on normal commercial terms and are in the interests of GCL-Poly and the GCL-Poly Shareholders as a whole.

4. LISTING RULES IMPLICATIONS

GCL-Poly

As none of the applicable percentage ratios in respect of the Ruicheng Finance Lease Agreements and the Previous Finance Lease Agreements, each on a standalone basis, exceeds 5%, the entering into of each of the Ruicheng Finance Lease Agreements and the Previous Finance Lease Agreements does not constitute a notifiable transaction for GCL-Poly under Chapter 14 of the Listing Rules.

As the GNE Group entered into the Previous Finance Lease Agreements with Cinda Financial Leasing within a 12-month period prior to and inclusive of the date of the Ruicheng Finance Lease Agreements, the Ruicheng Finance Lease Agreements and the Previous Finance Lease Agreements shall be aggregated as a series of transactions for GCL-Poly pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio in respect of the Ruicheng Finance Lease Agreements and the Previous Finance Lease Agreements (in aggregate) exceeds 5% but is less than 25% for GCL-Poly, the entering into of the Ruicheng Finance Lease Agreements and the Previous Finance Lease Agreements constitutes a discloseable transaction for GCL-Poly and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

GNE

As the highest applicable percentage ratio in respect of the Ruicheng Finance Lease Agreements on a standalone basis exceeds 5% but is less than 25% for GNE, the entering into of the Ruicheng Finance Lease Agreements constitutes a discloseable transaction for GNE and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As GNE entered into the Previous Finance Lease Agreements with Cinda Financial Leasing within a 12-month period prior to and inclusive of the date of the Ruicheng Finance Lease Agreements, the Ruicheng 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 Ruicheng Finance Lease Agreements and the Previous Finance Lease Agreements on an aggregated basis does not trigger a classification higher than a discloseable transaction for GNE under Chapter 14 of the Listing Rules.

5. INFORMATION ON THE PARTIES TO THE RUICHENG 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' 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 its connected persons.

To the best of 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 GNE and its connected persons.

GCL-Poly

The GCL-Poly Group 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 interested in approximately 62.28% of the issue share capital of GNE.

GNE

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

6. DEFINITIONS

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

“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
“GCL-Poly”	GCL-Poly Energy Holdings Limited (保利協鑫能源控股有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange, with stock code 3800. As at the date of this joint announcement, GCL-Poly is interested in approximately 62.28% of the issued share capital of GNE
“GCL-Poly Board”	the board of 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
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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 subsidiary of GCL-Poly and an indirect wholly-owned subsidiary of GNE which is incorporated in the PRC with limited liability
“Nanjing GCL Ruicheng Guarantee”	the guarantee dated 20 December 2017 given by Nanjing GCL New Energy to Cinda Financial Leasing to secure Ruicheng GCL’s obligations under the Ruicheng Finance Lease
“PBOC”	the People’s Bank of China
“PRC”	the People’s Republic of China
“Previous Announcements”	the joint announcements of GNE and GCL-Poly dated 19 January 2017 and 23 October 2017, respectively
“Previous Finance Lease Agreements”	the Ruzhou Finance Lease Agreements, the Tongyu Finance Lease Agreements, the Yilian Finance Lease Agreements, the Meng II Finance Lease Agreements and the Huarong Finance Lease Agreements. For further information, please refer to the Previous Announcements
“RMB”	Renminbi, the lawful currency of the PRC

“Ruicheng Electricity Fee Pledge Agreement”	the agreement dated 20 December 2017 between Cinda Financial Leasing and Ruicheng GCL, pursuant to which Ruicheng GCL pledged to Cinda Financial Leasing 100% of its right to electricity fees in relation to the Ruicheng Project
“Ruicheng Finance Lease”	the finance lease agreement dated 20 December 2017 between Cinda Financial Leasing and Ruicheng GCL in relation to the leasing of the Ruicheng Leased Assets
“Ruicheng Finance Lease Agreements”	the Ruicheng Finance Lease, the Suzhou GCL Ruicheng Guarantee, the Nanjing GCL Ruicheng Guarantee, the Ruicheng Leased Assets Mortgage Agreement, the Ruicheng Share Pledge Agreement and the Ruicheng Electricity Fee Pledge Agreement
“Ruicheng GCL”	Ruicheng GCL Photovoltaic Power Co., Ltd.* (芮城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
“Ruicheng Leased Assets”	certain photovoltaic equipment and installations used for the Ruicheng Project
“Ruicheng Leased Assets Mortgage Agreement”	the agreement dated 20 December 2017 between Cinda Financial Leasing and Ruicheng GCL, pursuant to which Ruicheng GCL has mortgaged the Ruicheng Leased Assets to Cinda Financial Leasing
“Ruicheng Project”	the 100MW photovoltaic power station located in Ruicheng County, Yuncheng City, Shanxi Province, the PRC
“Ruicheng Security Deposit”	a refundable deposit of RMB36,000,000 payable by Ruicheng GCL under the Ruicheng Finance Lease
“Ruicheng Share Pledge Agreement”	the agreement dated 20 December 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 Ruicheng GCL 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 Ruicheng Guarantee”	the guarantee dated 20 December 2017 from Suzhou GCL New Energy given to Cinda Financial Leasing in respect of Ruicheng GCL’s obligations under the Ruicheng 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
“%”	per cent.

* for identification purpose only

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, 20 December 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.