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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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

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

(Incorporated in Bermuda with limited liability)

(Stock code: 451)

**MAJOR TRANSACTION WITH XI'AN DATANG
ELECTRIC POWER DESIGN AND RESEARCH INSTITUTE CO., LTD.*
AND
NOTICE OF SPECIAL GENERAL MEETING**

Capitalised terms used in this cover shall have the same meanings as those defined in the section headed "Definitions" in this circular. A letter from the Board is set out on pages 8 to 34 of this circular.

A notice convening the Special General Meeting to be held at Jade Room, 6/F, Marco Polo Hongkong Hotel, 3 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 25 May 2018 at 12:15 p.m. (or such time immediately following the conclusion (or adjournment) of the annual general meeting of the Company to be held on the same day and at the same place, whichever is later) is set out on pages SGM-1 to SGM-2 of this circular.

A proxy form for use at the Special General Meeting is enclosed. Whether or not you are able to attend the Special General Meeting, please complete the accompanying proxy form in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar and transfer office of the Company, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Special General Meeting or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the Special General Meeting and any adjournment thereof (as the case may be) should you so wish and in such event, the proxy form shall be deemed to be revoked.

9 May 2018

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	8
APPENDIX I – FINANCIAL INFORMATION OF THE GROUP	35
APPENDIX II – GENERAL INFORMATION	41
NOTICE OF SPECIAL GENERAL MEETING	SGM-1

DEFINITIONS

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

“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of the Directors
“Company”	GCL New Energy Holdings Limited 協鑫新能源控股有限公司, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange, with stock code 451
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Elite Time Global”	Elite Time Global Limited, a company incorporated in British Virgin Islands with limited liability, a wholly-owned subsidiary of GCL-Poly and which, as at the Latest Practicable Date, holds 11,880,000,000 Shares representing approximately 62.28% of the issued share capital of the Company
“EPC”	engineering, procurement and construction
“EPC and Equipment Purchase Agreements”	together, the Yongcheng EPC and Equipment Purchase Agreements, and the Shangshui EPC and Equipment Purchase Agreements
“Equipment Purchase Agreements”	together, the Yongcheng Equipment Purchase Agreement, the Shangshui Equipment Purchase Agreement, the Taiqian Equipment Purchase Agreement (as defined and disclosed in the Previous Announcements), and the Huaibei Equipment Purchase Agreement (as defined and disclosed in the Previous Announcements)
“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
“GCL System Integration”	GCL System Integration Technology Co., Ltd. 協鑫集成科技股份有限公司, a company listed on the Small & Medium Enterprises Board of the Shenzhen Stock Exchange, stock code: 002506
“Group”	the Company and its subsidiaries

DEFINITIONS

“GW”	gigawatt(s)
“Henan Sanmenxia EPC and Equipment Purchase Agreements”	together, 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 Announcements
“HKEx”	Hong Kong Exchanges and Clearing Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Huaibei Equipment Purchase Agreement”	the equipment purchase agreement dated 15 September 2017 entered into between Xi’an Datang Electric as customer, Zhenjiang GCL New Energy as supplier and Huaibei GCL New Energy as principal in relation to the sale and purchase of certain solar power station equipment for the Huaibei Project
“Huaibei GCL New Energy”	Huaibei GCL New Energy Co., Ltd* (淮北鑫能光伏電力有限公司), an indirect subsidiary of GCL-Poly and an indirect subsidiary of the Company which is incorporated in the PRC with limited liability
“Huaibei GNE Guarantee”	the letter dated 15 September 2017 issued by the Company addressed to Xi’an Datang Electric in connection with the guarantee provided by the Company to Xi’an Datang Electric in respect of Huaibei GCL New Energy’s obligations under the Huaibei PC Agreement
“Huaibei PC Agreement”	the PC agreement dated 15 September 2017 entered into between Huaibei GCL New Energy as principal and Xi’an Datang Electric as contractor for the Huaibei Project
“Huaibei PC and Equipment Purchase Agreements”	together, the Huaibei PC Agreement, the Huaibei PC Supplemental Agreement, the Huaibei GNE Guarantee and the Huaibei Equipment Purchase Agreement
“Huaibei PC Supplemental Agreement”	the PC supplemental agreement dated 15 September 2017 entered into between Huaibei GCL New Energy as principal and Xi’an Datang Electric as contractor for the Huaibei Project
“Huaibei Project”	the 60MW photovoltaic power station project located in Nanping town of Suixi County of Huaibei City of Anhui Province, the PRC

DEFINITIONS

“Huarong EPC and Equipment Purchase Agreements”	together, the Huarong EPC Agreement, the Huarong EPC Supplemental Agreement, the Second Huarong EPC Supplemental Agreement, the Huarong GNE Guarantee and the Huarong Equipment Purchase Agreement, as defined and disclosed in the Previous Announcements
“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
“Latest Practicable Date”	4 May 2018, being the latest practicable date of ascertaining certain information contained in this circular prior to its publication
“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 the Company which is incorporated in the PRC with limited liability
“PAA”	Pacific Alliance Asia Opportunity Fund LP
“PC”	procurement and construction
“PRC” or “China”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Previous Announcements”	the announcements of GCL-Poly and the Company both dated 28 April 2017 and the joint announcements of GCL-Poly and the Company dated 15 September 2017 and 23 October 2017
“Previous Circular”	the circular of the Company dated 19 May 2017 in relation to, amongst others, the Huarong EPC and Equipment Purchase Agreements and the Henan Sanmenxia EPC and Equipment Purchase Agreements
“Previous PC and Equipment Purchase Agreements”	together, the Taiqian PC and Equipment Purchase Agreements, and the Huaibei PC and Equipment Purchase Agreements
“RMB”	Renminbi, the lawful currency of the PRC
“Sales Proceeds”	the sales proceeds under the Equipment Purchase Agreements

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time
“SGM” or “Special General Meeting”	the special general meeting of the Company to be convened and held at Jade Room, 6/F, Marco Polo Hongkong Hotel, 3 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 25 May 2018 at 12:15 p.m. (or such time immediately following the conclusion (or adjournment) of the annual general meeting of the Company to be held on the same day and at the same place, whichever is later), notice of which is set out on pages SGM-1 to SGM-2 of this circular and any adjournment thereof for the purpose of approving, among other things, the EPC and Equipment Purchase Agreements
“Shangshui EPC Agreement”	the EPC agreement dated 26 April 2018 entered into between Shangshui GCL New Energy as principal and Xi’an Datang Electric as contractor for the Shangshui Project
“Shangshui EPC and Equipment Purchase Agreements”	the Shangshui EPC Agreement, the Shangshui EPC Supplemental Agreement, the Shangshui GNE Guarantee and the Shangshui Equipment Purchase Agreements
“Shangshui EPC Supplemental Agreement”	the EPC supplemental agreement dated 26 April 2018 entered into between Suzhou GCL New Energy and Shangshui GCL New Energy as joint principals and Xi’an Datang Electric as contractor for the Shangshui Project
“Shangshui Equipment Purchase Agreement I”	the equipment purchase agreement dated 26 April 2018 entered into between Xi’an Datang Electric as customer, Zhenjiang GCL New Energy as supplier and Shangshui GCL New Energy as principal in relation to the sale and purchase of certain solar power station equipment for the Shangshui Project
“Shangshui Equipment Purchase Agreement II”	the equipment purchase agreement dated 26 April 2018 entered into between Xi’an Datang Electric as customer, Nanjing GCL New Energy as supplier and Shangshui GCL New Energy as principal in relation to the sale and purchase of certain solar power station equipment for the Shangshui Project
“Shangshui Equipment Purchase Agreements”	the Shangshui Equipment Purchase Agreement I and the Shangshui Equipment Purchase Agreement II
“Shangshui GCL New Energy”	Shangshui GCL New Energy Co., Ltd* (商水協鑫光伏電力有限公司), an indirect subsidiary of GCL-Poly and an indirect subsidiary of the Company which is incorporated in the PRC with limited liability

DEFINITIONS

“Shangshui GNE Guarantee”	the agreement dated 26 April 2018 entered into between the Company and Xi’an Datang Electric in connection with the guarantee provided by the Company to Xi’an Datang Electric in respect of Shangshui GCL New Energy’s obligations under the Shangshui EPC Agreement
“Shangshui Project”	the 100MW photovoltaic power station project located in Shangshui County of Henan Province, the PRC
“Share(s)”	ordinary shares of one-two-hundred-fortieth (1/240) of a Hong Kong dollar each (equivalent to HK\$0.00416) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Solar Power Station Equipment”	certain solar power station equipment under the Equipment Purchase Agreements
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the same meaning ascribed to it under the Listing Rules
“Supply Agreements”	relevant supply agreements under which Zhenjiang GCL New Energy and/or Nanjing GCL New Energy (as the case may be) purchases the Solar Power Station Equipment from its suppliers
“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 subsidiary of the Company which is incorporated in the PRC with limited liability
“Taiqian Equipment Purchase Agreement”	the equipment purchase agreement dated 29 March 2018 entered into between Xi’an Datang Electric as customer, Nanjing GCL New Energy as supplier and Taiqian GCL New Energy as principal in relation to the sale and purchase of certain solar power station equipment for the Taiqian Project
“Taiqian GCL New Energy”	Taiqian GCL New Energy Co., Ltd* (台前協鑫光伏電力有限公司), an indirect subsidiary of GCL-Poly and an indirect subsidiary of the Company which is incorporated in the PRC with limited liability

DEFINITIONS

“Taiqian GNE Guarantee”	the agreement dated 29 March 2018 entered into between the Company and Xi’an Datang Electric in connection with the guarantee provided by the Company to Xi’an Datang Electric in respect of Taiqian GCL New Energy’s obligations under the Taiqian PC Agreement
“Taiqian PC Agreement”	the PC agreement dated 29 March 2018 entered into between Taiqian GCL New Energy as principal and Xi’an Datang Electric as contractor for the Taiqian Project
“Taiqian PC and Equipment Purchase Agreements”	the Taiqian PC Agreement, the Taiqian PC Supplemental Agreement, the Taiqian GNE Guarantee and the Taiqian Equipment Purchase Agreement
“Taiqian PC Supplemental Agreement”	the PC supplemental agreement dated 29 March 2018 entered into between Suzhou GCL New Energy and Taiqian GCL New Energy as joint principals and Xi’an Datang Electric as contractor for the Taiqian Project
“Taiqian Project”	the 20MW agriculture-photovoltaic power station project located in Taiqian County of Henan Province, the PRC
“Trust Companies”	Highexcel Investments Limited, Get Famous Investments Limited and Happy Genius Holdings Limited
“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
“Yongcheng EPC Agreement”	the EPC agreement dated 26 April 2018 entered into between Yongcheng GCL New Energy as principal and Xi’an Datang Electric as contractor for the Yongcheng Project
“Yongcheng EPC and Equipment Purchase Agreements”	the Yongcheng EPC Agreement, the Yongcheng EPC Supplemental Agreement, the Yongcheng GNE Guarantee and the Yongcheng Equipment Purchase Agreement
“Yongcheng EPC Supplemental Agreement”	the EPC supplemental agreement dated 26 April 2018 entered into between Suzhou GCL New Energy and Yongcheng GCL New Energy as joint principals and Xi’an Datang Electric as contractor for the Yongcheng Project

DEFINITIONS

“Yongcheng Equipment Purchase Agreement”	the equipment purchase agreement dated 26 April 2018 entered into between Xi’an Datang Electric as customer, Zhenjiang GCL New Energy as supplier and Yongcheng GCL New Energy as principal in relation to the sale and purchase of certain solar power station equipment for the Yongcheng Project
“Yongcheng GCL New Energy”	Yongcheng GCL New Energy Co., Ltd* (永城鑫能光伏電力有限公司), an indirect subsidiary of GCL-Poly and an indirect subsidiary of the Company which is incorporated in the PRC with limited liability
“Yongcheng GNE Guarantee”	the agreement dated 26 April 2018 entered into between the Company and Xi’an Datang Electric in connection with the guarantee provided by the Company to Xi’an Datang Electric in respect of Yongcheng GCL New Energy’s obligations under the Yongcheng EPC Agreement
“Yongcheng Project”	the 80MW photovoltaic power station project located in Yongcheng County of Henan Province, the PRC
“Zhenjiang GCL New Energy”	Zhenjiang GCL New Energy Development Co., Ltd.* (鎮江協鑫新能源發展有限公司), an indirect subsidiary of GCL-Poly and an indirect subsidiary of the Company which is incorporated in the PRC with limited liability
“%”	per cent.

* For identification purposes only.

LETTER FROM THE BOARD



GCL New Energy Holdings Limited
協鑫新能源控股有限公司
(Incorporated in Bermuda with limited liability)
(Stock code: 451)

Executive Directors:

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

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Non-executive Directors:

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

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

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

Independent non-executive Directors:

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

9 May 2018

To the Shareholders

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

INTRODUCTION

On 26 April 2018, the Company announced that the Company, through its subsidiaries, entered into the following agreements respectively with Xi'an Datang Electric:

- (1) the Yongcheng EPC Agreement;
- (2) the Yongcheng EPC Supplemental Agreement;

LETTER FROM THE BOARD

- (3) the Yongcheng GNE Guarantee;
- (4) the Yongcheng Equipment Purchase Agreement;
- (5) the Shangshui EPC Agreement;
- (6) the Shangshui EPC Supplemental Agreement;
- (7) the Shangshui GNE Guarantee;
- (8) the Shangshui Equipment Purchase Agreement I; and
- (9) the Shangshui Equipment Purchase Agreement II,

(together, the “**EPC and Equipment Purchase Agreements**”).

In addition, the Company, through its subsidiaries, previously entered into the Taiqian PC and Equipment Purchase Agreements and the Huaibei PC and Equipment Purchase Agreements with Xi’an Datang Electric in the past 12 months.

As one or more of the applicable percentage ratios in respect of the EPC and Equipment Purchase Agreements, the Taiqian PC and Equipment Purchase Agreements and the Huaibei PC and Equipment Purchase Agreements (in aggregate) exceeds 25% but is less than 100% for the Company, the entering into of the EPC and Equipment Purchase Agreements, the Taiqian PC and Equipment Purchase Agreements and the Huaibei PC and Equipment Purchase Agreements (in aggregate) constitutes a major transaction of the Company and the Company shall comply with the reporting and announcement and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

The purpose of this circular is to provide you with (i) details of the EPC and Equipment Purchase Agreements, the Taiqian PC and Equipment Purchase Agreements and the Huaibei PC and Equipment Purchase Agreements; (ii) financial information of the Group and other information required under the Listing Rules and (iii) a notice of the SGM.

1. EPC AND EQUIPMENT PURCHASE AGREEMENTS

A. Principal terms of the Yongcheng EPC Agreement

(i) *Date*

26 April 2018

(ii) *Parties*

Principal: Yongcheng GCL New Energy

Contractor: Xi’an Datang Electric

LETTER FROM THE BOARD

(iii) Subject Matter

Yongcheng GCL New Energy agreed to engage Xi'an Datang Electric to provide EPC services in relation to the Yongcheng Project. The relevant construction work will commence pursuant to the notice of commencement given by Yongcheng GCL New Energy. It is expected that full-on-grid connection for Yongcheng Project will be completed on 30 June 2018. By 30 July 2018, all EPC work will be completed and the Test Run and Quality Check Certificate* (工程試運和移交生產驗收鑒定書) will be obtained after the test run. The Construction Completion Certificate* (工程竣工驗收鑒定書) will be obtained within three months after the issuance of the Test Run and Quality Check Certificate*.

(iv) Basis of Consideration

The consideration for the solar power station equipment and services under the Yongcheng EPC Agreement is estimated to be RMB348,752,104.77, comprising:

- (a) solar power station equipment fee for an estimated amount of RMB292,580,724.97;
- (b) fees for construction, installation, design and other services for an estimated amount of RMB38,875,499.80; and
- (c) construction materials relating to the Yongcheng Project, including pipe piles and enclosures, for an estimated amount of RMB17,295,880.00.

The final consideration may be adjusted if (a) Yongcheng GCL New Energy has changed the capacity of the power station which results in a change in quantity of construction work; or (b) the actual number of pipe piles required differs from the number stated in the tender documents; or (c) there are substantial adjustments between the construction plan and the tender documents which result in a cumulative amount more than RMB200,000.00.

The Yongcheng EPC Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms, and was awarded after a bidding process in accordance with the Company's procurement policies to ensure its terms are in line with prevailing market terms of projects of similar nature and scale in the region. The consideration was determined with reference to (a) the quality standard of the services to be provided under the Yongcheng EPC Agreement; (b) the anticipated profit margin of the Yongcheng Project (set with reference to profit margins of other similar projects in the market and of other similar projects of the Group); and (c) the prevailing market price.

Given that there are limited regional resources and service providers from whom the engineering, procurement and construction services under the Yongcheng EPC Agreement could be procured, the Company followed its procurement policies and used the selective bidding method to procure the engineering, procurement and construction services, and

LETTER FROM THE BOARD

determined that the consideration was fair and reasonable based on the market price of similar services, having considered other bids submitted in the bidding process for the Group's previous projects for similar services.

The Company uses selective bidding to select third party service providers in certain circumstances, such as, (a) where the required technology is monopolised in the region, (b) there is a limited number of service providers, (c) there are requirements imposed by laws and regulations, or (d) there is a lack of regional expertise. When the Company determines that procurement through selective bidding is appropriate, the Company will solicit bids from one or multiple service providers who meet the Company's specific technical, pricing and timing requirements. The Company sets out specific requirements regarding the quality of service in the bid invitation (including the specific technical and timing requirements of the Yongcheng Project), and selects the most appropriate service provider after considering the price, timing, technical level and other terms of the bids received. The Company considers its bidding process to be in line with market and industry practice, enabling the Company to procure services from the most appropriate service provider.

(v) *Payment terms*

The consideration for the solar power station equipment and services under the Yongcheng EPC Agreement shall be paid by Yongcheng GCL New Energy to Xi'an Datang Electric in accordance with the following milestones:

Payment terms for the solar power station equipment

First instalment	10% of the estimated equipment fees shall be paid by Yongcheng GCL New Energy to Xi'an Datang Electric as prepayment immediately after the signing of the Yongcheng EPC Agreement
Subsequent instalments	Upon the payment of each equipment fee instalment by Xi'an Datang Electric in accordance with the Yongcheng Equipment Purchase Agreement, Yongcheng GCL New Energy shall pay 100% of the equipment procurement fees for each instalment upon the earlier of (i) within eight (8) months after the payment of each instalment by Xi'an Datang Electric under the Yongcheng Equipment Purchase Agreement; or (ii) the date on which the solar power station equipment is pledged and/or mortgaged and the bank releases the loan funds for the Yongcheng Project

LETTER FROM THE BOARD

Payment terms for the services and other construction materials relating to the Yongcheng Project

First instalment	10% of the estimated services fees shall be paid by Yongcheng GCL New Energy to Xi'an Datang Electric as prepayment immediately upon signing of the Yongcheng EPC Agreement
Second instalment	<p>Yongcheng GCL New Energy shall pay to Xi'an Datang Electric:</p> <ul style="list-style-type: none">(a) 75% (in aggregate) of the estimated services fees upon the earlier of (i) 60 days from the date on which 90% capacity of the on-grid power connection facilities for the Yongcheng Project are in place or (ii) within seven (7) days from the date of reaching 90% capacity on-grid power connection for the Yongcheng Project; or(b) 85% (in aggregate) of the estimated services fees if the facilities for the full capacity on-grid power connection for the Yongcheng Project are partially in place, but the remaining facilities are incomplete due to problems with the land provided by Yongcheng GCL New Energy
Third instalment	At least 95% (in aggregate) of the estimated services fees shall be paid by Yongcheng GCL New Energy to Xi'an Datang Electric once all the construction work is completed, the solar power station has been handed over after inspection and all accounts have been settled
Fourth instalment	The remaining 5% of the estimated service fees shall be paid by Yongcheng GCL New Energy to Xi'an Datang Electric after the expiration of the warranty period provided that there are no quality issues, or any issues have been remedied by Xi'an Datang Electric

LETTER FROM THE BOARD

(vi) Guarantee

Pursuant to the Yongcheng GNE Guarantee, the Company has agreed to provide a guarantee for RMB348,752,104.77, being the total contract price, as well as for damages, legal fees, administrative fees and other amounts due to Xi'an Datang Electric in respect of Yongcheng GCL New Energy's obligations under the Yongcheng EPC Agreement.

(vii) Yongcheng EPC Supplemental Agreement

Pursuant to the Yongcheng EPC Supplemental Agreement, Suzhou GCL New Energy and Yongcheng GCL New Energy will act as joint principals and agreed to engage Xi'an Datang Electric as contractor to provide EPC services in relation to the Yongcheng Project. Suzhou GCL New Energy and Yongcheng GCL New Energy agreed to undertake the relevant obligations and liabilities under the Yongcheng EPC Agreement.

Furthermore, Suzhou GCL New Energy and Yongcheng GCL New Energy, as joint principals, undertake that:

- (a) if a bank loan has been obtained for the Yongcheng Project by pledging the solar power station and the income arising from electricity generated from the Yongcheng Project, the joint principals shall, immediately and with first priority, pay Xi'an Datang Electric the amounts advanced by Xi'an Datang Electric under the Yongcheng EPC Agreement utilizing funds from the bank loan; and
- (b) prior to obtaining the bank loan, the joint principals shall pledge all of the income arising from electricity generated from the Yongcheng Project and account receivables to Xi'an Datang Electric as security.

B. Principal terms of the Yongcheng Equipment Purchase Agreement

(i) Date

26 April 2018

(ii) Parties

Principal:	Yongcheng GCL New Energy
Supplier:	Zhenjiang GCL New Energy
Customer:	Xi'an Datang Electric

LETTER FROM THE BOARD

(iii) Subject Matter

Zhenjiang GCL New Energy agreed to supply, and Xi'an Datang Electric agreed to purchase certain solar power station equipment for a consideration of RMB282,911,821.91 for the Yongcheng Project. The equipment purchased included solar components, brackets, inverters, transformers, switchgears and cables.

(iv) Basis of consideration

The Yongcheng Equipment Purchase Agreement was signed together with the Yongcheng EPC Agreement after a bidding process. The Yongcheng Equipment Purchase Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration was calculated on the basis of the market price of similar products sold by the Group and by other suppliers in the region and with reference to the relevant brands, payment methods and size of order.

(v) Payment terms

The consideration for the solar power station equipment purchased under the Yongcheng Equipment Purchase Agreement shall be paid by Xi'an Datang Electric to Zhenjiang GCL New Energy in accordance with the following milestones:

First instalment	60% of the total consideration shall be paid by Xi'an Datang Electric to Zhenjiang GCL New Energy within two (2) weeks from the date on which Xi'an Datang Electric receives the prepayment for the solar power station equipment from Yongcheng GCL New Energy under the Yongcheng EPC Agreement
Second instalment	40% of the total consideration shall be paid by Xi'an Datang Electric to Zhenjiang GCL New Energy within four (4) weeks from the date on which Xi'an Datang Electric receives the prepayment for the solar power station equipment from Yongcheng GCL New Energy under the Yongcheng EPC Agreement

C. Principal terms of the Shangshui EPC Agreement

(i) Date

26 April 2018

LETTER FROM THE BOARD

(ii) Parties

Principal: Shangshui GCL New Energy

Contractor: Xi'an Datang Electric

(iii) Subject Matter

Shangshui GCL New Energy agreed to engage Xi'an Datang Electric to provide EPC services in relation to the Shangshui Project. The relevant construction work will commence pursuant to the notice of commencement given by Shangshui GCL New Energy. It is expected that the full-on-grid connection for the Shangshui Project will be completed on 30 June 2018. By 30 July 2018, all EPC work will be completed and the Test Run and Quality Check Certificate* (工程試運和移交生產驗收鑒定書) will be obtained after the test run. The Construction Completion Certificate* (工程竣工驗收鑒定書) will be obtained within three months after the issuance of the Test Run and Quality Check Certificate*.

(iv) Basis of Consideration

The consideration for the solar power station equipment and services under the Shangshui EPC Agreement is estimated to be RMB485,757,465.11, comprising:

- (a) solar power station equipment fee for an estimated amount of RMB419,152,605.61;
- (b) fees for construction, installation, design and other services for an estimated amount of RMB46,260,479.50; and
- (c) construction materials, including pipe piles and enclosures, for an estimated amount of RMB20,344,380.00.

The final consideration may be adjusted if (a) Shangshui GCL New Energy has changed the capacity of the power station which results in a change in the quantity of construction work; or (b) the actual number of pipe piles required differs from the number stated in the tender documents; or (c) there are substantial adjustments between the construction plan and the tender documents which result in a cumulative amount more than RMB200,000.00.

The Shangshui EPC Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms, and was awarded after a bidding process in accordance with the Company's procurement policies to ensure its terms are in line with prevailing market terms of projects of similar nature and scale in the region. The consideration was determined with reference to (a) the quality standard of the services to be provided under the Shangshui EPC Agreement; (b) the anticipated profit margin of the Shangshui Project (set with reference to profit margins of other similar projects in the market and of other similar projects of the Group); and (c) the prevailing market price.

LETTER FROM THE BOARD

Given that there are limited regional resources and service providers from whom the engineering, procurement and construction services under the Shangshui EPC Agreement could be procured, the Company followed its procurement policies and used the selective bidding method to procure the engineering, procurement and construction services, and determined that the consideration was fair and reasonable based on the market price of similar services, having considered other bids submitted in the bidding process for the Group's previous projects for similar services.

The Company uses selective bidding to select third party service providers in certain circumstances, such as, (a) where the required technology is monopolised in the region, (b) there is a limited number of service providers, (c) there are requirements imposed by laws and regulations, or (d) there is a lack of regional expertise. When the Company determines that procurement through selective bidding is appropriate, the Company will solicit bids from one or multiple service providers who meet the Company's specific technical, pricing and timing requirements. The Company sets out specific requirements regarding the quality of service in the bid invitation (including the specific technical and timing requirements of the Shangshui Project), and selects the most appropriate service provider after considering the price, timing, technical level and other terms of the bids received. The Company considers its bidding process to be in line with market and industry practice, enabling the Company to procure services from the most appropriate service provider.

(v) *Payment terms*

The consideration for the solar power station equipment and services and other construction materials under the Shangshui EPC Agreement shall be paid by Shangshui GCL New Energy to Xi'an Datang Electric in accordance with the following milestones:

Payment terms for the solar power station equipment

First instalment	10% of the estimated equipment fees shall be paid by Shangshui GCL New Energy to Xi'an Datang Electric as prepayment immediately after the signing of the Shangshui EPC Agreement
Subsequent instalments	Upon the payment of each equipment fee instalment by Xi'an Datang Electric in accordance with the Shangshui Equipment Purchase Agreement, Shangshui GCL New Energy shall pay 100% of the equipment procurement fees for each instalment upon the earlier of (i) within eight (8) months after the payment of each instalment by Xi'an Datang Electric under the Shangshui Equipment Purchase Agreement; or (ii) the date on which the solar power station equipment is pledged and/or mortgaged and the bank releases the loan funds for the Shangshui Project

LETTER FROM THE BOARD

Payment terms for the services and other construction materials relating to the Shangshui Project

First instalment	10% of the estimated services fees shall be paid by Shangshui GCL New Energy to Xi'an Datang Electric as prepayment upon signing of the Shangshui EPC Agreement
Second instalment	Shangshui GCL New Energy shall pay to Xi'an Datang Electric: (a) 75% (in aggregate) of the estimated services fees upon the earlier of (i) 60 days from the date on which 90% capacity of the on-grid power connection facilities for the Shangshui Project are in place or (ii) within seven (7) days from the date of reaching 90% capacity on-grid power connection for the Shangshui Project; or (b) 85% (in aggregate) of the estimated services fees if the facilities for the full capacity on-grid power connection for the Shangshui Project are partially in place, but the remaining facilities are incomplete due to problems with the land provided by Shangshui GCL New Energy
Third instalment	At least 95% of the estimated services fees shall be paid by Shangshui GCL New Energy to Xi'an Datang Electric once all the construction work is completed, the solar power station has been handed over after inspection and all accounts have been settled
Fourth instalment	The remaining 5% of the estimated service fees shall be paid by Shangshui GCL New Energy to Xi'an Datang Electric after the expiration of the warranty period provided that there are no quality issues, or any issues have been remedied by Xi'an Datang Electric

(vi) Guarantee

Pursuant to the Shangshui GNE Guarantee, the Company has agreed to provide a guarantee for RMB485,757,465.11, being the total contract price, as well as for damages, legal fees, administrative fees and other amounts due to Xi'an Datang Electric in respect of Shangshui GCL New Energy's obligations under the Shangshui EPC Agreement.

LETTER FROM THE BOARD

(vii) Shangshui EPC Supplemental Agreement

Pursuant to the Shangshui EPC Supplemental Agreement, Suzhou GCL New Energy and Shangshui GCL New Energy will act as joint principals and agreed to engage Xi'an Datang Electric as contractor to provide EPC services in relation to the Shangshui Project. Suzhou GCL New Energy and Shangshui GCL New Energy agreed to undertake the relevant obligations and liabilities under the Shangshui EPC Agreement.

Furthermore, Suzhou GCL New Energy and Shangshui GCL New Energy, as joint principals, undertake that:

- (a) if a bank loan has been obtained for the Shangshui Project by pledging the solar power station and the income arising from electricity generated from the Shangshui Project, the joint principals shall, immediately and with first priority, pay Xi'an Datang Electric the amounts advanced by Xi'an Datang Electric under the Shangshui EPC Agreement utilizing funds from the bank loan; and
- (b) prior to obtaining the bank loan, the joint principals shall pledge all the income arising from electricity generation from the Shangshui Project and account receivables to Xi'an Datang Electric as security.

D. Principal terms of the Shangshui Equipment Purchase Agreement I

(i) Date

26 April 2018

(ii) Parties

Principal: Shangshui GCL New Energy

Supplier: Zhenjiang GCL New Energy

Customer: Xi'an Datang Electric

(iii) Subject Matter

Zhenjiang GCL New Energy agreed to supply, and Xi'an Datang Electric agreed to purchase certain solar power station equipment for a consideration of RMB110,431,006.00 for the Shangshui Project. The equipment purchased included brackets, combiner boxes, circuit breakers, inverters, transformers and cables.

LETTER FROM THE BOARD

(iv) *Basis of consideration*

The Shangshui Equipment Purchase Agreement I was signed together with the Shangshui EPC Agreement after a bidding process. The Shangshui Equipment Purchase Agreement I was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration is calculated on the basis of the market price of similar products sold by the Group and by other suppliers in the region and with reference to the relevant brands, payment methods and size of order.

(v) *Payment terms*

The consideration for the solar power station equipment purchased under the Shangshui Equipment Purchase Agreement I shall be paid by Xi'an Datang Electric to Zhenjiang GCL New Energy in accordance with the following milestones:

First instalment	60% of the total consideration shall be paid by Xi'an Datang Electric to Zhenjiang GCL New Energy within two (2) weeks from the date on which Xi'an Datang Electric receives the prepayment of the solar power station equipment from Shangshui GCL New Energy under the Shangshui EPC Agreement
Second instalment	40% of the total consideration shall be paid by Xi'an Datang Electric to Zhenjiang GCL New Energy within four (4) weeks from the date on which Xi'an Datang Electric receives the prepayment for the solar power station equipment from Shangshui GCL New Energy under the Shangshui EPC Agreement

E. Principal terms of the Shangshui Equipment Purchase Agreement II

(i) *Date*

26 April 2018

(ii) *Parties*

Principal:	Shangshui GCL New Energy
Supplier:	Nanjing GCL New Energy
Customer:	Xi'an Datang Electric

LETTER FROM THE BOARD

(iii) Subject Matter

Nanjing GCL New Energy agreed to supply, and Xi'an Datang Electric agreed to purchase certain solar power station equipment for a consideration of RMB68,400,605.65 for the Shangshui Project. The equipment purchased comprised solar modules.

(iv) Basis of consideration

The Shangshui Equipment Purchase Agreement II was signed together with the Shangshui EPC Agreement after a bidding process. The Shangshui Equipment Purchase Agreement II was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration is calculated on the basis of the market price of similar products sold by the Group and by other suppliers in the region and with reference to the relevant brands, payment methods and size of order.

(v) Payment terms

The consideration for the solar modules under the Shangshui Equipment Purchase Agreement II shall be paid by Xi'an Datang Electric to Nanjing GCL New Energy in accordance with the following milestones:

First instalment	60% of the total consideration shall be paid by Xi'an Datang Electric to Nanjing GCL New Energy within two (2) weeks from the date on which Xi'an Datang Electric receives the prepayment of the solar power station equipment from Shangshui GCL New Energy under the Shangshui EPC Agreement
Second instalment	40% of the total consideration shall be paid by Xi'an Datang Electric to Nanjing GCL New Energy within four (4) weeks from the date on which Xi'an Datang Electric receives the prepayment for the solar power station equipment from Shangshui GCL New Energy under the Shangshui EPC Agreement

2. THE PREVIOUS PC AND EQUIPMENT PURCHASE AGREEMENTS

A. Principal terms of the Taiqian PC Agreement

(i) Date

29 March 2018

LETTER FROM THE BOARD

(ii) Parties

Principal: Taiqian GCL New Energy

Contractor: Xi'an Datang Electric

(iii) Subject Matter

Taiqian GCL New Energy agreed to engage Xi'an Datang Electric to provide PC services in relation to the Taiqian Project. The relevant construction work commenced pursuant to the notice of commencement given by Taiqian GCL New Energy. It was expected that full-on-grid connection for the Taiqian Project would be completed on 30 April 2018. By 30 May 2018, all procurement and construction work would be completed and the Test Run and Quality Check Certificate* (工程試運和移交生產驗收鑒定書) would be obtained after the test run. The Construction Completion Certificate* (工程竣工驗收鑒定書) would be obtained within three months after the issuance of the Test Run and Quality Check Certificate*.

(iv) Basis of Consideration

The consideration for the solar power station equipment and services under the Taiqian PC Agreement was estimated to be RMB91,345,401.89, comprising:

- (a) solar power station equipment fee for an estimated amount of RMB77,183,801.89;
- (b) construction services fee for an estimated amount of RMB8,249,800.00; and
- (c) construction materials, including cement, pipes and installation fee for the pipes, for the estimated amount of RMB5,911,800.00.

The final consideration may be adjusted if (a) Taiqian GCL New Energy has changed the capacity of the power station which results in a change in the quantity of construction work; or (b) the actual number of pipes used differs from the tender documents; or (c) there are substantial adjustments between the construction plan and the tender documents which result in a cumulative amount equal or above to RMB200,000.00.

The Taiqian PC Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms, and was awarded after a bidding process in accordance with the Company's procurement policies to ensure its terms are in line with prevailing market terms of projects of similar nature and scale in the region. The consideration was determined with reference to (a) the quality standard of the services to be provided under the Taiqian PC Agreement; (b) the anticipated profit margin of the Taiqian Project (set with reference to profit margins of the other similar projects in the market and of other similar projects of the Group); and (c) the prevailing market price.

LETTER FROM THE BOARD

Given that there are limited regional resources and service providers from whom the engineering, procurement and construction services under the Taiqian PC Agreement could be procured, the Company followed its procurement policies and used the selective bidding method to procure the engineering, procurement and construction services, and determined that the consideration was fair and reasonable based on the market price of similar services, having considered other bids submitted in the bidding process for the Group's previous projects for similar services.

The Company uses selective bidding to select third party service providers in certain circumstances, such as, (a) where the required technology is monopolised in the region, (b) there is a limited number of service providers, (c) there are requirements imposed by laws and regulations, or (d) there is a lack of regional expertise. When the Company determines that procurement through selective bidding is appropriate, the Company will solicit bids from one or multiple service providers who meet the Company's specific technical, pricing and timing requirements. The Company sets out specific requirements regarding the quality of service in the bid invitation (including the specific technical and timing requirements of the Taiqian Project), and selects the most appropriate service provider after considering the price, timing, technical level and other terms of the bids received. The Company considers its bidding process to be in line with market and industry practice, enabling the Company to procure services from the most appropriate service provider.

(v) *Payment terms*

The consideration for the solar power station equipment and services and other construction materials under the Taiqian PC Agreement shall be paid by Taiqian GCL New Energy to Xi'an Datang Electric in accordance with the following milestones:

Payment terms for the solar power station equipment

First instalment	10% of the estimated equipment fees shall be paid by Taiqian GCL New Energy to Xi'an Datang Electric as prepayment immediately after the signing of the Taiqian PC Agreement
Subsequent instalments	Upon the payment of each equipment fee instalment by Xi'an Datang Electric in accordance with the Taiqian Equipment Purchase Agreement, Taiqian GCL New Energy shall pay 100% of the equipment procurement fees for each instalment upon the earlier of (i) within eight (8) months after the payment of each instalment by Xi'an Datang Electric under the Taiqian Equipment Purchase Agreement; or (ii) the date on which the solar power station equipment is pledged and/or mortgaged and the bank releases the loan funds for the Taiqian Project

LETTER FROM THE BOARD

Payment terms for the services and other construction materials relating to the Taiqian Project

First instalment	10% of the estimated services fees shall be paid by Taiqian GCL New Energy to Xi'an Datang Electric as prepayment upon signing of the Taiqian PC Agreement
Second instalment	Taiqian GCL New Energy shall pay to Xi'an Datang Electric: <ul style="list-style-type: none">(a) 75% (in aggregate) of the estimated services fees upon the earlier of (i) 60 days from the date on which 90% capacity of the on-grid power connection facilities for the Taiqian Project are in place; or (ii) within seven (7) days from the date of reaching 90% capacity on-grid power connection for the Taiqian Project; or(b) 85% (in aggregate) of the estimated services fees if the facilities for the full capacity on-grid power connection for the Taiqian Project are partially in place, but the remaining facilities are incomplete due to problems with the land provided by Taiqian GCL New Energy
Third instalment	At least 95% (in aggregate) of the estimated services fees shall be paid by Taiqian GCL New Energy to Xi'an Datang Electric once all the construction work is completed, the solar power station has been handed over after inspection and all accounts have been settled
Fourth instalment	The remaining 5% of the estimated service fees shall be paid by Taiqian GCL New Energy to Xi'an Datang Electric after the expiration of the warranty period provided that there are no quality issues, or any issues have been remedied by Xi'an Datang Electric

(vi) Guarantee

Pursuant to the Taiqian GNE Guarantee, the Company has agreed to provide a guarantee for RMB91,345,401.89, being the total contract price, as well as for damages, legal fees, administrative fees and other amounts due to Xi'an Datang Electric in respect of Taiqian GCL New Energy's obligations under the Taiqian PC Agreement.

LETTER FROM THE BOARD

(vii) Taiqian PC Supplemental Agreement

Pursuant to the Taiqian PC Supplemental Agreement, Suzhou GCL New Energy and Taiqian GCL New Energy shall act as joint principals and agreed to engage Xi'an Datang Electric as contractor for the provision of PC services in relation to the Taiqian Project. Suzhou GCL New Energy and Taiqian GCL New Energy agreed to undertake the relevant obligations and liabilities under the Taiqian PC Agreement.

Furthermore, Suzhou GCL New Energy and Taiqian GCL New Energy, as joint principals, undertook that:

- (a) if a bank loan has been obtained using the Taiqian Project and the income arising from electricity generated from the Taiqian Project as security, the joint principals shall, immediately and with first priority, pay Xi'an Datang Electric the amounts advanced by Xi'an Datang Electric under the Taiqian PC Agreement utilizing funds from the bank loan; and
- (b) prior to obtaining the bank loan, the joint principals shall pledge all the income arising from electricity generated from the Taiqian Project and account receivables to Xi'an Datang Electric as security.

B. Principal terms of the Taiqian Equipment Purchase Agreement

(i) Date

29 March 2018

(ii) Parties

Principal:	Taiqian GCL New Energy
Supplier:	Nanjing GCL New Energy
Customer:	Xi'an Datang Electric

(iii) Subject Matter

Nanjing GCL New Energy agreed to supply, and Xi'an Datang Electric agreed to purchase certain solar power station equipment for a consideration of RMB74,633,112.00 for the Taiqian Project. The equipment purchased included solar modules, brackets, inverters, box transformers, switchgears and cables.

LETTER FROM THE BOARD

(iv) *Basis of consideration*

The Taiqian Equipment Purchase Agreement was signed together with the Taiqian PC Agreement after a bidding process. The Taiqian Equipment Purchase Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The consideration is calculated on the basis of the market price of similar products sold by the Group and by other suppliers in the region and with reference to the relevant brands, payment methods and size of order.

(v) *Payment terms*

The total consideration for the solar power station equipment purchased under the Taiqian Equipment Purchase Agreement shall be paid by Xi'an Datang Electric to Nanjing GCL New Energy in accordance with the following milestones:

First instalment	60% of the total consideration shall be paid by Xi'an Datang Electric to Nanjing GCL New Energy within two (2) weeks from the date on which Xi'an Datang Electric receives the prepayment of the solar power station equipment from Taiqian GCL New Energy under the Taiqian PC Agreement
Second instalment	40% of the total consideration shall be paid by Xi'an Datang Electric to Nanjing GCL New Energy within four (4) weeks from the date on which Xi'an Datang Electric receives the prepayment for the solar power station equipment from Taiqian GCL New Energy under the Taiqian PC Agreement

C. Principal terms of the Huaibei PC Agreement

(i) *Date*

15 September 2017

(ii) *Parties*

Principal: Huaibei GCL New Energy

Contractor: Xi'an Datang Electric

(iii) *Subject Matter*

Huaibei GCL New Energy agreed to engage Xi'an Datang Electric to provide procurement and construction services in relation to the Huaibei Project. The relevant construction work commenced pursuant to the notice of commencement given by Huaibei GCL

LETTER FROM THE BOARD

New Energy. It was expected that full-on-grid connection for 10MW of the Huaibei Project would be completed on 20 September 2017. It was expected that by 30 November 2017, all procurement and construction work would be completed and the Test Run and Quality Check Certificate* (工程試運和移交生產驗收鑒定書) would be obtained after the test run. The Construction Completion Certificate* (工程竣工驗收鑒定書) would be obtained within three months after the issuance of the Test Run and Quality Check Certificate*.

(iv) Basis of Consideration

The consideration for the solar power station equipment and services under the Huaibei PC Agreement was estimated to be RMB373,877,185.00, comprising:

- (a) solar power station equipment fee for an estimated amount of RMB337,277,185.00; and
- (b) services and other construction materials relating to the Huaibei Project for an estimated amount of RMB36,600,000.00.

The final consideration may be adjusted if (a) Huaibei GCL New Energy has changed the capacity of the power station which results in a change in the quantity of construction work; or (b) there are substantial adjustments between the construction plan and the tender documents which result in a cumulative amount more than RMB500,000.00.

The Huaibei PC Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms, and was awarded after a bidding process in accordance with the Company's procurement policies to ensure its terms are in line with prevailing market terms of projects of similar nature and scale in the region. The consideration was determined with reference to (a) the quality standard of the services to be provided under the Huaibei PC Agreement; (b) the anticipated profit margin of the Huaibei Project (set with reference to profit margins of the other similar projects in the market and of other similar projects of the Group); and (c) the prevailing market price.

Given that there are limited regional resources and service providers from whom the engineering, procurement and construction services under the Huaibei PC Agreement could be procured, the Company followed its procurement policies and used the selective bidding method to procure the engineering, procurement and construction services, and determined that the consideration was fair and reasonable based on the market price of similar services, having considered other bids submitted in the bidding process for the Group's previous projects for similar services.

The Company uses selective bidding to select third party service providers in certain circumstances, such as, (a) where the required technology is monopolised in the region, (b) there is a limited number of service providers, (c) there are requirements imposed by laws and regulations, or (d) there is a lack of regional expertise. When the Company determines that procurement through selective bidding is appropriate, the Company will solicit bids from one or multiple service providers who meet the Company's specific technical, pricing and timing

LETTER FROM THE BOARD

requirements. The Company sets out specific requirements regarding the quality of service in the bid invitation (including the specific technical and timing requirements of the Huaibei Project), and selects the most appropriate service provider after considering the price, timing, technical level and other terms of the bids received. The Company considers its bidding process to be in line with market and industry practice, enabling the Company to procure services from the most appropriate service provider.

(v) *Payment terms*

The consideration for the solar power station equipment and services and other construction materials under the Huaibei PC Agreement shall be paid by Huaibei GCL New Energy to Xi'an Datang Electric in accordance with the following milestones:

Payment terms for the solar power station equipment

First instalment	10% of the estimated equipment fees shall be paid by Huaibei GCL New Energy to Xi'an Datang Electric as prepayment immediately after the signing of the Huaibei PC Agreement
Subsequent instalments	Upon the payment of each equipment fee instalment by Xi'an Datang Electric in accordance with the Huaibei Equipment Purchase Agreement, Huaibei GCL New Energy shall pay 100% of the equipment procurement fees for each instalment upon the earlier of (i) within eight (8) months after the payment of each instalment by Xi'an Datang Electric under the Huaibei Equipment Purchase Agreement; or (ii) the date on which the solar power station equipment is pledged and/or mortgaged and the bank releases the loan funds for the Huaibei Project

Payment terms for the services and other construction materials relating to the Huaibei Project

First instalment	10% of the estimated services fees shall be paid by Huaibei GCL New Energy to Xi'an Datang Electric as prepayment upon signing of the Huaibei PC Agreement
Second instalment	Huaibei GCL New Energy shall pay to Xi'an Datang Electric:

LETTER FROM THE BOARD

- (a) 75% (in aggregate) of the estimated services fees upon the earlier of (i) 60 days from the date on which 90% capacity of the on-grid power connection facilities for the Huaibei Project are in place; or (ii) within 14 days from the date of reaching 90% capacity on-grid power connection for the Huaibei Project; or
- (b) 85% (in aggregate) of the estimated services fees if the facilities for the full capacity on-grid power connection for the Huaibei Project are partially in place, but the remaining facilities are incomplete due to problems with the land provided by Huaibei GCL New Energy

Third instalment

At least 95% (in aggregate) of the estimated services fees shall be paid by Huaibei GCL New Energy to Xi'an Datang Electric once all the construction work is completed, the solar power station has been handed over after inspection and all accounts have been settled

Fourth instalment

The remaining 5% of the estimated service fees shall be paid by Huaibei GCL New Energy to Xi'an Datang Electric after the expiration of the warranty period provided that there are no quality issues, or any issues have been remedied by Xi'an Datang Electric

(vi) Guarantee

Pursuant to the Huaibei GNE Guarantee, the Company has agreed to provide a guarantee for RMB373,877,185.00, being the total contract price, as well as for damages, legal fees, administrative fees and other amounts due to Xi'an Datang Electric in respect of Huaibei GCL New Energy's obligations under the Huaibei PC Agreement.

(vii) Huaibei PC Supplemental Agreement

Pursuant to the Huaibei PC Supplemental Agreement, Suzhou GCL New Energy and Huaibei GCL New Energy shall act as joint principals and agreed to engage Xi'an Datang Electric as contractor for the provision of procurement and construction services in relation to the Huaibei Project. Suzhou GCL New Energy and Huaibei GCL New Energy agreed to undertake the relevant obligations and liabilities under the Huaibei PC Agreement.

LETTER FROM THE BOARD

Furthermore, Suzhou GCL New Energy and Huaibei GCL New Energy, as joint principals, undertook that:

- (a) if a bank loan has been obtained for the Huaibei Project by pledging the solar power station and the income arising from electricity generated from the Huaibei Project, the joint principals shall, immediately and with first priority, pay Xi'an Datang Electric the amounts advanced by Xi'an Datang Electric under the Huaibei PC Agreement utilizing funds from the bank loan; and
- (b) if within three (3) months after the completion date of the Huaibei Project, the joint principals are unable to obtain sufficient bank loan to pay for the total consideration under the Huaibei PC Agreement, the joint principals shall enter into a pledge agreement with Xi'an Datang Electric to pledge Huaibei GCL New Energy's equity interest, income arising from electric generation by Huaibei GCL New Energy's photovoltaic power stations and all Huaibei GCL New Energy's assets relating to the photovoltaic power stations, and the joint principals shall complete the relevant registration within one (1) month.

D. Principal terms of the Huaibei Equipment Purchase Agreement

(i) Date

15 September 2017

(ii) Parties

Principal:	Huaibei GCL New Energy
Supplier:	Zhenjiang GCL New Energy
Customer:	Xi'an Datang Electric

(iii) Subject Matter

Zhenjiang GCL New Energy agreed to supply, and Xi'an Datang Electric agreed to purchase certain solar power station equipment for a consideration of RMB123,929,856.00 for the Huaibei Project. The equipment purchased included brackets, inverters, box transformers, switchgears and cables.

(iv) Basis of consideration

The Huaibei Equipment Purchase Agreement was signed together with the Huaibei PC Agreement after a bidding process. The Huaibei Equipment Purchase Agreement was negotiated and entered into on an arm's length basis and on normal commercial terms. The

LETTER FROM THE BOARD

consideration is calculated on the basis of the market price of similar products sold by the Group and by other suppliers in the region and with reference to the relevant brands, payment methods and size of order.

(v) *Payment terms*

The total consideration for the solar power station equipment purchased under the Huaibei Equipment Purchase Agreement shall be paid by Xi'an Datang Electric to Zhenjiang GCL New Energy in accordance with the following milestones:

First instalment	60% of the total consideration shall be paid by Xi'an Datang Electric to Zhenjiang GCL New Energy within two (2) weeks from the date on which Xi'an Datang Electric receives the prepayment of the solar power station equipment from Huaibei GCL New Energy under the Huaibei PC Agreement
Second instalment	40% of the total consideration shall be paid by Xi'an Datang Electric to Zhenjiang GCL New Energy within four (4) weeks from the date on which Xi'an Datang Electric receives the prepayment for the solar power station equipment from Huaibei GCL New Energy under the Huaibei PC Agreement

3. FINANCIAL IMPACT OF THE EPC AND EQUIPMENT PURCHASE AGREEMENTS AND THE PREVIOUS PC AND EQUIPMENT PURCHASE AGREEMENTS

Based on current facts and circumstances, it is estimated that the entering into of the Yongcheng EPC Agreement, the Shangshui EPC Agreement, the Taiqian PC Agreement and the Huaibei PC Agreement by the Group, with a total consideration of RMB1,299,732,156.77, would constitute capital commitments of the Group of the same amount. The Group would have to incur cash outflow to settle these capital commitments according to the payment schedules stipulated above.

As a result of the transactions contemplated under Yongcheng EPC Agreement, the Shangshui EPC Agreement, the Taiqian PC Agreement and the Huaibei PC Agreement by the Group, it is expected that the total assets and the total liabilities of the Group will increase by approximately RMB1,299,732,156.77. The Group would have to incur cash outflow to settle these liabilities according to the payment schedules stipulated above. The Company considers that there is no immediate material impact on the earnings of the Group as a result of the above agreements. However, the costs of the assets mentioned above will be charged to the income statement as depreciation over the useful life of the assets on a straight line basis.

For Yongcheng Equipment Purchase Agreement, Shangshui Equipment Purchase Agreement I, Shangshui Equipment Purchase Agreement II, Taiqian Equipment Purchase Agreement and Huaibei Equipment Purchase Agreement, the Company considers that there is no material impact on the assets, liabilities and earnings of the Group.

LETTER FROM THE BOARD

The Directors do not expect that the entering into of the EPC and Equipment Purchase Agreements and the Previous PC and Equipment Purchase Agreements would have any material adverse financial impact on the earnings, assets and liabilities of the Group.

4. REASONS FOR AND BENEFITS OF THE TRANSACTION

As a developer of photovoltaic power station projects, the Group, similar to other developers of photovoltaic power stations, has to engage external contractors to provide EPC services to construct its power generation projects and to source solar modules, balance-of-system equipment and other photovoltaic power generation equipment. As a result, the EPC and Equipment Purchase Agreements and the Previous PC and Equipment Purchase Agreements entered into with Xi'an Datang Electric are important to the development of the Yongcheng Project, the Shangshui Project, the Taiqian Project and the Huaibei Project. Particulars of the Group's current projects under development and projects that completed on-grid power connection as at 31 December 2017 are set out in the section headed "Financial and Trading Prospects" in Appendix I to this circular.

Xi'an Datang Electric is an established EPC contractor and has extensive local resources. The Group believes that it can deliver service at a quality standard which meets the expectations of the Group.

As a result of its experience, Xi'an Datang Electric is familiar with the local government policies, rules and regulations, and market conditions, and has the financial and human resources needed to effectively complete the Yongcheng Project, the Shangshui Project, the Taiqian Project and the Huaibei Project. The Group believes that Xi'an Datang Electric can deliver service and supply solar modules and photovoltaic power generation equipment at a quality standard which meets the expectations of the Group.

Under the Equipment Purchase Agreements, Zhenjiang GCL New Energy and/or Nanjing GCL New Energy (as the case may be) sells the Solar Power Station Equipment to Xi'an Datang Electric. Zhenjiang GCL New Energy and/or Nanjing GCL New Energy (as the case may be) purchases the Solar Power Station Equipment from its/their suppliers under the Supply Agreements on payment terms different from those under each of the Equipment Purchase Agreements. Under the Supply Agreements, payment by Zhenjiang GCL New Energy and/or Nanjing GCL New Energy (as the case may be) is by instalments over a one-year period following signing of the relevant Supply Agreements, whereas under each of the Equipment Purchase Agreements, Zhenjiang GCL New Energy and/or Nanjing GCL New Energy (as the case may be) receives full consideration from Xi'an Datang Electric within four (4) weeks of signing of each of the Equipment Purchase Agreements at the latest.

The Group will therefore be able to benefit from short term use of the Sales Proceeds prior to paying its suppliers under the Supply Agreements. Approximately 10% of the Sales Proceeds will be used as deposits to Xi'an Datang Electric under the Yongcheng EPC Agreement, the Shangshui EPC Agreement, the Taiqian PC Agreement and the Huaibei PC Agreement; approximately 30% of the Sales Proceeds will be used to pay the suppliers for the Solar Power Station Equipment under the Supply Agreements; and approximately 60% of the Sales Proceeds will be used for other projects of the Group.

Under the Yongcheng EPC Agreement, the Shangshui EPC Agreement, the Taiqian PC Agreement and the Huaibei PC Agreement, Xi'an Datang Electric sells back the Solar Power Station Equipment to the Group at premium of the consideration payable by Xi'an Datang Electric under the Yongcheng Equipment

LETTER FROM THE BOARD

Purchase Agreement, the Shangshui Equipment Purchase Agreement, the Taiqian Equipment Purchase Agreement and the Huaibei Equipment Purchase Agreement respectively. The Directors consider the premium is more favourable than the prevailing market rate available to the Group.

If the major transaction had been voted down by the Shareholders, the Group would need to engage other EPC contractor(s) and/or equipment supplier(s) in the region, and it would have taken the Group one to two months to identify and engage the appropriate EPC contractor(s) and/or equipment supplier(s). The Group expects that the consideration for the EPC and Equipment Purchase Agreements would be increased by at least approximately 5%, and the completion of the Yongcheng Project and the Shangshui Project would be delayed by one to two months.

Based on the above reasons, the Directors believe and consider that the terms of the EPC and Equipment Purchase Agreements and the Previous PC and Equipment Purchase Agreements are on normal commercial terms, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

5. INFORMATION ON THE PARTIES TO THE EPC AND EQUIPMENT PURCHASE AGREEMENTS AND THE PREVIOUS PC AND EQUIPMENT PURCHASE AGREEMENTS

The Group

The Group 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.

6. LISTING RULES IMPLICATIONS

As none of the applicable percentage ratios in respect of the Taiqian PC and Equipment Purchase Agreements exceeded 5%, the entering into of the Taiqian PC and Equipment Purchase Agreements did not constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio in respect of the EPC and Equipment Purchase Agreements, each on a standalone basis, exceeds 5% but is less than 25%, the entering into of the EPC and Equipment Purchase Agreements constitutes discloseable transactions for the Company and the Company shall comply with the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the Group entered into, the Previous PC and Equipment Purchase Agreements, the Huarong EPC and Equipment Purchase Agreements, and the Henan Sanmenxia EPC and Equipment Purchase Agreements with Xi'an Datang Electric within a 12-month period prior to and inclusive of the date of the EPC and Equipment Purchase Agreements, the EPC and Equipment Purchase Agreements, the Previous PC and

LETTER FROM THE BOARD

Equipment Purchase Agreements, the Huarong EPC and Equipment Purchase Agreements, and the Henan Sanmenxia EPC and Equipment Purchase Agreements, shall be aggregated as a series of transactions for the Company pursuant to Rule 14.22 of the Listing Rules. The entering into of the EPC and Equipment Purchase Agreements, the Previous PC and Equipment Purchase Agreements, the Huarong EPC and Equipment Purchase Agreements, and the Henan Sanmenxia EPC and Equipment Purchase Agreements (in aggregate) did not trigger a classification higher than a major transaction for the Company under Chapter 14 of the Listing Rules.

As disclosed in the Previous Circular, the Huarong EPC and Equipment Purchase Agreements and the Henan Sanmenxia EPC and Equipment Purchase Agreements, amongst others, constituted a major transaction for the Company, and pursuant to Rule 14.44 of the Listing Rules, the approval from the independent Shareholders, other than Elite Time Global which abstained from voting on the proposed resolution, by way of poll had been obtained for the Huarong EPC and Equipment Purchase Agreements and the Henan Sanmenxia EPC and Equipment Purchase Agreements, amongst others, at the special general meeting of the Company held on 8 June 2017. Accordingly, as disclosed in the poll results announcement of the Company dated 8 June 2017, the shareholders' approval requirement had been fulfilled in respect of the Huarong EPC and Equipment Purchase Agreements and the Henan Sanmenxia EPC and Equipment Purchase Agreements.

As the highest applicable percentage ratio in respect of the EPC and Equipment Purchase Agreements, and the Previous PC and Equipment Purchase Agreements (in aggregate) exceeds 25% but is less than 100% for the Company, the entering into of the EPC and Equipment Purchase Agreements and the Previous PC and Equipment Purchase Agreements (in aggregate) constitutes a major transaction for the Company and the Company shall comply with the reporting and announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

7. SGM

Pursuant to Rule 14.44 of the Listing Rules, shareholders' approval is required for a major transaction. A notice convening the SGM to be held at Jade Room, 6/F, Marco Polo Hongkong Hotel, 3 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 25 May 2018 at 12:15 p.m. (or such time immediately following the conclusion (or adjournment) of the annual general meeting of the Company to be held on the same day and at the same place, whichever is later) is set out on pages SGM-1 to SGM-2 of this circular. At the SGM, an ordinary resolution will be proposed for the approval by the Shareholders of the EPC and Equipment Purchase Agreements, being a major transaction of the Company with Xi'an Datang Electric.

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, as at the date of this announcement, GCL-Poly is interested in approximately 62.28% of the issued share capital of the Company), Wuxi Huaguang is a connected person of GCL-Poly at the subsidiary level (but not a connected person of the Company). In addition, Wuxi Huaguang effectively holds approximately 90.33% of shareholding interests in Xi'an Datang Electric, Xi'an Datang Electric is therefore an associate of a connected person of GCL-Poly at the subsidiary level (but not

LETTER FROM THE BOARD

a connected person of the Company). Therefore, Elite Time Global (a wholly-owned subsidiary of GCL-Poly, which as at the Latest Practicable Date, holds 11,880,000,000 Shares, representing approximately 62.28% of the issued share capital of the Company) will abstain from voting at the SGM.

Save as disclosed above, and to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, as at the date of this circular, (i) Xi'an Datang Electric and each of its ultimate beneficial owners are third parties independent of the Company and each of its connected persons; (ii) no other Shareholders has a material interest in the major transaction; and (iii) no other Shareholders would be required to abstain from voting at the SGM.

A proxy form for use at the SGM is enclosed. Whether or not you are able to attend the SGM in person, please complete the accompanying proxy form in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar and transfer office of the Company, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM and any adjournment thereof (as the case may be) should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any votes of the Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, the chairman of the SGM will demand a poll for each and every resolution put forward at the SGM. The Company will appoint scrutineers to handle vote-taking procedures at the SGM. The results of the poll will be published on the websites of the Stock Exchange and the Company as soon as possible in accordance with Rule 13.39(5) of the Listing Rules.

8. RECOMMENDATION

The Board considers that the EPC and Equipment Purchase Agreements are on normal commercial terms, are fair and reasonable and are in the interest of the Company and the Shareholders as a whole. Accordingly the Board recommends the Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the EPC and Equipment Purchase Agreements, being the major transaction with Xi'an Datang Electric.

9. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular and the notice of SGM.

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

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for the year ended 31 December 2015, the audited consolidated financial statements of the Group for the year ended 31 December 2016 and the audited consolidated financial statements of the Group for the year ended 31 December 2017 together with the relevant notes thereto are disclosed in the following documents, which were published on both HKEx's website (www.hkexnews.hk) and the Company's website (www.gclnewenergy.com):

- the annual report of the Company for the year ended 31 December 2015 published on 20 April 2016 (pages 59-169);
- the annual report of the Company for the year ended 31 December 2016 published on 13 April 2017 (pages 79-186);
- the annual report of the Company for the year ended 31 December 2017 published on 16 April 2018 (pages 81-196);

2. STATEMENT OF INDEBTEDNESS AND CONTINGENT LIABILITIES OF THE GROUP

At the close of business on 31 March 2018, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following outstanding borrowings:

	Secured	The Group Unsecured	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Carrying amount of bank and other borrowings	28,613,706	2,278,262	30,891,968
Carrying amount of bonds payable	–	4,029,050	4,029,050
Principal amount of convertible bonds	–	781,348	781,348
Principal amount of loans from fellow subsidiaries	–	1,069,169	1,069,169
	<u>28,613,706</u>	<u>8,157,829</u>	<u>36,771,535</u>

The Group's secured bank and other borrowings were secured by (i) the Group's property, plant and equipment; (ii) the Group's land use rights situated in the PRC; (iii) pledged bank and other deposits as at 31 March 2018; (iv) certain subsidiaries' trade receivables and fee collection rights in relation to the sales of electricity; (v) equity interest of fellow subsidiaries; and (vi) equity interests in some project companies.

At 31 March 2018, certain bank and other borrowings and bonds payable of the Group amounting to RMB32,425,822,000 are guaranteed individually or in combination by (i) fellow subsidiaries, (ii) the ultimate holding company, and (iii) entities within the Group. All other borrowings amounting to RMB4,345,713,000 are not guaranteed.

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

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables in the ordinary course of business, as at the close of business on 31 March 2018, the Group did not have any debt securities authorised or otherwise created but unissued, or any term loans, other borrowings or indebtedness in the nature of borrowing including bank overdrafts, loans, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchase commitments, mortgages or charges, material contingent liabilities or guarantees outstanding.

To the best of the knowledge of the Directors, having made all reasonable enquiries, there has been no material change in the level of indebtedness of the Group since 31 March 2018.

3. WORKING CAPITAL STATEMENT

According to the Group's cash flow projections, as at 31 March 2018, the total committed capital expenditures relating to the acquisition and construction of solar power plants to be settled in the coming 14 months ending 31 May 2019 amounted to approximately RMB9,499,531,000. As at 31 March 2018, the Group's total borrowings comprising bank and other borrowings, bonds payable, convertible bonds and loan from a fellow subsidiary amounted to approximately RMB36,771,535,000. In addition, the Group, subject to the availability of further financial resources, is currently looking for further opportunities to increase the scale of its solar power plant operations through mergers and acquisitions. In the event that the Group is successful in securing more solar power plant investments or expanding the investments in the existing solar power plants in the coming twelve months from the date of this circular, significant additional cash outflows will be required to settle further committed capital expenditures. The Group expects that such amounts will be funded through the following resources and/or measures which will generate adequate financing and operating cash flows for the Group.

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

- (i) The management is continuously changing the Group's debt profile in obtaining long-term debts to repay the short-term borrowing or other current liabilities;
- (ii) On 23 January 2018, the Group issued senior notes of US\$500 million (equivalent to RMB3,376 million), which bear interest at 7.1% and mature on 30 January 2021. The net proceeds of the notes issuance, after deduction of underwriting discounts and commissions and

other expenses, amounted to approximately US\$493 million (equivalent to RMB3,221 million), have been used for the development of the Group's business operations, repayment of borrowings and other general corporate purposes. The Group is also negotiating with other private investors for additional financing in the form of equity or debt or a combination of both;

- (iii) The Group is implementing business strategies, among others, to transform its heavy-asset business model to a light-asset model by (i) partnering with other third-party strategic investors by setting up joint ventures for divesting certain of its existing wholly-owned power plant projects in exchange for cash proceeds or co-investing into new projects to reduce future capital expenditure requirement to the Group; (ii) divesting certain of its existing power plant projects to third parties under built-transfer-operate model; and (iii) striving for providing plant operation and maintenance services to those divested power plants for additional operating cashflow to the Group;
- (iv) The Group is currently negotiating with several banks in both Hong Kong and the PRC for additional financing. It has received detailed proposals from certain banks for banking facilities with repayment periods for more than one year. The Group also received letters of intent from certain other financial institutions which indicated that these financial institutions preliminarily agreed to offer credit facilities to the Group. The Group is also seeking other form of financing to improve liquidity;
- (v) On 20 November 2017, the Company entered into a non-legally binding co-operation framework agreement with Taiping Financial Holdings Company Limited, an overseas investment platform of China Taiping Insurance Group, pursuant to which Taiping Financial Holdings Company Limited agreed that it or its affiliate companies will lead the establishment of an investment fund with a fund size of approximately HK\$8,000 million (equivalent to RMB6,410 million), for the purpose of investing in the Company; and
- (vi) As at 31 March 2018, the Group has completed the construction of 167 solar power plants with approval for on-grid connection and it also has few solar power plants under construction targeting to achieve on-grid connection within the coming twelve months from the date of this circular. The abovementioned solar power plants have an aggregate installed capacity of approximately 6.3GW and are expected to generate operating cash inflows to the Group.

After taking into account the Group's business prospects, internal resources, and the available committed and uncommitted financing facilities and arrangements, equity issuance and transformation to light-asset model as mentioned above, the Directors are satisfied that, the Group has sufficient working capital for its present requirements for at least the next twelve months from the date of this circular.

Notwithstanding the above, significant uncertainties exist as to whether the Group can achieve the plans and measures described above. The sufficiency of the Group's working capital to satisfy its present requirements for at least the next twelve months from the date of this circular is highly dependent on the Group's ability to generate adequate financing and operating cash flows through successful renewal of its borrowings upon expiry, compliance with the covenants under the borrowing agreements or obtaining waiver from the relevant banks if the Group is not able to satisfy any of the covenant requirements, successful

securing of the financing from banks with repayment terms beyond twelve months from the date of this circular and other short-term or long-term financing; and the completion of the construction of the solar power plants to generate adequate cash inflows as scheduled.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Company since 31 December 2017, being the date to which the latest published audited financial results of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS

For the year ended 31 December 2017, the Group recorded a total revenue from continuing operations of approximately RMB3,942 million, whilst the total revenue from continuing operations for the year ended 31 December 2016 (the “**Prior Year**”) was approximately RMB2,246 million. Gross profit for the year ended 31 December 2017 was approximately RMB2,653 million and gross profit margin was approximately 67.3% whilst the gross profit and gross profit margin for Prior Year was approximately RMB1,571 million and 69.9%, respectively. Profit attributable to owners of the Company from continuing operations for the year ended 31 December 2017 amounted to approximately RMB764 million as compared to the profit attributable to owners of the Company from continuing operations of RMB299 million for Prior Year.

The Solar Energy Business, being the continuing operations of the Group, is the growth driver of the Group. As at 31 December 2017, the Group operated 162 solar power plants, compared to 90 plants in the same period of last year, spanning across different provinces in China and overseas. Total capacity reached approximately 5,990MW (31 December 2016: approximately 3,516MW), representing a year-on-year growth of approximately 70%. Grid-connected capacity has also significantly increased by approximately 75%, from 3,138MW as at 31 December 2016 to approximately 5,503MW as at 31 December 2017, and total sales of electricity was approximately 5,347 million kWh, a significant rise of approximately 92% compared to the same period of last year.

For the year ended 31 December 2017, the Group’s solar energy business delivered remarkable results by significantly adding an installed capacity of approximately 2,474MW. We are optimistic and confidence in the development of the solar energy industry. In 2018, the Group is aiming to increase its attributable installed capacity by 1 to 1.5GW.

Projects that completed on-grid power connection as at 31 December 2017:

	Tariff Zones	Number of solar power plant	Aggregate Installed Capacity ⁽¹⁾ (MW)	Grid-connected Capacity ⁽¹⁾ (MW)
Subsidiaries				
Inner Mongolia	1	11	391	391
Ningxia	1	5	252	201
Qinghai	1	3	107	107
Xinjiang	1	2	80	80
Sub-total	Zone 1	21	830	779
Shaanxi	2	13	822	822
Hebei	2	3	224	224
Qinghai	2	4	141	127
Shanxi	2	1	100	20
Yunnan	2	3	98	87
Sichuan	2	2	85	85
Gansu	2	2	55	25
Liaoning	2	2	40	40
Jilin	2	3	36	36
Xinjiang	2	1	21	21
Sub-total	Zone 2	34	1,622	1,487
Henan	3	11	513	493
Anhui	3	11	397	369
Shanxi	3	6	385	377
Jiangsu	3	29	331	320
Hubei	3	5	268	262
Hebei	3	8	213	208
Hunan	3	4	213	208
Jiangxi	3	4	192	171
Guangdong	3	5	176	66
Guizhou	3	3	174	171
Shandong	3	5	132	132
Guangxi	3	2	120	62
Zhejiang	3	2	62	62
Hainan	3	2	50	50
Fujian	3	1	40	14
Shanghai	3	1	7	7
Sub-total	Zone 3	99	3,273	2,972
PRC Sub-total		154	5,725	5,238
US		1	83	83
Japan		1	4	4
Subsidiaries total		156	5,812	5,325
Joint ventures				
PRC		3	173	173
Overseas		3	5	5
Total		162	5,990	5,503

- (1) Aggregate installed capacity represents the maximum capacity that approved by the local government authorities while grid-connected capacity represents that the actual capacity connected to the State Grid.

As a leading solar enterprise, the Group will continue to expand its business in China while increasing its overseas presence through a prudence approach to selectively allocate resources to unlock the enormous potentials in countries along the “One Belt, One Road” route.

Led by a strong management team, the Group will strive to reduce costs of construction, development, operations and maintenance and grow its business through its in-house development capabilities to build a sound model for sustainable development, while honing its long-term competitiveness. The Group’s revenue and profit are expected to grow in step with its development.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

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

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

(a) Long positions in the Shares

Name of Director	Beneficiary of a trust	Personal interests	Number of Shares		Approximate percentage of issued Shares
			Number of underlying Shares (Note 1)	Total	
Mr. ZHU Yufeng			3,523,100	3,523,100	0.02%
	1,909,978,301 (Note 2)			1,909,978,301	10.01%
Mr. SUN Xingping			16,105,600	16,105,600	0.08%
Ms. HU Xiaoyan			19,125,400	19,125,400	0.10%
Mr. TONG Wan Sze			8,052,800	8,052,800	0.04%
Ms. SUN Wei			27,178,200	27,178,200	0.14%
Mr. SHA Hongqiu		3,000,000	8,052,800	11,052,800	0.06%
Mr. YEUNG Man Chung, Charles			15,099,000	15,099,000	0.08%
Mr. WANG Bohua			2,617,160	2,617,160	0.01%
Mr. XU Songda			2,617,160	2,617,160	0.01%
Mr. LEE Conway Kong Wai			2,617,160	2,617,160	0.01%
Mr. WANG Yanguo			1,006,600	1,006,600	0.01%
Dr. CHEN Ying			1,006,600	1,006,600	0.01%

Notes:

- Adjustments have been made to the number of underlying Shares as a result of the rights issue with effect from 2 February 2016. Details can be referred to in the announcement of the Company dated 2 February 2016.
- 1,909,978,301 Shares were beneficially owned by Dongsheng Photovoltaic Technology (Hong Kong) Limited. Dongsheng Photovoltaic Technology (Hong Kong) Limited is wholly-owned by GCL System Integration which is controlled by Asia Pacific Energy Fund Limited. Asia Pacific Energy Fund Limited is held under a discretionary trust with Credit Suisse Trust Limited as trustee and Mr. Zhu Yufeng and his family members as beneficiaries.

(b) Long positions in shares of associated corporation*GCL-Poly*

Name of Director	Number of ordinary shares in GCL-Poly				Total	Approximate percentage of issued shares
	Beneficiary of a trust	Corporate interests	Personal interests	Number of underlying shares		
Mr. ZHU Yufeng	6,197,054,822 <i>(Note 1)</i>	-	-	175,851,259 <i>(Notes 1, 2 & 3)</i>	6,372,906,081	34.28%
Ms. SUN Wei	-	-	5,723,000	3,222,944 <i>(Note 2)</i>	8,945,944	0.05%
Mr. YEUNG Man Chung, Charles	-	-	-	1,700,000 <i>(Note 2)</i>	1,700,000	0.01%

Notes:

- Mr. Zhu Yufeng is beneficially interested in a trust as to 6,370,388,156 shares in GCL-Poly. Of these interest of 6,370,388,156 shares in GCL-Poly, 366,880,131 shares in GCL-Poly, 13,200,000 shares in GCL-Poly and 5,990,308,025 shares in GCL-Poly are legally held by each of the Trust Companies, respectively. Each of the Trust Companies is wholly-owned by Golden Concord Group Limited, which in turn is wholly-owned by Asia Pacific Energy Holdings Limited. Asia Pacific Energy Holdings Limited is in turn wholly-owned by Asia Pacific Energy Fund Limited, which itself is held under a discretionary trust with Credit Suisse Trust Limited as trustee and Mr. Zhu Gongshan (a director and the chairman of GCL-Poly) and his family (including Mr. Zhu Yufeng, a director of GCL-Poly and the son of Mr. Zhu Gongshan) as beneficiaries. Of the 6,370,388,156 shares in GCL-Poly as stated above, 242,666,667 shares in GCL-Poly are legally held by PAA as the shares in GCL-Poly borrowed by it from Happy Genius Holdings Limited pursuant to the securities lending agreement dated 27 November 2013 (as amended by a number of agreements) entered into between Happy Genius Holdings Limited as lender and PAA as borrower. On 7 April 2017, 69,333,333 shares in GCL-Poly lent under the said securities lending agreement have been returned. Accordingly, 173,333,334 shares in GCL-Poly are held by Happy Genius Holdings Limited in long position.

2. These are share options granted by GCL-Poly to the eligible persons, pursuant to the pre-IPO share option scheme and the share option scheme of GCL-Poly, both adopted by the shareholders of GCL-Poly on 22 October 2007. Such granted share options can be exercised by the eligible persons at various intervals during the period from 1 April 2009 to 28 March 2026 at an exercise price of HK\$0.586, HK\$1.160 or HK\$1.324 per share.
3. The 175,851,259 underlying shares of GCL-Poly comprises the long position of 173,333,334 shares of GCL-Poly held by Happy Genius Holdings Limited under Note (1) and 2,517,925 share options mentioned under Note (2) above.

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

(ii) Interests of substantial Shareholders

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

Long positions in the Shares

Name	Nature of interest	Number of Shares	Approximate percentage in issued Shares
Elite Time Global (Note 1)	Beneficial owner	11,880,000,000	62.28%
GCL-Poly (Note 1)	Corporate interest	11,880,000,000	62.28%
Asia Pacific Energy Fund Limited (Note 2)	Corporate interest	1,909,978,301	10.01%
Asia Pacific Energy Holdings Limited (Note 2)	Corporate interest	1,909,978,301	10.01%
Credit Suisse Trust Limited (Note 2)	Corporate interest	1,909,978,301	10.01%
Dongsheng Photovoltaic Technology (Hong Kong) Limited (Note 2)	Corporate interest	1,909,978,301	10.01%
Golden Concord Group Limited (Note 2)	Corporate interest	1,909,978,301	10.01%
Golden Concord Group Management Limited (Note 2)	Corporate interest	1,909,978,301	10.01%
Zhu Gongshan (Note 2)	Beneficial owner	1,909,978,301	10.01%
上海其印投資管理有限公司 (Note 2)	Corporate interest	1,909,978,301	10.01%
協鑫新能科技(深圳)有限公司 (Note 2)	Corporate interest	1,909,978,301	10.01%
協鑫集團有限公司 (Note 2)	Corporate interest	1,909,978,301	10.01%
協鑫集成科技股份有限公司 (Note 2)	Corporate interest	1,909,978,301	10.01%
江蘇東昇光伏科技有限公司 (Note 2)	Corporate interest	1,909,978,301	10.01%
江蘇協鑫建設管理有限公司 (Note 2)	Corporate interest	1,909,978,301	10.01%
China Orient Asset Management Co., Ltd. (Note 3)	Corporate interest	1,027,984,084	5.39%

Notes:

1. Elite Time Global is wholly-owned by GCL-Poly.
2. Dongsheng Photovoltaic Technology (Hong Kong) Limited is wholly-owned by 江蘇東昇光伏科技有限公司, which is in turn wholly-owned by GCL System Integration. GCL System Integration is 50.59% owned by 協鑫集團有限公司. 協鑫集團有限公司 is wholly-owned by 江蘇協鑫建設管理有限公司, which in turn wholly-owned by 協鑫新能科技(深圳)有限公司. 協鑫新能科技(深圳)有限公司 is wholly-owned by GOLDEN CONCORD GROUP MANAGEMENT LIMITED which in turn wholly-owned by GOLDEN CONCORD GROUP LIMITED. GOLDEN CONCORD GROUP LIMITED is in turn wholly-owned by Asia Pacific Energy Holdings Limited which is in turn wholly-owned by Asia Pacific Energy Fund Limited. Asia Pacific Energy Fund Limited is held under a discretionary trust with Credit Suisse Trust Limited as trustee and Mr. Zhu Yufeng and his family members, including Mr. Zhu Gongshan as beneficiaries. 上海其印投資管理有限公司 is a concert party with 協鑫集團有限公司.
3. Talent Legend Holdings Ltd. holds outstanding convertible bonds in the aggregate principal amount of HK\$775,100,000 due on 27 May 2018. Talent Legend Holdings Ltd. is indirectly wholly-owned by China Orient Asset Management Co., Ltd.

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

3. DISCLOSURE OF OTHER INTERESTS OF THE DIRECTORS**(i) Interests in competing interests**

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

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

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

(ii) Interests in contracts or arrangements

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

(iii) Interests in assets

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2017 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

4. DIRECTORS' SERVICE CONTRACTS

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

5. MATERIAL CONTRACTS

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

- (i) the underwriting agreement dated 18 July 2016 entered into between Suzhou GCL New Energy and Guotai Junan Securities Co. Ltd.* (國泰君安證券股份有限公司) in relation to the issuance of non-public corporate bonds to qualifying investors in the maximum principal amount of RMB2,000,000,000 on the Shanghai Stock Exchange (上海證券交易所) and certain other arrangements in respect of the non-public corporate bonds with a term of up to 3 years;
- (ii) the perpetual notes agreement dated 18 November 2016 entered into between Nanjing GCL New Energy and GCL-Poly (Suzhou) New Energy Co., Ltd.* (保利協鑫(蘇州)新能源有限公司), Jiangsu GCL Silicon Material Technology Development Co., Ltd. (江協鑫硅材料科技發展有限公司), Suzhou GCL Photovoltaic Technology Co., Ltd. (蘇州協鑫光伏科技有限公司) and Taicang GCL Photovoltaic Technology Co., Ltd. (太倉協鑫光伏科技有限公司) in relation to perpetual notes in the maximum amount of RMB1,800,000,000 with an indefinite term;
- (iii) the agreements in relation to the issuance of non-public green bonds by Suzhou GCL New Energy on 7 December 2016 in the PRC in the maximum principal amount of RMB1,750,000,000 with a term of not more than three years to not more than 200 qualifying investors on the Shenzhen Stock Exchange (深圳證券交易所); and
- (iv) the sale and purchase agreement dated 30 December 2016 entered into between the Company and Mr. Yip Sum Yin in relation to the disposal of the entire equity interest in Same Time International (B.V.I.) Limited.
- (v) the joint venture agreement dated 3 March 2017 entered into between Suzhou GCL New Energy and GCL System Integration (Suzhou) Limited* (協鑫集成科技(蘇州)有限公司) in relation to the establishment of Suzhou GCL New Energy Photovoltaic Technology Co. Ltd. (蘇州協鑫新能源光伏科技有限公司) as a joint venture company in the PRC;
- (vi) the co-operation agreement dated 31 May 2017 entered into between Suzhou GCL New Energy and Fuyang New Energy Technology (Nanyang) Limited* (富陽新能源科技(南陽)有限公司) in relation to the acquisition of certain photovoltaic power station project companies;
- (vii) the co-operation framework agreement dated 20 November 2017 entered into between the Company and Taiping Financial Holdings Company Limited (太平金融控股有限公司) in relation to the establishment of an investment fund with a fund size of approximately HK\$8,000,000,000;
- (viii) the partnership agreement dated 21 November 2017 entered into between Suzhou GCL New Energy, Handan (Shanghai) Assets Management Co., Ltd.* (菡蓓(上海)資產管理有限公司), Guoyuan Securities Co., Ltd.* (國元證券股份有限公司), and Beijing Enterprises Photovoltaic

Development Company Limited* (北京北控光伏科技發展有限公司) in relation to the establishment of the Tongling Huiyin BE New Energy Investment Partnership Corporation (Limited Partnership)* (銅陵徽銀北控新能源投資合夥企業(有限合夥));

- (ix) the underwriting agreement dated 22 November 2017 entered into between Suzhou GCL New Energy, Industrial and Commercial Bank of China Limited and Huatai Securities Co., Ltd. in relation to the issuance of medium term notes, with an aggregate principal amount of not exceeding RMB3,000,000,000 and a maturity of three years to institutional investors of the national interbank bond market in the PRC;
- (x) the capital increase agreements dated 22 November 2017 entered into between Suzhou GCL New Energy, Nanjing GCL New Energy and Sumin Ruineng Wuxi Equity Investment Partnership (Limited Partnership)* (蘇民睿能無錫股權投資合夥企業(有限合夥)) in relation to the increase in the registered capital of Suzhou GCL New Energy in an aggregate amount of RMB1,500,000,000; and
- (xi) the purchase agreement dated 23 January 2018 entered into between the Company, certain non-PRC subsidiaries of the Group providing guarantees, Merrill Lynch (Asia Pacific) Limited, Haitong International Securities Company Limited, Credit Suisse (Hong Kong) Limited, Standard Chartered Bank, CLSA Limited, Orient Securities (Hong Kong) Limited, VTB Capital plc and SPDB International Capital Limited in relation to the issue of US\$500,000,000 7.1% senior notes due 2021.

6. CLAIMS AND LITIGATION

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

7. GENERAL

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

8. DOCUMENTS AVAILABLE FOR INSPECTION

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

- (i) the memorandum of association and bye-laws of the Company;
- (ii) the annual reports of the Company for each of the year ended 31 December 2015, 31 December 2016 and 31 December 2017;
- (iii) the material contracts referred to in the section headed “Material Contracts” in this appendix;
- (iv) the EPC and Equipment Purchase Agreements;
- (v) the Previous PC and Equipment Purchase Agreements; and
- (vi) this circular.

NOTICE OF SPECIAL GENERAL MEETING



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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting (the “SGM”) of GCL New Energy Holdings Limited 協鑫新能源控股有限公司 (the “Company”) will be held at Jade Room, 6/F, Marco Polo Hongkong Hotel, 3 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 25 May 2018 at 12:15 p.m. (or such time immediately following the conclusion (or adjournment) of the annual general meeting of the Company to be held on the same day and at the same place, whichever is later) to consider and, if thought fit, pass with or without amendments, the following resolution:

ORDINARY RESOLUTION

“**THAT** the EPC and Equipment Purchase Agreements (as defined in the circular dated 9 May 2018 despatched to the shareholders of the Company and copies of which are produced to the SGM and initialled by the chairman of the SGM for identification purpose) and the transactions contemplated therein, be and are hereby unconditionally approved, confirmed and ratified and any one or more of the directors of the Company be and are hereby authorised on behalf of the Company to do such things or acts (including but not limited to executing any further documents, instruments and agreements) as he/she/they may consider necessary, desirable or expedient to give effect to such transactions.”

By order of the Board
GCL New Energy Holdings Limited
協鑫新能源控股有限公司
Tong Wan Sze
Executive Director & Company Secretary

Hong Kong, 9 May 2018

NOTICE OF SPECIAL GENERAL MEETING

Notes:

1. Any member entitled to attend and vote at the SGM is entitled to appoint another person as his/her proxy to attend and vote on his/her behalf. A member who is the holder of two or more shares of the Company may appoint more than one proxy to attend on the same occasion. A proxy need not be a member of the Company.
2. In order to be valid, proxy forms in prescribed form together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority should be deposited to the Company's Hong Kong branch share registrar and transfer office, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable, but in any event not less than 48 hours before the time fixed for holding the SGM or any adjournment thereof (as the case may be).
3. Completion and delivery of the proxy form will not preclude members from attending and voting in person at the SGM or any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the proxy form shall be deemed to be revoked.
4. In the case of joint holders of shares of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she/it were solely entitled thereto, but if more than one of such joint holders are present at the SGM of the Company, personally or by proxy, that one of the said persons so present whose name stands first in the register in respect of such shares shall alone be entitled to vote in respect thereof.
5. Pursuant to Rule 13.39(4) of the Listing Rules, resolution(s) will be put to vote at the SGM by way of poll.
6. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 8:00 a.m. on the date of the SGM, the SGM will be postponed. Shareholders may visit the website of the Company at www.gclnewenergy.com for details of the postponement and alternative meeting arrangement.