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GCL-Poly Energy Holdings Limited

保利協鑫能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3800)



GCL New Energy Holdings Limited

協鑫新能源控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 451)

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

THE YULIN FINANCE LEASE AGREEMENTS II WITH CINDA FINANCIAL LEASING

On 30 May 2018, the GNE Group entered into the Yulin Finance Lease Agreements II with Cinda Financial Leasing, pursuant to which (i) Cinda Financial Leasing conditionally agreed to purchase the Yulin Leased Assets II from Yulin Longyuan at a consideration of RMB600,000,000; and (ii) following the acquisition, Cinda Financial Leasing, as the lessor, conditionally agreed to lease the Yulin Leased Assets II to Yulin Longyuan, as the lessee, for a term of 9 years at an aggregated estimated rent of RMB751,913,936. In addition, pursuant to the Yulin Finance Lease Agreements II, Yulin Longyuan conditionally agreed to pay Cinda Financial Leasing a finance lease service fee of RMB59,400,000.

The GNE Group also entered into the Yulin Finance Lease Agreements with Cinda Financial Leasing in the past 12 months. For further information on the Yulin Finance Lease Agreements, please refer to the Previous Announcement and the Circular.

LISTING RULES IMPLICATIONS

GCL-Poly

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

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

GNE

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

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

1. PRINCIPAL TERMS OF THE YULIN FINANCE LEASE AGREEMENTS II

- (i) Date:** 30 May 2018
- (ii) Parties:**
 - (1) Lessee: Yulin Longyuan
 - (2) Lessor: Cinda Financial Leasing

(iii) The Yulin Finance Lease Agreements II

Pursuant to the Yulin Finance Lease Agreements II, (i) Cinda Financial Leasing conditionally agreed to purchase the Yulin Leased Assets II from Yulin Longyuan at a consideration of RMB600,000,000; and (ii) following the acquisition, Cinda Financial Leasing, as the lessor, conditionally agreed to lease the Yulin Leased Assets II to Yulin Longyuan, as the lessee, for a term of 9 years at an aggregate estimated rent of approximately RMB751,913,936.

(iv) Payment of Rent and Service Fee

The estimated aggregate amount of rent payable by Yulin Longyuan to Cinda Financial Leasing under the Yulin Finance Lease Agreements II is RMB751,913,936 and shall be payable in a total of 36 quarterly instalments. The interest rate under the Yulin Finance Lease II shall be the applicable benchmark lending rate promulgated by PBOC for a term of 9 years from time to time.

In addition, Yulin Longyuan conditionally agreed to pay a finance lease service fee to Cinda Financial Leasing in the amount of RMB59,400,000.

The terms of the Yulin Finance Lease II including the lease rent, the lease interest rate and the financial leasing service fee were determined after arm's length negotiation between Cinda Financial Leasing and the Yulin Longyuan with reference to the prevailing market rates for (i) finance leases for similar assets; and (ii) similar finance lease services.

The price for the purchase of the Yulin Leased Assets II payable by Cinda Financial Leasing under the Yulin Finance Lease II was determined through arm's length negotiation between the parties with reference to the average fair market price of similar equipment and the amount of financing agreed to be provided by Cinda Financial Leasing.

(v) Ownership of the Yulin Leased Assets II

During the term of the Yulin Finance Lease II, the ownership of the Yulin Leased Assets II shall vest in Cinda Financial Leasing. Upon expiry of the term of the Yulin Finance Lease II and subject to the full payment of the entire amount of the lease rent and interest and any other amounts due under the Yulin Finance Lease II, Yulin Longyuan shall have the right to purchase the Yulin Leased Assets II from Cinda Financial Leasing for nominal purchase price of RMB100.

(vi) Security Arrangements for the Yulin Finance Lease II

The obligations under the Yulin Finance Lease II are secured by the Yulin Security Deposit II, the Nanjing GCL Yulin Guarantee Agreement II, the Suzhou GCL Yulin Guarantee Agreement II, the Yulin Electricity Fee Pledge Agreement, the Yulin Share Pledge Agreement and the Yulin Leased Assets Mortgage Agreement.

2. REASONS FOR AND BENEFITS OF THE YULIN FINANCE LEASE AGREEMENTS II

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

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

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

3. LISTING RULE IMPLICATIONS

GCL-Poly

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

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

GNE

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

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

4. INFORMATION ON THE PARTIES TO THE YULIN FINANCE LEASE AGREEMENTS II

Cinda Financial Leasing

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

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

GCL-Poly

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

GNE

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

5. DEFINITIONS

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

“Cinda Financial Leasing”	Cinda Financial Leasing Co., Ltd.* (信達金融租賃有限公司), a company incorporated in the PRC
“Circular”	the circular of GNE dated 14 May 2018
“connected persons”	has the same meaning ascribed to it under the Listing Rules
“GCL-Poly”	GCL-Poly Energy Holdings Limited (保利協鑫能源控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3800). As at the date of this joint announcement, GCL-Poly is interested in approximately 62.28% of the issued share capital of GNE
“GCL-Poly Board”	the board of GCL-Poly Directors
“GCL-Poly Directors”	the directors of GCL-Poly
“GCL-Poly Shareholders”	the shareholders of GCL-Poly
“GNE”	GCL New Energy Holdings Limited (協鑫新能源控股有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 451)
“GNE Board”	the board of GNE Directors
“GNE Directors”	the directors of GNE
“GNE Group”	GNE and its subsidiaries
“GNE Share(s)”	ordinary shares of one-two-hundred-fortieth (1/240) of a Hong Kong dollar each (equivalent to HK\$0.00416) in the share capital of GNE

“GNE Shareholder”	holder(s) of the GNE Shares
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	megawatt(s)
“Nanjing GCL New Energy”	Nanjing GCL New Energy Development Co., Ltd.* (南京協鑫新能源發展有限公司), an indirect subsidiary of GCL-Poly and GNE which is incorporated in the PRC with limited liability
“Nanjing GCL Yulin Guarantee Agreement II”	the guarantee dated 30 May 2018 given by Nanjing GCL New Energy to Cinda Financial Leasing to secure Yulin Longyuan’s obligations under the Yulin Finance Lease II
“PBOC”	the People’s Bank of China
“PRC”	the People’s Republic of China
“Previous Announcement”	the joint announcement of GCL-Poly and GNE dated 25 April 2018
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the same meaning ascribed to it under the Listing Rules
“Suzhou GCL New Energy”	Suzhou GCL New Energy Investment Co., Ltd.* (蘇州協鑫新能源投資有限公司), an indirect subsidiary of GCL-Poly and GNE which is incorporated in the PRC with limited liability
“Suzhou GCL Yulin Guarantee Agreement II”	the guarantee dated 30 May 2018 given by Suzhou GCL New Energy to Cinda Financial Leasing to secure Yulin Longyuan’s obligations under the Yulin Finance Lease II

“Yulin Electricity Fee Pledge Agreement”	the agreement dated 25 April 2018 between Cinda Financial Leasing and Yulin Longyuan, pursuant to which Yulin Longyuan pledged to Cinda Financial Leasing 100% of its right to electricity fees in relation to the Yulin Project
“Yulin Finance Lease II”	the agreement dated 30 May 2018 between Cinda Financial Leasing and Yulin Longyuan in relation to the leasing of the Yulin Leased Assets II
“Yulin Finance Lease Agreements”	the Yulin Finance Lease, the Nanjing GCL Yulin Guarantee Agreement, the Suzhou GCL Yulin Guarantee Agreement, the Yulin Leased Assets Mortgage Agreement, the Yulin Electricity Fee Pledge Agreement and the Yulin Share Pledge Agreement. For further information, please refer to the Previous Announcement and the Circular
“Yulin Finance Lease Agreements II”	the Yulin Finance Lease II, the Nanjing GCL Yulin Guarantee Agreement II and the Suzhou GCL Yulin Guarantee Agreement II
“Yulin Leased Assets II”	certain solar modules, inverters, transformers, cables cabinets, monitoring systems and other photovoltaic equipment and installations used by Yulin Longyuan for the Yulin Project
“Yulin Leased Assets Mortgage Agreement”	the agreement dated 25 April 2018 between Cinda Financial Leasing and Yulin Longyuan, pursuant to which Yulin Longyuan mortgaged the Yulin Leased Assets to Cinda Financial Leasing
“Yulin Longyuan”	Yulin Longyuan Photovoltaic Power Co., Ltd.* (榆林隆源光伏電力有限公司), an indirect subsidiary of GCL-Poly and GNE which is incorporated in the PRC with limited liability
“Yulin Project”	the 200MW photovoltaic power station project located in Xiao Hao Tu village of Yuyang District of Yulin City of Shaanxi Province, the PRC
“Yulin Security Deposit II”	a refundable security deposit of RMB42,000,000 payable by Yulin Longyuan under the Yulin Finance Lease II

“Yulin Share Pledge Agreement”

the agreement dated 25 April 2018 between Cinda Financial Leasing and Yulin Longyuan, pursuant to which Suzhou GCL New Energy pledged 100% of the equity interest in Yulin Longyuan to Cinda Financial Leasing

“%”

per cent.

* *for identification purpose only.*

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

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

Hong Kong, 30 May 2018

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

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