

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



**GCL-Poly Energy Holdings Limited**

**保利協鑫能源控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 3800)**



**GCL New Energy Holdings Limited**

**協鑫新能源控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 451)**

**(1) DISCLOSEABLE TRANSACTION  
WITH BANK OF BEIJING FINANCIAL  
LEASING CO., LTD.\***

**AND**

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

**(1) DISCLOSEABLE TRANSACTION  
WITH BANK OF BEIJING FINANCIAL  
LEASING CO., LTD.\***

**AND**

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

**THE HUAIBEI FINANCE LEASE AGREEMENTS WITH BEIJING FINANCIAL LEASING AND THE SECOND HUAIBEI PC SUPPLEMENTAL AGREEMENT WITH XI'AN DATANG ELECTRIC**

On 9 August 2018, the GNE Group entered into:

- (i) the Huaibei Finance Lease Agreements with Beijing Financial Leasing, pursuant to which (i) Beijing Financial Leasing shall purchase the Huaibei Leased Assets I from Xi'an Datang Electric at a consideration of RMB330,000,000 and the Huaibei Leased Assets II from Zhenjiang GCL New Energy at a consideration of RMB30,000,000; and (ii) following the acquisition, Beijing Financial Leasing, as the lessor, shall lease the Huaibei Leased Assets to Huaibei GCL New Energy, as the lessee, for a term of 8 years at an aggregate estimated rent of approximately RMB482,131,362. In addition, pursuant to the Huaibei Finance Lease Agreements, Huaibei GCL New Energy shall pay Beijing Financial Leasing an asset management fee of RMB34,560,000; and
- (ii) the Second Huaibei PC Supplemental Agreement, with Xi'an Datang Electric, pursuant to which the terms of the Huaibei PC Agreement shall be amended so that Xi'an Datang Electric no longer needs to procure all the solar power plant equipment and construction materials for Huaibei GCL New Energy and the total consideration is reduced by RMB330,000,000.

(together, the “**Current Agreements**”).

## **LISTING RULES IMPLICATIONS**

### **GCL-Poly**

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

As Wuxi Huaguang (a company incorporated in the PRC and the shares of which are listed on the Shanghai Stock Exchange, with stock code 600475) holds approximately 24.81% shareholding interest in Konca Solar (a subsidiary of GCL-Poly, and as at the date of this joint announcement, GCL-Poly is interested in approximately 62.28% of the issued share capital of GNE), Wuxi Huaguang is a connected person of GCL-Poly at the subsidiary level (but not a connected person of GNE). In addition, Wuxi Huaguang effectively holds approximately 90.33% of shareholding interests in Xi’an Datang Electric, Xi’an Datang Electric is therefore an associate of a connected person of GCL-Poly at the subsidiary level (but not a connected person of GNE).

As the highest applicable percentage ratio in respect of the Huaibei Sale and Purchase Agreement I exceeds 1% but is less than 5%, the entering into of the Huaibei Sale and Purchase Agreement I constitutes a connected transaction for GCL-Poly and GCL-Poly shall comply with the reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempted from the circular (including independent financial advice) and independent shareholders’ approval requirement under Rule 14A.76(2) of the Listing Rules.

### **GNE**

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

## **1. PRINCIPAL TERMS OF THE HUAIBEI FINANCE LEASE AGREEMENTS**

- (i) **Date:** 9 August 2018
- (ii) **Parties:**
- |                           |   |
|---------------------------|---|
| (1) Lessee:               | Huaibei GCL New Energy                                |
| (2) Lessor and Purchaser: | Beijing Financial Leasing                             |
| (3) Sellers:              | Xi’an Datang Electric and<br>Zhenjiang GCL New Energy |

(4) Supplier: Zhenjiang GCL New Energy

**(iii) The Huaibei Finance Lease, the Huaibei Sale and Purchase Agreement I and the Huaibei Sale and Purchase Agreement II**

Pursuant to the Huaibei Finance Lease, the Huaibei Sale and Purchase Agreement I and the Huaibei Sale and Purchase Agreement II, (i) Beijing Financial Leasing shall purchase the Huaibei Leased Assets I from Xi'an Datang Electric at a consideration of RMB330,000,000 and the Huaibei Leased Assets II from Zhenjiang GCL New Energy at a consideration of RMB30,000,000; (ii) following the acquisition, Beijing Financial Leasing shall lease the Huaibei Leased Assets to Huaibei GCL New Energy at an aggregate estimated rent of approximately RMB482,131,362 for a term of 8 years, commencing from the date of payment of the purchase price of the Huaibei Leased Assets; and (iii) Zhenjiang GCL New Energy shall be liable for any defects (if any) in respect of the Huaibei Leased Assets.

**(iv) Payment of Rent and Asset Management Fee**

The estimated aggregate amount of rent payable by Huaibei GCL New Energy to Beijing Financial Leasing under the Huaibei Finance Lease is approximately RMB482,131,362 and shall be payable in a total of 32 quarterly instalments. The interest rate under the Huaibei Finance Lease shall be the applicable benchmark lending rate promulgated by PBOC for a term of 5 years from time to time move up 38.5%.

In addition, pursuant to the terms of the Huaibei Finance Lease, Huaibei GCL New Energy shall pay an asset management fee to Beijing Financial Leasing in the amount of RMB34,560,000.

The terms of the Huaibei Finance Lease including the lease rent, lease interest rate and asset management fee were determined after arm's length negotiation between Beijing Financial Leasing and Huaibei GCL New Energy with reference to the prevailing market rates for (i) finance leases for similar assets; and (ii) similar asset management services.

The price for the purchase of the Huaibei Leased Assets payable by Beijing Financial Leasing under the Huaibei Sale and Purchase Agreement I and the Huaibei Sale and Purchase Agreement 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 Beijing Financial Leasing.

**(v) Ownership of the Huaibei Leased Assets**

During the term of the Huaibei Finance Lease, the ownership of the Huaibei Leased Assets shall vest in Beijing Financial Leasing. Upon expiry of the term of the Huaibei Finance Lease and subject to the full payment of the entire amount of the lease rent and

any other amounts due under the Huaibei Finance Lease, Huaibei GCL New Energy shall purchase the Huaibei Leased Assets from Beijing Financial Leasing for a nominal purchase price of RMB100.

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

The obligations of Huaibei GCL New Energy under the Huaibei Finance Lease are secured by the Nanjing GCL Huaibei Guarantee, the Suzhou GCL Huaibei Guarantee, the Huaibei Leased Assets Mortgage Agreement, the Huaibei Electricity Fee Pledge Agreement and the Huaibei Share Pledge Agreement.

**2. PRINCIPAL TERMS OF THE SECOND HUAIBEI PC SUPPLEMENTAL AGREEMENT**

**(i) Date:** 9 August 2018

**(ii) Parties** (1) Joint principals: Suzhou GCL New Energy and Huaibei GCL New Energy

(2) Contractor: Xi'an Datang Electric

**(iii) The Second Huaibei PC Supplemental Agreement**

The Second Huaibei PC Supplemental Agreement is an amendment to the Huaibei PC Agreement entered into between Huaibei GCL New Energy and Xi'an Datang Electric on 15 September 2017. For further information, please refer to the joint announcement of GCL-Poly and GNE dated 15 September 2017.

Pursuant to the Second Huaibei PC Supplemental Agreement, the terms of the Huaibei PC Agreement shall be amended so that Xi'an Datang Electric no longer needs to procure all the solar power plant equipment and construction materials for Huaibei GCL New Energy and accordingly, the solar power plant equipment fee and the services and other construction material fees are reduced from RMB336,911,003 to RMB6,911,003. The total consideration is reduced from RMB373,877,185 to RMB43,877,185.

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

### **3. REASONS FOR AND BENEFITS OF THE CURRENT AGREEMENTS**

The terms of the Current Agreements have been agreed upon after arm's length negotiations between the relevant parties. As a developer of solar power plant projects, the GNE Group requires capital from time to time to construct its solar power plant projects. The GNE Directors believe that the GNE Group will be able to derive additional liquidity utilising its existing investments in its existing equipment and assets under the Current Agreements and benefit from the additional working capital to support its business and operational activities.

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

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

### **4. LISTING RULE IMPLICATIONS**

#### **GCL-Poly**

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

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

As the highest applicable percentage ratio in respect of the Huaibei Sale and Purchase Agreement I exceeds 1% but is less than 5%, the entering into of the Huaibei Sale and Purchase Agreement I constitutes a connected transaction for GCL-Poly and GCL-Poly shall comply with the reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempted from the circular (including independent financial advice) and independent shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

## **GNE**

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

## **5. INFORMATION ON THE PARTIES TO THE HUAIBEI FINANCE LEASE AGREEMENTS**

### **Beijing Financial Leasing**

Beijing Financial Leasing is a company established in the PRC with limited liability and is principally engaged in finance leasing and other leasing business.

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

GNE Group is principally engaged in the sale of electricity, development, construction, operation and management of solar power plants.

### **Xi'an Datang Electric**

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

## **6. DEFINITIONS**

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

“Anhui GCL New Energy”	Anhui GCL New Energy Investment Co., Ltd* (安徽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
“associate”	has the same meaning ascribed to it under the Listing Rules
“Beijing Financial Leasing”	Bank of Beijing Financial Leasing Co., Ltd* (北銀金融租賃有限公司), a company incorporated in the PRC with limited liability
“connected persons”	has the same meaning ascribed to it under the Listing Rules
“Current Agreements”	the Huaibei Finance Lease Agreements and the Second Huaibei PC Supplemental Agreement
“EPC”	engineering, procurement and construction
“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
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the PRC
“Huaibei Electricity Fee Pledge Agreement”	the agreement dated 9 August 2018 between Beijing Financial Leasing and Huaibei GCL New Energy, pursuant to which Huaibei GCL New Energy has pledged to Beijing Financial Leasing 100% of its right to electricity fees in relation to the Huaibei Project
“Huaibei Finance Lease”	the agreement dated 9 August 2018 between Beijing Financial Leasing and Huaibei GCL New Energy in relation to the leasing of the Huaibei Leased Assets
“Huaibei Finance Lease Agreements”	the Huaibei Finance Lease, the Huaibei Sale and Purchase Agreement I, the Huaibei Sale and Purchase Agreement II, the Nanjing GCL Huaibei Guarantee, the Suzhou GCL Huaibei Guarantee, the Huaibei Leased Assets Mortgage Agreement, the Huaibei Electricity Fee Pledge Agreement and the Huaibei Share Pledge Agreement, of which, Xi’an Datang is a party to the Huaibei Sale and Purchase Agreement I only, and thus attributed to the entering into of the Huaibei Finance Lease Agreements constituting a connected transaction of GCL-Poly under Chapter 14A of the Listing Rules
“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 GNE which is incorporated in the PRC with limited liability
“Huaibei Leased Assets”	the Huaibei Leased Assets I and the Huaibei Leased Assets II
“Huaibei Leased Assets I”	certain solar modules, anchorage systems, switches, cabinets, cables, transformers and other photovoltaic equipment and installations used by Huaibei GCL New Energy for the Huaibei Project
“Huaibei Leased Assets II”	certain anchorage systems, modules, switches, cables, inverters, transformers, circuit breakers and other photovoltaic equipment and installations used by Huaibei GCL New Energy for the Huaibei Project



“Huaibei Leased Assets Mortgage Agreement”	the agreement dated 9 August 2018 between Beijing Financial Leasing and Huaibei GCL New Energy, pursuant to which Huaibei GCL New Energy has mortgaged the Huaibei Leased Assets to Beijing Financial Leasing
“Huaibei PC Agreement”	the PC agreement dated 15 September 2017 between Huaibei GCL New Energy and Xi’an Datang Electric, as disclosed in the joint announcement of GCL-Poly and GNE dated 15 September 2017
“Huaibei Project”	the 60 megawatts solar power plant project located in Nanping town of Suixi County, Huaibei City, Anhui Province, the PRC
“Huaibei Sale and Purchase Agreement I”	the agreement dated 9 August 2018 between Beijing Financial Leasing, Xi’an Datang Electric, Zhenjiang GCL New Energy and Huaibei GCL New Energy for the sale and purchase of the Huaibei Leased Assets I
“Huaibei Sale and Purchase Agreement II”	the agreement dated 9 August 2018 between Beijing Financial Leasing, Zhenjiang GCL New Energy and Huaibei GCL New Energy for the sale and purchase of the Huaibei Leased Assets II
“Huaibei Share Pledge Agreement”	the agreement dated 9 August 2018 between Beijing Financial Leasing and Anhui GCL New Energy, pursuant to which Anhui GCL New Energy has pledged 100% of the equity interest in Huaibei GCL New Energy to Beijing Financial Leasing
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nanjing GCL Huaibei Guarantee”	the guarantee dated 9 August 2018 given by Nanjing GCL New Energy to Beijing Financial Leasing to secure Huaibei GCL New Energy’s obligations under the Huaibei Finance Lease

“Nanjing GCL New Energy”	Nanjing GCL New Energy Development Co., Ltd.* (南京協鑫新能源發展有限公司), an indirect subsidiary of GCL-Poly and GNE which is incorporated in the PRC with limited liability
“PBOC”	the People’s Bank of China
“PC”	procurement and construction
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Second Huaibei PC Supplemental Agreement”	the supplemental agreement dated 9 August 2018 among Suzhou GCL New Energy, Huaibei GCL New Energy and Xi’an Datang Electric
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the same meaning ascribed to it under the Listing Rules
“Suzhou GCL Huaibei Guarantee”	the guarantee dated 9 August 2018 given by Suzhou GCL New Energy to Beijing Financial Leasing to secure Huaibei GCL New Energy’s obligations under the Huaibei Finance Lease
“Suzhou GCL New Energy”	Suzhou GCL New Energy Investment Co., Ltd.* (蘇州協鑫新能源投資有限公司), an indirect subsidiary of GCL-Poly and GNE which is incorporated in the PRC with limited liability
“Wuxi Huaguang”	Wuxi Huaguang Boiler Co., Ltd.* (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
“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 GNE which is incorporated in the PRC with limited liability

“%”

per cent.

\* *for identification purpose only*

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

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

Hong Kong, 9 August 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.*