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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 SHENMU FINANCE LEASE AGREEMENTS WITH CINDA FINANCIAL LEASING

On 15 April 2019, the GNE Group entered into the Shenmu Finance Lease Agreements with Cinda Financial Leasing, pursuant to which (i) Cinda Financial Leasing conditionally agreed to purchase the Shenmu Leased Assets from Shenmu Jingpu at a consideration of RMB600,000,000; and (ii) following the acquisition, Cinda Financial Leasing, as the lessor, conditionally agreed to lease the Shenmu Leased Assets to Shenmu Jingpu, as the lessee, for a term of 9 years at an aggregated estimated rent of approximately RMB751,913,936. In addition, pursuant to the Shenmu Finance Lease Agreements, Shenmu Jingpu conditionally agreed to pay Cinda Financial Leasing a finance lease service fee of RMB59,400,000.

LISTING RULES IMPLICATIONS

GCL-Poly

As the highest applicable percentage ratio in respect of the Shenmu Finance Lease Agreements exceeds 5% but is less than 25%, the entering into of the Shenmu Finance Lease Agreements 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.

GNE

As the highest applicable percentage ratio in respect of the Shenmu Finance Lease Agreements exceeds 5% but is less than 25%, the entering into of the Shenmu Finance Lease Agreements 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.

1. PRINCIPAL TERMS OF THE SHENMU FINANCE LEASE AGREEMENTS

- (i) Date:** 15 April 2019
- (ii) Parties:**
 - (1) Lessee: Shenmu Jingpu
 - (2) Lessor: Cinda Financial Leasing

(iii) The Shenmu Finance Lease

Pursuant to the Shenmu Finance Lease, (i) Cinda Financial Leasing conditionally agreed to purchase the Shenmu Leased Assets from Shenmu Jingpu at a consideration of RMB600,000,000; and (ii) following the acquisition, Cinda Financial Leasing, as the lessor, conditionally agreed to lease the Shenmu Leased Assets to Shenmu Jingpu, 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 Shenmu Jingpu to Cinda Financial Leasing under the Shenmu Finance Lease Agreements is approximately RMB751,913,936 and shall be payable in a total of 36 quarterly instalments. The interest rate under the Shenmu Finance Lease shall be the applicable benchmark lending rate promulgated by PBOC for a term of 9 years from time to time.

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

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

(v) Ownership of the Shenmu Leased Assets

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

interest and any other amounts due under the Shenmu Finance Lease, Shenmu Jingpu shall have the right to purchase the Shenmu Leased Assets from Cinda Financial Leasing for nominal purchase price of RMB100.

(vi) Security Arrangements for the Shenmu Finance Lease

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

2. REASONS FOR AND BENEFITS OF THE SHENMU FINANCE LEASE AGREEMENTS

The terms of the Shenmu Finance Lease 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 by utilising its existing investments in its existing equipment and assets under the Shenmu Finance Lease Agreements and benefit from the additional working capital to support its business and operational activities.

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

Based on the views of the GNE Directors and having considered all relevant factors, the GCL-Poly Directors consider that the terms of the Shenmu Finance Lease Agreements are on normal commercial terms, fair and reasonable 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 Shenmu Finance Lease Agreements exceeds 5% but is less than 25%, the entering into of the Shenmu Finance Lease Agreements 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.

GNE

As the highest applicable percentage ratio in respect of the Shenmu Finance Lease Agreements exceeds 5% but is less than 25%, the entering into of the Shenmu Finance Lease Agreements 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.

4. INFORMATION ON THE PARTIES TO THE SHENMU FINANCE LEASE AGREEMENTS

Cinda Financial Leasing

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

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

The GNE Group

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

5. DEFINITIONS

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

“associate” has the same meaning ascribed to it under the Listing Rules

“Cinda Financial Leasing” Cinda Financial Leasing Co., Ltd.* (信達金融租賃有限公司), a company incorporated in the PRC with limited liability

“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(s)”	holder(s) of the GNE Share(s)
“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 Shenmu Guarantee Agreement”	the guarantee dated 15 April 2019 given by Nanjing GCL New Energy to Cinda Financial leasing to secure Shenmu Jingpu’s obligations under the Shenmu Finance Lease

“PBOC”	the People’s Bank of China
“PRC”	the People’s Republic of China
“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 Shenmu Guarantee Agreement”	the guarantee dated 15 April 2019 given by Suzhou GCL New Energy to Cinda Financial leasing to secure Shenmu Jingpu’s obligations under the Shenmu Finance Lease
“Shenmu Electricity Fee Pledge Agreement”	the agreement dated 15 April 2019 between Cinda Financial Leasing and Shenmu Jingpu, pursuant to which Shenmu Jingpu pledged to Cinda Financial Leasing 100% of its right to electricity fees in relation to the Shenmu Project
“Shenmu Finance Lease”	the agreement dated 15 April 2019 between Cinda Financial Leasing and Shenmu Jingpu in relation to the leasing of the Shenmu Leased Assets
“Shenmu Finance Lease Agreements”	the Shenmu Finance Lease, the Nanjing GCL Shenmu Guarantee Agreement, the Suzhou GCL Shenmu Guarantee Agreement, the Shenmu Leased Assets Mortgage Agreement, the Shenmu Electricity Fee Pledge Agreement, the Shenmu Share Pledge Agreements and the Shenmu Jingpu Undertaking
“Shenmu Jingpu”	Shenmu City Jingpu Power Co., Ltd.* (神木市晶普電力有限公司), an indirect subsidiary of GCL-Poly and GNE which is incorporated in the PRC with limited liability

“Shenmu Jingpu Undertaking”	the undertaking dated 15 April 2019 between Cinda Financial Leasing and Shenmu Jingpu, with Suzhou GCL New Energy and Nanjing GCL New Energy as guarantors, pursuant to which Shenmu Jingpu agreed (i) not to repay any shareholder loans during the Shenmu Finance Lease period; and (ii) if Shenmu Project has not been included in the 8th batch of the Renewable Energy Tariff Surcharge Subsidy Catalogue (可再生能源電價附加資金補助目錄) when it is announced, Cinda Financial Leasing has the right to terminate the Shenmu Finance Lease and demand for repayment of the outstanding amounts under the Shenmu Finance Lease as well as compensation to Cinda Financial Leasing for the difference between the original income and actual income under the Shenmu Finance Lease
“Shenmu Jingyuan”	Shenmu City Jingyuan Environmental Development Power Co., Ltd.* (神木市晶元清潔發展有限公司), a company incorporated in the PRC with limited liability and its ultimate beneficial owner(s) are third parties independent of GCL-Poly and GNE and their connected persons
“Shenmu Leased Assets”	certain solar modules, inverters, transformers, cables cabinets, monitoring systems and other photovoltaic equipment and installations used by Shenmu Jingpu for the Shenmu Project
“Shenmu Leased Assets Mortgage Agreement”	the agreement dated 15 April 2019 between Cinda Financial Leasing and Shenmu Jingpu, pursuant to which Shenmu Jingpu mortgaged the Shenmu Leased Assets to Cinda Financial Leasing
“Shenmu Project”	the 140MW solar power plant project located in Shenmu City of Shaanxi Province, the PRC
“Shenmu Security Deposit”	a refundable security deposit of RMB42,000,000 payable by Shenmu Jingpu under the Shenmu Finance Lease
“Shenmu Share Pledge Agreement”	the agreement dated 15 April 2019 between Cinda Financial Leasing and Xi’an GCL New Energy, pursuant to which Xi’an GCL New Energy pledged 80% of the equity interest in Shenmu Jingpu to Cinda Financial Leasing

“Shenmu Share Pledge Undertaking”

the undertaking dated 15 April 2019 between Cinda Financial Leasing and Shenmu Jingpu, with Suzhou GCL New Energy and Nanjing GCL New Energy as guarantors, pursuant to which (i) a refundable security deposit in the amount of approximately RMB53.3 million shall be paid to Cinda Financial Leasing to secure the obligation of Shenmu Jingyuan to pledge the 20% equity interest held by it to Cinda Financial Leasing; (ii) Shenmu Jingyuan shall complete registration of the share pledge by 31 December 2019; and (iii) if Shenmu Jingyuan fails to complete registration of the share pledge by 31 December 2019, Cinda Financial Leasing has the right to terminate the Shenmu Finance Lease and demand for compensation to Cinda Financial Leasing for the difference between the original income and actual income under the Shenmu Finance Lease

“Xi’an GCL New Energy”

Xi’an GCL New Energy Management Co., Ltd.* (西安協鑫新能源管理有限公司), 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, 15 April 2019

As at the date of this joint announcement, the GCL-Poly Board comprises Mr. Zhu Gongshan (Chairman), Mr. Zhu Zhanjun, 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 and Ms. Hu Xiaoyan 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.