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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  
CHINA RESOURCES LEASING CO., LTD.\***

**THE NANZHAO FINANCE LEASE AGREEMENTS WITH CR LEASING**

On 9 August 2019, the GNE Group entered into the Nanzhao Finance Lease Agreements with CR Leasing, pursuant to which (i) CR Leasing shall purchase the Nanzhao Leased Assets from Nanzhao Xinli at an aggregate consideration of RMB332,000,000 payable in two instalments; and (ii) following the acquisition, CR Leasing, as the lessor, shall lease the Nanzhao Leased Assets to Nanzhao Xinli, as the lessee, for a term of 10 years at an aggregated estimated rent of RMB497,856,000. In addition, pursuant to the Nanzhao Finance Lease Agreements, Nanzhao Xinli shall pay CR Leasing a finance lease handling fee of RMB13,280,000.

**LISTING RULES IMPLICATIONS**

**GCL-Poly**

As the highest applicable percentage ratio in respect of the Nanzhao Finance Lease Agreements exceeds 5% but is less than 25%, the entering into of the Nanzhao 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 Nanzhao Finance Lease Agreements exceeds 5% but is less than 25%, the entering into of the Nanzhao 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 NANZHAO FINANCE LEASE AGREEMENTS

- (i) **Date:** 9 August 2019
- (ii) **Parties:**
  - (1) Lessee: Nanzhao Xinli
  - (2) Lessor: CR Leasing

### (iii) **The Nanzhao Finance Lease**

Pursuant to the Nanzhao Finance Lease, CR Leasing shall purchase the Nanzhao Leased Assets from Nanzhao Xinli at an aggregate consideration of RMB332,000,000. The consideration for the Nanzhao Leased Assets shall be payable in two instalments: (i) RMB200,000,000 shall be payable by CR Leasing upon the satisfaction of all payment terms under the Nanzhao Finance Lease for the first instalment; and (ii) RMB132,000,000 shall be payable by CR Leasing upon the first instalment being fully paid and the satisfaction of all payment terms under the Nanzhao Finance Lease for the second instalment.

Following the acquisition, CR Leasing, as the lessor, shall lease the Nanzhao Leased Assets to Nanzhao Xinli, as the lessee, for a term of 10 years at an aggregate estimated rent of approximately RMB497,856,000.

### (iv) **Payment of Rent and Handling Fee**

The estimated aggregate amount of rent payable by Nanzhao Xinli to CR Leasing under the Nanzhao Finance Lease is RMB497,856,000 and shall be payable in a total of 40 quarterly instalments. The annual interest rate under the Nanzhao Finance Lease shall be 7.68% and shall be adjusted proportionally in the same direction with reference to the applicable benchmark lending rate promulgated by the People's Bank of China for a term of over 5 years from time to time.

In addition, Nanzhao Xinli shall pay a finance lease handling fee to CR Leasing in the amount of RMB13,280,000.

The terms of the Nanzhao Finance Lease including the lease rent, the lease interest rate and the finance lease handling fee were determined after arm's length negotiation between CR Leasing and Nanzhao Xinli 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 Nanzhao Leased Assets payable by CR Leasing under the Nanzhao 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 CR Leasing.

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

During the term of the Nanzhao Finance Lease, the ownership of the Nanzhao Leased Assets shall vest in CR Leasing. Upon expiry of the term of the Nanzhao 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 Nanzhao Finance Lease, Nanzhao Xinli shall have the right to purchase the Nanzhao Leased Assets from CR Leasing for nominal purchase price of RMB100.

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

The obligations under the Nanzhao Finance Lease are secured by the Nanzhao Security Deposit, the Suzhou GCL Nanzhao Guarantee, the GNE Nanzhao Undertaking, the Nanzhao Electricity Fee Pledge Agreement and the Nanzhao Share Pledge Agreements.

**2. REASONS FOR AND BENEFITS OF THE NANZHAO FINANCE LEASE AGREEMENTS**

The terms of the Nanzhao Finance Lease Agreements have been agreed upon after arm's length negotiations between the relevant parties. As a developer of solar power plant projects, GNE requires capital from time to time to construct its solar power plants. 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 Nanzhao 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 Nanzhao 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 Nanzhao Finance Lease Agreements 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 RULES IMPLICATIONS**

**GCL-Poly**

As the highest applicable percentage ratio in respect of the Nanzhao Finance Lease Agreements exceeds 5% but is less than 25%, the entering into of the Nanzhao 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 Nanzhao Finance Lease Agreements exceeds 5% but is less than 25%, the entering into of the Nanzhao 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 NANZHAO FINANCE LEASE AGREEMENTS**

### **CR Leasing**

CR Leasing is a company incorporated in the PRC with limited liability and is principally engaged in finance leasing businesses. CR Leasing is a member of the China Resources Group.

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

### **GCL-Poly**

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

## **GNE**

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:

“CR Leasing”	China Resources Leasing Co., Ltd.* (華潤租賃有限公司), a company incorporated in the PRC with limited liability and a member of the China Resources Group
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“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 Nanzhao Undertaking”	the undertaking dated 9 August 2019 from GNE given to CR Leasing in respect of Nanzhao Xinli's obligations under the Nanzhao Finance Lease
“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 Shares
“Henan GCL New Energy”	Henan GCL New Energy Investment Co., Ltd.* (河南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
“Henan GCL New Energy Nanzhao Share Pledge Agreement”	the agreement dated 9 August 2019 between CR Leasing and Henan GCL New Energy, pursuant to which Henan GCL New Energy pledged its 50% equity interest in Nanzhao Xinli to CR Leasing

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	megawatt(s)
“Nanzhao Electricity Fee Pledge Agreement”	the agreement dated 9 August 2019 between CR Leasing and Nanzhao Xinli, pursuant to which Nanzhao Xinli pledged to CR Leasing 100% of its right to electricity fees in relation to the Nanzhao Project
“Nanzhao Finance Lease”	the agreement dated 9 August 2019 between CR Leasing and Nanzhao Xinli in relation to the leasing of the Nanzhao Leased Assets
“Nanzhao Finance Lease Agreements”	the Nanzhao Finance Lease, the Suzhou GCL Nanzhao Guarantee, the GNE Nanzhao Undertaking, the Nanzhao Electricity Fee Pledge Agreement and the Nanzhao Share Pledge Agreements
“Nanzhao Jinfu”	Nanzhao County Jinfu Photovoltaic Services Limited* (南召縣金富光伏服務有限公司), a company incorporated in the PRC with limited liability and a third party independent of GCL-Poly and GNE and their respective connected persons
“Nanzhao Jinfu Nanzhao Share Pledge Agreement”	the agreement dated 9 August 2019 between CR Leasing and Nanzhao Jinfu, pursuant to which Nanzhao Jinfu pledged its 50% equity interest in Nanzhao Xinli to CR Leasing
“Nanzhao Leased Assets”	certain solar modules, inverters, transformers, cables cabinets, monitoring systems and other photovoltaic equipment and installations used by Nanzhao Xinli for the Nanzhao Project
“Nanzhao Project”	the 100MW solar power plant project located in Nanzhao County of Henan Province, the PRC
“Nanzhao Security Deposit”	a refundable security deposit of RMB6,640,000 payable by Nanzhao Xinli under the Nanzhao Finance Lease
“Nanzhao Share Pledge Agreements”	the Henan GCL New Energy Nanzhao Share Pledge Agreement and the Nanzhao Jinfu Nanzhao Share Pledge Agreement

“Nanzhao Xinli”	Nanzhao Xinli Photovoltaic Power Co., Ltd.* (南召鑫力光伏電力有限公司), an indirect subsidiary of GCL-Poly and GNE which is incorporated in the PRC with limited liability and is held as to 50% by Henan GCL New Energy and 50% by Nanzhao Jinfu
“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 Nanzhao Guarantee”	the guarantee dated 9 August 2019 given by Suzhou GCL New Energy to CR Leasing to secure Nanzhao Xinli’s obligations under the Nanzhao 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
“%”	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 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. Ho Chung Tai Raymond, 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.*