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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)**

**CONNECTED TRANSACTIONS**  
**RENEWAL OF LEASE AGREEMENTS WITH**  
**SUZHOU GCL INDUSTRIAL APPLICATIONS RESEARCH CO., LTD\***

**CONNECTED TRANSACTIONS**

On 30 September 2019, each of Suzhou GCL New Energy and GCL Electric (both indirect subsidiaries of the Company) as tenant and Suzhou GCL Industrial Applications Research (an indirect wholly-owned subsidiary of GCL-Poly) as landlord entered into (i) the First Lease Agreement for the renewal of lease of the First Premises; and (ii) the Second Lease Agreement for the renewal of lease of the Second Premises, respectively, for a term of one year commencing from 1 October 2019 to 30 September 2020.

**LISTING RULES IMPLICATIONS**

Suzhou GCL Industrial Applications Research is an indirect wholly-owned subsidiary of GCL-Poly, which is the controlling shareholder of the Company. Suzhou GCL Industrial Applications Research is therefore a connected person of the Company under the Listing Rules. As a result, the entering into of the Lease Agreements with Suzhou GCL Industrial Applications Research and the transactions contemplated thereunder constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

The IFRS applicable to the Group include IFRS 16 “Leases” which has come into effect on 1 January 2019. In accordance with IFRS 16 “Leases”, the Group is expected to recognize the value of the right-of-use of assets on its balance sheet in connection with the Lease Agreements, this transaction will be regarded as an acquisition of asset by the Group.

As the highest applicable percentage ratio in respect of the Lease Agreements is more than 0.1% but less than 5%, the entering into of the Lease Agreements is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and Shareholders' approval requirements as required under Chapter 14A of the Listing Rules.

As Mr. Zhu Yufeng (executive Director), Ms. Sun Wei and Mr. Yeung Man Chung, Charles (both non-executive Directors) are directors of GCL-Poly and Ms. Hu Xiaoyan (executive Director) and Mr. Sha Hongqiu (non-executive Director) are executives of GCL-Poly, they have a material interest in the connected transactions under the Lease Agreements. Accordingly, each of Mr. Zhu Yufeng, Ms. Sun Wei, Mr. Yeung Man Chung, Charles, Ms. Hu Xiaoyan and Mr. Sha Hongqiu abstained from voting on the resolutions of the Board in respect of the approval of the Lease Agreements.

## **1. CONNECTED TRANSACTIONS**

On 30 September 2019, each of Suzhou GCL New Energy and GCL Electric (both indirect subsidiaries of the Company) as tenant and Suzhou GCL Industrial Applications Research (an indirect wholly-owned subsidiary of GCL-Poly) as landlord entered into (i) the First Lease Agreement for the renewal of lease of the First Premises; and (ii) the Second Lease Agreement for the renewal of lease of the Second Premises, respectively, for a term of one year commencing from 1 October 2019 to 30 September 2020.

### **A. Principal terms of the First Lease Agreement**

*(i) Date*

30 September 2019

*(ii) Parties*

Landlord: Suzhou GCL Industrial Applications Research

Tenant: Suzhou GCL New Energy

*(iii) Premises*

Suzhou GCL Industrial Applications Research agreed to renew the lease of the First Premises, a commercial property of 19,738.70 square meters in Suzhou, PRC, with Suzhou GCL New Energy for business purposes.

**(iv) Term**

One year, from 1 October 2019 to 30 September 2020

**(v) Basis of consideration**

The First Lease Agreement was negotiated and entered into on an arm's length basis between the parties with reference to the prevailing market rent of a comparable class of commercial premises in Suzhou. The monthly rent is exclusive of management fees, utilities and carparking expenses, which will be borne by Suzhou GCL New Energy.

**(vi) Rent and other charges**

The rent is agreed at a rate of RMB75 per square meter per month (exclusive of management fees). As a result, the rent payable by Suzhou GCL New Energy to Suzhou GCL Industrial Applications Research is approximately RMB1,480,403 per month. The rent is payable on yearly basis within 30 days from the date of issuance of the rental invoice from Suzhou GCL Industrial Applications Research to Suzhou GCL New Energy.

During the term of the First Lease Agreement, the management fees, utilities, facilities maintenance and carparking expenses will be borne by Suzhou GCL New Energy.

**B. Principal terms of the Second Lease Agreement**

**(i) Date**

30 September 2019

**(ii) Parties**

Landlord: Suzhou GCL Industrial Applications Research

Tenant: GCL Electric

**(iii) Premises**

Suzhou GCL Industrial Applications Research agreed to renew the lease of the Second Premises, a commercial property of 4,790.3 square meters in Suzhou, PRC, with GCL Electric for business purposes.

(iv) ***Term***

One year, from 1 October 2019 to 30 September 2020

(v) ***Basis of consideration***

The Second Lease Agreement was negotiated and entered into on an arm's length basis between the parties with reference to the prevailing market rent of a comparable class of commercial premises in Suzhou. The monthly rent is exclusive of management fees, utilities and carparking expenses, which will be borne by GCL Electric.

(vi) ***Rent and other charges***

The rent is agreed at a rate of RMB75 per square meter per month (exclusive of management fees). As a result, the rent payable by GCL Electric to Suzhou GCL Industrial Applications Research is approximately RMB359,273 per month. The rent is payable on yearly basis within 30 days from the date of issuance of the rental invoice from Suzhou GCL Industrial Applications Research to GCL Electric.

During the term of the Second Lease Agreement, the management fees, utilities, facilities maintenance and carparking expenses will be borne by GCL Electric.

## **2. REASONS FOR AND BENEFITS OF THE LEASE AGREEMENTS**

Having considered all relevant factors, the Directors (including the independent non-executive Directors) believe and consider that the Lease Agreements were entered into in the ordinary and usual course of the Group's business, are on normal commercial terms which are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **3. LISTING RULES IMPLICATIONS**

Suzhou GCL Industrial Applications Research is an indirect wholly-owned subsidiary of GCL-Poly, which is the controlling shareholder of the Company. Suzhou GCL Industrial Applications Research is therefore a connected person of the Company under the Listing Rules. As a result, the entering into of the Lease Agreements with Suzhou GCL Industrial Applications Research and the transactions contemplated thereunder constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

The IFRS applicable to the Group include IFRS 16 "Leases" which has come into effect on 1 January 2019. In accordance with IFRS 16 "Leases", the Group is expected to recognize the value of the right-of-use of assets on its balance sheet in connection with the Lease Agreements, this transaction will be regarded as an acquisition of asset by the Group.

As the highest applicable percentage ratio in respect of the Lease Agreements is more than 0.1% but less than 5%, the entering into of the Lease Agreements is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and Shareholders' approval requirements as required under Chapter 14A of the Listing Rules.

As Mr. Zhu Yufeng (executive Director), Ms. Sun Wei and Mr. Yeung Man Chung, Charles (both non-executive Directors) are directors of GCL-Poly and Ms. Hu Xiaoyan (executive Director) and Mr. Sha Hongqiu (non-executive Director) are executives of GCL-Poly, they have a material interest in the connected transactions under the Lease Agreements. Accordingly, each of Mr. Zhu Yufeng, Ms. Sun Wei, Mr. Yeung Man Chung, Charles, Ms. Hu Xiaoyan and Mr. Sha Hongqiu abstained from voting on the resolutions of the Board in respect of the approval of the Lease Agreements.

#### **4. INFORMATION ON THE PARTIES TO THE CONNECTED TRANSACTIONS**

##### **Suzhou GCL Industrial Applications Research**

Suzhou GCL Industrial Applications Research is an indirect wholly-owned subsidiary of GCL-Poly. It is a PRC incorporated company and is principally engaged in (i) the research and development, testing and sales of monocrystalline silicon, polysilicon, LED semiconductor lighting, OLED display, motive battery and related products; (ii) the development of energy saving technology, technology consultancy, technology services and technology transfer; (iii) the import of raw and auxiliary materials, machinery and equipment and related technologies required by the research and development of Suzhou GCL Industrial Applications Research and (iv) the export of self-produced products and related technology.

##### **The Group**

The 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 announcement:

“Board” the board of 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, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 451)

“connected person”	has the same meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“First Lease Agreement”	the lease agreement between Suzhou GCL New Energy and Suzhou GCL Industrial Applications Research dated 30 September 2019
“First Premises”	the premises situated at 4th floor of headquarters building, No. 28 Xinqing Road, Suzhou Industrial Park, PRC
“GCL Electric”	GCL Electric Power Design and Research Co., Ltd.* (協鑫電力設計研究有限公司), an indirect subsidiary of the Company which is 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 announcement, GCL-Poly is interested in approximately 62.28% of the issued share capital of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	International Financial Reporting Standards
“Lease Agreements”	the First Lease Agreement and the Second Lease Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“Second Lease Agreement”	the lease agreement between GCL Electric and Suzhou GCL Industrial Applications Research dated 30 September 2019
“Second Premises”	the premises situated at Northwest Area, 2nd floor of research and development building, No. 28 Xinqing Road, Suzhou Industrial Park, PRC
“Share(s)”	ordinary share(s) of one-two-hundred-fortieth (1/240) of one Hong Kong dollar each (equivalent to HK\$0.00416) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the same meaning ascribed to it under the Listing Rules
“Suzhou GCL Industrial Applications Research”	Suzhou GCL Industrial Applications Research Co., Ltd* (蘇州協鑫工業應用研究院有限公司), an indirect wholly-owned subsidiary of GCL-Poly
“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 the Company which is incorporated in the PRC with limited liability
“%”	per cent.

\* *for identification purpose only*

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

Hong Kong, 30 September 2019

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