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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 DISPOSAL OF SUBSIDIARIES**

### **THE FIRST PHASE SHARE PURCHASE AGREEMENTS**

The GCL-Poly Board and the GNE Board jointly announce that on 16 November 2020 (after trading hours), Anhui GCL New Energy and Suzhou GCL New Energy (as the sellers) and Xuzhou State Investment & Environmental Protection Energy Co., Ltd.\* (徐州國投環保能源有限公司) (as the purchaser) entered into the First Phase Share Purchase Agreements. Pursuant to the First Phase Share Purchase Agreements, the respective Seller agreed to, among other things, sell 90% equity interest in each of Suzhou GCL Solar Power, Huaibei Xinneng, Hefei Jiannan and Hefei Jiuyang and 67% equity interest in Dangshan Xinneng to the Purchaser.

After the completion of the Transactions, the GNE Group and the Purchaser will further explore other co-operation opportunities, including but not limited to, in relation to the GNE Group's existing solar power plants in the PRC. GNE and the Purchaser are proactively promoting other phases of disposals, and plan to reach and execute more agreements in relation to disposals of solar power plants in the near future.

### **USE OF PROCEEDS FROM THE TRANSACTIONS**

The net cash proceeds (net of estimated taxes and transaction costs) from the Transactions (being the sum of (i) the Consideration and (ii) the total Net Payable Amount less the total Net Receivable Amount (i.e. RMB183,415,481)) is expected to be approximately RMB459,852,474, which GNE intends to use for repayments of its debts.

## **LISTING RULES IMPLICATIONS**

### **GCL-Poly**

Since the highest of the applicable percentage ratios in respect of the aggregate consideration of the First Phase Disposals is over 5% but less than 25%, the entering into of the First Phase Disposals constitutes a discloseable transaction of GCL-Poly under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

### **GNE**

Since the highest of the applicable percentage ratios in respect of the aggregate consideration of the First Phase Disposals is over 5% but less than 25%, the entering into of the First Phase Disposals constitutes a discloseable transaction of GNE under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

## **1. INTRODUCTION**

The GCL-Poly Board and the GNE Board jointly announce that on 16 November 2020 (after trading hours), Anhui GCL New Energy and Suzhou GCL New Energy (as the sellers) and Xuzhou State Investment & Environmental Protection Energy Co., Ltd.\* (徐州國投環保能源有限公司) (as the purchaser) entered into the First Phase Share Purchase Agreements. Pursuant to the First Phase Share Purchase Agreements, the respective Seller agreed to, among other things, sell 90% equity interest in each of Suzhou GCL Solar Power, Huaibei Xinneng, Hefei Jiannan and Hefei Jiuyang and 67% equity interest in Dangshan Xinneng to the Purchaser.

As at the date of this joint announcement, Suzhou GCL Solar Power, Huaibei Xinneng, Hefei Jiannan and Hefei Jiuyang are owned as to 100% by the respective Seller and Dangshan Xinneng is owned as to 67% by Suzhou GCL New Energy. Upon completion of the First Phase Disposals, (i) Suzhou GCL Solar Power, Huaibei Xinneng, Hefei Jiannan and Hefei Jiuyang will be owned as to 90% by the Purchaser and 10% by the respective Seller, respectively, (ii) Dangshan Xinneng will be owned as to 67% by the Purchaser and 33% by Dangshan County Rural Industrial Investment Development Co., Ltd.\* (碭山縣鄉村工業投資發展有限公司), an independent third party to GCL-Poly and GNE and an existing shareholder of Dangshan Xinneng, respectively and (iii) the Target Companies will cease to be subsidiaries of the GCL-Poly Group and the GNE Group.

## 2. THE FIRST PHASE SHARE PURCHASE AGREEMENTS

The principal terms of the First Phase Share Purchase Agreements are set out below:

### **Date**

16 November 2020 (after trading hours)

### **Parties**

- (i) The Sellers:
  - (a) Anhui GCL New Energy Investment Co., Ltd.\* (安徽協鑫新能源投資有限公司)
  - (b) Suzhou GCL New Energy Investment Co., Ltd.\* (蘇州協鑫新能源投資有限公司)
- (ii) The Purchaser:
  - (a) Xuzhou State Investment & Environmental Protection Energy Co., Ltd.\* (徐州國投環保能源有限公司)

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

### **Assets to be sold**

The Sale Shares will be sold by the respective Seller to the Purchaser, being (i) 90% equity interest in each of Suzhou GCL Solar Power, Huaibei Xinneng, Hefei Jiannan and Hefei Jiuyang and (ii) 67% equity interest in Dangshan Xinneng.

The Target Companies own 6 operational solar power plants in the PRC with an aggregate grid-connected capacity of approximately 174 MW.

The table below sets out the Target Companies under each of the First Phase Share Purchase Agreements:

**First Phase  
Share Purchase  
Agreements**

**Target Companies**

<b>I</b>	Suzhou GCL Solar Power Co., Ltd.* (宿州協鑫光伏電力有限公司)
<b>II</b>	Dangshan Xinneng Solar Power Co., Ltd.* (碭山鑫能光伏電力有限公司)
<b>III</b>	Huaibei Xinneng Solar Power Co., Ltd.* (淮北鑫能光伏電力有限公司)
<b>IV</b>	Hefei Jiannan Electric Power Co., Ltd.* (合肥建南電力有限公司)
<b>V</b>	Hefei Jiuyang New Energy Co., Ltd.* (合肥久陽新能源有限公司)

For further information relating to the Target Companies, please refer to the section headed “Information on the Target Companies” below.

**Consideration**

The aggregate Consideration under the First Phase Share Purchase Agreements is RMB276,436,993.

The table below sets out the Consideration of each of the Target Companies:

**First Phase  
Share  
Purchase  
Agreements**

**Target Companies**

**Consideration  
RMB**

<b>I</b>	Suzhou GCL Solar Power	36,050,000
<b>II</b>	Dangshan Xinneng	60,800,000
<b>III</b>	Huaibei Xinneng	74,020,000
<b>IV</b>	Hefei Jiannan	55,964,071
<b>V</b>	Hefei Jiuyang	<u>49,602,922</u>
<b>Total</b>		<u><u>276,436,993</u></u>

## Basis of the Consideration

The Consideration was determined after arm's length negotiations between the Sellers and the Purchaser, taking into account of, among other things:

- (i) the net asset value of each of the Target Companies as at the Reference Date (i.e. 31 July 2020);
- (ii) the profitability of the Target Companies for the financial years ended 31 December 2019 and 31 December 2018, details of which can be found in the section headed "Information on the Target Companies" of this joint announcement;
- (iii) the reasons for the First Phase Disposals as discussed in the paragraph headed "Reasons and Benefits of the Transactions" below; and
- (iv) the cash flow position of each of the Target Companies as at the Reference Date.

## Payment arrangements of the Consideration

The aggregate Consideration under the First Phase Share Purchase Agreements shall be paid by the Purchaser to the respective Seller in cash according to the manner set out below:

<b>First Phase Share Purchase Agreements</b>	<b>First Instalment <i>RMB</i></b>	<b>Second Instalment <i>RMB</i></b>	<b>Third Instalment <i>RMB</i></b>
Suzhou GCL Solar Power	7,210,000	27,260,000	1,580,000
Dangshan Xinneng	12,160,000	46,305,500	2,334,500
Huaibei Xinneng	14,804,000	58,736,000	480,000
Hefei Jiannan	11,192,814	42,614,757	2,156,500
Hefei Jiuyang	<u>9,920,585</u>	<u>39,063,337</u>	<u>619,000</u>
<b>Total</b>	<b><u>55,287,399</u></b>	<b><u>213,979,594</u></b>	<b><u>7,170,000</u></b>

First instalment: The Purchaser shall pay 20% of the Consideration (the “**First Instalment**”) amounted to RMB55,287,399 to the respective Seller within 10 Business Days after the fulfilment of or waiver by the Purchaser of the following conditions:

- (i) obtaining the written consent from each of the creditors of the Target Companies in relation to the First Phase Disposals;
- (ii) obtaining the consent from the pledgees to the release of all pledges over the equity interest of each of the Target Companies; and
- (iii) the Purchaser fulfilling the request of the relevant financial institutions to provide any transitional guarantee (if any).

Second instalment: The Purchaser shall pay RMB213,979,594 of the Consideration (the “**Second Instalment**”) to the respective Seller within 7 Business Days after the fulfilment of the following conditions:

- (i) the completion of the Registration Procedures within 7 to 15 Business Days after the receipt of the First Instalment;
- (ii) the handover of the management of each of the Target Companies in accordance with the terms and conditions of the First Phase Share Purchase Agreements; and
- (iii) the execution of a transfer confirmation in relation to the handover of corporate documents in connection to the Transactions.

Third instalment: The Purchaser shall pay RMB7,170,000 of the remaining Consideration (the “**Third Instalment**”) to the respective Seller within 90 days after the Closing.

## Net Payable Amount and Net Receivable Amount

The table below sets out the Net Payable Amount and the Net Receivable Amount of each of the Target Companies as at the Reference Date:

### First Phase

#### Share

#### Purchase

#### Agreements

#### Target Companies

#### Net Payable

#### Amount

*RMB*

#### Net Receivable

#### Amount

*RMB*

I	Suzhou GCL Solar Power	45,888,304	N/A
II	Dangshan Xinneng	N/A	802,712
III	Huaibei Xinneng	32,157,806	N/A
IV	Hefei Jiannan	108,814,466	N/A
V	Hefei Jiuyang	<u>N/A</u>	<u>2,642,383</u>
Total		<u>186,860,576</u>	<u>3,445,095</u>

According to the audit report prepared by a PRC audit firm, (i) the total Net Payable Amount payable by Suzhou GCL Solar Power, Huaibei Xinneng and Hefei Jiannan to the respective Sellers and their respective affiliates as at the Reference Date was approximately RMB186,860,576 and (ii) the total Net Receivable Amount receivable by the Target Companies from the respective Sellers and their respective affiliates as at the Reference Date was approximately RMB3,445,095.

The Purchaser undertakes to, or procures Suzhou GCL Solar Power, Huaibei Xinneng and Hefei Jiannan to, make full payment of the Net Payable Amount as at the Reference Date and their respective interests accrued to the Sellers within 90 day after the Closing. Subject to the progress of Suzhou GCL Solar Power, Huaibei Xinneng and Hefei Jiannan in refinancing its existing debts, Suzhou GCL Solar Power, Huaibei Xinneng and Hefei Jiannan shall make an initial payment of the Net Payable Amount as at the Reference Date of RMB25,141,627 to the Sellers within 30 days after the Closing Date. In the event of late payment, the Purchaser or the respective Target Company shall pay a default interest to the respective Seller.

The respective Seller undertakes to make full payment of the Net Receivable Amount as at the Reference Date and its respective interests accrued to Dangshan Xinneng and Hefei Jiuyang within 90 days after the Closing. In the event of late payment, the respective Seller shall pay a default interest to Dangshan Xinneng and Hefei Jiuyang.

## **Transition Period Arrangement**

The parties acknowledged in principle that the Transition Period shall not exceed 120 days. The profit and loss incurred by the Target Companies within 120 days from the Reference Date (the “**Cut-off Date**”) shall be accrued for the benefit of or borne by the Sellers and the Purchaser based on their respective equity interest held in the Target Companies after the Closing. In the event that the Closing fails to take place within the Cut-off Date, the Sellers agree to grant a grace period of 60 days. If the Closing is not completed before the expiry of the grace period, the Sellers are entitled to the profit of the Target Companies after the Reference Date as determined by the number of days which the Closing was delayed. The calculation of the profit and loss shall be determined by the Closing Audit Report.

If the Sellers and their respective affiliates continue to provide any loans or advances to the Target Companies during the Transition Period, the Purchaser shall repay the Net Payable Amount incurred during the Transition Period to the Sellers and their affiliates within 7 Business Days after completion of the Closing Audit Report. In the event of late payment, the Purchaser shall pay a default interest to the Sellers.

## **Other Undertakings**

The Sellers and the Purchaser agreed to be subject to the following undertakings:

- (i) (applicable to all Target Companies) the respective Seller shall be responsible for all tax payment including but not limited to farmland occupation tax, land use tax and the related tax expenses incurred by or subject to payment by the relevant Target Company prior to the Reference Date based on the duration for which the relevant Seller owns the relevant Target Company;
- (ii) (applicable to all Target Companies) in the event that the contingent liabilities incurred by the Target Companies prior to Reference Date become actual liabilities payable after the Closing, such amount of contingent liabilities shall be paid by the relevant Seller; and
- (iii) (applicable to all Target Companies except Dangshan Xinneng) the Purchaser shall undertake to allow the respective Seller to appoint one director to the board of directors of each of the Target Companies (except Dangshan Xinneng).



## **Conditions Precedent**

The Closing under each of the First Phase Share Purchase Agreements is subject to the fulfilment or waiver of the following Conditions Precedent:

- (i) save for the legal encumbrances as set out in the First Phase Share Purchase Agreements (including but not limited to the pledges over the equity interest, project income rights and certain equipment of the Target Companies), the Target Companies have no other actual or potential legal encumbrances. In the event of the existence of any undisclosed legal encumbrances, such legal encumbrances shall be removed, waived in writing or otherwise settled in a manner that would not affect the Transactions;
- (ii) the parties have obtained all the necessary approvals, consents and authorisations in relation to the Transactions. The execution of documents in relation to the Transactions has not violated any provisions of the applicable laws and regulations, articles of association, contracts and any agreements entered into with third parties or relevant government authorities;
- (iii) the Target Companies have normal business operation. During the Transition Period, (a) there is no adverse change to the business operation, financial condition and assets of the Target Companies, (b) there is no change in laws and regulations which may adversely affect the Transactions, the legality of the Transactions or the operation of the Target Companies, and (c) there is no litigation, judicial procedures, administrative procedures and other dispute resolution procedures that may affect the Transactions; and
- (iv) prior written consent has been obtained from certain financial institution to release all pledges over the equity interest of the Target Companies before the completion of the Registration Procedures and the Sale Shares are free from other encumbrances.

The Sellers agreed that the Purchaser is entitled to waive one or more of the Conditions Precedent to facilitate the Closing.

## **Closing**

The Sellers shall assist to release all pledges over the equity interest of the Target Companies and the Purchaser shall procure the Target Companies to complete the Registration Procedures within 7 to 15 Business Days after the payment of the First Instalment. Within 30 Business Days after the completion of the Registration Procedures, the Purchaser shall arrange for alternative guarantees

or make other arrangements to discharge the respective Seller and its affiliates from being the guarantors in relation to the financing or liabilities of the Target Companies.

### **Closing Audit Report**

Pursuant to the First Phase Share Purchase Agreements, the Sellers and the Purchaser shall engage an auditing agency to audit the financials of the Target Companies for the period from the Reference Date to the Closing Date and prepare the Closing Audit Report within 15 Business Days after the Closing Date.

## **3. INFORMATION ON THE PARTIES TO THE FIRST PHASE SHARE PURCHASE AGREEMENTS**

### **The GCL-Poly Group**

GCL-Poly is an exempted company with limited liability incorporated in the Cayman Islands. The principal business of GCL-Poly is investment holding.

The GCL-Poly Group is principally engaged in the manufacturing and sale of polysilicon and wafers products, and developing and operating 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**

GNE is incorporated in Bermuda as an exempted company with limited liability. The principal business of GNE is investment holding.

The GNE Group is principally engaged in the sale of electricity, development, construction, operation and management of solar power plants. As at the date of this joint announcement, GNE is owned as to approximately 62.28% by GCL-Poly.

### **Anhui GCL New Energy**

Anhui GCL New Energy is a company incorporated in the PRC with limited liability and an indirect subsidiary of GNE and GCL-Poly. Anhui GCL New Energy is principally engaged in the development, operation and management of solar power plants.

### **Suzhou GCL New Energy**

Suzhou GCL New Energy is a company incorporated in the PRC with limited liability and an indirect subsidiary of GNE and GCL-Poly. Suzhou GCL New Energy owns a majority of solar power plants of GNE in the PRC.

#### 4. INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in the PRC with limited liability. The Purchaser is mainly engaged in the operation of solar power, biomass power, wind power and cogeneration, production and supply of electricity and the promotion of new energy, environmental protection technology, energy saving technology, agriculture, forestry, fishing, and animal husbandry technology, planting of vegetables, flowers and Chinese herbal medicines, processing and sales of agricultural products and leisure and sightseeing activities.

The Purchaser is wholly-owned by State-owned Assets Investment & Management Group Co., Ltd. of Xuzhou\* (徐州市國有資產投資經營集團有限公司) which is principally engaged in the energy and environmental protection industries, development of high and new technology and strategic investment in emerging industries.

To the best of the GCL-Poly Directors and the GNE Directors' knowledge, information and belief after having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are state-owned and third parties independent of GCL-Poly and GNE and their connected persons.

#### 5. INFORMATION ON THE TARGET COMPANIES

The table below sets out the information on the Target Companies under each of the First Phase Share Purchase Agreements:

**First Phase  
Share  
Purchase**

<b>Agreements</b>	<b>Target Companies</b>	<b>Information on the Target Companies</b>
I	Suzhou GCL Solar Power	Suzhou GCL Solar Power is a company established in the PRC with limited liability and is principally engaged in investment holding. Suzhou GCL Solar Power is wholly-owned by Anhui GCL New Energy and an indirect subsidiary of GCL-Poly and GNE. As at the date of this joint announcement, Suzhou GCL Solar Power wholly-owns a project company established in the PRC, namely Suzhou GCL New Agricultural Technology Co., Ltd.* (宿州協鑫新農業科技有限公司).

**First Phase  
Share  
Purchase  
Agreements**

**Target Companies**

**Information on the Target Companies**

<b>II</b>	Dangshan Xinneng	Dangshan Xinneng is a company established in the PRC with limited liability and is principally engaged in the operation of solar power plant in the PRC. Dangshan Xinneng is owned as to 67% and 33% by Suzhou GCL New Energy and Dangshan County Rural Industrial Investment Development Co., Ltd.* (碭山縣鄉村工業投資發展有限公司, an independent third party to GCL-Poly and GNE) respectively and an indirect subsidiary of GCL-Poly and GNE.
<b>III</b>	Huaibei Xinneng	Huaibei Xinneng is a company established in the PRC with limited liability and is principally engaged in the operation of solar power plant in the PRC. Huaibei Xinneng is wholly-owned by Anhui GCL New Energy and an indirect subsidiary of GCL-Poly and GNE.
<b>IV</b>	Hefei Jiannan	Hefei Jiannan is a company established in the PRC with limited liability and is principally engaged in the operation of solar power plant in the PRC. Hefei Jiannan is wholly-owned by Suzhou GCL New Energy and an indirect subsidiary of GCL-Poly and GNE.
<b>V</b>	Hefei Jiuyang	Hefei Jiuyang is a company established in the PRC with limited liability and is principally engaged in the operation of solar power plant in the PRC. Hefei Jiuyang is wholly-owned by Suzhou GCL New Energy and an indirect subsidiary of GCL-Poly and GNE.

Set out below is an extract of the audited financial statements prepared for the financial years ended 31 December 2018 and 31 December 2019 of the Target Companies prepared in accordance with China Accounting Standards:

First Phase Share Purchase Agreements	Target Companies	Year ended 31 December 2019		Year ended 31 December 2018	
		Profit before taxation <i>RMB'000</i>	Profit after taxation <i>RMB'000</i>	Profit before taxation <i>RMB'000</i>	Profit after taxation <i>RMB'000</i>
I	Suzhou GCL Solar Power	5,168	5,168	2,550	2,544
II	Dangshan Xinneng	10,136	10,136	10,518	10,516
III	Huaibei Xinneng	5,159	5,158	19,229	19,206
IV	Hefei Jiannan	19,803	15,720	8,330	8,936
V	Hefei Jiuyang	19,280	15,486	6,796	6,796

As at 31 December 2019 and the Reference Date (i.e. 31 July 2020), the audited and the unaudited net assets of the Target Companies amounted to approximately RMB304,448,869 and approximately RMB333,902,100 respectively.

## 6. FINANCIAL IMPACT OF THE TRANSACTIONS

After the Closing Date, the Target Companies will cease to be subsidiaries of the GCL-Poly Group and the GNE Group, and the profit and loss, as well as the assets and liabilities of the Target Companies will no longer be consolidated into the consolidated financial statements of the GCL-Poly Group and the GNE Group.

As at the date of this joint announcement, it is estimated that the GCL-Poly Group and the GNE Group will realise a net loss on the First Phase Disposals of approximately RMB9,529,662 and such loss is calculated with reference to the difference of approximately RMB285,966,655 between the Consideration of the Target Companies of approximately RMB276,436,993 and the net asset value attributed to the disposed Sale Shares based on the unaudited financial statements of the Target Companies as at 31 July 2020. Such loss will not have any material impact on the earnings of the GCL-Poly Group or the GNE Group. The actual loss as a result of the First Phase Disposals to be recorded by the GCL-Poly Group and the GNE Group is subject to audit and will be reassessed after completion of the First Phase Disposals.

## **7. USE OF PROCEEDS FROM THE TRANSACTIONS**

The net cash proceeds (net of estimated taxes and transaction costs) from the Transactions (being the sum of (i) the Consideration and (ii) the total Net Payable Amount less the total Net Receivable Amount (i.e. RMB183,415,481) as at the Reference Date) is expected to be approximately RMB459,852,474, which GNE intends to use for repayments of its debts.

## **8. REASONS AND BENEFITS OF THE TRANSACTIONS**

As part of its “transformation and upgrade” development objective, GCL-Poly through its subsidiary GNE has been taking steps towards transforming to an asset-light model. Upon completion of the Transactions, the Target Companies will no longer be subsidiaries of the GCL-Poly Group and the GNE Group, and the profit and loss as well as the assets and liabilities of the Target Companies will no longer be consolidated into the consolidated financial statements of the GCL-Poly Group and the GNE Group. The liabilities of the GCL-Poly Group and the GNE Group will decrease by approximately RMB918,675,000. Meanwhile, the cash derived from the Transactions amounted to approximately RMB459,852,474, which will be used for further repayment of debts, and the gearing ratio of the GNE Group will decrease by approximately 0.5%, calculated with reference to the unaudited financial statements of the GNE Group as at 30 June 2020, effectively reducing the financial risks.

After the completion of the Transactions, the GNE Group and the Purchaser will further explore other co-operation opportunities, including but not limited to, in relation to the GNE Group’s existing solar power plants in the PRC. GNE and the Purchaser are proactively promoting other phases of disposals, and plan to reach and execute more agreements in relation to disposals of solar power plants in the near future.

Based on the above reasons and having considered all relevant factors, the GNE Directors believe and consider that the terms of the Transactions are on normal commercial terms, are fair and reasonable and that the entering into of the First Phase Share Purchase Agreements is in the interests 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 believe and consider that the terms of the Transactions are on normal commercial terms, are fair and reasonable and that the entering into of the First Phase Share Purchase Agreements is in the interests of GCL-Poly and GCL-Poly Shareholders as a whole.

## 9. LISTING RULES IMPLICATIONS

### GCL-Poly

Since the highest of the applicable percentage ratios in respect of the aggregate consideration of the First Phase Disposals is over 5% but less than 25%, the entering into of the First Phase Disposals constitutes a discloseable transaction of GCL-Poly under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

### GNE

Since the highest of the applicable percentage ratios in respect of the aggregate consideration of the First Phase Disposals is over 5% but less than 25%, the entering into of the First Phase Disposals constitutes a discloseable transaction of GNE under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

## 10. 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), a company established in the PRC with limited liability and an indirect subsidiary of GCL-Poly and GNE as at the date of this joint announcement
“Business Day”	a day on which banks in China are open for general commercial business, other than a Saturday, Sunday or public holiday in the PRC
“Closing Audit Report”	closing audit report prepared by an auditing agency appointed by the respective Seller and the Purchaser to audit the financials of the Target Companies from the Reference Date to the Closing Date in accordance with the First Phase Share Purchase Agreements
“Closing Date”	the date of issuance as stated on the new business certificate of the Target Company(ies) upon the completion of the Registration Procedures

“Conditions Precedent”	the conditions under the section “Conditions Precedent” in this joint announcement
“connected persons”	has the same meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the Transactions
“Dangshan Xinneng”	Dangshan Xinneng Solar Power Co., Ltd. (陽山鑫能光伏電力有限公司), a company established in the PRC with limited liability, which is owned as to 67% and 33% by Suzhou GCL New Energy and Dangshan County Rural Industrial Investment Development Co., Ltd.* (陽山縣鄉村工業投資發展有限公司), an independent third party to GCL-Poly and GNE, respectively and an indirect subsidiary of GCL-Poly and GNE as at the date of this joint announcement
“Dangshan Xinneng Share Purchase Agreement”	an equity transfer agreement dated 16 November 2020 entered into between Suzhou GCL New Energy and the Purchaser in relation to the sale of the 67% equity interest in Dangshan Xinneng
“First Phase Disposals”	the proposed disposals of the Sale Shares by the Sellers to the Purchaser as contemplated under the First Phase Share Purchase Agreements
“First Phase Share Purchase Agreements”	Suzhou GCL Solar Power Share Purchase Agreement, Dangshan Xinneng Share Purchase Agreement, HuaiBei Xinneng Share Purchase Agreement, Hefei Jiannan Share Purchase Agreement and Hefei Jiuyang Share Purchase Agreement
“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 and the shares of which are listed on the Main Board of the Stock Exchange, with 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 Group”	GCL-Poly and its subsidiaries
“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 and the shares of which are listed on the Main Board of the Stock Exchange, with stock code 451
“GNE Board”	board of GNE Directors
“GNE Directors”	the directors of GNE
“GNE Group”	GNE and its subsidiaries
“GNE Shareholders”	the shareholders of GNE
“Hefei Jiannan”	Hefei Jiannan Electric Power Co., Ltd. (合肥建南電力有限公司), a company established in the PRC with limited liability, which is wholly-owned by Suzhou GCL New Energy and an indirect subsidiary of GCL-Poly and GNE as at the date of this joint announcement
“Hefei Jiannan Share Purchase Agreement”	an equity transfer agreement dated 16 November 2020 entered into between Suzhou GCL New Energy and the Purchaser in relation to the sale of the 90% equity interest in Hefei Jiannan
“Hefei Jiuyang”	Hefei Jiuyang New Energy Co., Ltd. (合肥久陽新能源有限公司), a company established in the PRC with limited liability, which is wholly-owned by Suzhou GCL New Energy and an indirect subsidiary of GCL-Poly and GNE as at the date of this joint announcement
“Hefei Jiuyang Share Purchase Agreement”	an equity transfer agreement dated 16 November 2020 entered into between Suzhou GCL New Energy and the Purchaser in relation to the sale of the 90% equity interest in Hefei Jiuyang
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Huaibei Xinneng”	Huaibei Xinneng Solar Power Co., Ltd. (淮北鑫能光伏電力有限公司), a company established in the PRC with limited liability, which is wholly-owned by Anhui GCL New Energy and an indirect subsidiary of GCL-Poly and GNE as at the date of this joint announcement
“Huaibei Xinneng Share Purchase Agreement”	an equity transfer agreement dated 16 November 2020 entered into between Anhui GCL New Energy and the Purchaser in relation to the sale of the 90% equity interest in Huaibei Xinneng
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	megawatt(s)
“Net Payable Amount”	the amount equivalent to the positive difference between total amount payable by the respective Target Company to the respective Seller and its affiliates and the total amount receivable by the respective Target Company from the respective Seller and its affiliates
“Net Receivable Amount”	the amount equivalent to the negative difference between total amount payable by the respective Target Company to the respective Seller and its affiliates and the total amount receivable by the respective Target Company from the respective Sellers and its affiliates
“PRC”	People’s Republic of China, and for the purpose of this joint announcement, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Reference Date”	31 July 2020
“Registration Procedures”	the registration procedures in respect of the change of shareholder of each of the Target Companies and other relevant filing procedures in respect of the Transactions in the PRC
“RMB”	Renminbi, the lawful currency of the PRC

“Sale Shares”	the 90% equity interest in each of Suzhou GCL Solar Power, Huaibei Xinneng, Hefei Jiannan and Hefei Jiuyang and the 67% equity interest in Dangshan Xinneng held by the respective Seller as at the date of this joint announcement
“Seller(s)”	Anhui GCL New Energy and Suzhou GCL New Energy
“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), a company established in the PRC with limited liability and an indirect subsidiary of GCL-Poly and GNE as at the date of this joint announcement
“Suzhou GCL Solar Power”	Suzhou GCL Solar Power Co., Ltd. (宿州協鑫光伏電力有限公司), a company established in the PRC with limited liability, which is wholly-owned by Anhui GCL New Energy and an indirect subsidiary of GCL-Poly and GNE as at the date of this joint announcement
“Suzhou GCL Solar Power Share Purchase Agreement”	an equity transfer agreement dated 16 November 2020 entered into between Anhui GCL New Energy and the Purchaser in relation to the sale of the 90% equity interest in Suzhou GCL Solar Power
“Target Company(ies)”	the five target companies being the subject of the First Phase Disposals, details of which can be found in the section headed “Information on the Target Companies” of this joint announcement
“Transactions”	the transactions contemplated under the First Phase Share Purchase Agreements
“Transition Period”	the period between the Reference Date and the Closing Date

“Purchaser” Xuzhou State Investment & Environmental Protection Energy Co., Ltd.\* (徐州國投環保能源有限公司), a company established in the PRC with limited liability and an independent third party to GCL-Poly and GNE

“%” per cent.

*\* All of the English titles or names of the PRC entities, as well as certain items contained in this joint announcement have been included for identification purpose only and may not necessarily be the official English translations of the corresponding Chinese titles or names. If there is any inconsistency between the English translations and the Chinese titles or names, the Chinese titles or names shall prevail.*

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, 16 November 2020

*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 directors of GCL-Poly; Ir. Dr. Ho Chung Tai, Raymond, Mr. Yip Tai Him, Dr. Shen Wenzhong and Mr. Wong Man Chung, Francis as independent non-executive directors of GCL-Poly.*

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