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GCL-Poly Energy Holdings Limited

保利協鑫能源控股有限公司

(Incorporated in 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)

US\$500,000,000 7.1% Senior Notes

Due 2021

(Stock code: 4410)

**(i) Offer to Exchange at least a Minimum Acceptance Amount of
the Outstanding Existing Notes
and (ii) Invitation for Submission of an Accession Deed to the Restructuring
Support Agreement in Favor of the Bermuda Scheme, by GCL New Energy
Holdings Limited**

This joint announcement is made by GCL-Poly and the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

EXCHANGE OFFER AND INVITATION FOR IRREVOCABLE RESTRUCTURING SUPPORT

Introduction

On January 30, 2018, the Company issued the senior notes due 2021 (Stock Code: 4410) in an aggregate principal amount of US\$500,000,000 at 7.1% per annum, payable semi-annually in arrears, which will be due in January 2021. The Existing Notes are listed on the Stock Exchange. The ISIN and Common Code are XS1746281226 and 174628122, respectively, for the Existing Notes. As of the date of this joint announcement, the outstanding principal amount are US\$500,000,000 under the Existing Notes.

On the date of this joint announcement, the Company commenced the offer to exchange for at least the Minimum Acceptance Amount of the outstanding principal amount of the Existing Notes upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum. Concurrent with the Exchange Offer, the Company is inviting submission from Eligible Holders of a duly executed Accession Deed to the Restructuring Support Agreement to support the Restructuring which may be implemented via the Bermuda Scheme if the Exchange Offer is not successfully completed, for which the Bermuda Scheme will be submitted to the Bermuda Court for sanction under the Bermuda Companies Act 1981.

Background and Purpose of the Exchange Offer and the Invitation for Irrevocable Restructuring Support

The Existing Notes will mature on January 30, 2021. However, the substantial development of solar power capacities in the PRC in the past few years and the increase in subsidies shortfalls from the national renewable energy development fund have led to various industry issues, such as delay of subsidies payments. As of June 30, 2020, the Company's total tariff adjustment (i.e. government subsidies) receivables and contract assets amounted to approximately RMB9,165 million (equivalent to approximately US\$1,297.2 million), which included approximately RMB1,846 million (equivalent to approximately US\$261.3 million) of contract assets to be registered with the PRC government. As a result, the Company's cash position and liquidity have continued to deteriorate since June 30, 2020. As of June 30, 2020, the Company had net current liabilities of RMB6,510 million (equivalent to approximately US\$921.4 million), which indicated the existence of a material uncertainty that may cast significant doubt on its ability to continue as a going concern. While the Company has strived to improve its liquidity through cooperation with China Huaneng Group and other assets disposals as further described in the sections "Business — Recent Developments" and "Business — Recent Disposals" in the Exchange Offer Memorandum and to further expand its financing channels, the completion of some of those transactions is subject to various conditions precedent and certain proceeds may be escrowed or deferred. The Company estimates that its existing internal resources may be insufficient to repay the Existing Notes.

In light of the above, the Company is conducting this Exchange Offer as part of its overall strategy to improve its overall financial condition, extend its debt maturity profile, strengthen its balance sheet and improve its cash flow management. The Company is offering Eligible Holders of the Existing Notes the opportunity to exchange their Existing Notes for New Notes with an extended maturity and terms designed to allow the Company to improve its overall financial condition and give it the necessary financial stability to continue as a going concern. In addition, the Company is inviting submission from Eligible Holders of a duly executed Accession Deed to the Restructuring Support Agreement to support the potential Restructuring which may be implemented via the Bermuda Scheme if the Exchange Offer is not successfully completed.

The Company will only accept offers to exchange the Existing Notes if the aggregate principal amount of the Existing Notes validly tendered through the Clearing Systems by Eligible Holders for exchange in the Exchange Offer meets the Minimum Acceptance Amount, which condition is not waivable by the Company.

If the Minimum Acceptance Amount is received, the Company reserves an absolute discretion to decide whether to proceed with the Exchange Offer.

If the Minimum Acceptance Amount is not satisfied, the Exchange Offer shall lapse automatically and the Company may proceed with the Restructuring as described in the Restructuring Support Agreement.

If the Minimum Acceptance Amount is not satisfied and the Restructuring as described in the Restructuring Support Agreement is not successfully completed, or if the Company decides not to proceed with the Restructuring or the Bermuda Scheme is otherwise not approved by the Bermuda Court and does not become effective, the Company may not be able to repay the Existing Notes upon maturity in January 2021. The failure to repay the Existing Notes will trigger a cross default under its other financial indebtedness which will have a material negative impact on its business, results of operation and financial position going forward.

Available Financial Resources to Repay New Notes

The Company believes that it will have sufficient financial resources to repay the New Notes if the Exchange Offer with respect to the Existing Notes is successfully consummated.

Pipeline of Solar Power Plants for Sale

Since 2018, the Company started to pursue an asset light strategy by selling or transferring controlling interests in certain solar power plant projects to reduce its gearing. In the next three years, the Company plans to continue to sell certain of its solar power plant projects to optimize its solar power plant portfolio and improve its liquidity position.

Renewable Energy Subsidies

As of June 30, 2020, the Company's total tariff adjustment (i.e. government subsidies) receivables and contract assets amounted to approximately RMB9,165 million (equivalent to approximately US\$1,297.2 million). In the next three years, the Company expects to receive renewable energy subsidies for its solar power plants registered in the Subsidy Catalogue and the Subsidy List from the PRC government or any state-owned or state-controlled entities, which would improve the Company's liquidity position and be available to repay the Company's outstanding indebtedness.

Provision of O&M Services

The Company performs scheduled and unscheduled maintenance for its solar power plants and subcontracts certain on-the-ground O&M services, including security and repair, to third parties, who may not perform their services adequately. The Company will continue to expand its O&M service business, increasing its management services income from managing and operating solar power plants.

Strategic Investors

In addition, the Company will continue to seek business partners and strategic investors who are willing to invest in the Company, its Suzhou GCL New Energy platform or its grid parity projects and grow with the Company. As of the date of the Exchange Offer Memorandum, the Company has not entered into any binding agreement with any partners or strategic investors. The Company will continue to look for any opportunities that it considers will enhance its credit profile, strengthen its balance sheet, and bring in business synergies as well as financial resources.

The Exchange Offer

The Exchange Offer for the Existing Notes commenced on December 23, 2020 and will expire at 4:00 p.m., London time, on January 13, 2021, unless otherwise extended or earlier terminated by the Company. An appropriate announcement will be made if and when the applicable Expiration Deadline is extended or earlier terminated.

Subject to the terms and conditions set forth in the Exchange Offer Memorandum, the Company is offering to exchange at least the Minimum Acceptance Amount of the Company's outstanding Existing Notes held by Eligible Holders, for the Exchange Consideration and the Instruction Fee (subject to the terms and conditions described below).

With respect to the instruction to tender the Existing Notes for exchange, only direct participants in Euroclear or Clearstream may submit instructions through Euroclear and Clearstream. If an Eligible Holder is not a direct participant in Euroclear or Clearstream, it must contact its broker, dealer, bank, custodian, trust company or other nominee to arrange for its direct participant through which it holds the Existing Notes to submit an instruction on its behalf to the relevant Clearing System prior to the deadline specified by the relevant Clearing System. Any Eligible Holder that gives instructions on behalf of a beneficial holder must (i) disclose the name of the beneficial holder, its email address and telephone number and (ii) give separate instructions with respect to each of its beneficial holders. Upon giving instructions with respect to any Existing Notes, those Existing Notes will be blocked by the relevant Clearing System and may not be transferred until the earlier of (i) the consummation, or (ii) termination and withdrawal, of the Exchange Offer, so as to result in a cancellation of such instructions.

Eligible Holders of the Existing Notes validly accepted and exchanged in the Exchange Offer will, from and including the Settlement Date, waive any and all rights with respect to the Existing Notes (other than the right to receive the Exchange Consideration) and will release and discharge the Company from any and all claims such holders may have, now or in the future, arising out of or related to such Existing Notes, including any and all accrued and unpaid interest thereon. Any tendering Eligible Holder must tender its entire holding of Existing Notes for exchange.

The Invitation for Irrevocable Restructuring Support

Upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum, the Company is inviting submission from Eligible Holders of a duly executed Accession Deed to the Restructuring Support Agreement to support the Restructuring which may be implemented via the Bermuda Scheme if the Exchange Offer is not successfully completed.

Any duly executed Accession Deed to the Restructuring Support Agreement which is validly delivered pursuant to the Offer and Invitation will constitute a valid, effective and binding obligation of each such Consenting Creditor regardless of whether any conditions of the Exchange Offer are satisfied or whether the concurrent instruction for exchange of Existing Notes is accepted by us, until it is terminated in accordance with the terms of the Restructuring Support Agreement.

Pursuant to the conditions of the Offer and Invitation, an Eligible Holder must concurrently submit a Valid Tender and Accession. In order to validly tender their Exchange Notes in the Exchange Offer, Eligible Holders must also concurrently complete and submit a duly executed Accession Deed to the Restructuring Support Agreement in accordance with the procedure as described in the Exchange Offer Memorandum. Eligible Holders may not tender the Existing Notes for exchange only without executing an Accession Deed to the Restructuring Support Agreement, or *vice versa*.

With respect to the agreement to accede to the Restructuring Support Agreement, those Eligible Holders that have concurrently or previously submitted their instructions to exchange for Existing Notes to the relevant Clearing System must submit their executed Accession Deed to the Restructuring Support Agreement directly to the Information and Exchange Agent, together with other requisite information and documents, including an executed Restricted Notes Notice in which a unique instruction reference obtained from the Euroclear or Clearstream upon valid tender of their Existing Notes is required to be identified, in accordance with the Restructuring Support Agreement before the Expiration Deadline in order to complete their valid tender and be eligible for the Instruction Fee. While the blocking for trade of the Existing Notes by Euroclear and Clearstream will be released upon the consummation, termination or withdrawal of the Exchange Offer, Eligible Holders who validly submit their Accession Deed to the Restructuring Support Agreement must comply with the procedures in the Restructuring Support Agreement, including the obligations to execute a Restricted Notes Notice in the form contained therein, and to validly vote in favor of the Bermuda Scheme, and (in the case of a transfer of its Existing Notes) to cause any transferee to also accede to the Restructuring Support Agreement, in order for such Eligible Holders or their transferees (as applicable) to be eligible to receive the Instruction Fee in the case of a Restructuring.

Exchange Consideration and Instruction Fee

If the Exchange Offer is consummated, Eligible Holders will receive:

- (i) the exchange consideration for each US\$1,000 principal amount of the outstanding Existing Notes for which a Valid Tender and Accession has been delivered (the “**Exchange Consideration**”) consisting of:
 - (a) Cash Consideration;
 - (b) US\$950 in aggregate principal amount of the New Notes;
 - (c) any Accrued Interest (rounded to the nearest US\$0.01, with US\$0.005 rounded upwards); and
 - (d) cash in lieu of any fractional amount of the New Notes; and
- (ii) the relevant Instruction Fee.

If the Exchange Offer is not consummated, Eligible Holders who submit Valid Tenders and Accessions for the outstanding Existing Notes held by such Eligible Holders will not receive the Exchange Consideration under the Exchange Offer but will receive the relevant Instruction Fee and any applicable restructuring consideration if the Restructuring is successfully completed, in accordance with the terms of the Restructuring Support Agreement.

Minimum Acceptance Amount

The minimum aggregate principal amount of the Existing Notes, being US\$450,000,000, or 90%, of the outstanding principal amount of the Existing Notes, for which valid tenders through the Clearing Systems are received and that the Company will determine, in its sole discretion, whether it will accept for exchange pursuant to the Exchange Offer. In the event that the final acceptance rate is below 90%, the Exchange Offer shall lapse automatically and the Company may proceed with the Restructuring as described in the Restructuring Support Agreement.

Restructuring Support Agreement and Next Steps

The Company and the Subsidiary Guarantors have entered into the Restructuring Support Agreement on December 23, 2020. Each Eligible Holder is invited to tender its outstanding Existing Notes for exchange and submit a duly executed Accession Deed to the Restructuring Support Agreement prior to the Expiration Deadline to support the potential Restructuring which may be implemented via the Bermuda Scheme if the Exchange Offer is not successfully completed. The Company expects that it may commence the process of implementing the Restructuring via the Bermuda Scheme at any time following the Expiration Deadline. By delivering the executed Accession Deed to the Restructuring Support Agreement pursuant to the Offer and Invitation, each Consenting Creditor confirms that it shall use and vote all of its interest in the Existing Notes to approve and fully support the Restructuring and the Bermuda Scheme on the terms and subject to the conditions set out in the Restructuring Support Agreement.

The key provisions of the Restructuring Support Agreement which directly relate to support for the potential Restructuring will automatically come into effect on the date of the Expiration Deadline. If the Minimum Acceptance Amount is not received or for any other reason the Company decides to proceed with the Restructuring via the Bermuda Scheme, the Company would seek directions from the Bermuda Court to convene a Scheme Meeting.

Subject to the receipt of votes in favor of the Bermuda Scheme from a majority in number of the Holders, representing at least 75% of the nominal value of the Holders that are present and voting, whether in person or by proxy, at the Scheme Meeting convened to consider the Bermuda Scheme, the Bermuda Court may issue a Scheme Sanction Order sanctioning the Bermuda Scheme. The Bermuda Scheme would then become effective and binding upon all Holders once the Scheme Sanction Order is delivered to the Bermuda Registrar of Companies for registration and all outstanding Existing Notes will then be cancelled by the Company.

A copy of the Term Sheet, as set out in Schedule 6 to the Restructuring Support Agreement, is attached hereto as Appendix I and available for download at www.lucid-is.com/gclnewenergy.

Undertakings of the Consenting Creditors

Under the terms of the Restructuring Support Agreement, any Consenting Creditor must perform its obligations thereunder, including but not limited to the following:

- (1) Each Consenting Creditor irrevocably undertakes in favour of the Company and the Subsidiary Guarantors that it shall perform all reasonable actions reasonably requested by the Company and/or the Subsidiary Guarantors in order to support, facilitate, implement or otherwise give effect to the Restructuring as soon as reasonably practicable, including (without limitation) to:
 - (a) agree the Scheme Document and any and all other documents required to implement the Restructuring, such that they are consistent in all material respects with the terms set out in the Term Sheet;
 - (b) use best endeavours to facilitate that the Scheme Effective Date occurs and the Restructuring is fully implemented on or before the Longstop Date;
 - (c) take all such actions as are necessary to:
 - (i) cause direct participants in Euroclear or Clearstream which are recorded as being the holders of its Existing Notes to submit to the Information and Exchange Agent a duly completed account holder letter (as defined in the Restructuring Support Agreement) in respect of the outstanding principal amount of the Existing Notes in which it holds a direct or beneficial interest as principal by no later than the Record Time for the Bermuda Scheme;
 - (ii) attend the Scheme Meeting either in person or by proxy; and

- (iii) vote, execute and/or deliver within any applicable time periods any proxies, instructions, directions or consents in respect of all the Existing Notes in which it holds a direct or beneficial interest as principal, including (without limitation) to vote in favour of the Bermuda Scheme in respect of the aggregate outstanding principal amount of all Existing Notes in which it holds a direct or beneficial interest as principal at the Record Time at the Scheme Meeting;
 - (d) support and assist (at the Company's cost) with any recognition filing as requested by the Company;
 - (e) provide reasonable support and assistance to the Company and the Subsidiary Guarantors (at the Company's cost) to prevent the occurrence of an Insolvency Proceeding (as defined in the Restructuring Support Agreement) in respect of the Company, the Subsidiary Guarantors or any of its subsidiaries, including, without limitation, supporting any application, filing and/or petition to the courts of any jurisdiction in connection with the same, including (but not limited to) filing any evidence in support of the Company's opposition to a creditor seeking to commence any adverse action;
 - (f) to the extent any Insolvency Event (as defined in the Restructuring Support Agreement) occurs in respect of any member of the Group, use reasonable endeavours to implement the Restructuring through the relevant Insolvency Proceedings and ensure that the Restructuring is recognized in all relevant jurisdictions; and
 - (g) provide confirmation to any other party that it supports the Restructuring.
- (2) Each Consenting Creditor irrevocably undertakes in favour of the Company and the Subsidiary Guarantors that it shall NOT:
- (a) take, commence or continue any Enforcement Action (as defined in the Restructuring Support Agreement), whether directly or indirectly, to delay the Scheme Effective Date, interfere with the implementation of the Restructuring and/or the Bermuda Scheme or the consummation of the transactions contemplated thereby;
 - (b) object to or challenge the Bermuda Scheme or any application to the Bermuda Court in respect thereof or otherwise commence any proceeding(s) to oppose or alter any Scheme Document filed by the Company and/or the Subsidiary Guarantors in connection with the confirmation of the Restructuring, except to the extent that such Scheme Document is materially inconsistent with the terms as set out in the Term Sheet;

- (c) take, encourage, assist or support (or procure that any other person takes, encourages, assists or supports) any action which would, or would reasonably be expected to, frustrate, delay, impede or prevent the Bermuda Scheme or the Restructuring or which is inconsistent with the Restructuring Support Agreement or the Term Sheet, including (without limitation):
 - (i) proposing or supporting any alternative proposal or offer from any person or entity in respect of the Restructuring other than those contemplated by the Term Sheet or to otherwise engage in any such discussions or take any action which would delay or impede any approvals for the Restructuring; or
 - (ii) voting (or directing any proxy appointed by it to vote) any of the Existing Notes in which it holds a direct or beneficial interest as principal against the Bermuda Scheme or in favour of any amendment, waiver, consent or proposal that would breach or be inconsistent with the Restructuring Support Agreement, the Bermuda Scheme or the Restructuring; or
- (d) transfer or agree to transfer any Restricted Notes or any other Existing Notes in which a Consenting Creditor has a direct or beneficial interest as principal (including, without limitation, any Existing Notes purchased or otherwise acquired by a Consenting Creditor after the date of the Restructuring Support Agreement or any Accession Deed in relation to it) unless in accordance with the terms of the Restructuring Support Agreement.

Undertakings of the Company and Subsidiary Guarantors

Under the terms of the Restructuring Support Agreement, each of the Company and the Subsidiary Guarantors undertakes in favour of the Consenting Creditors that they shall perform all actions as are reasonably necessary in order to support, facilitate, implement or otherwise give effect to the Restructuring as soon as reasonably practicable, including (without limitation) to:

- (a) implement the Restructuring and the Bermuda Scheme in the manner envisaged by, and on the terms and conditions set out in, the Restructuring Support Agreement and the Term Sheet;
- (b) provide the Scheme Document and any and all other documents required to implement the Restructuring such that they are consistent in all material respects with the terms as set out in the Term Sheet;
- (c) upon the Scheme Document being agreed, promptly propose, file and pursue any legal process or proceedings contemplated by or required to implement the Restructuring, including (without limitation) the Bermuda Scheme;
- (d) take any actions pursuant to any order of, or sanction by, any relevant courts (including, without limitation, the Bermuda Court) as may be required or necessary to implement or give effect to the Restructuring;

- (e) use best endeavours to procure that the Scheme Effective Date occurs and the Restructuring is fully implemented on or before the Longstop Date;
- (f) use best endeavours to obtain any necessary regulatory or statutory approval required to permit or facilitate the Restructuring;
- (g) obtain all corporate and regulatory approvals necessary to implement the Restructuring in the manner envisaged by, and on the terms and conditions set out in, the Restructuring Support Agreement and the Term Sheet;
- (h) prior to the Record Time, cancel or procure the cancellation of any Existing Notes that it or any other member of the Group has a direct or beneficial interest in or which it or any other member of the Group has redeemed, converted, acquired or purchased;
- (i) keep the Consenting Creditors reasonably informed in relation to the status and progress of the Restructuring; and
- (j) notify the Consenting Creditors:
 - (i) of any matter or thing which it knows or suspects would be reasonably likely to be a material impediment to the implementation of the Restructuring;
 - (ii) if any representation or statement made by it under the Restructuring Support Agreement proves to have been or to have become, incorrect or misleading in any material respect; or
 - (iii) if it breaches any undertaking given by it under the Restructuring Support Agreement;in each case promptly upon becoming aware of the same.

Instruction Fee under the Restructuring Support Agreement

Pursuant to the terms of the Restructuring Support Agreement, the Instruction Fee with respect to each Eligible Creditor shall be an amount equal to (or, at our sole discretion, any amount in excess of) 1.0% of the aggregate outstanding principal amount of the Eligible Notes. Please refer to the section headed “Exchange Consideration and Instruction Fee” of this joint announcement for further information.

For the avoidance of doubt, if the Exchange Offer is not completed, a Consenting Creditor must vote all of the Existing Notes then held by it in favor of the Bermuda Scheme at the Scheme Meeting in order to receive the Instruction Fee pursuant to the Restructuring Support Agreement. A Consenting Creditor that does not vote all of the Existing Notes then held by it in favor of the Bermuda Scheme at the Scheme Meeting shall not be entitled to any Instruction Fee. Such Instruction Fee shall be subject to any orders or judgements from the Bermuda Court.

Accession, Position Disclosure and Transfer and Purchase

Each Eligible Holder may accede to the Restructuring Support Agreement as a Consenting Creditor by submitting to the Information and Exchange Agent (i) a properly completed and executed Accession Deed; and (ii) a properly completed and executed initial Restricted Notes Notice. Upon such submission, the Consenting Creditor shall henceforth be a party to the Restructuring Support Agreement and be bound by, and entitled to enforce, the terms of the Restructuring Support Agreement as if they were an original party to the same in the capacity of a Consenting Creditor.

While the Restructuring Support Agreement remains in effect, any transfer or disposal of all or any part of any Existing Notes in which a Consenting Creditor has a direct or beneficial interest or any other transaction of a similar or equivalent economic effect shall only be effective if:

- (a) the relevant transferee is either (i) already a Consenting Creditor or (ii) has first agreed to be bound by the terms of the Restructuring Support Agreement as a Consenting Creditor by acceding to Restructuring Support Agreement through execution of the Accession Deed; and
- (b) the transferor and transferee provide written notice of the transfer by submitting a properly completed and executed Transfer Notice (in the form set out in Schedule 5 to the Restructuring Support Agreement) to the Information and Exchange Agent on or before the proposed effective date of the transfer.

Any transfer by a Consenting Creditor in breach of the above paragraph shall be deemed void.

If any Consenting Creditor purports to transfer its Restricted Notes other than in accordance with the requirements of the Restructuring Support Agreement, then that Consenting Creditor shall remain liable as a Consenting Creditor in respect of its obligations and liabilities under the Restructuring Support Agreement, in respect of the relevant Restricted Notes, until the relevant transferee is bound by the terms of the Restructuring Support Agreement.

Termination

- (1) The Restructuring Support Agreement shall automatically and immediately terminate on the earliest of the occurrence of any of the following:
 - (a) consummation of the Exchange Offer;
 - (b) the Bermuda Scheme not being approved by the requisite majorities of Scheme Creditors at the Scheme Meeting; provided however, that such automatic termination shall not occur if such Scheme Meeting is adjourned to a date falling within ninety (90) days of the date of the initial Scheme Meeting and the Bermuda Scheme is approved at such adjourned Scheme Meeting by the requisite majorities of the Scheme Creditors;

- (c) the Bermuda Court not granting a Scheme Sanction Order at the hearing of the Bermuda Court convened for such purpose and there being no reasonable prospect of the Restructuring being effected and the Company and/or the Existing Notes Subsidiary Guarantors having exhausted all avenues of appeal;
 - (d) the Restructuring Effective Date; and
 - (e) the Longstop Date.
- (2) The Restructuring Support Agreement may be terminated:
- (a) by mutual written agreement of the Company and the Super Majority Consenting Creditors;
 - (b) at the election of the Super Majority Consenting Creditors, following the occurrence of any of the following certain events:
 - (i) the commencement of certain Insolvency Events in respect of the Company or any of the Subsidiary Guarantors;
 - (ii) the Company and the Subsidiary Guarantors proposing a Bermuda Scheme that is materially inconsistent with the terms as set out in the Term Sheet;
 - (iii) the Bermuda Court refusing to convene a Scheme Meeting, where all avenues of appeal are also exhausted;
 - (iv) an uncured material breach of the Restructuring Support Agreement by the Company or the Subsidiary Guarantors; or
 - (v) occurrence of a change of control other than as contemplated under the Restructuring;
 - (c) in respect of a Consenting Creditor, at the election of the Company (in its sole and absolute discretion) by the delivery of a written notice of termination by the Company to a Consenting Creditor if that Consenting Creditor does not comply with any undertaking in the Restructuring Support Agreement in any material respect, unless the failure to comply is capable of remedy and is remedied within ten (10) business days of delivery of such notice of termination by the Company to the relevant Consenting Creditor; or
 - (d) at the written election of the Company (in its sole and absolute discretion), in circumstances where there is no reasonable prospect of the Restructuring being effected by way of a Bermuda Scheme.

Amendment and Waiver

Subject to the next two paragraphs and as described in the Restructuring Support Agreement, the Restructuring Support Agreement may be amended or waived by the Company and Consenting Creditors who hold an aggregate outstanding principal amount of more than 50% of the outstanding principal amount of the Existing Notes.

Subject to the next paragraph, any term of the Restructuring as set out in the Term Sheet, may only be amended or waived by each of the Super Majority Consenting Creditors and the Company, in each case each acting reasonably.

The Company (acting in its sole discretion) may amend any term of the Restructuring Support Agreement, among other things, to make any other change to the terms of the Restructuring that does not materially and adversely affect the rights of any Consenting Creditor when compared to the terms then in effect.

Application will be made to the SGX-ST for the listing and quotation of the New Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in-principle for the listing and quotation of the New Notes on the SGX-ST is not to be taken as an indication of the merits of the Exchange Offer, the Company, the Subsidiary Guarantors or any of their respective subsidiaries or associated companies, the New Notes or the Subsidiary Guarantees.

SUMMARY TIMETABLE

The following summarizes the anticipated timetable for the Exchange Offer which are indicative only.

Date	Event
December 23, 2020	Commencement of the Exchange Offer and announcement of the Exchange Offer and the Invitation for Irrevocable Restructuring Support via the websites of the Stock Exchange and the Exchange and Tabulation Website and through Euroclear and Clearstream.
	Exchange Offer Memorandum will be made available to Eligible Holders of the Existing Notes on the Exchange and Tabulation Website.
	Commencement of the period to accede to the Restructuring Support Agreement. Copy of the Restructuring Support Agreement, the form of Accession Deed, the form of the Restricted Notes Notice and other information and documentation will be made available to Eligible Holders of the Existing Notes on the Stock Exchange website and the Exchange and Tabulation Website.

January 13, 2021
(4:00 p.m., London time)

Expiration Deadline, unless being amended or extended. This being the last date and time on which Eligible Holders of the Existing Notes must submit Valid Tenders and Accessions in order to be eligible to receive the relevant Exchange Consideration and/or the relevant Instruction Fee, as this is the last date and time for Eligible Holders of the Existing Notes to participate in the Exchange Offer.

The key provisions of the Restructuring Support Agreement which directly relate to support for the potential Restructuring will automatically come into effect on the date of the Expiration Deadline.

As soon as practicable after
the Expiration Deadline

Announcement of the amount of tenders for exchange received and the amount of Existing Notes whose beneficial holders have validly submitted their executed Accession Deed to the Restructuring Support Agreement prior to the Expiration Deadline, whether the Minimum Acceptance Amount has been satisfied and whether the Company will accept validly delivered tenders of Existing Notes for exchange pursuant to the Exchange Offer and, if so accepted, the aggregate principal amount of the New Notes to be issued to Eligible Holders in exchange for the Existing Notes validly tendered, accepted and exchanged.

If the Minimum Acceptance Amount is received, the Company reserves an absolute discretion to decide whether to proceed with the Exchange Offer.

On or about January 21, 2021

Settlement Date, unless being amended or extended. Subject to satisfaction of the conditions as set forth under “The Exchange Offer-Conditions to the Exchange Offer”, settlement of the New Notes, delivery of the Exchange Consideration to Eligible Holders whose Existing Notes have been validly tendered and accepted for exchange, and exercise of the termination rights of the Company under the Restructuring Support Agreement.

The Restructuring Support Agreement will automatically terminate upon the settlement of the Exchange Offer, and all parties thereto shall be released from all of their obligations (including any accrued obligations) thereunder.

On or about January 22, 2021

Listing of the New Notes on the SGX-ST (unless being amended or extended).

If the Minimum Acceptance Amount is not satisfied, the Company may proceed with the Restructuring as described in the Restructuring Support Agreement, which will be implemented via the Bermuda Scheme.

The Company reserves the right to extend the Expiration Deadline at its sole discretion. In such a case, the date on which the notice of the results of the Exchange Offer will be delivered and the Settlement Date will be adjusted accordingly. Eligible Holders of the Existing Notes should inform themselves of any earlier deadlines that may be imposed by the Clearing Systems and/or any intermediaries, which may affect the timing of the submission of a notice of exchange.

CONDITIONS TO THE EXCHANGE OFFER

The acceptance for exchange and the Company's obligation to consummate the Exchange Offer, are conditional upon, among other things:

- (a) not less than the Minimum Acceptance Amount of the Existing Notes, not including any Existing Notes subject to repurchase, shall have been validly tendered through the Clearing Systems and not validly withdrawn prior to the Expiration Deadline;
- (b) there being no material adverse change in the market from the date of the Exchange Offer Memorandum to the Settlement Date;
- (c) an affirmative determination by us that accepting the exchanges, paying the Exchange Consideration and the Instruction Fee and effecting the transactions contemplated hereby are in the Company's best interests; and
- (d) satisfaction of certain other conditions as set forth in the Exchange Offer Memorandum.

Subject to applicable laws, the Company may terminate or withdraw the Exchange Offer if any of the conditions are not satisfied or waived by the Company by the Settlement Date. The Company may also extend the Exchange Offer from time to time until the conditions are satisfied or waived. Although the Company has no present plans or arrangements to do so, the Company reserves the right to amend, modify or waive, at any time, other than the Minimum Acceptance Amount, the terms and conditions of the Exchange Offer, subject to applicable laws. The Company will give notice of any amendments, modifications or waivers to the Holders and the Existing Notes Trustee through the Clearing Systems and the Exchange and Tabulation Website.

FURTHER DETAILS

The Company has appointed Admiralty Harbour Capital Limited as the Dealer Manager for the Exchange Offer and the Financial Advisor for the Invitation for Irrevocable Restructuring Support, and Lucid Issuer Services Limited as the Information and Exchange Agent with respect to the Exchange Offer and the Invitation for Irrevocable Restructuring Support (each as stipulated in the Exchange Offer Memorandum and its related documents). The Exchange Offer Memorandum, this joint announcement and all documents related to the Exchange Offer and the Invitation for Irrevocable Restructuring

Support can be found on the Stock Exchange website: <http://hkexnews.hk> and the Exchange and Tabulation Website: <https://www.lucid-is.com/gclnewenergy>. Requests for copies of the Exchange Offer Memorandum and its related documents may be directed to the Information and Exchange Agent at the address and telephone number as set forth in the Exchange Offer Memorandum.

The contact information of Admiralty Harbour Capital Limited and Lucid Issuer Services Limited is set out as follows:

Admiralty Harbour Capital Limited

Suite 1702, Prosperity Tower, 39 Queen's Road Central, Hong Kong

Telephone: +852 2110 1666

Attention: Capital Markets and Advisory

Email: gclne@ahfghk.com

Lucid Issuer Services Limited

In London:

Tankerton Works

12 Argyle Walk

London WC1H 8HA

United Kingdom

Telephone: +44 20 7704 0880

In Hong Kong:

3/F Three Pacific Place

1 Queen's Road East

Admiralty

Hong Kong

Telephone: +852 2281 0114

Attention: Mu-yen Lo/Thomas Choquet

Email: gclnewenergy@lucid-is.com

Exchange and Tabulation Website: <https://www.lucid-is.com/gclnewenergy>

THIS JOINT ANNOUNCEMENT IS NOT AN OFFER TO PURCHASE, A SOLICITATION OF AN OFFER TO PURCHASE, OR A SOLICITATION OF AN OFFER TO SELL, THE EXISTING NOTES OR THE NEW NOTES. AN OFFER MAY ONLY BE MADE PURSUANT TO THE TERMS OF THE EXCHANGE OFFER MEMORANDUM.

SHAREHOLDERS, ELIGIBLE HOLDERS OF THE EXISTING NOTES AND POTENTIAL INVESTORS SHOULD NOTE THAT COMPLETION OF THE EXCHANGE OFFER IS SUBJECT TO THE FULFILLMENT OR WAIVER OF THE CONDITIONS PRECEDENT TO THE OFFER AND INVITATION AS SET FORTH IN THE EXCHANGE OFFER MEMORANDUM AND SUMMARIZED IN THIS JOINT ANNOUNCEMENT. NO ASSURANCE CAN BE GIVEN THAT THE EXCHANGE OFFER WILL BE COMPLETED AND THE COMPANY RESERVES THE RIGHT TO AMEND, WITHDRAW OR TERMINATE THE OFFER AND INVITATION WITH OR WITHOUT CONDITIONS.

THE COMPANY MAY, IN ITS SOLE DISCRETION, AMEND OR WAIVE CERTAIN OF THE CONDITIONS PRECEDENT TO THE OFFER AND INVITATION. AS THE OFFER AND INVITATION MAY OR MAY NOT PROCEED, SHAREHOLDERS, HOLDERS OF THE EXISTING NOTES AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY OR THE EXISTING NOTES.

The Offer and Invitation are not being made to (nor will the tender of the Existing Notes be accepted from or on behalf of) Holders in any jurisdiction where the making or acceptance of the Offer and Invitation would not comply with the laws of such jurisdiction. If the Company becomes aware of any jurisdiction in which the making of the Offer and Invitation would not be in compliance with applicable laws, the Company may or may not, in its sole discretion, make an effort to comply with any such law. If, after such effort, if any, the Company cannot comply with any such laws, the Offer and Invitation will not be made to (nor will tenders be accepted from or on behalf of) any Holders residing in such jurisdiction.

FORWARD-LOOKING STATEMENTS

Forward-looking statements in this joint announcement, including those statements relating to the Offer and Invitation, are based on current expectations, assumptions, estimates and projections about the Company and its industry. These statements are not guarantees of future performance and that the Company's actual results of operations, financial condition and liquidity, and the development of the industry in which the Company operates may differ materially from those made in, or suggested by, the forward-looking statements in this joint announcement. Future events and results involve some risks, uncertainties and assumptions that are difficult to predict. Important factors that could cause those differences include, but are not limited to, changes in the competitive environment and regulatory environment of the industry in the PRC relevant to the business of the Company, changes in the business and financial condition of the Company and its subsidiaries and changes in the general economic trend in the PRC.

RELATIONSHIP BETWEEN GCL-POLY AND THE COMPANY

As of the date of this joint announcement, GCL-Poly through Elite Time Global Limited holds 11,880,000,000 shares of the Company, representing approximately 62.28% of the issued share capital of the Company, and therefore the Company is a subsidiary of GCL-Poly.

DEFINITIONS

Unless the context otherwise requires, terms used in this joint announcement shall have the following respective meanings:

“Accession Deed”	the accession deed to the Restructuring Support Agreement pursuant to which a person becomes a party as a Consenting Creditor in the form set out in Schedule 3 to the Restructuring Support Agreement and which will in practice be accessed and submitted electronically via www.lucid-is.com/gclnewenergy ;
“Accrued Interest”	accrued and unpaid interest in cash on any Existing Notes validly tendered by Eligible Holders and accepted for exchange, up to but not including the Settlement Date;
“Bermuda Scheme”	the scheme of arrangement under Part VII of the Bermuda Companies Act 1981 that might be applied for sanction by the Bermuda Court by the Company in accordance with the Restructuring Support Agreement;
“Bermuda Court”	the Supreme Court of Bermuda;
“Bermuda Sanction Order”	the sealed copy of the order of the Bermuda Court sanctioning the Bermuda Scheme;
“Cash Consideration”	US\$50 per US\$1,000 in principal amount of the Existing Notes for which a valid tender under the Exchange Offer has been delivered;
“China Huaneng Group”	China Huaneng Group Co., Ltd. (中國華能集團有限公司), a state-owned enterprise incorporated in the PRC with limited liability;
“Clearstream”	Clearstream Banking S.A.;
“Clearing Systems”	Euroclear Bank SA/NV and Clearstream Banking S.A., each a “Clearing System”;
“Company” or “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, whose shares are listed on the Main Board of the Stock Exchange, with stock code 451;
“Consenting Creditor(s)”	a person holding a direct or beneficial interest as principal in the Existing Notes who has agreed to be bound by the terms of the Restructuring Support Agreement;
“Dealer Manager”	Admiralty Harbour Capital Limited;

“Director(s)”	the director(s) of the Company;
“Eligible Creditors”	for the purposes of the Restructuring Support Agreement, is a Consenting Creditor which has: <ul style="list-style-type: none"> (i) prior to the Expiration Deadline (1) completed a Valid Tender (as defined in the Restructuring Support Agreement) in respect of all (and not some only) of the Existing Notes in which it holds a direct or beneficial interest as principal and (2) acceded to the Restructuring Support Agreement (any Existing Notes covered by such Valid Tender and Accession, being “Validly Tendered Notes”); (ii) voted in favor of the Bermuda Scheme at the Scheme Meeting; and (iii) has not exercised any right to terminate the Restructuring Support Agreement and has not breached any other provision of the Restructuring Support Agreement in any material respect;
“Eligible Holder(s)”	holders who are non-U.S. persons (as those terms are defined under Regulation S) outside the United States and hold the Existing Notes through the Clearing Systems, or certain fiduciaries holding accounts for the benefit of non-U.S. persons (as those terms are defined under Regulation S) outside the United States and holding the Existing Notes through the Clearing Systems;
“Eligible Notes”	for the purposes of the Restructuring Support Agreement, with respect to an Eligible Creditor, the lower of its (i) Existing Notes which are voted in favor of the Bermuda Scheme by such Eligible Creditor; and (ii) Validly Tendered Notes (or Transferred Validly Tendered Notes, as defined in the Restructuring Support Agreement), but excluding any Validly Tendered Notes (or Transferred Validly Tendered Notes) which have been subsequently transferred at any time by such Eligible Creditor to another party subsequent to the tendering of such Notes under the Exchange Offer Memorandum;
“Euroclear”	Euroclear Bank SA/NV;
“Expiration Deadline”	4:00 p.m., London Time on January 13, 2021, unless extended or earlier terminated at our sole discretion;
“Exchange and Tabulation Website”	https://www.lucid-is.com/gclnewenergy ;

“Exchange Consideration”	the exchange consideration for each US\$1,000 principal amount of the outstanding Existing Notes for which a Valid Tender and Accession has been delivered, details of which are set out in the section entitled “Exchange Consideration and Instruction Fee” in this announcement;
“Exchange Offer”	the offer made by the Company upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum;
“Exchange Offer Memorandum”	the exchange offer memorandum dated December 23, 2020 in relation to the Exchange Offer and the Invitation for Irrevocable Restructuring Support;
“Existing Notes”	the US\$500,000,000 7.1% senior notes due 2021 (Stock Code: 4410) issued by the Company;
“Existing Notes Indenture”	the indenture dated January 30, 2018 in relation to the Existing Notes;
“Existing Notes Trustee”	The Bank of New York Mellon, London Branch, as trustee of the Existing Notes;
“Financial Advisor”	Admiralty Harbour Capital Limited;
“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;
“GCL-Poly Board”	the board of directors of GCL-Poly;
“GNE Board”	the board of directors of Company;
“Group”	the Company and its subsidiaries;
“Holder(s)”	holders of the Existing Notes;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Information and Exchange Agent”	Lucid Issuer Services Limited;

“Instruction Fee”	an Eligible Holder will be entitled to an instruction fee in a total amount equal to 1.0% of the aggregate principal amount of (i) the Existing Notes for which a Valid Tender and Accession has been delivered upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum, if the Exchange Offer is successfully consummated or (ii) the Eligible Notes held by the Eligible Creditors in accordance with the terms and conditions in the Restructuring Support Agreement, if the Restructuring is completed under a Bermuda Scheme pursuant to the Restructuring Support Agreement in lieu of the Exchange Offer;
“Insolvency Event”	a court of competent jurisdiction granting an order to commence any insolvency proceedings as defined in the Restructuring Support Agreement;
“Invitation for Irrevocable Restructuring Support”	the invitation from the Company for the submission from Eligible Holders of a duly executed Accession Deed to the Restructuring Support Agreement to support the Restructuring of the Company;
“Irrevocable Restructuring Support”	the submission from the Eligible Holders of a duly executed Accession Deed to the Restructuring Support Agreement to support the Restructuring of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Longstop Date”	the date falling six months after (and excluding) the Expiration Deadline;
“Minimum Acceptance Amount”	the minimum aggregate principal amount of the Existing Notes, being US\$450,000,000, for which valid tenders through the Clearing Systems are received and that the Company will determine, in its sole discretion, whether it will accept for exchange pursuant to the Exchange Offer;
“New Notes”	up to US\$475,000,000 in aggregate principal amount of the US\$ denominated Senior Notes due 2024 which will bear interest at 9.75% per annum, payable semi-annually in arrears and is expected to be listed on the SGX-ST;
“Offer and Invitation”	the Exchange Offer and the Invitation for Irrevocable Restructuring Support;
“Original Issue Date”	the date on which the New Notes are originally issued under the indenture in relation to the New Notes;

“PRC”	the People’s Republic of China which, for the purposes of this joint announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Record Time”	the time designated by the Company for the determination of the Scheme Creditor’s claim for the purposes of voting at the Scheme Meeting;
“Regulation S”	Regulation S under the U.S. Securities Act;
“Restricted Note(s)”	with respect to a Consenting Creditor at any time, the aggregate outstanding principal amount of the Existing Notes (a) held by such Consenting Creditor and (b) set out in the Restricted Notes Notice then most recently delivered by that Consenting Creditor to the Information and Exchange Agent;
“Restricted Notes Notice”	a notice substantially in the form set out in Schedule 4 to the Restructuring Support Agreement, which will in practice be accessed and submitted electronically via www.lucid-is.com/gclnewenergy ;
“Restructuring”	a potential restructuring of the Existing Notes as further described in the Restructuring Support Agreement;
“Restructuring Support Agreement”	a restructuring support agreement being entered into by the Company and the Subsidiary Guarantors as set out in the Exchange Offer Memorandum;
“Restructuring Effective Date”	the day on which all conditions precedent to the Restructuring have been satisfied or waived (as the case may be), including the obtaining of all relevant approvals or consents;
“RMB”	Renminbi, the lawful currency of the PRC;
“Scheme Creditors”	creditors of the Company whose claims against the obligors are (or will be) the subject of the Bermuda Scheme;
“Scheme Document”	the composite scheme document to be circulated by the Company to the holders of the Existing Notes in relation to the Bermuda Scheme;
“Scheme Meeting”	a meeting of all Holders of the Existing Notes for the Bermuda Scheme;
“Scheme Effective Date”	the date on which the Bermuda Sanction Order is delivered to the Bermuda Registrar of Companies for registration;

“Scheme Sanction Order”	a sanction order of the Bermuda Court sanctioning the Bermuda Scheme;
“Settlement Date”	on or about January 21, 2021, unless the Exchange Offer is extended or earlier terminated;
“SGX-ST”	Singapore Exchange Securities Trading Limited;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary Guarantors”	certain subsidiaries of the Company which provide unconditional and irrevocable guarantees to secure the Company’s obligations under the Existing Notes and the New Notes;
“Subsidy Catalogue”	the National Renewable Energy Tariff Surcharge Subsidy Catalogue of the PRC;
“Subsidy List”	the Renewable Energy Tariff Subsidy List of the PRC;
“Super Majority Consenting Creditors”	at any time, Consenting Creditors who hold an aggregate outstanding principal amount of the Existing Notes of more than 75% of the outstanding principal amount of the Existing Notes held in aggregate by the Consenting Creditors, at that time;
“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;
“Term Sheet”	a copy of the term sheet, as set out in Schedule 6 to the Restructuring Support Agreement, is attached hereto as Appendix 1 and available for download at www.lucid-is.com/gclnewenergy ;
“Transfer Notice”	a notice substantially in the form set out in Schedule 5 to the Restructuring Support Agreement, which will in practice be accessed and submitted electronically via www.lucid-is.com/gclnewenergy ;
“U.S.” or “United States”	The United States of America;
“U.S. Securities Act”	the United States Securities Act of 1933, as amended;
“US\$”	United States dollars, the lawful currency of the United States;

“Valid Tender(s) and Accession(s)”

pursuant to the conditions of Offer and Invitation, an Eligible Holder must both validly submit its instruction to tender its Existing Notes through the Clearing Systems for exchange and validly submit an executed Accession Deed to the Restructuring Support Agreement before the Expiration Deadline; and

“%”

per cent.

For illustration purposes only, this joint announcement contains translations between RMB and US\$ at RMB7.0651 = US\$1.00, being the exchange rate prevailing on June 30, 2020. The translations should not be taken as a representation that RMB could actually be converted into US\$ at that rate or at all.

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, December 23, 2020

As at the date of this joint announcement, the board of directors of GCL-Poly 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. Liu Genyu and Ms. Hu Xiaoyan as executive Directors; Ms. Sun Wei, 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.

APPENDIX I

TERM SHEET

Restructuring Term Sheet

This term sheet sets out general information in relation to the proposed restructuring of the Existing Notes (as defined below) (the “**Restructuring**”) under the Bermuda Scheme (as defined below).

This term sheet is not intended to be a comprehensive list of all relevant terms and conditions of the Restructuring or any other transaction in relation to the Existing Notes or the New Notes (as defined below). The transactions contemplated by this term sheet shall be subject to, amongst others, the execution of definitive documentation by the parties.

General Information

Issuer GCL New Energy Holdings Limited 協鑫新能源控股有限公司 (the “**Issuer**” or the “**Company**”).

Group The Issuer and its Subsidiaries (as defined in the Restructuring Support Agreement) from time to time

Scheme Creditors The persons holding an economic or beneficial interest as principal in the US\$500,000,000 7.1%, New York law governed senior notes due 2021 issued by the Issuer and guaranteed by certain subsidiaries of the Issuer (the “**Subsidiary Guarantors**”) (the “**Existing Notes**”) as at the Record Time (as defined below) for the Bermuda Scheme.

“**Record Time**” is the time designated by the Issuer for the determination of the Scheme Creditors’ Claims (as defined below) for the purposes of voting at each of the Scheme Meetings (as defined below).

“**Scheme Meeting**” means the meeting of the creditors of the Issuer, whose claims against the Issuer are (or will be) the subject of the Bermuda Scheme, to vote on that Bermuda Scheme convened pursuant to the order of the Bermuda Court (and any adjournment of such meeting).

Restructuring of the Existing Notes

Issuer to Cancel its Notes Prior to the Record Time, the Issuer will cancel or procure the cancellation of any Existing Notes that it or any other member of the Group has a direct or beneficial interest in or which it or any other member of the Group has redeemed, converted, acquired or purchased.

Scheme Creditors' Claims The sum of:

- (a) the outstanding principal amount of the Existing Notes held by the Scheme Creditors at the Record Time; and
- (b) all accrued and unpaid interest on the Existing Notes up to (but excluding) the Restructuring Effective Date.

(together in aggregate, the “**Scheme Creditors' Claims**”, and with respect to each Scheme Creditor, the “**Scheme Creditor Claim**”).

Scheme Creditors agree to a full release of all claims against (among others) the Issuer, any of the Subsidiaries of the Issuer, and the officers, directors, advisors and representatives of each of the foregoing under the Existing Notes in exchange for the Restructuring Consideration (subject to carve outs for fraud, dishonesty, wilful default and wilful misconduct).

“**Restructuring Effective Date**” means the day on which all conditions precedent to the Restructuring have been satisfied or waived (as the case may be), including the obtaining of all relevant approvals or consents.

Restructuring Consideration

The Restructuring Consideration for the Scheme Creditors will be paid on the Restructuring Effective Date, consisting of the following:

- (a) cash consideration of US\$50 per US\$1,000 in principal amount of the Existing Notes held by each Scheme Creditor at the Record Time and voted in favour of the Bermuda Scheme;
- (b) New Notes in an aggregate principal amount of US\$950 per US\$1,000 in principal amount of the Existing Notes held by each Scheme Creditor at the Record Time and voted in favour of the Bermuda Scheme;
- (c) cash in an amount equal to all accrued and unpaid interest on the Existing Notes up to (but excluding) the Restructuring Effective Date; and

(d) cash in lieu of any fractional amount of New Notes.

Treatment of the Existing Notes

Save as otherwise provided for in this term sheet, on the Restructuring Effective Date, all outstanding Existing Notes will be cancelled and all guarantees and security in connection with the Existing Notes will be released.

Terms of the New Notes

*Unless otherwise noted below or as the context otherwise requires, the terms of the New Notes shall be the same as those set out in the indenture governing the Existing Notes. Terms not defined herein have the meanings set forth in the indenture governing the New Notes (the “**Indenture**” or the “**New Notes Indenture**”).*

Company

GCL New Energy Holdings Limited 協鑫新能源控股有限公司 (the “**Company**”).

New Notes Offered

Up to US\$475 million U.S. dollar-denominated senior notes due 2024 (the “**New Notes**”)

Interest

The New Notes will bear interest at 9.75% per annum from the Original Issue Date or from the most recent interest payment date to which interest has been paid or duly provided for, payable semi-annually in arrears.

Interest Payment Dates

Specific dates of each year, commencing the Original Issue Date.

Subsidiary Guarantees

The initial Subsidiary Guarantors that will execute the Indenture on the Original Issue Date will consist of certain of the Company’s Restricted Subsidiaries organized outside the PRC, namely PIONEER GETTER LIMITED, GCL New Energy Development Limited, GCL New Energy Management Limited and GCL New Energy Trading Limited. The Subsidiary Guarantors are holding companies that do not have significant operations.

Any future Restricted Subsidiary, other than subsidiaries organized under the laws of the PRC or Exempted Subsidiaries, will provide a guarantee of the New Notes as a Subsidiary Guarantor within 30 days of becoming a Restricted Subsidiary or ceasing to be an Exempted Subsidiary. Notwithstanding the foregoing, the Company may elect to have any Restricted Subsidiary organized outside the PRC to not provide a Subsidiary Guarantee at the time such entity becomes a Restricted Subsidiary (or at any time thereafter) or ceases to be an Exempted Subsidiary; provided that, after giving effect to the amount of Consolidated Assets of such Restricted Subsidiary, (i) the Consolidated Assets of all Offshore Non-Guarantor Subsidiaries do not exceed 20.0% of the Total Assets and (ii) no Event of Default shall have occurred and be continuing, as of the date such designation.

**Offshore Non-Guarantor
Subsidiaries**

The Company may designate certain Subsidiaries organized outside the PRC that are Restricted Subsidiaries as “Offshore Non-Guarantor Subsidiaries,” which are not required to guarantee the New Notes, provided the Consolidated Assets of all Offshore Non-Guarantor Subsidiaries do not account for more than 20.0% of Total Assets.

Optional Redemption

At any time prior to the maturity date, the Company may at its option redeem the New Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the New Notes redeemed plus accrued and unpaid interest, if any, to (but not including) the redemption date in respect of the outstanding principal amount being redeemed.

**Repurchase of New Notes
Upon a Change of Control**

Not later than 30 days following a Change of Control, the Company will make an offer to repurchase all outstanding New Notes (“**Change of Control Offer**”) at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the repurchase date.

“**Change of Control**” means the occurrence of one or more of the following events:

- (1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation) in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries, taken as a whole, to any “person” (within the meaning of Section 13(d) of the Exchange Act), other than one or more Permitted Holders;

- (2) the Company consolidates with, or merges with or into, any Person (other than one or more Permitted Holders), or any Person consolidates with, or merges with or into, the Company, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Company or such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the Voting Stock of the Company outstanding immediately prior to such transaction is converted into or exchanged for (or continues as) Voting Stock (other than Disqualified Stock) of the surviving or transferee Person constituting a majority of the outstanding shares of Voting Stock of such surviving or transferee Person (immediately after giving effect to such issuance) and in substantially the same proportion as before the transaction;
- (3) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the “beneficial owner” (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, of total voting power of the Voting Stock of the Company greater than such total voting power held beneficially by the Permitted Holders, unless the Permitted Holders maintain Management Control of the Company;
- (4) individuals who on the Original Issue Date constituted the board of directors of the Company, together with any new directors whose election by the board of directors was approved by a vote of at least a majority of the directors then still in office who were either directors or whose election was previously so approved, cease for any reason to constitute a majority of the board of directors of the Company then in office; or
- (5) the adoption of a plan relating to the liquidation or dissolution of the Company.

“Permitted Holders” means any or all of the following:

- (1) Mr. Zhu Gongshan;
- (2) any Affiliate (other than an Affiliate as defined in clause (2) of the definition of Affiliate) of the Person specified in clause (1), including, among others, GCL-Poly Energy Holdings Limited;

- (3) any Person both the Capital Stock and the Voting Stock of which (or in the case of a trust, the beneficial interests in which) are owned 80% or more by one or more of the Persons specified in clauses (1) and (2); and
- (4) any Person that is (i) rated as Investment Grade by S&P, Moody's or Fitch, or (ii) rated "AAA" by Shanghai Brilliance Credit Rating & Investors Service Co., Ltd. (上海新世紀資信評估投資服務有限公司) and its successors, China Chengxin International Credit Rating Co. Ltd. (中誠信國際信用評級有限責任公司) and its successors, CSCI Pengyuan Credit Rating Co., Ltd. (中證鵬元資信評估股份有限公司) and its successors, China Lianhe Credit Rating Co. Ltd. (聯合資信評估股份有限公司) and its successors, or Dagong Global Credit Rating Co. Ltd. (大公國際資信評估有限公司) and its successors.

**Repurchase and Mandatory
Redemption of the New
Notes Upon the Receipt of
Renewable Energy
Subsidies**

If the Annual Renewable Energy Subsidy Receipts of any calendar year ending after the Original Issue Date exceed US\$200 million (or the Dollar Equivalent thereof), within 60 days after the end of such calendar year, the Company must use 35% of the excess of such Annual Renewable Energy Subsidy Receipts over US\$200 million (or the Dollar Equivalent thereof) (the "**Renewable Energy Subsidy Offer Amount**") to make an Offer to Purchase Notes (a "**Renewable Energy Subsidy Offer**"), at a purchase price and subject to conditions to be determined by the Company in its sole discretion.

If any Renewable Energy Subsidy Offer Amount remains after consummation of a Renewable Energy Subsidy Offer (the "**Remaining Receipts**"), the Company must use all the Remaining Receipts to redeem Notes (a "**Renewable Energy Subsidy Mandatory Redemption**"), at a redemption price equal to 100% of the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the date of redemption.

"**Annual Renewable Energy Subsidy Receipts**" means the accumulated amount of the Renewable Energy Subsidies received by the Company or any Restricted Subsidiary during a calendar year, net of:

- (1) transaction fees and other fees and expenses related to the receipt of such Renewable Energy Subsidies;

- (2) provisions for all taxes (whether or not such taxes will actually be paid or are payable) as a result of the receipt of such Renewable Energy Subsidies without regard to the consolidated results of operations of the Company and the Restricted Subsidiaries, taken as a whole; and
- (3) with respect to clause (1) of the definition of “Renewable Energy Subsidies,” all payments, including payments to repay Indebtedness or any other obligation, required to be made as a condition or as part of the terms imposed or requested by the PRC government or under PRC law to receive such Renewable Energy Subsidies.

For the avoidance of doubt, at the beginning of each calendar year, the amount of Annual Renewable Energy Subsidy Receipts will be reset at zero.

“**Renewable Energy Subsidies**” means the (1) the renewable energy subsidies received by the Company or any Restricted Subsidiary on or after the Original Issue Date from any Government Agency or any State Corporation using the net proceeds of bond offerings by any Government Agency or any State Corporation or other sources of funds, and (2) payments received by the Company or any Restricted Subsidiary on or after the Original Issue Date from any Person (other than the Company or a Restricted Subsidiary) in connection with the renewable energy subsidies with respect to solar power plants sold by the Company or any Restricted Subsidiary to such Person.

**Repurchase and Mandatory
Redemption of the New
Notes Upon Significant
Asset Sale**

If the Semi-annual Significant Asset Sale Proceeds for any six-month period ending on June 30 or December 31, commencing with the six-month period ending on June 30, 2021, reach or exceed US\$200 million (or the Dollar Equivalent thereof), within 60 days after the end of such period, the Company must use 35% of such Semi-annual Significant Asset Sale Proceeds (a “**Significant Asset Sale Offer Amount**”) to make an Offer to Purchase Notes (the “**Significant Asset Sale Offer**”), at a purchase price and subject to conditions to be determined by the Company in its sole discretion.

If any Significant Asset Sale Offer Amount remains after consummation of a Significant Asset Sale Offer (the “**Remaining Proceeds**”), the Company must use all the Remaining Proceeds to redeem Notes (a “**Significant Asset Sale Mandatory Redemption**”), at a redemption price equal to 100% of the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the date of redemption.

“**Semi-annual Significant Asset Sale Proceeds**” means the accumulated amount of the Net Cash Proceeds received by the Company or any Restricted Subsidiary from all Significant Asset Sales during each six-month period ending on June 30 or December 31, as the case may be; provided that, with respect to any Significant Asset Sale consisting of the issuance or sale of Capital Stock, the Net Cash Proceeds shall exclude any payments made to repay Indebtedness or any other obligation (except for any Indebtedness or other obligation owed to the Company or any Restricted Subsidiary) outstanding at the time of such Asset Sale that either (x) is secured by a Lien on the Capital Stock sold or (y) is required to be paid as a result of such sale. For the avoidance of doubt, at the beginning of each six-month period ending on June 30 or December 31, the amount of Semi-annual Significant Asset Sale Proceeds will be reset at zero.

“**Significant Asset Sale**” means any Asset Sale of one or more solar power plants, including by way of issuance or sale of Capital Stock of a Subsidiary that directly or indirectly owns solar power plants; provided that, the binding agreement for such Asset Sale is entered into by the Company or any Restricted Subsidiary on or after the Original Issue Date.

Carve-out to Events of Default

The events of default provision under the New Notes will be substantially the same as those in the Existing Notes except that it will carve out the default of the Existing Notes and other defaults whose occurrence is solely as a result of any default or event of default under the New Notes.

**Redemption for Taxation
Reasons**

Subject to certain conditions and as more fully described in the Exchange Offer Memorandum, the Company may redeem the New Notes, as a whole but not in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to (but not including) the date fixed by the Company for redemption, if the Company or a Subsidiary Guarantor would become obligated to pay certain additional amounts as a result of certain changes in specified tax laws or certain other circumstances.

Covenants

Covenants of the New Notes are to be substantially the same as those set out in the indenture for the Existing Notes, except the amendment to the “Limitation on Asset Sale” covenant to include the Repurchase and Mandatory Redemption of the New Notes Upon Significant Asset Sale under the Limitation on Asset Sale.

**Amendments and Waiver of
the New Notes Indenture**

The provisions on the amendments and waivers under the Indenture will be substantially the same as those set out in the indenture for the Existing Notes, except that certain major terms the amendment of which requires the consent of each holder under the indenture for the Existing Notes, including the reduction of the principal amount of, or premium, if any, or interest on, any New Note, the release of any Subsidiary Guarantor from its Subsidiary Guarantee, will be able to be modified, amended or waived with the consent of holders of not less than 75% in aggregate principal amount of the outstanding New Notes under the Indenture.

In addition, with respect to certain provisions regarding Change of Control Offer, a Renewable Energy Subsidy Offer, a Renewable Energy Subsidy Mandatory Redemption, Offer to Purchase with the Excess Proceeds from any Asset Sale (except for any Significant Asset Sale), Significant Asset Sale Offer or a Significant Asset Sale Mandatory Redemption, an amendment, modification or waiver can be made with the consent of holders of not less than a majority in aggregate principal amount of the outstanding New Notes, if such amendment, waiver or modification shall be in effect prior to the occurrence of a Change of Control or the event giving rise to the repurchase of the New Notes under the Repurchase and Mandatory Redemption of Notes Upon the Receipt of Renewable Energy Subsidies and Limitation on Asset Sales.

Transfer Restrictions

The New Notes and the related Subsidiary Guarantees will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or any securities law of any state or other jurisdiction of the United States, and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act (“**Regulation S**”)) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The New Notes will be offered and sold only in offshore transactions in reliance on Regulation S.

Form, Denomination and Registration

The New Notes will be issued only in fully registered form, without coupons, in minimum denominations of US\$190,000 of principal amount and integral multiples of US\$1,000 in excess thereof and will be initially represented by one or more global notes deposited with a common depositary and registered in the name of the common depositary or its nominee. Beneficial interests in the Global Note will be shown on, and transfers thereof will be effected only through, the records maintained by Euroclear and Clearstream.

Book-Entry Only

The New Notes will be issued in book-entry form through the facilities of Euroclear and Clearstream for the accounts of its participants.

Listing and Trading

Application will be made to the SGX-ST for the listing and quotation of the New Notes on the SGX-ST. For so long as the New Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the New Notes will be traded in a minimum board lot size of S\$200,000 (or its equivalent in foreign currencies). The New Notes will be traded on the SGX-ST in a board lot size of US\$190,000 for so long as any of the New Notes are listed on the SGX-ST.

Governing Law

The New Notes, the Subsidiary Guarantees and the Indenture will be governed by and will be construed in accordance with the laws of the State of New York.