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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in GCL New Energy Holdings Limited 協鑫新能源控股有限公司, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**GCL New Energy Holdings Limited**  
**協鑫新能源控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 451)**

**(1) MAJOR TRANSACTION**  
**DISPOSAL OF SUBSIDIARIES**  
**TO THREE GORGES ASSET MANAGEMENT CO., LTD\***  
**AND**  
**(2) NOTICE OF SPECIAL GENERAL MEETING**

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Capitalised terms used in this cover shall have the same meanings as those defined in the section headed "Definitions" in this circular. A letter from the Board is set out on pages 7 to 23 of this circular.

A notice convening the SGM of the Company to be held at Strategy II-III, Level 8, W Hong Kong, 1 Austin Road West, Kowloon Station, Kowloon, Hong Kong on Tuesday, 15 June 2021 at 10:30 a.m. is set out on pages SGM-1 to SGM-3 of this circular.

Irrespective of whether you are able to attend the SGM, please complete the accompanying proxy form in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar and transfer office of the Company, Tricor Abacus Limited, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. The address of Tricor Abacus Limited is Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong. Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish and in such event, the proxy form shall be deemed to be revoked.

## **PRECAUTIONARY MEASURES FOR THE SGM**

Please see page 1 of this circular for precautionary measures being taken to prevent and control the spread of COVID-19 at the SGM, including without limitation:

- compulsory body temperature checks;
- compulsory wearing of surgical face masks (please bring your own mask);
- no refreshment will be served; and
- no souvenirs will be distributed.

**Any person who does not comply with the above precautionary measures may be denied entry into the SGM venue. The Company will require all attendees to wear surgical face masks before they are permitted to attend, and during their attendance of the SGM at all times, and reminds the Shareholders that they may appoint the chairman of the SGM as their proxy to vote on the relevant resolutions at the SGM as an alternative to attending the SGM in person.**

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## PRECAUTIONARY MEASURES FOR THE SGM

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In view of the ongoing COVID-19 epidemic and recent guidelines for prevention and control of its spread, the Company will implement the following precautionary measures at the SGM to protect the Shareholders, staff and other stakeholders who attend the SGM from the risk of infection:

- (i) compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendee. Any person with a body temperature of 37 degrees Celsius or higher may be denied entry into the SGM venue or be required to leave the SGM venue;
- (ii) the Company will require all attendees to wear surgical face masks before they are permitted to attend, and during their attendance of the SGM at all times, and to maintain a safe distance between seats (please bring your own mask);
- (iii) no refreshment will be served at the SGM; and
- (iv) no souvenirs will be distributed at the SGM.

Any person who does not comply with above requirements may be denied entry into the SGM venue or be required to leave the SGM venue. To the extent permitted under law, the Company reserves the right to deny entry into the SGM venue or require any person to leave the SGM venue in order to ensure the safety of other attendees at the SGM. In our case, denied entry to the SGM venue also means that person will not be allowed to attend the SGM.

In the interest of all stakeholders' health and safety and in accordance with recent guidelines for prevention and control of the spread of COVID-19, the Company reminds all Shareholders that physical attendance in person at the SGM is not necessary for the purpose of exercising voting rights. As an alternative, the Shareholders may complete the proxy forms and appoint the chairman of the SGM as their proxy to vote on the relevant resolutions at the SGM instead of attending the SGM in person.

The proxy forms were despatched to the Shareholders together with this circular, and can otherwise be downloaded from the websites of the Company at [www.gclnewenergy.com](http://www.gclnewenergy.com) or the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk). If you are not a registered Shareholder (i.e. if your Shares are held via banks, brokers, custodians or Hong Kong Securities Clearing Company Limited), you should consult directly with your banks, brokers or custodians (as the case may be) to assist you in the appointment of proxy.

If you have any questions relating to the SGM, please contact the Company's Hong Kong branch share registrar and transfer office, Tricor Abacus Limited, via the following:

Address: Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong  
Email: [is-enquiries@hk.tricorglobal.com](mailto:is-enquiries@hk.tricorglobal.com)  
Telephone: +852 2980 1333  
Fax: +852 2810 8185

Subject to the development of COVID-19, the Company may implement further precautionary measures and may issue further announcements on such measures as appropriate.

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## DEFINITIONS

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*In this circular, the following expressions shall have the meanings set out below unless the context requires otherwise:*

“Amount Payable”	the amount payable (if any) by each of the Target Companies to the Sellers and its affiliates (if applicable, including other subsidiaries of the Company) as at the Reference Date as set out in the respective Second Phase Share Purchase Agreements
“Amount Receivable”	the amount receivable (if any) by each of the Target Companies from the Sellers and its affiliates (if applicable, including other subsidiaries of the Company) as at the Reference Date as set out in the respective Second Phase Share Purchase Agreements
“Announcement”	the joint announcement of GCL-Poly and the Company dated 1 April 2021 (after trading hours) in relation to the Second Phase Share Purchase Agreements
“Board”	the board of Directors;
“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
“Business Registration Procedures”	the registration procedures in respect of the change of directors, supervisors, senior management and shareholders of each of the Target Companies and other relevant filing procedures in respect of the Transactions with the relevant administration for industry and commerce in the PRC
“Bye-laws”	the Bye-laws of the Company, as amended from time to time
“Closing”	the closing of the Transactions in accordance with the Second Phase Share Purchase Agreements
“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 Second 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

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## DEFINITIONS

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“Company”	GCL New Energy Holdings Limited (協鑫新能源控股有限公司), a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange, with stock code 451
“Conditions Precedent”	the conditions under the section “Conditions Precedent” in this circular
“connected persons”	has the same meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the transactions contemplated under the Second Phase Share Purchase Agreements
“Director(s)”	the director(s) of the Company
“Disposals”	the First Phase Disposals and the Second Phase Disposals
“First Phase Disposals”	the proposed disposals of the (i) entire equity interest in each of Kaifeng Huaxin New Energy Development Company Limited* (開封華鑫新能源開發有限公司), Sanmenxia GCL New Energy Co., Ltd* (三門峽協立光伏電力有限公司), Queshan Zhuiri New Energy Electric Power Co, Ltd.* (確山追日新能源電力有限公司) and Shang Shui GCL Photovoltaic Electric Power Co, Ltd.* (商水協鑫光伏電力有限公司) and (ii) 50% equity interest in each of Nanzhao Xin Li Photovoltaic Electric Power Co., Ltd.* (南召鑫力光伏電力有限公司) and Taiqian GCL Photovoltaic Electric Power Company Limited* (台前協鑫光伏電力有限公司) by Henan GCL New Energy Investment Co., Ltd.* (河南協鑫新能源投資有限公司) (“ <b>Henan GCL New Energy</b> ”) and Suzhou GCL New Energy to the Purchaser as contemplated under the First Phase Share Purchase Agreements
“First Phase Share Purchase Agreements”	the series of six share purchase agreements dated 31 March 2021 entered into between Henan GCL New Energy, Suzhou GCL New Energy and the Purchaser, as detailed in the joint announcement of GCL-Poly and the Company dated 31 March 2021 in relation to the First Phase Disposals
“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 Latest Practicable Date, the Company is a subsidiary of GCL-Poly
“Group”	the Company and its subsidiaries

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## DEFINITIONS

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“Hengshan Jinghe”	Hengshan Jinghe Solar Energy Co., Ltd.* (橫山晶合太陽能發電有限公司), a company established in the PRC with limited liability, which is owned as to 96.35% by Suzhou GCL New Energy and 3.65% by Huanghe Solar, an independent third party to the Company and an indirect subsidiary of the Company as at the Latest Practicable Date
“Hengshan Jinghe Share Purchase Agreement”	an equity transfer agreement dated 1 April 2021 entered into between Suzhou GCL New Energy and the Purchaser in relation to the sale of 80.35% equity interest in Hengshan Jinghe
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Jingbian GCL”	Jingbian GCL Photovoltaic Energy Co., Ltd.* (靖邊協鑫光伏電力有限公司), a company established in the PRC with limited liability, which is owned as to 99.9% by Xian GCL New Energy and 0.1% by Mr Luo Jianqiang* (羅建強), an independent third party to the Company and an indirect subsidiary of the Company as at the Latest Practicable Date
“Jingbian GCL Share Purchase Agreement”	an equity transfer agreement dated 1 April 2021 entered into between Xian GCL New Energy and the Purchaser in relation to the sale of 98.4% equity interest in Jingbian GCL
“Latest Practicable Date”	21 May 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“MW”	megawatt(s)
“Nanjing GCL New Energy”	Nanjing GCL New Energy Development Co., Ltd.* (南京協鑫新能源發展有限公司), a company established in the PRC with limited liability and an indirect subsidiary of the Company
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Purchaser”	Three Gorges Asset Management Co., Ltd.* (三峽資產管理有限公司), a company established in the PRC with limited liability and an independent third party to the Company
“Reference Date”	31 December 2020

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## DEFINITIONS

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“Remaining Group”	the Group after completion of the 2020 Disposals (as defined below), the Wula Tehouqi Yuanhai Disposal (as defined below), the First Phase Disposals and the Second Phase Disposals
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	the (i) entire equity interest in each of Yulin Longyuan and Yushen Dongtou, (ii) 98.4% equity interest in Jingbian GCL and (iii) 80.35% equity interest in Hengshan Jinghe held by the respective Seller as at the Latest Practicable Date
“Second Phase Disposals”	the proposed disposals of the Sale Shares by the Sellers to the Purchaser as contemplated under the Second Phase Share Purchase Agreements
“Second Phase Share Purchase Agreements”	Hengshan Jinghe Share Purchase Agreement, Jingbian GCL Share Purchase Agreement, Yulin Longyuan Share Purchase Agreement and Yushen Dongtou Share Purchase Agreement
“Seller(s)”	Xian GCL New Energy and Suzhou GCL New Energy
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, among others, approve the Transactions, the entering into and performance of obligations under the Second Phase Share Purchase Agreements
“Share(s)”	ordinary share(s) of one-two-hundred-fortieth (1/240) of a Hong Kong dollar each (equivalent to HK\$0.00416) in the share capital of the Company
“Shareholders”	the shareholders of the Company
“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 the Company
“Target Company(ies)”	the four target companies being the subject of the Second Phase Disposals, details of which can be found in the section headed “Information on the Target Companies” of this circular
“Total Amount Payable”	the Amount Payable of all of the Target Companies



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## DEFINITIONS

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“Total Amount Receivable”	the Amount Receivable of all of the Target Companies
“Transactions”	the transactions contemplated under the Second Phase Share Purchase Agreements
“Transition Period”	the period between the Reference Date and the Closing Date
“Xian GCL New Energy”	Xian GCL New Energy Management Co., Ltd.* (西安協鑫新能源管理有限公司), a company established in the PRC with limited liability and an indirect subsidiary of the Company
“Yulin Longyuan”	Yulin Longyuan Solar Power Company Limited* (榆林隆源光伏電力有限公司), a company established in the PRC with limited liability, which is wholly-owned by Suzhou GCL New Energy and an indirect subsidiary of the Company as at the Latest Practicable Date
“Yulin Longyuan Share Purchase Agreement”	an equity transfer agreement dated 1 April 2021 entered into between Suzhou GCL New Energy and the Purchaser in relation to the sale of the entire equity interest in Yulin Longyuan
“Yushen Dongtou”	Yulin City Yushen Industrial Zone Dongtou Energy Co., Ltd.* (榆林市榆神工業區東投能源有限公司), a company established in the PRC with limited liability, which is wholly-owned by Xian GCL New Energy and an indirect subsidiary of the Company as at the Latest Practicable Date
“Yushen Dongtou Share Purchase Agreement”	an equity transfer agreement dated 1 April 2021 entered into between Xian GCL New Energy and the Purchaser in relation to the sale of the entire equity interest in Yushen Dongtou
“%”	per cent.

\* *All of the English titles or names of the PRC entities, as well as certain items contained in this circular 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.*

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## LETTER FROM THE BOARD

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### **GCL New Energy Holdings Limited** **協鑫新能源控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 451)**

*Executive Directors:*

Mr. Zhu Yufeng (*Chairman and President*)

Mr. Liu Genyu (*Vice Chairman*)

Ms. Hu Xiaoyan

*Non-executive Directors:*

Ms. Sun Wei

Mr. Yeung Man Chung, Charles

Mr. Fang Jiancai

*Independent non-executive Directors:*

Mr. Xu Songda

Mr. Lee Conway Kong Wai

Mr. Wang Yanguo

Dr. Chen Ying

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Head office and principal place of  
business in Hong Kong:*

Unit 1707A, Level 17

International Commerce Centre

1 Austin Road West

Kowloon

Hong Kong

24 May 2021

*To the Shareholders*

Dear Sir or Madam,

**(1) MAJOR TRANSACTION  
DISPOSAL OF SUBSIDIARIES  
TO THREE GORGES ASSET MANAGEMENT CO., LTD\*  
AND  
(2) NOTICE OF SPECIAL GENERAL MEETING**

#### **1. INTRODUCTION**

We refer to the Announcement published on 1 April 2021. As disclosed in the Announcement, on 1 April 2021 (after trading hours), Xian GCL New Energy and Suzhou GCL New Energy, being indirect subsidiaries of the Company (as the sellers) and Three Gorges Asset Management Co., Ltd\* (三峽資產管理有限公司) (as the purchaser) entered into the Second Phase Share Purchase Agreements. Pursuant to the

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## LETTER FROM THE BOARD

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Second Phase Share Purchase Agreements, the respective Seller agreed to, among other things, sell the (i) entire equity interest in each of Yulin Longyuan and Yushen Dongtou, (ii) 98.4% equity interest in Jingbian GCL and (iii) 80.35% equity interest in Hengshan Jinghe to the Purchaser.

As at the Latest Practicable Date, (i) Yulin Longyuan and Yushen Dongtou are wholly-owned by the respective Seller, (ii) Jingbian GCL is owned as to 99.9% by Xian GCL New Energy and (iii) Hengshan Jinghe is owned as to 96.35% by Suzhou GCL New Energy. Upon the completion of the Second Phase Disposals, (i) Yulin Longyuan and Yushen Dongtou will be owned as to 100% by the Purchaser, (ii) Jingbian GCL will be owned as to 98.4% by the Purchaser, 1.5% by Xian GCL New Energy and 0.1% by Mr. Luo Jianqiang\* (羅建強), an independent third party to the Company, (iii) Hengshan Jinghe will be owned as to 80.35% by the Purchaser, 16% by Suzhou GCL New Energy and 3.65% by Xian Huanghe Photovoltaic Technology Co., Ltd.\* (西安黃河光伏科技股份有限公司) ("**Huanghe Solar**"), an independent third party to the Company and (iv) all of the Target Companies will cease to be subsidiaries of the Group.

### 2. THE SECOND PHASE SHARE PURCHASE AGREEMENTS

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

#### Date

1 April 2021 (after trading hours)

#### Parties

- |                     |   |
|---------------------|---|
| (i) The Sellers:    | (a) Xian GCL New Energy Management Co., Ltd.* (西安協鑫新能源管理有限公司)   |
|                     | (b) Suzhou GCL New Energy Investment Co., Ltd.* (蘇州協鑫新能源投資有限公司) |
| (ii) The Purchaser: | Three Gorges Asset Management Co., Ltd* (三峽資產管理有限公司)            |

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

#### Assets to be sold

The Sale Shares will be sold by the respective Seller to the Purchaser, being the (i) entire equity interest in each of Yulin Longyuan and Yushen Dongtou, (ii) 98.4% equity interest in Jingbian GCL and (iii) 80.35% equity interest in Hengshan Jinghe.

The Target Companies own 5 operational solar power plants in the PRC with an aggregate grid-connected capacity of approximately 469 MW.

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## LETTER FROM THE BOARD

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

<b>Second Phase Share Purchase Agreements</b>	<b>Target Companies</b>
I	Jingbian GCL Photovoltaic Energy Co., Ltd.* (靖邊協鑫光伏電力有限公司)
II	Yulin Longyuan Solar Power Company Limited* (榆林隆源光伏電力有限公司)
III	Yulin City Yushen Industrial Zone Dongtou Energy Co., Ltd.* (榆林市榆神工業區東投能源有限公司)
IV	Hengshan Jinghe Solar Energy Co., Ltd.* (橫山晶合太陽能發電有限公司)

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 Second Phase Share Purchase Agreements is approximately RMB1,250,207,400.

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

<b>Second Phase Share Purchase Agreements</b>	<b>Target Companies</b>	<b>Consideration RMB</b>
I	Jingbian GCL	79,704,000
II	Yulin Longyuan	658,900,000
III	Yushen Dongtou	209,000,000
IV	Hengshan Jinghe	302,603,400
<b>Total</b>		<b><u>1,250,207,400</u></b>

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## LETTER FROM THE BOARD

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### Basis of the Consideration

The Consideration was determined after arm's length negotiations as an overall packaged deal between the Sellers and the Purchaser, taking into account, among other things:

- (i) the net asset value of each of the Target Companies as at the Reference Date (i.e. 31 December 2020);
- (ii) the profitability of the Target Companies for the financial years ended 31 December 2020 and 31 December 2019, details of which can be found in the section headed "Information on the Target Companies" of this circular;
- (iii) the reasons for the Second 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. The aggregate net cash inflow of the Target Companies for the year ended 31 December 2020 amounted to approximately RMB5,988,000.

### Payment arrangements of the Consideration

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

<b>Second Phase Share Purchase Agreements</b>	<b>Target Companies</b>	<b>First Instalment RMB</b>	<b>Second Instalment RMB</b>
I	Jingbian GCL	39,852,000	39,852,000
II	Yulin Longyuan	329,450,000	329,450,000
III	Yushen Dongtou	104,500,000	104,500,000
IV	Hengshan Jinghe	<u>151,301,700</u>	<u>151,301,700</u>
<b>Total</b>		<b><u>625,103,700</u></b>	<b><u>625,103,700</u></b>

First instalment: The Purchaser shall pay 50% of the Consideration (the "**First Instalment**") amounted to RMB625,103,700 to the respective Seller within five days after the fulfilment of the following conditions:

- (i) the signing and execution of the Second Phase Share Purchase Agreements;

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## LETTER FROM THE BOARD

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- (ii) obtaining the written consent from the existing shareholders of the Target Companies other than the Sellers in relation to the approval of the Second Phase Disposals and the waiver of their respective right of first refusal;
- (iii) GCL-Poly and the Company have obtained board approval in respect of the Transactions; and
- (iv) the provision of a pledge of approximately 14.8% equity interest in Suzhou GCL New Energy by Nanjing GCL New Energy to the Purchaser to guarantee the performance of the Sellers under the Second Phase Share Purchase Agreements.

Second instalment: The Purchaser shall pay 50% of the Consideration (the “**Second Instalment**”) amounted to RMB625,103,700 to the respective Seller within five days after the fulfilment of the following conditions:

- (i) the handover of the corporate documents, information and assets in accordance with the terms of the Second Phase Share Purchase Agreements and the execution of a handover confirmation; and
- (ii) the completion of the Business Registration Procedures.

### Payment arrangement of the Amount Payable and Amount Receivable

The table below sets out the carrying amount of the Amount Payable and Amount Receivable of each of the Target Companies under each of the Second Phase Share Purchase Agreements as at the Reference Date:

Second Phase Share Purchase Agreements	Target Companies	Amount Payable <i>RMB</i>	Amount Receivable <i>RMB</i>
I	Jingbian GCL	86,812,981	–
II	Yulin Longyuan	–	421,221,791
III	Yushen Dongtou	331,790,184	–
IV	Hengshan Jinghe	137,729,162	–
<b>Total</b>		<b>556,332,327</b>	<b>421,221,791</b>

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## LETTER FROM THE BOARD

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The Purchaser shall procure the Target Companies to gradually repay the Total Amount Payable to the respective Seller from the Closing Date onwards and in any event repay in full within 10 days from the issuance of the Closing Audit Report. As at the Latest Practicable Date, the Directors are not aware of any adjustment or material change on the carrying amount of the Amount Payable and Amount Receivable of the Target Companies after the Reference Date and up to the Closing Date.

Suzhou GCL New Energy shall pay the Total Amount Receivable to the Purchaser within 10 days from the issuance of the Closing Audit Report.

### **Transition Period Arrangement**

If the Closing takes place within 120 days from the Reference Date (the “**Cut-off Date**”), the profit and loss incurred by the Target Companies shall be accrued for the benefit of or borne by the Purchaser and the remaining shareholder of the Target Companies after the Closing (if applicable) based on their respective equity interest held in the Target Companies after the Closing. As such, the parties agreed that the Target Companies shall not further declare any dividend to the Sellers or adjust the Consideration in respect of the profit and loss incurred by the Target Companies during the Transition Period and such profit and loss incurred will remain in the Target Companies. In the event that the Closing fails to take place within the Cut-off Date, the Sellers and the Purchaser agreed to separately negotiate the attribution of profit and loss of the Target Companies after the Cut-off Date as determined by the number of days for which the Closing was delayed. The parties shall complete the closing audit within 10 Business Days upon the Closing Date and the actual profit and loss incurred by the Target Companies which shall be accrued for the benefit of or borne by the Purchaser and the remaining shareholder of the Target Companies (if applicable) during the Transition Period shall be determined by the Closing Audit Report.

For the avoidance of doubt, the financial information of the Target Companies shall remain consolidated in the consolidated financial statements of GCL-Poly and the Company during the Transition Period despite the abovementioned transition period arrangement.

### **Other Undertakings**

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

- (i) within 30 days after the Closing or the date of the Second Phase Share Purchase Agreements (as the case may be), the Purchaser undertake to provide guarantee substitution or procure the Target Companies’ early repayment of their liabilities owed to the financial institutions in order to release the existing guarantees provided by the Sellers or its affiliates in respect of such liabilities;
- (ii) the Sellers undertake to procure all third party debtors of the Target Companies (i.e. debtors of Target Companies other than the Sellers and their respective affiliates) to repay the debts owed by them to the respective Target Company (other than national subsidy) in accordance with the terms and conditions of the Second Phase Share Purchase Agreements;

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## LETTER FROM THE BOARD

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- (iii) the Purchaser is entitled to allow the Target Companies to deduct a total amount of RMB855,000 from the Total Amount Payable in order to fully release the Sellers from their respective obligations to rectify certain quality matters of the engineering and equipment of the solar power plants of the Target Companies;
- (iv) the Purchaser is entitled to allow the Target Companies to withhold a total amount of RMB10,388,000 from the Total Amount Payable or the Second Instalment (as the case may be) in order to secure the performance of the Sellers in rectifying certain compliance deficiencies of the Target Companies. Within five days upon the rectification of each compliance deficiency by the respective Seller, the Purchaser shall pay the corresponding amount withheld from the Total Amount Payable to the respective Seller;
- (v) the Purchaser is entitled to deduct any abnormal impairment loss or expenses in relation to the Target Companies during the Transition Period from the Total Amount Payable;
- (vi) in the event of any other circumstance specified in the Second Phase Share Purchase Agreements that may cause the Sellers to be liable for any damages or compensation to the Purchaser or the Target Companies, the Purchaser is entitled to (i) withhold an expected amount of such damages or compensation from the Total Amount Payable (which any surplus amount should subsequently be repaid to the Sellers by the Purchaser or the Target Companies and any deficit amount should subsequently be paid by the Sellers to the Purchaser or the Target Companies) and/or (ii) request the Sellers to pay the actual amount of such damages or compensation to the Purchaser or the Target Companies; and
- (vii) (Applicable to Yulin Longyuan only) the Purchaser undertakes to procure Yulin Longyuan to fulfill its payment obligations under a settlement agreement entered into between Yulin Longyuan and an independent engineering, procurement, and construction (“EPC”) contractor in respect of a dispute of the construction fees payable by Yulin Longyuan after the Closing Date.

### **Conditions Precedent**

The Second Phase Share Purchase Agreements shall become effective after the Purchaser has completed the relevant examination and filing procedures of the assets appraisal of the Target Companies with the relevant State-owned Assets Supervision and Administration Commission.

The completion of the Business Registration Procedures pursuant to each of the Second Phase Share Purchase Agreements is subject to the fulfilment of the following Conditions Precedent:

- (i) the Purchaser has paid the First Instalment to the respective Sellers;
- (ii) all pledges over the Sale Shares have been released and the relevant Business Registration Procedures to discharge such pledges have been completed; and



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- (iii) GCL-Poly and the Company have obtained their respective board approval and shareholders' approval (if applicable) in respect of the Transactions.

As at the Latest Practicable Date, condition (i) above has been fulfilled.

### **Closing**

Within three days before the Closing Date, (i) the respective Sellers shall pass resolutions approving the changes of the directors, supervisors and senior management of the Target Companies appointed by the Purchaser, (ii) the Target Companies shall enter into operation and management agreements with the designated party(ies) of the respective Sellers in relation to the operation and management of the solar power plants of the Target Companies and (iii) the Purchaser shall provide all documents required for the completion of the Business Registration Procedures. Within three days upon the fulfillment of all of the Conditions Precedent, the Target Companies shall provide the relevant filings to the competent government authorities in the PRC in order to complete the Business Registration Procedures.

The date of issuance as stated on the new business certificate of each of the Target Companies upon the completion of the Business Registration Procedures shall be the Closing Date for each of the transaction contemplated under each of the Second Phase Share Purchase Agreements.

### **Guarantee arrangement under the Second Phase Share Purchase Agreements**

The Company shall provide a guarantee to the Purchaser to secure, among others, the performance obligations of the Sellers under the Second Phase Share Purchase Agreements and rectification of each agreed compliance deficiency by the respective Seller. Such guarantee shall be released by the Purchaser (i) within one year from the Closing Date or (ii) the date on which all agreed compliance deficiency has been rectified (whichever is later).

### **Security arrangement under the Second Phase Share Purchase Agreements**

Nanjing GCL New Energy shall pledge its approximately 14.8% equity interest in Suzhou GCL New Energy to the Purchaser to secure the closing obligations of the Sellers under the Second Phase Share Purchase Agreements. Such pledge shall be completed before the payment of the First Instalment by the Purchaser and be released by the Purchaser on the Closing Date.

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

### **The Group**

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

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The Group is principally engaged in the sale of electricity, development, construction, operation and management of solar power plants. As disclosed in the announcement of GCL-Poly dated 21 May 2021, the Company is a subsidiary of GCL-Poly as at the Latest Practicable Date.

### **Xian GCL New Energy**

Xian GCL New Energy is a company established in the PRC with limited liability and an indirect subsidiary of the Company. Xian GCL New Energy is wholly owned by Suzhou GCL New Energy, which is in turn owned as to approximately 92.82% by the Company. Xian GCL New Energy is principally engaged in the development, operation and management of solar power plants in the PRC.

### **Suzhou GCL New Energy**

Suzhou GCL New Energy is a company established in the PRC with limited liability and an indirect subsidiary of the Company. Suzhou GCL New Energy is indirectly owned as to approximately 92.82% by the Company. Suzhou GCL New Energy indirectly owns a majority of solar power plants of the Company in the PRC.

## **4. INFORMATION ON THE PURCHASER**

The Purchaser is a company established in the PRC with limited liability. The Purchaser is principally engaged in, among others, asset management.

The Purchaser is wholly-owned by China Three Gorges Group Co., Ltd.\* (中國長江三峽集團有限公司) (“**China Three Gorges Group**”), which is a state-owned corporation wholly-owned by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC. China Three Gorges Group has a focus in renewable energy and is principally engaged in, among others, electric engineering construction and development, investment and operation of hydropower.

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

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### 5. INFORMATION ON THE TARGET COMPANIES

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

<b>Second Phase Share Purchase Agreements</b>	<b>Target Companies</b>	<b>Information on the Target Companies</b>
I	Jingbian GCL	Jingbian GCL is a company established in the PRC with limited liability and is principally engaged in the operation of solar power plant in the PRC. Jingbian GCL is owned as to 99.9% by Xian GCL New Energy and 0.1% by Mr Luo, an independent third party to the Company and an indirect subsidiary of the Company.
II	Yulin Longyuan	Yulin Longyuan is a company established in the PRC with limited liability and is principally engaged in the operation of solar power plant in the PRC. Yulin Longyuan is wholly-owned by Suzhou GCL New Energy and an indirect subsidiary of the Company.
III	Yushen Dongtou	Yushen Dongtou is a company established in the PRC with limited liability and is principally engaged in the operation of solar power plant in the PRC. Yushen Dongtou is wholly-owned by Xian GCL New Energy and an indirect subsidiary of the Company.
IV	Hengshan Jinghe	Hengshan Jinghe is a company established in the PRC with limited liability and is principally engaged in the operation of solar power plant in the PRC. Hengshan Jinghe is owned as to 96.35% by Suzhou GCL New Energy and 3.65% by Huanghe Solar, an independent third party to the Company and an indirect subsidiary of the Company.

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Set out below is an extract of the audited financial statements prepared for the financial year ended 31 December 2019 and the unaudited financial statement prepared for the financial year ended 31 December 2020 of the Target Companies prepared in accordance with China Accounting Standards:

Second Phase Share Purchase Agreements	Target Companies	Year ended 31 December 2020		Year ended 31 December 2019	
		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	Jingbian GCL	14,898	13,781	16,277	16,277
II	Yulin Longyuan	94,072	87,005	71,662	66,146
III	Yushen Dongtou	37,580	34,734	28,027	28,027
IV	Hengshan Jinghe	54,345	50,271	46,028	42,538

The table below sets out the net asset value of each of the Target Companies extracted from the audited accounts for the year ended 31 December 2019 and unaudited management accounts for the year ended 31 December 2020 of the Target Companies prepared in accordance with China Accounting Standards:

Second Phase Share Purchase Agreements	Target Companies	Net asset value	
		As at 31 December 2020 <i>RMB'000</i>	As at 31 December 2019 <i>RMB'000</i>
I	Jingbian GCL	85,922	85,216
II	Yulin Longyuan	497,466	489,685
III	Yushen Dongtou	179,339	174,140
IV	Hengshan Jinghe	247,247	242,368

### 6. FINANCIAL IMPACT OF THE TRANSACTIONS

After the Closing Date, the Target Companies will cease to be subsidiaries of the 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 Group.

As at Latest Practicable Date, it is estimated that the Group will realise a net gain on the Second Phase Disposals of approximately RMB249,340,699 and such gain is calculated with reference to the difference between the aggregate Consideration of approximately RMB1,250,207,400 and the net asset value attributed to the disposed Sale Shares based on the unaudited financial statements of the Target Companies as at 31 December 2020 of approximately RMB1,000,866,701. The actual gain as a result of the Second Phase Disposals to be recorded by the Group is subject to audit and will be reassessed after completion of the Second Phase Disposals.

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### 7. USE OF PROCEEDS FROM THE TRANSACTIONS

The table below sets out the debt profile of the Group for the upcoming 12 months as at 31 December 2020:

#### Indebtedness repayable within one year

	<i>RMB million</i>
Bank loans and other loans from independent third parties	12,392
Bonds and senior notes	3,261
Loans from related companies	789
Lease liabilities	89
Loans directly associated with assets held for sale	333
	<hr/>
<b>Total</b>	<b>16,864</b>

The cash proceeds from the Transactions (being the sum of (i) the aggregate Consideration amounting to approximately RMB1,250,207,400 and (ii) the Total Amount Payable amounting to approximately RMB556,332,327, minus Total Amount Receivable amounting to approximately RMB421,221,791) is expected to be approximately RMB1,385,317,936, which the Company intends to use for repayment of its bank loans and other loans from independent third parties which are repayable on or before 31 December 2021 amounting to RMB12,392,000,000 as set out above.

### 8. REASONS AND BENEFITS OF THE TRANSACTIONS

Upon completion of the Transactions, the Target Companies will no longer be subsidiaries of the 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 Group. The liabilities of the Group will decrease by approximately RMB4,253,344,000. Meanwhile, the cash derived from the Transactions amounted to approximately RMB1,385,317,936, which will be used for further repayment of debts, and the gearing ratio of the Group will decrease from approximately 81.0% to approximately 78.3% by approximately 2.7%, calculated with reference to the audited financial statements of the Group as at 31 December 2020, effectively reducing the financial risks.

The Second Phase Disposals is one of the important steps taken by the Company to achieve its “transformation and upgrade” development objective and transformation to an asset-light model.

Solar power generating business is the principal business engaged by the Company. Solar power generating business is also a capital intensive industry, which highly relies on external financing in order to fund for the construction of solar power plants while the recovery of capital investment takes a long period of time. Given the Company highly relies on external financing in order to obtain investment capital for new solar power plant project development, any interest rate changes will have an impact on the capital

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expenditure and finance expenses of the Company, hence, affecting its operating results. Therefore, transformation into an asset-light model, being the business model adopted by the Company, is an effective way to reduce its debts and interest rate exposure.

The Company intends to reinforce the strategic cooperation with domestic centralised management enterprises and local state-owned enterprises, including the Purchaser to achieve an asset-light model. After the completion of the Second Phase Disposals, the Group and the Purchaser will further explore other possible co-operation opportunities, including but not limited to, disposals of the Group's existing solar power plants in the PRC.

As disclosed in the circular of the Company dated 22 January 2021, the Group had entered into a series of share purchase agreements in the year of 2020 to dispose its equity interest in certain subsidiaries (the “**2020 Disposals**”).

On 29 January 2021, the Group and Beijing United Rongbang New Energy Technology Co., Ltd.\* (北京聯合榮邦新能源科技有限公司) (“**Beijing United Rongbang**”) entered into a share purchase agreement, pursuant to which the Group agreed to, among other things, to sell the entire equity interest in Wula Tehouqi Yuanhai New Energy Co., Ltd.\* (烏拉特後旗源海新能源有限責任公司) (“**Wula Tehouqi Yuanhai Disposal**”). Please refer to the announcement of GCL-Poly dated 29 January 2021 in relation to the Wula Tehouqi Yuanhai Disposal for further details.

On 31 March 2021 and 1 April 2021, the Group and the Purchaser entered into the First Phase Share Purchase Agreements and the Second Phase Share Purchase Agreements, respectively.

On 26 April 2021, Guizhou Zhongxinneng New Energy Development Co., Ltd.\* (貴州中新能源發展有限公司), Sanya GCL New Energy Co., Ltd.\* (三亞協鑫新能源有限公司) and Suzhou GCL New Energy (as the sellers) and Guangdong Jinyuan New Energy Co., Ltd.\* (廣東金元新能源有限公司) (“**Guangdong Jinyuan**”) and State Power Investment Corporation Guizhou Jinyuan Weining Energy Co., Ltd.\* (國家電投集團貴州金元威寧能源股份有限公司) (“**Weining Energy**”) (as the purchasers) entered into a series of four share purchase agreements (the “**Weining Second Phase Share Purchase Agreements**”), pursuant to which the Group agreed to, among other things, sell (i) 99.0% equity interest in Ceheng Precision Photovoltaic Power Co., Ltd.\* (冊亨精準光伏電力有限公司) and (ii) the entire equity interest in each of Dingan GCL Photovoltaic Power Co., Ltd.\* (定安協鑫光伏電力有限公司), Luodian GCL Photovoltaic Power Co., Ltd.\* (羅甸協鑫光伏電力有限公司) and Suixi GCL Photovoltaic Power Co., Ltd.\* (遂溪協鑫光伏電力有限公司) to Guangdong Jinyuan and Weining Energy (the “**Weining Second Phase Disposals**”). Please refer to the joint announcement of GCL-Poly and the Company dated 26 April 2021 in relation to the Weining Second Phase Disposals for further details.

On 30 April 2021, Guizhou GCL New Energy Co., Ltd.\* (貴州協鑫新能源有限公司) and Suzhou GCL New Energy (as the sellers) and Guangdong Jinyuan and Weining Energy (as the purchasers) entered into a series of four share purchase agreements (the “**Weining Third Phase Share Purchase Agreements**”), pursuant to which the Group agreed to, among other things, sell (i) 88.37% equity interest in Hainan Yicheng New Energy Co., Ltd.\* (海南意晟新能源有限公司), (ii) 90.10% equity interest in Yingde GCL Photovoltaic Power Co., Ltd.\* (英德協鑫光伏電力有限公司) and (iii) the entire equity interest in each of Ceheng GCL Photovoltaic Power Co., Ltd.\* (冊亨協鑫光伏電力有限公司) and Liuzhi GCL Photovoltaic

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Power Co., Ltd.\* (六枝協鑫光伏電力有限公司) to Guangdong Jinyuan and Weining Energy (the “**Weining Third Phase Disposals**”). Please refer to the joint announcement of GCL-Poly and the Company dated 30 April 2021 in relation to the Weining Third Phase Disposals for further details.

On 7 May 2021, Henan GCL New Energy Investment Co., Ltd.\* (河南協鑫新能源投資有限公司) and State Power Investment Corporation Chongqing Electric Power Co., Ltd.\* (國家電投集團重慶電力有限公司) (“**SPIC Chongqing**”) entered into a share purchase agreement (the “**Yongcheng Xin Neng Share Purchase Agreement**”), pursuant to which the Group agreed to, among other things, sell the entire equity interest in Yongcheng Xin Neng Photovoltaic Electric Power Co., Ltd.\* (永城鑫能光伏電力有限公司) to SPIC Chongqing (the “**Yongcheng Xin Neng Disposal**”). Please refer to the joint announcement of GCL-Poly and the Company dated 7 May 2021 in relation to the Yongcheng Xin Neng Disposal for further details.

In addition, the Group is currently under negotiation with certain new energy companies in the PRC (including domestic centralised management enterprises, local state-owned enterprises and listed companies) for further potential disposals of its subsidiaries and will make further announcement as and when appropriate in compliance with the Listing Rules. Save as disclosed above, as at the Latest Practicable Date, the Group have not entered into any memorandum of understanding or agreement regarding further disposal or downsize of its existing businesses.

For the purpose of this section, the Remaining Group shall mean the Group after completion of the 2020 Disposals, the Wula Tehouqi Yuanhai Disposal, the First Phase Disposals and the Second Phase Disposals.

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The table below sets out the respective number of solar power plants operated by the Remaining Group and their respective locations after the completion of the 2020 Disposals, the Wula Tehouqi Yuanhai Disposal, the First Phase Disposals and the Second Phase Disposals:

Geographic location	Number of solar power plant(s)	Grid-connected Capacity (MW)
Jiangsu	33	409
Inner Mongolia	4	189
Henan	4	95
Shaanxi	11	511
Shandong	3	79
Hebei	1	21
Qinghai	4	98
Ningxia	2	60
Jiangxi	3	101
Hubei	3	49
Hunan	5	101
Jilin	4	51
Guizhou	5	234
Yunnan	8	279
Hainan	2	55
Sichuan	1	50
Liaoning	3	47
Gansu	2	39
Zhejiang	1	21
Guangdong	9	147
Shanghai	1	7
Fujian	3	56
United States	2	133
<b>Sub-total</b>	<b>114</b>	<b>2,832</b>

Through the divestiture of the operational solar power plants of the Target Companies, the asset-light model allows the Remaining Group to optimise the finance structure by lowering gearing ratio as well as reducing debt and interest rate exposure.

In addition to optimising the finance structure under the asset-light model, the Remaining Group sought to explore opportunities to expand its business by providing more operation, management and maintenance services, in particular to other solar power plant operators in the PRC (including purchasers of certain solar power plant projects disposed by the Group), thereby generating an additional and stable source of income. Furthermore, the Group will continue to explore new mode of collaboration between central enterprises and state-owned enterprises and private enterprises using a “development-build-transfer” and “joint development with external parties” under the asset-light model. As such, the Remaining Group could



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leverage on its established development strength, scientific research capabilities and extensive experience in intelligent operation in the solar energy development and power operation sector while continue to reduce its finance cost and the size of debts.

Based on the reasons above and having considered the scale of the Remaining Group's solar power plants business with an aggregate approximately 2.8 GW of grid-connected capacity, the Directors believe that the business model and the asset-light strategy of the Remaining Group (after completion of the 2020 Disposals, the Wula Tehouqi Yuanhai Disposal, the First Phase Disposals and the Second Phase Disposals) could ensure its sufficient level of operations, viability and sustainability. As at the Latest Practicable Date, the Company does not have any intention to acquire new business in the future.

Although the Target Companies are profit-making, they have experienced a net cash outflow due to substantial delay in receiving the national subsidy from the relevant PRC governmental entities. The capital and operating expenses of the Target Companies have been substantially funded by shareholders' loans from the Group from time to time. The Second Phase Disposals represent an opportunity for the Group to recoup its capital investments in the Target Companies and to relieve the Group from its funding commitment to the Target Companies in the form of shareholders' loans, which are costly to maintain.

Based on the above reasons and having considered all relevant factors, the 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 Second Phase Share Purchase Agreements is in the interests of the Company and the Shareholders as a whole.

### **9. LISTING RULES IMPLICATIONS**

As the Sellers, being indirect subsidiaries of the Company, entered into the First Phase Disposals and the Second Phase Disposals with the Purchaser within a 12-month period, the Disposals contemplated in the First Phase Share Purchase Agreements and the Second Phase Share Purchase Agreements shall be aggregated as a series of transactions for the Company pursuant to Rule 14.22 of the Listing Rules.

Since the highest of the applicable percentage ratios in respect of the First Phase Disposals and the Second Phase Disposals is over 25% but less than 75%, the entering into of the Second Phase Disposals constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

### **10. SGM**

Set out on pages SGM-1 to SGM-3 of this circular is a notice convening the SGM to be held at Strategy II-III, Level 8, W Hong Kong, 1 Austin Road West, Kowloon Station, Kowloon, Hong Kong on Tuesday, 15 June 2021 at 10:30 a.m..

At the SGM, ordinary resolution(s) for approving the Transactions and the entering into and performance of obligations under the Second Phase Share Purchase Agreements will be proposed for the Shareholder's approval.

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The resolution(s) will be voted by way of poll at the SGM. As at the Latest Practicable Date, no Shareholder has material interest in the Transactions (other than being a Shareholder) and therefore no Shareholder is required to abstain from voting on the relevant resolutions at the SGM.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, please complete the form of proxy in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar and transfer office of the Company, Tricor Abacus Limited, as soon as possible and in any event by not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. The address of Tricor Abacus Limited is Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM should you so wish and in such event, the proxy form shall be deemed to be revoked.

Record date (being the last date of registration of any share transfer given there will be no book closure) for determining the entitlement of the Shareholders to attend and vote at the SGM will be on 9 June 2021. In order to be entitled to attend and vote at the SGM, all transfers of Shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged for registration with the Hong Kong branch share registrar and transfer office of the Company, Tricor Abacus Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m on 9 June 2021.

### 11. RECOMMENDATION

The Directors are of the view that the terms of the Transactions are fair and reasonable, and are on normal commercial terms and that the entering into of the Second Phase Share Purchase Agreements is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution to approve the Transactions, the entering into and performance of obligations under the Second Phase Share Purchase Agreements as set out in resolution 1 of the notice of the SGM.

### 12. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

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

## 1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for the years ended 31 December 2018, 31 December 2019 and 31 December 2020 and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2020 together with the relevant notes thereto are disclosed in the following documents, which were published on both the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.gclnewenergy.com](http://www.gclnewenergy.com)):

- the annual report of the Company for the year ended 31 December 2018 published on 25 April 2019 (pages 76-213);
- the annual report of the Company for the year ended 31 December 2019 published on 29 April 2020 (pages 72-205);
- the interim report of the Company for the six months ended 30 June 2020 published on 11 September 2020 (pages 30-68); and
- the annual report of the Company for the year ended 31 December 2020 published on 21 April 2021 (pages 69-205).

## 2. STATEMENT OF INDEBTEDNESS AND CONTINGENT LIABILITIES OF THE GROUP

At the close of business on 31 March 2021, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following outstanding borrowings:

	<b>The Group</b>		<b>Total</b>
	<b>Secured</b>	<b>Unsecured</b>	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Carrying amount of bank and other borrowings	19,664,186	2,219,693	21,883,879
Principal amount of senior notes	–	3,285,650	3,285,650
Carrying amount of loans from related companies	–	525,214	525,214
Lease liabilities	80,991	847,834	928,825
	<u>19,745,177</u>	<u>6,878,391</u>	<u>26,623,568</u>

The Group's secured bank and other borrowings, loans from related companies and lease liabilities were secured, individually or in combination, by (i) certain property, plant and equipment of the Group; (ii) certain pledged bank and other deposits of the Group; (iii) certain subsidiaries' trade receivables, contract assets and fee collection rights in relation to the sales of electricity; (iv) certain right-of-use assets of the Group; (v) pledged deposits classified as amount due from an associate of ultimate holding company; (vi) rental deposit of the Group; and (vii) certain equity interests in some project companies of the Group.

As at 31 March 2021, certain bank and other borrowings and senior notes of the Group amounting to RMB19,968,812,000 and RMB3,285,650,000, respectively, are guaranteed individually or in combination by (i) fellow subsidiaries; (ii) the ultimate holding company; and (iii) entities within the Group. The remaining indebtedness amounting to RMB3,369,106,000 are not guaranteed.

Aa at 31 March 2021, the Group provided a total guarantee of RMB2,893,362,000, RMB390,000,000 and RMB2,601,000,000 to banks and financial institutions in respect of banking facilities and financing arrangements of associates, third party, and the Target Companies respectively.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables in the ordinary course of business, as at the close of business on 31 March 2021, the Group did not have any debt securities authorised or otherwise created but unissued, or any term loans, other borrowings or indebtedness in the nature of borrowing including bank overdrafts, loans, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchase commitments, lease liabilities, mortgages or charges, other material contingent liabilities or guarantees outstanding.

To the best of the knowledge of the Directors, having made all reasonable enquiries, there has been no material change in the level of indebtedness of the Group since 31 March 2021.

### **3. WORKING CAPITAL STATEMENT**

As at 31 March 2021, the Group's total borrowings comprising bank and other borrowings, senior notes, loans from related companies and lease liabilities amounted to approximately RMB26,623,568,000.

The financial resources available to the Group as at 31 March 2021 and up to the date of this circular may not be sufficient to satisfy the committed capital expenditure and the repayment of borrowings. The Group is undergoing the process of negotiations with respective borrowers for extension or renewal of the defaulted bank and other borrowings and as of date of this circular, the Group has not received any request from any borrowers to accelerate the repayments of bank and other borrowings. The Group is actively pursuing additional financing including, but not limited to, equity financing from issuance of new shares, extension of payment date for bank and other borrowings that are due for maturity and divesting certain of its existing power plant projects in exchange for cash proceeds.

#### **(i) Financing through the extension of maturity of senior notes**

On 1 February 2021, the Group announced that the failure of repayment of the senior notes with principal amount of USD500 million which constituted the event of default under the terms of indenture. On 9 February 2021, the Group announced that holders of the senior notes of approximately USD459 million, which representing 91.85% of the outstanding aggregate principal amount of the senior notes, had validly submitted their respective executed irrevocable accession deeds for exchanging the senior notes for new notes with an extended maturity and terms as stipulated in the amended and restated restructuring support agreement (the "RSA"). The Group has commenced the application of passing of the RSA under the Court of the Bermuda. The Group targets to execute the RSA by June 2021.

**(ii) Financing through divesting of certain power plants**

The Group continues to implement business strategies, among others, to transform its heavy asset business model to a light-asset model by divesting certain of its existing power plant projects (the “**Disposal Projects**”) in exchange for cash proceeds and to improve the Group’s indebtedness position.

**(iii) Others**

Upon the completion of the Disposal Projects, remaining operational solar power plants are expected to generate operating cash inflows to the Group within the coming twelve months from the date of this circular.

The Directors have reviewed the Group’s cash flow projections which cover a period of not less than twelve months from the date of this circular. The Directors, after due and careful enquiry, are of the opinion that, after taking into account the net proceeds from the disposals of solar power plants assets and the financial resources available to the Group, including cash and cash equivalents on hand, cash flows from operating activities and available credit facilities, and based on the assumptions that the financing plans and measures can be successfully executed, the Group will have sufficient working capital for its operating requirements and to pay its financial obligations as and when they fall due and for at least the next twelve months from the date of this circular, in the absence of unforeseeable circumstances. However, if the implementation of the Group’s financial plans and measures become unsuccessful, the Group will not have sufficient working capital for at least the next twelve months from the date of this circular.

The sufficiency of the Group’s working capital to satisfy its requirements for at least the next twelve months from the date of this circular is dependent on the Group’s ability to generate adequate financing and operating cash flows through successful renewal of its bank borrowings upon expiry, compliance with the covenants under the borrowing agreements or obtaining waiver from the relevant banks if the Group is not able to satisfy any of the covenant requirements, successful securing of the financing from banks with repayment terms beyond twelve months from the date of this circular and other short-term or long-term financing; and successful transformation to a light-asset model; and the completion of the disposals and divestments in relation to solar power plant assets, for cash proceeds and elimination of the related borrowings as scheduled.

Notwithstanding the above, significant uncertainties exist as to whether the Group can achieve the financial plans and measures to generate adequate cash inflow as scheduled, failing which the Group will strive to meet the working capital sufficiency by continuous negotiations with banks to renew existing loans, exploring funding channels through equity and debt markets, and obtaining waiver from the relevant banks if the Group is not able to satisfy any of the covenant requirements. The Group will continue to negotiate with other banks to obtain credit facilities to ensure the Group’s bank borrowings can be renewed on an on-going basis.

#### 4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Company since 31 December 2020, being the date to which the latest published audited financial results of the Group were made up.

#### 5. FINANCIAL AND TRADING PROSPECTS

For the year ended 31 December 2020, the Group recorded a total revenue of approximately RMB4,935 million, whilst the total revenue for the year ended 31 December 2019 was approximately RMB6,052 million. Gross profit and gross profit margin for the year ended 31 December 2020 were approximately RMB3,131 million and 63.5% respectively, whilst the gross profit and gross profit margin for the year ended 31 December 2019 were approximately RMB3,954 million and 65.3% respectively. Loss attributable to owners of the Company for the year ended 31 December 2020 amounted to approximately RMB1,368 million as compared to the profit attributable to owners of the Company of RMB295 million for the year ended 31 December 2019.

As at 31 December 2020, the Group (including associate companies of the Group) operated 188 solar power plants, as compared to 213 plants as at 31 December 2019, spanning across different provinces in China and overseas. Total capacity reached approximately 6,636MW (31 December 2019: approximately 7,145MW) and grid-connected capacity reached approximately 6,439MW (31 December 2019: approximately 7,059MW). Total sales of electricity, including associates of the Group, was approximately 8,762 million kWh in 2020, is similar to that of 2019.

The Group will continuously strengthen its strategic cooperation with large enterprises to form strong alliances. As domestic centralized management enterprises (the “**Central Enterprises**”) and local state owned enterprises have competitive advantages in different aspects such as financing, the Group will extend its strategic cooperation with the Central Enterprises and the state-owned enterprises at the level of domestic holding companies, and at the project level of provincial companies to introduce strategic cooperation partners and leverage on competitive advantages of each other to accelerate the introduction of capital, optimize the shareholding structure and fasten the development of co-developed solar projects, thereby enhancing profitability of projects.

Meanwhile, the Group will further accelerate the asset-light transformation model of “Development-Construction-Cooperation-O&M” with the provision of management services while creating strategic cooperation to complement competitive advantages of each other. It is expected that, in 2021, by transferring the controlling interests of solar power plant projects, the Group will be able to recycle capital, reduce its debts and mitigate the pressure on project financing, while further improve the return on capital and receive stable fees annually by providing project management services.

In addition, the Group will proactively extend its financing resources, applying diversified and innovative financing models and issuing medium-term notes when appropriate to optimize its financing structure and increase the long-term facilities replacement. The Group expects that through introducing strategic investors, firmly promoting its asset-light transformation, expanding its financing channels and adopting a series of measures to reduce debt, the gearing ratio of the Group will be lowered.

Despite the outbreak of Coronavirus disease (“COVID-19”) in the PRC in early 2020 and the subsequent quarantine measures imposed by the PRC government, the solar power plants of the Group continuously operated as usual. The Group has been paying close attention to the development of the COVID-19 outbreak, and implemented a series of precautionary and control measures, as well as evaluates the impact of the COVID-19 outbreak on the financial position and operating results of the Group. Given the dynamic nature of these circumstances, the Directors will continue to assess the financial effects on the Group but as of the date of this circular, the Group is not aware of any material adverse effects on its consolidated financial statements as a result of the COVID-19 outbreak.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (i) Interests of Directors and chief executives of the Company

As at the Latest Practicable Date, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning in Part XV of the SFO) which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of SFO); (ii) required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

#### (a) Long positions in the Shares of the Company:

Name of Director	Beneficiary of a trust	Personal interests	Number of Shares		Approximate percentage of issued shares (Note 2)
			Number of underlying Shares (Note 1)	Total	
Mr. ZHU Yufeng			3,523,100	3,523,100	0.02%
	1,905,978,301 (Note 3)			1,905,978,301	9.04%
Ms. HU Xiaoyan			19,125,400	19,125,400	0.09%
Ms. SUN Wei			27,178,200	27,178,200	0.13%
Mr. YEUNG Man Chung, Charles			15,099,000	15,099,000	0.07%
Mr. XU Songda			2,617,160	2,617,160	0.01%
Mr. LEE Conway Kong Wai			2,617,160	2,617,160	0.01%
Mr. WANG Yanguo			1,006,600	1,006,600	0.01%
Dr. CHEN Ying			1,006,600	1,006,600	0.01%



*Notes:*

- Adjustments have been made to the number of underlying shares as a result of the rights issue with effect from 2 February 2016. For further details, please refer to the Company's announcement dated 2 February 2016.
- The percentage was calculated based on 21,073,715,441 Shares in issue as at the Latest Practicable Date.
- Those Shares were beneficially owned by Dongsheng Photovoltaic Technology (Hong Kong) Limited. For further information of the shareholding structure of Dongsheng Photovoltaic Technology (Hong Kong) Limited, please refer to note 3 under section (ii) "Interests of substantial shareholders" below.

**(b) Long or short positions in shares of associated corporations**

Name of Director	Long position/ short position	Number of ordinary shares in GCL-Poly			Total	Approximate percentage of issued shares (Note 1)
		Beneficiary of a trust	Personal interests	Number of underlying Shares		
Mr. ZHU Yufeng	Long position	6,370,388,156 (Note 2)	-	1,510,755 (Note 3)	6,371,898,911	25.42%
	Short position	240,000,000 (Note 4)	-	-		
Ms. SUN Wei	Long position	-	5,723,000	1,712,189 (Note 3)	7,435,189	0.03%
Mr. YEUNG Man Chung, Charles	Long position	-	-	1,700,000 (Note 3)	1,700,000	0.01%

*Notes:*

- The percentage was calculated based on 25,062,422,448 shares of GCL-Poly in issue as at the Latest Practicable Date.
- Mr. Zhu Yufeng is beneficially interested in a trust as to 6,370,388,156 shares in GCL-Poly. An aggregate of 6,370,388,156 shares in GCL-Poly are collectively held by Highexcel Investments Limited, Happy Genius Holdings Limited and Get Famous Investments Limited, which are wholly-owned by Golden Concord Group Limited, which in turn is wholly-owned by Asia Pacific Energy Holdings Limited. Asia Pacific Energy Holdings Limited is in turn wholly-owned by Asia Pacific Energy Fund Limited. Asia Pacific Energy Fund Limited is ultimately held under a discretionary trust with Credit Suisse Trust Limited as trustee for Mr. Zhu Gongshan (an executive director and the chairman of GCL-Poly) and his family (including Mr. Zhu Yufeng, a director of the Company and GCL-Poly respectively, and the son of Mr. Zhu Gongshan) as beneficiaries.

3. These are share options granted by GCL-Poly to the eligible persons, pursuant to the share option scheme of GCL-Poly, adopted by the shareholders of GCL-Poly on 22 October 2007. Such granted share options can be exercised by the eligible persons at various intervals during the period from 15 March 2016 to 28 March 2026 at an exercise price of HK\$1.160 or HK\$1.324 per share.
4. The short position was held as a result of an equity derivative agreement entered by Happy Genius Holdings Limited.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning in Part XV of the SFO) which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of SFO); (ii) required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Listing Rules to be notified to the Company and the Stock Exchange.

**(ii) Interests of substantial shareholders**

As at the Latest Practicable Date, so far as is known to the Directors, the following persons (other than a Director or chief executive of the Company) had interests in the shares of the Company as recorded in the register required to be kept by the Company under section 336 of the Part XV of the SFO:

Name	Nature of interest	Number of Shares	Approximate percentage in issued Shares <i>(Note 1)</i>
Elite Time Global Limited <i>(Note 2)</i>	Beneficial owner	11,241,702,000	53.34%
GCL-Poly <i>(Note 2)</i>	Interest in controlled corporation	11,241,702,000	53.34%
Asia Pacific Energy Fund Limited <i>(Note 3)</i>	Interest in controlled corporation	1,905,978,301	9.04%
Asia Pacific Energy Holdings Limited <i>(Note 3)</i>	Interest in controlled corporation	1,905,978,301	9.04%
Credit Suisse Trust Limited <i>(Note 3)</i>	Trustee	1,905,978,301	9.04%
Dongsheng Photovoltaic Technology (Hong Kong) Limited <i>(Note 3)</i>	Beneficial owner	1,905,978,301	9.04%
Golden Concord Group Limited <i>(Note 3)</i>	Interest in controlled corporation	1,905,978,301	9.04%
Golden Concord Group Management Limited <i>(Note 3)</i>	Interest in controlled corporation	1,905,978,301	9.04%
Zhu Gongshan <i>(Note 3)</i>	Founder of trust	1,905,978,301	9.04%

Name	Nature of interest	Number of Shares	Approximate percentage in issued Shares (Note 1)
營口其印投資管理有限公司 (Note 3)	Interest in parties acting in concert pursuant to an agreement under Section 317 of SFO	1,905,978,301	9.04%
協鑫新能科技(深圳)有限公司 (Note 3)	Interest in controlled corporation	1,905,978,301	9.04%
協鑫集團有限公司 (Note 3)	Interest in controlled corporation	1,905,978,301	9.04%
協鑫集成科技股份有限公司 (Note 3)	Interest in controlled corporation	1,905,978,301	9.04%
句容協鑫集成科技有限公司 (Note 3)	Interest in controlled corporation	1,905,978,301	9.04%
江蘇協鑫建設管理有限公司 (Note 3)	Interest in controlled corporation	1,905,978,301	9.04%
協鑫(遼寧)實業有限公司 (Note 3)	Interest in controlled corporation	1,905,978,301	9.04%

## Notes:

- The percentage was calculated based on 21,073,715,441 shares of the Company in issue as at the Latest Practicable Date.
- Elite Time Global Limited is wholly-owned by GCL-Poly. 865,100,000 shares of the Company held by Elite Time Global Limited had been purportedly forfeited and disposed on or around June 2020. Please refer to GCL-Poly's announcement dated 21 May 2021 for further details.
- Dongsheng Photovoltaic Technology (Hong Kong) Limited is wholly-owned by 句容協鑫集成科技有限公司, which is in turn wholly-owned by 協鑫集成科技股份有限公司. 協鑫集團有限公司 and 營口其印投資管理有限公司 are controlling shareholders of 協鑫集成科技股份有限公司. 營口其印投資管理有限公司 is a party acting in concert with 協鑫集團有限公司. 協鑫集團有限公司 is 48.86% owned by 協鑫(遼寧)實業有限公司 and 51.14% owned by 江蘇協鑫建設管理有限公司. 協鑫(遼寧)實業有限公司 is wholly-owned by Mr. Zhu Gongshan (an executive director and the chairman of GCL-Poly and Mr. Zhu Yufeng's father). 江蘇協鑫建設管理有限公司 is wholly-owned by 協鑫新能科技(深圳)有限公司. 協鑫新能科技(深圳)有限公司 is wholly-owned by Golden Concord Group Management Limited which is in turn wholly-owned by Golden Concord Group Limited. Golden Concord Group Limited is in turn wholly-owned by Asia Pacific Energy Holdings Limited which is in turn wholly-owned by Asia Pacific Energy Fund Limited. Asia Pacific Energy Fund Limited is ultimately held under a discretionary trust with Credit Suisse Trust Limited as trustee and Mr. Zhu Yufeng and his family, including Mr. Zhu Yufeng's father, Mr. Zhu Gongshan as beneficiaries.

Save as disclosed herein, as at the Latest Practicable Date, according to the register of interests required to be kept by the Company under section 336 of the SFO, the Company was not aware of any other persons who had any interest or short position in the Shares or underlying Shares.

### 3. DISCLOSURE OF OTHER INTERESTS OF THE DIRECTORS

#### (i) Interests in competing interests

Each of the companies in the Golden Concord Group (a general reference to the companies in which Mr. Zhu Yufeng and his family members have a direct or indirect interest) operates within its own legal, corporate and financial framework. As at the Latest Practicable Date, the Golden Concord Group might have had or developed interests in business similar to those of the Group and there was a chance that such businesses might have competed with the businesses of the Group.

The Directors are fully aware of, and have been discharging, their fiduciary duty to the Company. The Company and the Directors would comply with the relevant requirements of the By-laws and the Listing Rules whenever a Director has any conflict of interest in the transaction(s) with the Company. Therefore, the Directors believe that the Company is capable of carrying out its business independently of, and at arm's length from the Golden Concord Group.

Mr. Liu Genyu, an executive Director and Vice Chairman of the Company, is also the vice chairman of the board of directors and an executive director of China Nuclear Energy Technology Corporation Limited (a company listed on the Main Board of the Stock Exchange, stock code: 611) ("**China Nuclear Energy Technology**"). The Group is principally engaged in the sale of electricity, development, construction, operation and management of solar power plants. China Nuclear Energy Technology, through its subsidiaries, is principally engaged in new energy operations, including but not limited to, (a) provision of engineering, procurement and construction and consulting and general construction services relating to construction of photovoltaic power plants and other general construction and engineering services; (b) power generation operations; (c) financing operations; (d) the manufacturing and trading of solar power related products; and (e) inspection, maintenance, repair, construction, installation and provision of expertise in such works for nuclear power plants via its associated companies.

As such, the businesses of the Group and that of China Nuclear Energy Technology may be in competition and Mr. Liu Genyu may be deemed to have interests in competing businesses of the Group pursuant to Rule 8.10(2) of the Listing Rules. However, as at the Latest Practicable Date, as (i) Mr. Liu Genyu merely serves as executive directors of the Company and China Nuclear Energy Technology but is not interested in any equity interests of the Company and is not interested in 5% or above of equity interests in China Nuclear Energy Technology; (ii) the Company and China Nuclear Energy Technology have separate and independent management teams; and (iii) none of China Nuclear Energy Technology and/or its associates are involved or interested in the Transactions, the Company and the Board are of the view that Mr. Liu Genyu's overlapping directorships in the Company and China Nuclear Energy Technology do not affect the Company's operation and independence and does not present any direct conflict of interests.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors was considered to have interests in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group required to be disclosed under the Listing Rules.

**(ii) Interests in contracts or arrangements**

As at the date of this circular, none of the Directors was materially interested, directly or indirectly, in any subsisting contract or arrangement which was significant in relation to the business of the Group.

**(iii) Interests in assets**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2020 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

**4. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had entered, or been proposed to enter, into any service contract with the Company or any other member of the Group which is not expiring or may not be terminable by the Group within one year without payment of compensation (other than statutory compensation).

**5. MATERIAL CONTRACTS**

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within the two years immediately preceding the Latest Practicable Date which are or may be material:

- (i) the series of seven share purchase agreements dated 22 May 2019 entered into between Suzhou GCL New Energy as seller and Shanghai Rongyao New Energy Co., Ltd.\* (上海榕耀新能源有限公司) as purchaser in relation to, among others, (i) the sale and purchases of 70% of the equity interests in Shanxi GCL New Energy Technologies Co., Ltd.\* (山西協鑫新能源科技有限公司), Fenxi County GCL Photovoltaic Co., Ltd.\* (汾西縣協鑫光伏電力有限公司), Ruicheng County GCL Photovoltaic Co., Ltd.\* (芮城縣協鑫光伏電力有限公司), Yu County Jinyang New Energy Power Generation Co., Ltd.\* (孟縣晉陽新能源發電有限公司), Yu County GCL Photovoltaic Co., Ltd.\* (孟縣協鑫光伏電力有限公司), Hanneng Guangping County Photovoltaic Development Co., Ltd.\* (邯能廣平縣光伏電力開發有限公司) and Hebei GCL New Energy Co., Ltd.\* (河北協鑫新能源有限公司) (the “**Disposed Companies**”) together with 70% of the outstanding shareholder’s loan owed from the Disposed Companies to Suzhou GCL New Energy at an aggregate consideration of RMB1,740,616,700; and (ii) the grant of put options by Suzhou GCL New Energy to Shanghai Rongyao New Energy Co., Ltd. and/or the Disposed Companies;
- (ii) the cooperation framework agreement dated 18 November 2019 entered into between the Company and China Huaneng Group, regarding the Company’s disposal of (i) certain solar power plants in the PRC; or (ii) certain project companies of the Group which operate those power plants to China Huaneng Group or its designated party;

- (iii) the series of six share purchase agreements dated 21 January 2020 entered into between Suzhou GCL New Energy and Ningxia GCL New Energy Investment Co., Ltd.\* (寧夏協鑫新能源投資有限公司) (“**Ningxia GCL New Energy**”) as sellers, GCL Group Limited\* (協鑫集團有限公司) (“**GCL Group**”) as guarantor and Huaneng Gongrong No. 1 (Tianjin) Equity Investment Fund Partnership (Limited Partnership)\* (華能工融一號(天津)股權投資基金合夥企業(有限合夥)) (“**Huaneng No. 1 Fund**”) and Huaneng Gongrong No. 2 (Tianjin) Equity Investment Fund Partnership (Limited Partnership)\* (華能工融二號(天津)股權投資基金合夥企業(有限合夥)) (“**Huaneng No. 2 Fund**”) as purchasers in relation to, among others, (i) the sale and purchase of the entire equity interest in Yuganxian GCL New Energy Co., Ltd.\* (余干縣協鑫新能源有限責任公司), Ningxia Jinxin Photovoltaic Power Co., Ltd.\* (寧夏金信光伏電力有限公司), Ningxia Lvhao Photovoltaic Power Generation Co., Ltd.\* (寧夏綠昊光伏發電有限公司), Hami Orui Photovoltaic Power Generation Co., Ltd.\* (哈密歐瑞光伏發電有限公司), Hami Yaohui Photovoltaic Power Co., Ltd.\* (哈密耀輝光伏電力有限公司) and Ningxia Jinli Photovoltaic Power Co., Ltd.\* (寧夏金禮光伏電力有限公司) (the “**Huaneng First Phase Target Companies**”) at a total consideration of RMB850,500,000; and (ii) the grant of put options to Huaneng No. 1 Fund and Huaneng No. 2 Fund;
- (iv) the share purchase agreement dated 29 June 2020 entered into between Suzhou GCL New Energy as seller and CDB New Energy as purchaser in relation to disposal of 75% equity interest in Jinhu Zhenghui Solar Power Co., Ltd.\* (金湖正輝太陽能電力有限公司) at a total consideration of RMB136,624,000;
- (v) the series of six share purchase agreements dated 29 September 2020 entered into between Suzhou GCL New Energy, Changzhou Zhonghui Photovoltaic Technology Co., Ltd.\* (常州中暉光伏科技有限公司) and Ningxia GCL New Energy as sellers, GCL Group as guarantor and Huaneng Gongrong No. 1 Fund and Huaneng Gongrong No. 2 Fund as purchasers in relation to, among others, (i) the sale and purchases of the entire equity interest in Baotou Shi Zhong Li Photovoltaic Co., Ltd.\* (包頭市中利騰暉光伏發電有限公司), Qi County GCL New Energy Co., Ltd.\* (淇縣協鑫新能源有限公司), Ningxia Zhongwei GCL Photovoltaic Power Co., Ltd.\* (寧夏中衛協鑫光伏電力有限公司), Huixian Shi GCL Photovoltaic Power Co., Ltd.\* (輝縣市協鑫光伏電力有限公司), Ruyang GCL New Energy Co., Ltd.\* (汝陽協鑫新能源有限公司) and Hubei Macheng Jinfu Solar Energy Co., Ltd.\* (湖北省麻城市金伏太陽能電力有限公司) (the “**Huaneng Second Phase Target Companies**”) at a total consideration of RMB576,001,213; and (ii) the grant of put options to Huaneng No. 1 Fund and Huaneng No. 2 Fund;
- (vi) the share purchase agreements dated 16 November 2020 entered into between Suzhou GCL Energy and Anhui GCL New Energy Investment Co., Ltd.\* (安徽協鑫新能源投資有限公司) (“**Anhui 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) (“**Xuzhou State Investment**”) (as the purchaser) in relation to disposal of equity interest in five subsidiaries of GCL-Poly and the Company at a total consideration of RMB276,436,993, as detailed in the joint announcement of GCL-Poly and the Company dated 16 November 2020;

- (vii) the share purchase agreements dated 19 November 2020 entered into between five subsidiaries of the Company (as the sellers) and Huaneng No. 1 Fund and Huaneng No. 2 Fund (as purchasers) in relation to (i) disposal of the entire equity interest in twelve wholly-owned subsidiaries of the Company, 56.51% equity interest in Yili GCL Energy Limited\* (伊犁協鑫能源有限公司) and 51% equity interest in Yuncheng Xinhua Energy Development Co., Ltd.\* (鄆城鑫華能源開發有限公司) (the “**Huaneng Third Phase Target Companies**”) at a total consideration of RMB666,653,912; and (ii) grant of put options to Huaneng No. 1 Fund and Huaneng No. 2 Fund, as detailed in the joint announcement of GCL-Poly and the Company dated 19 November 2020;
- (viii) the share purchase agreements dated 22 November 2020 entered into between Suzhou GCL Energy and Anhui GCL New Energy (as the sellers) and Xuzhou State Investment (as the purchaser) in relation to disposal of equity interest in five subsidiaries of GCL-Poly and the Company at a total consideration of RMB312,728,221 (the “**Xuzhou Second Phase Target Companies**”), as detailed in the joint announcement of GCL-Poly and the Company dated 22 November 2020;
- (ix) the share purchase agreement dated 4 December 2020 entered into between Suzhou GCL New Energy as seller and Beijing United Rongbang as purchaser in relation to disposal of 99.2% equity interest in Zhenglanqi State Power Photovoltaic Co., Ltd.\* (正藍旗國電光伏發電有限公司) at a total consideration of RMB211,100,000;
- (x) the share purchase agreements dated 10 December 2020 entered into between Suzhou GCL New Energy and Guangxi GCL New Energy Investment Co., Ltd.\* (廣西協鑫新能源投資有限公司) (as the sellers) and Weining Energy (as the purchaser) in relation to disposal of 70.36% equity interest in Qinzhou Xin Jin Solar Power Co., Ltd.\* (欽州鑫金光伏電力有限公司), 67.95% equity interest in Shanglin GCL Solar Power Co., Ltd.\* (上林協鑫光伏電力有限公司), the entire equity interest in Nanning Jinfu Electric Power Co., Ltd.\* (南寧金伏電力有限公司) and the entire equity interest in Hainan Tianlike New Energy Project Investment Co., Ltd.\* (海南天利科新能源項目投資有限公司) at a total consideration of RMB291,300,000;
- (xi) the share purchase agreement dated 29 January 2021 entered into between Inner Mongolia Yuanhai New Energy Co., Ltd.\* (內蒙古源海新能源有限責任公司) as seller and Beijing United Rongbang as purchaser in relation to disposal of the entire equity interest in Wula Tehouqi Yuanhai New Energy Co., Ltd.\* (烏拉特後旗源海新能源有限責任公司) at a total consideration of RMB52,550,000;
- (xii) the amended and restated restructuring support agreement dated 5 February 2021 entered into by the Company and certain subsidiaries of the Company which provide unconditional and irrevocable guarantees to secure the Company’s obligations under certain notes issued by the Company, as detailed in the joint announcements of GCL-Poly and the Company dated 23 December 2020, 12 January 2021, 26 January 2021, 1 February 2021, 5 February 2021, 7 February 2021 and 9 February 2021;

- (xiii) the placing agreement dated 10 February 2021 entered into between the Company, Elite Time Global Limited (傑泰環球有限公司) (“**Elite Time Global**”), UBS AG Hong Kong Branch, CCBI and Haitong International Securities Company Limited (as the placing agents) in relation to the placing of up to a total of 2,000,000,000 Shares held by Elite Time Global, with maximum possible proceeds amounting to approximately HK\$910 million;
- (xiv) the subscription agreement dated 10 February 2021 entered into between the Company and Elite Time Global in relation to the subscription of a total of 2,000,000,000 new Shares by Elite Time Global, at a total consideration amounting to approximately HK\$910 million;
- (xv) the First Phase Share Purchase Agreements dated 31 March 2021 at a total consideration of RMB364,650,000;
- (xvi) the Second Phase Share Purchase Agreements dated 1 April 2021 at a total consideration of RMB1,250,207,400;
- (xvii) the Weining Second Phase Share Purchase Agreements dated 26 April 2021 in relation the Weining Second Phase Disposals at a total consideration of RMB146,950,300;
- (xviii) the Weining Third Phase Share Purchase Agreements dated 30 April 2021 in relation to the Weining Third Phase Disposals at a total consideration of RMB310,210,800; and
- (xix) the Yongcheng Xin Neng Share Purchase Agreement in relation to the Yongcheng Xin Neng Disposal at a consideration of RMB193,000,000.

## 6. CLAIMS AND LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

## 7. GENERAL

- (i) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (ii) The principal place of business of the Company in Hong Kong is situated at Unit 1707A, Level 17, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.
- (iii) The branch share registrar and transfer office of the Company is Tricor Abacus Limited situated at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong.



- (iv) The company secretary of the Company is Mr. Ho Yuk Hay, who is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and an associate member of both the Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators).
- (v) In case of inconsistencies, the English texts of this circular shall prevail over the Chinese texts thereof.

## **8. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the principal place of business of the Company in Hong Kong at Unit 1707A, Level 17, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong from 9:00 a.m. to 5:30 p.m. on any business day for a period of 14 days from the date of this circular:

- (i) the memorandum of association and bye-laws of the Company;
- (ii) the interim report of the Company for the six months ended 30 June 2020 and the annual reports of the Company for each of the financial years ended 31 December 2019 and 2020;
- (iii) the material contracts referred to in the section headed “Material Contracts” in this appendix;
- (iv) the circular of the Company dated 24 May 2021 in relation to, among others, the Weining Third Phase Disposals; and
- (v) this circular.

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## NOTICE OF SPECIAL GENERAL MEETING

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### GCL New Energy Holdings Limited 協鑫新能源控股有限公司

*(Incorporated in Bermuda with limited liability)*

(Stock code: 451)

### NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** a special general meeting (the “SGM”) of GCL New Energy Holdings Limited (the “Company”) will be held at Strategy II–III, Level 8, W Hong Kong, 1 Austin Road West, Kowloon Station, Kowloon, Hong Kong on Tuesday, 15 June 2021 at 10:30 a.m. for the purpose of considering and, if thought fit, approving the following resolutions as ordinary resolutions of the Company.

The following resolutions will be considered and, if thought fit, approved by the Shareholders, with or without amendments, at the SGM:

#### ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) the series of four share purchase agreements dated 1 April 2021 entered into between Xian GCL New Energy Management Co., Ltd.\* (西安協鑫新能源管理有限公司) and Suzhou GCL New Energy Investment Co., Ltd.\* (蘇州協鑫新能源投資有限公司) (as the sellers) and Three Gorges Asset Management Co., Ltd.\* (三峽資產管理有限公司) (as the purchaser) (the “**Three Gorges Second Phase Share Purchase Agreements**”) in relation to sale and purchase of:
  - (i) the entire equity interest in each of Yulin Longyuan Solar Power Company Limited\* (榆林隆源光伏電力有限公司) and Yulin City Yushen Industrial Zone Dongtou Energy Co., Ltd.\* (榆林市榆神工業區東投能源有限公司);
  - (ii) 98.4% equity interest in Jingbian GCL Photovoltaic Energy Co., Ltd.\* (靖邊協鑫光伏電力有限公司); and
  - (iii) 80.35% equity interest in Hengshan Jinghe Solar Energy Co., Ltd.\* (橫山晶合太陽能發電有限公司) (collectively, the “**Three Gorges Second Phase Disposals**”), be and is hereby approved, ratified and confirmed; and
- (b) any director of the Company be and is hereby authorised for and on behalf of the Company to execute (including affixing the seal of the Company in accordance with the articles of association of the Company to) all such documents and do all such acts and

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## NOTICE OF SPECIAL GENERAL MEETING

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things as he/she may in his/her absolute discretion consider to be necessary, desirable, appropriate or expedient to implement and/or to give effect to the Three Gorges Second Phase Disposals and the transactions contemplated under the Three Gorges Second Phase Share Purchase Agreements and all matters incidental or ancillary thereto.”

2. **“THAT:**

- (a) the series of four share purchase agreements dated 30 April 2021 entered into between Guizhou GCL New Energy Co., Ltd.\* (貴州協鑫新能源有限公司) and Suzhou GCL New Energy Investment Co., Ltd.\* (蘇州協鑫新能源投資有限公司) (as the sellers) and State Power Investment Corporation Guizhou Jinyuan Weining Energy Co., Ltd.\* (國家電投集團貴州金元威寧能源股份有限公司) and Guangdong Jinyuan New Energy Co., Ltd.\* (廣東金元新能源有限公司) (as the purchasers) (the **“Weining Third Phase Share Purchase Agreements”**) in relation to sale and purchase of:
- (i) the entire equity interest in each of Ceheng GCL Photovoltaic Power Co., Ltd.\* (冊亨協鑫光伏電力有限公司) and Liuzhi GCL Photovoltaic Power Co., Ltd.\* (六枝協鑫光伏電力有限公司);
- (ii) 90.10% equity interest in Yingde GCL Photovoltaic Power Co., Ltd.\* (英德協鑫光伏電力有限公司); and
- (iii) 88.37% equity interest in Hainan Yicheng New Energy Co., Ltd.\* (海南意晟新能源有限公司) (the **“Weining Third Phase Disposals”**), be and is hereby approved, ratified and confirmed; and
- (b) any director of the Company be and is hereby authorised for and on behalf of the Company to execute (including affixing the seal of the Company in accordance with the articles of association of the Company to) all such documents and do all such acts and things as he/she may in his/her absolute discretion consider to be necessary, desirable, appropriate or expedient to implement and/or to give effect to the Weining Third Phase Disposals and the transactions contemplated under the Weining Third Phase Share Purchase Agreements and all matters incidental or ancillary thereto.”

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

Hong Kong, 24 May 2021

\* *For identification purpose only*

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## NOTICE OF SPECIAL GENERAL MEETING

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*Notes:*

- (1) Any shareholder of the Company entitled to attend and vote at the SGM is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A shareholder of the Company who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company.
- (2) In order to be valid, a form of proxy and the power of attorney (if any) or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be deposited with the Company's Hong Kong branch share registrar and transfer office, Tricor Abacus Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time fixed for holding the SGM or any adjournment thereof.
- (3) Completion and delivery of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the SGM convened and in such event, the form of proxy shall be deemed to be revoked. It is advised that all Shareholders, particularly Shareholders who are subject to quarantine in relation to Coronavirus Disease 2019 (COVID-19), that they may appoint any person or the chairman of the SGM as a proxy to vote on the resolutions, instead of attending the SGM in person. The form of proxy can be downloaded from the website of the Company at [www.gclnewenergy.com](http://www.gclnewenergy.com) or HKEXnews at [www.hkexnews.hk](http://www.hkexnews.hk).
- (4) In the case of joint registered holders of any share, any one of such joint registered holders may vote at the SGM, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint registered holders be present at the SGM, the vote of the senior who tenders a vote either personally or by proxy shall be accepted to the exclusion of the votes of the other joint registered holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- (5) Record date (being the last date of registration of any share transfer given there will be no book closure) for determining the entitlement of the Shareholders to attend and vote at the SGM will be on 9 June 2021. In order to be entitled to attend and vote at the SGM, all transfers of Shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged for registration with the Hong Kong branch share registrar and transfer office of the Company, Tricor Abacus Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m on 9 June 2021.
- (6) If Typhoon Signal No. 8 or above, or "extreme conditions" is caused by super typhoon announced by the Government of Hong Kong, or a "black" rainstorm warning is in effect any time after 8 a.m. on the date of the SGM, the SGM will be postponed. Shareholders may visit the website of the Company at [www.gclnewenergy.com](http://www.gclnewenergy.com) for details of the postponement and alternative meeting arrangement.
- (7) In view of the ongoing COVID-19 epidemic and recent guidelines for prevention and control of its spread, the Company will implement the following precautionary measures at the SGM to protect the Shareholders, staff and other stakeholders who attend the SGM from the risk of infection:
  - (i) compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendee. Any person with a body temperature of 37 degrees Celsius or higher may be denied entry into the SGM venue or be required to leave the SGM venue;
  - (ii) the Company will require all attendees to wear surgical face masks before they are permitted to attend, and during their attendance of the SGM at all times, and to maintain a safe distance between seats (please bring your own mask);
  - (iii) no refreshment will be served at the SGM; and
  - (iv) no souvenirs will be distributed at the SGM.