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**GCL-Poly Energy Holdings Limited**

**保利協鑫能源控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 3800)**



**GCL New Energy Holdings Limited**

**協鑫新能源控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 451)**

## **DISCLOSEABLE TRANSACTION**

### **(1) DISPOSAL OF SUBSIDIARIES**

### **(2) GRANT OF PUT OPTIONS**

#### **2020 GCL-POLY DISPOSALS AND PREVIOUS DE MINIMIS DISPOSAL**

Reference is made to the announcements of GCL-Poly dated 20 November 2020, 23 December 2020 and 30 December 2020 in relation to the 2020 GCL-Poly Disposals. Pursuant to the 2020 GCL-Poly Share Purchase Agreements, Suzhou GCL-Poly agreed to, among other things, sell (i) 51% equity interest in each of Ningxia Qingyang New Energy Co., Ltd.\* (寧夏慶陽新能源有限公司) and Huocheng Xian Tukai New Energy Technology Development Co., Ltd.\* (霍城縣圖開新能源科技開發有限公司) and (ii) 80% equity interest in each of Baoying Xingneng Renewable Energy Co., Ltd.\* (寶應興能可再生能源有限公司), Funing Xinneng Solar Energy Co., Ltd.\* (阜寧新能光伏電力有限公司) and Ningxia Hengyang New Energy Co., Ltd.\* (寧夏恒陽新能源有限公司) to Hunan Xinhua.

On 12 July 2021 (after trading hours), Suzhou GCL New Energy, an indirect subsidiary of GCL-Poly and GNE (as the seller) and Hunan Xinhua (as the purchaser) entered into the Previous De Minimis Agreement. Pursuant to the Previous De Minimis Agreement, Suzhou GCL New Energy agreed to, among other things, sell the entire equity interest in Yanyuan Xian Baiwu to Hunan Xinhua.

#### **THE 90% EQUITY INTEREST SHARE PURCHASE AGREEMENTS**

The GCL-Poly Board and the GNE Board jointly announce that on 30 August 2021 (after trading hours), Suzhou GCL New Energy and Xian GCL New Energy, being indirect subsidiaries of GCL-Poly and GNE (as the sellers) and Ningxia Hanguang New Energy Co., Ltd.\* (寧夏含光新能源有限公司) (as the purchaser) entered into the 90% Equity Interest Share Purchase

Agreements. Pursuant to the 90% Equity Interest Share Purchase Agreements, the respective Seller agreed to, among other things, sell 90% equity interest in each of Shenmu Pingyuan, Shenmu Pingxi, Shenmu County Jingdeng and Xixian New District GCL to the Purchaser.

Upon completion of the 90% Equity Interest Disposals, the Target Companies will cease to be subsidiaries of GCL-Poly and GNE. Accordingly, the financial results of the Target Companies will no longer be consolidated into the financial statements of GCL-Poly and GNE upon the 90% Equity Interest Closing.

## **THE 10% EQUITY INTEREST SHARE PURCHASE AGREEMENTS**

On 30 August 2021 (after trading hours), Suzhou GCL New Energy and Xian GCL New Energy and the Purchaser also entered into the 10% Equity Interest Share Purchase Agreements. Pursuant to the 10% Equity Interest Share Purchase Agreements, the respective Seller agreed to, among other things, sell 10% equity interest in each of Shenmu Pingyuan, Shenmu Pingxi, Shenmu County Jingdeng and Xixian New District GCL to the Purchaser within two years from the 90% Equity Interest Closing and/or immediately upon the occurrence of certain events under the 90% Equity Interest Share Purchase Agreements.

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

The net cash proceeds from the Transactions (being the sum of (i) the Consideration amounting to approximately RMB301,037,700 and (ii) the Total Net Payable Amount amounting to approximately RMB905,665,743, minus (iii) the Rectification Cost amounting to approximately RMB3,330,000) is expected to be approximately RMB1,203,373,443, which GNE intends to use for repayment of its debts.

## **LISTING RULES IMPLICATIONS**

### **GCL-Poly**

As Suzhou GCL-Poly and the Sellers, being the indirect subsidiaries of GCL-Poly, entered into the 2020 GCL-Poly Share Purchase Agreements, Previous De Minimis Agreement and the Further Share Purchase Agreements with Xinhua Hydropower Group within a 12-month period, the 2020 GCL-Poly Disposals, the Previous De Minimis Disposal and the Further Disposals shall be aggregated as a series of transactions for GCL-Poly pursuant to Rule 14.22 of the Listing Rules. Since the highest applicable percentage ratio in respect of (i) the Disposals (on an aggregated basis) and (ii) the 2021 Disposals (on a standalone basis) both exceed 5% but is less than 25%, the entering into of the Further Disposals constitutes a discloseable transaction for GCL-Poly and it shall comply with the reporting and announcement requirements under Chapter 14 of the Listing Rules. The applicable percentage ratios in respect of the Previous De Minimis Disposal (on a

standalone basis) were less than 5% at the time of the execution of the Previous De Minimis Agreement. As such, GCL-Poly was not then subject to any reporting, announcement and shareholders' approval requirement under Chapter 14 of the Listing Rules.

The exercise of the Further Put Options by the Purchaser is at the discretion of GCL-Poly and no premium was paid on the grant of the Further Put Options to the Purchaser. Accordingly, the grant of the Further Put Options does not constitute a notifiable transaction of GCL-Poly. GCL-Poly will comply with the requirements of Chapter 14 of the Listing Rules if and when the Further Put Options are exercised.

## **GNE**

As the Sellers, being the indirect subsidiaries of GNE, entered into the Previous De Minimis Agreement and the Further Share Purchase Agreements with Xinhua Hydropower Group within a 12-month period, the Previous De Minimis Disposal and the Further Disposals shall be aggregated as a series of transactions for GNE pursuant to Rule 14.22 of the Listing Rules. Since the highest applicable percentage ratio in respect of the 2021 Disposals exceeds 5% but is less than 25%, the entering into of the Further Disposals constitutes a discloseable transaction for GNE and it shall comply with the reporting and announcement requirements under Chapter 14 of the Listing Rules. The applicable percentage ratios in respect of the Previous De Minimis Disposal (on a standalone basis) were less than 5% at the time of the execution of the Previous De Minimis Agreement. As such, GNE was not then subject to any reporting, announcement and shareholders' approval requirement under Chapter 14 of the Listing Rules.

The exercise of the Further Put Options by the Purchaser is at the discretion of GNE and no premium was paid on the grant of the Further Put Options to the Purchaser. Accordingly, the grant of the Further Put Options does not constitute a notifiable transaction of GNE. GNE will comply with the requirements of Chapter 14 of the Listing Rules if and when the Further Put Options are exercised.

## **CONTINUED SUSPENSION OF TRADING IN SHARES OF GCL-POLY**

Trading in shares of GCL-Poly was suspended from 9:00 a.m. on 1 April 2021 and will remain suspended until further notice. Please refer to GCL-Poly's announcement dated 29 July 2021 for further details regarding the continued suspension of trading in shares of GCL-Poly.

**Shareholders and potential investors of GCL-Poly are advised to exercise caution when dealing in the securities of GCL-Poly.**

## 1. INTRODUCTION

Reference is made to the announcements of GCL-Poly dated 20 November 2020, 23 December 2020 and 30 December 2020 in relation to the 2020 GCL-Poly Disposals. Pursuant to the 2020 GCL-Poly Share Purchase Agreements, Suzhou GCL-Poly agreed to, among other things, sell (i) 51% equity interest in each of Ningxia Qingyang New Energy Co., Ltd.\* (寧夏慶陽新能源有限公司) and Huocheng Xian Tukai New Energy Technology Development Co., Ltd.\* (霍城縣圖開新能源科技開發有限公司) and (ii) 80% equity interest in each of Baoying Xingneng Renewable Energy Co., Ltd.\* (寶應興能可再生能源有限公司), Funing Xinneng Solar Energy Co., Ltd.\* (阜寧新能光伏電力有限公司) and Ningxia Hengyang New Energy Co., Ltd.\* (寧夏恒陽新能源有限公司) to Hunan Xinhua.

On 12 July 2021 (after trading hours), Suzhou GCL New Energy, an indirect subsidiary of GCL-Poly and GNE (as the seller) and Hunan Xinhua (as the purchaser) entered into the Previous De Minimis Agreement. Pursuant to the Previous De Minimis Agreement, Suzhou GCL New Energy agreed to, among other things, sell the entire equity interest in Yanyuan Xian Baiwu to Hunan Xinhua. For more details of the Previous De Minimis Disposal, please refer to the section headed “Previous De Minimis Agreement” in this joint announcement.

The GCL-Poly Board and the GNE Board jointly announce that on 30 August 2021 (after trading hours), Suzhou GCL New Energy and Xian GCL New Energy, being indirect subsidiaries of GCL-Poly and GNE (as the sellers) and Ningxia Hanguang New Energy Co., Ltd.\* (寧夏含光新能源有限公司) (as the purchaser) entered into the 90% Equity Interest Share Purchase Agreements. Pursuant to the 90% Equity Interest Share Purchase Agreements, the respective Seller agreed to, among other things, sell 90% equity interest in each of Shenmu Pingyuan, Shenmu Pingxi, Shenmu County Jingdeng and Xixian New District GCL to the Purchaser.

Upon completion of the 90% Equity Interest Disposals, the Target Companies will cease to be subsidiaries of GCL-Poly and GNE. Accordingly, the financial results of the Target Companies will no longer be consolidated into the financial statements of GCL-Poly and GNE upon the 90% Equity Interest Closing.

On 30 August 2021 (after trading hours), Suzhou GCL New Energy and Xian GCL New Energy (as the sellers) and Ningxia Hanguang New Energy Co., Ltd.\* (寧夏含光新能源有限公司) (as the purchaser) also entered into the 10% Equity Interest Share Purchase Agreements. Pursuant to the 10% Equity Interest Share Purchase Agreements, the respective Seller agreed to, among other things, sell 10% equity interest in each of Shenmu Pingyuan, Shenmu Pingxi, Shenmu County Jingdeng and Xixian New District GCL to the Purchaser within two years from the 90% Equity Interest Closing and/or immediately upon the occurrence of certain events under the 90% Equity Interest Share Purchase Agreements.

## 2. THE FURTHER SHARE PURCHASE AGREEMENTS

The principal terms of the Further Share Purchase Agreements (i.e. the 90% Equity Interest Share Purchase Agreements and 10% Equity Interest Share Purchase Agreements) are set out below:

### Date

30 August 2021 (after trading hours)

### Parties

- (i) The Sellers:
- (i) Suzhou GCL New Energy Investment Co., Ltd.\* (蘇州協鑫新能源投資有限公司)
  - (ii) Xian GCL New Energy Management Co., Ltd.\* (西安協鑫新能源管理有限公司)
- (ii) The Purchaser: Ningxia Hanguang New Energy Co., Ltd.\* (寧夏含光新能源有限公司)

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

### Subject Matter

#### *(a) Subject matter of the 90% Equity Interest Share Purchase Agreements*

Pursuant to 90% Equity Interest Share Purchase Agreements, the Sellers shall sell the 90% equity interest in each of Shenmu Pingyuan, Shenmu Pingxi, Shenmu County Jingdeng and Xixian New District GCL to the Purchaser.

#### *(b) Subject matter of the 10% Equity Interest Share Purchase Agreements*

Pursuant to 10% Equity Interest Share Purchase Agreements, the Sellers shall sell the 10% equity interest in each of Shenmu Pingyuan, Shenmu Pingxi, Shenmu County Jingdeng and Xixian New District GCL to the Purchaser.

The Target Companies collectively own 7 operational solar power plants in the PRC with an aggregate grid-connected capacity of approximately 271MW.

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

No.	Further Share Purchase Agreements		Target Companies
	90% Equity Interest Share Purchase Agreements	10% Equity Interest Share Purchase Agreements	
I	Shenmu Pingyuan 90% Equity Interest Share Purchase Agreement	Shenmu Pingyuan 10% Equity Interest Share Purchase Agreement	Shenmu Pingyuan Power Co., Ltd.* (神木市平元電力有限公司)
II	Shenmu Pingxi 90% Equity Interest Share Purchase Agreement	Shenmu Pingxi 10% Equity Interest Share Purchase Agreement	Shenmu Pingxi Power Co., Ltd.* (神木市平西電力有限公司)
III	Shenmu County Jingdeng 90% Equity Interest Share Purchase Agreement	Shenmu County Jingdeng 10% Equity Interest Share Purchase Agreement	Shenmu County Jingdeng Power Co., Ltd.* (神木縣晶登電力有限公司)
IV	Xixian New District GCL 90% Equity Interest Share Purchase Agreement	Xixian New District GCL 10% Equity Interest Share Purchase Agreement	Xixian New District GCL Photovoltaic Power Co., Ltd.* (西咸新區協鑫光伏電力有限公司)

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

## Closing

### (a) 90% Equity Interest Closing

The 90% Equity Interest Share Purchase Agreements shall become effective upon the fulfillment of the following conditions:

- (i) the 90% Equity Interest Share Purchase Agreements has been signed by the legal representative or authorized representative of each party and affixed the official seal by each party;
- (ii) the Transactions has been approved by the board of directors of Xinhua Hydropower (as defined below); and
- (iii) the Transactions has been approved by the shareholders of the Purchaser.

If the abovementioned conditions (ii) and (iii) are not fulfilled within 30 days after the signing of the 90% Equity Interest Share Purchase Agreements, the Sellers shall have the right to terminate the 90% Equity Interest Share Purchase Agreements and neither party shall be held liable for breach of contract, and each party shall bear all expenses incurred by them respectively.

The 90% Equity Interest Closing is subject to the fulfilment of the following conditions precedents:

- (i) the 90% Equity Interest Share Purchase Agreements have been signed by the parties and become effective;
- (ii) the Purchaser has paid the 90% Equity Interest First Instalment to the Sellers; and
- (iii) all pledges over the Sale Shares have been completely released and the pledge cancellation registration procedures have been completed; and
- (iv) (applicable to Shenmu County Jingdeng only) the guarantee and deposit arrangement in connection with the financial lease agreements and ancillary agreements entered into between Shenmu County Jingdeng and the financial institutions specified in the Shenmu County Jingdeng 90% Equity Interest Share Purchase Agreement has been released with the cooperation of Xian GCL New Energy.

The date of approval of issuance of the new business certificate of each of the Target Companies upon the completion of the Registration Procedures in respect of the 90% Equity Interest Disposals shall be the 90% Equity Interest Closing Date.

**(b) 10% Equity Interest Closing**

Within two years from the 90% Equity Interest Closing Date, if the relevant PRC government authority issue notice(s) to levy land tax and fee (including but not limited to urban land use tax, cultivated land occupation tax and late fee) in respect of the photovoltaic array area of Shenmu Pingyuan, Shenmu Pingxi or Shenmu County Jingdeng in accordance with the laws, regulations or policies existed before the Reference Date (the “**Levy Notice**”), such amount payable by the relevant Target Company up to the Reference Date shall be borne by the respective Seller in proportion to its equity interest in the relevant Target Company after the 90% Equity Interest Closing (the “**Levy Amount**”). The respective Seller agreed to compensate the Purchaser or the relevant Target Company for the Levy Amount paid to the relevant PRC government authority.

Within two years from the 90% Equity Interest Closing Date (applicable to all of the Target Companies) and/or immediately upon the issue of the Levy Notice (applicable to Shenmu Pingyuan, Shenmu Pingxi and Shenmu County Jingdeng only), the Purchaser shall purchase the 10% Equity Interest from the Sellers.

The date of approval of issuance of the new business certificate of each of the Target Companies upon the completion of the Registration Procedures in respect of the 10% Equity Interest Disposals shall be the 10% Equity Interest Closing Date.

## Consideration

The consideration for the Target Companies is comprised of (i) the consideration under each of the 90% Equity Interest Share Purchase Agreements consist of the share price of the 90% Equity Interest Sale Shares (“**90% Equity Interest Share Price**”); and (ii) the consideration under each of the 10% Equity Interest Share Purchase Agreements, which consists of (a) the share price of the 10% Equity Interest Sale Shares (“**10% Equity Interest Share Price**”) and (b) the interest incurred on 10% Equity Interest Share Price at an annual interest rate of 4.9% for the period from the effective date of the 90% Equity Interest Share Purchase Agreements up to 10% Equity Interest Closing Date (“**Interest Amount**”).

The table below sets out the share price under each of the Further Share Purchase Agreements:

No.	Target Companies	90% Equity Interest Share Price <i>RMB</i>	10% Equity Interest Share Price <i>RMB</i>	Total Share Price <i>RMB</i>
I	Shenmu Pingyuan	94,549,000	10,505,400	105,054,400
II	Shenmu Pingxi	60,548,900	6,727,700	67,276,600
III	Shenmu County Jingdeng	115,746,000	12,860,700	128,606,700
IV	Xixian New District GCL	90,000	10,000	100,000
<b>Total</b>		<b>270,933,900</b>	<b>30,103,800</b>	<b>301,037,700</b>

## Basis of the Consideration

The Consideration under each of the Further Share Purchase Agreements was determined after arm’s length negotiations between the respective Seller and the Purchaser, having taken into account of, among other things:

- (i) the net asset value of each of the Target Companies as at the Reference Date;
- (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 joint announcement;
- (iii) the reasons for the Further Disposals as discussed in the paragraph headed “Reasons for and Benefits of the Transactions” below; and
- (iv) the cash flow position of the Target Companies as at the Reference Date.

## Payment Arrangements of the Consideration

### (a) Payment arrangement of 90% Equity Interest Consideration

The aggregate 90% Equity Interest Consideration under each of the 90% Equity Interest Share Purchase Agreements shall be paid by the Purchaser to the respective Seller in the following manner:

No.	90% Equity Interest Share Purchase Agreements	90% Equity Interest First Instalment	90% Equity Interest Second Instalment
		RMB	RMB
I	Shenmu Pingyuan 90% Equity Interest Share Purchase Agreement	47,274,500	47,274,500
II	Shenmu Pingxi 90% Equity Interest Share Purchase Agreement	30,274,450	30,274,450
III	Shenmu County Jingdeng 90% Equity Interest Share Purchase Agreement	57,873,000	57,873,000
IV	Xixian New District GCL 90% Equity Interest Share Purchase Agreement	45,000	45,000
<b>Total</b>		<b><u>135,466,950</u></b>	<b><u>135,466,950</u></b>

90% Equity Interest First Instalment      The Purchaser shall pay a total of RMB135,466,950 (the “**90% Equity Interest First Instalment**”) to the Sellers within seven Business Days after the signing of the 90% Equity Interest Share Purchase Agreements.

90% Equity Interest Second Instalment      The Purchaser shall pay a total of RMB135,466,950 (the “**90% Equity Interest Second Instalment**”) to the Sellers within seven Business Days after the fulfilment of the following conditions:

- (i) the completion of the Registration Procedures, the amendments of the articles of association and the issuance of new business licence of the Target Companies in respect of the 90% Equity Interest Disposals; and

- (ii) the delivery and handover of the corporate and statutory documents of the respective Target Company specified in the 90% Equity Interest Share Purchase Agreements have been completed.

**(b) Payment arrangement of the 10% Equity Interest Consideration**

The aggregate 10% Equity Interest Consideration under each of the 10% Equity Interest Share Purchase Agreements shall be paid by the Purchaser to the respective Seller in the following manner:

10% Equity Interest First Instalment

The first instalment payment of the 10% Equity Interest (the “**10% Equity Interest First Instalment**”) shall be calculated in the following manner:

$$(A - B) \times 50\%$$

A = the aggregate 10% Equity Interest Share Price, i.e. RMB30,103,800

B<sup>(Note)</sup> = the Levy Amount payable by the relevant Target Company or the Purchaser to the relevant PRC government authority

*Note: In case B is higher than RMB15,046,900, the remaining Levy Amount payable by the relevant Target Company or the Purchaser to the relevant PRC government authority shall be deducted from the second instalment payment of the 10% Equity Interest (the “**10% Equity Interest Second Instalment**”).*

The Purchaser shall pay the 10% Equity Interest First Instalment to the Sellers within seven Business Days after the commencement of the acquisition procedure of the 10% Equity Interest Sale Shares.

10% Equity Interest Second Instalment

The 10% Equity Interest Second Instalment shall be calculated in the following manner:

A-C-D+E

A = the aggregate 10% Equity Interest Share Price, i.e. RMB30,103,800

C = the 10% Equity Interest First Instalment

D = the remaining Levy Amount payable by the relevant Target Company or the Purchaser to the relevant PRC government authority (if applicable)

E = Interest Amount

The Purchaser shall pay the 10% Equity Interest Second Instalment to the Sellers within seven Business Days after the completion of the Registration Procedures in respect of the 10% Equity Interest Disposals.

**Payment arrangement of the Amount Payable**

The Amount Payable as at the Reference Date will be set off against the Amount Receivable as at the Reference Date in order to ascertain the Net Payable (Receivable) Amount as at the Reference Date.

The table below sets out the Net Payable Amount of each of the Target Companies under of the Further Share Purchase Agreements as at the Reference Date:

No.	Further Share Purchase Agreements	Initial Net Payable Amount <sup>(Note)</sup> RMB	Rectification Cost <sup>(Note)</sup> RMB	Actual Net Payable Amount <sup>(Note)</sup> RMB
I	Shenmu Pingyuan Share Purchase Agreements	61,118,376	(680,000)	60,438,376
II	Shenmu Pingxi Share Purchase Agreements	73,441,416	(690,000)	72,751,416
III	Shenmu County Jingdeng Share Purchase Agreements	765,372,617	(1,880,000)	763,492,617
IV	Xixian New District GCL Share Purchase Agreements	5,733,334	(80,000)	5,653,334
<b>Total</b>		<b>905,665,743</b>	<b>(3,330,000)</b>	<b>902,335,743</b>

*Note: The actual Net Payable Amount under each of the Further Share Purchase Agreements payable by the Purchaser to the Sellers represents the deduction of the agreed rectification cost for the engineering and compliance defects of each of the Target Companies under each of the Further Share Purchase Agreements (“Rectification Cost”) from the initial Net Payable Amount to be received by the Sellers under each of the Further Share Purchase Agreements.*

The Purchaser shall procure the Target Companies to repay the Total Net Payable Amount as at the Reference Date (i.e. RMB902,335,743), which is interest bearing, after deducting the Rectification Cost (i.e. RMB3,330,000 to the respective Seller within 60 days after the 90% Equity Interest Closing.

The Purchaser and the Target Companies agreed to repay the Net Payable Amount incurred during the Transition Period and the interest to the respective Seller and its affiliates within seven Business Days after the issue of the Closing Audit Report, which shall be issued within 20 days after the 90% Equity Interest Closing.

## **Grant of the Further Put Options**

### **(a) Specified Events**

After the Sellers and the Purchaser agreed to further negotiate to ascertain the amount of compensation payable by the Sellers to the Purchaser upon the occurrence of any of the following events (the “Specified Events”):

- (i) (Applicable to Shenmu Pingyuan, Shenmu Pingxi and Shenmu County Jingdeng only) demolition (whether in whole or in part) or suspension of operation of the solar power plants operated by Shenmu Pingyuan, Shenmu Pingxi or Shenmu County Jingdeng due to the overlying of mineral resources within five years from the 90% Equity Interest Closing Date;

- (ii) (Applicable to Shenmu Pingyuan, Shenmu Pingxi and Shenmu County Jingdeng only) partial demolition of the solar power plants operated by Shenmu Pingyuan, Shenmu Pingxi or Shenmu County Jingdeng due to non-compliance of the relevant government notice in relation to occupation and use of forest land as at the Reference Date; and
- (iii) (Applicable to Xixian New District GCL only) the failure to include the solar power plant(s) operated by Xixian New District GCL in the Renewable Energy Tariff Subsidy List (可再生能源發電補助項目清單) by 31 December 2021.

In the event that the Purchaser and the Sellers are unable to reach a consensus through negotiation, subject to each of the Sellers and the Purchaser obtaining its respective internal approval (including GCL-Poly and GNE's board approval and shareholders' approval (if required)) for the exercise of the Further Put Options, the Sellers shall repurchase the disposed Sale Shares from the Purchaser. Accordingly, the exercise of the Further Put Options are subject to the discretion of the respective Seller.

**(b) Repurchase price**

The repurchase price for the Sale Shares (the “**Repurchase Price**”) shall be calculated in the following manner:

- (i) the Consideration paid by the Purchaser;
- (ii) all of the funds injected, lent and paid by the Purchaser to the Target Companies after becoming a shareholder of the Target Companies;
- (iii) all other funds injected by the Purchaser to the Target Companies;
- (iv) interest incurred on the sum of items (i) to (iii) above at an annual interest rate of 4.9% for the number of days since the Purchaser actually paid the Consideration or the amount of capital contribution set out in items (ii) and (iii) above until the date of full payment of the Repurchase Price by the Sellers; and
- (v) the Purchaser shall fully refund the profits earned from the Target Companies since the Reference Date.

## **Other Undertakings**

The Sellers and the Purchaser agreed to be subject to certain undertakings, including but not limited to, the following undertakings:

- (i) within 7 days from the 90% Equity Interest Closing Date, the Sellers shall complete the delivery and handover of the corporate documents and seals of each of the Target Companies as specified in the 90% Equity Interest Share Purchase Agreements to the Purchaser;
- (ii) the Sellers shall cooperate with the financial institutions to terminate all pledge agreements and release all pledges over the Sale Shares prior to the 90% Equity Interest Closing Date;
- (iii) within 60 days after the 90% Equity Interest Closing Date, the Purchaser undertakes to provide guarantee substitution or procure the Target Companies' early repayment of their liabilities owed to the financial institutions and all third party debtors of the Target Companies (i.e. debtors of Target Companies other than the Sellers and their respective affiliates) in order to release the existing guarantees provided by the Sellers or its affiliates in respect of such liabilities;
- (iv) After the 90% Equity Interest Closing and during the time when the Sellers continue to hold equity interest in the Target Companies, if the Purchaser provides guarantee substitutions in respect of the financial debts of the Target Companies, the Sellers shall provide counter guarantee to the Purchaser in respect of the relevant financial debts of the Target Companies in proportionate to the Sellers' shareholding in the Target Companies as at the time when the Purchaser provides such guarantee substitutions; and
- (v) in the event of any other circumstance specified in the Further Share Purchase Agreements that may cause the Sellers to be liable for any damages or compensation to the Target Companies, the Purchaser is entitled to request the Sellers to pay the amount of such damages or compensation to the Target Companies.

## **Transition Period Arrangement**

While the financial information of the Target Companies remains consolidated in the consolidated financial statements of GCL-Poly and GNE during the Transition Period, the Sellers and Purchaser agreed that (i) profit and loss for the period from the Reference Date up to 120 days after the Reference Date shall be enjoyed and borne by the respective Seller and the Purchaser in proportion to its equity interest in each of the Target Companies after the 90% Equity Interest Closing and (ii) profit and loss for the period from the 120 days after the Reference Date up to the 90% Equity Interest Closing Date shall be enjoyed and borne by the respective Seller provided that the aforementioned period shall not be longer than two months.

### **Guarantee arrangement in respect of the 90% Equity Interest First Instalment**

Nanjing GCL New Energy shall provide a guarantee to the Purchaser to secure, among others, the closing obligations of the Sellers under the 90% Equity Interest Share Purchase Agreements from the date of receipt of the 90% Equity Interest First Instalment. Such guarantee shall be released by the Purchaser upon the completion of the 90% Equity Interest Closing.

### **Guarantee arrangement in respect of the 10% Equity Interest First Instalment**

Nanjing GCL New Energy shall provide a guarantee to the Purchaser to secure, among others, the closing obligations of the Sellers under the 10% Equity Interest Share Purchase Agreements from the date of receipt of the 10% Equity Interest First Instalment. Such guarantee shall be released by the Purchaser upon the completion of the 10% Equity Interest Closing.

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

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

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

The GCL-Poly Group is principally engaged in the manufacturing and sale of polysilicon and wafers products, and developing and operating solar farms. As at the date of this joint announcement, GCL-Poly is the parent company of GNE.

### **The GNE Group**

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

The GNE Group is principally engaged in the sale of electricity, development, construction, operation and management of solar power plants. As at the date of this joint announcement, GNE is a subsidiary of GCL-Poly.

### **Suzhou GCL New Energy**

Suzhou GCL New Energy is a company incorporated in the PRC with limited liability and an indirect subsidiary of GCL-Poly and GNE. Suzhou GCL New Energy is principally engaged in photovoltaic power investment, investment management and consultation, business management consultation, technology development, technology transfer, technical advice related to photovoltaic power projects, and sales of photovoltaic materials and equipment. Suzhou GCL New Energy indirectly owns a majority of solar power plants of GNE in the PRC.

## **Xian GCL New Energy**

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

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

Ningxia Hanguang is a company incorporated in the PRC with limited liability and is principally engaged in the investment and development of renewable energy in the PRC. As confirmed by Ningxia Hanguang and as at the date of this joint announcement, Ningxia Hanguang is owned as to:

- (i) approximately 42% by Xinhua Hydropower Co., Ltd\* (新華水力發電有限公司) (“**Xinhua Hydropower**”). Xinhua Hydropower is owned as to (a) 55% by China National Nuclear Corporation\* (中國核工業集團有限公司), which is in turn wholly-owned by the State-owned Assets Supervision and Administration Commission of the State Council in the PRC, and (b) 45% by Xinhua Water Conservancy Holding Group Co., Ltd.\* (新華水利控股集團有限公司), which is in turn wholly-owned by Comprehensive Affairs Bureau of the Ministry of Water Resources\* (水利部綜合事業局) in the PRC;
- (ii) approximately 40% by Ningxia Water Investment Group Co., Ltd\* (寧夏水務投資集團有限公司) which is indirectly wholly-owned by the People’s Government of Ningxia Hui Autonomous Region (寧夏回族自治區人民政府);
- (iii) approximately 13.33% by Beijing Nengda Electric Power Investment Co., Ltd.\* (北京能達電力投資有限公司) which is owned as to (a) 90% by Beijing Jianghe Mingpeng Economic and Trade Co., Ltd.\* (北京江河明鵬經貿有限公司) which is in turn owned as to 40% by Luo Lin\* (羅琳), 30% by Wan Xiang\* (萬翔) and 30% by Shi Jingchen\* (石景晨) and (b) 10% by Qingdao Hanrun International Trade Co., Ltd.\* (青島瀚潤國際貿易有限公司) which is in turn owned as to 70% by Niu Yongjun\* (牛勇軍) and 30% by Fan Jia\* (范佳); and
- (iv) approximately 4.67% by China Power Construction Ningxia Engineering Co., Ltd (中電建寧夏工程有限公司), which is indirectly wholly-owned by the State Council of the PRC (中國國務院).

## 5. INFORMATION ON THE TARGET COMPANIES

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

<b>No.</b>	<b>Further Share Purchase Agreements</b>	<b>Information on the Target Companies</b>
I	Shenmu Pingyuan Share Purchase Agreements	Shenmu Pingyuan is a company incorporated in the PRC with limited liability, which is directly wholly-owned by Suzhou GCL New Energy and an indirect subsidiary of GCL-Poly and GNE. Shenmu Pingyuan is principally engaged in the operation of solar power plants in the PRC.
II	Shenmu Pingxi Share Purchase Agreements	Shenmu Pingxi is a company incorporated in the PRC with limited liability, which is directly wholly-owned by Suzhou GCL New Energy and an indirect subsidiary of GCL-Poly and GNE. Shenmu Pingxi is principally engaged in the operation of solar power plants in the PRC.
III	Shenmu County Jingdeng Share Purchase Agreements	Shenmu County Jingdeng is a company incorporated in the PRC with limited liability, which is directly wholly-owned by Xian GCL New Energy and an indirect subsidiary of GCL-Poly and GNE. Shenmu County Jingdeng is principally engaged in the operation of solar power plants in the PRC.
IV	Xixian New District GCL Share Purchase Agreements	Xixian New District GCL is a company incorporated in the PRC with limited liability, which is directly wholly-owned by Xian GCL New Energy and an indirect subsidiary of GCL-Poly and GNE. Xixian New District GCL is principally engaged in the operation of solar power plants in the PRC.

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

Further Share Purchase Agreements	Target Companies	For the year ended 31 December			
		2020	2020	2019	2019
		Profit/(loss) before taxation	Profit/(loss) after taxation	Profit before taxation	Profit after taxation
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
I	Shenmu Pingyuan	16,739	15,538	15,020	14,355
II	Shenmu Pingxi	10,804	9,994	12,259	11,273
III	Shenmu County Jingdeng	58,462	54,248	37,436	34,405
IV	Xixian New District GCL	(337)	(337)	255	255

The unaudited net assets as at the Reference Date (i.e. 30 April 2021) and the audited net assets as at 31 December 2020 of the Target Companies amounted to approximately RMB276,957,001 and approximately RMB266,399,395, respectively.

## 6. FINANCIAL IMPACT OF THE TRANSACTIONS

Upon the 90% Equity Interest Closing, the Target Companies will cease to be subsidiaries of the GCL-Poly Group and the GNE Group, and the profit and loss, as well as the assets and liabilities of the Target Companies will no longer be consolidated into the consolidated financial statements of the GCL-Poly Group and the GNE Group.

As at the date of this joint announcement, it is estimated that the GCL-Poly Group and the GNE Group will realise a net gain on the Further Disposals of approximately RMB20,750,699 and such gain is calculated with reference to the difference between the aggregate Consideration of approximately RMB301,037,700, minus the Rectification Cost of RMB3,330,000 and the net asset value of Sale Shares based on the unaudited financial statements of the Target Companies as at the Reference Date of approximately RMB276,957,001, after deducting related transaction costs. The actual gain as a result of the Further Disposals to be recorded by the GCL-Poly Group and the GNE Group is subject to audit and will be reassessed after completion of the Further Disposals.

## 7. USE OF PROCEEDS FROM THE TRANSACTIONS

The net cash proceeds from the Transactions (being the sum of (i) the Consideration amounting to approximately RMB301,037,700 and (ii) the Total Net Payable Amount amounting to approximately RMB905,665,743, minus (iii) the Rectification Cost amounting to approximately RMB3,330,000) is expected to be approximately RMB1,203,373,443, which GNE intends to use for repayment of its debts.

## 8. REASONS FOR AND BENEFITS OF THE TRANSACTIONS

As part of its “transformation and upgrade” development objective, GCL-Poly through its subsidiary GNE has been taking steps towards transforming to an asset-light model. Upon the 90% Equity Interest Closing, the Target Companies will no longer be subsidiaries of the GCL-Poly Group and the GNE Group, and the profit and loss as well as the assets and liabilities of the Target Companies will no longer be consolidated into the consolidated financial statements of the GCL-Poly Group and the GNE Group. The liabilities of the GCL-Poly Group and the GNE Group will decrease by approximately RMB1,043,225,000. Furthermore, the cash derived from the Transactions amounting to approximately RMB1,203,373,443 will be used for further repayment of debts, and the gearing ratio of the GNE Group will decrease by approximately 1%, calculated with reference to the audited financial statements of the GNE Group as at 31 December 2020, thus effectively reducing the financial risks.

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

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

## 9. PREVIOUS DE MINIMIS AGREEMENT

The principal terms of the Previous De Minimis Agreement are set out below:

Date:	12 July 2021
Parties:	The seller: Suzhou GCL New Energy Investment Co., Ltd.* (蘇州協鑫新能源投資有限公司)  The purchaser: Hunan Xinhua Water Conservancy and Electric Power Co., Ltd.* (湖南新華水利電力有限公司)
Subject Matter:	The entire equity interest in Yanyuan Xian Baiwu
Consideration:	RMB170,387,300

- Basis of consideration: The consideration under the Previous De Minimis Agreement was determined after arm's length negotiations between Suzhou GCL New Energy and Hunan Xinhua, having taken into account of, among other things, the net asset value of Yanyuan Xian Baiwu as at 31 December 2020.
- Payment arrangements of the consideration: The Purchaser shall pay Suzhou GCL New Energy:
- (i) the first instalment of RMB102,262,400 in aggregate, within five Business Days following (a) the signing of the Previous De Minimis Agreement and (b) the completion of the Registration Procedures in respect of the Previous De Minimis Disposal; and
  - (ii) the balance of the consideration, i.e. RMB68,124,900 in aggregate, within five Business Days after the delivery and handover of the corporate and statutory documents of Yanyuan Xian Baiwu specified in the Previous De Minimis Share Purchase Agreement have been completed.

Upon completion of the Previous De Minimis Disposal, Yanyuan Xian Baiwu has ceased to be a subsidiary of GCL-Poly and GNE and the financial results of Yanyuan Xian Baiwu are no longer be consolidated into the financial statements of GCL-Poly and GNE.

## **10. LISTING RULES IMPLICATIONS**

### **GCL-Poly**

As Suzhou GCL-Poly and the Sellers, being the indirect subsidiaries of GCL-Poly, entered into the 2020 GCL-Poly Share Purchase Agreements, Previous De Minimis Agreement and the Further Share Purchase Agreements with Xinhua Hydropower Group within a 12-month period, the 2020 GCL-Poly Disposals, the Previous De Minimis Disposal and the Further Disposals shall be aggregated as a series of transactions for GCL-Poly pursuant to Rule 14.22 of the Listing Rules. Since the highest applicable percentage ratio in respect of (i) the Disposals (on an aggregated basis) and (ii) the 2021 Disposals (on a standalone basis) both exceed 5% but is less than 25%, the entering into of the Further Disposals constitutes a discloseable transaction for GCL-Poly and it shall comply with the reporting and announcement requirements under Chapter 14 of the Listing Rules. The applicable percentage ratios in respect of the Previous De Minimis Disposal (on a standalone basis) were less than 5% at the time of the execution of the Previous De Minimis Agreement. As such, GCL-Poly was not then subject to any reporting, announcement and shareholders' approval requirement under Chapter 14 of the Listing Rules.

The exercise of the Further Put Options by the Purchaser is at the discretion of GCL-Poly and no premium was paid on the grant of the Further Put Options to the Purchaser. Accordingly, the grant of the Further Put Options does not constitute a notifiable transaction of GCL-Poly. GCL-Poly will comply with the requirements of Chapter 14 of the Listing Rules if and when the Further Put Options are exercised.

## **GNE**

As the Sellers, being the indirect subsidiaries of GNE, entered into the Previous De Minimis Agreement and the Further Share Purchase Agreements with Xinhua Hydropower Group within a 12-month period, the Previous De Minimis Disposal and the Further Disposals shall be aggregated as a series of transactions for GNE pursuant to Rule 14.22 of the Listing Rules. Since the highest applicable percentage ratio in respect of the 2021 Disposals exceeds 5% but is less than 25%, the entering into of the Further Disposals constitutes a discloseable transaction for GNE and it shall comply with the reporting and announcement requirements under Chapter 14 of the Listing Rules. The applicable percentage ratios in respect of the Previous De Minimis Disposal (on a standalone basis) were less than 5% at the time of the execution of the Previous De Minimis Agreement. As such, GNE was not then subject to any reporting, announcement and shareholders' approval requirement under Chapter 14 of the Listing Rules.

The exercise of the Further Put Options by the Purchaser is at the discretion of GNE and no premium was paid on the grant of the Further Put Options to the Purchaser. Accordingly, the grant of the Further Put Options does not constitute a notifiable transaction of GNE. GNE will comply with the requirements of Chapter 14 of the Listing Rules if and when the Further Put Options are exercised.

## **11. CONTINUED SUSPENSION OF TRADING IN SHARES OF GCL-POLY**

Trading in shares of GCL-Poly was suspended from 9:00 a.m. on 1 April 2021 and will remain suspended until further notice. Please refer to GCL-Poly's announcement dated 29 July 2021 for further details regarding the continued suspension of trading in shares of GCL-Poly.

**Shareholders and potential investors of GCL-Poly are advised to exercise caution when dealing in the securities of GCL-Poly.**

## **12. DEFINITIONS**

Unless the context otherwise requires, the following expressions have the following meanings in this joint announcement.

“10% Equity Interest Closing” closing of the 10% Equity Interest Disposals in accordance with the 10% Equity Interest Share Purchase Agreements

“10% Equity Interest Closing Date”	the date approval of issuance of the new business certificate of the Target Companies upon the completion of the Registration Procedures in respect of the 10% Equity Interest Disposals
“10% Equity Interest Consideration”	the consideration for the 10% Equity Interest Disposals
“10% Equity Interest Disposals”	the proposed disposals of 10% equity interest in each of Shenmu Pingyuan, Shenmu Pingxi, Shenmu County Jingdeng and Xixian New District GCL by Suzhou GCL New Energy and Xian GCL New Energy to Ningxia Hanguang as contemplated under the 10% Equity Interest Share Purchase Agreements
“10% Equity Interest Share Purchase Agreements”	Shenmu Pingyuan 10% Equity Interest Share Purchase Agreement, Shenmu Pingxi 10% Equity Interest Share Purchase Agreement, Shenmu County Jingdeng 10% Equity Interest Share Purchase Agreement and Xixian New District GCL 10% Equity Interest Share Purchase Agreement
“10% Equity Interest Sale Shares”	10% equity interest in each of Shenmu Pingyuan, Shenmu Pingxi, Shenmu County Jingdeng and Xixian New District GCL
“2020 GCL-Poly Disposals”	the disposal of (i) 51% equity interest in each of Ningxia Qingyang New Energy Co., Ltd.* (寧夏慶陽新能源有限公司) and Huocheng Xian Tukai New Energy Technology Development Co., Ltd.* (霍城縣圖開新能源科技開發有限公司) and (ii) 80% equity interest in each of Baoying Xingneng Renewable Energy Co., Ltd.* (寶應興能可再生能源有限公司), Funing Xinneng Solar Energy Co., Ltd.* (阜寧新能光伏電力有限公司) and Ningxia Hengyang New Energy Co., Ltd.* (寧夏恒陽新能源有限公司) by Suzhou GCL-Poly to Hunan Xinhua, as detailed in the announcements of GCL-Poly dated 20 November 2020, 23 December 2020 and 30 December 2020
“2020 GCL-Poly Share Purchase Agreements”	a series of five equity transfer agreements dated 20 November 2020, 23 December 2020 and 30 December 2020 entered into between Suzhou GCL-Poly and Hunan Xinhua in relation to the 2020 GCL-Poly Disposals, as detailed in the announcements of GCL-Poly dated 20 November 2020, 23 December 2020 and 30 December 2020

“2021 Disposals”	the Previous De Minimis Disposal and the Further Disposals
“90% Equity Interest Closing”	closing of the 90% Equity Interest Disposals in accordance with the 90% Equity Interest Share Purchase Agreements
“90% Equity Interest Closing Date”	the date approval of issuance of the new business certificate of the Target Companies upon the completion of the Registration Procedures in respect of the 90% Equity Interest Disposals
“90% Equity Interest Consideration”	the consideration for the 90% Equity Interest Disposals
“90% Equity Interest Disposals”	the proposed disposals of 90% equity interest in each of Shenmu Pingyuan, Shenmu Pingxi, Shenmu County Jingdeng and Xixian New District GCL by Suzhou GCL New Energy and Xian GCL New Energy to Ningxia Hanguang as contemplated under the 90% Equity Interest Share Purchase Agreements
“90% Equity Interest Share Purchase Agreements”	Shenmu Pingyuan 90% Equity Interest Share Purchase Agreement, Shenmu Pingxi 90% Equity Interest Share Purchase Agreement, Shenmu County Jingdeng 90% Equity Interest Share Purchase Agreement and Xixian New District GCL 90% Equity Interest Share Purchase Agreement
“90% Equity Interest Sale Shares”	90% equity interest in each of Shenmu Pingyuan, Shenmu Pingxi, Shenmu County Jingdeng and Xixian New District GCL
“affiliates”	for the purpose of the joint announcement, means affiliates of each of the Target Companies, which shall include Suzhou GCL New Energy and Xian GCL New Energy
“Amount Payable”	the amount payable (if any) by the Target Companies to the Sellers and their affiliates (if applicable, including other subsidiaries of GCL-Poly and GNE)
“Amount Receivable”	the amount receivable (if any) by the Target Companies from the Sellers and their affiliates (if applicable, including other subsidiaries of GCL-Poly and GNE)

“Business Day”	a day on which banks in China are open for general commercial business, other than a Saturday, Sunday or public holiday in the PRC
“Closing Audit Report”	the closing audit report prepared by an auditing agency appointed by the Purchaser to audit the financial status of the Target Companies in the period from the Reference Date to the 90% Equity Interest Closing Date in accordance with the 90% Equity Interest Share Purchase Agreements
“Consideration”	the 90% Equity Interest Consideration and the 10% Equity Interest Consideration
“connected persons”	has the same meaning ascribed to it under the Listing Rules
“Disposals”	the 2020 GCL-Poly Disposals, Previous De Minimis Disposal, the 90% Equity Interest Disposals and the 10% Equity Interest Disposals
“Further Disposals”	the 90% Equity Interest Disposals and the 10% Equity Interest Disposals
“Further Share Purchase Agreements”	90% Equity Interest Share Purchase Agreements and 10% Equity Interest Share Purchase Agreements
“GCL-Poly”	GCL-Poly Energy Holdings Limited (保利協鑫能源控股有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange, with stock code 3800. As at the date of this joint announcement, GNE is a subsidiary of GCL-Poly
“GCL-Poly Board”	the board of GCL-Poly Directors
“GCL-Poly Directors”	the directors of GCL-Poly
“GCL-Poly Group”	GCL-Poly and its subsidiaries
“GCL-Poly Shareholders”	the shareholders of GCL-Poly
“GNE”	GCL New Energy Holdings Limited (協鑫新能源控股有限公司), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange, with stock code 451

“GNE Board”	the board of GNE Directors
“GNE Directors”	the directors of GNE
“GNE Group”	GNE and its subsidiaries
“GNE Shareholders”	the shareholders of GNE
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hunan Xinhua”	Hunan Xinhua Water Conservancy and Electric Power Co., Ltd.* (湖南新華水利電力有限公司), a company established in the PRC with limited liability and an independent third party to GCL-Poly and GNE
“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 GCL-Poly and GNE as at the date of this joint announcement
“Net Payable Amount”	the amount equivalent to the difference between the Amount Payable and the Amount Receivable in the event that the Amount Payable is more than the Amount Receivable
“Ningxia Hanguang” or “Purchaser”	Ningxia Hanguang New Energy Co., Ltd.* (寧夏含光新能源有限公司), a company established in the PRC with limited liability and an independent third party to GCL-Poly and GNE
“PRC”	the People’s Republic of China, and for the purpose of this joint announcement, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Previous De Minimis Agreement”	an equity transfer agreement dated 12 July 2021 entered into between Suzhou GCL New Energy and Hunan Xinhua in relation to the sale of the entire equity interest in Yanyuan Xian Baiwu

“Previous De Minimis Disposal”	the disposal of the entire equity interest in Yanyuan Xian Baiwu by Suzhou GCL New Energy to Hunan Xinhua as contemplated under the Previous De Minimis Agreement
“Further Put Options”	the put options granted to the Purchaser under the 90% Equity Interest Share Purchase Agreements, pursuant to which the Purchaser is entitled to request the respective Seller to repurchase the Sale Shares from the Purchaser
“Reference Date”	30 April 2021
“Registration Procedures”	the registration procedures in respect of the change of shareholders of the respective target company and other relevant filing procedures in respect of the Previous De Minimis Disposal, 90% Equity Interest Disposals and 10% Equity Interest Disposals in the PRC (as the case may be)
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	90% Equity Interest Sale Shares and 10% Equity Interest Sale Shares
“Seller(s)”	Suzhou GCL New Energy and Xian GCL New Energy
“Shenmu County Jingdeng”	Shenmu County Jingdeng Power Co., Ltd.* (神木縣晶登電力有限公司), a company established in the PRC with limited liability, which is wholly-owned by Xian GCL New Energy and an indirect subsidiary of GCL-Poly and GNE as at the date of this joint announcement
“Shenmu County Jingdeng 90% Equity Interest Share Purchase Agreement”	an equity transfer agreement dated 30 August 2021 entered into between Xian GCL New Energy and Ningxia Hanguang in relation to the sale of the 90% equity interest in Shenmu County Jingdeng
“Shenmu County Jingdeng 10% Equity Interest Share Purchase Agreement”	an equity transfer agreement dated 30 August 2021 entered into between Xian GCL New Energy and Ningxia Hanguang in relation to the sale of the 10% equity interest in Shenmu County Jingdeng
“Shenmu County Jingdeng Share Purchase Agreements”	Shenmu County Jingdeng 90% Equity Interest Share Purchase Agreement and Shenmu County Jingdeng 10% Equity Interest Share Purchase Agreement

“Shenmu Pingxi”	Shenmu Pingxi Power Co., Ltd.* (神木市平西電力有限公司), a company established in the PRC with limited liability, which is wholly-owned by Suzhou GCL New Energy and an indirect subsidiary of GCL-Poly and GNE as at the date of this joint announcement
“Shenmu Pingxi 90% Equity Interest Share Purchase Agreement”	an equity transfer agreement dated 30 August 2021 entered into between Suzhou GCL New Energy and Ningxia Hanguang in relation to the sale of the 90% equity interest in Shenmu Pingxi
“Shenmu Pingxi 10% Equity Interest Share Purchase Agreement”	an equity transfer agreement dated 30 August 2021 entered into between Suzhou GCL New Energy and Ningxia Hanguang in relation to the sale of the 10% equity interest in Shenmu Pingxi
“Shenmu Pingxi Share Purchase Agreements”	Shenmu Pingxi 90% Equity Interest Share Purchase Agreement and Shenmu Pingxi 10% Equity Interest Share Purchase Agreement
“Shenmu Pingyuan”	Shenmu Pingyuan Power Co., Ltd.* (神木市平元電力有限公司), a company established in the PRC with limited liability, which is wholly-owned by Suzhou GCL New Energy and an indirect subsidiary of GCL-Poly and GNE as at the date of this joint announcement
“Shenmu Pingyuan 90% Equity Interest Share Purchase Agreement”	an equity transfer agreement dated 30 August 2021 entered into between Suzhou GCL New Energy and Ningxia Hanguang in relation to the sale of 90% equity interest in Shenmu Pingyuan
“Shenmu Pingyuan 10% Equity Interest Share Purchase Agreement”	an equity transfer agreement dated 30 August 2021 entered into between Suzhou GCL New Energy and Ningxia Hanguang in relation to the sale of 10% equity interest in Shenmu Pingyuan
“Shenmu Pingyuan Share Purchase Agreements”	Shenmu Pingyuan 90% Equity Interest Share Purchase Agreement and Shenmu Pingyuan 10% Equity Interest Share Purchase Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the same meaning ascribed to it under the Listing Rules

“Suzhou GCL New Energy”	Suzhou GCL New Energy Investment Co., Ltd.* (蘇州協鑫新能源投資有限公司), a company established in the PRC with limited liability and an indirect subsidiary of GCL-Poly and GNE as at the date of this joint announcement
“Suzhou GCL-Poly”	Suzhou GCL-Poly Solar Energy Investment Ltd.* (蘇州保利協鑫光伏電力投資有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of GCL-Poly
“Target Company(ies)”	Shenmu Pingyuan, Shenmu Pingxi, Shenmu County Jingdeng and Xixian New District GCL
“Total Net Payable Amount”	the Net Payable Amount of all of the Target Companies
“Transactions”	the transactions contemplated under the 90% Equity Interest Share Purchase Agreements and 10% Equity Interest Share Purchase Agreements
“Transition Period”	the period between the Reference Date and the 90% Equity Interest 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 GCL-Poly and GNE
“Xinhua Hydropower Group”	Hunan Xinhua and the Purchaser which are owned as to approximately 99.63% and 42% by Xinhua Hydropower, respectively and whose decisions to entered into the Disposals are subject to the approval of Xinhua Hydropower
“Xixian New District GCL”	Xixian New District GCL Photovoltaic Power Co., Ltd.* (西咸新區協鑫光伏電力有限公司), a company established in the PRC with limited liability, which is wholly-owned by Xian GCL New Energy and an indirect subsidiary of GCL-Poly and GNE as at the date of this joint announcement
“Xixian New District GCL 90% Equity Interest Share Purchase Agreement”	an equity transfer agreement dated 30 August 2021 entered into between Xian GCL New Energy and Ningxia Hanguang in relation to the sale of the 90% equity interest in Xixian New District GCL

“Xixian New District GCL 10% Equity Interest Share Purchase Agreement”	an equity transfer agreement dated 30 August 2021 entered into between Xian GCL New Energy and Ningxia Hanguang in relation to the sale of the 10% equity interest in Xixian New District GCL
“Xixian New District GCL Share Purchase Agreements”	Xixian New District GCL 90% Equity Interest Share Purchase Agreement and Xixian New District GCL 10% Equity Interest Share Purchase Agreement
“Yanyuan Xian Baiwu”	Yanyuan Xian Baiwu New Energy Technology Co., Ltd.* (鹽源縣白烏新能源科技有限公司), a company established in the PRC with limited liability, which ceased to be wholly-owned by Suzhou GCL New Energy and ceased to be an indirect subsidiary of GCL-Poly and GNE since 16 August 2021
“%”	per cent

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

By order of the GCL-Poly Board  
**GCL-Poly Energy Holdings Limited**  
**保利協鑫能源控股有限公司**  
**Zhu Gongshan**  
*Chairman*

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

Hong Kong, 30 August 2021

*As at the date of this joint announcement, the GCL-Poly Board comprises Mr. Zhu Gongshan (Chairman), Mr. Zhu Zhanjun, Mr. Zhu Yufeng, Ms. Sun Wei, Mr. Yeung Man Chung, Charles and Mr. Zheng Xiongjiu as executive directors of GCL-Poly; Ir. Dr. Ho Chung Tai, Raymond, Mr. Yip Tai Him, Dr. Shen Wenzhong and Mr. Wong Man Chung, Francis as independent non-executive directors of GCL-Poly.*

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