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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)

DISCLOSEABLE TRANSACTION WITH SINO IC LEASING CO., LTD.

LANXI FINANCE LEASE AGREEMENTS

On 13 February 2018, the Group entered into the Suzhou GCL Guarantee and the Nanjing GCL Share Pledge Agreement to provide security over the repayment obligations of Lanxi Jinrui (an indirect subsidiary of the Company and an indirect wholly-owned subsidiary of GCL New Energy) under the Lanxi Finance Lease Agreements entered into with Sino IC Leasing (an independent third party of the Company).

Background to the Lanxi Finance Lease Agreements

On 31 October 2017, Nanjing GCL (an indirect subsidiary of the Company and an indirect wholly-owned subsidiary of GCL New Energy) entered into the Lanxi Acquisition Agreements with Jiangsu Ruineng (an independent third party of the Company), pursuant to which Nanjing GCL agreed to, among other things, acquire from Jiangsu Ruineng the entire issued share capital of Lanxi Jinrui. Lanxi Jinrui holds two 20MW solar power station projects in Lanxi City, Zhejiang province, PRC (the “**Lanxi Project**”). Nanjing GCL completed the acquisition of Lanxi Jinrui on 24 November 2017.

On 19 June 2017 (prior to Nanjing GCL’s acquisition of Lanxi Jinrui), Lanxi Jinrui entered into the Lanxi Finance Lease Agreements with Sino IC Leasing, pursuant to which (i) Sino IC Leasing purchased from Lanxi Jinrui the Lanxi Leased Assets at a consideration of RMB236,500,000 (equivalent to approximately HK\$292,423,027) and (ii) Sino IC Leasing agreed to lease the Lanxi Leased Assets to Lanxi Jinrui for a term of one year following the acquisition at an aggregate rent of RMB248,819,200 (equivalent to approximately HK\$307,655,237). In addition, Sino IC Leasing was engaged to provide certain consulting services to Lanxi Jinrui for an aggregate fee of RMB4,730,000 (equivalent to approximately HK\$5,848,461).

In order to continue the financing provided by Sino IC Leasing, Sino IC Leasing requested that the Group provide security to secure Lanxi Jinrui's obligations under the Lanxi Finance Lease Agreements. Accordingly, on 13 February 2018, the Group, through Suzhou GCL and Nanjing GCL, entered into the Suzhou GCL Guarantee and the Nanjing GCL Share Pledge Agreement respectively.

PREVIOUS FINANCE LEASE AGREEMENTS

We refer to the voluntary announcement of the Company dated 25 October 2017 in relation to the finance leasing arrangements contemplated under the non-binding framework agreement between Xinjiang GCL (an indirect subsidiary of the Company) and Sino IC Leasing.

On 14 November 2017, the Group, through Xinjiang GCL, entered into a series of 23 Previous Finance Lease Agreements with Sino IC Leasing, pursuant to which Sino IC Leasing agreed to purchase the Leased Assets from the Sellers and lease them to Xinjiang GCL for a term of five years. In addition, Sino IC Leasing was engaged to provide certain consulting services under each of the Previous Finance Lease Agreements.

LISTING RULES IMPLICATIONS

As none of the applicable percentage ratios in respect of the Lanxi Acquisition Agreements (on their own) exceeds 5% for the Company or GCL New Energy, the entering into of the Lanxi Acquisition Agreements does not constitute a discloseable transaction of the Company or GCL New Energy under Chapter 14 of the Listing Rules.

At the time of entry into the Lanxi Finance Lease Agreements, Lanxi Jinrui was not a subsidiary of the Company and therefore the Lanxi Finance Lease Agreements did not, at the time, constitute a transaction for the Company under Chapter 14 of the Listing Rules. The Company subsequently acquired Lanxi Jinrui and has entered into the Suzhou GCL Guarantee and the Nanjing GCL Share Pledge Agreement to guarantee Lanxi Jinrui's obligations under the Lanxi Finance Lease Agreements in order to continue the financing provided by Sino IC Leasing under the Lanxi Finance Lease Agreements. Accordingly, the Company considers that the Lanxi Finance Lease Agreements would now constitute a transaction for the Company under Chapter 14 of the Listing Rules.

As none of the applicable percentage ratios in respect of the Lanxi Finance Lease Agreements (on their own) exceeds 5% for the Company or GCL New Energy, the entering into of the Lanxi Finance Lease Agreements does not constitute a discloseable transaction of the Company or GCL New Energy under Chapter 14 of the Listing Rules.

As none of the applicable percentage ratios in respect of the Previous Finance Lease Agreements (on their own) exceeded 5% for the Company, the entering into of the Previous Finance Lease Agreements did not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

As the Previous Finance Lease Agreements were entered into with Sino IC Leasing within a 12-month period prior to and inclusive of the date of the Lanxi Finance Lease Agreements, the Lanxi Finance Lease Agreements and the Previous Finance Lease Agreements shall be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Lanxi Finance Lease Agreements and the Previous Finance Lease Agreements (in aggregate) exceeds 5% but is less than 25% for the Company, the entering into of the Lanxi Finance Lease Agreements and the Previous Finance Lease Agreements (in aggregate) constitutes a discloseable transaction of the Company and the Company shall comply with the reporting and announcement requirements under Chapter 14 of the Listing Rules.

I. THE LANXI FINANCE LEASE AGREEMENTS

On 13 February 2018, the Group entered into the Suzhou GCL Guarantee and the Nanjing GCL Share Pledge Agreement to provide security over the repayment obligations of Lanxi Jinrui (an indirect subsidiary of the Company and an indirect wholly-owned subsidiary of GCL New Energy) under the Lanxi Finance Lease Agreements entered into with Sino IC Leasing (an independent third party of the Company).

A. Background to the Lanxi Finance Lease Agreements

On 31 October 2017, Nanjing GCL entered into the Lanxi Acquisition Agreements with Jiangsu Ruineng, pursuant to which Nanjing GCL agreed to, among other things, acquire from Jiangsu Ruineng the entire issued share capital of Lanxi Jinrui. Lanxi Jinrui holds the Lanxi Project. Nanjing GCL completed the acquisition of Lanxi Jinrui on 24 November 2017.

On 19 June 2017 (prior to Nanjing GCL's acquisition of Lanxi Jinrui), Lanxi Jinrui entered into the Lanxi Finance Lease Agreements with Sino IC Leasing. The principal terms of the Lanxi Finance Lease Agreements are set out below.

In order to continue the financing provided by Sino IC Leasing, Sino IC Leasing requested that the Group provide security to secure Lanxi Jinrui's obligations under the Lanxi Finance Lease Agreements. Accordingly, on 13 February 2018, the Group, through Suzhou GCL and Nanjing GCL, entered into the Suzhou GCL Guarantee and the Nanjing GCL Share Pledge Agreement respectively.

B. Principal terms of Lanxi Finance Lease Agreements

(i) *Date*

19 June 2017

(ii) *Parties*

(1) Purchaser and lessor: Sino IC Leasing

(2) Seller and lessee: Lanxi Jinrui

(iii) *Subject matter*

Lanxi Jinrui entered into the Lanxi Finance Lease Agreements, pursuant to which (i) Sino IC Leasing purchased from Lanxi Jinrui the Lanxi Leased Assets at a consideration of RMB236,500,000 (equivalent to approximately HK\$292,423,027) and (ii) Sino IC Leasing shall lease the Lanxi Leased Assets to Lanxi Jinrui for a term of one year following the acquisition at an aggregate rent of RMB248,819,200 (equivalent to approximately HK\$307,655,237). In addition, Sino IC Leasing has been engaged to provide certain consulting services to Lanxi Jinrui for an aggregate fee of RMB4,730,000 (equivalent to approximately HK\$5,848,461).

(iv) *Consideration*

The consideration of RMB236,500,000 (equivalent to approximately HK\$292,423,027) for the purchase of the Lanxi Leased Assets under the Lanxi Finance Lease Agreements shall be paid in full (i) within 15 working days after the sale and purchase agreement and the finance lease agreement under the Lanxi Finance Lease Agreements become effective and; (ii) after Sino IC Leasing having received from Lanxi Jinrui the original notice of payment and a receipt for the consideration of RMB236,500,000 (equivalent to approximately HK\$292,423,027).

The price for the purchase of the Lanxi Leased Assets payable by Sino IC Leasing under the Lanxi Finance Lease Agreements was determined after arm's length negotiation between Sino IC Leasing and Lanxi Jinrui with reference to the average fair market price of similar assets and the amount of financing agreed to be provided by Sino IC Leasing.

(v) *Lease term*

The Lanxi Leased Assets shall be leased back from Sino IC Leasing to Lanxi Jinrui for a term of one year commencing from the date on which the consideration is paid by Sino IC Leasing for the Lanxi Leased Assets under the Lanxi Finance Lease Agreements.

(vi) Lease payment

The lease payment which shall be paid by Lanxi Jinrui to Sino IC Leasing under the Lanxi Finance Lease Agreements consists of (i) the finance lease principal amount of RMB236,500,000 (equivalent to approximately HK\$292,423,027); and (ii) the finance lease interest expense of RMB12,319,200 (equivalent to approximately HK\$15,232,210) (together the “**Lanxi Lease Payment**”). The Lanxi Lease Payment shall be paid by Lanxi Jinrui in two instalments, comprising (i) the first instalment of RMB7,172,650 (equivalent to approximately HK\$8,868,702) payable six months after the date on which the consideration is paid by Sino IC Leasing for the Lanxi Leased Assets under the Lanxi Finance Lease Agreements; and (ii) the second instalment of RMB241,646,550 (equivalent to approximately HK\$298,786,535) payable twelve months after the date on which the consideration is paid by Sino IC Leasing for the Lanxi Leased Assets under the Lanxi Finance Lease Agreements. Sino IC Leasing paid the consideration for the Lanxi Leased Assets on 27 June 2017.

The interest rate under the Lanxi Finance Lease Agreements was calculated at an annualized interest rate of 5.22%, representing 120.00% of the current benchmark lending rate promulgated by the People’s Bank of China. During the term of the Lanxi Finance Lease Agreements, if the applicable benchmark lending rate is adjusted by the People’s Bank of China, the interest rate applicable shall be adjusted proportionally in the same direction.

(vii) Consulting services fee

Pursuant to the Lanxi Finance Lease Agreements, Sino IC Leasing agreed to provide to Lanxi Jinrui certain consulting services, including production and distribution planning, business and product consultation, process optimization, industry competition analysis and financial consultation services, for a service fee of RMB4,730,000 (equivalent to approximately HK\$5,848,461), of which (i) RMB2,365,000 (equivalent to approximately HK\$2,924,230) shall be paid within 10 days of the date of the consulting services agreement, and (ii) RMB2,365,000 (equivalent to approximately HK\$2,924,230) shall be paid on the date falling six months after the date of the consulting services agreement.

The terms of the Lanxi Finance Lease Agreements including the finance lease principal amount, finance lease interest expense, and consulting service fee were determined after arm’s length negotiation between Sino IC Leasing and Lanxi Jinrui with reference to the prevailing market rates for (i) finance leases for similar assets and (ii) similar consulting services.

(viii) Security arrangements

The obligations of Lanxi Jinrui under the Lanxi Finance Lease Agreements are secured by the Suzhou GCL Guarantee, the Nanjing GCL Share Pledge Agreement and the Lanxi Jinrui Electricity Fee Pledge Agreement.

(ix) Ownership of the Lanxi Leased Assets

During the lease term of the Lanxi Finance Lease Agreements, the ownership of the Lanxi Leased Assets shall vest in Sino IC Leasing. Upon expiry of the lease term of the Lanxi Finance Lease Agreements and subject to the full payment of the entire amount of the Lanxi Lease Payment, and where applicable any default interest due under the Lanxi Finance Lease Agreements, Lanxi Jinrui is eligible to purchase the Lanxi Leased Assets at a nominal purchase price of RMB1,000 (equivalent to approximately HK\$1,236).

II. PRINCIPAL TERMS OF THE PREVIOUS FINANCE LEASE AGREEMENTS

(i) Date

14 November 2017

(ii) Parties

(1) Sellers:

The table below sets out the Seller under each of the Previous Finance Lease Agreements.

Previous Finance Lease Agreement	Seller
I	Lanzhou LS Heavy Equipment Co., Ltd.* (蘭州蘭石重型裝備股份有限公司)
II	Jiangsu Ruiji-Greatesc Oil & Gas Projects Co., Ltd. and Shanghai Yunshen New Energy Technology Co., Ltd.* (江蘇瑞吉格泰油氣工程有限公司和上海韻申新能源科技有限公司)
III	Jiangsu Shuangliang New Energy Equipment Co., Ltd.* (江蘇雙良新能源裝備有限公司)
IV	Nanjing Duple Metal Equipment Engineering Co., Ltd.* (南京德邦金屬裝備工程股份有限公司)
V	Yangzhou Wanfu Pressure Vessel Co., Ltd.* (揚州萬福壓力容器有限公司)
VI	Lanzhou LS Heavy Equipment Co., Ltd.* (蘭州蘭石重型裝備股份有限公司)

**Previous Finance
Lease Agreement**

Seller

VII	Jiangsu Sunpower Pressure Vessel Equipment Manufacturing Co., Ltd.* (江蘇中聖壓力容器裝備製造有限公司)
VIII	Sulzer Shanghai Engineering & Machinery Works Ltd.* (上海蘇爾壽工程機械製造有限公司)
IX	Tianjin Tianda Beiyang Chemical Equipment Co., Ltd.* (天津市天大北洋化工設備有限公司)
X	Beijing Zehua Chemical Engineering Co., Ltd.* (北京澤華化學工程有限公司)
XI	Zhenjiang Dongfang Electric Heating Technology Co., Ltd.* (鎮江東方電熱有限公司)
XII	Shenyang Yuanda Compression Co., Ltd.* (沈陽遠大壓縮機有限公司)
XIII	Yangzhou Wanfu Pressure Vessel Co., Ltd.* (揚州萬福壓力容器有限公司)
XIV	Suzhou Thvow Technology Co., Ltd.* (蘇州天沃科技股份有限公司)
XV	Jiangnan Boilers & Pressure Vessels (Zhangjiagang) Co., Ltd.* (張家港市江南鍋爐壓力容器有限公司)
XVI	Shanghai Baofeng Machinery Manufacturing Co., Ltd.* (上海寶豐機械製造有限公司)
XVII	Chongqing Tianrui Chemical Engineering Equipment Co., Ltd.* (重慶天瑞化工設備股份有限公司)
XVIII	Wuhan Sunpower Energy Technology and Engineering Co., Ltd.* (武漢中聖節能技術工程有限公司)
XIX	Jiangsu Sunpower Pressure Vessel Equipment Manufacturing Co., Ltd.* (江蘇中聖壓力容器裝備製造有限公司)
XX	Sichuan Injet Electric Co., Ltd.* (四川英杰電氣股份有限公司)
XXI	Shanghai Morimatsu Solar Technology Equipment Co., Ltd.* (上海森松新能源設備有限公司)
XXII	Jiangsu Huapeng Transformer Co., Ltd.* (江蘇華鵬變壓器有限公司)
XXIII	Shuangliang Eco-Energy Systems Co., Ltd.* (雙良節能系統股份有限公司)

(2) *Lessee:* Xinjiang GCL

(3) *Purchaser and lessor:* Sino IC Leasing

(iii) Subject matter

Xinjiang GCL entered into the Previous Finance Lease Agreements with Sino IC Leasing, pursuant to which Sino IC Leasing agreed to purchase the Leased Assets from the Sellers and lease them to Xinjiang GCL for a term of five years. In addition, Sino IC Leasing was engaged to provide certain consulting services to Xinjiang GCL under each of the Previous Finance Lease Agreements.

(iv) Consideration

Pursuant to the Previous Finance Lease Agreements, Sino IC Leasing has agreed to purchase the Leased Assets from the Sellers at an aggregate consideration of RMB1,205,549,216 (equivalent to approximately HK\$1,490,614,589).

The table below sets out the consideration for the purchase of the Leased Assets by Sino IC Leasing under each of the Previous Finance Lease Agreements.

Previous Finance Lease Agreement	Consideration						Total
	1st Instalment	2nd Instalment	3rd Instalment	4th Instalment	5th Instalment	6th Instalment	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
	(Approx.)	(Approx.)	(Approx.)	(Approx.)	(Approx.)	(Approx.)	(Approx.)
I	3,520	7,040	5,280	1,760	—	—	17,600
	(4,352.34)	(8,704.68)	(6,528.51)	(2,176.17)			(21,762)
II	20,790	31,185	41,580	10,395	—	—	103,950
	(25,706.02)	(38,559.03)	(51,412.04)	(12,853.01)			(128,530)
III	6,930	13,860	10,395	3,465	—	—	34,650
	(8,568.67)	(17,137.35)	(12,853.01)	(4,284.34)			(42,843)
IV	7,110	28,440	21,330	14,220	—	—	71,100
	(8,791.24)	(35,164.94)	(26,373.71)	(17,582.47)			(87,912.36)
V	18,652	37,304	27,978	9,326	—	—	93,260
	(23,062.47)	(46,124.93)	(34,593.7)	(11,531.23)			(115,312.33)
VI	5,967	5,967	5,967	1,989	—	—	19,890
	(7,377.96)	(7,377.96)	(7,377.96)	(2,459.32)			(24,593.2)
VII	4,062	16,248	12,186	8,124	—	—	40,620
	(5,022.50)	(20,090.01)	(15,067.51)	(10,045.01)			(50,225.04)
VIII	5,560.65	3,707.1	3,707.1	3,707.1	1,853.55	—	18,535.5
	(6,875.53)	(4,583.68)	(4,583.68)	(4,583.68)	(2,291.84)		(22,918.42)
IX	10,396.7232	10,396.7232	15,595.0848	5,198.3616	5,198.3616	5,198.3616	51,983.616
	(12,855.1402)	(12,855.1402)	(19,282.7103)	(6,427.5701)	(6,427.5701)	(6,427.5701)	(64,275.7011)
X	12,105	12,105	4,035	8,070	4,035	—	40,350
	(14,967.36)	(14,967.36)	(4,989.12)	(9,978.24)	(4,989.12)		(49,891.19)
XI	8,000	8,000	12,000	8,000	4,000	—	40,000
	(9,891.69)	(9,891.69)	(14,837.53)	(9,891.69)	(4,945.84)		(49,458.43)
XII	18,750	18,750	18,750	6,250	—	—	62,500
	(23,183.64)	(23,183.64)	(23,183.64)	(7,727.88)			(77,278.80)
XIII	11,942.18	23,884.36	17,913.27	5,971.09	—	—	59,710.9
	(14,766.04)	(29,532.07)	(22,149.06)	(7,383.02)			(73,830.18)

Previous Finance Lease Agreement	Consideration						Total
	1st Instalment	2nd Instalment	3rd Instalment	4th Instalment	5th Instalment	6th Instalment	
	RMB'000 (HK\$'000 (Approx.))	RMB'000 (HK\$'000 (Approx.))	RMB'000 (HK\$'000 (Approx.))	RMB'000 (HK\$'000 (Approx.))	RMB'000 (HK\$'000 (Approx.))	RMB'000 (HK\$'000 (Approx.))	RMB'000 (HK\$'000 (Approx.))
XIV	3,943 (4,875.36)	7,886 (9,750.73)	7,886 (9,750.73)	11,829 (14,626.09)	3,943 (4,875.36)	3,943 (4,875.36)	39,430 (48,753.65)
XV	8,631 (10,671.89)	5,754 (7,114.60)	11,508 (14,229.19)	2,877 (3,557.30)	—	—	28,770 (35,572.98)
XVI	7,471.6 (9,238.34)	3,735.8 (4,619.17)	11,207.4 (13,857.51)	11,207.4 (13,857.51)	3,735.8 (4,619.17)	—	37,358 (46,191.70)
XVII	4,728 (5,845.99)	9,456 (11,691.97)	14,184 (17,537.96)	4,728 (5,845.99)	9,456 (11,691.97)	4,728 (5,845.99)	47,280 (58,459.86)
XVIII	6,870 (8,494.49)	6,870 (8,494.49)	4,122 (5,096.69)	6,870 (8,494.49)	2,748 (3,397.79)	—	27,480 (33,977.94)
XIX	29,600 (36,599.24)	29,600 (36,599.24)	44,400 (54,898.86)	29,600 (36,599.24)	14,800 (18,299.62)	—	148,000 (182,996.19)
XX	5,526 (6,832.68)	22,104 (27,330.73)	16,578 (20,498.05)	11,052 (13,665.36)	—	—	55,260 (68,326.82)
XXI	15,600 (19,288.79)	23,400 (28,933.18)	7,800 (9,644.39)	23,400 (28,933.18)	7,800 (9,644.39)	—	78,000 (96,443.94)
XXII	3,187.12 (3,940.75)	12,748.48 (15,763.00)	9,561.36 (11,822.25)	6,374.24 (7,881.50)	—	—	31,871.2 (39,407.49)
XXIII	17,385 (21,495.87)	17,385 (21,495.87)	17,385 (21,495.87)	5,795 (7,165.29)	—	—	57,950 (71,652.90)
Total							1,205,549.216 <u>(1,490,614.589)</u>

The consideration for the purchase of the Leased Assets under the Previous Finance Lease Agreements I to VII, XII, XIII, XV, XX, XXII and XXIII shall be paid in four instalments.

The consideration for the purchase of the Leased Assets under the Previous Finance Lease Agreements VIII, X, XI, XVI, XVIII, XIX and XXI shall be paid in five instalments.

The consideration for the purchase of the Leased Assets under the Previous Finance Lease Agreements IX, XIV and XVII shall be paid in six instalments.

The payment of the consideration for the purchase of the Leased Assets under the Previous Finance Lease Agreements is made upon the fulfilment of the following conditions:

1. For the first instalment of the consideration, Xinjiang GCL, the Sellers and Sino IC Leasing having signed the sale and purchase agreement under the respective Previous Finance Lease Agreements and the finance lease agreement under the respective Previous Finance Lease Agreements having become effective; and
2. For the second to the fourth; fifth; or sixth (as the case may be) instalments of the consideration, Sino IC Leasing having received from Xinjiang GCL (1) the original notice of payment; (2) the security deposit; (3) the consulting services fees; (4) the value added tax invoice for the full amount of the consideration; and/or (5) the confirmation of instalment amount under the respective Previous Finance Lease Agreements.

The price for the purchase of the Leased Assets payable by Sino IC Leasing under each of the Previous Finance Lease Agreements was determined after arm's length negotiation between Sino IC Leasing and the respective Sellers with reference to the average fair market price of similar assets and the amount of financing agreed to be provided by Sino IC Leasing.

(v) Lease terms

The Leased Assets are leased from Sino IC Leasing to Xinjiang GCL for a term of five years commencing from the respective dates on which Sino IC Leasing pays the second instalment of the consideration for the Leased Assets under each of the Previous Finance Lease Agreements (the "**Lease Terms**").

(vi) Lease payment

The lease payment which shall be paid by Xinjiang GCL to Sino IC Leasing during the Lease Terms under each of the Previous Finance Lease Agreements consists of (i) the finance lease principal amount; and (ii) the finance lease interest expense (the "**Lease Payment**"). The Lease Payment shall be paid by Xinjiang GCL by 20 quarterly instalments payable in accordance with the payment schedule agreed by Sino IC Leasing and Xinjiang GCL under each of the Previous Finance Lease Agreements.

The amount of each quarterly instalment is to be confirmed by the payment notice of that quarterly instalment. The formula for computing each quarterly instalment is:

*the finance lease principal amount agreed by Sino IC Leasing and Xinjiang GCL to be repaid in that quarter + (the finance lease principal amount left to be repaid * finance lease interest rate/360 * the number of days in that quarter).*

The interest rate under each of the Previous Finance Lease Agreements was calculated at an annualized interest rate of 5.84%, representing 122.94% of the current benchmark lending rate promulgated by the People's Bank of China. During the term of each of the Previous Finance Lease Agreements, if the applicable benchmark lending rate is adjusted by the People's Bank of China, the interest rate applicable shall be adjusted proportionally in the same direction.

The first instalment of the lease payment under each of the Previous Finance Lease Agreements shall be paid three months after the date on which the second instalment of the consideration is paid by Sino IC Leasing for the Leased Assets under the Previous Finance Lease Agreements.

(vii) Consulting services fees

Pursuant to each of the Previous Finance Lease Agreements, Sino IC Leasing agreed to provide to Xinjiang GCL certain consulting services, including production and distribution planning, business and product consultation, process optimization, industry competition analysis and financial consultation services for a consulting service fee.

The terms of each of the Previous Finance Lease Agreements including the finance lease principal amount, finance lease interest expense, and consulting service fee were determined after arm's length negotiation between Sino IC Leasing and Xinjiang GCL with reference to the prevailing market rates for (i) finance leases for similar assets and (ii) similar consulting services.

(viii) Security deposit

Pursuant to each of the Previous Finance Lease Agreements, Xinjiang GCL shall pay to Sino IC Leasing a refundable security deposit to secure Xinjiang GCL's obligations under each of the Previous Finance Lease Agreements. The security deposit shall be paid by Xinjiang GCL by portions payable in accordance with each of the Previous Finance Lease Agreements. Sino IC Leasing shall be entitled to deduct from the security deposit any unpaid rent, interest, default interest and any other amount due and payable by Xinjiang GCL. In the event of such deduction, Xinjiang GCL shall forthwith make up for the deduction and restore the amount of the security deposit to the original amount. Following the expiry of each of the Previous Finance Lease Agreements, any remaining balance of the security deposit shall be refunded to Xinjiang GCL. The security deposit shall not bear any interest during the term of each of the Previous Finance Lease Agreements.

The table below sets out the finance lease principal amount, the finance lease interest expense, the consulting service fee and the security deposit under each of the Previous Finance Lease Agreements.

Previous Finance Lease Agreement	Finance lease principal amount	Estimated Finance lease interest expense	Consulting service fee	Security deposit
	RMB (HK\$ (Approx.))	RMB (HK\$ (Approx.))	RMB (HK\$ (Approx.))	RMB (HK\$ (Approx.))
I	14,080,000 (17,409,371)	2,234,204 (2,762,506)	440,000 (544,043)	1,408,000 (1,740,937)
II	83,160,000 (102,824,097)	11,804,569 (14,595,889)	2,598,750 (3,213,253)	8,316,000 (10,282,410)
III	27,720,000 (34,274,699)	3,903,941 (4,827,071)	866,250 (1,071,084)	2,772,000 (3,427,470)
IV	56,880,000 (70,329,902)	8,010,684 (9,904,898)	1,777,500 (2,197,809)	5,688,000 (7,032,990)
V	74,608,000 (92,249,882)	10,507,403 (12,991,994)	2,331,500 (2,882,809)	7,460,800 (9,224,988)
VI	13,923,000 (17,215,247)	2,098,901 (2,595,209)	497,250 (614,830)	1,591,200 (1,967,457)
VII	32,496,000 (40,180,037)	4,637,850 (5,734,521)	1,015,500 (1,255,626)	3,249,600 (4,018,004)
VIII	12,974,850 (16,042,896)	2,121,959 (2,623,720)	463,388 (572,961)	1,482,840 (1,833,474)
IX	41,586,893 (51,420,571)	6,467,424 (7,996,718)	1,299,590 (1,606,892)	4,158,689 (5,142,057)
X	28,245,000 (34,923,841)	4,117,220 (5,090,782)	1,008,750 (1,247,280)	3,228,000 (3,991,296)
XI	32,000,000 (39,566,752)	4,997,274 (6,178,934)	1,000,000 (1,236,461)	3,200,000 (3,956,675)
XII	43,750,000 (54,095,169)	6,686,590 (8,267,708)	1,562,500 (1,931,970)	5,000,000 (6,182,305)
XIII	47,768,720 (59,064,159)	6,817,524 (8,429,603)	1,492,773 (1,845,756)	4,776,872 (5,906,416)
XIV	31,544,000 (39,002,926)	5,415,389 (6,695,917)	985,750 (1,218,841)	3,154,400 (3,900,293)
XV	20,139,000 (24,901,088)	2,923,022 (3,614,203)	719,250 (889,325)	2,301,600 (2,845,839)
XVI	29,886,400 (36,953,368)	4,338,736 (5,364,678)	933,950 (1,154,793)	2,988,640 (3,695,337)

Previous Finance Lease Agreement	Finance lease	Estimated Finance lease	Consulting	Security deposit
	principal amount	interest expense	service fee	
	RMB	RMB	RMB	RMB
	(HK\$ (Approx.))	(HK\$ (Approx.))	(HK\$ (Approx.))	(HK\$ (Approx.))
XVII	37,824,000	6,422,193	1,182,000	3,782,400
	(46,767,901)	(7,940,791)	(1,461,497)	(4,676,790)
XVIII	20,610,000	3,106,302	687,000	2,198,400
	(25,483,461)	(3,840,821)	(849,449)	(2,718,236)
XIX	118,400,000	18,209,009	3,700,000	11,840,000
	(146,396,982)	(22,514,729)	(4,574,906)	(14,639,698)
XX	44,208,000	6,226,025	1,381,500	4,420,800
	(54,661,468)	(7,698,237)	(1,708,171)	(5,466,147)
XXI	62,400,000	9,012,056	1,950,000	6,240,000
	(77,155,166)	(11,143,056)	(2,411,099)	(7,715,517)
XXII	25,496,960	3,638,942	796,780	2,549,696
	(31,525,997)	(4,499,410)	(985,187)	(3,152,600)
XXIII	40,565,000	5,861,379	1,448,750	4,636,000
	(50,157,040)	(7,247,367)	(1,791,323)	(5,732,233)
Total	940,265,823	139,558,596	30,138,731	96,443,937
	(1,162,602,020)	(172,558,761)	(37,265,365)	(119,249,167)

(ix) Guarantees

The payment obligations of Xinjiang GCL under the Previous Finance Lease Agreements are secured as to RMB1,000,000,000 (equivalent to approximately HK\$1,236,461,000) under the Jiangsu Zhongneng Guarantee.

(x) Ownership of the Leased Assets

During the Lease Terms, the ownership of the Leased Assets shall vest in Sino IC Leasing. Upon expiry of the Lease Terms and subject to the full payment of the entire amount of the Lease Payment, and where applicable any default interest due under each of the Previous Finance Lease Agreements, Xinjiang GCL is eligible to purchase the Leased Assets under each of the Previous Finance Lease Agreements at a nominal purchase price of RMB1,000 (equivalent to approximately HK\$1,236).

III. REASONS FOR AND BENEFITS OF THE TRANSACTION

The terms of the Lanxi Finance Lease Agreements and the Previous Finance Lease Agreements have been agreed after arm's length negotiations between the relevant parties. The Directors believe that the Group will be able to derive additional liquidity through the financial arrangements under the Lanxi Finance Lease Agreements and the Previous Finance Lease Agreements, and benefit from additional working capital to support its business and operational activities. Further, the Directors are of the view that the terms of the Lanxi Finance Lease Agreements and the Previous Finance Lease Agreements are on normal commercial terms, fair and reasonable and are in the interests of the Group and the Group's shareholders as a whole.

Based on the above reasons and having considered all relevant factors, the Directors believe and consider that the terms of the Lanxi Finance Lease Agreements and the Previous Finance Lease Agreements are fair and reasonable and are in the interests of the Group and the Group's shareholders as a whole.

IV. LISTING RULES IMPLICATIONS

As none of the applicable percentage ratios in respect of the Lanxi Acquisition Agreements (on their own) exceeds 5% for the Company or GCL New Energy, the entering into of the Lanxi Acquisition Agreements does not constitute a discloseable transaction of the Company or GCL New Energy under Chapter 14 of the Listing Rules.

At the time of entry into the Lanxi Finance Lease Agreements, Lanxi Jinrui was not a subsidiary of the Company and therefore the Lanxi Finance Lease Agreements did not, at the time, constitute a transaction for the Company under Chapter 14 of the Listing Rules. The Company subsequently acquired Lanxi Jinrui and has entered into the Suzhou GCL Guarantee and the Nanjing GCL Share Pledge Agreement to guarantee Lanxi Jinrui's obligations under the Lanxi Finance Lease Agreements in order to continue the financing provided by Sino IC Leasing under the Lanxi Finance Lease Agreements. Accordingly, the Company considers that the Lanxi Finance Lease Agreements would now constitute a transaction for the Company under Chapter 14 of the Listing Rules.

As none of the applicable percentage ratios in respect of the Lanxi Finance Lease Agreements (on their own) exceeds 5% for the Company or GCL New Energy, the entering into of the Lanxi Finance Lease Agreements does not constitute a discloseable transaction of the Company or GCL New Energy under Chapter 14 of the Listing Rules.

As none of the applicable percentage ratios in respect of the Previous Finance Lease Agreements (on their own) exceeded 5% for the Company, the entering into of the Previous Finance Lease Agreements did not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

As the Previous Finance Lease Agreements were entered into with Sino IC Leasing within a 12-month period prior to and inclusive of the date of the Lanxi Finance Lease Agreements, the Lanxi Finance Lease Agreements and the Previous Finance Lease Agreements shall be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Lanxi Finance Lease Agreements and the Previous Finance Lease Agreements (in aggregate) exceeds 5% but is less than 25% for the Company, the entering into of the Lanxi Finance Lease Agreements and the Previous Finance Lease Agreements (in aggregate) constitutes a discloseable transaction of the Company and the Company shall comply with the reporting and announcement requirements under Chapter 14 of the Listing Rules.

V. INFORMATION ON THE PARTIES TO THE TRANSACTION

Sino IC Leasing

Sino IC Leasing is a company incorporated in the PRC with limited liability and it is principally engaged in finance lease and other leasing business. The Company is indirectly interested in 5.973% of the equity interest in Sino IC Leasing. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, save as otherwise disclosed in this announcement, Sino IC Leasing and its ultimate beneficial owner(s) are third parties independent of the Company and each of their connected persons.

The Group

The Company is an investment company and its subsidiaries are principally engaged in the manufacturing and sale of polysilicon and wafer products, and developing, owning and operating downstream solar farms.

VI. DEFINITIONS

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

“Board”	the board of the Directors
“Company”	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
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company

“GCL New Energy”	GCL New Energy Holdings Limited (協鑫新能源控股有限公司), a subsidiary of the Company which was 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
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Jiangsu Ruineng”	Jiangsu Ruineng Investment Limited* (江蘇瑞能投資有限公司), a company incorporated in the PRC
“Jiangsu Zhongneng”	Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd.* (江蘇中能硅業科技發展有限公司), a company incorporated in the PRC and a subsidiary of the Company, which holds 70% shareholding in Xinjiang GCL
“Jiangsu Zhongneng Guarantee”	the guarantee dated 14 November 2017 and the supplemental guarantee dated 23 November 2017 from Jiangsu Zhongneng given to Sino IC Leasing in respect of Xinjiang GCL’s obligations under the Previous Finance Lease Agreements
“Lanxi Finance Lease Agreements”	the sale and purchase agreement dated 19 June 2017; the finance lease agreement dated 19 June 2017; and the consulting services agreement dated 19 June 2017, all of which signed by Sino IC Leasing and Lanxi Jinrui
“Lanxi Jinrui”	Lanxi Jinrui Solar Power Generation Co., Ltd.* (蘭溪金瑞太陽能發電有限公司), a company incorporated in the PRC, an indirect subsidiary of the Company and an indirect wholly-owned subsidiary of GCL New Energy
“Lanxi Jinrui Electricity Fee Pledge Agreement”	the agreement dated 19 June 2017 between Sino IC Leasing and Lanxi Jinrui, pursuant to which Lanxi Jinrui pledged to Sino IC Leasing 100% of its right to electricity fees in relation to the Lanxi Project
“Lanxi Leased Assets”	the assets purchased by Sino IC Leasing from Lanxi Jinrui under the terms of the Lanxi Finance Lease Agreements, including solar modules, frames, combiner boxes, inverters, transformers, electricity distribution equipment, cables, cabinets and other solar power equipment used for the Lanxi Project

“Lanxi Project”	the two 20MW agricultural solar power stations located in Lanxi City, Zhejiang province, PRC
“Lanxi Acquisition Agreements”	the sale and purchase agreement and the cooperation agreement, each dated 31 October 2017 between Nanjing GCL and Jiangsu Ruineng, pursuant to which Nanjing GCL agreed to acquire the entire issued share capital of Lanxi Jinrui from Jiangsu Ruineng
“Leased Assets”	the assets purchased by Sino IC Leasing from the Sellers under the terms of the Previous Finance Lease Agreements, comprising certain equipment for the Xinjiang Project.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nanjing GCL”	Nanjing GCL New Energy Development Co., Ltd.* (南京協鑫新能源發展有限公司), a company incorporated in the PRC, an indirect subsidiary of the Company and an indirect wholly-owned subsidiary of GCL New Energy
“Nanjing GCL Share Pledge Agreement”	the agreement dated 13 February 2018 between Sino IC Leasing and Nanjing GCL, pursuant to which Nanjing GCL has pledged 100% of the equity interest in Lanxi Jinrui to Sino IC Leasing
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Previous Finance Lease Agreements”	23 sets of finance lease agreements (numbered from I to XXIII) dated 14 November 2017 entered into between Xinjiang GCL and Sino IC Leasing, each set comprising (1) a sale and purchase agreement signed by Sino IC Leasing, a Seller and Xinjiang GCL; (2) a finance lease agreement signed by Sino IC Leasing and Xinjiang GCL; and (3) a consulting services agreement signed by Sino IC Leasing and Xinjiang GCL
“RMB”	Renminbi, the lawful currency of the PRC
“Sellers”	the entities which sell the Leased Assets to Sino IC Leasing under the terms of the Previous Finance Lease Agreements
“Sino IC Leasing”	Sino IC Leasing Co., Ltd.* (芯鑫融資租賃有限責任公司), a company incorporated in the PRC with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary(ies)”	has the same meaning ascribed to it under the Listing Rules
“Suzhou GCL”	Suzhou GCL New Energy Investment Co., Ltd.* (蘇州協鑫新能源投資有限公司), a company incorporated in the PRC with limited liability, an indirect subsidiary of the Company and an indirect wholly-owned subsidiary of GCL New Energy
“Suzhou GCL Guarantee”	the guarantee dated 13 February 2018 from Suzhou GCL given to Sino IC Leasing in respect of Lanxi Jinrui’s obligations under the Lanxi Finance Lease Agreements
“Xinjiang GCL”	Xinjiang GCL New Energy Materials Technology Co., Ltd.* (新疆協鑫新能源材料科技有限公司), a company incorporated in the PRC and an indirect non-wholly owned subsidiary of the Company
“Xinjiang Project”	the construction of a polysilicon production facility with a production capacity of 40,000 to 60,000 tonnes in Qitai County, Changji State, Xinjiang Uyghur Autonomous Region, the PRC
“%”	per cent.

For illustration purposes only, this announcement contains translations between Renminbi and Hong Kong dollar amounts at RMB1 = HK\$1.236461, being the exchange rate prevailing on 13 February 2018. The translations should not be taken as a representation that the Renminbi could actually be converted into Hong Kong dollars at that rate or at all.

** All of the English titles or names of the PRC entities, as well as certain items contained in this 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 Board
GCL-Poly Energy Holdings Limited
 保利協鑫能源控股有限公司
Zhu Gongshan
 Chairman

Hong Kong, 13 February 2018

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