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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)

CONTINUING CONNECTED TRANSACTIONS

LEASE AGREEMENTS

LEASE AGREEMENTS

On 31 December 2019, Suzhou GCL Research, an indirect wholly-owned subsidiary of GCL-Poly Energy Holdings Limited (the “**Company**”), entered into the following property lease agreements as landlord with:

1. GCL System Integration Technology as tenant in relation to the leasing of 5/F Headquarter for use as offices for a term of two months commencing from 1 January 2020 to 29 February 2020 (the “**GCL System Integration Technology Lease Agreement**”);
2. GCL Energy Engineering as tenant in relation to the leasing of 3/F South Western Zone of Research Building for use as offices for a term of two months commencing from 1 January 2020 to 29 February 2020 (the “**GCL Energy Engineering Lease Agreement**”);
3. GCL Energy Technology as tenant in relation to the leasing of 2/F South Western Zone of Research Building for use as offices for a term of twenty-one months commencing from 1 January 2020 to 30 September 2021 (the “**GCL Energy Technology Lease Agreement**”); and
4. GCL Construction Management as tenant in relation to the leasing of 3/F South Eastern Zone of Research Building for use as offices for a term of twenty-one months commencing from 1 January 2020 to 30 September 2021 (the “**GCL Construction Management Lease Agreement**”),

(together, the “**Lease Agreements**”).

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Zhu Family Trust is the ultimate controlling shareholder and a connected person of the Company. GCL System Integration Technology and GCL Energy Engineering are both subsidiaries of GCL System Integration, which is in turn ultimately controlled by Mr. Zhu Yufeng and the Zhu Family Trust, under which Mr. Zhu and his family (including Mr. Zhu Yufeng) are beneficiaries. GCL Energy Technology and GCL Construction Management are both ultimately held and controlled by the Zhu Family Trust. Accordingly, each of GCL System Integration Technology, GCL Energy Engineering, GCL Energy Technology and GCL Construction Management are therefore connected persons of the Company and the transactions under the Lease Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In accordance with Rule 14A.76(2) of the Listing Rules, as the highest applicable percentage ratio in respect of the transactions contemplated under the Lease Agreements, on an aggregate basis, exceeds 0.1% but is less than 5%, it is subject to the reporting, annual review and announcement requirements but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

PRINCIPAL TERMS OF THE LEASE AGREEMENTS

(1) GCL System Integration Technology Lease Agreement

Date:

31 December 2019

Parties:

- (i) Suzhou GCL Research; and
- (ii) GCL System Integration Technology

Subject Property

5/F Headquarter, with a total gross area of approximately 8,183 sq. m.

Use of Subject Property

Offices

Lease Term

Two months from 1 January 2020 to 29 February 2020

Rent

RMB613,725 per month, calculated at the rate of RMB75 per sq. m.

Utility fees

GCL System Integration Technology shall be responsible for the payment of the utility fees, including water, electricity, telecommunication, network, property management, facilities maintenance, cleaning, and parking lot management and rental fee.

(2) GCL Energy Engineering Lease Agreement

Date:

31 December 2019

Parties:

- (i) Suzhou GCL Research; and
- (ii) GCL Energy Engineering

Subject Property

3/F South Western Zone of Research Building, with a total gross area of approximately 6,859.44 sq. m.

Use of Subject Property

Offices

Lease Term

Two months from 1 January 2020 to 29 February 2020

Rent

RMB514,458 per month, calculated at the rate of RMB75 per sq. m.

Utility fees

GCL Energy Engineering shall be responsible for the payment of the utility fees, including water, electricity, telecommunication, network, property management, facilities maintenance, cleaning, and parking lot management and rental fee.

(3) GCL Energy Technology Lease Agreement

Date:

31 December 2019

Parties:

- (i) Suzhou GCL Research; and
- (ii) GCL Energy Technology

Subject Property

2/F South Western Zone of Research Building with a total gross area of approximately 1,436.44 sq. m. from 1 January 2020 to 30 September 2020 and a total gross area of approximately 1,077.33 sq. m. from 1 October 2020 to 30 September 2021

Use of Subject Property

Offices

Lease Term

Twenty-one months from 1 January 2020 to 30 September 2021

Rent

RMB107,733 per month from 1 January 2020 to 30 September 2020, calculated at the rate of RMB75 per sq. m.

RMB80,799.75 per month from 1 October 2020 to 30 September 2021, calculated at the rate of RMB75 per sq. m.

Utility fees

GCL Energy Technology shall be responsible for the payment of the utility fees, including water, electricity, telecommunication, network, property management, facilities maintenance, cleaning, and parking lot management and rental fee.

(4) GCL Construction Management Lease Agreement

Date:

31 December 2019

Parties:

- (i) Suzhou GCL Research; and
- (ii) GCL Construction Management

Subject Property

3/F South Eastern Zone of Research Building, with a total gross area of approximately 4,268.29 sq. m.

Use of Subject Property

Offices

Lease Term

Twenty-one months from 1 January 2020 to 30 September 2021

Rent

RMB320,121.75 per month, calculated at the rate of RMB75 per sq. m.

Utility fees

GCL Construction Management shall be responsible for the payment of the utility fees, including water, electricity, telecommunication, network, property management, facilities maintenance, cleaning and, and parking lot management and rental fee.

BASIS FOR RENT

The unit rent of RMB75 per sq. m. per month under the Lease Agreements were determined after arm's length negotiations between the parties with references to the prevailing available market rate of comparable properties.

HISTORICAL FIGURE AND ANNUAL CAP

As disclosed in the Company's announcement dated 27 September 2019, GCL Energy Technology Co., Ltd.* (協鑫能源科技股份有限公司) has been leasing 3/F Headquarter since 1 October 2019 with a monthly rent of RMB1,523,722.5 based on a unit rent of RMB75 per sq. m. per month pursuant to a lease agreement entered into with Suzhou GCL Research on 27 September 2019 (the "**Previous Lease Agreement**"). The term of the Previous Lease Agreement will expire on 30 September 2021.

The aggregate rent to be received under the Previous Lease Agreement and the annual cap for the transactions contemplated under the Lease Agreements for the two financial years ending 31 December 2021 are set out below:

	Financial Year Ending	
	31 December	
	2020	2021
	<i>RMB</i>	<i>RMB</i>
Previous Lease Agreement	18,284,670.00	13,713,502.50
GCL System Integration Technology Lease Agreement	1,227,450.00	-
GCL Energy Engineering Lease Agreement	1,028,916.00	-
GCL Energy Technology Lease Agreement	1,211,996.25	727,197.75
GCL Construction Management Lease Agreement	3,841,461.00	2,881,095.75
Total	25,594,493.25	17,321,796.00

The above annual caps are based on the aggregate rents to be received under the Previous Lease Agreement and the Lease Agreements in the period from 1 January 2020 to 30 September 2021.

INFORMATION ON THE PARTIES

Suzhou GCL Research

Suzhou GCL Research, a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company, is the owner of 5/F Headquarter, 3/F South Western Zone of Research Building, 2/F South Western Zone of Research Building and 3/F South Eastern Zone

of Research Building. Suzhou GCL Research is principally engaged in (i) the research and development, testing and sales of monocrystalline silicon, polysilicon, LED semiconductor lighting, OLED display, motive battery and related products; (ii) the development of energy saving technology, technology consultancy, technology services and technology transfer; (iii) the import of raw and auxiliary materials, machinery and equipment and related technologies required by the research and development of Suzhou GCL Research and (iv) the export of self-produced products and related technology.

The Company

The Company is an investment company and its subsidiaries are principally engaged in the manufacturing and the sale of polysilicon and wafers products as well as the development, owning and operation of solar farms.

GCL System Integration Technology

GCL System Integration Technology is a company incorporated in the PRC principally engaged in (i) new energy, renewable energy, energy storage, integration of energy systems, and the development, testing, design, technology development, technology consultancy, technology services and technology transfer of solar-material-related products and equipment, as well as the import and export of the abovesaid commodities and technologies; and (ii) the development, design, production, maintenance, installation, after-sale service and consultancy of photovoltaic power storage of new-energy cars as well as the assembly and maintenance of power recharge stations of new-energy cars.

GCL Energy Engineering

GCL Energy Technology is a company incorporated in the PRC principally engaged in (i) design, construction, installation and engineering of solar power stations; (ii) the development of solar photovoltaic systems technology, technology consultancy, technology services and technology transfers; (iii) power engineering design and construction; (iv) contractual energy management; (v) sales of power stations equipment and parts; (vi) the import and export of self-produced and agent commodities and technologies; (vii) undertaking of foreign construction projects which are suitable for its capacity, size and result; and (viii) dispatching of the employees abroad for implementing the abovesaid foreign constructions.

GCL Energy Technology

GCL Energy Technology, a company incorporated in the PRC and is principally engaged in (i) energy technology development, technical consulting and technical services; (ii) economic information consulting and investment consulting; and (iii) sales of electrical equipment, coal, fly ash, building materials and chemical products.

GCL Construction Management

GCL Energy Technology is a company incorporated in the PRC principally engaged in (i) polysilicon, monocrystalline silicon, solar cell and module project management services and project investment; (ii) import and export of self-produced and agent commodities and technologies (state-restricted enterprises); (iii) building construction, railway, road, tunnel and bridge construction; (iv) wiring and equipment construction; (v) electrical installation; (vi) engineering management services; (vii) engineering survey design; (viii) road general cargo transportation; (ix) software development; and (x) property management.

REASONS FOR AND BENEFITS FOR THE GCL ENERGY TECHNOLOGY LEASE AGREEMENT

5/F Headquarter, 3/F South Western Zone of Research Building, 2/F South Western Zone of Research Building and 3/F South Eastern Zone of Research Building are spare space in the property of the Group. The leasing of such spare spaces could bring additional rental income to the Group. The Directors (including the independent non-executive Directors) are of the view that the transaction contemplated under the Lease Agreements were (i) negotiated on arm's length basis; (ii) entered into on normal commercial terms; (iii) in the ordinary and usual course of business; (iv) fair and reasonable; and (v) in the interests of the Company and the Shareholders as a whole.

LISTING RULE IMPLICATIONS

As at the date of this announcement, the Zhu Family Trust is the ultimate controlling shareholder and a connected person of the Company. GCL System Integration Technology and GCL Energy Engineering are both subsidiaries of GCL System Integration, which is in turn ultimately controlled by Mr. Zhu Yufeng and the Zhu Family Trust, under which Mr. Zhu and his family (including Mr. Zhu Yufeng) are beneficiaries. GCL Energy Technology and GCL Construction Management are both ultimately held and controlled by the Zhu Family Trust. Accordingly, each of GCL System Integration Technology, GCL Energy Engineering, GCL Energy Technology and GCL Construction Management are therefore connected persons of the Company and the transactions under the Lease Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In accordance with Rule 14A.76(2) of the Listing Rules, as the highest applicable percentage ratio in respect of the transactions contemplated under the Lease Agreements, on an aggregate basis, exceeds 0.1% but is less than 5%, it is subject to the reporting, annual review and announcement requirements but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As (i) Mr. Zhu and Mr. Zhu Yufeng, have material interest in the transaction contemplated under the Lease Agreements; (ii) Ms. Sun Wei is the vice chairman of Golden Concord Holdings Limited; and (iii) Mr. Yeung Man Chung, Charles is the vice president of Golden Concord Holdings Limited, Mr. Zhu, Mr. Zhu Yufeng, Ms. Sun Wei and Mr. Yeung Man Chung, Charles have abstained from voting on the resolutions of the Board in respect of the approval of the Lease Agreements.

DEFINITIONS

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

“2/F South Western Zone of Research Building”	second floor of the south western zone of research building located at No. 28 Xinqing Road, Suzhou Industrial Park, Suzhou, PRC
“3/F South Eastern Zone of Research Building”	third floor of the south eastern zone of research building located at No. 28 Xinqing Road, Suzhou Industrial Park, Suzhou, PRC

“3/F South Western Zone of Research Building”	third floor of the south western zone of research building located at No. 28 Xinqing Road, Suzhou Industrial Park, Suzhou, PRC
“5/F Headquarter”	fifth floor of the headquarter located at No. 28 Xinqing Road, Suzhou Industrial Park, Suzhou, PRC
“associate”	has the meaning given to it under the Listing Rules
“Board”	the board of Directors
“Company”	GCL-Poly Energy Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 3800)
“connected person(s)”	has the meaning given to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“GCL Construction Management”	GCL (Jiangsu) Construction and Management Co., Ltd.* (江蘇協鑫建設管理有限公司), a company incorporated in the PRC and ultimately held and controlled by the Zhu Family Trust
“GCL Construction Management Lease Agreement”	the property lease agreement dated 31 December 2019 entered into between Suzhou GCL Research as landlord and GCL Construction Management as tenant in relation to the lease of 3/F South Eastern Zone of Research Building
“GCL Energy Engineering”	GCL Energy Engineering Co., Ltd.* (協鑫能源工程有限公司), a company incorporated in the PRC and a subsidiary of the GCL System Integration
“GCL Energy Engineering Lease Agreement”	the property lease agreement dated 31 December 2019 entered into between Suzhou GCL Research as landlord and GCL Energy Engineering as tenant in relation to the lease of 3/F South Western Zone of Research Building
“GCL Energy Technology”	Suzhou GCL Energy Technology Co., Ltd.* (蘇州協鑫能源科技有限公司), a company incorporated in the PRC and ultimately held and controlled by the Zhu Family Trust
“GCL Energy Technology Lease Agreement”	the property lease agreement dated 31 December 2019 entered into between Suzhou GCL Research as landlord and GCL Energy Technology as tenant in

	relation to the lease of 2/F South Western Zone of Research Building
“GCL System Integration”	GCL System Integration Technology Co., Ltd.* (協鑫集成科技股份有限公司), a company incorporated in the PRC with its shares listed on the Small and Medium Enterprise Board of the Shenzhen Stock Exchange (stock code: 2506)
“GCL System Integration Technology”	Suzhou GCL System Integration Technology Industrial Application Research Co., Ltd.* (蘇州協鑫集成科技工業應用研究院有限公司), a company incorporated in the PRC and a subsidiary of GCL System Integration
“GCL System Integration Technology Lease Agreement”	the property lease agreement dated 31 December 2019 entered into between Suzhou GCL Research as landlord and GCL System Integration Technology as tenant in relation to the lease of 5/F Headquarter
“Group”	the Company and its subsidiaries
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Zhu”	Mr. Zhu Gongshan, the Chairman and an executive Director of the Company
“Mr. Zhu Yufeng”	Mr. Zhu Yufeng, son of Mr. Zhu and an executive Director of the Company
“Previous Lease Agreement”	the property lease agreement dated 27 September 2019 entered into between Suzhou GCL Research as landlord and GCL Energy Technology Co., Ltd.* (協鑫能源科技股份有限公司) as tenant in relation to the lease of 3/F Headquarter
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholders of the Company
“sq. m.”	square meter
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary(ies)”	has the meaning given to it under the Listing Rules
“Suzhou GCL Research”	Suzhou GCL Industrial Application Research Co., Ltd.*(蘇州協鑫工業應用研究院有限公司), a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“Zhu Family Trust”	the discretionary trust known as the “Asia Pacific Energy Fund”, of which Mr. Zhu and his family (including Mr. Zhu Yufeng, an executive Director and son of Mr. Zhu) are beneficiaries
“%”	percent

**For identification purposes only.*

By order of the Board
GCL-Poly Energy Holdings Limited
Zhu Gongshan
Chairman

Hong Kong, 31 December 2019

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