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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

(1) DISPOSAL OF EQUITY INTEREST IN SUBSIDIARIES

(2) GRANT OF PUT OPTIONS

THE SECOND PHASE SHARE PURCHASE AGREEMENTS

The Board announces that on 23 December 2020 (after trading hours), Suzhou GCL-Poly (as the seller) and Hunan Xinhua (as the purchaser) entered into the Second Phase Share Purchase Agreements. Pursuant to the Second Phase Share Purchase Agreements, Suzhou GCL-Poly (an indirect wholly-owned subsidiary of the Company) agreed to (a) sell 80% equity interest in each of Baoying Xingneng, Ningxia Hengyang and Funing Xinneng and (b) grant the Put Options to Hunan Xinhua.

USE OF PROCEEDS FROM THE TRANSACTIONS

The net cash proceeds (net of estimated taxes and transaction costs) from the Transactions (including the Consideration, the Net Payable Amount and dividend payable as at the Closing Date to Suzhou GCL-Poly) is expected to be approximately RMB203,000,000, which the Company intends to use for repayments of its debts.

LISTING RULE IMPLICATIONS

As Suzhou GCL-Poly, being an indirect wholly-owned subsidiary of the Company, entered into the First Phase Disposal and the Second Phase Disposals within a 12-month period, the First Phase Disposal and the Second Phase Disposals shall be aggregated as a series of transactions for the Company pursuant to Rule 14.22 of the Listing Rules.

Since the highest applicable percentage ratio in respect of the First Phase Disposal and the Second Phase Disposals exceeds 5% but is less than 25%, the entering into of the Second Phase Disposals constitutes a discloseable transaction of the Company and it shall comply with the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As Suzhou GCL-Poly, being an indirect wholly-owned subsidiary of the Company, entered into the First Phase Put Options and the Second Phase Put Options with Hunan Xinhua within a 12-month period, the First Phase Put Options and the Second Phase Put Options shall be aggregated as a series of transactions for the Company pursuant to Rule 14.22 of the Listing Rules.

The Put Options are exercisable at the discretion of Hunan Xinhua upon the occurrence of certain specified events, with the exercise price for the Put Options to be determined in accordance with the terms of the First Phase Share Purchase Agreement and the Second Phase Share Purchase Agreements. As the highest applicable percentage ratio in respect of the First Phase Put Options and the Second Phase Put Options exceeds 5% but is less than 25%, the grant of the Second Phase Put Options constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

1. INTRODUCTION

The Board announces that on 23 December 2020 (after trading hours), Suzhou GCL-Poly (as the seller) and Hunan Xinhua (as the purchaser) entered into the Second Phase Share Purchase Agreements. Pursuant to the Second Phase Share Purchase Agreements, Suzhou GCL-Poly (an indirect wholly-owned subsidiary of the Company) agreed to (a) sell 80% equity interest in each of Baoying Xingneng, Ningxia Hengyang and Funing Xinneng and (b) grant the Put Options to Hunan Xinhua.

2. THE SECOND PHASE SHARE PURCHASE AGREEMENTS

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

Date

23 December 2020 (after trading hours)

Parties

- (i) The Seller: Suzhou GCL-Poly Solar Energy Investment Ltd.*
(蘇州保利協鑫光伏電力投資有限公司)
- (ii) The Purchaser: Hunan Xinhua Water Conservancy and Electric Power Co., Ltd.* (湖南新華水利電力有限公司)

Assets to be sold

As at the date of the announcement, the Target Companies are wholly-owned by Suzhou GCL-Poly. The Sale Shares represent 80% equity interest in each of the Target Companies.

The Target Companies own 3 Operational Solar Power Plants in the PRC with an aggregate grid-connected capacity of approximately 90MW.

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

No.	Target Companies	
I	Baoying Xingneng Share Purchase Agreement	Baoying Xingneng Renewable Energy Co., Ltd.* (寶應興能可再生能源有限公司)
II	Ningxia Hengyang Share Purchase Agreement	Ningxia Hengyang New Energy Co., Ltd.* (寧夏恒陽新能源有限公司)
III	Funing Xinneng Share Purchase Agreement	Funing Xinneng Solar Energy Co., Ltd.* (阜寧新能光伏電力有限公司)

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

Consideration

The aggregate Consideration under the Second Phase Share Purchase Agreements is RMB140,479,480.

The table below sets out the Consideration of each of the Target Companies payable to Suzhou GCL-Poly:

Second Phase Share Purchase

Agreements	Target Companies	Consideration <i>RMB</i>
I	Baoying Xingneng	44,307,600
II	Ningxia Hengyang	34,361,600
III	Funing Xinneng	<u>61,807,280</u>
Total		<u><u>140,476,480</u></u>

Basis of the Consideration

The Consideration was determined after arm's length negotiations between Suzhou GCL-Poly and Hunan Xinhua, taking into account of, among others:

- (i) the net asset value of the Target Companies as at the Reference Date (i.e. 30 June 2020);
- (ii) the profitability of the Target Companies for the financial years ended 31 December 2019 and 31 December 2018, details of which can be found in the section headed "Information on the Target Companies" of this announcement;
- (iii) the undistributed profits of Baoying Xingneng, Ningxia Hengyang, and Funing Xinneng as at the Reference Date specified in the respective Second Phase Share Purchase Agreement which amounted to RMB31,620,000 in total (the "Undistributed Profits"); and
- (iv) the cash flow position of the Target Companies as at the Reference Date.

Payment arrangements of the Consideration

The Consideration shall be settled by Hunan Xinhua to Suzhou GCL-Poly in the manner set out below:

Second Phase

Share Purchase Agreements	Target Companies	First Instalment <i>RMB</i>	Second Instalment <i>RMB</i>	Third Instalment <i>RMB</i>
I	Baoying Xingneng	15,050,000	5,000,000	24,257,600
II	Ningxia Hengyang	3,000,000	1,361,600	30,000,000
III	Funing Xinneng	<u>33,000,000</u>	<u>5,880,000</u>	<u>22,927,280</u>
Total		<u>51,050,000</u>	<u>12,241,600</u>	<u>77,184,880</u>

First Instalment Hunan Xinhua shall pay RMB51,050,000 in total, being the first instalment under the Second Phase Share Purchase Agreements to Suzhou GCL-Poly within five Business Days after the completion of the Registration Procedures.

Second Instalment Hunan Xinhua shall pay RMB12,241,600 in total, being the second instalment under the Second Phase Share Purchase Agreements to Suzhou GCL-Poly within five Business Days after the Handover of Account Passwords and Seals and the Handover of Assets and Information.

Third Instalment Hunan Xinhua shall pay RMB77,184,880 in total, being the third instalment under the Second Phase Share Purchase Agreements to Suzhou GCL-Poly upon the receipt of the National Subsidy Receivables by the respective Target Company as at Reference Date on a dollar-for-dollar basis until such third instalment has been fully paid.

As mentioned in the section headed “Basis of the Consideration” above, the Undistributed Profits have been taken into consideration when determining the Consideration. As such, the Consideration payable by Hunan Xinhua to Suzhou GCL-Poly includes the Undistributed Profits. In the event that the Target Companies declare any dividend on the Undistributed Profits prior to the Closing, the Consideration payable by Hunan Xinhua to Suzhou GCL-Poly shall be decreased by the amount of dividend declared on a dollar-for-dollar basis. If Ningxia Hengyang declares dividend on the Undistributed Profits prior to the

Closing Date and as a result the amount of dividend payable by Ningxia Hengyang to Suzhou GCL-Poly exceeds the consideration under the Ningxia Hengyang Share Purchase Agreement, such excess amount shall be paid to Suzhou GCL-Poly upon the receipt of the National Subsidy Receivable by Ningxia Hengyang as at Reference Date on a dollar-for-dollar basis until such dividend payable has been fully paid.

Other Undertakings

The parties agreed to be subject to the following undertakings:

- (i) within 30 Business Days after the Closing Date, Suzhou GCL-Poly shall terminate the employment of existing employees of the Target Companies and provide corresponding severance arrangement to such employees. Suzhou GCL-Poly shall also settle any disputes in relation to the termination of employment or social insurance and undertake the costs thereof;
- (ii) if Suzhou GCL-Poly fails to rectify the deficiencies of the Target Companies (such as engineering quality matters or safety hazards of the equipment of the Operational Solar Power Plants) within the respective timeline specified under the Second Phase Share Purchase Agreements, Hunan Xinhua shall be entitled to appoint any qualified third parties to rectify such deficiencies and deduct the actual cost of rectification payable by the Target Companies from the Consideration payable to Suzhou GCL-Poly;
- (iii) if the tax authority imposes any supplemental tax amount, surcharge or penalty on the Target Companies in connection to the events occurred prior to the Closing Date, such amount payable by the Target Companies to the tax authority shall be borne by Suzhou GCL-Poly and Hunan Xinhua shall be entitled to recover such amount payable by the Target Companies to the tax authority from Suzhou GCL-Poly;
- (iv) if the Target Companies fail to pay any amount owed by them to their respective workers and Hunan Xinhua is required to pay for the penalty on behalf of the Target Companies upon the receipt of any administrative order, Hunan Xinhua shall be entitled to deduct such amount from the Consideration payable to Suzhou GCL-Poly; and
- (v) (applicable to the Baoying Xingneng Share Purchase Agreement only) if any government authority imposes penalty on Baoying Xingneng as a result of any inconsistency between installed capacity and registered capacity of its Operational Solar Power Plants which existed prior to the Closing Date and Hunan Xinhua or Baoying Xingneng is required to pay for such penalty, Hunan Xinhua shall be entitled to recover such penalty from Suzhou GCL-Poly.

The Transition Period Arrangement

The Target Companies shall pay the dividend payable and the Net Payable Amount to Suzhou GCL-Poly and its respective affiliates as at the Closing Date to Suzhou GCL-Poly within five Business Days upon the issuance of the Closing Audit Report.

The table below sets out the dividend payable and the Net Payable Amount payable by the Target Companies to Suzhou GCL-Poly as at the date of this announcement:

Second Phase Share Purchase Agreements	Target Companies	Dividend payable <i>RMB</i>	Net Payable Amount <i>RMB</i>
I	Baoying Xingneng	26,379,000	3,500,000
II	Ningxia Hengyang	14,316,000	23,191,000
III	Funing Xinneng	<u>20,493,000</u>	<u>800,000</u>
Total		<u>61,188,000</u>	<u>27,491,000</u>

In the event that the Target Companies have insufficient funds to repay their debts incurred after the Closing, Hunan Xinhua shall assist the Target Companies to repay such debts. Suzhou GCL-Poly shall be responsible to settle any borrowings, guarantees and other liabilities incurred by the Target Companies during the Transition Period before the Closing.

Conditions Precedent

The Closing under each of the Second Phase Share Purchase Agreements is subject to the fulfilment of all of the following conditions:

- (i) the relevant procedures in relation to the release of the Existing Share Pledges have been completed;
- (ii) the relevant permits, approvals and authorisations specified in the Second Phase Share Purchase Agreements have been obtained in accordance with the applicable laws; and
- (iii) the execution and performance of the Second Phase Share Purchase Agreements by the parties have not led to (a) any violation of the provisions of the business licence, incorporation agreement, articles of association or other constitutional documents, (b) any violation of the applicable laws, authorisations or approvals granted by any government authorities and (c) any breach or violation of agreements to which they are a party or by which they are bound.

In the event that Suzhou GCL-Poly fails to complete the relevant procedures in relation to the release of the Existing Share Pledges within 90 days upon the signing of the Second Phase Share Purchase Agreements, either party is entitled to terminate the Second Phase Share Purchase Agreements.

In addition, Hunan Xinhua is entitled to terminate the Second Phase Share Purchase Agreements upon the occurrence of any of the following events before the Closing Date:

- (i) freeze of the equity interest or assets of the Target Companies as a result of any litigation or arbitration caused by Suzhou GCL-Poly or the Target Companies before the Closing Date, and Suzhou GCL-Poly fails to unfreeze such equity interest or assets within 180 days from the date of the Second Phase Share Purchase Agreements;
- (ii) the existence of undisclosed liabilities of the Target Companies to Hunan Xinhua amounting to no less than RMB10 million, and the failure of Suzhou GCL-Poly and the Target Companies to repay such undisclosed liabilities before the Closing Date; and
- (iii) the Transactions being infeasible, the standard of technical indicators not being met, or the investment objectives not being achieved and the parties failing to reach a consensus on the solutions to rectify such issues and the deadlock lasts for more than 180 days from the date of the Second Phase Share Purchase Agreements.

In the event that Hunan Xinhua is required to deposit certain funds to an escrow account (the “**Escrowed Account**”) to facilitate the discharge of the Existing Share Pledges (the “**Escrowed Funds**”), Suzhou GCL-Poly shall return, among others, the Escrowed Funds to Hunan Xinhua upon termination of the Second Phase Share Purchase Agreements.

Closing

Upon the signing of the Second Phase Share Purchase Agreements, the Closing shall take place within five Business Days after the release of the Existing Share Pledge of the Target Companies and the release of the freezing procedure of the Sales Shares (if any).

Closing Audit Report

Hunan Xinhua shall engage an auditing agency to audit the financial condition of the Target Companies during the Transition Period and prepare the Closing Audit Report within one month after the Closing Date.

Grant of Put Options

(a) Repurchase of the Sale Shares

Hunan Xinhua is entitled to request Suzhou GCL-Poly to repurchase the Sale Shares in accordance with the respective Second Phase Share Purchase Agreement (the “**Repurchase**”) upon the occurrence of the following events:

- (i) the existence of undisclosed situations of the Target Companies to Hunan Xinhua, including but not limited to any undisclosed liabilities of the Target Companies or undisclosed contracts of the Target Companies with a contract sum of no less than RMB10 million, which have material impact on the operation of the Target Companies; and
- (ii) the existence of material misrepresentation or omission in respect of the representations and warranties of Suzhou GCL-Poly resulting in material adverse impact on the interests of Hunan Xinhua.

Within one month from the date of receipt of the written notice of the Repurchase from Hunan Xinhua, Suzhou GCL-Poly shall execute the relevant transaction documents to effect the Repurchase. Unless otherwise agreed by the parties, the repurchase price for the Target Companies (the “**Repurchase Price**”) shall be paid in a lump sum within one month from the signing of such relevant transaction documents.

(b) Repurchase Price

The Repurchase Price shall be determined by the sum of (i) the amount of the Consideration already paid by Hunan Xinhua to Suzhou GCL-Poly (the “**Investment Principal**”) and (ii) the interest incurred on the Investment Principal calculated at an annual investment return rate of 8%, excluding the after-tax dividend paid by the Target Companies to Hunan Xinhua (if any). The maximum Repurchase Price shall not exceed 1.4 times of the Consideration under the respective Second Phase Share Purchase Agreement.

Tag-along rights

Suzhou GCL-Poly is entitled to request Hunan Xinhua or its nominee(s) to acquire the remaining 20% equity interest held by Suzhou GCL-Poly in each of the Target Companies two years after the Closing. In the event that Hunan Xinhua disposes its equity interest in the Target Companies to a listed company, Suzhou GCL-Poly is entitled, but not obliged to, dispose its 20% equity interest in the Target Companies under the same terms and price to such listed company.

Security arrangement under the Second Phase Share Purchase Agreements

To indemnify Hunan Xinhua against potential loss arising from any contingent liabilities of or claims against the Target Companies, Suzhou GCL-Poly agreed to provide Hunan Xinhua with the Remaining Equity Interest Guarantee and a specific guarantee to indemnify Hunan Xinhua against any undisclosed liabilities of the Target Companies amounting to no more than the Consideration under the respective Second Phase Share Purchase Agreement. Hunan Xinhua shall release the Remaining Equity Interest Guarantee and specific guarantee within 30 days after the second anniversary of the completion of the Registration Procedures.

3. INFORMATION ON THE GROUP AND SUZHOU GCL-POLY

The Group

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

The Group is principally engaged in the manufacturing and sale of polysilicon and wafers products, and developing and operating solar farms.

Suzhou GCL-Poly

Suzhou GCL-Poly is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. The principal business of Suzhou GCL-Poly is investment holding.

4. INFORMATION ON HUNAN XINHUA

Hunan Xinhua is a company established in the PRC with limited liability. Hunan Xinhua is mainly engaged in investment of power infrastructure and hydropower projects, consultancy services of hydropower technology and power projects, power business, contracting of mechanical engineering constructions and power facilities, as well as sale, design, development and maintenance of power and mechanical engineering equipment.

Hunan Xinhua is held as to approximately 99.63% by Xinhua Hydropower Company Limited* (新華水力發電有限公司) and approximately 0.37% by Hunan Sheng Hydropower Company Limited* (湖南省水利電力有限責任公司) (“**Hunan Sheng Hydropower**”). Xinhua Hydropower Company Limited* (新華水力發電有限公司) is owned as to (i) 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 (ii) 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. Hunan Sheng Hydropower is owned as to (i) approximately 95.38% by Hunan Water Conservancy Development Investment Co., Ltd.* (湖南省水利發展投資有限公司), which is in turn wholly-owned by the State-owned Assets Supervision and Administration Commission of the Hunan Province in the PRC, and (ii) approximately 4.62% by 31 other entities, amongst which, no individual entity owned over 0.8% equity interest in Hunan Sheng Hydropower.

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

5. INFORMATION ON THE TARGET COMPANIES

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

No.	Second Phase Share Purchase Agreements	Information on the Target Companies
I	Baoying Xingneng Share Purchase Agreement	Baoying Xingneng is a company established in the PRC with limited liability and is principally engaged in the generation and sale of photovoltaic power and the relevant engineering consultancy services, as well as infrastructure of photovoltaic power projects. Baoying Xingneng is wholly-owned by Suzhou GCL-Poly and is an indirect wholly-owned subsidiary of the Company.
II	Ningxia Hengyang Share Purchase Agreement	Ningxia Hengyang is a company established in the PRC with limited liability and is principally engaged in the infrastructure of solar power projects and the development and sale of solar power products. Ningxia Hengyang is wholly-owned by Suzhou GCL-Poly and is an indirect wholly-owned subsidiary of the Company.
III	Funing Xinneng Share Purchase Agreement	Funing Xinneng is a company established in the PRC with limited liability and is principally engaged in the generation of photovoltaic power and the related consultancy services on engineering and operation. Funing Xinneng is wholly-owned by Suzhou GCL-Poly and is an indirect wholly-owned subsidiary of the Company.

Set out below is an extract of the audited financial statements of the Target Companies for each of the financial years ended 31 December 2019 and 31 December 2018 prepared in accordance with China Accounting Standards:

Second Phase Share Purchase Agreements	Target Companies	Year ended 31 December 2019		Year ended 31 December 2018	
		Profit	Profit	Profit	Profit
		before	after	before	after
		taxation	taxation	taxation	taxation
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
I	Baoying Xingneng	9,104	6,709	9,006	7,969
II	Ningxia Hengyang	7,454	6,895	6,750	6,225
III	Funing Xinneng	11,804	8,853	10,568	9,248

The table below sets out the net asset value of each of the Target Companies extracted from the unaudited management accounts for the six months ended 30 June 2020 of the Target Companies prepared in accordance with China Accounting Standards:

Second Phase Share Purchase Agreements	Target Companies	As at 30 June 2020 Net asset value <i>RMB'000</i>
I	Baoying Xingneng	67,813
II	Ningxia Hengyang	62,162
III	Funing Xinneng	<u>71,722</u>
Total		<u>201,697</u>

6. FINANCIAL IMPACT OF THE TRANSACTIONS

After the Closing Date, the Target Companies will cease to be subsidiaries of the Group, and the profit and loss, as well as the assets and liabilities of the Target Companies will no longer be consolidated into the consolidated financial statements of the Group.

As at the date of this announcement, it is estimated the Group will realise a net loss on the Second Phase Disposals of approximately RMB20,881,120, which is calculated by reference to the difference between the Consideration receivable by Suzhou GCL-Poly of approximately RMB140,476,480 and 80% of the consolidated net asset value of the Target Companies of approximately RMB161,357,600 based on the unaudited financial information of the Target Companies as at 30 June 2020.

The actual loss as a result of the Second Phase Disposals to be recorded by the Group is subject to audit and will be reassessed after completion of the Second Phase Disposals.

7. USE OF PROCEEDS FROM THE TRANSACTIONS

The net cash proceeds (net of estimated taxes and transaction costs) from the Transactions (including the Consideration, the Net Payable Amount and dividend payable as at the Closing Date to Suzhou GCL-Poly) are expected to be approximately RMB203,000,000, which the Company intends to use for repayments of its debts.

8. REASONS FOR AND BENEFITS OF THE TRANSACTIONS

As part of its “transformation and upgrade” development objective, the Company has been taking steps towards transforming to an asset-light model. Upon completion of the Transactions, the Target Companies will cease to be the subsidiaries of the Group, and the profit and loss as well as the assets and liabilities of the Target Companies will no longer be consolidated into the consolidated financial statements of the Group. The liabilities of the Group will decrease by approximately RMB480,950,000 as at the Reference Date. Meanwhile, the cash derived from the Disposals will be used for further repayment of debts.

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

9. LISTING RULES IMPLICATIONS

As Suzhou GCL-Poly, being an indirect wholly-owned subsidiary of the Company, entered into the First Phase Disposal and the Second Phase Disposal within a 12-month period, the First Phase Disposal and the Second Phase Disposals shall be aggregated as a series of transactions for the Company pursuant to Rule 14.22 of the Listing Rules.

Since the highest applicable percentage ratio in respect of the First Phase Disposal and the Second Phase Disposals exceeds 5% but is less than 25%, the entering into of the Second Phase Disposals constitutes a discloseable transaction of the Company and it shall comply with the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As Suzhou GCL-Poly, being an indirect wholly-owned subsidiary of the Company, entered into the First Phase Put Options and the Second Phase Put Options with Hunan Xinhua within a 12-month period, the First Phase Put Options and the Second Phase Put Options shall be aggregated as a series of transactions for the Company pursuant to Rule 14.22 of the Listing Rules.

The Put Options are exercisable at the discretion of Hunan Xinhua upon the occurrence of certain specified events, with the exercise price for the Put Options to be determined in accordance with the terms of the First Phase Share Purchase Agreement and the Second Phase Share Purchase Agreements. As the highest applicable percentage ratio in respect of the First Phase Put Options and the Second Phase Put Options exceeds 5% but is less than 25%, the grant of the Second Phase Put Options constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

10. DEFINITIONS

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

“Baoying Xingneng”	Baoying Xingneng Renewable Energy Co., Ltd.* (寶應興能可再生能源有限公司), a company established in the PRC with limited liability, which is an indirect wholly-owned subsidiary of the Company
“Baoying Xingneng Share Purchase Agreement”	an equity transfer agreement dated 23 December 2020 entered into between Suzhou GCL-Poly and Hunan Xinhua in relation to the sale of the 80% equity interest in Baoying Xingneng
“Board”	the board of Directors of the Company
“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”	closing of the Disposals in accordance with the Second Phase Share Purchase Agreements
“Closing Audit Report”	closing audit report prepared by an auditing agency to audit the financial status of the Target Companies during the Transition Period in accordance with the Second Phase Share Purchase Agreements
“Closing Date”	the date on which the Closing shall occur

“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
“Conditions Precedent”	the conditions under the section “Conditions Precedent” in this announcement
“connected persons”	has the same meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the transactions contemplated under the Second Phase Share Purchase Agreements
“Directors”	the directors of the Company
“Disposals”	the First Phase Disposal and the Second Phase Disposals
“Existing Share Pledges”	the pledges of the Sale Shares held by Suzhou GCL-Poly to certain financial institutions
“First Phase Disposal”	the proposed disposal of 51% equity interest in Ningxia Qingyang by Suzhou GCL-Poly to Hunan Xinhua as contemplated under the First Phase Share Purchase Agreement
“First Phase Put Options”	the put options granted to Hunan Xinhua under the First Phase Share Purchase Agreement, pursuant to which Hunan Xinhua is entitled to, upon the occurrence of certain specified events in relation to Ningxia Qingyang, request Suzhou GCL-Poly to repurchase 51% equity interest in Ningxia Qingyang
“First Phase Share Purchase Agreements”	the share purchase agreement dated 20 November 2020 entered into between Suzhou GCL-Poly and Zhenfa New Energy Technology Co., Ltd.* (振發新能源科技有限公司) (“ Zhenfa New Energy ”) (as sellers), Hunan Xinhua and Jia Wei (Shanghai) Photovoltaic Power Co., Ltd.* (珈偉(上海)光伏電力有限公司) (as purchasers) and Jiangsu Zhenfa Holding Group Co., Ltd.* (江蘇振發控股集團有限公司) (as guarantor of Zhenfa New Energy), as detailed in the announcement of the Company dated 20 November 2020
“Funing Xinneng”	Funing Xinneng Solar Energy Co., Ltd.* (阜寧新能光伏電力有限公司), a company established in the PRC with limited liability, which is an indirect wholly-owned subsidiary of the Company

“Funing Xinneng Share Purchase Agreement”	an equity transfer agreement dated 23 December 2020 entered into between Suzhou GCL-Poly and Hunan Xinhua in relation to the sale of the 80% equity interest in Funing Xinneng
“Group”	the Company and its subsidiaries
“Handover of Account Passwords and Seals”	handover of online encryption keys of all bank accounts and all corporate seals of the Target Companies by Suzhou GCL-Poly or the Target Companies to Hunan Xinhua
“Handover of Assets and Information”	handover of all assets and information of the Target Companies, including but not limited to financial data, operational information and project approval status, by Suzhou GCL-Poly or the Target Companies to Hunan Xinhua
“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
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“MW”	megawatt(s)
“National Subsidy Receivable”	national subsidy receivable by each of the Target Companies under the National Renewable Energy Tariff Surcharge Subsidy Catalogue (可再生能源電價附加資金補助目錄) and the Renewable Energy Tariff Subsidy List (可再生能源發電補助項目清單) by the PRC government
“Net Payable Amount”	the amount equivalent to the positive difference between total amount payable by each of the Target Companies to Suzhou GCL-Poly and its affiliates and the total amount receivable by each of the Target Companies from Suzhou GCL-Poly and its affiliates
“Ningxia Hengyang”	Ningxia Hengyang New Energy Co., Ltd.* (寧夏恒陽新能源有限公司), a company established in the PRC with limited liability, which is an indirect wholly-owned subsidiary of the Company

“Ningxia Hengyang Share Purchase Agreement”	an equity transfer agreement dated 23 December 2020 entered into between Suzhou GCL-Poly and Hunan Xinhua in relation to the sale of the 80% equity interest in Ningxia Hengyang
“Operational Solar Power Plant(s)”	the operational solar power plant(s) of the Target Companies
“PRC”	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
“Put Options”	the First Phase Put Options and the Second Phase Put Options
“Reference Date”	30 June 2020
“Registration Procedures”	the registration procedures in respect of the change of shareholders of the Target Companies and other relevant filing procedures in respect of the Transactions in the PRC
“Remaining Equity Interest Guarantee”	the grant of guarantee by Suzhou GCL-Poly to Hunan Xinhua secured by the remaining 20% equity interest in each of the Target Companies held by Suzhou GCL-Poly after the Second Phase Disposals
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Share(s)”	the 80% equity interest in the Target Companies held by Suzhou GCL-Poly
“Second Phase Disposals”	the proposed disposals of the Sale Shares by Suzhou GCL-Poly to Hunan Xinhua as contemplated under the Second Phase Share Purchase Agreements
“Second Phase Put Options”	the put options granted to Hunan Xinhua under the Second Phase Share Purchase Agreements, pursuant to which Hunan Xinhua is entitled to, upon the occurrence of certain specified events in relation to a relevant Target Company, request Suzhou GCL-Poly to repurchase the Sale Shares of the respective Target Company
“Second Phase Share Purchase Agreements”	Baoying Xingneng Share Purchase Agreement, Ningxia Hengyang Share Purchase Agreement and Funing Xinneng Share Purchase Agreement

“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the same meaning ascribed to it under the Listing Rules
“Suzhou GCL-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 the Company
“Target Company(ies)”	the three target companies being the subject of the Second Phase Disposals, details of which can be found in the section headed “Information on the Target Companies” of this announcement
“Transactions”	the transactions contemplated under the Second Phase Share Purchase Agreements, including the Second Phase Disposals and the grant of Second Phase Put Options
“Transition Period”	the period between the Reference Date and the Closing Date
“%”	per cent.

* *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, 23 December 2020

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.