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GCL-Poly Energy Holdings Limited

保利協鑫能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3800)



GCL New Energy Holdings Limited

協鑫新能源控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 451)

MAJOR TRANSACTION DISPOSAL OF SUBSIDIARIES

THE SECOND PHASE SHARE PURCHASE AGREEMENTS

Reference is made to the joint announcement of GCL-Poly and GNE dated 31 March 2021 (after trading hours) in relation to the First Phase Disposals.

The GCL-Poly Board and the GNE Board jointly announce that on 1 April 2021 (after trading hours), Xian GCL New Energy and Suzhou GCL New Energy, being indirect subsidiaries of GCL-Poly and GNE (as the sellers) and Three Gorges Asset Management Co., Ltd* (三峽資產管理有限公司) (as the purchaser) entered into the Second Phase Share Purchase Agreements. Pursuant to the Second Phase Share Purchase Agreements, the respective Seller agreed to, among other things, sell the (i) entire equity interest in each of Yulin Longyuan and Yushen Dongtou, (ii) 98.4% equity interest in Jingbian GCL and (iii) 80.35% equity interest in Hengshan Jinghe to the Purchaser.

After entering into the Transactions, the GNE Group and the Purchaser will further explore other co-operation opportunities, including but not limited to, in relation to the GNE Group's existing solar power plants and new solar power plants to be developed in the PRC. GNE and the Purchaser are proactively promoting the aforementioned cooperation, and plan to reach and execute more agreements in relation to disposals and joint development of solar power plants in the near future.

USE OF PROCEEDS FROM THE TRANSACTIONS

The cash proceeds from the Transactions (being the sum of (i) the aggregate Consideration amounting to approximately RMB1,250,207,400 and (ii) the Total Amount Payable of the Target Companies amounting to approximately RMB556,332,327, minus Total Amount Receivable of the Target Companies amounting to approximately RMB421,221,791) is expected to be approximately RMB1,385,317,936, which GNE intends to use for repayments of its debts.

LISTING RULES IMPLICATIONS

GCL-Poly

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

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

GNE

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

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

GENERAL

The GCL-Poly EGM will be convened for the GCL-Poly Shareholders to consider and, if thought fit, approve the Transactions and the entering into and performance of obligations under the Second Phase Share Purchase Agreements. A circular, which will include, among other things,

further details of the Transactions and the transactions contemplated under the Second Phase Share Purchase Agreements, is expected to be despatched to the GCL-Poly Shareholders on or before 31 May 2021, as additional time is required to prepare the information to be disclosed in the circular.

The GNE SGM will be convened for the GNE Shareholders to consider and, if thought fit, approve the Transactions and the entering into and performance of obligations under the Second Phase Share Purchase Agreements. A circular, which will include, among other things, further details of the Transactions and the transactions contemplated under the Second Phase Share Purchase Agreements, is expected to be despatched to the GNE Shareholders on or before 31 May 2021, as additional time is required to prepare the information to be disclosed in the circular.

1. INTRODUCTION

Reference is made to the joint announcement of GCL-Poly and GNE dated 31 March 2021 (after trading hours) in relation to the First Phase Disposals.

The GCL-Poly Board and the GNE Board jointly announce that on 1 April 2021 (after trading hours), Xian GCL New Energy and Suzhou GCL New Energy, being indirect subsidiaries of GCL-Poly and GNE (as the sellers) and Three Gorges Asset Management Co., Ltd* (三峽資產管理有限公司) (as the purchaser) entered into the Second Phase Share Purchase Agreements. Pursuant to the Second Phase Share Purchase Agreements, the respective Seller agreed to, among other things, sell the (i) entire equity interest in each of Yulin Longyuan and Yushen Dongtou, (ii) 98.4% equity interest in Jingbian GCL and (iii) 80.35% equity interest in Hengshan Jinghe to the Purchaser.

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

2. THE SECOND PHASE SHARE PURCHASE AGREEMENTS

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

Date

1 April 2021 (after trading hours)

Parties

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

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

Assets to be sold

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

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

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

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

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

Consideration

The aggregate Consideration under the Second Phase Share Purchase Agreements is approximately RMB1,250,207,400.

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

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

Basis of the Consideration

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

- (i) the net asset value of each of the Target Companies as at the Reference Date (i.e. 31 December 2020);
- (ii) the profitability of the Target Companies for the financial years ended 31 December 2020 and 31 December 2019, details of which can be found in the section headed "Information on the Target Companies" of this joint announcement;
- (iii) the reasons for the Second Phase Disposals as discussed in the paragraph headed "Reasons and Benefits of the Transactions" below; and
- (iv) the cash flow position of each of the Target Companies as at the Reference Date.

Payment arrangements of the Consideration

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

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

First instalment:

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

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

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

Second instalment:

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

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

Payment arrangement of the Amount Payable and Amount Receivable

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

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

The Purchaser shall procure the Target Companies to gradually repay the Total Amount Payable to the respective Seller from the Closing Date onwards and in any event repay in full within 10 days from the issuance of the Closing Audit Report.

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

Transition Period Arrangement

If the Closing takes place within 120 days from the Reference Date (the “**Cut-off Date**”), the profit and loss incurred by the Target Companies shall be accrued for the benefit of or borne by the Purchaser and the remaining shareholder of the Target Companies after the Closing (if applicable) based on their respective equity interest held in the Target Companies after the Closing. In the event that the Closing fails to take place within the Cut-off Date, the Sellers and the Purchaser agreed to separately negotiate the attribution of profit and loss of the Target Companies after the Cut-off Date as determined by the number of days for which the Closing was delayed. The parties shall complete the closing audit within 10 Business Days upon the Closing Date and the actual profit and loss incurred by the Target Companies which shall be accrued for the benefit of or borne by the Purchaser and the remaining shareholder of the Target Companies (if applicable) during the Transition Period shall be determined by the Closing Audit Report.

Other Undertakings

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

- (i) within 30 days after the Closing or the date of the Second Phase Share Purchase Agreements (as the case may be), the Purchaser undertake to provide guarantee substitution or procure the Target Companies’ early repayment of their liabilities owed to the financial institutions in order to release the existing guarantees provided by the Sellers or its affiliates in respect of such liabilities;
- (ii) the Sellers undertake to procure all third party debtors of the Target Companies (i.e. debtors of Target Companies other than the Sellers and their respective affiliates) to repay the debts owed by them to the respective Target Company (other than national subsidy) in accordance with the terms and conditions of the Second Phase Share Purchase Agreements;
- (iii) the Purchaser is entitled to allow the Target Companies to deduct a total amount of RMB855,000 from the Total Amount Payable in order to fully release the Sellers from their respective obligations to rectify certain quality matters of the engineering and equipment of the solar power plants of the Target Companies;

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

Conditions Precedent

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

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

- (i) the Purchaser has paid the First Instalment to the respective Sellers;
- (ii) all pledges over the Sale Shares have been released and the relevant Business Registration Procedures to discharge such pledges have been completed; and
- (iii) GCL-Poly and GNE have obtained their respective board approval and shareholders' approval (if applicable) in respect of the Transactions.

Closing

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

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

Guarantee arrangement under the Second Phase Share Purchase Agreements

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

Security arrangement under the Second Phase Share Purchase Agreements

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

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

The GCL-Poly Group

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

The GCL-Poly Group is principally engaged in the manufacturing and sale of polysilicon and wafers products, and developing and operating solar farms. As at the date of this joint announcement, GCL-Poly is interested in approximately 53.34% of the issued share capital of GNE.

The GNE Group

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

The GNE Group is principally engaged in the sale of electricity, development, construction, operation and management of solar power plants. As at the date of this joint announcement, GNE is owned as to approximately 53.34% by GCL-Poly.

Xian GCL New Energy

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

Suzhou GCL New Energy

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

4. INFORMATION ON THE PURCHASER

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

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

To the best of the GCL-Poly Directors and the GNE Directors’ knowledge, information and belief after having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of GCL-Poly and GNE and their respective 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:

Second Phase Share Purchase

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

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

**Second Phase
Share Purchase**

Agreements	Target Companies	Year ended 31 December 2020		Year ended 31 December 2019	
		Profit before taxation <i>RMB'000</i>	Profit after taxation <i>RMB'000</i>	Profit before taxation <i>RMB'000</i>	Profit after taxation <i>RMB'000</i>
I	Jingbian GCL	14,898	13,781	16,277	16,277
II	Yulin Longyuan	94,072	87,005	71,662	66,146
III	Yushen Dongtou	37,580	34,734	28,027	28,027
IV	Hengshan Jinghe	54,345	50,271	46,028	42,538

The audited net assets as at 31 December 2019 and the unaudited net assets as at the Reference Date (i.e. 31 December 2020) of the Target Companies amounted to approximately RMB991,408,921 and approximately RMB1,009,973,691, respectively.

6. FINANCIAL IMPACT OF THE TRANSACTIONS

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

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

7. USE OF PROCEEDS FROM THE TRANSACTIONS

The cash proceeds from the Transactions (being the sum of (i) the aggregate Consideration amounting to approximately RMB1,250,207,400 and (ii) the Total Amount Payable amounting to approximately RMB556,332,327, minus Total Amount Receivable amounting to approximately RMB421,221,791) is expected to be approximately RMB1,385,317,936, which GNE intends to use for repayments of its debts.

8. REASONS AND BENEFITS OF THE TRANSACTIONS

As part of its “transformation and upgrade” development objective, GCL-Poly through its subsidiary GNE has been taking steps towards transforming to an asset-light model. Upon completion of the Transactions, the Target Companies will no longer be subsidiaries of the GCL-Poly Group and the GNE Group, and the profit and loss as well as the assets and liabilities of the Target Companies will no longer be consolidated into the consolidated financial statements of the GCL-Poly Group and the GNE Group. The liabilities of the GCL-Poly Group and the GNE Group will decrease by approximately RMB4,253,344,000. Meanwhile, the cash derived from the Transactions amounting to approximately RMB1,385,317,936 will be used for further repayment of debts, and the gearing ratio of the GNE Group will decrease by approximately 2.3%, calculated with reference to the unaudited financial statements of the GNE Group as at 30 June 2020, thus effectively reducing the financial risks.

GCL-Poly, through GNE, intends to reinforce the strategic cooperation with domestic centralised management enterprises and local state-owned enterprises, including the Purchaser to achieve an asset-light model. After entering into the Transactions, the GNE Group and the Purchaser will further explore other co-operation opportunities, including but not limited to, in relation to the GNE Group’s existing solar power plants and new solar power plants to be developed in the PRC. GNE and the Purchaser are proactively promoting the aforementioned cooperation, and plan to reach and execute more agreements in relation to disposals and joint development of solar power plants in the near future.

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

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

9. LISTING RULES IMPLICATIONS

GCL-Poly

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

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

GNE

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

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

10. GENERAL

The GCL-Poly EGM will be convened for the GCL-Poly Shareholders to consider and, if thought fit, approve the Transactions and the entering into and performance of obligations under the Second Phase Share Purchase Agreements. A circular, which will include, among other things, further details of the Transactions and the transactions contemplated under the Second Phase Share Purchase Agreements, is expected to be despatched to the GCL-Poly Shareholders on or before 31 May 2021, as additional time is required to prepare the information to be disclosed in the circular.

The GNE SGM will be convened for the GNE Shareholders to consider and, if thought fit, approve the Transactions and the entering into and performance of obligations under the Second Phase Share Purchase Agreements. A circular, which will include, among other things, further details of the Transactions and the transactions contemplated under the Second Phase Share Purchase Agreements, is expected to be despatched to the GNE Shareholders on or before 31 May 2021, as additional time is required to prepare the information to be disclosed in the circular.

11. DEFINITIONS

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

“Amount Payable”	the amount payable (if any) by each of the Target Companies to the Sellers and its affiliates (if applicable, including other subsidiaries of GCL-Poly and GNE) as at the Reference Date as set out in the respective Second Phase Share Purchase Agreements
“Amount Receivable”	the amount receivable (if any) by each of the Target Companies from the Sellers and its affiliates (if applicable, including other subsidiaries of GCL-Poly and GNE) as at the Reference Date as set out in the respective Second Phase Share Purchase Agreements
“Business Day”	a day on which banks in the PRC are open for general commercial business, other than a Saturday, Sunday or public holiday in the PRC
“Business Registration Procedures”	the registration procedures in respect of the change of directors, supervisors, senior management and shareholders of each of the Target Companies and other relevant filing procedures in respect of the Transactions with the relevant administration for industry and commerce in the PRC
“Closing”	the closing of the Transactions in accordance with the Second Phase Share Purchase Agreements
“Closing Audit Report”	the closing audit report prepared by an auditing agency appointed by the Purchaser to audit the financials of the Target Companies as at the Closing Date in accordance with the Second Phase Share Purchase Agreements
“Closing Date”	the date of issuance as stated on the new business certificate of the Target Company(ies) upon the completion of the Business Registration Procedures
“Conditions Precedent”	the conditions under the section “Conditions Precedent” in this joint 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
“Disposals”	the First Phase Disposals and the Second Phase Disposals

“First Phase Disposals”	the proposed disposals of the (i) entire equity interest in each of Kaifeng Huaxin New Energy Development Company Limited* (開封華鑫新能源開發有限公司), Sanmenxia GCL New Energy Co., Ltd* (三門峽協立光伏電力有限公司), Queshan Zhuiri New Energy Electric Power Co, Ltd.* (確山追日新能源電力有限公司) and Shang Shui GCL Photovoltaic Electric Power Co, Ltd.* (商水協鑫光伏電力有限公司) and (ii) 50% equity interest in each of Nanzhao Xin Li Photovoltaic Electric Farms Co., Ltd.* (南召鑫力光伏電力有限公司) and Taiqian GCL New Energy Company Limited* (台前協鑫光伏電力有限公司) by the Sellers to the Purchaser as contemplated under the First Phase Share Purchase Agreements
“First Phase Share Purchase Agreements”	the series of six share purchase agreements dated 31 March 2021 entered into between the respective Seller and the Purchaser, as detailed in the joint announcement of GCL-Poly and GNE dated 31 March 2021 in relation to the First Phase Disposals
“GCL-Poly”	GCL-Poly Energy Holdings Limited (保利協鑫能源控股有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange, with stock code 3800. As at the date of this joint announcement, GCL-Poly is interested in approximately 53.34% of the issued share capital of GNE
“GCL-Poly Board”	the board of GCL-Poly Directors
“GCL-Poly Directors”	the directors of GCL-Poly
“GCL-Poly EGM”	the extraordinary general meeting of GCL-Poly to be convened to consider and, if thought fit, approve the Transactions and the entering into and performance of obligations under the Second Phase Share Purchase Agreements
“GCL-Poly Group”	GCL-Poly and its subsidiaries
“GCL-Poly Shareholders”	the shareholders of GCL-Poly

“GNE”	GCL New Energy Holdings Limited (協鑫新能源控股有限公司), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange, with stock code 451
“GNE Board”	the board of GNE Directors
“GNE Directors”	the directors of GNE
“GNE Group”	GNE and its subsidiaries
“GNE Shareholders”	the shareholders of GNE
“GNE SGM”	the special general meeting of GNE to be convened to consider and, if thought fit, approve the Transactions and the entering into and performance of obligations under the Second Phase Share Purchase Agreements
“Hengshan Jinghe”	Hengshan Jinghe Solar Energy Co., Ltd.* (橫山晶合太陽能發電有限公司), a company established in the PRC with limited liability, which is owned as to 96.35% by Suzhou GCL New Energy and 3.65% by Huanghe Solar, an independent third party to GCL-Poly and GNE respectively and an indirect subsidiary of GCL-Poly and GNE.
“Hengshan Jinghe Share Purchase Agreement”	an equity transfer agreement dated 1 April 2021 entered into between Suzhou GCL New Energy and the Purchaser in relation to the sale of 80.35% equity interest in Hengshan Jinghe
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Jingbian GCL”	Jingbian GCL Photovoltaic Energy Co., Ltd.* (靖邊協鑫光伏電力有限公司), a company established in the PRC with limited liability, which is owned as to 99.9% by Xian GCL New Energy and 0.1% by Mr Luo, an independent third party to GCL-Poly and GNE respectively and an indirect subsidiary of GCL-Poly and GNE.
“Jingbian GCL Share Purchase Agreement”	an equity transfer agreement dated 1 April 2021 entered into between Xian GCL New Energy and the Purchaser in relation to the sale of 98.4% equity interest in Jingbian GCL

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	megawatt(s)
“Nanjing GCL New Energy”	Nanjing GCL New Energy Development Co., Ltd.* (南京協鑫新能源發展有限公司), a company established in the PRC with limited liability and an indirect subsidiary of GCL-Poly and GNE
“PRC”	the People’s Republic of China, and for the purpose of this joint announcement, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Purchaser”	Three Gorges Asset Management Co., Ltd* (三峽資產管理有限公司), a company established in the PRC with limited liability and an independent third party to GCL-Poly and GNE
“Reference Date”	31 December 2020
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	the (i) entire equity interest in each of Yulin Longyuan and Yushen Dongtou, (ii) 98.4% equity interest in Jingbian GCL and (iii) 80.35% equity interest in Hengshan Jinghe held by the respective Seller as at the date of this joint announcement
“Second Phase Disposals”	the proposed disposals of the Sale Shares by the Sellers to the Purchaser as contemplated under the Second Phase Share Purchase Agreements
“Second Phase Share Purchase Agreements”	Hengshan Jinghe Share Purchase Agreement, Jingbian GCL Share Purchase Agreement, Yulin Longyuan Share Purchase Agreement and Yushen Dongtou Share Purchase Agreement
“Seller(s)”	Xian GCL New Energy and Suzhou GCL New Energy
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the same meaning ascribed to it under the Listing Rules

“Suzhou GCL New Energy”	Suzhou GCL New Energy Investment Co., Ltd.* (蘇州協鑫新能源投資有限公司), a company established in the PRC with limited liability and an indirect subsidiary of GCL-Poly and GNE as at the date of this joint announcement
“Target Company(ies)”	the four target companies being the subject of the Second Phase Disposals, details of which can be found in the section headed “Information on the Target Companies” of this joint announcement
“Total Amount Payable”	the Amount Payable of all of the Target Companies
“Total Amount Receivable”	the Amount Receivable of all of the Target Companies
“Transactions”	the transactions contemplated under the Second Phase Share Purchase Agreements
“Transition Period”	the period between the Reference Date and the Closing Date
“Yulin Longyuan”	Yulin Longyuan Solar Power Company Limited* (榆林隆源光伏電力有限公司), a company established in the PRC with limited liability, which is wholly-owned by Suzhou GCL New Energy and an indirect subsidiary of GCL-Poly and GNE as at the date of this joint announcement
“Yulin Longyuan Share Purchase Agreement”	an equity transfer agreement dated 1 April 2021 entered into between Suzhou GCL New Energy and the Purchaser in relation to the sale of the entire equity interest in Yulin Longyuan
“Yushen Dongtou”	Yulin City Yushen Industrial Zone Dongtou Energy Co., Ltd.* (榆林市榆神工業區東投能源有限公司), a company established in the PRC with limited liability, which is wholly-owned by Xian GCL New Energy and an indirect subsidiary of GCL-Poly and GNE as at the date of this joint announcement
“Yushen Dongtou Share Purchase Agreement”	an equity transfer agreement dated 1 April 2021 entered into between Xian GCL New Energy and the Purchaser in relation to the sale of the entire equity interest in Yushen Dongtou
“%”	per cent.

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

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

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

Hong Kong, 1 April 2021

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

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