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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 TRANSACTION
LEASE AGREEMENTS

LEASE AGREEMENTS

Reference is made to the announcement of the Company dated 27 September 2019 in relation to the Previous Lease Agreement (as defined below) which is expiring on 30 September 2021.

On 30 September 2021, Suzhou GCL Research, an indirect wholly-owned subsidiary of the Company, entered into (i) a property lease agreement (as landlord) with GCL Energy Technology (as tenant) in relation to the leasing of the East, South and West 3 Zones of 3/F Headquarter for use as offices for a term of two years commencing from 1 October 2021 to 30 September 2023 (i.e. GCL Energy Technology Lease Agreement); (ii) a property lease agreement (as landlord) with GCL Power Sales (as tenant) in relation to the leasing of the North Zone of 3/F Headquarter for use as offices for a term of two years commencing from 1 October 2021 to 30 September 2023 (i.e. GCL Power Sales Lease Agreement); and (iii) a property lease agreement (as landlord) with GCL Intelligent Energy (as tenant) in relation to the leasing of the North Eastern Zone of 3/F Headquarter for use as offices for a term of one year commencing from 1 October 2021 to 30 September 2022 (i.e. GCL Intelligent Energy Lease Agreement).

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Zhu Family Trust is a substantial shareholder indirectly held 6,370,388,156 shares of the Company (representing approximately 25.43% of the issued share capital of the Company). Each of GCL Energy Technology, GCL Power Sales and GCL Intelligent Energy is an indirect subsidiary of Concord Group, which is in turn ultimately held by the Zhu Family Trust, and is therefore an associate of the Zhu Family Trust and a connected person of the Company as defined under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Lease Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the transactions contemplated under the Lease Agreements is more than 0.1% but 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.

(1) PRINCIPAL TERMS OF GCL ENERGY TECHNOLOGY LEASE AGREEMENT

Date

30 September 2021

Parties

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

Subject Property

East, South and West 3 Zones of 3/F Headquarter, with a total gross area of approximately 17,697.30 sq. m.

Use of Subject Property

Offices

Lease Term

Two years from 1 October 2021 to 30 September 2023

Rent

RMB1,327,297.50, calculated at the rate of RMB75 per sq. m. per month

Utility fees

GCL Energy Technology shall be responsible for the payment of the utility fees, including water, electricity, telecommunications, network, property management, facilities maintenance, cleaning and carpark usage fee.

Basis for rent

The unit rent of RMB75 per sq. m. per month under the GCL Energy Technology Lease Agreement was determined after arm's length negotiations between the parties to the GCL Energy Technology Lease Agreement, with reference to the historical unit rent of the 3/F Headquarter and prevailing available market rate of comparable properties.

(2) PRINCIPAL TERMS OF GCL POWER SALES LEASE AGREEMENT

Date

30 September 2021

Parties

- (i) Suzhou GCL Research; and
- (ii) GCL Power Sales

Subject Property

North Zone of 3/F Headquarter, with a total gross area of approximately 1,275 sq. m.

Use of Subject Property

Offices

Lease Term

Two years from 1 October 2021 to 30 September 2023

Rent

RMB95,625, calculated at the rate of RMB75 per sq. m. per month

Utility fees

GCL Power Sales shall be responsible for the payment of the utility fees, including water, electricity, telecommunications, network, property management, facilities maintenance, cleaning and carpark usage fee.

Basis for rent

The unit rent of RMB75 per sq. m. per month under the GCL Power Sales Lease Agreement was determined after arm's length negotiations between the parties to the GCL Power Sales Lease Agreement, with reference to the historical unit rent of the 3/F Headquarter and prevailing available market rate of comparable properties.

(3) PRINCIPAL TERMS OF GCL INTELLIGENT ENERGY LEASE AGREEMENT**Date**

30 September 2021

Parties

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

Subject Property

North Eastern Zone of 3/F Headquarter, with a total gross area of approximately 1,344 sq. m.

Use of Subject Property

Offices

Lease Term

One year from 1 October 2021 to 30 September 2022

Rent

RMB100,800, calculated at the rate of RMB75 per sq. m. per month

Utility fees

GCL Intelligent Energy shall be responsible for the payment of the utility fees, including water, electricity, telecommunications, network, property management, facilities maintenance, cleaning and carpark usage fee.

Basis for rent

The unit rent of RMB75 per sq. m. per month under the GCL Intelligent Energy Lease Agreement was determined after arm's length negotiations between the parties to the GCL Intelligent Energy Lease Agreement, with reference to historical unit rent of the 3/F Headquarter and the prevailing available market rate of comparable properties.

HISTORICAL TRANSACTION FIGURES AND ANNUAL CAPS

As disclosed in the Company's announcement dated 27 September 2019, GCL Energy Technology 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 is expiring on 30 September 2021.

The aggregate rent received by the Group under the Previous Lease Agreement for the nine months ending 30 September 2021 and the annual caps in respect of the annual aggregate maximum amount of rent receivable by the Group under the Lease Agreements for the three financial years ending 31 December 2023 are set out below:

	Financial year ending 31 December		
	2021	2022	2023
	RMB	RMB	RMB
<i>Historical transaction figures</i>			
Previous Lease Agreement	13,713,502.5	—	—
<i>Annual caps</i>			
GCL Energy Technology Lease Agreement	3,981,892.5	15,927,570.0	11,945,677.5
GCL Power Sales Lease Agreement	286,875.0	1,147,500.0	860,625.0
GCL Intelligent Energy Lease Agreement	302,400.0	907,200.0	—
Total	18,284,670.0	17,982,270.0	12,806,302.5

The above annual caps are determined based on the aggregate rents to be received by Suzhou GCL Research under each of the Lease Agreements which are determined based after arm's length negotiations between the parties to the Lease Agreements, with reference to historical unit rent of the 3/F Headquarter and the prevailing available market rate of comparable properties.

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 property owner of 3/F Headquarter. 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 for the research and development of Suzhou GCL Research; and (iv) the export of self-produced products and related technologies.

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 Energy Technology

GCL Energy Technology is a company incorporated in the PRC with its shares listed on the Small and Medium Enterprise Board of the Shenzhen Stock Exchange (stock code: 002015). To the best knowledge of the Company, GCL Energy Technology is indirectly owned (i) as to approximately 68.45% by GCL Group Co., Ltd* (協鑫集團有限公司), a company incorporated in the PRC with limited liability, and (ii) approximately 31.55% by an independent third party of the Company and its connected persons. GCL Group Co., Ltd* (協鑫集團有限公司) is 48.86% owned by GCL (Liaoning) Industrial Co., Ltd.* (協鑫(遼寧)實業有限公司) (“**GCL Liaoning**”) and 51.14% owned by Jiangsu GCL Construction Management Co., Ltd. (“**Jiangsu GCL Construction**”). GCL Liaoning is wholly-owned by Mr. Zhu Gongshan (a director and the chairman of the Company and the father of Mr. Zhu Yufeng (being a Director of the Company)). Jiangsu GCL Construction is indirectly wholly-owned by Concord Group which is in turn indirectly wholly-owned by Asia Pacific Energy Fund Limited. Asia Pacific Energy Fund Limited is held under the Zhu Family Trust. GCL Energy Technology is principally engaged in (i) technology development, transfer and consulting services related to power projects; (ii) use own funds to invest in clean energy and power industries; (iii) design, construction, operation, and maintenance of power projects; (iv) intelligent energy information services; (v) technology research, development and consulting services for energy technologies; (vi) contractual energy management services; (vii) energy big data services; (viii) energy industry operation management; (ix) corporate management consulting (excluding investment consulting); (x) sales, consulting, and technical services of power equipment and accessories; (xi) sale of coal; (xii) battery swapping for new energy vehicles; (xiii) centralised fast charging stations; (xiv) motor vehicle charging; (xv) sales of charging piles; (xvi) operation of charging facilities for electric vehicles; (xvii) battery manufacturing; and (xviii) battery sales.

GCL Power Sales

GCL Power Sales is a company incorporated in the PRC and is indirectly owned as to (i) approximately 70% by GCL Energy Technology and (ii) approximately 30% by Dongtai Xinneng Enterprise Management Partnership (Limited Partnership)* (東台市鑫能企業管理合夥企業(有限合夥)) which is in turn owned as to approximately 50.5% by Niu Shubin* (牛曙斌), approximately 35.2% by Shi Weidong* (施蔚東) and approximately 14.3% by Wu Xiaojun* (吳小軍), all of them being independent third parties of the Company and its connected persons. GCL Power Sales is principally engaged in (i) electricity sales service; (ii) undertaking installation, maintenance and testing of electric power facilities; (iii) electric power engineering consulting services; (iv) electric power engineering design and construction; (v) sale and lease of electric power equipment and facilities; (vi) power project investment; (vii) sale of building materials, mechanical equipment, and electronic products; (viii) house leasing; and (ix) parking lot services.

GCL Intelligent Energy

GCL Intelligent Energy is a company incorporated in the PRC and a wholly-owned subsidiary of GCL Energy Technology. GCL Intelligent Energy is principally engaged in (i) operation and management of the energy industry; (ii) use of own funds to invest in the power industry; (iii) corporate management consultancy services (excluding investment consulting); (iv) technology development, transfer and consultancy services of power related projects; (v) sale of power equipment; and (vi) sale of coal.

REASONS FOR AND BENEFITS OF THE LEASE AGREEMENTS

3/F Headquarter is spare space in the property of the Group. The leasing of such spare space could bring additional rental income to the Group. The Directors (including the independent non-executive Directors) are of the view that the terms of the transactions contemplated under the Lease Agreements were (i) negotiated on arm 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 a substantial shareholder indirectly held 6,370,388,156 shares of the Company (representing approximately 25.43% of the issued share capital of the Company). Each of GCL Energy Technology, GCL Power Sales and GCL Intelligent Energy is an indirect subsidiary of Concord Group, which is in turn ultimately held by the Zhu Family Trust, and is therefore an associate of the Zhu Family Trust and a connected person of the Company as defined under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Lease Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the transactions contemplated under the Lease Agreements is more than 0.1% but 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, son of Mr. Zhu, are beneficiaries of the Zhu Family Trust and therefore have material interest in the transactions contemplated under the Lease Agreements; (ii) Ms. Sun Wei is the vice chairman of Concord Group; and (iii) Mr. Yeung Man Chung, Charles is the vice president of Concord Group, 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.

CONTINUED SUSPENSION OF TRADING

Trading in shares in the Company was suspended from 9:00 a.m. on 1 April 2021 and will remain suspended until further notice. Please refer to the Company's announcement dated 30 September 2021 for further details regarding the continued suspension of trading in shares of the Company.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“3/F Headquarter”	third floor of the headquarter building 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 Energy Technology”	GCL Energy Technology Co., Ltd.* (協鑫能源科技股份有限公司), a company incorporated in the PRC with its shares listed on the Small and Medium Enterprise Board of the Shenzhen Stock Exchange (stock code: 002015)
“GCL Energy Technology Lease Agreement”	the property lease agreement dated 30 September 2021 entered into between Suzhou GCL Research (as landlord) and GCL Energy Technology (as tenant) in relation to the lease of East, South and West 3 Zones of 3/F Headquarter
“GCL Intelligent Energy”	Wuxi GCL Intelligent Energy Operation Management Co., Ltd.* (無錫協鑫智慧能源運營管理有限公司), a company incorporated in the PRC and an indirect subsidiary of GCL Energy Technology
“GCL Intelligent Energy Lease Agreement”	the property lease agreement dated 30 September 2021 entered into between Suzhou GCL Research (as landlord) and GCL Intelligent Energy (as tenant) in relation to the lease of North Eastern Zone of 3/F Headquarter
“GCL Power Sales”	Jiangsu GCL Power Sales Co., Ltd.* (江蘇協鑫售電有限公司), a company incorporated in the PRC and an indirect subsidiary of GCL Energy Technology
“GCL Power Sales Lease Agreement”	the property lease agreement dated 30 September 2021 entered into between Suzhou GCL Research (as landlord) and GCL Power Sales (as tenant) in relation to the lease of North Zone of 3/F Headquarter
“Group”	the Company and its subsidiaries
“Concord Group”	Golden Concord Group Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by the Zhu Family Trust
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lease Agreements”	GCL Energy Technology Lease Agreement, GCL Intelligent Energy Lease Agreement and GCL Power Sales Lease Agreement
“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 (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
保利協鑫能源控股有限公司
Zhu Gongshan
Chairman

Hong Kong, 30 September 2021

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, 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.