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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)**

**INSIDE INFORMATION**  
**PROPOSED NON-PUBLIC ISSUANCE OF GREEN BONDS BY**  
**SUZHOU GCL NEW ENERGY INVESTMENT COMPANY LIMITED**

This announcement is made by GCL-Poly Energy Holdings Limited 保利協鑫能源控股有限公司 (“**GCL-Poly**”) and GCL New Energy Holdings Limited 協鑫新能源控股有限公司 (“**GNE**”) pursuant to Rule 13.09(2) (a) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

We refer to the announcements of GNE dated 7 December 2016 and 27 February 2017 (the “**Announcements**”) in relation to the proposed non-public issuance of green bonds to not more than 200 qualifying investors in the maximum principal amount of RMB1,750,000,000 (equivalent to approximately HK\$1,968,925,000) (the “**Green Bonds**”) by Suzhou GCL New Energy Investment Company Limited\* (蘇州協鑫新能源投資有限公司) (the “**Issuer**”), an indirect wholly-owned subsidiary of GNE. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as used in the Announcements.

GNE and GCL-Poly (which owns indirectly 62.28% issued shares of GNE) wish to provide their shareholders with an excerpt (the “**Excerpt**”) of the audited financial statements of the Issuer for the years ended 31 December 2014 and 2015 prepared by Grant Thornton International in accordance with the PRC Accounting Standards and the unaudited financial statements for the nine months ended 30 September 2016 prepared by the Issuer (the “**Issuer’s Financials**”) to be distributed to the qualifying investors of the Green Bonds. The Issuer’s Financials have not been reviewed or confirmed by the auditors of GNE and GCL-Poly. The Excerpt is set out in the appendix of this announcement.

The Issuer's Financials may differ from the figures to be disclosed in the audited or unaudited consolidated financial statements to be published by GNE and GCL-Poly on an annual or semi-annual basis due to various uncertainties during the process of collection and collating of such data. The Issuer's Financials does not constitute, nor should it be construed as, an offer or solicitation for the purchase or sale of any securities or financial instruments of GNE and GCL-Poly or any of their subsidiaries or associates. It does not and is not intended to provide any investment service or investment advice.

GNE will announce further details in relation to the issuance of the Green Bonds as and when appropriate.

**Potential investors and shareholders of GNE and GCL-Poly should exercise caution when dealing with the securities of GNE and GCL-Poly.**

*This announcement contains translations between Renminbi and Hong Kong dollar amounts at RMB1= HK\$1.1251, being the exchange rate prevailing on 20 March 2017. The translations should not be taken as a representation that the Renminbi could actually be converted into Hong Kong dollars at that rate or at all.*

\* *All of the English titles or names of the PRC laws and regulations, 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 of GCL-Poly  
**GCL-Poly Energy Holdings Limited**  
**保利協鑫能源控股有限公司**  
**Zhu Gongshan**  
*Chairman*

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

Hong Kong, 20 March 2017

*As at the date of this announcement, the board of GCL-Poly comprises Mr. Zhu Gongshan (Chairman), Mr. Zhu Zhanjun, Mr. Ji Jun, Mr. Zhu Yufeng, Ms. Sun Wei, Mr. Yeung Man Chung, Charles, Mr. Jiang Wenwu and Mr. Zheng Xiongjiu as executive directors 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 announcement, the board of GNE comprises Mr. Zhu Yufeng (Chairman), Mr. Sun Xingping, Ms. Hu Xiaoyan and Mr. Tong Wan Sze as executive directors of GNE; Ms. Sun Wei, Mr. Sha Hongqiu and Mr. Yeung Man Chung, Charles 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.*

*The Chinese text of the appendix to this announcement shall prevail over the English text for the purpose of interpretation.*

# Appendix

## Prospectus of the Non-public Issuance of Green Bonds of the Issuer in 2016 (Excerpt)

### Notice on Significant Matters

- I. The Issuer recorded total equities RMB1,141,552,400, RMB4,979,173,800 and RMB8,093,638,300 as of 31 December 2014, 31 December 2015 and 30 September 2016 respectively, including equity attributable to parent RMB1,027,175,900, RMB4,778,447,800 and RMB7,942,962,800 respectively. As of 31 December 2014, 31 December 2015 and 30 September 2016, the Issuer's gearing ratio was 81.68%, 78.79% and 77.32% respectively (on consolidation basis), or 44.79%, 39.82% and 25.74% respectively (on individual basis). In the accounting year of 2014 and 2015, and the period of January-September 2016, the Issuer recorded net operating cash flow RMB162,241,700, RMB99,232,400 and RMB368,670,600 respectively (on consolidation basis). In the recent two accounting years, the Issuer recorded average annual distributable profit of RMB171,359,900 and no less than 1.5 times the interest income of Green Bonds for one year could be expected.
- II. Market interest rate is subject to fluctuations under the influence of national economic operating conditions, national macroeconomic and financial policies, as well as international environment changes. As Green Bonds are at fixed interest rate and in a longer term, their investment value in their duration is subject to changes in the context of fluctuating market interest rate, therefore, the value of Green Bonds to be held by investors is of some uncertainties.
- III. Upon the non-public offering, the Issuer will actively seek to list and transfer the Green Bonds at Shenzhen Stock Exchange. Although these Green Bonds are highly qualified and reputed, the Issuer cannot guarantee their holders total freedom to trade the bonds in full, since the bond trading activity is affected by macroeconomic conditions, investors' distribution, investors trading willingness and other factors; therefore, these Green Bonds are subject to liquidity risk.
- IV. Nanjing GCL New Energy Development Co., Ltd. ("Nanjing GCL") provides unconditional irrevocable joint and several liability guarantees in full for these Green Bonds. Nanjing GCL is a shareholder of the Issuer, with good credit standing. According to Corporate Credit Report, Nanjing GCL's guarantee balance in total was RMB1,303,044,500 as of 11 October 2016, accounting for 28.87% of its total equities as of 30 September 2016, and all its guarantees were internal guarantee. Taking in account the influence of these Green Bonds, Nanjing GCL's cumulative guarantee amount will be changed to RMB3,053,044,500, accounting for 67.64% of its total equities as of 30 September 2016. If Nanjing GCL's operating conditions, asset quality and payment ability have unfavorable changes in the duration of Green Bonds, then its ability to comply with the joint and several liability for payment of the bond capital and interest will also be under unfavorable influence, and thus investors will be subject to guarantee risk.

- V. The resolution passed at the Bondholders Meeting under the *Rules of Bondholders Meeting* shall be equally binding on all bondholders (including those present and absent, those voting for or against the resolution or abstaining from voting, and those to whom Green Bonds will be transferred upon this resolution). In the duration of Green Bonds, the effect of any valid resolution of Bondholders Meeting within the terms of reference shall precede the resolutions and claims made by any other body, including the Bond Trustee, in respect of the valid resolution. The bondholders who subscribe for, purchase or otherwise obtain these Green Bonds are deemed to agree with and accept the binding *Rules of Bondholders Meeting* prepared by the Issuer.
- VI. The Issuer and the Lead Underwriter signed the *Bond Trusteeship Management Agreement*, according to Article 4.9 which stipulated, “When the Issuer is expected to be unable to pay the debts, the Trustee should require the Issuer to make additional guarantee, or may lawfully assist with the bondholders in applying for property preservation with the statutory authority. The relevant costs of property preservation shall be borne by the Issuer. If the Issuer refuses to bear the costs, the relevant costs of property preservation shall be advanced by all bondholders, while the Issuer shall bear the corresponding default liability.” Investors should be fully aware of and carefully consider the future possibility that when the Issuer cannot repay the debts, the investors may need to advance the relevant costs of property preservation. Any investor who obtains and holds Green Bonds by purchase, subscription or other legitimate means is deemed to voluntarily accept the rights and obligations of Green Bonds under the *Bond Trusteeship Management Agreement* contained in this Prospectus.
- VII. At different stage of development in the national economy, national and local industrial policy will have different degrees of adjustment. The Issuer is mainly engaged in investment and operation of solar photovoltaic power plant, under great influence of the relevant national industrial policy, and the future changes in related industry policies may affect the Issuer’s operation and profitability.
- VIII. At the end of 2014, 2015 and September 2016, the Issuer recorded total liabilities of RMB5.089 billion, RMB18.494 billion and RMB27.596 billion respectively, with a gearing ratio 81.68%, 78.79% and 77.32% respectively (on consolidation basis), indicating higher gearing ratio and increasing liability size. The Issuer’s industry is a capital-intensive industry, mainly engaged in the investment and operation of solar photovoltaic power plants, while power plant investment needs more debt financing. The Issuer plans to invest about RMB15 billion per year in the next two years, and the investment scale is fairly large. As the Issuer’s investment spending is gradually increasing, the actual size of the debt will rise, and the Issuer’s debt service pressure will enlarge accordingly.
- IX. At the end of 2014, 2015 and September 2016, the Issuer recorded other receivables of RMB178,714,800, RMB4,787,618,600 and RMB6,008,765,700 respectively, accounting for 2.87%, 20.40% and 16.84% of its total assets respectively. At the end of September 2016, the

Issuer's other receivables accounted for a larger percentage of total assets, which were mainly current accounts with its shareholder – Nanjing GCL. If there are obstacles in collecting other receivables, the Issuer's assets and profitability will be affected.

- X. At the end of 2014, 2015 and September 2016, the Issuer recorded subsidies receivable for the electricity generated and sent to the grid of RMB50 million, RMB454 million and RMB1.875 billion respectively, accounting for 50.50%, 79.79% and 97.32% of its accounts receivable respectively; the percentage has been rising. If the serious arrears continue, the Issuer's daily operations and cash flow may be impacted.
- XI. At the end of 2014, 2015 and September 2016, the Issuer recorded fixed assets and projects under construction totaling RMB5,080,137,100, RMB14,197,752,200 and RMB19,035,216,400 respectively, accounting for 81.54%, 60.48% and 62.30% of its total assets respectively. The issuer's fixed assets and projects under construction are mainly solar photovoltaic power plants. Large-scale fixed assets and plants projects under construction which may lead to the Issuer's high capital occupation, poor asset liquidity, and low liquidity.
- XII. At the end of 2014, 2015 and September 2016, the Issuer recorded restricted assets of RMB1,044,779,800, RMB5,581,842,400 and RMB8,696,158,400 respectively, accounting for 16.77%, 23.78% and 24.37% of its total assets respectively; the scale of restricted assets was being enlarged. Investors should pay full attention to the impact of large-scale restricted assets on the Issuer's solvency.
- XIII. In 2014, 2015 and January-September 2016, the Issuer's amount of related purchases and sales was RMB2,257 million, RMB1,535 million and RMB1,168 million respectively, of which the amount incurred in connection with Nanjing GCL was RMB2,257 million, RMB1,346 million and RMB1,168 million respectively.

As of the end of 2014, 2015 and September 2016, the Issuer recorded balance of accounts receivable from related parties at RMB10,000,000, RMB4,553,883,300 and RMB4,445,650,500 respectively, including the balance of accounts receivable from Nanjing GCL (excluding interest receivable) at RMB0, RMB4,347,756,800, and RMB4,433,821,900 respectively. The Issuer recorded balance of accounts payable to related parties at RMB1,062,958,200, RMB4,994,058,400 and RMB5,089,047,700 respectively, including the balance of accounts payable to Nanjing GCL (excluding interest payable) at RMB1,056,053,200, RMB3,672,660,300 and RMB4,104,651,500 respectively.

In 2015 and January-September 2016, the Issuer recorded "other receivables – loan to its controlling shareholder of Nanjing GCL New Energy Development Co., Ltd." RMB2,278,014,000 and RMB1,130,451,000 respectively; in the same period, the Issuer recorded "other payables – borrowing from its controlling shareholder of Nanjing GCL New Energy Development Co., Ltd." at RMB4,412,153,700 and RMB5,271,343,900 respectively.

The Issuer incurred significant amount of related party transactions and loan/borrowing, which might impact its independence and profitability.

- XIV. As of the end of 2015, Nanjing GCL pledged 24.00% shares of the Issuer to Ping An Trust Co., Ltd. for financing, with a contracted principal amount of RMB1,200,000,000; as of September 2016, the outstanding amount was RMB1,199,800,000, and the contract period is from 21 September 2015 to 21 September 2018. If Nanjing GCL fails to perform the contractual obligation of repayment to Ping An Trust Co., Ltd., the Issuer's shares held by Nanjing GCL will be subject to disposal, leading to changes in the Issuer's shareholding structure.
- XV. Nanjing GCL will provide irrevocable joint and several liabilities for guarantee in full for these Green Bonds, as of 31 December 2015, Nanjing GCL recorded consolidated total assets of RMB22,133,850,000 and equities of RMB2,735,899,600, and in the accounting year of 2015, it recorded main business revenue of RMB2,336,413,100 and net profit of RMB312,458,300.

As of 30 September 2016, Nanjing GCL recorded consolidated total assets of RMB34,714,557,400 (unaudited) and equities of RMB4,513,578,600 (unaudited); in January-September 2016, Nanjing GCL recorded a business revenue of RMB2,249,025,100 (unaudited) and net profit of RMB426,488,600 (unaudited).

- XVI. This non-public offering is only targeted at eligible institutional investors, excluding individual investors.

## DEFINITION

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

### 1. DEFINITION OF CAPITALIZED TERMS

Issuer/Company/Suzhou GCL	Suzhou GCL New Energy Investment Company Limited* 蘇州協鑫 新能源投資有限公司.
PRC/China	the People's Republic of China.
Green Bonds/Offering	the offering by the Issuer of “the non-public issuance of not more than RMB1.75 billion of green corporate bonds of Suzhou GCL New Energy Investment Company Limited in 2016”.
CSRC	China Securities Regulatory Commission.
Stock Exchange	Shenzhen Stock Exchange.
Lead Underwriter/Bond Trustee	Haitong Securities Co., Ltd.
Prospectus	the prospectus of the non-public issuance of green corporate bonds of Suzhou GCL New Energy Investment Company Limited* 蘇州協鑫 新能源投資有限公司 in 2016 prepared by the Company in relation to the Offering in accordance with the relevant laws and regulations.
CCXR/Credit Rating Agency	China Chengxin Securities Rating Co., Ltd.
Bondholder(s)	investor(s) in whose name the corporate bonds are registered according to the register kept by the registry.
RMB/RMB0'000/ RMB00'000'000	unless the context otherwise states, means Renminbi 1 Yuan, Renminbi 10,000 Yuan, Renminbi 100 million Yuan, respectively.
Bond Trusteeship Management Agreement	Bond Trusteeship Management Agreement in relation to the Non-public Issuance of Green Corporate Bonds of Suzhou GCL New Energy Investment Company Limited* 蘇州協鑫 新能源投資有限公司 in 2016 entered into between the Company and the Bond Trustee.

Rules of Bondholders Meeting	Rules of Bondholders Meeting in relation to the Non-public Issuance of Green Corporate Bonds of Suzhou GCL New Energy Investment Company Limited* 蘇州協鑫新能源投資有限公司 in 2016 prepared in accordance with the relevant laws and regulations in order to protect the legitimate rights and interests of the holders of the Corporate Bonds.
Articles of Association	the articles of association of Suzhou GCL New Energy Investment Company Limited* 蘇州協鑫新能源投資有限公司.
Board	the board of directors of Suzhou GCL New Energy Investment Company Limited* 蘇州協鑫新能源投資有限公司.
Last two years and the Latest period	2014, 2015 and January-September 2016.
Nanjing GCL/Guarantor	Nanjing GCL New Energy Development Co., Ltd.南京協鑫新能源發展有限公司.
GCL New Energy/Controlling Shareholder of Nanjing GCL/Indirect Controlling Shareholder	GCL New Energy Holdings Limited協鑫新能源控股有限公司.



## **Section Two: Risk Factors**

Investors should take prudent consideration of the following risk factors in evaluating or purchasing the Green Bonds, in addition to other information disclosed in this Prospectus.

### **I. INVESTMENT RISKS OF THIS GREEN BONDS**

#### **(I) Interest rate risk**

Market interest rate is subject to fluctuations resultant from national economic overall operation, national macroeconomic and financial policies, as well as international environment changes. These Green Bonds are at a fixed interest rate, so their investment value within their duration may be volatile in the fluctuations of market interest rate, leading to some uncertainty of the bond value held by investors.

#### **(II) Liquidity risk**

Upon completion of this offering, the Issuer will actively apply for listing on Shenzhen Stock Exchange. The application for listing will be approved by the competent authority upon the completion of offering, so the Issuer cannot guarantee these Green Bonds will be listed and transferred on Shenzhen Stock Exchange as scheduled. In addition, there may be inactive trade after listing. So investors may face the liquidity risk as the trade may not be timely.

#### **(III) Repayment risk**

Within the bond duration, in the vent of unfavorable material change in the macroeconomic conditions, solar photovoltaic industry policies, capital market conditions, relevant national policies and other external environment, as well as productive and operational factors making it impossible for the Issuer to obtain necessary funds from the expected sources to repay the principal and interest of Green Bonds, the bond repayment plan may be affected.

#### **(IV) Bondholding risk**

At the time of offering, the Issuer has contemplated debt protection measures based on reality, to control and mitigate the repayment risk, however within the bond duration, it is possible that the current debt protection measures are not fully performed or unable to be performed due to uncontrollable macroeconomic and legal changes among other factors that cause current debt protection to be insufficient or not performed fully and thus affect the interest of bondholders.

#### **(V) Credit risk**

The Issuer is at good credit standing, whose loan repayment ratio and interest payment ratio were both 100% in 2014, 2015 and January-September 2016. The Issuer has had no significant default in doing important business with major customers, and has strictly honoured economic

contracts and performed related contractual obligations. However, due to the cycles of macroeconomic fluctuation and the uncertainty of new energy industry development, within the bond duration, the Issuer may fail to repay the loan in time or fail to perform the business contracts that will deteriorate its credit standing and thus impact the bond repayment, in the event of material unfavorable changes in market conditions.

## **(VI) Guarantee risk**

For this offering, Nanjing GCL provides unconditional irrevocable joint and several liability guarantees in full. Nanjing GCL is the controlling shareholder of the Issuer, and with good credit standing. Within the bond duration, if there is unfavorable change in Nanjing GCL's operational condition, asset quality and solvency, its credit standing and corporate credit rating will deteriorate, which will affect its compliance with the joint and several liability for bond repayment. In that case, investors may be subject to some guarantee risk.

## **(VII) The risk of change in the Issuer's corporate credit rating**

According to China Chengxin Securities Rating Co., Ltd. (CCXR), the Issuer's long-term corporate credit rating is AA, and the rating outlook is stable. Although the Issuer is in good standing, within the bond duration, there is no guarantee the Issuer's corporate credit rating is free of negative change. If the credit rating agency lowers the Issuer's corporate credit rating, there will be unfavorable influence on the interests of bondholders.

## **II. RISKS RELATED TO ISSUER**

### **(I) Industry risk**

#### **1. *Industry stage risk***

The photovoltaic industry, after a rapid expansion in recent years, has grown into stable and mature stage. At this stage, the industry demand is relatively saturated: competition is fierce, and profit margin is lower. Consequently, the Issuer's profitability and the bond solvency will be affected.

#### **2. *Industry difficulty risk***

The profit source of photovoltaic industry is mainly electricity sale, so the level of electricity price is significant for the Issuer's profitability. Currently, in China, electricity price is low; photovoltaic generation cost is high, so the profit margin of photovoltaic industry is restricted. Meanwhile, the Chinese government provides electricity price subsidies to support photovoltaic enterprises, which the policy is subject to adjustment in the changed macroeconomic conditions, thus leading to industry risk, and impairing the Issuer's solvency.

## **(II) Financial risk**

### **1. *The risk of increasing liabilities***

As of the end of 2014, 2015 and September 2016, the Issuer recorded liabilities of RMB5,089 million, RMB18,494 million and RMB27,596 million respectively, with a gearing ratio 81.68%, 78.79% and 77.32% respectively (on consolidation basis); the gearing ratio was high, and the size of liabilities was increasing. The industry is a capital-intensive industry, mainly involving investment in and operation of solar photovoltaic power plants, while the investment in power plants requires a large amount of debt financing. The Issuer plans to invest RMB15,000 million annually in the coming 2 years; the scale of investment is large. As the Issuer's investment expenditure is increasing, its actual debt scale will further increase, the Issuer's debt pressure will further intensify. In the words, the large-scale capital expenditure may increase the Issuer's financial burden and impair its ability to resist risks.

### **2. *The risk of low solvency in short term***

As of the end of 2014, 2015 and September 2016, the Issuer's current ratio was 0.19, 0.61 and 0.70 respectively; the current ratio has increased slightly, but due to industry particularity, the Issuer's current ratio is low. The current ratio below 1 for a long time indicates the low coverage of the Issuer's current assets on current liabilities, therefore, once the operation fluctuates, the risk of low solvency in short term still exists.

### **3. *The risk of too fast increasing other receivables***

As of the end of 2014, 2015 and September 2016, the Issuer recorded other receivables at RMB179 million, RMB4,788 million and RMB6,009 million respectively, accounting for 2.87%, 20.40% and 16.84% of total assets respectively. The large rise of other receivables is mainly due to the large increase of power plant development projects, and corresponding large increase of fund transfers, as well as large increase of margin paid for finance leasing and other business. Although as of the end of 2014, 2015 and September 2016, other receivables with aging less than 1 year accounted for 92.85%, 99.03% and 97.81% of the total other receivables respectively, and the fund transfers were mainly made with Nanjing GCL, once the borrower operates in bad conditions that lead to repayment difficulties, the asset liquidity will be impacted.

### **4. *The risk of high percentage of restricted assets***

As of the end of 2014, 2015 and September 2016, the Issuer recorded total book value of restricted assets (with restricted ownership and use rights) at RMB1,045 million, RMB5,582 million and RMB8,696 million, including fixed assets, accounts receivable, equity in subsidiary, monetary funds and other assets. The assets with restricted ownership accounted for 16.77%, 23.78% and 24.37% of the Issuer's total assets respectively, and accounted for 91.52%,

112.10% and 107.44% of the Issuer's net assets respectively. The percentage of restricted assets is large, which is characteristic of electric power industry, but it will have some negative impact.

#### **5. *The first of large future capital expenditure***

In recent years, the Issuer has continued to promote the construction of projects, so the next period of time will continue to be the peak of construction; according to the development plan, in 2016-2020, the Issuer will invest a total of RMB29,152 million, to meet the project capital requirements cumulative RMB116,606 million; obviously the capital expenditure will bring great pressure.

#### **6. *Risk of connected transactions***

The Issuer has goods purchase and sales, labor supply, receivables and payables among other transactions with related parties including its controlling shareholder – Nanjing GCL. In 2014, 2015 and January-September 2016, the Issuer recorded purchase and sales with related parties amounting to RMB2,257 million, RMB1,535 million and RMB1,168 million respectively, including purchase and sales with Nanjing GCL amounting to RMB2,257 million, RMB1,346 million and RMB1,168 million respectively.

As of the end of 2014, 2015 and September 2016, the Issuer recorded the balance of accounts receivable from related parties amounting to RMB10,000,000, RMB4,553,883,300 and RMB4,445,650,500 respectively, including the balance of accounts receivable from Nanjing GCL (not including interest receivable) amounting to RMB0, RMB4,347,756,800 and RMB4,433,821,900 respectively; the Issuer recorded the balance of accounts payable to related parties amounting to RMB1,062,958,200, RMB4,994,058,400 and RMB5,089,047,700 respectively, including its accounts payable to Nanjing GCL (not including interest payable) amounting to RMB1,056,053,200, RMB3,672,660,300 and RMB4,104,651,500 respectively.

Although the connected transactions between the Issuer and the related parties are priced on the basis of fair and equitable market principles, given the large number of related parties, excessive connected transactions may reduce the competitiveness and independence of the Issuer and make it overly dependent on the related parties both in its operations and financing, thus incurring the risk of connected transactions. However, the Issuer's controlling shareholder provides unconditional irrevocable joint and several liability guarantees in full for these Green Bonds, mitigating the risk of connected transactions to some extent.

#### **7. *Event risk***

Natural disasters (i.e. bad weather conditions, flood, debris flow) and other events of force majeure may affect the normal production and operation of the Issuer. Although the Issuer is not under the influence of natural disasters in current operations, if there is similar event in the future, the Issuer's operating results will be negatively affected.

### **(III) Operational risk**

#### **1. *The risk of cyclical economic fluctuations***

Electric power industry is the basic industry of the national economy, closely relevant with the level of social and economic development. By power generation and other data, in 2015 nationwide power generation enterprises completed a total generating capacity of 5,618.4 billion Kwh, representing a year-on-year decrease of 0.55%. The future domestic macroeconomic fluctuations will still impact the profitability of the Issuer's power business.

#### **2. *The risk of photovoltaic power restrictions***

In recent years, the new installed photovoltaic capacity is increasing sharply every year, the construction of photovoltaic power plants is proportional to the power grid construction, and the photovoltaic power generation zones are separated from power consumption zones, among other factors, therefore, "photovoltaic power restrictions" have become the operational risk facing photovoltaic power generation enterprises generally. Although the problem is not obvious for the Issuer, along with the growth of industry overall installed capacity and the expansion of the Issuer's installed territory, the Issuer will face the risk of "photovoltaic power restriction" in the future, which will impair the profitability of the Issuer's power business.

#### **3. *The risk of weak profitability of Nanjing GCL***

As of the execution date of this Prospectus, Nanjing GCL's controlling shareholder is GCL New Energy Holdings Limited (0451.HK) which holds 100% shares of the Issuer through Pioneer Getter Limited. GCL New Energy has significant influence on the Issuer's development strategy, personnel appointment/dismissal, production & operational decisions, investment decisions and other major issues. As of the end of 2015, GCL New Energy recorded audited consolidated total assets of RMB23,502,460,000, and equities of RMB2,442,040,000; in the financial year of 2015, it recorded business revenue of RMB1,969,900,000 and net profit of (RMB15,470,000); as of 30 September 2016, GCL New Energy recorded consolidated total assets of RMB36,229,045,000, equities of RMB4,792,457,200, and in January-September 2016, it recorded business revenue of RMB2,667,728,400, and net profit of RMB325,252,900, showing fluctuating overall profitability. If the Issuer's indirect controlling shareholder's other business segments continue to incur losses, Nanjing GCL's capital chain may become tense, which will lead to the system risk.

#### **4. *The operational risk arising from emergency event***

The occurrence of emergency event will always have unexpected influence on the enterprise, and if not handled properly, it may bring about operational risk. Although the Issuer has developed the rules of procedure on major issues, established major risk early warning mechanism and emergency response mechanism, clarified risk early warning standards, and developed contingency plans for possible major risks or contingencies with clear responsibility and standardized procedures, to ensure that emergencies will be handled timely and properly; however, if there is emergency event in the future, improper handling may lead to operational risk.

## Section Three: Credit Standing of the Issuer and Green Bonds

### I. CREDIT RATING OF GREEN BONDS

The Issuer engages China Chengxin Securities Rating Co., Ltd. (CCXR) to rate the credit level of these Green Bonds. According to the *CCXR Credit Rating Report on Suzhou GDL Non-Public Offering of Green Bonds 2016*, the Issuer is rated as AA, and these Green Bonds are rated as AA too.

### II. MAJOR MATTERS IN CREDIT RATING REPORT

#### (I) Conclusion and sign

According to CCXR ratings, the Issuer's corporate credit level is AA, with stable outlook. Level AA reflects strong solvency of the entity being rated, which is hardly affected by unfavorable economic conditions, at very low risk of default.

#### (II) Main contents

##### 1. *Basic opinions*

China Chengxin Securities Rating Co., Ltd. (CCXR) has rated the "Suzhou GCL Non-Public Offering of Green Bonds 2016" as AA, which reflects high credit quality of these Green Bonds, at very low credit risk. The above credit level also takes consideration of the role of unconditional irrevocable joint and several liability guarantees in full provided by Nanjing GCL.

CCXR has rated Suzhou GCL as AA, with stable outlook. The credit level also reflects strong solvency of Suzhou GCL that is hardly affected by unfavorable economic conditions, at very low default risk. CCXR has affirmed the positive effects of strong shareholders, steadily increasing installed capacity and strong technology among other factors on the future corporate development; at the same time, CCXR is also aware of the late payment of photovoltaic power subsidy, capital expenditure pressure and large scale connected transactions among other factors that may impact the credit level of the Issuer.

##### 2. *Positive factors*

- (1) Strong shareholders. The Issuer's actual controlling entity is GCL New Energy Holdings Limited ("GCL New Energy"), a world leading new energy enterprise, whose parent Golden Concord Holdings Limited ("GCL") is China's largest non-public power holding company, and the world's largest photovoltaic material manufacturer, with complete photovoltaic industry chain, and the capability to provide the Issuer with strong supports in assembly supply, photovoltaic power plant construction and photovoltaic power plant operation & management.

- (2) Increasing installed capacity, at leading level across China. As more and more projects under construction were put into operation, as of the end of September 2016, the Issuer's photovoltaic power installed capacity increased to 3,095MW, at the leading position in China.
- (3) Strong technology. The Issuer has established design research institute and established supply chain and engineering management system, with strong technology capabilities in photovoltaic power plant development design and operation & management; meanwhile, GCL provides higher conversion efficiency, lower cost photovoltaic products and more optimized photovoltaic power generation system, to promote the Issuer's photovoltaic power plant construction and new energy application research and integration.
- (4) Strong guarantee. Parent company – Nanjing GCL provides unconditional irrevocable joint and several liability guarantees in full for these Green Bonds, increasing the safety margin to some extent. Nanjing GCL is engaged in photovoltaic power plant operation and new energy materials/equipment purchase and sales; as of the end of September 2016, Nanjing GCL recorded total assets of RMB34,715 million (unaudited), net assets of RMB4,514 million (unaudited); in January-September 2016, it recorded business revenue of RMB2,249 million (unaudited) and net profit of RMB426 million (unaudited).

### **3. *Attentions***

- (1) Late payment of photovoltaic power subsidy. Due to renewable energy subsidy shortage and subsidy payment process complexity, the payment of photovoltaic power subsidy is delayed seriously, affecting the operation and capital turnover of photovoltaic power generation enterprises. As of the end of September 2016, the Issuer recorded a subsidy outstanding of RMB1,875 million.
- (2) Large capex pressure. In recent years, the Issuer has continued to promote projects construction, and the coming period of time will be also a peak of construction. According to development plan, in 2016-2020, the Issuer will invest RMB29,152 million in capital cumulatively, to meet project capital requirements of cumulative RMB116,606 million, so the capital expenditure is under large pressure.
- (3) Connected transactions. Between the Issuer and the entities controlled by GCL New Energy, there are large-scale connected transactions, and some borrowings as well.

### **(III) Follow-up ratings**

In accordance with the relevant provisions of the China Securities Regulatory Commission (CSRC), the rating industry practices and the relevant provisions of the credit rating system, since the issue date of the first rating report (as dated in the rating report), CCXR will, within the credit validity period or within the bond duration, pay ongoing attention to the changes in

the external business environment, in the operational or financial status and the debt service guarantee of the Issuer, to keep track of the credit risk of these Green Bonds. Follow-up ratings include regular and irregular follow-up ratings.

Within follow-up rating periods, CCXR will complete the regular follow-up rating for the year within 2 months from the publication of the annual report of the Issuer and Guarantor (if any). In addition, from the date of this rating report, CCXR will pay close attention to the information related to the Issuer, Guarantor (if any) and these Green Bonds; in case of any material event that may affect the bond credit level, the Issuer shall timely notify CCXR and provide relevant information, and CCXR will initiate irregular follow-up rating whenever it deems necessary, carry out research, analyze and publish irregular follow-up rating results on such event.

CCXR regular and irregular follow-up rating results and other information will be published in CCXR website ([www.ccxr.com.cn](http://www.ccxr.com.cn)) and the stock exchange website, no later than the time of disclosure in other trading venue, media or other places.

If the Issuer or Guarantor (if any) fails or refuses to provide relevant information, CCXR will make realistic analysis, to confirm or adjust the corporate/bond credit level or announce the temporary invalidity of credit level.

### **III. MAJOR CREDIT CONDITIONS**

#### **(I) Credit granted to the Issuer**

##### **1. Bank credit**

The Issuer has good credit standing. The Issuer and its indirect controlling shareholder – GCL New Energy have established a long-term stable credit business relationship with various commercial banks such as China Development Bank, Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of Beijing and other financial institutions, winning a higher credit rating, with strong indirect financing capacity. If the Issuer cannot obtain sufficient funds from the expected repayment source due to the accident, the Issuer may adjust corporate capital structure and cash flow in time to raise the funds required for bond repayment by indirect financing.

As of the end of September 2016, the Issuer and its indirect controlling shareholder – GCL New Energy received a line of credit totaling RMB21,096 million granted by banks for projects<sup>1</sup>. The remaining credit is currently RMB1,566 million, as detailed below:

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<sup>1</sup> Financial institutions collectively issued the credit line to the Issuer's indirect controlling shareholder – GCL New Energy (0451.HK), and the Issuer shared this credit line according to its actual requirements and the indirect controlling shareholder's arrangement.



**Table: Issuer's bank credit as of 30 September 2016***Unit: RMB0'000*

<b>Bank</b>	<b>Line of credit</b>	<b>Used</b>	<b>Remaining</b>
Bank of Beijing	94,240.00	91,000.00	3,240.00
ICBC	253,100.00	220,247.40	32,852.60
China Everbright Bank	10,000.00	10,000.00	–
China Development Bank	364,789.00	268,200.00	96,589.00
Bank of Hebei	63,000.00	49,800.00	13,200.00
Huaxia Bank	118,013.36	108,141.91	9,871.45
Bank of Nanjing	5,000.00	5,000.00	–
Bank of Ningbo	2,000.00	2,000.00	–
Agricultural Bank of China	52,209.34	52,209.34	–
Bank of China	29,012.02	28,212.02	800.00
Other financial institution	1,118,197.45	1,118,197.45	–
<b>Total</b>	<b>2,109,561.17</b>	<b>1,953,008.12</b>	<b>156,553.05</b>

**(II) Serious default in business transaction with major customers in recent two years**

In 2014, 2015 and January-September 2016, the Issuer has had no serious default in business transactions with major customers.

**(III) Bonds, other debt instrument and repayment status in recent 2 years**

In 2014, 2015 and January-September 2016, the Issuer has not issued bonds or other debt instrument.

**(IV) The percentage of cumulative corporate bond balance upon offering in the Issuer's audited net assets in latest period**

Before completion of this offering, the Issuer has not issued corporate bonds. Upon completion of this offering, the Issuer's cumulative bond balance was RMB1,750 million, accounting for 38.77% of the Issuer's unaudited consolidated equities as of the end of September 2016.

(V) Consolidated financial indicators of the Issuer in recent 2 years

**Table: Issuer's financial indicators in 2014, 2015 and January-September 2016**

<b>Financial indicator</b>	<b>As of the end of September 2016</b>	<b>As of the end of 2015</b>	<b>As of the end of 2014</b>
Current ratio	0.70	0.61	0.19
Quick ratio	0.70	0.61	0.19
Asset-liability ratio	77.32	78.79%	81.68%
<b>Financial indicator</b>	<b>January- September 2016</b>	<b>2015</b>	<b>2014</b>
Loan repayment ratio	100.00%	100.00%	100.00%
Interest coverage ratio	2.53	2.85	31.69
Interest payment ratio	100.00%	100.00%	100.00%

*Notes:* The above indicators are computed in following formulae:

1. Current ratio = Current assets/Current liabilities
2. Quick ratio = (Current assets – Net inventory)/Current liabilities
3. gearing ratio = Total liabilities/Total assets
4. Loan repayment ratio = Actual loan repaid amount/Loan repayable amount
5. Interest coverage ratio = (Total profit + Interest cost)/Interest cost, where, Interest cost = Interest expense included in Financial expense – Interest income included in Financial expense
6. Interest payment ratio = Actual interest paid/Interest payable

## Section Four: Credit Enhancement Mechanism, Debt Service Plan and Other Debt Protection Measures

### I. GUARANTEE

#### (I) Guarantor Profile

As of 31 December 2015, Nanjing GCL recorded consolidated total assets of RMB22,133,850,000 (audited), and equities of RMB2,735,899,600 (audited); in the financial year 2015, Nanjing GCL recorded business revenue of RMB2,336,413,100 (audited) and net profit of RMB312,458,300 (audited).

As of 30 September 2016, Nanjing GCL recorded consolidated total assets of RMB34,714,557,400 (unaudited), and equities of RMB4,513,578,600 (unaudited); in January-September 2016, Nanjing GCL recorded business revenue of RMB2,249,025,100 (unaudited), and net profit of RMB426,488,600 (unaudited).

#### (II) Guarantor's financial highlights in 2015 and January-September 2016

##### 1. Financial highlights (on consolidation basis)

*Unit: RMB0'000*

Item	As of 30 September 2016/ In January- September 2016	As of 31 December 2015/ In 2015
Total assets	3,471,455.74	2,213,385.00
Current assets	999,558.01	650,261.83
Inventory	49,768.16	150.57
Non-current assets	2,471,897.74	1,563,123.17
Total liabilities	3,020,097.89	1,939,795.03
Current liabilities	1,732,660.34	1,223,145.22
Non-current liabilities	1,287,437.55	716,649.82
Equities	451,357.86	273,589.96
Revenue	224,902.51	233,641.31
Net profit	42,648.86	31,245.83

*Note:* The above data are sourced from Nanjing GCL's financial statements in 2015 and January-September 2016, where its financial statements in 2015 have been audited by Grant Thornton LLP (special general partnership).

## 2. Major financial indicators (on consolidation basis)

<b>Indicator</b>	<b>As of 30 September 2016/ In January- September 2016</b>	<b>As of 31 December 2015/ In 2015</b>
Asset-liability ratio	87.00%	87.64%
ROE	9.45%	11.42%
Current ratio (x)	0.58	0.53
Quick ratio (x)	0.55	0.53

### Notes:

1. The above data are sourced from Nanjing GCL's financial statements in 2015 and January-September 2016, where its financial statements in 2015 have been audited by Grant Thornton LLP (special general partnership).
2. Calculation formulae:
  - (1) Asset-liability ratio = Total liabilities/Total assets
  - (2) ROE = Current net profit/Ending net assets
  - (3) Current ratio = Current assets/Current liabilities
  - (4) Quick ratio = (Current assets – Inventory)/Current liabilities

### (III) Guarantor's credit standing

Nanjing GCL has good commercial credit standing, and maintains good partnership with a number of banks, which has had no record of default in the repayment of debts with interest within the reporting period.

As of 30 September 2016, Nanjing GCL issued a private placement bond, in the name of "Nanjing GCL Private Placement Bond 2015", issuing size: RMB360 million, issuing date: June 19, 2015, term: 1 year. Currently, the private placement bond has been repaid on time and in full with interest.

### (IV) The percentage of Guarantor's cumulative guarantee balance in its shareholders' equities

As of 31 December 2016, according to Nanjing GCL's Corporate Credit Report, Nanjing GCL's guarantee balance totaled RMB1,303,044,500, accounting for 28.87% of its net assets as of 30 September 2016, all available for internal guarantee. In consideration of the influence of this offering, Nanjing GCL's cumulative guarantee amount will be changed to RMB3,053,044,500, accounting for 67.64% of its equities as of 30 September 2016.

## **(V) Guarantor's solvency analysis**

As of 31 December 2015, Nanjing GCL's current ratio was 0.53, quick ratio 0.53, and gearing ratio 87.64%. As of 30 September 2016, Nanjing GCL's cash and cash equivalent balance was RMB4,210,272,200; the cash reserve was sufficient. In all, Nanjing GCL has sufficient cash reserve, general liquidity and liability ratio, and strong solvency.

## **(VII) Guarantor's major assets and restricted assets**

As of 31 December 2015, Nanjing GCL's assets comprised mainly of monetary funds, fixed assets and projects under construction, in book value of RMB2,454,478,300, RMB9,325,420,500 and RMB4,812,862,600 respectively, accounting for 11.09%, 42.13% and 21.74% of its total assets as of 31 December 2015 respectively. Some of the above assets are with restricted rights.

## **II. DEBT SERVICE PLAN**

- (I) The interest start date of these Green Bonds is the issue date of these bonds, that is, [•••] 2016.
- (II) Within interest bearing period, the interest will be paid yearly. The interest bearing period is from [•••] 2016 to [•••] 2019, and the principal will be repaid in a lump sum on [•••] 2019.
- (III) The interest payment and principal repayment of these Green Bonds will be made through the registry and relevant authority, under relevant national requirements, as stated in the Issuer's redemption announcement to be published on the media designated by the CSRC.
- (IV) Debt Protection Special Account and Fundraising Special Account

The Issuer will open a Debt Protection Special Account and Fundraising Special Account, to receive, store, transfer the funds raised from this offering as well as payment of principal and interest. These special accounts will be managed separately, where the opening bank of Debt Protection Special Account and/or Fundraising Special Account shall supervise the Issuer in their operation as required for payment of principal and interest. The Debt Protection Special Account may be the same one with the Fundraising Special Account, but both shall be independent of other accounts of the Issuer, and neither shall be used for other purposes than collecting the interest and principal paid and receiving, storing and transferring the funds raised.

The Issuer will deposit the full amount of interest payable into the Debt Protection Special Account not later than 5 business days before the interest payment date; and deposit 20% or more of the bond principal and interest payable into the Debt Protection Special Account not later than 10 business days before the maturity date (including the selling

back date, redemption date and early redemption date, the same below), and deposit the full amount of bond principal and interest payable into the Debt Protection Special Account not later than 2 business days before maturity. In case of failure to withdraw the full amount of debt protection fund, the Issuer will not distribute the profits by cash.

If the balance of Fundraising Special Account is less than the current bond principal and interest payable, at 2 business days before current interest payment date and/or redemption date, the opening bank of the Debt Protection Special Account shall urge the Issuer to immediately transfer enough fund into the Fundraising Special Account, and shall notify the Bond Trustee not later than 3 business days from the current interest payment date and/or redemption date.

Upon this offering, the Issuer will further optimize its asset-liability management, enhance its liquidity management and fund use among other relevant management, and develop fund use plan according to the bond principal and interest future payment status, to ensure funds dispatch as planned, and timely prepare full amount of debt service funds to pay annual interest and repay principal in due time, in the interests of investors.

The Bond Trustee will, within the trusteeship period, track the Issuer's bond principal and interest payment status and future risk of due repayment, and disclose the information in the Trustee's Report as far as it understands, within 1 month from the disclosure date of the Issuer's annual report.

- (V) Under national tax laws and regulations, the tax payable on these Green Bonds will be borne by investors.

### **III. MAIN SOURCES OF DEBT SERVICE FUNDS**

The Issuer shall establish a multilevel complementary financial arrangement according to its financial status, offering nature and fund-use features, to provide sufficient stable sources of debt service funds, subject to adjustment where appropriate. The bond principal and interest will be paid by the Issuer through a non-public offering corporate bond trustee.

#### **1. Stable growth of revenue and sufficient cash flow**

In 2014, 2015 and January-September 2016, the Issuer recorded revenue RMB123,283,300, RMB730,228,200 and RMB1,640,348,100 respectively. Given fast growth, it is expected that the revenue in the financial year of 2016 will be further increased. In 2014, 2015 and January-September 2016, the Issuer recorded operating cash inflow RMB421,948,000, RMB1,094,464,800 and RMB713,674,000 respectively; the net cash flow from operating activities RMB162,241,700, RMB99,232,400 and RMB368,670,600 respectively. The overall size was large. The significant amount of revenue and stable operating cash inflow provide strong security for the payment of bond principal and interest in this offering.

## **2. Large assets scale, strong profitability**

As of the end of 2014, 2015 and September 2016, the Issuer recorded total assets of RMB6,230,551,100, RMB23,473,504,900 and RMB35,689,965,100 respectively, and equities of RMB1,141,552,400, RMB4,979,173,800 and RMB8,093,638,300 respectively, with increasing equities and asset scale. In 2014, 2015 and January-September 2016, the Issuer recorded net profit of RMB27,381,700, RMB335,776,000 and RMB648,936,500 respectively, and main business gross profit margin 0.71%, 73.16% and 72.39% respectively, indicating strong profitability. Large scale assets and strong profitability provide reliable security for the payment of bond principal and interest in this offering.

## **IV. DEBT PROTECTION EMERGENCY PLANS**

### **(I) Protection for high liquidity assets and high quality realizable assets**

The Issuer has a significant amount of monetary funds to mitigate the pressure of ordinary expenses. As of the end of 2014, 2015 and September 2016, the Issuer recorded monetary funds balance of RMB271,070,200, RMB1,834,610,500 and RMB3,011,574,900 respectively, or RMB1,705,751,900 on average, which may be used to repay the due bonds. Meanwhile, as of the end of September 2016, the Issuer had quality realizable assets, including bank notes receivable of RMB49,527,900 and accounts receivable of RMB1,926,680,400 respectively, which may be realized or pledged for repaying the due bonds if necessary.

### **(II) Protection for credit grant**

The Issuer and its indirect controlling shareholder maintain a good long-term cooperative relationship with the major domestic banks, and thus have strong indirect financing ability. As of the end of September 2016, the Issuer and its indirect controlling shareholder – GCL New Energy received bank credit line of RMB21,096 million, with RMB1,566 million remaining. The Issuer may use the credit line according to its actual demand and GCL New Energy's arrangement. If the Issuer's net cash inflow from operating activities is insufficient to repay the bond interest or principal, the Issuer may raise funds by borrowing from the financial institution.

## Section Five: Issuer's Basic Information

### II. HISTORY

On 4 July 2014, Suzhou Industrial Park Administration for Industry and Commerce (Jiangsu Province) issued the *Notice of Name Pre-Approval* (Doc. 05940299-yc Name Pre-registration [2014] No. 07030076) to the Issuer, according to which, the Issuer was approved to use the company name in Chinese “蘇州協鑫新能源投資有限公司”. On 7 July 2014, the Issuer's controlling shareholder – Nanjing GCL signed the *Articles of Association*, under which, the Issuer's registered capital will be contributed in two installments: the first installment will be RMB50 million, to be paid before 31 December 2014; the second installment will be paid within two years from the issuing date of business license. On 10 July 2014, Suzhou Industrial Park Administration for Industry and Commerce (Jiangsu Province) issued the Business License (Registration No. 320594000329879) to the Issuer.

On 12 November 2014, the Issuer's shareholder – Nanjing GCL decided to increase the registered capital to RMB1 billion, and modify the *Articles of Association*, where, the new capital RMB700 million was contributed by the Issuer's shareholder – Nanjing GCL prior to 9 July 2016. On 12 November 2014, the Issuer made the *Amendment to Articles of Association*, to amend Article 7 in respect of registered capital and Article 8 in respect of list of shareholders, amount of contribution, mode of contribution, and time of contribution. On 1 December 2014, Suzhou Industrial Park Administration for Industry and Commerce (Jiangsu Province) renewed the Issuer's *Business License* (Registration No. 320594000329879). On 23 January 2015, the Issuer's registered capital was verified to be fully paid, under the Capital Verification Report (Doc. Su Hua Kuai Yan [2015] No. 1201) produced by Jiangsu Zihua CPA Firm Co., Ltd.

On 5 January 2015, the Issuer's shareholder – Nanjing GCL decided to increase the registered capital to RMB2 billion, and modify the *Articles of Association*, where, the new capital of RMB1 billion was contributed by the Issuer's shareholder – Nanjing GCL prior to 31 December 2016. On 5 January 2015, the Issuer made the *Amendment to Articles of Association*, to amend Article 7 in respect of registered capital and Article 8 in respect of list of shareholders, amount of contribution, mode of contribution, and time of contribution. On 9 January 2015, Suzhou Industrial Park Administration for Industry and Commerce (Jiangsu Province) renewed the Issuer's Business License (Registration No. 320594000329879).

On 23 June 2015, the Issuer's shareholder – Nanjing GCL decided to increase the registered capital to RMB3 billion, and modify the *Articles of Association*, where, the new capital of RMB1 billion will be contributed by the Issuer's shareholder – Nanjing GCL prior to 31 December 2020. On 23 June 2015, the Issuer made the *Amendment to Articles of Association*, to amend Article 7 in respect of registered capital and Article 8 in respect of the list of shareholders, amount of contribution, mode of contribution, and time of contribution. On 25 June 2015, Suzhou Industrial Park Administration for Industry and Commerce (Jiangsu Province) renewed the Issuer's Business License (Registration No. 320594000329879).



According to the Capital Verification Report dated 7 September 2015 (Doc. Su Xin Sheng Yan Zi [2015] No. 054) produced by Suzhou Xinsheng CPA Firm, the Issuer's registered capital was increased to RMB3 billion, with paid-in capital RMB2.17 billion.

On 14 August 2015, the Issuer's shareholder – Nanjing GCL decided to increase the registered capital to RMB5 billion, and modify the *Articles of Association*, where, the new capital of RMB2 billion will be contributed by the Issuer's shareholder – Nanjing GCL prior to 31 December 2020. On 14 August 2015, the Issuer made the *Amendment to Articles of Association*, to amend Article 7 in respect of registered capital and Article 8 in respect of the list of shareholders, amount of contribution, mode of contribution, and time of contribution. On 25 June 2015, Suzhou Industrial Park Administration for Industry and Commerce (Jiangsu Province) renewed the Issuer's Business License (Registration No. 320594000329879). According to the Capital Verification Report dated 14 October 2015 (Doc. Su Xin Sheng Yan Zi [2015] No. 060) produced by Suzhou Xinsheng CPA Firm, the Issuer's registered capital was increased to RMB5 billion, with paid-in capital of RMB3.51 billion.

On 16 December 2015, the Issuer held the meeting of Board of Directors, where, two resolutions were passed: Dismissal of Tang Cheng as Chairman of Suzhou GCL and Promotion of Sun Xingping as the Chairman; Dismissal of Tang Cheng as General Manager of Suzhou GCL and Promotion of Sun Xingping as General Manager. On 16 December 2015, the issuer's shareholder – Nanjing GCL decided to accept the resolutions to dismiss Tang Cheng and Gu Xin as directors of Suzhou GCL, and promote Sun Xingping and Zhang Ningyong as directors of Suzhou GCL. On 18 January 2016, Suzhou Industrial Park Administration for Industry and Commerce (Jiangsu Province) issued the Notice of Approval for Change Registration (Ref. No. 05940328, Doc. Gong Si Bian Geng [2016] No. 01180004).

On 20 January 2016, the Issuer's shareholder – Nanjing GCL decided to increase the registered capital to RMB8 billion, and modify the *Articles of Association*, where, the new capital RMB3 billion will be contributed by the Issuer's shareholder – Nanjing GCL prior to 31 December 2020. The Issuer made the *Amendment to Articles of Association*, to amend Article 7 in respect of registered capital and Article 8 in respect of the list of shareholders, amount of contribution, mode of contribution, and time of contribution. On 18 February 2016, Suzhou Industrial Park Administration for Industry and Commerce (Jiangsu Province) renewed the Issuer's Business License (Unified Social Credit Code: 91320594398282027E). According to the Capital Verification Report dated 5 May 2016 (Doc. Su Xin Sheng Yan Zi [2016] No. 015) produced by Suzhou Xinsheng CPA Firm, as of 5 April 2016, the Issuer's registered capital was increased to RMB8 billion, with paid-in capital of RMB6,394,621,000.

On 10 May 2016, 19 May 2016 and 8 June 2016, the Issuer's shareholder – Nanjing GCL contributed RMB10 million, RMB10 million and RMB20 million respectively to the Issuer's registered capital.

On 18 September 2016, the Issuer's shareholder – Nanjing GCL decided to increase the registered capital to RMB10 billion, and modify the *Articles of Association*. The Issuer modified the *Amendment to Articles of Association*, and modified Article 7 in respect of registered capital and Article 8 in respect of the list of shareholders, amount of contribution, mode of contribution, and time of contribution. On 18 September 2016, Suzhou Industrial Park Administration for Industry and Commerce (Jiangsu Province) renewed the Issuer's *Business License* (Unified Social Credit Code: 91320594398282027E).

On 7 July 2016 and 8 July 2016, the Issuer's shareholder – Nanjing GCL contributed RMB70 million and RMB60 million respectively to the Issuer's registered capital.

On 10 October 2016, Suzhou Industrial Park Administration for Industry and Commerce (Jiangsu Province) renewed the Issuer's Business License (Unified Social Credit Code: 91320594398282027E).

On 19 October 2016 and 24 November 2016, the Issuer's shareholder – Nanjing GCL contributed RMB199,700,000 and RMB650,000,000 respectively to the Issuer's registered capital.

On 19 December 2016, the Issuer's shareholder – Nanjing GCL decided to increase the registered capital to RMB12 billion, and modify the *Articles of Association*. On 27 December 2016, Suzhou Industrial Park Administration for Industry and Commerce (Jiangsu Province) renewed the Issuer's *Business License* (Unified Social Credit Code: 91320594398282027E).

As of 31 December 2016, the Issuer's registered capital was RMB12 billion, with paid-in capital of RMB7,774,321,000, wholly owned by Nanjing GCL.

### III. MAJOR INTERESTS IN OTHER ENTITIES

#### (I) Major subsidiaries

- As of 30 September 2016, the Issuer has 188 subsidiaries on consolidation basis, as detailed below:

**Table: Subsidiaries to be consolidated as of 30 September 2016**

No.	Name of subsidiary	Principal place of business	Place of incorporation	Nature of business	Shareholding percentage (%)	Way of obtainment
1	Jinhu Zhenghui Photovoltaic Co., Ltd.* (金湖正輝太陽能電力有限公司)	Jinhu, Jiangsu	Jinhu, Jiangsu	Solar power generation	95.02	Acquisition
2	Ningxia Jinxin Photovoltaic Electric Power Co., Ltd.* (寧夏金信光伏電力有限公司)	Zhongwei, Ningxia	Zhongwei, Ningxia	Solar power generation	100	Establishment
3	Ningxia Jinli Photovoltaic Electric Power Co., Ltd.* (寧夏金禮光伏電力有限公司)	Zhongwei, Ningxia	Zhongwei, Ningxia	Solar power generation	100	Acquisition

No.	Name of subsidiary	Principal place of business	Place of incorporation	Nature of business	Shareholding percentage (%)	Way of obtainment
4	Donghai GCL Solar Energy Ltd.* (東海縣協鑫光伏電力有限公司)	Donghai, Jiangsu	Donghai, Jiangsu	Solar power generation	100	Establishment
5	Datong Xian GCL Xinyuan Solar Energy Co., Ltd.* (大同縣協鑫鑫源光伏電力有限公司)	Datong, Shanxi	Datong, Shanxi	Solar power generation	100	Establishment
6	Taiyuan GCL Photovoltaic Power Co., Ltd.* (太原協鑫光伏電力有限公司)	Taiyuan, Shanxi	Taiyuan, Shanxi	Solar power generation	100	Establishment
7	Tongyu GCL Photovoltaic Power Co., Ltd.* (通榆協鑫光伏電力有限公司)	Tongyu, Jilin	Tongyu, Jilin	Solar power generation	100	Establishment
8	Sichuan GCL New Energy Co., Ltd.* (四川協鑫新能源有限公司)	Chengdu in Sichuan	Chengdu in Sichuan	Solar power generation	70	Establishment
9	Xuzhou Xinri Solar Energy Ltd.* (徐州鑫日光伏電力有限公司)	Xuzhou, Jiangsu	Xuzhou, Jiangsu	Solar power generation	100	Establishment
10	Kaifeng Huaxin New Energy Development Company Limited* (開封華鑫新能源開發有限公司)	Kaifeng, Henan	Kaifeng, Henan	Solar power generation	100	Establishment
11	Xianghe GCL Photovoltaic Technology Co., Ltd.* (香河協鑫光伏科技有限公司)	Langfang, Hebei	Langfang, Hebei	Solar power generation	100	Establishment
12	Tongyu Tongsheng Photovoltaic Power Co., Ltd.* (通榆同晟光伏電力有限公司)	Tongyu, Jilin	Tongyu, Jilin	Solar power generation	100	Establishment
13	Zhenjiang Xinli Photovoltaic Power Company Limited* (鎮江鑫利光伏電力有限公司)	Zhenjiang, Jiangsu	Zhenjiang, Jiangsu	Solar power generation	100	Acquisition
14	Wuzhong Taiyangshan Xinneng Photovoltaic Power Co., Ltd.* (吳忠市太陽山鑫能光伏電力有限公司)	Wuzhong, Ningxia	Wuzhong, Ningxia	Solar power generation	100	Establishment
15	Fuxin Mongol Autonomous County GCL Photovoltaic Power Co., Ltd.* (阜新蒙古族自治縣協鑫光伏電力有限公司)	Fuxin, Liaoning	Fuxin, Liaoning	Solar power generation	100	Establishment
16	Suzhou Xinxi Photovoltaic Power Co., Ltd.* (蘇州鑫希光伏電力有限公司)	Suzhou, Jiangsu	Suzhou, Jiangsu	Solar power generation	100	Establishment
17	Shenyang Yuhong GCL Photovoltaic Power Co., Ltd.* (瀋陽市於洪區協鑫光伏電力有限公司)	Shenyang, Liaoning	Shenyang, Liaoning	Solar power generation	100	Establishment
18	Zhangjiakou GCL Photovoltaic Power Co., Ltd.* (張家口協鑫光伏發電有限公司)	Zhangjiakou, Hebei	Zhangjiakou, Hebei	Solar power generation	100	Establishment
19	Huixian GCL Solar Energy Ltd.* (輝縣市協鑫光伏電力有限公司)	Xinxiang, Henan	Xinxiang, Henan	Solar power generation	100	Establishment
20	Taoyuan Xinhui Photovoltaic Power Co., Ltd.* (桃源縣鑫輝光伏電力有限公司)	Changde, Hunan	Changde, Hunan	Solar power generation	100	Establishment

No.	Name of subsidiary	Principal place of business	Place of incorporation	Nature of business	Shareholding percentage (%)	Way of obtainment
21	Anfu GCL New Energy Co., Ltd.* (安福協鑫新能源有限公司)	Jiangxi	Jiangxi	Solar power generation	100	Acquisition
22	Pingshan Shijing New Energy Ltd.* (平山縣世景新能源有限公司)	Shijiazhuang, Hebei	Shijiazhuang, Hebei	Solar power generation	100	Acquisition
23	Nanchang GCL Photovoltaic Power Co., Ltd.* (南昌協鑫光伏電力有限公司)	Nanchang, Jiangxi	Nanchang, Jiangxi	Solar power generation	100	Establishment
24	Qianxi GCL New Energy Co., Ltd.* (遷西縣協鑫新能源有限公司)	Tangshan, Hebei	Tangshan, Hebei	Solar power generation	100	Establishment
25	Yugan GCL New Energy Ltd.* (餘干縣協鑫新能源有限責任公司)	Shangrao, Jiangxi	Shangrao, Jiangxi	Solar power generation	100	Establishment
26	Sanmenxia Xieli Photovoltaic Power Co., Ltd.* (三門峽協立光伏電力有限公司)	Sanmenxia, Henan	Sanmenxia, Henan	Solar power generation	100	Acquisition
27	Jingbian Shunfeng New Energy Ltd.* (靖邊縣順風新能源有限公司)	Yulin, Shaanxi	Yulin, Shaanxi	Solar power generation	100	Acquisition
28	Jiangling GCL Photovoltaic Power Co., Ltd.* (江陵縣協鑫光伏電力有限公司)	Jingzhou, Hubei	Jingzhou, Hubei	Solar power generation	100	Acquisition
29	Hubei Macheng Jinfu Solar Energy Ltd.* (湖北省麻城市金伏太陽能電力有限公司)	Macheng, Hubei	Macheng, Hubei	Solar power generation	100	Acquisition
30	Juye GCL Photovoltaic Power Co., Ltd.* (巨野縣協鑫光伏電力有限公司)	Heze, Shandong	Heze, Shandong	Solar power generation	100	Establishment
31	Hanneng Guangping Solar Energy Development Ltd.* (邯能廣平縣光伏電力開發有限公司)	Handan, Hebei	Handan, Hebei	Solar power generation	100	Acquisition
32	Jurong Xinda Photovoltaic Power Co., Ltd.* (句容信達光伏發電有限公司)	Zhenjiang, Jiangsu	Zhenjiang, Jiangsu	Solar power generation	100	Establishment
33	Lincheng GCL Photovoltaic Power Co., Ltd.* (臨城協鑫光伏發電有限公司)	Xingtai, Hebei	Xingtai, Hebei	Solar power generation	100	Establishment
34	Taigu Wind and Light Power Co., Ltd.* (太谷縣風光發電有限公司)	Jinzhong, Shanxi	Jinzhong, Shanxi	Solar power generation	30	Acquisition
35	Zhenglanqi State Power Photovoltaic Co., Ltd.* (正藍旗國電光伏發電有限公司)	Zhenglanqi, Inner Mongolia	Zhenglanqi, Inner Mongolia	Solar power generation	98.82	Acquisition
36	Inner Mongolia Yuanhai New Energy Ltd.* (內蒙古源海新能源有限責任公司)	Hohhot, Inner Mongolia	Hohhot, Inner Mongolia	Solar power generation	100	Acquisition
37	Suixi GCL Photovoltaic Power Co., Ltd.* (遂溪協鑫光伏電力有限公司)	Suixi, Guangdong	Suixi, Guangdong	Solar power generation	100	Establishment
38	Haifeng GCL Photovoltaic Power Co., Ltd.* (海豐縣協鑫光伏電力有限公司)	Haifeng, Guangdong	Haifeng, Guangdong	Solar power generation	100	Establishment
39	Nantong Haide New Energy Company Ltd.* (南通海德新能源有限公司)	Nantong, Jiangsu	Nantong, Jiangsu	Solar power generation	100	Acquisition

No.	Name of subsidiary	Principal place of business	Place of incorporation	Nature of business	Shareholding percentage (%)	Way of obtainment
40	Changzhou Xintian New Energy Company Ltd.* (常州新天新能源有限公司)	Nantong, Jiangsu	Nantong, Jiangsu	Solar power generation	100	Acquisition
41	Yili GCL Energy Limited* (伊犁協鑫能源有限公司)	Yili, Xinjiang	Yili, Xinjiang	Solar power generation	50	Establishment
42	Handan Fuxin GCL Photovoltaic Power Co., Ltd.* (邯鄲市復興區協鑫光伏發電有限公司)	Handan, Hebei	Handan, Hebei	Solar power generation	100	Establishment
43	Xianghuangqi GCL Photovoltaic Power Co., Ltd.* (鑲黃旗協鑫光伏電力有限公司)	Xianghuangqi, Inner Mongolia	Xianghuangqi, Inner Mongolia	Solar power generation	100	Establishment
44	Keyouqianqi GCL Photovoltaic Power Co., Ltd.* (科右前旗協鑫光伏電力有限公司)	Keyouqianqi, Inner Mongolia	Keyouqianqi, Inner Mongolia	Solar power generation	100	Establishment
45	Etuokeqi GCL Photovoltaic Power Co., Ltd.* (鄂托克旗協鑫光伏電力有限公司)	Etuokeqi, Inner Mongolia	Etuokeqi, Inner Mongolia	Solar power generation	100	Establishment
46	Gaoyou GCL Photovoltaic Power Co., Ltd.* (高郵協鑫光伏電力有限公司)	Gaoyou, Jiangsu	Gaoyou, Jiangsu	Solar power generation	100	Establishment
47	Funan GCL Photovoltaic Power Co., Ltd.* (阜南協鑫光伏電力有限公司)	Fuyang, Anhui	Fuyang, Anhui	Solar power generation	100	Establishment
48	Hami Yaohui Photovoltaic Co., Ltd.* (哈密耀輝光伏電力有限公司)	Hami, Xinjiang	Hami, Xinjiang	Solar power generation	100	Establishment
49	Inner Mongolia Xiangdao New Energy Development Co., Ltd.* (內蒙古香島新能源發展有限公司)	Hohhot, Inner Mongolia	Hohhot, Inner Mongolia	Solar power generation	90.1	Acquisition
50	Zhejiang Shuqimeng Electricity Science and Technology Co., Ltd.* (浙江舒奇蒙電力科技有限公司)	Xiaoshan, Zhejiang	Xiaoshan, Zhejiang	Solar power generation	91	Acquisition
51	Hengshan Jinghe Solar Energy Co., Ltd.* (橫山晶合太陽能發電有限公司)	Yulin, Shaanxi	Yulin, Shaanxi	Solar power generation	91	Acquisition
52	Jiangsu GCL Haibin New Energy Science and Technology Development Co., Ltd.* (江蘇協鑫海濱新能源科技發展有限公司)	Nanjing, Jiangsu	Nanjing, Jiangsu	Solar power generation	60	Formation
53	Beipiao GCL Photovoltaic Power Co., Ltd.* (北票協鑫光伏電力有限公司)	Chaoyang, Liaoning	Chaoyang, Liaoning	Solar power generation	100	Establishment
54	Yulin City Yushen Industrial Zone Dongtou Energy Company Limited* (榆林市榆神工業區東投能源有限公司)	Yulin, Shaanxi	Yulin, Shaanxi	Solar power generation	100	Establishment
55	Hainan Tianlike New Energy Project Investment Co., Ltd.* (海南天利科新能源項目投資有限公司)	Changjiang, Hainan	Changjiang, Hainan	Solar power generation	100	Acquisition

No.	Name of subsidiary	Principal place of business	Place of incorporation	Nature of business	Shareholding percentage (%)	Way of obtainment
56	Hainan Yisheng New Energy Co., Ltd.* (海南意晟新能源有限公司)	Haikou, Hainan	Haikou, Hainan	Solar power generation	76.74	Acquisition
57	Ruyang GCL New Energy Ltd.* (汝陽協鑫新能源有限公司)	Ruyang, Henan	Ruyang, Henan	Solar power generation	100	Establishment
58	Shuozhou GCL Solar Energy Limited* (朔州市協鑫光伏電力有限公司)	Shuozhou, Shanxi	Shuozhou, Shanxi	Solar power generation	100	Acquisition
59	Licheng GCL Solar Energy Limited* (黎城協鑫光伏電力有限公司)	Changzhi, Shanxi	Changzhi, Shanxi	Solar power generation	100	Establishment
60	Shanxi Jiasheng Energy Holding Ltd.* (山西佳盛能源股份有限公司)	Taiyuan, Shanxi	Taiyuan, Shanxi	Solar power generation	93.33	Acquisition
61	Yu County Jinyang New Energy Power Generation Co., Ltd.* (孟縣晉陽新能源發電有限公司)	Yu County, Shanxi	Yu County, Shanxi	Solar power generation	98.86	Acquisition
62	Suqian Luneng Solar Power Co., Ltd.* (宿遷綠能電力有限公司)	Suqian, Jiangsu	Suqian, Jiangsu	Solar power generation	98.03	Acquisition
63	Hami Ourui Photovoltaic Power Generation Co., Ltd.* (哈密歐瑞光伏發電有限公司)	Hami, Xinjiang	Hami, Xinjiang	Solar power generation	100	Acquisition
64	Ningxia Shengjing Solar Power Technology Co., Ltd.* (寧夏盛景太陽能科技有限公司)	Yinchuan, Ningxia	Yinchuan, Ningxia	Solar power generation	90.1	Acquisition
65	Shangyi Yuanchen New Energy Development Co., Ltd.* (尚義元辰新能源開發有限公司)	Zhangjiakou, Hebei	Zhangjiakou, Hebei	Solar power generation	95	Acquisition
66	Baoying Xinyuan Photovoltaic Power Co., Ltd.* (寶應鑫源光伏發電有限公司)	Baoying, Jiangsu	Baoying, Jiangsu	Solar power generation	100	Establishment
67	Jiuquan GCL New Energy Limited* (酒泉協鑫新能源有限公司)	Jiuquan, Gansu	Jiuquan, Gansu	Solar power generation	100	Acquisition
68	Zaozhuang GCL Photovoltaic Power Co., Ltd.* (棗莊協鑫光伏電力有限公司)	Zaozhuang, Shandong	Zaozhuang, Shandong	Solar power generation	100	Establishment
69	Hefei GCL Photovoltaic Power Co., Ltd.* (合肥協鑫光伏電力有限公司)	Hefei, Anhui	Hefei, Anhui	Solar power generation	100	Establishment
70	Suqian Xinyang Photovoltaic Power Co., Ltd.* (宿遷鑫揚光伏電力有限公司)	Suqian, Jiangsu	Suqian, Jiangsu	Solar power generation	100	Establishment
71	Delingha Century Concord Photovoltaic Power Co., Ltd.* (德令哈協合光伏發電有限公司)	Delingha, Qinghai	Delingha, Qinghai	Solar power generation	100	Acquisition
72	Tianchang GCL Solar Energy Ltd.* (天長市協鑫光伏電力有限公司)	Tianchang, Anhui	Tianchang, Anhui	Solar power generation	100	Establishment

No.	Name of subsidiary	Principal place of business	Place of incorporation	Nature of business	Shareholding percentage (%)	Way of obtainment
73	Yuanmou Green Power New Energy Development Ltd.* (元謀綠電新能源開發有限公司)	Yuanmou, Yunnan	Yuanmou, Yunnan	Solar power generation	80	Acquisition
74	Hefei Jiannan Solar Power Co., Ltd.* (合肥建南電力有限公司)	Hefei, Anhui	Hefei, Anhui	Solar power generation	100	Formation
75	Shandong Wanhai Solar Power Co., Ltd.* (山東萬海電力有限公司)	Wanhai, Shandong	Wanhai, Shandong	Solar power generation	100	Acquisition
76	Menghai GCL Solar Agricultural Power Co., Ltd.* (勐海協鑫光伏農業電力有限公司)	Menghai, Yunnan	Menghai, Yunnan	Solar power generation	100	Establishment
77	Qixian GCL New Energy Ltd.* (淇縣協鑫新能源有限公司)	Qi County, Henan	Qi County, Henan	Solar power generation	100	Establishment
78	Panzhuhua GCL Photovoltaic Power Co., Ltd.* (攀枝花協鑫光伏電力有限公司)	Panzhuhua, Sichuan	Panzhuhua, Sichuan	Solar power generation	100	Establishment
79	Yulin Longyuan Solar Energy Ltd.* (榆林隆源光伏電力有限公司)	Yulin, Shaanxi	Yulin, Shaanxi	Solar power generation	100	Acquisition
80	Heze Mudan GCL Photovoltaic Power Co., Ltd.* (荷澤牡丹區協鑫光伏電力有限公司)	Heze, Shandong	Heze, Shandong	Solar power generation	100	Establishment
81	Laian GCL Photovoltaic Power Co., Ltd.* (來安縣協鑫光伏電力有限公司)	Chuzhou, Anhui	Chuzhou, Anhui	Solar power generation	100	Establishment
82	Huaian Ronggao Photovoltaic Power Co., Ltd.* (淮安融高光伏發電有限公司)	Huaian, Jiangsu	Huaian, Jiangsu	Solar power generation	100	Acquisition
83	Taoyuan Xinneng Photovoltaic Power Co., Ltd.* (桃源縣鑫能光伏電力有限公司)	Changde, Hunan	Changde, Hunan	Solar power generation	100	Establishment
84	Taoyuan Xinyuan Photovoltaic Power Co., Ltd.* (桃源縣鑫源光伏電力有限公司)	Changde, Hunan	Changde, Hunan	Solar power generation	100	Establishment
85	Yulin Dianxin Photovoltaic Power Co., Ltd.* (榆林市電鑫光伏電力有限公司)	Yulin, Shaanxi	Yulin, Shaanxi	Solar power generation	100	Establishment
86	Tongyu Zajia Qinye Technology Ltd.* (通榆縣咱家禽業科技有限公司)	Tongyu, Shaanxi	Tongyu, Shaanxi	Solar power generation	100	Acquisition
87	Yanbian Xinneng Photovoltaic Power Co., Ltd.* (鹽邊鑫能光伏電力有限公司)	Panzhuhua, Sichuan	Panzhuhua, Sichuan	Solar power generation	100	Establishment
88	Funing Xinyuan Photovoltaic Power Co., Ltd.* (阜寧縣鑫源光伏電力有限公司)	Yancheng, Jiangsu	Yancheng, Jiangsu	Solar power generation	100	Establishment
89	Ningxia Lvhao Photovoltaic Power Co., Ltd.* (寧夏綠昊光伏發電有限公司)	Shizuishan, Ningxia	Shizuishan, Ningxia	Solar power generation	95	Acquisition
90	Hainanzhou Shineng Photovoltaic Power Co., Ltd.* (海南州世能光伏發電有限公司)	Hainanzhou, Qinghai	Hainanzhou, Qinghai	Solar power generation	100	Acquisition

No.	Name of subsidiary	Principal place of business	Place of incorporation	Nature of business	Shareholding percentage (%)	Way of obtainment
91	Zhongli Tenghui Hainan Solar Power Co., Ltd.* (中利騰暉海南電力有限公司)	Gonghe, Qinghai	Gonghe, Qinghai	Solar power generation	100	Acquisition
92	Ruzhou GCL Photovoltaic Power Co., Ltd.* (汝州協鑫光伏電力有限公司)	Pingdingshan, Henan	Pingdingshan, Henan	Solar power generation	100	Establishment
93	Panzhuhua GCL New Agriculture Technology Co., Ltd.* (攀枝花協鑫新農業科技有限公司)	Panzhuhua, Sichuan	Panzhuhua, Sichuan	Solar power generation	100	Establishment
94	Wulate Houqi Yuanhai New Energy Ltd.* (烏拉特後旗源海新能源有限責任公司)	Bayan Nur, Inner Mongolia	Bayan Nur, Inner Mongolia	Solar power generation	100	Acquisition
95	Dingbian Xinneng Photovoltaic Power Co., Ltd.* (定邊鑫能光伏電力有限公司)	Yulin, Shaanxi	Yulin, Shaanxi	Solar power generation	100	Establishment
96	Jianping GCL Photovoltaic Power Co., Ltd.* (建平協鑫光伏電力有限公司)	Chaoyang, Liaoning	Chaoyang, Liaoning	Solar power generation	100	Establishment
97	Qiqihar GCL Photovoltaic Power Co., Ltd.* (齊齊哈爾協鑫光伏電力有限公司)	Qiqihar, Heilongjiang	Qiqihar, Heilongjiang	Solar power generation	100	Establishment
98	Pucheng GCL Hechuang Photovoltaic Power Co., Ltd.* (浦城縣協鑫合創光伏電力有限公司)	Nanping, Fujian	Nanping, Fujian	Solar power generation	90	Establishment
99	Zhangjiakou Xinhong New Energy Technology Co., Ltd.* (張家口鑫宏新能源科技有限公司)	Zhangjiakou, Hebei	Zhangjiakou, Hebei	Solar power generation	100	Establishment
100	Hetian GCL Photovoltaic Power Co., Ltd.* (和田協鑫光伏電力有限公司)	Hetian, Fujian	Hetian, Fujian	Solar power generation	100	Establishment
101	Inner Mongolia Xieheng Comprehensive Development of Photovoltaic Power, Agriculture and Livestock Co., Ltd.* (內蒙古協恒光伏農牧綜合開發有限公司)	Ulanqab, Inner Mongolia	Ulanqab, Inner Mongolia	Solar power generation	100	Establishment
102	Yulin GCL Agriculture Co., Ltd.* (榆林協鑫農業有限公司)	Yulin, Shaanxi	Yulin, Shaanxi	Solar power generation	100	Establishment
103	Linyi GCL New Energy Development Co., Ltd.* (臨沂協鑫新能源開發有限公司)	Linyi, Shandong	Linyi, Shandong	Solar power generation	100	Establishment
104	Zhangbei GCL Photovoltaic Power Co., Ltd.* (張北協鑫光伏電力有限公司)	Zhangjiakou, Hebei	Zhangjiakou, Hebei	Solar power generation	100	Establishment
105	Xingtang Shijing New Energy Ltd.* (行唐縣世景新能源有限公司)	Shijiazhuang, Hebei	Shijiazhuang, Hebei	Solar power generation	70	Acquisition
106	Quzhou GCL New Energy Technology Co., Ltd.* (衢州協鑫新能源科技有限公司)	Quzhou, Zhejiang	Quzhou, Zhejiang	Solar power generation	100	Establishment
107	Hefei Jiuyang New Energy Co., Ltd.* (合肥久陽新能源有限公司)	Hefei, Anhui	Hefei, Anhui	Solar power generation	70	Acquisition



No.	Name of subsidiary	Principal place of business	Place of incorporation	Nature of business	Shareholding percentage (%)	Way of obtainment
108	Chaoyang Longcheng GCL Photovoltaic Power Co., Ltd.* (朝陽市龍城區協鑫光伏電力有限公司)	Chaoyang, Liaoning	Chaoyang, Liaoning	Solar power generation	100	Establishment
109	Lingshou GCL Photovoltaic Power Co., Ltd.* (靈壽縣協鑫光伏發電有限公司)	Lingshou, Hebei	Lingshou, Hebei	Solar power generation	100	Establishment
110	Wei County GCL Photovoltaic Power Co., Ltd.* (威縣協鑫光伏發電有限公司)	Xingtai, Hebei	Xingtai, Hebei	Solar power generation	100	Establishment
111	Yuncheng Xinhua Energy Development Co., Ltd.* (鄆城鑫華能源開發有限公司)	Heze, Shandong	Heze, Shandong	Solar power generation	100	Establishment
112	Huaian GCL Photovoltaic Power Co., Ltd.* (淮安協鑫光伏電力有限公司)	Huaian, Jiangsu	Huaian, Jiangsu	Solar power generation	100	Establishment
113	Jiangsu Haibin Agriculture Development Co., Ltd.* (江蘇海濱農業發展有限公司)	Nanjing, Jiangsu	Nanjing, Jiangsu	Solar power generation	100	Establishment
114	Jingbian GCL Photovoltaic Power Co., Ltd.* (靖邊協鑫光伏電力有限公司)	Yulin, Shaanxi	Yulin, Shaanxi	Solar power generation	95	Establishment
115	Jinzhou Yi County GCL Photovoltaic Power Co., Ltd.* (錦州義縣協鑫光伏電力有限公司)	Jinzhou, Liaoning	Jinzhou, Liaoning	Solar power generation	100	Establishment
116	Xiangyuan GCL Photovoltaic Power Co., Ltd.* (襄垣縣協鑫光伏電力有限公司)	Changzhi, Shanxi	Changzhi, Shanxi	Solar power generation	100	Establishment
117	Dingbian Xieguang Photovoltaic Power Co., Ltd.* (定邊協廣光伏電力有限公司)	Yulin, Shaanxi	Yulin, Shaanxi	Solar power generation	100	Establishment
118	Erenhot GCL Photovoltaic Power Co., Ltd.* (二連浩特協鑫光伏電力有限公司)	Xilingol League, Inner Mongolia	Xilingol League, Inner Mongolia	Solar power generation	100	Establishment
119	Luquan GCL Photovoltaic Power Co., Ltd.* (祿勸協鑫光伏發電有限公司)	Kunming, Yunnan	Kunming, Yunnan	Solar power generation	100	Establishment
120	Qinghai GCL Photovoltaic Power Co., Ltd.* (青海協鑫光伏電力有限公司)	Xining, Qinghai	Xining, Qinghai	Solar power generation	100	Establishment
121	Pingyuan GCL Photovoltaic Power Co., Ltd.* (平原協鑫光伏電力有限公司)	Dezhou, Shandong	Dezhou, Shandong	Solar power generation	100	Establishment
122	Zhenlai GCL Photovoltaic Power Co., Ltd.* (鎮賚協鑫光伏電力有限公司)	Baicheng, Jilin	Baicheng, Jilin	Solar power generation	100	Establishment
123	Baicheng Taobei GCL Photovoltaic Power Co., Ltd.* (白城洮北協鑫光伏電力有限公司)	Baicheng, Jilin	Baicheng, Jilin	Solar power generation	100	Establishment
124	Chifeng GCL Photovoltaic Power Co., Ltd.* (赤峰協鑫光伏電力有限公司)	Chifeng, Inner Mongolia	Chifeng, Inner Mongolia	Solar power generation	100	Establishment
125	Zibo GCL Photovoltaic Power Co., Ltd.* (淄博協鑫光伏電力有限公司)	Zibo, Shandong	Zibo, Shandong	Solar power generation	100	Establishment

No.	Name of subsidiary	Principal place of business	Place of incorporation	Nature of business	Shareholding percentage (%)	Way of obtainment
126	Panzhuhua Xinren Photovoltaic Power Co., Ltd.* (攀枝花鑫仁光伏電力有限公司)	Panzhuhua, Sichuan	Panzhuhua, Sichuan	Solar power generation	100	Establishment
127	Gaotang GCL Jinghui Photovoltaic Co., Ltd.* (高唐縣協鑫晶輝光伏有限公司)	Gaotang, Shandong	Gaotang, Shandong	Solar power generation	100	Acquisition
128	Ningxia Xinken Jianquan Photovoltaic Power Co., Ltd.* (寧夏鑫壑簡泉光伏電力有限公司)	Jianquan, Ningxia	Jianquan, Ningxia	Solar power generation	100	Establishment
129	Wujiaqu GCL Photovoltaic Power Co., Ltd.* (五家渠協鑫光伏電力有限公司)	Wujiaqu, Xinjiang	Wujiaqu, Xinjiang	Solar power generation	100	Establishment
130	Pingyi Fuxiang Photovoltaic Power Co., Ltd.* (平邑富翔光伏電力有限公司)	Pingyi, Shandong	Pingyi, Shandong	Solar power generation	100	Acquisition
131	Huoqiu GCL Photovoltaic Power Co., Ltd.* (霍邱協鑫光伏電力有限公司)	Huoqiu, Anhui	Huoqiu, Anhui	Solar power generation	100	Establishment
132	Huaian Xinneng Photovoltaic Power Co., Ltd.* (淮安鑫能光伏電力有限公司)	Huaian, Jiangsu	Huaian, Jiangsu	Solar power generation	100	Establishment
133	Baoying GCL Photovoltaic Power Co., Ltd.* (寶應協鑫光伏電力有限公司)	Baoying, Jiangsu	Baoying, Jiangsu	Solar power generation	100	Establishment
134	Tianjin Xinguo Photovoltaic Power Co., Ltd.* (天津鑫國光伏電力有限公司)	Tianjin	Tianjin	Solar power generation	100	Establishment
135	Changzhou Zhonghui Photovoltaic Technology Co., Ltd.* (常州中暉光伏科技有限公司)	Changzhou, Jiangsu	Changzhou, Jiangsu	Solar power plant investment	100	Acquisition
136	Baotou Zhongli Tenghui Photovoltaic Power Co., Ltd.* (包頭市中利騰暉光伏發電有限公司)	Baotou, Inner Mongolia	Baotou, Inner Mongolia	Solar power generation	100	Acquisition
137	Kuancheng GCL Photovoltaic Power Co., Ltd.* (寬城協鑫光伏發電有限公司)	Kuancheng, Hebei	Kuancheng, Hebei	Solar power generation	100	Establishment
138	Xinan GCL Photovoltaic Power Co., Ltd.* (新安縣協鑫光伏電力有限公司)	Xinan, Hebei	Xinan, Hebei	Solar power generation	100	Establishment
139	Xiantao Changtangkou GCL Photovoltaic Power Co., Ltd.* (仙桃長口協鑫光伏電力有限公司)	Xiantao, Hubei	Xiantao, Hubei	Solar power generation	100	Establishment
140	Xiantao Yanglinwei Xinneng Photovoltaic Power Co., Ltd.* (仙桃楊林尾鑫能光伏電力有限公司)	Xiantao, Hubei	Xiantao, Hubei	Solar power generation	100	Acquisition
141	Jingmen GCL Photovoltaic Power Co., Ltd.* (荊門市協鑫光伏電力有限公司)	Jingmen, Hubei	Jingmen, Hubei	Solar power generation	100	Establishment
142	Guangnan Taixin New Energy Development Co., Ltd.* (廣南泰鑫新能源開發有限公司)	Guangnan, Yunnan	Guangnan, Yunnan	Solar power generation	100	Establishment

No.	Name of subsidiary	Principal place of business	Place of incorporation	Nature of business	Shareholding percentage (%)	Way of obtainment
143	Lijin Xinyuan Photovoltaic Power Co., Ltd.* (利津縣鑫元光伏發電有限公司)	Lijin, Shandong	Lijin, Shandong	Solar power generation	100	Establishment
144	Beijing Xinyuan Photovoltaic Power Co., Ltd.* (北京鑫源光伏電力有限公司)	Beijing	Beijing	Solar power generation	100	Establishment
145	Queshan Xinneng Photovoltaic Power Co., Ltd.* (確山鑫能光伏電力有限公司)	Queshan, Henan	Queshan, Henan	Solar power generation	100	Establishment
146	Qianjiang Xinlang Photovoltaic Power Co., Ltd.* (潛江市鑫朗光伏電力有限公司)	Qianjiang, Hubei	Qianjiang, Hubei	Solar power generation	100	Establishment
147	Baoying Xinhui Photovoltaic Power Co., Ltd.* (寶應縣鑫輝光伏電力有限公司)	Baoying, Jiangsu	Baoying, Jiangsu	Solar power generation	100	Establishment
148	Poyang GCL Photovoltaic Power Co., Ltd.* (鄱陽縣協鑫光伏電力有限公司)	Poyang, Jiangxi	Poyang, Jiangxi	Solar power generation	100	Acquisition
149	Xinyu GCL Photovoltaic Power Co., Ltd.* (新餘協鑫光伏電力有限公司)	Xinyu, Jiangxi	Xinyu, Jiangxi	Solar power generation	100	Acquisition
150	Jiaxiang Xinxu Photovoltaic Power Co., Ltd.* (嘉祥縣鑫旭光伏電力有限公司)	Jiaxiang, Shandong	Jiaxiang, Shandong	Solar power generation	100	Establishment
151	Licheng Xinneng Photovoltaic Power Co., Ltd.* (黎城鑫能光伏電力有限公司)	Licheng, Shanxi	Licheng, Shanxi	Solar power generation	100	Establishment
152	Shanglin GCL Photovoltaic Power Co., Ltd.* (上林協鑫光伏電力有限公司)	Shanglin, Guangxi	Shanglin, Guangxi	Solar power generation	100	Establishment
153	Qinzhou Xinjin Photovoltaic Power Co., Ltd.* (欽州鑫金光伏電力有限公司)	Qinzhou, Guangxi	Qinzhou, Guangxi	Solar power generation	100	Acquisition
154	Inner Mongolia Sonid Right Banner 30MWp Photovoltaic Power Generation Project (內蒙古蘇尼特右旗30MWp光伏發電項目)	Sonid, Inner Mongolia	Sonid, Inner Mongolia	Solar power generation	100	Acquisition
155	Shenmu Pingxi Power Co., Ltd.* (神木縣平西電力有限公司)	Shenmu, Shaanxi	Shenmu, Shaanxi	Solar power generation	100	Acquisition
156	Shenmu Pingyuan Power Co., Ltd.* (神木縣平元電力有限公司)	Shenmu, Shaanxi	Shenmu, Shaanxi	Solar power generation	100	Acquisition
157	Yuxi Zhongtai New Energy Technology Co., Ltd.* (玉溪市太新新能源科技有限公司)	Yuxi, Yunnan	Yuxi, Yunnan	Solar power generation	100	Establishment
158	Qinzhou Xinao Photovoltaic Power Co., Ltd.* (欽州鑫奧光伏電力有限公司)	Qinzhou, Guangxi	Qinzhou, Guangxi	Solar power generation	100	Acquisition
159	Tengzhou GCL Photovoltaic Power Co., Ltd.* (滕州協鑫光伏發電有限公司)	Tengzhou, Shandong	Tengzhou, Shandong	Solar power generation	100	Establishment
160	Shilou Xinhui Photovoltaic Power Co., Ltd.* (石樓縣新輝光伏電力有限公司)	Shilou, Shanxi	Shilou, Shanxi	Solar power generation	100	Establishment

No.	Name of subsidiary	Principal place of business	Place of incorporation	Nature of business	Shareholding percentage (%)	Way of obtainment
161	Feng County GCL Photovoltaic Power Co., Ltd.* (豐縣協鑫光伏電力有限公司)	Feng County, Jiangsu	Feng County, Jiangsu	Solar power generation	100	Acquisition
162	Lingshou Xinneng Photovoltaic Power Co., Ltd.* (靈壽縣鑫能光伏發電有限公司)	Lingshou, Hebei	Lingshou, Hebei	Solar power generation	100	Acquisition
163	Baixiang Xinke Photovoltaic Power Development Co., Ltd.* (柏鄉縣鑫科光伏電力開發有限公司)	Baixiang, Hebei	Baixiang, Hebei	Solar power generation	100	Acquisition
164	Xun County GCL Photovoltaic Power Co., Ltd.* (浚縣協鑫光伏電力有限公司)	Xun County, Hebei	Xun County, Hebei	Solar power generation	100	Establishment
165	Qian'an GCL Photovoltaic Power Co., Ltd.* (乾安協鑫光伏電力有限公司)	Qian'an, Jilin	Qian'an, Jilin	Solar power generation	100	Establishment
166	Changling GCL Photovoltaic Power Co., Ltd.* (長嶺協鑫光伏電力有限公司)	Changling, Jilin	Changling, Jilin	Solar power generation	100	Acquisition
167	Baoying Xiehe Photovoltaic Power Co., Ltd.* (寶應協和光伏電力有限公司)	Baoying, Jiangsu	Baoying, Jiangsu	Solar power generation	100	Acquisition
168	Zhenjiang Xinlong Photovoltaic Power Co., Ltd.* (鎮江鑫龍光伏電力有限公司)	Zhenjiang, Jiangsu	Zhenjiang, Jiangsu	Solar power generation	100	Establishment
169	Dengkou GCL Photovoltaic Power Co., Ltd.* (磴口協鑫光伏電力有限公司)	Dengkou, Inner Mongolia	Dengkou, Inner Mongolia	Solar power generation	100	Establishment
170	Shenmu GCL Environmental Protection Co., Ltd.* (神木縣協鑫環保有限公司)	Shenmu, Shaanxi	Shenmu, Shaanxi	Solar power generation	65	Establishment
171	Sanya GCL New Energy Co., Ltd.* (三亞協鑫新能源有限公司)	Sanya, Hainan	Sanya, Hainan	Solar power generation	100	Establishment
172	She County Xinxu Photovoltaic Power Co., Ltd.* (涉縣鑫旭光伏發電有限公司)	She County, Hebei	She County, Hebei	Solar power generation	100	Establishment
173	Jiangling Xinneng Photovoltaic Power Co., Ltd.* (江陵縣鑫能光伏電力有限公司)	Jiangling, Hubei	Jiangling, Hubei	Solar power generation	100	Establishment
174	Delingha Shidai New Energy Power Co., Ltd.* (德令哈時代新能源發電有限公司)	Delingha, Qinghai	Delingha, Qinghai	Solar power generation	100	Establishment
175	Shenqiu Xinyang Photovoltaic Power Co., Ltd.* (沈丘鑫陽光伏電力有限公司)	Shenqiu, Henan	Shenqiu, Henan	Solar power generation	100	Establishment
176	Dancheng Xinfeng Photovoltaic Power Co., Ltd.* (鄆城鑫鳳光伏電力有限公司)	Dancheng, Henan	Dancheng, Henan	Solar power generation	100	Acquisition
177	Sihong GCL Photovoltaic Power Co., Ltd.* (泗洪協鑫光伏電力有限公司)	Sihong, Jiangsu	Sihong, Jiangsu	Solar power generation	100	Acquisition
178	Shanggao Lifeng New Energy Co., Ltd.* (上高縣利豐新能源有限公司)	Shanggao, Jiangsu	Shanggao, Jiangsu	Solar power generation	100	Acquisition
179	Xiantao Xinhui Photovoltaic Power Co., Ltd.* (仙桃鑫輝光伏電力有限公司)	Xiantao, Hubei	Xiantao, Hubei	Solar power generation	100	Acquisition

No.	Name of subsidiary	Principal place of business	Place of incorporation	Nature of business	Shareholding percentage (%)	Way of obtainment
180	Jilin Yilian New Energy Technology Co., Ltd.* (吉林億聯新能源科技有限公司)	Zhenlai, Jilin	Zhenlai, Jilin	Solar power generation	100	Acquisition
181	Biyang GCL Photovoltaic Power Co., Ltd.* (泌陽協鑫光伏電力有限公司)	Biyang, Henan	Biyang, Henan	Solar power generation	100	Establishment
182	Linzhou Xinchuang Solar Power Co., Ltd.* (林州市新創太陽能有限公司)	Linzhou, Henan	Linzhou, Henan	Solar power generation	100	Acquisition
183	Chengde GCL Yuyang Photovoltaic Power Co., Ltd.* (承德協鑫禦陽光伏電力有限公司)	Chengde, Hebei	Chengde, Hebei	Solar power generation	100	Establishment
184	Leizhou GCL Photovoltaic Power Co., Ltd.* (雷州協鑫光伏電力有限公司)	Leizhou, Guangdong	Leizhou, Guangdong	Solar power generation	100	Establishment
185	Fuyang Hengming Solar Energy Co., Ltd.* (阜陽衡銘太陽能電力有限公司)	Fuyang, Anhui	Fuyang, Anhui	Solar power generation	100	Acquisition
186	Shiyan Yunneng Photovoltaic Power Development Co., Ltd.* (十堰鄖能光伏電力開發有限公司)	Shiyan, Hubei	Shiyan, Hubei	Solar power generation	100	Acquisition
187	Hebei GCL New Energy Co., Ltd.* (河北協鑫新能源有限公司)	Hebei	Hebei	Management platform	100	Establishment
188	Guizhou Zhongxinneng New Energy Development Co., Ltd.* (貴州中新能新能源發展有限公司)	Qianxi, Guizhou	Qianxi, Guizhou	Solar power generation	100	Acquisition

*Notes:* Hainanzhou Shineng Photovoltaic Power Co., Ltd.\* (海南州世能光伏發電有限公司), Zhongli Tenghui Hainan Solar Power Co., Ltd.\* (中利騰暉海南電力有限公司), Wulate Houqi Yuanhai New Energy Ltd.\* (烏拉特後旗源海新能源有限責任公司) and Baotou Zhongli Tenghui Photovoltaic Power Co., Ltd.\* (包頭市中利騰暉光伏發電有限公司) are indirect subsidiaries in which the Issuer has indirect interest through another entity; and the rest are direct subsidiaries the Issuer holds shares of which directly.

## 2. Operational conditions of major subsidiaries

### (1) Ningxia Jinli Photovoltaic Electric Power Co., Ltd.\* (寧夏金禮光伏電力有限公司)

Ningxia Jinli was incorporated in Ningxia in March 2014, with registered capital of RMB86,300,000, unified social credit code 9164050008354669XM, business scope: solar power generation; industrial investment (power industry investment) and investment project management; solar technology research, development, and popularization services, power technology consulting; cultivation and sales of vegetables and fruits.

As of 31 December 2015, Ningxia Jinli recorded (audited) total assets of RMB440,406,900 and net assets of RMB95,290,200; in 2015, it recorded revenue RMB17,762,300 and net profit of RMB8,995,200. As of 30 September 2016, it recorded (unaudited) total assets of RMB497,444,400 and net assets of RMB113,316,600; in January-September 2016, it recorded (unaudited) revenue of RMB40,673,900 and net profit of RMB17,496,300.

(2) *Ningxia Jinxin Photovoltaic Electric Power Co., Ltd.\** (寧夏金信光伏電力有限公司)

Ningxia Jinxin was incorporated in Ningxia in May 2014, its registered capital of RMB126,300,000, unified social credit code 916405000835467109, business scope: solar power generation; industrial investment (power industry investment) and investment project management; solar technology research, development, promotion services, power technology consulting; cultivation and sales of vegetables and fruits.

As of 31 December 2015, Ningxia Jinxin recorded (audited) total assets of RMB506,782,100 and net assets of RMB1,300,635,600; in 2015, it recorded revenue of RMB20,040,800 and net profit of RMB4,341,000. As of 30 September 2016, it recorded (unaudited) total assets of RMB516,631,100 and net assets of RMB144,598,900; in January-September 2016, it recorded (unaudited) revenue of RMB41,142,200 and net profit of RMB13,963,300.

(3) *Jinhu Zhenghui Photovoltaic Co., Ltd.\** (金湖正輝太陽能電力有限公司)

Jinhu Zhenghui was incorporated in Jiangsu in January 2013, with registered capital of RMB160,600,000, unified social credit code 91320831061818615H, business scope: solar photovoltaic and solar thermal power generation (license valid until 23 December 2034); photovoltaic product development; photovoltaic power plant maintenance, installation; power plant asset management; photovoltaic power plant construction and operation & management, large and medium-sized photovoltaic grid-connected power plant, small on-grid/off-grid photovoltaic power generation system, photovoltaic construction integration project consulting, design, system integration, EPC services (any business requiring approval may not be operated without relevant approval from competent authority).

As of 31 December 2015, Jinhu Zhenghui recorded (audited) total assets of RMB1,005,261,700 and net assets of RMB216,434,500; in 2015, it recorded revenue of RMB93,588,100 and net profit of RMB55,747,500. As of 30 September 2016, it recorded (unaudited) total assets of RMB1,026,309,600 and net assets of RMB255,173,900; in January-September 2016, it recorded (unaudited) revenue RMB89,017,100 and net profit of RMB38,739,400.

(4) *Hami Yaohui Photovoltaic Co., Ltd.\** (哈密耀輝光伏電力有限公司)

Hami Yaohui was incorporated in Xinjiang in December 2013, with registered capital of RMB181,960,000, unified social credit code 652201050029010, business scope: photovoltaic power generation; new energy investment & construction; electrical equipment, mechanical equipment, industrial automation equipment, industrial automation systems, environmental

protection equipment, mechanical and electrical products, environmental protection materials, instrumentation sales (any business requiring approval may not be operated without relevant approval from competent authority).

As of 31 December 2015, Hami Yaohui recorded (audited) total assets of RMB754,560,200 and net assets of RMB189,255,700; in 2015, it recorded revenue of RMB46,494,800 and net profit of RMB7,543,700. As of 30 September 2016, it recorded (unaudited) total assets of RMB622,199,100 and net assets of RMB188,197,900; in January-September 2016, it recorded (unaudited) revenue of RMB35,194,600 and net profit of RMB (1,057,900).

(5) *Inner Mongolia Xiangdao New Energy Development Co., Ltd.\** (內蒙古香島新能源發展有限公司)

Inner Mongolia Xiangdao was incorporated in Inner Mongolia in February 2011, with registered capital of RMB273,600,000, unified social credit code 150100000017168, business scope: development and investment in renewable energy, clean energy; sales of solar energy equipment; development and contracting of facility agriculture; cultivation and sale of agricultural products (excluding seeds and seedlings); leasing of agricultural facilities; construction, production and sales of electric power and heating projects (any business requiring approval may not be operated without relevant approval from competent authority).

As of 31 December 2015, Inner Mongolia Xiangdao recorded (audited) total assets of RMB1,974,018,800 and net assets of RMB328,347,600; in 2015, it recorded revenue of RMB85,527,400 and net profit of RMB55,049,700. As of 30 September 2016, it recorded (unaudited) total assets of RMB1,810,705,100 and net assets of RMB386,004,000; in January-September 2016, it recorded (unaudited) revenue of RMB135,258,600 and net profit of RMB57,656,400.

(6) *Hengshan Jinghe Solar Energy Co., Ltd.\** (橫山晶合太陽能發電有限公司)

Hengshan Jinghe was incorporated in Shaanxi in February 2014, with registered capital of RMB222,000,000, unified social credit code 916108230881953581, business scope: photovoltaic power production, sales and related engineering business advisory services, photovoltaic power project development, construction, power generation (any business requiring approval may not be operated without relevant approval from competent authority).

As of 31 December 2015, Hengshan Jinghe recorded (audited) total assets of RMB1,009,759,600 and net assets of RMB247,522,200; in 2015, it recorded revenue of RMB41,557,100 and net profit of RMB25,564,900. As of 30 September 2016, it recorded (unaudited) total assets of RMB1,068,944,200 and net assets of RMB287,640,800; in January-September 2016, it recorded (unaudited) revenue of RMB93,263,200 and net profit of RMB40,118,600.

(7) *Shangyi Yuanchen New Energy Development Co., Ltd.\** (尚義元辰新能源開發有限公司)

Shangyi Yuancheng was incorporated in Hebei in March 2014, with registered capital of RMB230,000,000, unified social credit code 91130725096250572F, business scope: development, construction and operation of solar photovoltaic power generation field, solar power generation, solar photovoltaic power generation technology consulting and services, solar photovoltaic power generating materials & equipment procurement (business requiring approval may not be operated without relevant approval from competent authority).

As of 31 December 2015, Shangyi Yuancheng recorded (audited) total assets of RMB1,080,115,900 and net assets of RMB237,558,500; in 2015, it recorded revenue of RMB42,974,900 and net profit of RMB26,933,200. As of 30 September 2016, it recorded (unaudited) total assets of RMB1,055,594,800 and net assets of RMB304,484,700; in January-September 2016, it recorded (unaudited) revenue of RMB107,087,900 and net profit of RMB66,926,200.

(8) *Delingha Century Concord Photovoltaic Power Co., Ltd.\** (德令哈協合光伏發電有限公司)

Delingha Century Concord was incorporated in Qinghai in June 2011, with registered capital of RMB222,000,000, unified social credit code 632802090008249, business scope: development, construction, investment and operation of solar photovoltaic power generation field; photovoltaic power generation technology consulting, training and R&D; provision of engineering auxiliary services; sales of photovoltaic power generation products.

As of 31 December 2015, Delingha Century Concord recorded (audited) total assets of RMB964,010,800 and net assets of RMB291,089,300; in 2015, it recorded revenue of RMB112,146,200 and net profit of RMB39,859,500. As of 30 September 2016, it recorded (unaudited) total assets of RMB977,210,300 and net assets of RMB304,136,800; in January-September 2016, it recorded (unaudited) revenue of RMB70,695,500 and net profit of RMB16,566,100.

(9) *Hainan Tianlike New Energy Project Investment Co., Ltd.\** (海南天利科新能源項目投資有限公司)

Hainan Tianlike was incorporated in Hainan in December 2011, with registered capital of RMB76,000,000, unified social credit code 460000000265755, business scope: construction of solar photovoltaic power generation plant, development, investment and management of wind power generation, biological power generation, geothermal power generation and biogas power generation projects, contract energy management, new energy product development and sales, new technology consulting services.



As of 31 December 2015, Hainan Tianlike recorded (audited) total assets of RMB277,146,300 and net assets of RMB86,893,200; in 2015, it recorded revenue of RMB23,923,400 and net profit of RMB10,938,800. As of 30 September 2016, it recorded (unaudited) total assets of RMB282,195,400 and net assets of RMB92,916,300; in January-September 2016, it recorded (unaudited) revenue of RMB20,651,200 and net profit of RMB6,278,800.

(10) *Yu County Jinyang New Energy Power Generation Co., Ltd.\** (孟縣晉陽新能源發電有限公司)

Yu County Jinyang was incorporated in Shanxi in March 2014, with registered capital of RMB87,800,000, unified social credit code 911403220972661625, business scope: 50MW photovoltaic on-grid power generation project preparation for construction; consulting, services, investment, development and construction of new energy power generation plant (any business requiring approval under the requirements of laws, administrative regulations and the State Council shall not be operated without a business license upon such approval or permission).

As of 31 December 2015, Yu County Jinyang recorded (audited) total assets of RMB747,080,700 and net assets of RMB176,042,800; in 2015, it recorded revenue of RMB52,827,100 and net profit of RMB21,294,800. As of 30 September 2016, it recorded (unaudited) total assets of RMB730,251,900 and net assets of RMB216,859,900; in January-September 2016, it recorded (unaudited) revenue of RMB73,658,300 and net profit of RMB40,817,100.

#### **IV. CONTROLLING SHAREHOLDER AND ACTUAL CONTROLLER**

Nanjing GCL pledged 24% shares of the Issuer to Ping An Trust Co., Ltd. for financing, with contracted principal amount of RMB1,200,000,000; as of 30 September 2016, the outstanding amount was RMB1,199,800,000, and the contract period is from 21 September 2015 to 21 September 2018. In addition, by the date of this Prospectus, Nanjing GCL has not pledged any other shares it holds of the Issuer.

#### **V. ASSET REORGANIZATION**

In 2014, 2015 and January-September 2016, there was no material asset reorganization leading to substantial change in the Issuer's main business and operating assets.

## VI. CURRENT DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### (III) Posts of Directors, Supervisors and Senior Management

As of 30 September 2016, the directors, supervisors and senior management of the Issuer had following posts in different entities:

#### 1. Posts in shareholder entity

##### Posts of directors, supervisors and senior management in shareholder entity

Name	Post in Issuer	Shareholder entity	Post
Sun Xingping	Director, Chairman, GM	Nanjing GCL	Director, Chairman, GM
Zhang Ningyong	Director	Nanjing GCL	Director
Hu Xiaoyan	Director	Nanjing GCL	Director
Zhang Xi	Supervisor	Nanjing GCL	Supervisor

#### 2. Posts in other entities

##### Posts of directors, supervisors and senior management in other entities (I)

Name	Post in Issuer	Other entity	Post
Sun Xingping	Director, Chairman, GM	GCL New Energy Investment (China) Co., Ltd.	Director, Chairman, GM
Zhang Ningyong	Director	GCL New Energy Investment (China) Co., Ltd.	Director
Hu Xiaoyan	Director	GCL New Energy Investment (China) Co., Ltd.	Director
Zhang Xi	Supervisor	GCL New Energy Investment (China) Co., Ltd.	Supervisor

## Posts of directors, supervisors and senior management in other entities (II)

Name	Post in Issuer	Other entity	Post
Sun Xingping	Director, Chairman, GM	GCL New Energy Holdings Limited	Executive Director, President
Zhang Ningyong	Director	GCL New Energy Holdings Limited	Vice President
Hu Xiaoyan	Director	GCL New Energy Holdings Limited	Executive Director
Zhang Xi	Supervisor	GCL New Energy Holdings Limited	Department GM

### (IV) Issuer's shares held by directors, supervisors and senior management

As of the execution date of this Prospectus, none of the directors, supervisors or senior management holds any shares of the Issuer.

### (V) No violation of law or regulation in 2014, 2015 and January-September 2016

In 2014, 2015 and January-September 2016, none of directors, supervisors or senior management violated any law or regulation.

## VII. ISSUER'S MAIN BUSINESS

### (I) Business scope

Photovoltaic power investment, investment management and consulting; corporate management consulting; photovoltaic power project-related technology development, transfer and consulting; photovoltaic materials and equipment sales. (Any business requiring approval may not be operated without relevant approval from competent authority.)

### (II) Main business operation

The Issuer as a world leading solar power generational expert is mainly engaged in the operation of photovoltaic power generation business. In 2014, the Issuer sold out some excessive solar power plant equipment that it had procured at its establishment, resulting in equipment sales revenue; in 2015, the Issuer procured equipment in a more rational scale, so there was no excessive equipment for sale. In 2014, 2015 and January-September 2016, the Issuer's revenue, gross profit and gross margin were broken down as below:

**Table: Main business revenue and cost in 2014, 2015 and January-September 2016***Unit: RMB0'000*

Item	January-September 2016		2015		2014	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Business Revenue						
Power sales revenue	163,950.17	99.95%	72,995.37	99.96%	5,581.03	45.27%
Equipment sales revenue	-	-	-	-	6,747.30	54.73%
Total main business revenue	163,950.17	99.95%	72,995.37	99.96%	12,328.33	100.00%
Total other business revenue	84.64	0.05%	27.45	0.04%	-	-
Total Business Revenue	164,034.81	100.00%	73,022.82	100%	12,328.33	100.00%
Business Cost						
Power sales cost	45,266.44	99.99%	19,592.17	99.97%	5,523.13	45.12%
Equipment sales cost	-	-	-	-	6,717.38	54.88%
Total main business cost	45,266.44	99.99%	19,592.17	99.97%	12,240.51	100.00%
Total other business cost	1.04	0.01%	5.11	0.03%	-	-
Total Business Cost	45,267.48	100.00%	19,597.28	100%	12,240.51	100.00%
Gross Profit						
Power sales gross profit	118,683.73	99.93%	53,403.20	99.96%	57.90	65.93%
Equipment sales gross profit	-	-	-	-	29.92	34.06%
Total main business gross profit	118,683.73	99.93%	53,403.20	99.96%	87.82	100.00%
Total other business gross profit	83.60	0.07%	22.33	0.04%	-	-
Total Gross Profit	118,767.33	100.00%	53,425.54	100%	87.82	100.00%
Power sales gross margin	72.39%		73.16%		1.04%	
Equipment sales gross margin	-		-		0.44%	
Overall Gross Margin	72.39%		73.56%		0.71%	

**Table: Five largest suppliers of equipment and materials in January-September 2016***Unit: RMB0'000*

No.	Supplier	Amount	Percentage
1	Nanjing CNI Energy Engineering Company Limited* (南京中核能源工程有限公司)	70,116.26	7.91%
2	Powerchina Beijing Engineering Corporation Limited* (中國電建集團北京勘測設計研究院有限公司)	30,280.77	3.42%
3	Wuhan Rixin Technology Co., Ltd.* (武漢日新科技股份有限公司)	23,572.94	2.66%
4	Share Power Co., Ltd.* (義和太陽能電力有限公司)	22,778.13	2.57%
5	Dalian Qinneng Power Engineering Design Company Limited* (大連秦能電力工程設計有限公司)	21,169.06	2.39%
<b>Total</b>		<b>167,917.16</b>	<b>18.95%</b>

**3. Power production and sales***(1) Production***Table: Five largest power companies of the Issuer in January-September 2016**

Name	Power generation in January-September 2016 (MWh)	Percentage	Revenue in January-September 2016 (RMB0'000)	Percentage	Net profit in January-September 2016 (RMB0'000)	Percentage
Inner Mongolia Xiangdao New Energy Development Company Limited* (內蒙古香島新能源發展有限公司)	159,553.68	7.52%	13,525.86	8.25%	5,765.64	8.88%
Hengshan Jinghe Solar Energy Co., Ltd.* (橫山晶合太陽能發電有限公司)	118,941.69	5.60%	9,326.32	5.69%	4,011.86	6.18%
Jinhu Zhenghui Photovoltaic Co., Ltd.* (金湖正輝太陽能電力有限公司)	106,086.90	5.00%	8,901.71	5.43%	3,873.94	5.97%
Shangyi Yuanchen New Energy Development Co., Ltd.* (尚義元辰新能源開發有限公司)	105,891.63	4.99%	10,708.79	6.53%	6,692.62	10.31%
Hubei Macheng Jinfu Solar Energy Ltd.* (湖北省麻城市金伏太陽能電力有限公司)	93,171.70	4.39%	8,637.22	5.27%	3,812.60	5.88%
<b>Total</b>	<b>583,645.60</b>	<b>27.49%</b>	<b>51,099.90</b>	<b>31.15%</b>	<b>24,156.66</b>	<b>37.22%</b>

**Table: Production and operation indicators**

<b>Indicator</b>	<b>January-September 2016</b>	<b>2015</b>	<b>2014</b>
Power generation (MWh)	2,045,062.00	894,210.00	747.00
Sales volume of on-grid electricity (MWh)	2,003,383.00	870,293.00	720.00
Utilization hours of generator units (hour)	1,025.00	1,321.00	–
On-grid price (RMB/MWh)	1.00	0.98	–

**Table: Power plant grid connection**

<b>Province/ Region</b>	<b>No.</b>	<b>Project company</b>	<b>Approved capacity</b>	<b>2014</b>	<b>2015</b>	<b>Cumulative installed capacity</b>
			<b>MW</b>	<b>MW</b>	<b>MW</b>	<b>MW</b>
Xinjiang	1	Hami Yaohui	60	60	–	60
	2	Hami Ourui	20	20	–	20
	3	Yili GCL	25.40	–	25.40	25.40
Ningxia	4	Ningxia Jinxin	50	–	50	50
	5	Ningxia Jinli	50	–	50	50
	6	Ningxia Shengjing	30	–	30	30
Qinghai	7	Delingha Century Concord	70	70	–	70
	8	Hainanzhou Shineng	30	30	–	30
	9	Zhongli Tenghui	50	–	50	50
Shaanxi	10	Hengshan Jinghe	50	–	50	50
	11	Hengshan Jinghe Phase II	50	–	50	50
Inner Mongolia	12	Inner Mongolia Xiangdao – Tumote Zuoqi	130	130	–	130
	13	Zhenglanqi State Power	55	–	55	55
	14	Inner Mongolia Yuanhai New Energy	30	–	30	30
Hebei	15	Shangyi Yuanchen	55	–	55	55
	16	Pingshan Shijing	30	–	30	30
	17	Hanneng Guangping	48.69	–	48.69	48.69

Province/ Region	No.	Project company	Approved capacity	2014	2015	Cumulative installed capacity
			MW	MW	MW	MW
Shanxi	18	Licheng Xinneng	30	30	–	30
	19	Yu County Jinyang	50	50	–	50
	20	Yu County Jinyang – Phase II	50	–	50	50
	21	Shanxi Jiasheng	30	–	30	30
	22	Taigu Wind and Light Power	20	–	20	20
Yunnan	23	Yunnan Yuanmou	50	–	50	50
Henan	24	Henan Ruyang	50	–	50	50
Hubei	25	Macheng	116	–	116	116
Shandong	26	Shandong Wanhai	35	–	35	35
Jiangsu	27	Baoying Xinyuan	6	6	–	6
	28	Jinhu Zhenghui	100	100	–	100
	29	Suqian Luneng	22	22	–	22
	30	Jiangsu Huaian	9.85	–	9.85	9.85
	31	Jiangsu Donghai GCL	15	–	15	15
	32	Jiangsu Gaoyou GCL	30	–	30	30
	33	Jiangsu GCL	20	–	20	20
	34	Huaian Ronggao	10	–	10	10
	35	Xuzhou Xinri	10	–	10	10
Anhui	36	Anhui Tianchang	40	–	40	40
	37	Hefei Jiannan	40	–	40	40
Zhejiang	38	Zhejiang Shuqimeng	17.50	17.50	–	17.50
	39	Zhejiang Shuqimeng-Phase II	5	–	5	5
Hainan	40	Hainan Tianlike	25	–	25	25
	41	Hainan Yisheng	25	–	25	25
<b>Total</b>			<b>1,640.44</b>	<b>535.50</b>	<b>1,104.94</b>	<b>1,640.44</b>

**Table: Power generation and sales in 2014, 2015 and January-September 2016***Unit: MWh*

Province/Region	Power generation in January-September 2016	On-grid power sales in January-September 2016	Power generation in 2015	On-grid power sales in 2015	Power generation in 2014	On-grid power sales in 2014
Jiangsu	190,886	187,004	134,229	131,762	55	49
Inner Mongolia	348,762	341,994	170,727	164,883	-	-
Shanxi	175,039	173,716	129,640	126,674	2	2
Qinghai	136,369	133,371	173,581	171,279	-	-
Hebei	188,614	184,927	44,009	42,435	-	-
Ningxia	160,658	155,060	62,351	59,926	-	-
Xinjiang	69,987	66,624	71,062	67,950	-	-
Shaanxi	180,557	177,071	52,744	51,181	-	-
Hainan	52,192	50,256	30,970	29,959	-	-
Yunnan	61,043	60,218	2,506	2,473	-	-
Shandong	81,023	79,173	2,594	2,564	-	-
Zhejiang	17,132	16,548	19,797	19,207	690	669
Hubei	91,579	90,226	-	-	-	-
Hunan	1,533	1,518	-	-	-	-
Henan	126,550	125,232	-	-	-	-
Jiangxi	44,037	43,402	-	-	-	-
Anhui	108,149	106,206	-	-	-	-
Jilin	8,876	8,811	-	-	-	-
Sichuan	2,076	2,027	-	-	-	-
<b>Total</b>	<b>2,045,062</b>	<b>2,003,383</b>	<b>894,210</b>	<b>870,293</b>	<b>747</b>	<b>720</b>

**(2) Sales**

The Issuer's main product is electricity produced by solar photovoltaic power plants. Its on-grid power generation is purchased by local state grid company for collective distribution, at much the same price for different provinces/regions. For example: as of the end of 2015, on-grid power price of Jiangsu was RMB1.01/KWh while that of Shanxi was RMB0.99/KWh, Qinghai RMB1.06/KWh and Shandong RMB0.99/KWh etc. The average price was RMB0.98/KWh. In respect of power plants distribution, the Issuer's power plant assets are mainly distributed in



Jiangsu, Ningxia, Shanxi, Shaanxi, Hebei, Henan, Hainan and Anhui among other places with great power demand. All the power plants are in good operating conditions, with stable power generation capabilities.

The Issuer's power generation business revenue is recognized on the basis of on-grid power price and on-grid power generation, while the former is subject to the approval of the National Development and Reform Commission (NDRC). According to the NDRC's *Notice concerning the role of price leverage in promoting healthy development of the photovoltaic industry*, the benchmark on-grid power price for nationwide photovoltaic power plants varies in different regions with different reserves of solar energy resources. Specifically, there are three levels of price: RMB0.90/KWh, RMB0.95/KWh, and RMB1/KWh. After grid connection, the price subsidy period is changed to 20 years in principle.

**Table: On-grid price of nationwide photovoltaic power plants**

*Unit: RMB/KWh*

<b>Resource Zone</b>	<b>Benchmark on-grid power price of photovoltaic power plant</b>	<b>Provinces/Regions within the Zone</b>
Resource Zone I	0.90	Ningxia; Qinghai Haixi; Gansu including Jiayuguan, Wuwei, Zhangye, Jiuquan, Dunhuang, and Jinchang; Xinjiang including Hami, Tacheng, Altay, and Karamay; Inner Mongolia excluding Chifeng, Tongliao, Xing'an League, and Hulun Buir
Resource Zone II	0.95	Beijing; Tianjin; Heilongjiang; Jilin; Liaoning; Sichuan; Yunnan; Inner Mongolia including Chifeng, Tongliao, Xing'an League, and Hulun Buir; Hebei including Chengde, Zhangjiakou, Tangshan, and Qinhuangdao; Shanxi including Datong, Shuozhou, and Xinzhou; Gansu including Yulin; Xinjiang excluding the places within Territory I
Resource Zone III	1.00	Other places out of Zone I and II

*Notes:* The benchmark price of photovoltaic power plants in Tibet is otherwise determined.

The on-grid power sold by the Issuer is paid by local power grid companies based on actual on-grid power capacity per month, and the contract with local power grid companies is usually 1-year term to be extended on maturity every year. As of 31 December 2015 and 30 September 2016, the Issuer constructed solar photovoltaic power plants in Jiangsu, Inner Mongolia, Shanxi, Qinghai etc., signed on-grid agreement with local power grid companies, and cumulatively connected 41 and 73 power plants into grid, with installed capacity totaling 1.64GW and

3.095GW respectively. In regions integrated to the grid, in 2015 the Issuer recorded on-grid power sales of 870,293.00MWh, and power generation business revenue of RMB729,953,700; in January-September 2016, the Issuer recorded on-grid power sales of 2,003,383.00MWh, and power generation business revenue of RMB1,639,501,700.

In all, stable downstream demand and reasonable power price ensure the profitability of Issuer. Meanwhile, stable production and efficient management ensure the stability of profit.

**Table: On-grid price by region in 2014, 2015 and January-September 2016**

*Unit: RMB/Watt*

<b>Region</b>	<b>January-September 2016</b>	<b>2015</b>	<b>2014</b>
Jiangsu	1.04	1.01	1.10
Inner Mongolia	0.90	0.90	–
Shanxi	1.00	0.99	1.00
Qinghai	0.98	1.06	–
Hebei	1.18	1.18	–
Ningxia	0.90	0.90	–
Xinjiang	0.90	0.90	–
Shaanxi	0.95	0.95	–
Hainan	1.00	0.98	–
Yunnan	0.96	0.95	–
Shandong	1.00	0.99	–
Zhejiang	1.15	1.17	1.18
Anhui	1.00	1.13	–
Hubei	1.00	1.11	–
Henan	1.00	–	–
Jiangxi	1.00	–	–
Northeast China	0.95	–	–
Hunan	1.20	–	–
Sichuan	0.96	–	–
<b>Average</b>	<b>1.00</b>	<b>0.98</b>	–

**Table: Five largest power purchasers in January-September 2016***Unit: RMB0'000*

<b>Name of purchaser</b>	<b>Amount</b>	<b>Percentage of total power generation</b>
Inner Mongolia Power (Group) Co., Ltd.* (內蒙古電力(集團)有限責任公司)	27,861.08	16.98%
State Grid Shaanxi Electric Power Company Yulin	15,091.92	9.20%
Electric Power Supply Company* (國網陝西省電力公司榆林供電公司)	14,397.03	8.78%
State Grid Qinghai Electric Power Company* (國網青海省電力公司)	13,777.06	8.40%
State Grid Shanxi Electric Power Company* (國網山西省電力公司)	11,596.38	7.07%
State Grid Ningxia Electric Power Company* (國網寧夏電力公司)	82,723.47	50.43%

**4. Payment Mode***(2) Payment of Subsidy*

During the period from 2014 to 30 September 2016, the Issuer has received tariff subsidies from Energy Foundation of China in an accumulative amount of RMB417.41 million.

Prior to the second half of 2016, among all the cumulative 68 power plants with installed capacity totaling 2.74GW connected to the grid, only 2 power plants with installed capacity totaling 80MW were included in the national subsidies directory; in the reporting period, the Issuer grew fast in power generation business, without new power plant included into subsidies directory. Therefore, its amount of subsidies receivable was growing fast too. The Ministry of Finance, the NDRC and the National Energy Administration announced in September 2016 the sixth batch of “Additional Funding Subsidies Directory for Prices of Electricity Generated from Renewable Energy Sources”, and all 14 power plants applied by the Issuer were included with installed capacity totaling 541MW. Therefore, within the bond duration, the amount of national subsidies to the Issuer will be increasing greatly.

**Table: Power plants included in the Additional Funding Subsidies Directory for Prices of Electricity Generated from Renewable Energy Sources**

No.	Province	Name of company	Batch of directory	Installed capacity (MW)	Date of application	Date of approval
1	Qinghai	Delingha Century Concord Photovoltaic Power Co., Ltd.* (德令哈協合光伏發電有限公司)	Fourth batch	50	2012	February 2013
2	Qinghai	Hainanzhou Shineng Photovoltaic Power Co., Ltd.* (海南州世能光伏發電有限公司)	Fifth batch	30	September 2013	August 2014
3	Inner Mongolia	Baotou Zhongli Tenghui Photovoltaic Power Co., Ltd.* (包頭市中利騰暉光伏發電有限公司)	Sixth batch	30	February 2016	September 2016
4	Jiangsu	Baoying Xinyuan Solar Power Co., Ltd.* (寶應鑫源光伏發電有限公司)	Sixth batch	6	February 2016	September 2016
5	Qinghai	Delingha Century Concord Photovoltaic Power Co., Ltd.* (德令哈協合光伏發電有限公司)	Sixth batch	20	February 2016	September 2016
6	Xinjiang	Hami Yaohui Photovoltaic Co., Ltd.* (哈密耀輝光伏電力有限公司)	Sixth batch	60	February 2016	September 2016
7	Hainan	Hainan Tianlike New Energy Project Investment Co., Ltd.* (海南天利科新能源項目投資有限公司)	Sixth batch	25	February 2016	September 2016
8	Shaanxi	Hengshan Jinghe Solar Energy Co., Ltd.* (橫山晶合太陽能發電有限公司)	Sixth batch	50	February 2016	September 2016
9	Jiangsu	Jinhu Zhenghui Photovoltaic Co., Ltd.* (金湖正輝太陽能電力有限公司)	Sixth batch	100	February 2016	September 2016
10	Shanxi	Licheng GCL Solar Energy Ltd.* (黎城協鑫光伏電力有限公司)	Sixth batch	30	February 2016	September 2016
11	Shanxi	Shanxi Jiasheng Energy Holding Ltd.* (山西佳盛能源股份有限公司)	Sixth batch	30	February 2016	September 2016
12	Inner Mongolia	Wulate Houqi Yuanhai New Energy Ltd.* (烏拉特後旗源海新能源有限責任公司)	Sixth batch	10	February 2016	September 2016
13	Sichuan	Yanyuan Baiwu New Energy Technology Co., Ltd.* (鹽源縣白烏新能源科技有限公司)	Sixth batch	50	February 2016	September 2016
14	Shanxi	Yu County Jinyang New Energy Power Generation Co., Ltd.* (孟縣晉陽新能源發電有限公司)	Sixth batch	50	February 2016	September 2016
<b>Total</b>			-	<b>541</b>	-	-

On the other hand, usually the Ministry of Finance, the NDRC and the National Energy Administration will publish a new batch of Additional Funding Subsidies Directory for Prices of Electricity Generated from Renewable Energy Sources within 1-2 years, and the 6 batches from June 2012 to September 2016 are detailed below:

**Table: Batch 1-6 of Additional Funding Subsidies Directory for Prices of Electricity Generated from Renewable Energy Sources**

Batch	Time of publication	Number of power plants	Total installed capacity (MW)	Number of wind power plants	Installed capacity of wind power plants (MW)	Number of biomass power plants	Installed capacity of biomass power plants (MW)	Number of solar power plants	Installed capacity of solar power plants (MW)
1st	June 2012	219	9,901.81	172	9,140.40	46	761.20	1	0.21
2nd	October 2012	336	15,602.20	239	14,162.60	89	1,383.80	8	55.80
3rd	December 2012	496	23,530.69	377	21,541.02	57	1,059.26	62	930.41
4th	February 2013	573	23,196.56	343	18,917.54	96	1,992.40	134	2,286.62
5th	August 2014	387	13,637.36	183	9,054.00	84	1,444.68	120	3,138.68
6th	September 2016	1,333	53,858.32	511	31,711.72	142	2,630.00	680	19,516.60
		<b>3,344</b>	<b>139,726.94</b>	<b>1,825</b>	<b>104,527.28</b>	<b>514</b>	<b>9,271.34</b>	<b>1,005</b>	<b>25,928.32</b>

As shown in the above table, the number and scale of solar photovoltaic power plants included in the subsidies directory grew fast after the fourth batch, and the percentage of solar photovoltaic power plants was increasing thence. The Issuer will declare the incompleting in-grid as at 30 September 2016 and the power plants expected to be newly connected into grid in October-December 2016 yet still not included in the Additional Funding Subsidies Directory for Prices of Electricity Generated from Renewable Energy Sources, for the seventh batch in 2017-2018.

According to the interim report dated 12 September 2016 of GCL New Energy, in the full year of 2016, GCL New Energy planned to complete new in-grid installed capacity of 2.0-2.5GW; in the first half of 2016, it completed new in-grid installed capacity of 1.095GW, and projects under construction capacity of 0.705GW. So it can be expected to complete the new in-grid installed capacity by the end of 2016. The Issuer is the sole solar photovoltaic power plant investment and operation platform under GCL New Energy, so all in-grid power plants of GCL New Energy will be operated as a part of the Issuer. Supposing the Issuer will add a new in-grid installed capacity of 2.5GW throughout 2016, by the end of 2016 the Issuer's planned installed capacity will increase to 4.14GW, when the Issuer will declare approximately 3.6GW power plants for the seventh batch of subsidies directory in 2017-2018.

As at 30 September 2016, national subsidies receivable and not yet realized by the additional 14 in-grid power plants of the Issuer with a total installed capacity of 541MW accumulated to RMB1,875 million. The Issuer made a forecast regarding the amount of national subsidies receivable for the period from October 2016 to the end of 2019 according to the subsidy practice of the Energy Foundation of China under the following assumptions:

- ① 30% of the above subsidies and the subsidies for the period from September to December 2016 will be received by the end of 2016, while the other 70% of such subsidies will be received in 2017.
- ② 70% of the subsidies receivable by the power plants of the Issuer that are included into the directory of subsidies for the period from 2017 to 2018 will be received during the respective year, while the other 30% of such subsidies will be fully received in the following year.
- ③ The application made by the Issuer's power plants in 2017 to be included into the seventh batch of the Additional Funding Subsidies Directory for Prices of Electricity Generated from Renewable Energy Sources will be approved in 2018, thus 30% of the national subsidies receivable by these power plants for the period from 2017 to 2018 will be received in 2018, while the rest 70% will be received in 2019. In other words, 70% of the national subsidies for 2019 will be received in 2019.
- ④ For the 14 power plants of the Issuer that are listed in the six published batches of the directory of subsidies with a total installed capacity of 541MW, the power price is set at RMB0.98/KWh and yearly generating unit utilization is 1,350 hours, while the amount of national subsidies receivable is calculated at 65% of the power price.
- ⑤ For the power plants of the Issuer to be declared in 2017 for inclusion into the seventh batch of the Additional Funding Subsidies Directory for Prices of Electricity Generated from Renewable Energy Sources, the power price is set at RMB0.80/KWh and the yearly generating unit utilization is 1,350 hours, while the amount of national subsidies receivable is calculated at 60% of the power price.

Based on the above facts and assumptions, the national subsidies receivable for the period from July 2016 to the end of 2019 as forecast by the Issuer are as follows<sup>2</sup>:

**Table: Forecast of national subsidies receivable by the Issuer in 2017-2019**

*Unit: RMB0'000*

<b>Period/Year</b>	<b>National subsidy cash flow receivable by the power plants as listed in the six batches of the directory of subsidies</b>	<b>National subsidy cash flow receivable by the power plants of the Issuer as listed in the seventh batch of the directory of subsidies</b>	<b>Total</b>
July-December 2016	25,580.09	–	25,580.09
2017	83,080.38	–	83,080.38
2018	46,523.30	139,968.00	186,491.30
2019	46,523.30	489,888.00	536,411.30
<b>Total</b>			<b>831,563.06</b>

**Table: Forecast of national subsidies receivable by the Issuer for the period from the end of 2017 to the end of 2019**

*Unit: RMB0'000*

<b>Category</b>	<b>As at the end of 2019</b>	<b>As at the end of 2018</b>	<b>As at the end of 2017</b>	<b>As at the end of 2016</b>
National subsidies receivable	422,837.45	596,614.45	456,759.45	213,501.35

## **5. Safety production**

All entities of the Issuer involved in production have obtained safety production permit as required for current production and operation, with necessary conditions and measures to maintain safety in production. They have developed a series of systems and safety production measures, to ensure the safety in production, as detailed below:

- (1) to establish and improve the management body, sign safety production targets letter of responsibility;
- (2) to improve the security system and safety supervision system;

<sup>2</sup> This forecast does not represent the commitment by the Issuer in respect of the recovery of national subsidies receivable and balance of account receivables in the future.

- (3) to develop a complete set of safety management standards, technical standards and work standards;
- (4) to strengthen safety education and training, where productive workers should hold certificate on job;
- (5) to develop a sound “two measures” plan to ensure “two measures” investment;
- (6) to develop a sound emergency rescue plan, and make regular exercise;

As of the execution date of this Prospectus, the Issuer did not have any significant safety accidents.

## **6. *Environmental protection***

All project subsidiaries of the Issuer are paying great attention to environmental protection. From project design, they have considered the requirements for environmental protection, for example, all project subsidiaries (photovoltaic power plants) have constructed wastewater treatment facilities and other EP facilities, with improved EP organization and EP management system, to ensure the smooth operation of corporate environmental protection efforts.

New energy enterprises are green/clean energy productive enterprises, with minimal impact on environment during the production process. The enterprises are strictly following national laws and regulations in production, and have developed a complete set of environmental protection management standards; they ensure investment in environmental protection, and continue to apply new technology and new equipment to increase the level of environmental governance; they treat sewage and a little amount of industrial wastewater together in a new type of integrated wastewater treatment device, to reach up-to-standard discharge; they have special measures on storage, transport and recycling of waste electronics, to ensure there is no environmental pollution during the production process.

As of the execution date of this Prospectus, the Issuer has no environmental accidents, and the environmental protection facilities of project subsidiaries have reached the standards of local environmental supervisor, and thus have been accepted by the local environmental supervisor.

## **(III) *Projects under construction and future investment plan***

### **1. *Breakdown of projects under construction***

The following projects under construction are in line with the relevant national industrial policies, and have passed feasibility studies, environmental assessment and other relevant approval procedures. Thus, they are fully eligible for lawful commencement of construction, in line with relevant laws and regulations, and national industrial policy requirements.



**Table: Breakdown of major Projects under construction projects**

*Unit: RMB00'000'000*

No.	Project name	Approval document number (approval, assessment, land certificate)	Date of commencement	Total investment	Cumulative investment as of 30 September 2016	Future investment	Self-financing
					(MW)		
1	Xianghaotu Town 200MW in-grid photovoltaic power generation project	Yu Zheng Fa Gai Zi [2012] No. 249; Yu Zheng Huan Fa [2012] No. 210; Shaan Guo Tu Gui FA [2012] No. 209;	25 September 2015	22.13	200.00	11.46	4.43
2	Jiangling Sanhu Fishery 100MW Fishery-Solar Photovoltaic Power Generation Complement Project	B201542102444190001; Jiang Huan Shen [2016] No. 13; Jing Tu Zi Yu Shen [2016] No. 14;	28 April 2016	7.27	33.00	7.01	1.45
3	Guangdong Haifeng 100MW Agriculture-Solar Photovoltaic Power Generation Complement Project	2015-441521-44-03-011275; "Environmental Protection Opinion of Haifeng County Environmental Protection Bureau"; Hai Guo Tu Zi [2016] No. 28	25 May 2016	7.80	6.17	4.62	1.56
4	Henan Ruzhou 100MW large-scale ground-based photovoltaic power generation project	Yu Zhi Ru Zhou Neng Yuan [2015] No. 10378; Ru Guo Tu Zi [2016] No. 107;	3 April 2016	7.34	58.56	7.11	1.47
5	Kaifeng Huaxin New Energy Development Company Limited 100MW Bio-Agriculture Project	Yu Bian Hua Gong Neng Yuan [2015] No. 05033; Bian Huan Ping Biao [2015] No. 69;	15 September 2015	7.99	39.96	6.50	1.60
6	Ningxia Shizuishan Jianquan 350MW Photovoltaic Power Generation Project	Guo Yong (2014) No. 60065;	28 June 2016	24.26	2.00	24.20	4.85
<b>Total</b>				<b>76.79</b>	<b>339.69</b>	<b>60.90</b>	<b>15.36</b>

(1) *Xiaohaotu Town 200MW in-grid photovoltaic power generation project*

Yulin Longyuan Solar Energy Ltd.\* (榆林隆源光伏電力有限公司) Yuyang District Xiaohaotu Town 200MWp in-grid photovoltaic power generation project is located in Xiaohaotu Town New Energy Industry Park, Yuyang District, Yulin City, Shaanxi Province. The project cover a land area of 6,150 Mu, with total planned installed capacity of 202.94MWp. With annual solar radiation of 5,500-6,000MJ/m<sup>2</sup> and average annual sunshine duration of 2,620-2,830 hours, Yulin City is one of China's solar energy rich areas, with has great potential in the development and utilization, and suitable for the construction of large-scale photovoltaic power plants. The project has installed a total of 665,380 pieces of 305Wp polysilicon components, with installed capacity of 202.94MWp; it is expected that the average annual power generation is about 333,144,200KWh, with annual full-load equivalent operation of 1,641.58 averaging hours. Compared with the coal-fired power plants, according to the standard coal consumption of 340g/KWh, this project will save yearly 103,900 tons of standard coal. Correspondingly, every year this project will reduce a variety of harmful gases and waste gases emission, including sulfur dioxide emissions by about 9,169.78 tons and nitrogen oxides (nitrogen dioxide) emission by about 870 tons. Every year in normal operation of 25 years upon completion, it will reduce emission of the greenhouse gas carbon dioxide by about 264,800 tons.

(2) *Jiangling Sanhu Fishery 100MW Fishery-Solar Photovoltaic Power Generation Complement*

Jiangling County is located in a subtropical monsoon humid climate zone, with annual solar radiation of 103-110 kcal/cm<sup>2</sup>, which has favorable conditions for the utilization of photovoltaic power generation and the operation of photovoltaic power generation project. This project has a design capacity of 100MW, to be installed in two phases, and the power plant layout area covers a land area of about 3,000Mu. According to the Meteorology Database, the average annual peak sunshine duration on the project site is about 1,123 hours. Jingzhou City is one of Hubei Province's solar energy rich areas, suitable for the installation of photovoltaic power generation system. Upon completion, this power plant is expected to provide an annual capacity of 97,242,400KWh. Compared with the thermal power generation, given thermal coal consumption (standard coal) at 305g coal per KWh, this project will save about 34,959.93 tons of standard coal every year, once completed and put into operation. In other words, this project will reduce carbon dioxide emission by about 87,399.81 tons, sulfur oxide emission by about 243.11 tons, and nitrogen oxide emission by about 244.72 tons every year. Reduced emissions of hazardous substances can mitigate environmental pollution.

(3) *Guangdong Haifeng 100MW Agriculture-Solar Photovoltaic Power Generation Complementation Project*

GCL Haifeng County 100MWp Agriculture-Solar Photovoltaic Power Generation Complementation Project is located in Gongping Town, Haifeng County, Shanwei City, Guangdong Province. The annual total solar radiation of this project is 4,821MJ/m<sup>2</sup>. From the perspective of utilization of solar energy resources, the monthly total solar radiation of the region is basically stable throughout the year, conducive to the stable output of solar energy. It

is one of the places with richest solar radiation resources in Guangdong. Therefore, the project value of development and utilization is higher, and the prospects for photovoltaic projects in the proposed construction site are favourable. In the first year of operation, it will boast as theoretical power generation capacity of 110,543,800 KWh and theoretical in-grid duration of 1,093.5 hours. In the 25 years of operation, its theoretical total power generation will reach capacity 2,525,501,200 KWh, that is, the theoretical average annual power generation will be 113,018,200 KWh, and the theoretical average annual in-grid duration 999 hours. Compared with the thermal power plant, this project will save about 872,700 t/a standard coal every year once completed and put into operation. In other words, every year, it will reduce dust emissions by about 65.9 t/a, sulfur oxide emission by about 7.27 t/a, nitrogen oxide emission by about 3.6 t/a, and carbon dioxide emission by about 2,417,000 t/a.

(4) *Henan Ruzhou 100MW large-scale ground-based photovoltaic power generation project*

Ruzhou GCL 100 MWp Photovoltaic Power Generation Project is located in Wangzhai Town, Ruzhou City. This project plans to cover a land area of 3,200 Mu, with annual average solar radiation of 5,359.65MJ/m<sup>2</sup>, annual average sunshine duration 2,350 hours, with annual average sunshine percentage 65-73%. This area has strong solar radiation, and it thus ideal for photovoltaic power plants. Compared to thermal power plant, this project will save standard coal 48,000 t/a every year once completed and put into operation, that is, it will reduce dust emission by about 260.56 t/a, sulfur oxide emission by about 722.8 t/a, nitrogen oxide emission by about 61.6 t/a, and carbon dioxide emission by about 139,000 t/a.

(5) *Kaifeng Huaxin New Energy Development Company Limited 120MW Bio-Agriculture Project*

The project site is located in Wangtun Town, Yuwangtai District, Kaifeng City, Henan Province. This project is registered The project site is located in Wangtun Township, Yuwangtai District, Kaifeng City, Henan Province, including as 100MW centralized eco-agricultural power plant and 20MW agricultural-photovoltaic complementary distributed power plant, covering a land area of 4,000 Mu. Henan enjoys high air transparency and low loss of solar radiation in the atmosphere. In addition, the whole province falls with in Solar Energy Territory III, with total annual solar radiation of 5,000-5,850MJ/m<sup>2</sup>, a daily radiation of 3.8-4.5KWh/m<sup>2</sup>. Henan Kaifeng has higher bestowment of light resources than Yunnan, with total solar radiation of 5,200MJ/m<sup>2</sup>. At preliminary estimates, this project will have effective operation of 1,214 hours, in the first year of operation. In the operation of 20 years, it will have an annual average power generation of about 111,390,000 KWh, and total power generation of 2,227,730,000 KWh.

(6) *Ningxia Shizuishan Jianquan 350MW Photovoltaic Power Generation Project*

This project is located in Northwest of Yinchuan Graben – the third-order tectonic unit on the Sino-Korean para-platform. This project plans to develop and construct an installed capacity of 220MW in phase I, and an installed capacity of 130MW to be constructed in phase II, over a total land area of about 11,077 Mu. According to a reasonable estimate, the project site enjoys solar radiation of 5,907.5MJ/m<sup>2</sup> per year, and average sunshine duration of 2,872.2 hours. In

the first year of operation upon completion, it will have annual operation of about 1,540.9 hours, and annual generating capacity of about 5,393.2 hours. In the 25 years of operation, it will have average annual operation of about 1,392.3 hours, and average annual generating capacity of about 4,872.9 hours. Compared with the equivalent thermal power plant, it can save 155,900 tons of standard coal per year (320g/KWh average coal consumption per year), and reduce the emission of various air pollutants every year, including sulfur dioxide emission by about 13,800 tons, carbon dioxide emission by about 388,700 tons, nitrogen oxides emission by about 6,900 tons, and dust emission by about 124,700 tons.

## 2. *Projects in the future 3 years*

**Table: Major projects to be constructed by the Issuer in the future 3 years**

*Unit: RMB00'000'000*

<b>No.</b>	<b>Project name</b>	<b>Date of commencement</b>	<b>Total investment</b>	<b>Self-financing</b>
1	Dianzhong Town 100MWp Agro-Photovoltaic Complementation Project in Eshan County, Yuxi City, Yunnan Province (雲南省玉溪市峨山縣甸中鎮100MWp農光互補專案)	2016	7.78	1.56
2	Boerhantu Town Agro-Photovoltaic Complement Phase I 100MWp Power Plant Project in Kundulun District, Baotou City, Inner Mongolia (內蒙包頭市昆區蔔爾漢圖鎮農光互補一期100MWp電站專案)	2016	5.93	1.19
3	Shangyi Ergongdi 100MW Photovoltaic Power Plant Project (尚義二工地100兆瓦光伏電站專案)	2016	7.80	1.56

### (1) *Dianzhong Town 100MWp Agro-Photovoltaic Complementation Project in Eshan County, Yuxi City, Yunnan Province*

Dianzhong Town 100MWp Agro-Photovoltaic Complementation Project is located near Tagemo Village on the southwest side of Dianzhong Town, Eshan County, Yuxi City, Yunnan Province. The project site covers a land area of 3,150Mu, where the air is of high quality and high transparency. So there is less loss of solar radiation in the atmosphere, in all months throughout the year. The insignificant change in total solar radiation value is conducive to the stable output of solar energy. On the project site, total solar radiation during the year is “larger in winter and spring, smaller in summer and autumn”, to form a certain complementation with water and electricity, and plays a positive role in the normal operation of power grid. There is no dusty weather on the site, the temperature changes little during the year. The wind speed is low in the

target area, and the climatic conditions are conducive to the development of solar energy resources. At estimate, in the 25 years of operation, it will have total power generation of 3,267,114.7MWh. Based on solar radiation data and scale capacity and the efficiency of photovoltaic power generation system etc., the average annual generating capacity of the power plant in the 25 years will be 130,684,600 KWh, and the annual average operation period 1,306.80 hours.

(2) *Boerhantu Town Agro-Photovoltaic Complementation Power Plant Project in Kundulun District, Baotou City, Inner Mongolia:*

This project is located in Hademen and other villages in Boerhantu Town, Kundulun District, Baotou City, Inner Mongolia. It covers a land area of 3,900 Mu, including permanent land area of about 8 – 10 Mu, with a total installed capacity of 100MWp, annual average in-grid power supply of 141,432,400KWh and equivalent full-load operation of 1,414 hours. This project is a highly efficient agro – photovoltaic combined independent development project, built for the three-dimensional agriculture. Under the greenhouse structures can be used for planting grains, Chinese herbs for medicinal purpose, and other shade-loving and shade-tolerant economic crops. Located in Kundulun District, Baotou City, the project is rich in solar energy resources, since it falls with in the Resource Territory II. With an average annual radiation of 5,890.60MJ/m<sup>2</sup> and annual average sunshine duration of 2,980 hours, one of the solar abundant areas in Inner Mongolia, with long-lasting sunshine and strong solar radiation. This project follows the emission standards of the waste gas and waste residue of thermal power plants: dust 1.80g/KWh, sulfur dioxide 6.20g/KWh, carbon dioxide 814g/KWh, nitrogen oxides 2.10g/KWh, and ash 119.45g/KWh. Therefore, it can reduce emission of dust by about 254.58 tons, sulfur dioxide by about 876.88 tons, carbon dioxide by about 115,100 tons, nitrogen oxides by about 297.01 tons and ash by about 16,894.10 tons each year.

(3) *Shangyi Ergongdi 100MW Photovoltaic Power Plant Project:*

The project site is located in Ergongdi Village, Dayingpan Town, in the northern part of Shangyi County, with a planned installed capacity of 100MW, covering a land area of 3,500 Mu, and effective operation of 1,560 hours per year. Shangyi County is rich in solar energy resources, for its location on a plateau, with dry air, little cloud and transparent atmosphere. With annual average solar radiation of 139.027kcal/cm<sup>2</sup>, this county is one of the best endowed places in solar radiation within Hebei Province, featuring long during sunshine. With an annual average sunshine of 2,815.3 hours, it is the best area for collecting solar energy.

### 3. Other work in progress and proposed projects

**Table: Other work in progress and proposed projects of the Issuer**

*Unit: RMB00'000'000*

No.	Project name	Type	Location	Proposed investment	Shortage	Proposed solution	Proposed year of completion	Relevance with main business
1	Hetian GCL20MW Photovoltaic Power Generation Project	Work in progress	Xinjiang	1.63	1.30	Financial leasing, project loan	2016	Solar power plant, accordant with main business.
2	Yushen Dongtou100MW Photovoltaic Power Generation Project	Work in progress	Shaanxi	8.41	6.73	Trust loan, project loan	2016	Solar power plant, accordant with main business.
3	Quyong Lingshan 30MW Photovoltaic Power Generation Project	Work in progress	Hebei	2.70	2.16	Project loan	2016	Solar power plant, accordant with main business.
4	Yixian County Gaocun Town 30MW Photovoltaic Power Generation Project	Work in progress	Hebei	2.71	2.17	Project loan	2016	Solar power plant, accordant with main business.
5	Henan Xinyang Ming Gang 150MW Project Phase I	Proposed	Henan	7.66	6.13	Financial leasing, project loan	2017	Solar power plant, accordant with main business.
6	Anhui Lianghuai 100MW Photovoltaic Power Generation Project	Proposed	Anhui	7.20	5.76	Project loan	2017	Solar power plant, accordant with main business.
7	Guangxin Qinzhou Kangxiling 200MW (60MW Phase I) Fishery-Photovoltaic Complementation Project	Proposed	Guangxi	4.32	3.46	Financial leasing, project loan	2017	Solar power plant, accordant with main business.
8	Nanning Shanglin Project 60MW Photovoltaic Power Generation Project	Proposed	Guangxi	4.32	3.46	Financial leasing, project loan	2017	Solar power plant, accordant with main business.
9	Banwan 90MW Photovoltaic Power Generation Project	Proposed	Guizhou	6.48	5.18	Financial leasing, project loan	2017	Solar power plant, accordant with main business.
10	Linfen Poverty Reduction 100MW Photovoltaic Power Generation Project	Proposed	Shanxi	7.20	5.76	Project loan	2017	Solar power plant, accordant with main business.
11	Yangquan Leader 100MW Photovoltaic Power Generation Project	Proposed	Shanxi	7.20	5.76	Project loan	2017	Solar power plant, accordant with main business.
12	Ruicheng Eco-Photovoltaic 50MW Photovoltaic Demonstration Project	Proposed	Shanxi	3.60	2.88	Financial leasing, project loan	2017	Solar power plant, accordant with main business.
13	Shilou County Lingquan Town 58MW Photovoltaic Power Generation Project	Proposed	Shanxi	4.18	3.34	Project loan	2017	Solar power plant, accordant with main business.
<b>Total</b>				<b>67.61</b>	<b>54.09</b>			

#### **4. *Rationality analysis of work in progress projects and proposed projects***

Given the Issuer's business status, as of 30 September 2016, the Issuer's in-grid photovoltaic power capacity reached 3.095GW. At the leading position of China market, it has become a major photovoltaic power plant investor, developer and operator in China, with a target market transferring from West China to Middle and East China according to the domestic market development. Of all its operating projects, the percentage of agro – and fishery – photovoltaic complementary power plant projects that suit for the market suitable for Middle and East China is increasing. Based on the positive prospects of domestic photovoltaic market in the long term and considering the governmental photovoltaic project objectives in the 13th Five-Year Plan and the forward-looking analysis of yearly average 20GW new installed capacity of photovoltaic power plants, the Issuer will continue to increase investment in domestic and foreign photovoltaic power plants during the 13th Five-Year Plan period, and seek stable growth of new in-grid scale. It will push its domestic photovoltaic power capacity to 20GW by 2020, through active participation in the construction of government-encouraged leader technology base project, photovoltaic projects, common power plant bidding project and distributed photovoltaic project.

#### **(V) Industry Context and Competitive Advantages**

##### **2. *Issuer's competitive advantages***

###### **(1) *Shareholder advantage***

As GCL New Energy's operating platform for photovoltaic power generation business, the Issuer is greatly supported by GCL New Energy in the process of formation, establishment and assets integration. Since its establishment in 2014, Nanjing GCL has been increasing the registered capital of the Issuer, for example: the Issuer's registered capital of RMB300 million at inception was increased to RMB1,000 million in November 2014, RMB2,000 million in January 2015, RMB5,000 million in June 2015, RMB8,000 million in January 2016, and RMB12,000 million in December 2016. Meanwhile, GCL New Energy has also transferred its photovoltaic power plant assets into the Issuer, significantly increasing its total assets.

###### **(2) *Scale economy and industry-leading advantage***

As of 31 December 2015 and 2016, the Issuer's cumulative in-grid installed capacity was 1.64GW and 2.74GW respectively; in 2015 the Issuer recorded power generation totaling 894,000,000 KWh, and in-grid power sales totaling 870,000,000 KWh. In January-September 2016, the Issuer recorded power generation totaling 2,045,000,000 KWh, and in-grid power sales totaling 2,003,000,000 KWh. In respect of project reserve, currently the Issuer has pre-assessed reserve capacity of 5GW, and risk-assessed capacity of 1.80GW. In 2015, the Issuer commenced projects with installed capacity of 1.30GW, and was looking forward to increase an effective delivery installed capacity of 1.50GW by the end of 2016. The Issuer is in scale economy in respect of photovoltaic installation, and leading position in domestic photovoltaic industry. As the power plant construction and investment continue to move forward, its scale advantage is expected to continue rising.

## Section Six: Financial and Accounting Information

The financial and accounting data and the related analysis reflect the Issuer's financial position, operating result and cash flows. The investor should be informed of the company's financial position, operating results and its accounting policies by looking at the audited financial statements of the company for the year 2014 and 2015, and the financial statements for the nine months ended 30 September 2016.

The financial report for the two years of 2014 and 2015 has been prepared in accordance with the provisions of the accounting standards for enterprises. Zhitong Firm (special general partnership) has conducted audit on the 2014 and 2015 financial reports of the Issuer and has issued standard and unqualified auditor's report with Zhitong Shen Zi (2015) No. 320FC0329 and Zhitong Shen Zi (2016) No. 320ZC0015 respectively.

If not specified, the Section cites financial data abstracted from the Company's audited 2014 and 2015 financial report, and its unaudited financial statement for the nine months ended 30 September 2016.

### I. FINANCIAL AND ACCOUNTING INFORMATION IN THE LAST TWO YEARS AND THE LATEST PERIOD

#### (I) Combined Financial Statements

The Issuer's consolidated balance sheet as of 31 December 2014 and 2015 and as at 30 September 2016 and its consolidated profit statement and consolidated cashflow statement for the year 2014 and 2015 and for the nine months ended 30 September 2016 are set out below:

**Table: Consolidated balance sheet of the Issuer in the Last two years and the Latest period**

*Unit: RMB*

Item	As at 30 September 2016	As at 31 December 2015	As at 31 December 2014
<b>Current assets:</b>			
Monetary funds	3,011,574,947.22	1,834,610,533.21	271,070,235.95
Bill receivable	49,527,872.74	22,572,260.00	–
Account receivable	1,926,680,385.89	568,883,889.40	99,364,164.70
Advance payment	33,906,008.17	568,356,058.73	151,885,742.01
Interest receivable	132,587,852.05	27,477,970.27	–
Other receivable	6,008,765,693.22	4,787,618,593.34	178,714,792.56
Other current assets	9,578,075.30	9,315,625.67	3,720,653.22
<b>Total current assets</b>	<b>11,172,620,834.59</b>	<b>7,818,834,930.62</b>	<b>704,755,588.44</b>



Item	As at 30 September 2016	As at 31 December 2015	As at 31 December 2014
<b>Non-current assets:</b>			
Available-for-sale finance assets	250,000,000.00	–	–
Long-term equity investment	24,590,975.79	–	–
Fixed asset	19,404,025,578.70	9,369,143,071.98	986,171,680.11
Construction in progress	3,013,324,335.00	4,828,609,123.13	4,093,965,427.85
Engineering materials	116,876,550.72	36,835,212.18	–
Disposal of fixed asset	5,209.58	–	–
Intangible assets	65,585,026.96	44,985,976.13	1,092.59
Goodwill	8,680,000.00	–	–
Long term prepaid expenses	207,131,020.02	162,721,091.62	25,784,487.35
Other non-current assets	1,427,125,602.93	1,212,375,517.41	419,872,848.44
<b>Total non-current assets</b>	<b>24,517,344,299.70</b>	<b>15,654,669,992.45</b>	<b>5,525,795,536.34</b>
<b>Total assets</b>	<b>35,689,965,134.29</b>	<b>23,473,504,923.07</b>	<b>6,230,551,124.78</b>
<b>Current liabilities:</b>			
Bill payable	1,463,129,804.15	2,936,132,760.00	–
Account payable	191,091,446.19	422,055.40	137,108,431.90
Employee salaries payable	21,984,316.48	49,479,964.98	10,694,886.31
Tax payable	7,592,282.89	12,920,140.14	14,907,656.72
Interest payable	307,839,600.24	69,701,134.64	2,858,839.67
Dividend payable	–	–	9,279,522.71
Other payables	11,496,895,019.83	8,524,562,322.88	3,535,036,409.05
Non-current liabilities due within one year	2,414,466,990.39	1,194,514,608.85	35,000,000.00
Other non-current liabilities	18,751,915.02	–	–
<b>Total current liabilities</b>	<b>15,921,751,375.19</b>	<b>12,787,732,986.89</b>	<b>3,744,885,746.36</b>
<b>Non-current liabilities:</b>			
Long-term borrowings	6,008,466,850.00	4,146,200,000.00	838,000,000.00
Long-term payables	5,666,108,645.05	1,560,398,176.53	506,113,019.08
<b>Total non-current liabilities</b>	<b>11,674,575,495.05</b>	<b>5,706,598,176.53</b>	<b>1,344,113,019.08</b>
<b>Total liabilities</b>	<b>27,596,326,870.24</b>	<b>18,494,331,163.42</b>	<b>5,088,998,765.44</b>

Item	As at 30 September 2016	As at 31 December 2015	As at 31 December 2014
<b>Owner's equity (shareholder's equity):</b>			
contributed capital (or share capital)	6,924,621,000.00	4,440,000,000.00	1,000,000,000.00
Capital reserve	56,480,000.00	–	4,000,000.00
Surplus reserve	41,038,209.55	–	–
Undistributed profit	920,823,542.09	338,447,832.51	23,175,858.59
<b>Total equity attributable to the Parent's owner</b>	<b>7,942,962,751.64</b>	<b>4,778,447,832.51</b>	<b>1,027,175,858.59</b>
Minority interest	150,675,512.41	200,725,927.14	114,376,500.75
<b>Total owner's equity</b>	<b>8,093,638,264.05</b>	<b>4,979,173,759.65</b>	<b>1,141,552,359.34</b>
<b>Total liabilities and owner's equity</b>	<b>35,689,965,134.29</b>	<b>23,473,504,923.07</b>	<b>6,230,551,124.78</b>

**Table: Consolidated profit statement of the Issuer in the Last two years and the Latest period**

*Unit: RMB*

Item	As at 30 September 2016	As at 31 December 2015	As at 31 December 2014
<b>Operating revenue</b>	<b>1,640,348,110.45</b>	<b>730,228,202.30</b>	<b>123,283,283.98</b>
Less: operating cost	452,674,802.15	195,972,809.84	122,405,112.83
Business tax and surcharges	687,699.38	1,026,246.81	7,946.88
Sale expense	–	–	–
Administrative expense	93,292,303.83	36,696,071.47	3,094,445.91
Financial cost	449,246,884.37	201,066,468.33	914,373.19
Asset impairment loss	–	–	–
Other operating revenue	–	–	–
Add: net investment income	–	–	–
<b>Operating profit</b>	<b>644,446,420.72</b>	<b>295,466,605.85</b>	<b>-3,138,594.83</b>
Add: off-operating revenue	4,609,573.19	41,609,871.27	30,648,020.08
Less: off-operating expense	403,858.44	1,990,861.15	164.53
Including: net loss on disposal of non-current asset	10,023.99	846.21	–
<b>Total profit</b>	<b>648,652,135.47</b>	<b>335,085,615.97</b>	<b>27,509,260.72</b>
Less: income tax expense	-284,348.07	-690,382.91	127,523.18
<b>Net profit</b>	<b>648,936,483.54</b>	<b>335,775,998.88</b>	<b>27,381,737.54</b>

**Table: consolidated cashflow statement of the Issuer in the Last two years and the Latest period**

*Unit: RMB*

<b>Item</b>	<b>For the nine months ended 30 September 2016</b>	<b>2015</b>	<b>2014</b>
<b>Cashflow generated from operating activities:</b>			
Cash received from sales of goods and provision of service	618,230,014.18	381,593,163.46	143,500,000.00
Tax refund received	399,857.22	837.88	–
Other cash related to the operating activities received	95,044,125.28	712,870,752.04	278,448,018.83
<b>Sub-total cash inflows from operating activities</b>	<b>713,673,996.68</b>	<b>1,094,464,753.38</b>	<b>421,948,018.83</b>
Cash paid for purchase of goods and receipt of service	73,233,029.67	19,206,228.91	140,350,000.00
Cash paid to employees and cash paid for employees	51,597,481.52	24,296,291.61	1,327,100.93
Various taxes paid	36,409,780.03	25,819,660.07	767,683.07
Cash paid to other operating activities	183,763,094.11	925,910,204.63	117,261,503.86
<b>Sub-total cash outflows from operating activities</b>	<b>345,003,385.33</b>	<b>995,232,385.22</b>	<b>259,706,287.86</b>
<b>Net cashflows generated from operating activities</b>	<b>368,670,611.35</b>	<b>99,232,368.16</b>	<b>162,241,730.97</b>
<b>Cashflow generated from investing activities:</b>			
Cash received from investment recovery	–	–	–
Cash received from obtaining investment income	–	–	–
Net cash recoverable from disposal of fixed asset, intangible asset and other long-term asset	–	24,583.00	–
Net cash received from disposal of subsidiaries and other operating company	–	–	–

<b>Item</b>	<b>For the nine months ended 30 September 2016</b>	<b>2015</b>	<b>2014</b>
Other cash related to the investing activities received	7,166,047.62	241,538.00	3,517,356.00
<b>Sub-total cash inflow from investing activities</b>	<b>7,166,047.62</b>	<b>266,121.00</b>	<b>3,517,356.00</b>
Cash paid for purchase of fixed asset, intangible asset and other long-term asset	5,087,838,251.68	6,535,992,245.13	1,124,283,012.50
Cash paid to investment	46,758,400.00	518,845,539.32	–
Net cash paid for acquisition of subsidiaries and other operating company	–	–	–
Other cash related to the investing activities paid	106,508,391.74	240,000.00	3,284,055.62
<b>Sub-total cash outflows from investing activities</b>	<b>5,241,105,043.42</b>	<b>7,055,077,784.45</b>	<b>1,127,567,068.12</b>
<b>Net cashflow generated from investing activities</b>	<b>-5,233,938,995.80</b>	<b>-7,054,811,663.45</b>	<b>-1,124,049,712.12</b>
<b>Cashflow generated from financing activities</b>			
Cash received from abstracting of investment	2,502,069,640.00	3,456,965,800.00	1,048,939,799.49
Cash received from obtaining borrowings	6,840,121,927.34	3,818,000,000.00	4,900,000.00
Other cash related to the financing activities received	10,110,864,150.47	8,012,709,676.15	183,938,417.61
<b>Sub-total cash inflow from financing activities</b>	<b>19,453,055,717.81</b>	<b>15,287,675,476.15</b>	<b>1,237,778,217.10</b>
Cash paid for repayment of debt	2,152,326,765.33	365,000,000.00	4,900,000.00
Cash paid for distributing of dividend and profit or dividend payment	396,502,719.17	204,176,679.69	–
Other cash related to the financing activities paid	11,433,018,606.26	6,622,047,297.10	–
<b>Sub-total cash outflow from financing activities</b>	<b>13,981,848,090.76</b>	<b>7,191,223,976.79</b>	<b>4,900,000.00</b>

<b>Item</b>	<b>For the nine months ended 30 September 2016</b>	<b>2015</b>	<b>2014</b>
<b>Net cashflow generated from financing activities</b>	<b>5,471,207,627.05</b>	<b>8,096,451,499.36</b>	<b>1,232,878,217.10</b>
<b>Impact of exchange rate movements on cash</b>	<b>-638,540.11</b>	<b>-</b>	<b>-</b>
<b>Net increases in cash and cash equivalents</b>	<b>605,300,702.49</b>	<b>1,140,872,204.07</b>	<b>271,070,235.95</b>
<b>Opening balance of cash and cash equivalents</b>	<b>2,406,274,244.73<sup>3</sup></b>	<b>271,070,235.95</b>	<b>-</b>
<b>Closing balance of cash and cash equivalents</b>	<b>3,011,574,947.22</b>	<b>1,411,942,440.02</b>	<b>271,070,235.95</b>

*Note:* According to the auditor's report issued by the Zhitong Accounting Firm (special general partnership) with number Zhitong Shen Zi (2016) No. 320ZC0015, it made adjustments to the opening data in 2015 financial statement. The financial data at end of 2014 and in 2014 are all abstracted from 2015 auditor's report of the Issuer with Number Zhitong Shen Zi (2016) No. 320ZC0015 issued by Zhitong Accounting Firm (special general partnership).

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<sup>3</sup> there are exists difference between 2016 opening balance of cash and cash equivalents and 2015 closing balance of cash and cash equivalents, it is due to the fact that the cashflow statements of 62 newly added subsidiaries for the nine months ended 30 September 2016 has been consolidated into the combined financial statement for the nine months ended 30 September 2016 and it has not conducted retroactive adjustment to 2015 financial statement.

## (II) Parent Financial Statement

The Issuer's parent balance sheet as of 31 December 2014 and 2015 and as at 30 September 2016 and its parent profit statement and the parent cashflow statement for the year 2014 and 2015 and for the nine months ended 30 September 2016 are set out below:

**Table: balance sheet of Issuer's parent in the Last two years and the Latest period**

*Unit: RMB*

<b>Item</b>	<b>As at 30 September 2016</b>	<b>As at 31 December 2015</b>	<b>As at 31 December 2014</b>
<b>Current assets:</b>			
Monetary funds	1,030,302,541.84	69,493,435.65	88,618,106.13
Account receivable	441,928,629.01	–	–
Advance payment	–	7,915,766.00	–
Interest receivable	9,098,000.00	–	–
Other receivable	2,222,365,539.37	3,242,899,271.91	349,678,205.13
Dividend Receivable	19,414,142.52	–	–
<b>Total current assets</b>	<b>3,723,108,852.74</b>	<b>3,320,308,473.56</b>	<b>438,296,311.26</b>
<b>Non-current assets:</b>			
Available-for-sale finance assets	250,000,000.00	250,000,000.00	–
Long-term equity investment	5,310,754,106.17	3,720,870,106.17	1,283,039,223.11
Other non-current assets	–	6,663,792.13	79,226,175.21
<b>Total non-current assets</b>	<b>5,560,754,106.17</b>	<b>3,977,533,898.30</b>	<b>1,362,265,398.32</b>
<b>Total asset</b>	<b>9,283,862,958.91</b>	<b>7,297,842,371.86</b>	<b>1,800,561,709.58</b>
<b>Current liabilities:</b>			
Bill payable	500,000,000.00	2,300,000,000.00	–
Account payable	–	–	–
Tax payable	690,040.87	444,005.90	467,835.80
Interest payable	3,312,499.99	–	–
Other payables	185,859,360.97	100,849,720.02	299,869,439.23
Non-current liabilities due within one year	–	504,938,141.04	–
Other current liabilities	–	–	–
<b>Total current liabilities</b>	<b>689,861,901.83</b>	<b>2,906,231,866.96</b>	<b>300,337,275.03</b>

<b>Item</b>	<b>As at 30 September 2016</b>	<b>As at 31 December 2015</b>	<b>As at 31 December 2014</b>
<b>Non-current liabilities:</b>			
Long-term payables	1,700,000,000.00	–	506,113,019.08
<b>Total non-current liabilities</b>	<b>1,700,000,000.00</b>	<b>–</b>	<b>506,113,019.08</b>
<b>Total liabilities</b>	<b>2,389,861,901.83</b>	<b>2,906,231,866.96</b>	<b>806,450,294.11</b>
<b>Owner's equity (shareholder's equity) :</b>			
contributed capital (or share capital)	6,924,621,000.00	4,440,000,000.00	1,000,000,000.00
Capital reserve	–	–	–
Surplus reserve	–	–	–
Undistributed profit	-30,619,942.92	-48,389,495.10	-5,888,584.53
<b>Total equity attributable to the Parent's owner</b>	<b>6,894,001,057.08</b>	<b>4,391,610,504.90</b>	<b>994,111,415.47</b>
<b>Total owner's equity</b>	<b>6,894,001,057.08</b>	<b>4,391,610,504.90</b>	<b>994,111,415.47</b>
<b>Total liabilities and owner's equity</b>	<b>9,283,862,958.91</b>	<b>7,297,842,371.86</b>	<b>1,800,561,709.58</b>

**Table: profit statement of the Issuer's parent in the Last two years and the Latest period***Unit: RMB*

<b>Item</b>	<b>For the nine months ended 30 September 2016</b>	<b>2015</b>	<b>2014</b>
<b>Operating revenue</b>	469,214,640.19	–	–
Less: operating cost	435,897,436.05	–	–
Business tax and surcharges	69,707.77	–	–
Management fee	27,075,787.56	2,108,608.82	659,824.80
Financial cost	7,400,533.15	40,390,234.41	958,807.84
Asset impairment loss	–	–	–
Other operating revenue	–	–	–
Add: net investment income	19,414,142.52	–	–
<b>Operating profit</b>	<b>18,185,318.18</b>	<b>-42,498,843.23</b>	<b>-1,618,632.64</b>
Add: off-operating revenue	–	–	–
Less: off-operating expense	–	–	–
<b>Total profit</b>	<b>18,185,318.18</b>	<b>-42,498,843.23</b>	<b>-1,618,632.64</b>
Less: income tax expense	–	–	–
<b>Net profit</b>	<b>18,185,318.18</b>	<b>-42,498,843.23</b>	<b>-1,618,632.64</b>



**Table: cashflow statement of the Issuer's parent in the Last two years and the Latest period**

*Unit: RMB*

<b>Item</b>	<b>For the nine months ended 30 September 2016</b>	<b>2015</b>	<b>2014</b>
<b>Cash flow generated from operating activities:</b>			
Cash received from sales of goods and provision of service	98,660,000.00	–	–
Other cash related to the operating activities received	30,214,664.20	705,354,346.15	684,382,767.65
<b>Sub-total cash inflows from operating activities</b>	<b>128,874,664.20</b>	<b>705,354,346.15</b>	<b>684,382,767.65</b>
Cash paid for purchase of goods and receipt of service	–	–	–
Cash paid to employees and cash paid for employees	–	–	–
Various taxes paid	2,075,881.80	1,850,653.50	191,575.00
Cash paid to other operating activities	132,795,152.12	1,259,575,903.65	507,473,311.52
<b>Sub-total cash outflows from operating activities</b>	<b>134,871,033.92</b>	<b>1,261,426,557.15</b>	<b>507,664,886.52</b>
Net cash flows generated from operating activities	-5,996,369.72	-556,072,211.00	176,717,881.13
<b>Cash flow generated from investing activities:</b>			
Cash received from investment recovery	–	–	–
Cash received from obtaining investment income	–	–	–
Other cash related to the investing activities received	–	–	–
<b>Sub-total cash inflow from investing activities</b>	<b>–</b>	<b>–</b>	<b>–</b>
Cash paid for purchase of fixed asset, intangible asset and other long-term asset	50,000,000.00	1,263,406.77	9,000,000.00
Cash paid to investment	1,544,482,400.00	2,784,012,945.40	1,079,099,775.00

<b>Item</b>	<b>For the nine months ended 30 September 2016</b>	<b>2015</b>	<b>2014</b>
Net cash paid for acquisition of subsidiaries and other operating company	–	–	–
Other cash related to the investing activities paid	–	–	–
<b>Sub-total cash outflows from investing activities</b>	<b>1,594,482,400.00</b>	<b>2,785,276,352.17</b>	<b>1,088,099,775.00</b>
<b>Net cash flow generated from investing activities</b>	<b>-1,594,482,400.00</b>	<b>-2,785,276,352.17</b>	<b>-1,088,099,775.00</b>
<b>Cash flow generated from financing activities:</b>			
Cash received from abstracting of investment	2,484,621,000.00	3,440,000,000.00	1,000,000,000.00
Cash received from obtaining borrowings	–	–	–
Other cash related to the financing activities received	10,013,334,877.46	–	–
<b>Sub-total cash inflow from financing activities</b>	<b>12,497,955,877.46</b>	<b>3,440,000,000.00</b>	<b>1,000,000,000.00</b>
Cash paid for repayment of debt	–	–	–
Cash paid for distributing of dividend and profit or dividend payment	–	–	–
Other cash related to the financing activities paid	9,936,668,001.55	130,376,107.31	–
<b>Sub-total cash outflow from financing activities</b>	<b>9,936,668,001.55</b>	<b>130,376,107.31</b>	<b>–</b>
<b>Net cash flow generated from financing activities</b>	<b>2,561,287,875.91</b>	<b>3,309,623,892.69</b>	<b>1,000,000,000.00</b>
<b>Impact of exchange rate movements on cash</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net increases in cash and cash equivalents</b>	<b>960,809,106.19</b>	<b>-31,724,670.48</b>	<b>88,618,106.13</b>
<b>Opening balance of cash and cash equivalents</b>	<b>56,893,435.65</b>	<b>88,618,106.13</b>	<b>–</b>
<b>Closing balance of cash and cash equivalents</b>	<b>1,017,702,541.84</b>	<b>56,893,435.65</b>	<b>88,618,106.13</b>

## II. CHANGES IN THE SCOPE OF CONSOLIDATION IN 2014, 2015 AND JANUARY-SEPTEMBER 2016

The scope of consolidation shall comply with relevant requirements of MOF regulations and MOF Accounting Standards for Enterprises.

### (I) Changes in the scope of consolidation in 2014, 2015 and January-September 2016

#### 1. Change in the scope of consolidation in 2014

There is no change in the scope of consolidation in 2014, as the Issuer was incorporated in 2014.

#### 2. Change in the scope of consolidation in 2015

As compared to 2014, 107 more entities were consolidated in the financial statements for the year ended 31 December 2015:

No.	Name of entity	Reason for being consolidated as a subsidiary for the year
1	Nanle GCL Photovoltaic Power Co., Ltd. (南樂協鑫光伏電力有限公司)	Establishment
2	Donghai GCL Solar Energy Ltd.* (東海縣協鑫光伏電力有限公司)	Establishment
3	Datong Xian GCL Xinyuan Solar Energy Co., Ltd.* (大同縣協鑫鑫源光伏電力有限公司)	Establishment
4	Taiyuan GCL Photovoltaic Power Co., Ltd.* (太原協鑫光伏電力有限公司)	Establishment
5	Tongyu GCL Photovoltaic Power Co., Ltd.* (通榆協鑫光伏電力有限公司)	Establishment
6	Sichuan GCL New Energy Co., Ltd.* (四川協鑫新能源有限公司)	Establishment
7	Xuzhou Xinri Solar Energy Ltd.* (徐州鑫日光伏電力有限公司)	Establishment
8	Kaifeng Huaxin New Energy Development Company Limited* (開封華鑫新能源開發有限公司)	Establishment
9	Xianghe GCL Photovoltaic Technology Co., Ltd.* (香河協鑫光伏科技有限公司)	Establishment
10	Tongyu Tongsheng Photovoltaic Power Co., Ltd.* (通榆同晟光伏電力有限公司)	Establishment
11	Zhenjiang Xinli Photovoltaic Power Company Limited* (鎮江鑫利光伏電力有限公司)	Acquisition

No.	Name of entity	Reason for being consolidated as a subsidiary for the year
12	Wuzhong Taiyangshan Xinneng Photovoltaic Power Co., Ltd.* (吳忠市太陽山鑫能光伏電力有限公司)	Establishment
13	Fuxin Mongol Autonomous County GCL Photovoltaic Power Co., Ltd.* (阜新蒙古族自治縣協鑫光伏電力有限公司)	Establishment
14	Suzhou Xinxi Photovoltaic Power Co., Ltd.* (蘇州鑫希光伏電力有限公司)	Establishment
15	Shenyang Yuhong GCL Photovoltaic Power Co., Ltd.* (瀋陽市於洪區協鑫光伏電力有限公司)	Establishment
16	Zhangjiakou GCL Photovoltaic Power Co., Ltd.* (張家口協鑫光伏發電有限公司)	Establishment
17	Huixian GCL Solar Energy Ltd.* (輝縣市協鑫光伏電力有限公司)	Establishment
18	Taoyuan Xinhui Photovoltaic Power Co., Ltd.* (桃源縣鑫輝光伏電力有限公司)	Establishment
19	Anfu GCL New Energy Co., Ltd.* (安福協鑫新能源有限公司)	Acquisition
20	Pingshan Shijing New Energy Ltd.* (平山縣世景新能源有限公司)	Acquisition
21	Nanchang GCL Photovoltaic Power Co., Ltd.* (南昌協鑫光伏電力有限公司)	Establishment
22	Qianxi GCL New Energy Co., Ltd.* (遷西縣協鑫新能源有限公司)	Establishment
23	Yugan GCL New Energy Ltd.* (餘干縣協鑫新能源有限責任公司)	Establishment
24	Sanmenxia Xieli Photovoltaic Power Co., Ltd.* (三門峽協立光伏電力有限公司)	Acquisition
25	Jingbian Shunfeng New Energy Ltd.* (靖邊縣順風新能源有限公司)	Acquisition
26	Jiangling GCL Photovoltaic Power Co., Ltd.* (江陵縣協鑫光伏電力有限公司)	Acquisition
27	Hubei Macheng Jinfu Solar Energy Ltd.* (湖北省麻城市金伏太陽能電力有限公司)	Acquisition
28	Juye GCL Photovoltaic Power Co., Ltd.* (巨野縣協鑫光伏電力有限公司)	Establishment
29	Hanneng Guangping Solar Energy Development Ltd.* (邯能廣平縣光伏電力開發有限公司)	Acquisition
30	Jurong Xinda Photovoltaic Power Co., Ltd.* (句容信達光伏發電有限公司)	Establishment

No.	Name of entity	Reason for being consolidated as a subsidiary for the year
31	Lincheng GCL Photovoltaic Power Co., Ltd.* (臨城協鑫光伏發電有限公司)	Establishment
32	Taigu Wind and Light Power Co., Ltd.* (太谷縣風光發電有限公司)	Acquisition
33	Inner Mongolia Yuanhai New Energy Ltd.* (內蒙古源海新能源有限責任公司)	Acquisition
34	Suixi GCL Photovoltaic Power Co., Ltd.* (遂溪協鑫光伏電力有限公司)	Establishment
35	Haifeng GCL Photovoltaic Power Co., Ltd.* (海豐縣協鑫光伏電力有限公司)	Establishment
36	Nantong Haide New Energy Company Ltd.* (南通海德新能源有限公司)	Acquisition
37	Changzhou Xintian New Energy Company Ltd.* (常州新天新能源有限公司)	Acquisition
38	Handan Fuxin GCL Photovoltaic Power Co., Ltd.* (邯鄲市復興區協鑫光伏發電有限公司)	Establishment
39	Xianghuangqi GCL Photovoltaic Power Co., Ltd.* (鑲黃旗協鑫光伏電力有限公司)	Establishment
40	Keyouqianqi GCL Photovoltaic Power Co., Ltd.* (科右前旗協鑫光伏電力有限公司)	Establishment
41	Etuokeqi GCL Photovoltaic Power Co., Ltd.* (鄂托克旗協鑫光伏電力有限公司)	Establishment
42	Gaoyou GCL Photovoltaic Power Co., Ltd.* (高郵協鑫光伏電力有限公司)	Establishment
43	Funan GCL Photovoltaic Power Co., Ltd.* (阜南協鑫光伏電力有限公司)	Establishment
44	Beipiao GCL Photovoltaic Power Co., Ltd.* (北票協鑫光伏電力有限公司)	Establishment
45	Shuozhou GCL Solar Energy Limited* (朔州市協鑫光伏電力有限公司)	Acquisition
46	Jiuquan GCL New Energy Limited* (酒泉協鑫新能源有限公司)	Acquisition
47	Suqian Xinyang Photovoltaic Power Co., Ltd.* (宿遷鑫揚光伏電力有限公司)	Establishment
48	Tianchang GCL Solar Energy Ltd.* (天長市協鑫光伏電力有限公司)	Establishment

No.	Name of entity	Reason for being consolidated as a subsidiary for the year
49	Yuanmou Green Power New Energy Development Ltd.* (元謀綠電新能源開發有限公司)	Acquisition
50	Hefei Jiannan Solar Power Co., Ltd.* (合肥建南電力有限公司)	Formation
51	Shandong Wanhai Solar Power Co., Ltd.* (山東萬海電力有限公司)	Acquisition
52	Menghai GCL Solar Agricultural Power Co., Ltd.* (勳海協鑫光伏農業電力有限公司)	Establishment
53	Qixian GCL New Energy Ltd.* (淇縣協鑫新能源有限公司)	Establishment
54	Panzhijia GCL Photovoltaic Power Co., Ltd.* (攀枝花協鑫光伏電力有限公司)	Establishment
55	Yulin Longyuan Solar Energy Ltd.* (榆林隆源光伏電力有限公司)	Acquisition
56	Heze Mudan GCL Photovoltaic Power Co., Ltd.* (荷澤牡丹區協鑫光伏電力有限公司)	Establishment
57	Laian GCL Photovoltaic Power Co., Ltd.* (來安縣協鑫光伏電力有限公司)	Establishment
58	Huainan Ronggao Photovoltaic Power Co., Ltd.* (淮安融高光伏發電有限公司)	Acquisition
59	Taoyuan Xinneng Photovoltaic Power Co., Ltd.* (桃源縣鑫能光伏電力有限公司)	Establishment
60	Taoyuan Xinyuan Photovoltaic Power Co., Ltd.* (桃源縣鑫源光伏電力有限公司)	Establishment
61	Yulin Dianxin Photovoltaic Power Co., Ltd.* (榆林市電鑫光伏電力有限公司)	Establishment
62	Tongyu Zajia Qinye Technology Ltd.* (通榆縣咱家禽業科技有限公司)	Acquisition
63	Yanbian Xinneng Photovoltaic Power Co., Ltd.* (鹽邊鑫能光伏電力有限公司)	Establishment
64	Funing Xinyuan Photovoltaic Power Co., Ltd.* (阜寧縣鑫源光伏電力有限公司)	Establishment
65	Ningxia Lvhao Photovoltaic Power Co., Ltd.* (寧夏綠昊光伏發電有限公司)	Acquisition
66	Zhongli Tenghui Hainan Solar Power Co., Ltd.* (中利騰暉海南電力有限公司)	Acquisition
67	Ruzhou GCL Photovoltaic Power Co., Ltd.* (汝州協鑫光伏電力有限公司)	Establishment

No.	Name of entity	Reason for being consolidated as a subsidiary for the year
68	Panzhuhua GCL New Agriculture Technology Co., Ltd.* (攀枝花協鑫新農業科技有限公司)	Establishment
69	Wulate Houqi Yuanhai New Energy Ltd.* (烏拉特後旗源海新能源有限責任公司)	Acquisition
70	Dingbian Xinneng Photovoltaic Power Co., Ltd.* (定邊鑫能光伏電力有限公司)	Establishment
71	Puyang GCL Photovoltaic Power Co., Ltd.* (濮陽縣協鑫光伏電力有限公司)	Establishment
72	Jianping GCL Photovoltaic Power Co., Ltd.* (建平協鑫光伏電力有限公司)	Establishment
73	Qiqihar GCL Photovoltaic Power Co., Ltd.* (齊齊哈爾協鑫光伏電力有限公司)	Establishment
74	Pucheng GCL Hechuang Photovoltaic Power Co., Ltd.* (浦城縣協鑫合創光伏電力有限公司)	Establishment
75	Zhangjiakou Xinhong New Energy Technology Co., Ltd.* (張家口鑫宏新能源科技有限公司)	Establishment
76	Hetian GCL Photovoltaic Power Co., Ltd.* (和田協鑫光伏電力有限公司)	Establishment
77	Taiyangshan Xinneng Photovoltaic Power Co., Ltd.* (太陽山鑫能光伏電力有限公司)	Establishment
78	Inner Mongolia Xieheng Comprehensive Development of Photovoltaic Power, Agriculture and Livestock Co., Ltd.* (內蒙古協恒光伏農牧綜合開發有限公司)	Establishment
79	Yulin GCL Agriculture Co., Ltd.* (榆林協鑫農業有限公司)	Establishment
80	Wuzhong Hongsipu Xieneng Photovoltaic Power Co., Ltd. (吳忠市紅寺堡區協能光伏電力有限公司)	Establishment
81	Linyi GCL New Energy Development Co., Ltd.* (臨沂協鑫新能源開發有限公司)	Establishment
82	Changdu GCL Photovoltaic Power Co., Ltd. (昌都市協鑫光伏電力有限公司)	Establishment
83	Chaya GCL Photovoltaic Power Co., Ltd. (察雅協鑫光伏電力有限公司)	Establishment
84	Zhangbei GCL Photovoltaic Power Co., Ltd.* (張北協鑫光伏電力有限公司)	Establishment
85	Xingtang Shijing New Energy Ltd.* (行唐縣世景新能源有限公司)	Acquisition

No.	Name of entity	Reason for being consolidated as a subsidiary for the year
86	Quzhou GCL New Energy Technology Co., Ltd.* (衢州協鑫新能源科技有限公司)	Establishment
87	Hefei Jiuyang New Energy Co., Ltd.* (合肥久陽新能源有限公司)	Acquisition
88	Chaoyang Longcheng GCL Photovoltaic Power Co., Ltd.* (朝陽市龍城區協鑫光伏電力有限公司)	Establishment
89	Lingshou GCL Photovoltaic Power Co., Ltd.* (靈壽縣協鑫光伏發電有限公司)	Establishment
90	Wei County GCL Photovoltaic Power Co., Ltd.* (威縣協鑫光伏發電有限公司)	Establishment
91	Yuncheng Xinhua Energy Development Co., Ltd.* (鄆城鑫華能源開發有限公司)	Establishment
92	Huai'an GCL Photovoltaic Power Co., Ltd.* (淮安協鑫光伏電力有限公司)	Establishment
93	Jiangsu Haibin Agriculture Development Co., Ltd.* (江蘇海濱農業發展有限公司)	Establishment
94	Jingbian GCL Photovoltaic Power Co., Ltd.* (靖邊協鑫光伏電力有限公司)	Establishment
95	Jinzhou Yi County GCL Photovoltaic Power Co., Ltd.* (錦州義縣協鑫光伏電力有限公司)	Establishment
96	Shuozhou Xinneng Photovoltaic Power Co., Ltd. (朔州鑫能光伏電力有限公司)	Establishment
97	Xiangyuan GCL Photovoltaic Power Co., Ltd.* (襄垣縣協鑫光伏電力有限公司)	Establishment
98	Dingbian Xieguang Photovoltaic Power Co., Ltd.* (定邊協廣光伏電力有限公司)	Establishment
99	Erenhot GCL Photovoltaic Power Co., Ltd.* (二連浩特協鑫光伏電力有限公司)	Establishment
100	Luquan GCL Photovoltaic Power Co., Ltd.* (祿勸協鑫光伏發電有限公司)	Establishment
101	Qinghai GCL Photovoltaic Power Co., Ltd.* (青海協鑫光伏電力有限公司)	Establishment
102	Pingyuan GCL Photovoltaic Power Co., Ltd.* (平原協鑫光伏電力有限公司)	Establishment
103	Zhenlai GCL Photovoltaic Power Co., Ltd.* (鎮賚協鑫光伏電力有限公司)	Establishment



No.	Name of entity	Reason for being consolidated as a subsidiary for the year
104	Baicheng Taobei GCL Photovoltaic Power Co., Ltd.* (白城洮北協鑫光伏電力有限公司)	Establishment
105	Chifeng GCL Photovoltaic Power Co., Ltd.* (赤峰協鑫光伏電力有限公司)	Establishment
106	Zibo GCL Photovoltaic Power Co., Ltd.* (淄博協鑫光伏電力有限公司)	Establishment
107	Panzhijia Xinren Photovoltaic Power Co., Ltd.* (攀枝花鑫仁光伏電力有限公司)	Establishment

In 2015, there were less entities not consolidated into the financial statements of Suzhou GCL than in 2014.

### 3. *Change in the scope of consolidation in January-September 2016*

As compared to 2015, 62 more entities were consolidated in the financial statements for the nine months ended 30 September 2016:

No.	Name of entity	Reason for being consolidated as a subsidiary for the year
1	Gaotang GCL Jinghui Photovoltaic Co., Ltd.* (高唐縣協鑫晶輝光伏有限公司)	Acquisition
2	Ningxia Xinken Jianquan Photovoltaic Power Co., Ltd.* (寧夏鑫壘簡泉光伏電力有限公司)	Establishment
3	Wujiaqu GCL Photovoltaic Power Co., Ltd.* (五家渠協鑫光伏電力有限公司)	Establishment
4	Pingyi Fuxiang Photovoltaic Power Co., Ltd.* (平邑富翔光伏電力有限公司)	Acquisition
5	Huoqiu GCL Photovoltaic Power Co., Ltd.* (霍邱協鑫光伏電力有限公司)	Establishment
6	Huaian Xinneng Photovoltaic Power Co., Ltd.* (淮安鑫能光伏電力有限公司)	Establishment
7	Baoying GCL Photovoltaic Power Co., Ltd.* (寶應協鑫光伏電力有限公司)	Establishment
8	Tianjin Xinguo Photovoltaic Power Co., Ltd.* (天津鑫國光伏電力有限公司)	Establishment
9	Changzhou Zhonghui Photovoltaic Technology Co., Ltd.* (常州中暉光伏科技有限公司)	Acquisition

No.	Name of entity	Reason for being consolidated as a subsidiary for the year
10	Baotou Zhongli Tenghui Photovoltaic Power Co., Ltd.* (包頭市中利騰暉光伏發電有限公司)	Acquisition
11	Kuancheng GCL Photovoltaic Power Co., Ltd.* (寬城協鑫光伏發電有限公司)	Establishment
12	Xinan GCL Photovoltaic Power Co., Ltd.* (新安縣協鑫光伏電力有限公司)	Establishment
13	Xiantao Changtangkou GCL Photovoltaic Power Co., Ltd.* (仙桃長埡口協鑫光伏電力有限公司)	Establishment
14	Xiantao Yanglinwei Xinneng Photovoltaic Power Co., Ltd.* (仙桃楊林尾鑫能光伏電力有限公司)	Acquisition
15	Jingmen GCL Photovoltaic Power Co., Ltd.* (荊門市協鑫光伏電力有限公司)	Establishment
16	Guangnan Taixin New Energy Development Co., Ltd.* (廣南泰鑫新能源開發有限公司)	Establishment
17	Lijin Xinyuan Photovoltaic Power Co., Ltd.* (利津縣鑫元光伏發電有限公司)	Establishment
18	Beijing Xinyuan Photovoltaic Power Co., Ltd.* (北京鑫源光伏電力有限公司)	Establishment
19	Queshan Xinneng Photovoltaic Power Co., Ltd.* (確山鑫能光伏電力有限公司)	Establishment
20	Qianjiang Xinlang Photovoltaic Power Co., Ltd.* (潛江市鑫朗光伏電力有限公司)	Establishment
21	Baoying Xinhui Photovoltaic Power Co., Ltd.* (寶應縣鑫輝光伏電力有限公司)	Establishment
22	Poyang GCL Photovoltaic Power Co., Ltd.* (鄱陽縣協鑫光伏電力有限公司)	Acquisition
23	Xinyu GCL Photovoltaic Power Co., Ltd.* (新餘協鑫光伏電力有限公司)	Acquisition
24	Jiaxiang Xinxu Photovoltaic Power Co., Ltd.* (嘉祥縣鑫旭光伏電力有限公司)	Establishment
25	Licheng Xinneng Photovoltaic Power Co., Ltd.* (黎城鑫能光伏電力有限公司)	Establishment
26	Shanglin GCL Photovoltaic Power Co., Ltd.* (上林協鑫光伏電力有限公司)	Establishment
27	Qinzhou Xinjin Photovoltaic Power Co., Ltd.* (欽州鑫金光伏電力有限公司)	Acquisition

No.	Name of entity	Reason for being consolidated as a subsidiary for the year
28	Inner Mongolia Jinxi Energy Co., Ltd.* (內蒙古金曦能源有限公司)	Acquisition
29	Shenmu Pingxi Power Co., Ltd.* (神木縣平西電力有限公司)	Acquisition
30	Shenmu Pingyuan Power Co., Ltd.* (神木縣平元電力有限公司)	Acquisition
31	Yuxi Zhongtai New Energy Technology Co., Ltd.* (玉溪市中太新能源科技有限公司)	Establishment
32	Qinzhou Xinao Photovoltaic Power Co., Ltd.* (欽州鑫奧光伏電力有限公司)	Acquisition
33	Tengzhou GCL Photovoltaic Power Co., Ltd.* (滕州協鑫光伏發電有限公司)	Establishment
34	Shilou Xinhui Photovoltaic Power Co., Ltd.* (石樓縣新輝光伏電力有限公司)	Establishment
35	Feng County GCL Photovoltaic Power Co., Ltd.* (豐縣協鑫光伏電力有限公司)	Acquisition
36	Lingshou Xinneng Photovoltaic Power Co., Ltd.* (靈壽縣鑫能光伏發電有限公司)	Acquisition
37	Baixiang Xinke Photovoltaic Power Development Co., Ltd.* (柏鄉縣鑫科光伏電力開發有限公司)	Acquisition
38	Xun County GCL Photovoltaic Power Co., Ltd.* (浚縣協鑫光伏電力有限公司)	Establishment
39	Qian'an GCL Photovoltaic Power Co., Ltd.* (乾安協鑫光伏電力有限公司)	Establishment
40	Changling GCL Photovoltaic Power Co., Ltd.* (長嶺協鑫光伏電力有限公司)	Acquisition
41	Baoying Xiehe Photovoltaic Power Co., Ltd.* (寶應協和光伏電力有限公司)	Acquisition
42	Zhenjiang Xinlong Photovoltaic Power Co., Ltd.* (鎮江鑫龍光伏電力有限公司)	Establishment
43	Dengkou GCL Photovoltaic Power Co., Ltd.* (磴口協鑫光伏電力有限公司)	Establishment
44	Shenmu GCL Environmental Protection Co., Ltd.* (神木縣協鑫環保有限公司)	Establishment
45	Sanya GCL New Energy Co., Ltd.* (三亞協鑫新能源有限公司)	Establishment
46	She County Xinxu Photovoltaic Power Co., Ltd.* (涉縣鑫旭光伏發電有限公司)	Establishment

<b>No.</b>	<b>Name of entity</b>	<b>Reason for being consolidated as a subsidiary for the year</b>
47	Jiangling Xinneng Photovoltaic Power Co., Ltd.* (江陵縣鑫能光伏電力有限公司)	Establishment
48	Delingha Shidai New Energy Power Co., Ltd.* (德令哈時代新能源發電有限公司)	Establishment
49	Shenqiu Xinyang Photovoltaic Power Co., Ltd.* (沈丘鑫陽光伏電力有限公司)	Establishment
50	Dancheng Xinfeng Photovoltaic Power Co., Ltd.* (鄆城鑫鳳光伏電力有限公司)	Acquisition
51	Sihong GCL Photovoltaic Power Co., Ltd.* (泗洪協鑫光伏電力有限公司)	Acquisition
52	Shanggao Lifeng New Energy Co., Ltd.* (上高縣利豐新能源有限公司)	Acquisition
53	Xiantao Xinhui Photovoltaic Power Co., Ltd.* (仙桃鑫輝光伏電力有限公司)	Acquisition
54	Jilin Yilian New Energy Technology Co., Ltd.* (吉林億聯新能源科技有限公司)	Acquisition
55	Biyang GCL Photovoltaic Power Co., Ltd.* (泌陽協鑫光伏電力有限公司)	Establishment
56	Linzhou Xinchuang Solar Power Co., Ltd.* (林州市新創太陽能有限公司)	Acquisition
57	Chengde GCL Yuyang Photovoltaic Power Co., Ltd.* (承德協鑫禦陽光伏電力有限公司)	Establishment
58	Leizhou GCL Photovoltaic Power Co., Ltd.* (雷州協鑫光伏電力有限公司)	Establishment
59	Fuyang Hengming Solar Energy Co., Ltd.* (阜陽衡銘太陽能電力有限公司)	Acquisition
60	Shiyan Yunneng Photovoltaic Power Development Co., Ltd.* (十堰鄖能光伏電力開發有限公司)	Acquisition
61	Hebei GCL New Energy Co., Ltd.* (河北協鑫新能源有限公司)	Establishment
62	Guizhou Zhongxinneng New Energy Development Co., Ltd.* (貴州中新能新能源發展有限公司)	Acquisition

As compared to 2015, the number of entities consolidated into the financial statements of Suzhou GCL for the nine months ended 30 September 2016 was dropped by 7:

No.	Name of entity	Reason for less entities consolidated <sup>4</sup>
1	Nanle GCL Photovoltaic Power Co., Ltd. (南樂協鑫光伏電力有限公司)	Deregistered
2	Puyang GCL Photovoltaic Power Co., Ltd.* (濮陽縣協鑫光伏電力有限公司)	Deregistered
3	Wuzhong Taiyangshan Xinneng Photovoltaic Power Co., Ltd.* (太陽山鑫能光伏電力有限公司)	Deregistered
4	Wuzhong Hongsipu Xieneng Photovoltaic Power Co., Ltd.* (吳忠市紅寺堡區協能光伏電力有限公司)	Deregistered
5	Changdu GCL Photovoltaic Power Co., Ltd. (昌都市協鑫光伏電力有限公司)	Deregistered
6	Chaya GCL Photovoltaic Power Co., Ltd. (察雅協鑫光伏電力有限公司)	Deregistered
7	Shuozhou Xinneng Photovoltaic Power Co., Ltd.* (朔州鑫能光伏電力有限公司)	Deregistered

### III. MAJOR FINANCIAL INDICATORS IN THE LAST TWO YEARS AND THE LATEST PERIOD

#### (I) Major financial indicators on consolidation basis

**Table: Major financial indicators of the Issuer**

Major financial indicators	As of 30 September 2016	As of 31 December 2015	As of 31 December 2014
Current ratio <sup>1</sup>	0.70	0.61	0.19
Quick ratio <sup>2</sup>	0.70	0.61	0.19
gearing ratio <sup>3</sup>	77.32%	78.79%	81.68%

<sup>4</sup> The Issuer decided to deregister the above subsidiaries that were never put into operation since their establishment.

<b>Major financial indicators</b>	<b>For the period of nine months ended 30 September 2016</b>	<b>For the year ended 31 December 2015</b>	<b>For the year ended 31 December 2014</b>
Total assets turnover ratio (times) <sup>4</sup>	0.07 (annualized)	0.03	0.02
Accounts receivable turnover ratio (times) <sup>5</sup>	1.75 (annualized)	1.28	1.24

## **(II) Major financial indicators according to the parent's standards**

**Table: Major financial indicators according to the parent's standards**

<b>Major financial indicators</b>	<b>As of 30 September 2016</b>	<b>As of 31 December 2015</b>	<b>As of 31 December 2014</b>
Current ratio <sup>1</sup>	5.40	1.14	1.46
Quick ratio <sup>2</sup>	5.40	1.14	1.46
gearing ratio <sup>3</sup>	25.74%	39.82%	44.79%

*Notes:* The above indicators are calculated according to the following formulae:

1. Current ratio = Current assets/Current liabilities
2. Quick ratio = (Current assets – Inventory)/Current liabilities
3. gearing ratio = Total liabilities/Total assets
4. Total assets turnover ratio = Revenue/Total assets balance
5. Accounts receivable turnover ratio = Revenue/Accounts receivable balance

## **IV. MANAGEMENT DISCUSSION AND ANALYSIS**

The Management makes the following analysis on the Issuer's asset-liability structure, cash flow, solvency, asset turnover, profitability and future business sustainability based on its financial statements for the Last two years and the Latest period.

## (I) Analysis on consolidated financial statements

### 1. Asset structure

**Table: Balance of major assets**

*Unit: RMB0'000*

Assets	As of 30 September 2016		As of 31 December 2015		As of 31 December 2014	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
<b>CURRENT ASSETS:</b>						
Monetary funds	301,157.49	8.44%	183,461.05	7.82%	27,107.02	4.35%
Accounts receivable	192,668.04	5.40%	56,888.39	2.42%	9,936.42	1.59%
Other receivables	600,876.57	16.84%	478,761.86	20.40%	17,871.48	2.87%
<b>TOTAL CURRENT ASSETS:</b>	<b>1,117,262.08</b>	<b>31.30%</b>	<b>781,883.49</b>	<b>33.31%</b>	<b>70,475.56</b>	<b>11.31%</b>
<b>NON-CURRENT ASSETS:</b>						
Fixed assets	1,940,402.56	54.37%	936,914.31	39.91%	98,617.17	15.83%
Work in progress	301,332.43	8.44%	482,860.91	20.57%	409,396.54	65.71%
Other non-current assets	142,712.56	4.00%	121,237.55	5.16%	41,987.28	6.74%
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,451,734.43</b>	<b>68.70%</b>	<b>1,565,467.00</b>	<b>66.69%</b>	<b>552,579.55</b>	<b>88.69%</b>
<b>TOTAL ASSETS</b>	<b>3,568,996.51</b>	<b>100.00%</b>	<b>2,347,350.49</b>	<b>100.00%</b>	<b>623,055.11</b>	<b>100.00%</b>

In the recent two years ended 31 December 2014 and 2015 and the period ended 30 September 2016, the Issuer had run its business normally, with stably increased size of assets. As of 31 December 2014 and 2015, 30 September 2016, the Issuer recorded total assets of RMB6,230,551,100, RMB23,473,504,900 and RMB35,689,965,100 respectively, presenting a rising trend. The balance as of 31 December 2015 rose by RMB17,242,953,800 or 276.75% compared to that of 31 December 2014, mainly due to significant increase in other receivables, fixed assets and other non-current assets. The balance as of 30 September 2016 was RMB12,216,460,200 or 52.04% more than that as of 31 December 2015, mainly due to significant increase of accounts receivable, other receivables and fixed assets.

As of 31 December 2014, 2015 and 30 September 2016, the Issuer recorded current assets of RMB704,755,600, RMB7,818,834,900 and RMB11,172,620,800 respectively, accounting for 11.31%, 33.31% and 31.30% of the total assets respectively; the Issuer recorded non-current assets of RMB5,525,795,500, RMB15,654,670,000 and RMB24,517,344,300 respectively, accounting for 88.69%, 66.69% and 68.70% of the total assets respectively.

In assets structure, current assets mainly included other receivables and monetary funds, while non-current assets mainly included fixed assets and work in progress. Fixed assets account for the highest percentage of total assets. As of 30 September 2016, the above assets in aggregate accounted for 88.09% of total assets.

## 2. Analysis on major assets

### (1) Monetary funds

As of 31 December 2014, 2015 and 30 September 2016, the Issuer recorded monetary funds of RMB271,070,200, RMB1,834,610,500 and RMB3,011,574,900 respectively, accounting for 4.35%, 7.82% and 8.44% of the total assets respectively. The balance of monetary funds as of 31 December 2015 was RMB1,563,540,300 or 576.80% more than that as of 31 December 2014. The significant increase of monetary funds was mainly because the corresponding increase of power sales income, capital and financing amount due to significant growth of power plant projects. As of 30 September 2016, the balance of monetary funds was RMB1,176,964,400 or 64.15% more than that as of 31 December 2015, mainly due to unused long-term loan of RMB1 billion from Huaxia Bank in 2016.

Breakdown of monetary funds of the Issuer as of 31 December 2014, 2015 and 30 September 2016 are as follows:

**Table: Breakdown of monetary funds**

*Unit: RMB0'000*

<b>Item</b>	<b>As of 30 September 2016</b>	<b>As of 31 December 2015</b>	<b>As of 31 December 2014</b>
Cash	–	0.07	5.86
Bank deposit	<b>220,842.06</b>	135,989.60	27,101.16
Other monetary funds	<b>80,315.44</b>	47,471.39	–
<b>Total</b>	<b>301,157.49</b>	183,461.05	27,107.02

The Issuer's monetary funds are mainly bank deposits.

### (2) Accounts receivable

As of 31 December 2014, 2015 and 30 September 2016, the Issuer recorded net accounts receivable of RMB99,364,200, RMB568,883,900 and RMB1,926,680,400 respectively, accounting for 1.59%, 2.42% and 5.40% of total assets respectively. The ratio was small, but the balance of accounts receivable as of 31 December 2015 was 472.52% more than that as of 31 December 2014, and the balance of accounts receivable as of 30 September 2016 was 238.68% more than that as of 31 December 2015, obviously due to corresponding increase of accounts receivable from local power grid companies arising from the increased number of in-grid power plant projects and significant increase of tariff income.

The accounts receivable from provincial level power grid or local independent power grid companies are mainly accounts receivable recognized as the subsidy income from the Renewable Energy Development Fund of China to the Issuer due to on-grid power generation,



as described in “VII. Issuer’s Main Business” of “Section Five: Issuer’s Basic Information” in this Prospectus. Those accounts receivable shall be paid after the Issuer’s corresponding in-grid power plants were included in the “Additional Funding Subsidies Directory for Renewable Energy Sources Electricity Price.” Such payment needs a certain period, before which the Issuer’s accounts receivable from provincial level power grid or local independent power grid companies will increase with the further operation of Issuer’s power generation business, without delay in payment or arrears.

As at 30 September 2016, the ageing of accounts receivable concentrated on less than 2 years. As accounts receivable are mainly from large power grid companies with good credit standings, the Issuer deems it unnecessary to provide for bad debts reserve.

**Table: Ageing of account receivable of the Issuer as at the end of September 2016**

*Unit: RMB0’000*

<b>Ageing</b>	<b>Amount of account receivable</b>	<b>Percentage (%)</b>
Total for account receivable with ageing of within two years	192,668.04	100.00
<b>Total</b>	<b>192,668.04</b>	<b>100.00</b>

**Table: Account receivables of the Issuer as at the end of September 2016**

*Unit: RMB0’000*

<b>Category</b>	<b>Amount of account receivables</b>	<b>Percentage (%)</b>
National subsidies receivable	161,588.78	83.87
Basic tariff receivable	27,885.02	14.47
Provincial subsidies receivable	1,682.87	0.87
Municipal subsidies and grid-connection subsidies receivable	128.35	0.07
User tariff receivable	1,383.01	0.72
<b>Total</b>	<b>192,668.04</b>	<b>100.00</b>

**Table: Account receivables of the Issuer with ageing between one year as at the end of September 2016**

*Unit: RMB0'000*

<b>Category</b>	<b>Amount of account receivables</b>	<b>Percentage (%)</b>
National subsidies receivable	134,814.62	82.98
Basic tariff receivable	24,652.08	15.17
Provincial subsidies receivable	1,622.55	1.00
Municipal subsidies and grid-connection subsidies receivable	128.35	0.08
User tariff receivable	1,248.85	0.77
<b>Total</b>	<b>162,466.45</b>	<b>100.00</b>

**Table: Account receivables of the Issuer with ageing between one to two years as at the end of September 2016**

*Unit: RMB0'000*

<b>Category</b>	<b>Amount of account receivables</b>	<b>Percentage (%)</b>
National subsidies receivable	26,774.16	88.65
Basic tariff receivable	3,232.94	10.70
Provincial subsidies receivable	60.32	0.20
Municipal subsidies and grid-connection subsidies receivable	-	-
User tariff receivable	134.16	0.44
<b>Total</b>	<b>30,201.59</b>	<b>100.00</b>

**Table: Ageing of account receivables of the Issuer as at the end of 2015**

*Unit: RMB0'000*

<b>Ageing</b>	<b>Amount of Account receivable</b>	<b>Percentage (%)</b>
Total for account receivable with ageing of within one year	56,888.39	100.00
<b>total</b>	<b>56,888.39</b>	<b>100.00</b>

As at the end of 2015, the account receivables from Inner Mongolia Electric Power (Group) Co., Ltd. were RMB158,092,800. The percentage of total receivables was 27.79%. As of the end of September 2016, the account receivables from Inner Mongolia Electric Power (Group)

Co., Ltd. were RMB393,372,200. The percentage of total receivables was 24.21%. The company accounts receivable was relatively concentrated, so there was a certain degree of risks for the accounts receivable. The main reason is that the company's electricity generation in Inner Mongolia accounted for the highest proportion of provinces and cities

**Table: The five largest receivables of the Issuer as at the end of September 2016**

*Unit: RMB0'000*

<b>The five largest receivables of the Issuer as at the end of September 2016</b>				
<b>Name of company</b>	<b>Relationship with the Company</b>	<b>Amount</b>	<b>Term</b>	<b>Percentage of total other receivables (%)</b>
Inner Mongolia electric power (Group) Co., Ltd. (內蒙古電力(集團)有限責任公司)	Unrelated party	39,337.22	Within two years	24.21
State Grid Corporation Shanxi Power Co., Ltd (國網山西省電力公司)	Unrelated party	20,569.13	Within two years	12.66
State Grid Corporation Shaanxi Power Co., Ltd Yulin Electricity Supply Company* (國網陝西省電力公司榆林供電公司)	Unrelated party	17,252.72	Within two years	10.62
State Grid Corporation Ningxia Power Co., Ltd (國網寧夏電力公司)	Unrelated party	14,491.24	Within two years	8.92
State Grid Corporation Jiangsu Power Co., Ltd. Hui'an Electricity Supply Company* (國網江蘇省電力公司淮安供電公司)	Unrelated party	13,790.79	Within two years	8.49
<b>Total</b>		<b>105,441.10</b>		<b>64.90</b>

**Table: The five largest receivables of the Issuer as at the end of 2015***Unit: RMB0'000*

<b>Name of company</b>	<b>Relationship with the Company</b>	<b>Amount</b>	<b>Aging</b>	<b>Percentage of total other receivables (%)</b>
Inner Mongolia electric power (Group) Co., Ltd. (內蒙古電力(集團)有限責任公司)	Unrelated party	15,809.28	Within one year	27.79
State Grid Corporation Shanxi Power Co., Ltd (國網山西省電力公司)	Unrelated party	8,549.37	Within one year	14.87
Jiangsu Power Co., Ltd (江蘇省電力公司)	Unrelated party	7,410.30	Within one year	13.03
State Grid Corporation Qinghai Power Co., Ltd (國網青海省電力公司)	Unrelated party	4,915.14	Within two years	8.64
State Grid Corporation Ningxia Power Co., Ltd.* (國網寧夏電力公司)	Unrelated party	4,189.34	Within two years	7.36
<b>Total</b>		<b>40,783.42</b>		<b>71.69</b>

**(3) Advanced payment**

As of the end of 2014 and 2015 and as at the end of September 2016, the balance of the Company's advanced payment was RMB151,885,700, RMB568,356,100 and RMB33,906,000 respectively. Its percentage of total asset was 2.44%, 2.42% and 0.10%. Changes of percentage in 2014 and 2015 were not substantial. The percentage as at the end of September 2016 decreased significantly. In amount terms, the Company's advanced payment as at the end of 2015 increased by RMB416,470,300, or by 274.20%. And it was mainly due to the fact that the significant increase in number of the Company's power plant projects had led to substantial increase in advanced payment for equipment and project. The advanced payment as at the end of September 2016 was decreased by RMB534,450,100, or by 94.03%. And the reason for the decrease was that the Issuer reclassified a large amount of other receivables into advanced payment as at the end of 2015.

**Table: Ageing analysis of advanced payments of the Issuer as at the end of September 2016***Unit: RMB0'000*

<b>Ageing</b>	<b>Advanced payment</b>	<b>Percentage (%)</b>
Within 30 days	1,266.45	37.35%
31 – 60 days	184.12	5.43%
61 – 90 days	65.38	1.93%
91 – 120 days	184.14	5.43%
121 – 180 days	98.63	2.91%
181 – 365 days	38.82	1.14%
One to two years	1,553.06	45.80%
<b>Total</b>	<b>3,390.60</b>	<b>100.00%</b>

As at the end of September 2016, the ageing of the Issuer's advanced payment was concentrated in less than 2 years, with relatively shorter ageing.

**Table: Ageing analysis of advanced payments of the Issuer as at the end of 2015***Unit: RMB0'000*

<b>Ageing</b>	<b>Advanced payment</b>	<b>Percentage (%)</b>
Subtotal with ageing within one year	55,632.61	97.88
One to two years	1,170.21	2.06
Two to three years	–	–
Over three years	32.79	0.06
<b>Total</b>	<b>56,835.61</b>	<b>100.00</b>

**Table: The five largest advanced payment of the Issuer as at the end of September 2016***Unit: RMB0'000*

<b>Name of company</b>	<b>Relationship with the Company</b>	<b>Amount</b>	<b>Term</b>	<b>Percentage of total other receivables (%)</b>
Qinghai Development and Investment Co., LTD (青海省發展投資有限公司)	Unrelated party	1,500.00	One to two years	44.24
ICBC Co.,Ltd. Macheng Sub-branch (中國工商銀行股份有限公司麻城支行)	Unrelated party	1,000.00	Within 30 days	29.49
Pingdingshan Huachen Power Group Co., Ltd.* (平頂山華辰電力集團有限公司)	Unrelated party	100.00	91 to 120 days	2.95
(Gaotang County Bureau of Finance Liulishi Taxation Branch Bureau (高唐縣財政局琉璃寺財稅分局))	Unrelated party	61.70	Within one year	1.82
Qixian County Xincheng Planting Co., Ltd. (淇縣信成種植有限公司)	Unrelated party	56.00	31 to 60 days	1.65
<b>Total</b>		<b>2,717.70</b>		<b>80.15</b>

As at the end of September 2016, the percentage of the five largest companies of advanced payment of the Issuer was 80.15%.

**Table: The five largest advanced payment of the Issuer as of the end of 2015***Unit: RMB0'000*

<b>Name of company</b>	<b>Relationship with the Company</b>	<b>Amount</b>	<b>Term</b>	<b>Percentage of total other receivables (%)</b>
Nanjing GCL New Energy Development Co., Ltd. (南京協鑫新能源發展有限公司)	Parent	15,830.93	Within one year	27.85
Xi'an Huanghe Photovoltaic Technology Co., Ltd. (西安黃河光伏科技股份有限公司)	Unrelated party	11,481.48	Within one year	20.20
China Machinery International Engineering Design & Research Institute Co., Ltd. (中機國際工程設計研究院有限責任公司)	Unrelated party	4,909.97	Within one year	8.64
China Nuclear Industry 23 Construction CO., Ltd. (中核二三(南京)能源發展有限公司)	Unrelated party	3,958.31	Within one year	6.96
Ningxia Zhong Xin Power Construction Co., Ltd. (寧夏中新電力建設有限公司)	Unrelated party	1,794.03	Within one year	3.16
<b>Total</b>		<b>37,974.72</b>		<b>66.81</b>

As at the end of 2015, the percentage of the five largest companies of advanced payment of the Issuer was 66.81%.

(4) *Other receivables*

As at the end of 2014 and 2015 and as at the end of September 2016, the Company's other account receivable was RMB178,714,800, RMB4,787,618,600 and RMB6,008,765,700 respectively, accounting for 2.87%, 20.40% and 16.84% of the total assets. The other account receivable of the Issuer as at the end of 2015 increased by RMB4,608,903,800, or by 2,578.92%, compared to that as at the end of 2014. The other account receivable of the Issuer as at the end of September 2016 increased by RMB1,221,147,100, or by 25.51%, compared to that as at the end of 2015. The percentage and amounts of other account receivable in the last two years all increased significantly and it was mainly because that the Company's power plant projects and the subsidiaries' external business increased substantially. Funds with the controlling shareholder Nanjing GCL also increased rapidly accordingly; meanwhile, the margin deposit paid by the Company for its financial leasing business and other business also increased substantially.

**Table: Ageing of other account receivables of the Issuer as at the end of September 2016**

*Unit: RMB0'000*

Ageing	As at 30 September 2016		
	Carrying amount		Provision for bad account
	Amount	Percentage (%)	
Within two years	600,876.57	100.00	—
<b>Total</b>	<b>600,876.57</b>	<b>100.00</b>	<b>—</b>

**Table: Ageing of other account receivables of the Issuer as at the end of 2015**

*Unit: RMB0'000*

Ageing	As at 31 December 2015		
	Carrying amount		Provision for bad account
	Amount	Percentage (%)	
Within one years	474,120.34	99.03	—
One to two years	4,356.76	0.91	—
Two to three years	284.73	0.06	—
Three to four years	0.03	—	—
<b>Total</b>	<b>478,761.86</b>	<b>100.00</b>	<b>—</b>

As at end of September 2016, the ageing of the issuer's other receivables aging were concentrated in less than 2 years, with relatively shorter ageing.

As at the end of September 2016, the five largest other account receivables of the Issuer totaled RMB4,694,920,900, and its percentage of total other account receivable was 78.13%.

**Table: Five largest other receivables of the Issuer as of the end of September 2016**

*Unit: RMB0'000*

<b>Name of company</b>	<b>Relationship with the Company</b>	<b>Amount</b>	<b>Term</b>	<b>Percentage of total other receivables (%)</b>
Nanjing GCL New Energy Development Co., Ltd. (南京協鑫新能源發展有限公司)	Parent	443,382.19	Within two years	73.79
Baoding Lightway Green Energy Technology Company Limited* (保定光為綠色能源科技有限公司)	Unrelated party	7,094.47	Within two years	1.18
Leading Group Office of Photovoltaic Power Base Project in Ruicheng County Pilot Demonstration Zone of National Eco-civilization* (芮城縣國家生態文明先行示範區光伏基地項目領導組辦公室)	Unrelated party	6,794.10	Within two years	1.13
Xinxin Finance Leasing Company Limited* (芯鑫融資租賃有限責任公司)	Unrelated party	6,140.33	Within two years	1.02
Huaneng Guicheng Trustee Limited* (華能貴誠信託有限公司)	Unrelated party	6,081.00	Within two years	1.01
<b>Total</b>		<b>469,492.09</b>		<b>78.13</b>



**Table: Five largest other receivables of the Issuer as of the end of 2015***Unit: RMB0'000*

<b>Name of company</b>	<b>Relationship with the Company</b>	<b>Amount</b>	<b>Term</b>	<b>Percentage of total other receivables (%)</b>
Nanjing GCL New Energy Development Co., Ltd. (南京協鑫新能源發展有限公司)	Parent	434,775.68	Within one year	90.81
JIC Leasing Co., Ltd. (中建投租賃有限責任公司)	Unrelated party	5,606.00	Within one year	1.17
Jiangsu Zhenghui PV Power Company Limited (江蘇正輝太陽能電力有限公司)	Unrelated party	4,906.15	Within one year	1.02
Shanghai Dazhong Financial Leasing Co.,Ltd. (上海大眾融資租賃有限公司)	Unrelated party	3,813.60	Within one year	0.80
CGNPC International Financial Leasing Co., Ltd. (CGNIFL) (中廣核國際融資租賃有限公司)	Unrelated party	3,000.00	Within one year	0.63
<b>Total</b>		<b>452,101.43</b>		<b>94.43</b>

As of the end of September 2016, the balance of account receivables between the Issuer and its controlling shareholder Nanjing GCL was RMB4,433,821,900. And the percentage of all other account receivable is 73.79%, and it is mainly because the volume of trading and current funds between the controlling shareholder and the company and the company's subsidiaries had been not significant. For details, please refer to the following table.

**Table: Other major receivables of the Issuer as of the end of September 2016**

*Unit: RMB0'000*

No.	Name of company	Operating	Non-operating	Reasons and repayment schedule for the receivables
1	Nanjing GCL New Energy Development Co., Ltd. (南京協鑫新能源發展有限公司)	330,337.09	113,045.10	<p>The other operating receivables between the Company and Nanjing GCL represent the payment for the purchase price when the subsidiary made equipment procurement to Nanjing GCL for which the relevant invoice has not yet been issued by Nanjing GCL. Thus the amount is accounted for as other payables at the subsidiary level, but it is transferred to other receivables in the combined audit report. Such other operating receivables do not represent actual account receivables, and shall be transferred to projects under construction upon receipt of the invoice of equipment price from Nanjing GCL.</p> <p>Upon receipt of the proceeds from external financing for the construction of the relevant power plant of the project company under Sunzhou GCL* (蘇州協鑫), and given that the external financing actually received exceeds the investment amount currently required for the project, the project company under Sunzhou GCL* (蘇州協鑫) has lent the temporarily surplus funds to Nanjing GCL for use within the Group, with an aim to optimize fund allocation and improve fund utilization efficiency. Nanjing GCL shall repay the portion of the borrowings to satisfy the actual capital requirements of the project company under Suzhou GCL* (蘇州協鑫) according to its investment progress. The interests on the borrowings shall be determined based on the comprehensive finance costs incurred by the Issuer.</p>

No.	Name of company	Operating	Non-operating	Reasons and repayment schedule for the receivables
2	Green Energy Technology Company Limited* (保定光為綠色能源科技有限公司)	7,094.47	–	The other operating receivables between the Company and Baoding Lightway Green Energy Technology Company Limited* (保定光為綠色能源科技有限公司) represent the payment for purchase price under the equipment purchase contract entered into between a subsidiary of the company and Baoding Lightway Green Energy Technology Company Limited* (保定光為綠色能源科技有限公司), for which the relevant invoice has not yet been issued by Baoding Lightway Green Energy Technology Company Limited* (保定光為綠色能源科技有限公司). Thus the amount is accounted for as other payables at the subsidiary level, but it is transferred to other receivables in the combined audit report. Such other operating receivables do not represent actual account receivables, and shall be transferred to projects under construction upon receipt of the invoice from Baoding Lightway Green Energy Technology Company Limited* (保定光為綠色能源科技有限公司).
3	Leading Group Office of Photovoltaic Power Base Project in Ruicheng County Pilot Demonstration Zone of National Eco-civilization* (芮城縣國家生態文明先行示範區光伏基地項目領導組辦公室)	6,794.10	–	The Company won the bid for the leading 100MW photovoltaic power base project in Ruicheng County, Shanxi Province, for which the public facility construction fees and forestry and ecological restoration security deposits have been paid while the relevant invoices have not yet been issued by Leading Group Office of Photovoltaic Power Base Project in Ruicheng County Pilot Demonstration Zone of National Eco-civilization* (芮城縣國家生態文明先行示範區光伏基地項目領導組辦公室). Such other operating receivables do not represent actual account receivables, and shall be transferred to projects under construction upon receipt of the invoices from the Leading Group Office of Photovoltaic Power Base Project in Ruicheng County Pilot Demonstration Zone of National Eco-civilization* (芮城縣國家生態文明先行示範區光伏基地項目領導組辦公室).

No.	Name of company	Operating	Non-operating	Reasons and repayment schedule for the receivables
4	Xinxin Finance Leasing Company Limited.* (芯鑫融資租賃有限責任公司)	6,140.33	–	The Company entered into a finance lease contract with Xinxin Finance Leasing Company Limited* (芯鑫融資租賃有限責任公司), pursuant to which the deposit paid by the company for the finance lease business shall be refunded after offsetting the last installment of long-term payables under the finance lease.
5	Huaneng Guicheng Trustee Limited* (華能貴誠信託有限公司)	6,081.00	–	The other operating receivables between the company and Huaneng Guicheng Trustee Limited* (華能貴誠信託有限公司) represent the interests paid for the inter-company borrowings, for which the relevant invoice has not yet been issued by Huaneng Guicheng Trustee Limited* (華能貴誠信託有限公司). These other operating receivables do not represent actual account receivables, and shall be used to offsetting against the current account payments upon receipt of the relevant invoice from Huaneng Guicheng Trustee Limited* (華能貴誠信託有限公司).
Total		356,446.99	113,045.10	

**Table: Other major receivables of the Issuer as of the end of 2015**

*Unit: RMB0'000*

No.	Name of company	Operating	Non-operating	Reasons and repayment schedule for the receivables
1	Nanjing GCL New Energy Development Co., Ltd. (南京協鑫新能源發展有限公司)	206,974.27	227,801.40	<p>The other operating receivables between the Company and Nanjing GCL consists of the payment for purchase price for the equipment made by the subsidiary from Nanjing GCL, for which the relevant invoice has not yet been issued by Nanjing GCL. Thus the amount is accounted for as other payables at the subsidiary level, but it is transferred to other receivables in the combined audit report. Such other operating receivables do not represent actual account receivables, which shall be transferred to projects under construction upon receipt of the invoice of equipment price from Nanjing GCL.</p> <p>Upon receipt of the proceeds from external financing for the construction of the relevant power plant of the project company under Sunzhou GCL*(蘇州協鑫), and given that the external financing actually received exceeds the investment amount currently required for the project, the project company under Sunzhou GCL*(蘇州協鑫) has lent the temporarily idling funds to Nanjing GCL for use within the Group, with an aim to optimize fund allocation and improve fund utilization efficiency. Nanjing GCL shall repay the portion of the borrowings to satisfy the actual capital requirements of the project company under Suzhou GCL*(蘇州協鑫) according to its investment progress. The interests on the borrowings shall be determined based on the comprehensive financing costs incurred by the Issuer.</p>
2	JIC Leasing Co., Ltd. (中建投租賃有限公司)	-	5,606.00	The deposit paid by the Company for the financial lease business shall be refunded after offsetting the last installment of long-term payables under the finance lease.

No.	Name of company	Operating	Non-operating	Reasons and repayment schedule for the receivables
3	Jiangsu Zhenghui PV Power Company Limited (江蘇正輝太陽能電力有限公司)	4,906.15	–	The other operating receivables between the Company and Jiangsu Zhenghui PV Power Company Limited* (江蘇正輝太陽能電力有限公司) represent the payment of construction price under the construction contract entered into between a subsidiary of the Company and Jiangsu Zhenghui PV Power Company Limited* (江蘇正輝太陽能電力有限公司), for which the relevant invoice has not yet been issued by Jiangsu Zhenghui PV Power Company Limited* (江蘇正輝太陽能電力有限公司). Thus the amount is accounted for as other payables at the subsidiary level, but it is transferred to other receivables in the combined audit report. Such other operating receivables do not represent actual account receivables, and shall be transferred to projects under construction upon receipt of the invoice from Jiangsu Zhenghui PV Power Company Limited* (江蘇正輝太陽能電力有限公司).
4	Shanghai Dazhong Financial Leasing Co.,Ltd. (上海大眾融資租賃有限公司)	–	3,813.60	The deposit paid for the finance lease business shall be refunded after offsetting the last installment of long-term payables under the finance lease.
5	CGNPC International Financial Leasing Co., Ltd. (CGNIFL) (中廣核國際融資租賃有限公司)	–	3,000.00	The deposit paid for the finance lease business shall be refunded after offsetting the last installment of long-term payables under the finance lease.
<b>Total</b>		<b>211,880.43</b>	<b>240,221.00</b>	

Each of the funds offered by the Issuer to the controlling shareholder, Nanjing GCL New Energy Development Ltd., has an agreed specific repayment time. In the corresponding repayment time, Nanjing GCL had returned the related payments in full on schedule.

According to the requirements of *Enterprise Standards for Fund-Using Management System* of GCL New Energy Holding Limited applicable to the Issuer, in case of insufficiency for the construction and operation of the subordinated companies necessitating borrowing from the issuer, such borrowing shall be executed by filing the application form for fund transfer as required by the Group, and the form shall include causes for fund transfer, fund destination company and its bank information, fund source company and its bank information, the related materials and proposed return date and so on. In principle, the internal members of the Group

shall not borrow from non-related third party. In case of special conditions, such borrowings, may proceed with approval from the Board of Directors. Borrowing rates within the sector shall be decided upon approval by the Vice President in charge of finance matters. During the period from January to September in 2015 and 2016, the issuer incurred money lending included in the other receivables from the controlling shareholder, Nanjing GCL New Energy Development Co., Ltd., of RMB2,278,014,000 and RMB1,130,451,000 respectively. Meanwhile, in the above periods, the issuer incurred money lending under the other receivables from the controlling shareholder, Nanjing GCL New Energy Development Co., Ltd., of RMB4,412,153,700 and RMB5,271,343,900 respectively. The above fund lending all are performed after related internal decision-making procedures according to the requirements of *Enterprise Standards for Fund-Using Management System* of GCL New Energy Holding Limited.

During the survival period of this bond, it does not rule out the emergence of new fund lending or non-operating transaction exchange. In case of the above conditions, the issuer is committed to approve on a case-for-case basis and undergo strict management according to the decision-making procedures required by *Enterprise Standards for Fund-Using Management System* of GCL New Energy Holding Limited, and report timely the issue to the bond trustee manager in case the single amounts exceeds 5% of the total assets of the Company in the same period and annual accrued amounts exceed 40% of the total assets, and entrust the bond trustee manager to uniformly disclose such matters in management annual report of the trustee every year.

The issuer pledges that the funds raised by this bond shall not be used in non-operating exchange or fund lending matters.

(5) *Fixed assets*

The fixed assets of the issuer are mainly comprised of buildings and structure, special equipment, transport vehicles and general-purpose equipment. As of the end of 2014, 2015 and September 2016, the closing net values of the company's fixed assets are RMB986,171,700, RMB9,369,143,100 and RMB19,404,025,600 respectively, accounting for 15.83%, 39.91% and 54.37% of the total assets respectively.

Compared to 2014, the fixed assets of the Company increased by RMB8,382,971,400 at the end of 2015, representing a year-on-year increase of 850.05%; at the end of September 2016, the fixed assets of the Company increased by RMB10,034,882,500 in contrast with the end of 2015, representing a year-on-year increase of 107.11%. The changes in the Last two years and the Latest period are mainly attributable to large-scale inauguration of grid power plant project and transfer of the corresponding projects under construction into fixed assets in the first half of 2015 and 2016.

Breakdown of fixed assets of the Company in the Last two years and the Latest period is as follows:

**Table: Breakdown of fixed assets of the issuer in the Last two years and the Latest period**

*Unit: RMB0'000*

<b>Items</b>	<b>As of 30 September 2016</b>	<b>As of 31 December 2015</b>	<b>As of 31 December 2014</b>
Buildings and structure	68,193.75	43,607.01	1,967.53
Special equipment	1,867,301.33	891,044.25	96,069.77
Transportation vehicles	2,014.00	1,592.27	477.98
General purpose equipment	2,893.48	670.77	101.89
<b>Total</b>	<b>1,940,402.56</b>	<b>936,914.31</b>	<b>98,617.17</b>

(6) *Projects under construction*

As of the end of 2014, 2015 and September 2016, the net amount of the Projects under construction of the Company is RMB4,093,965,400, RMB4,828,609,100 and RMB3,013,324,300, accounting for 65.71%, 20.57% and 8.44% of the total assets respectively. The carrying amount of the projects under construction at the end of 2015 increased by RMB734,643,700 or 17.94% compared to that at the end of 2014, the carrying amount of the construction in progress at the end of September of 2016 decreased by RMB1,815,284,800, or by 37.59% compared to that at the end of 2015. The Issuer's projects under construction are all photovoltaic power plants. The balance changes in projects under construction for the Last two years and the Latest period are in line with completion progress of the subsidiaries' photovoltaic power plant. Please refer to Section V "Basic Information of the Issuer" in this Prospectus for the details of the major projects of construction in progress.



### 3. Analysis for the liabilities structure

**Table: Balance sheet for major liability items of the Issuer in the Last two years and the Latest period**

*Unit: RMB0'000*

Liabilities	As of 30 September 2016		As of 31 December 2015		As of 31 December 2014	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
<b>Current liabilities:</b>						
Bills payable	146,312.98	5.30%	293,613.28	15.88%	–	–
Account payable	19,109.14	0.69%	42.21	0.00%	13,710.84	2.69%
Interest payable	30,783.96	1.12%	6,970.11	0.38%	285.88	0.06%
Dividends payable	–		–	–	927.95	0.18%
Other payables	1,149,689.50	41.66%	852,456.23	46.09%	353,503.64	69.46%
Non-current liabilities due within one year	241,446.70	8.75%	119,451.46	6.46%	3,500.00	0.69%
<b>Total current liabilities</b>	<b>1,592,175.14</b>	<b>57.70%</b>	<b>1,278,773.30</b>	<b>69.14%</b>	<b>374,488.57</b>	<b>73.59%</b>
<b>Non-current liabilities:</b>						
Long-term borrowings	600,846.69	21.77%	414,620.00	22.42%	83,800.00	16.47%
Long-term payables	566,610.86	20.53%	156,039.82	8.44%	50,611.30	9.95%
<b>Total non-liabilities</b>	<b>1,167,457.55</b>	<b>42.30%</b>	<b>570,659.82</b>	<b>30.86%</b>	<b>134,411.30</b>	<b>26.41%</b>
<b>Total current liabilities</b>	<b>2,759,632.69</b>	<b>100.00%</b>	<b>1,849,433.12</b>	<b>100.00%</b>	<b>508,899.88</b>	<b>100.00%</b>

As of the end of 2014, 2015 and September 2016, the aggregated liabilities of the issuer were RMB5,088,998,800, RMB18,494,331,200 and RMB27,596,326,900. As of the end of September of 2016, the Issuer's liabilities were mainly comprised of other payables, long-term borrowings and bills payables. Among which, other payables account for 41.66% of the total, long-term borrowings account for 21.77% of total liabilities, long-term payables account for 20.53% and bills payable 5.30%. The aggregated percentage of the four items accounted for 89.26% of the total liabilities.

From the perspective of liabilities structure, as of the end of 2014, 2015 and September of 2016, the liabilities were mainly current liabilities. Over these periods, the percentage of current liabilities over total liabilities was 73.59%, 69.14% and 57.70% respectively. The substantially increased amount despite the downward trend was attributable to significant increase in power plant projects of the Company which in turn led to the corresponding rise in operating liabilities and short-term financing.

As of the end of 2014, 2015 and September 2016, the Company's gearing rates were 81.68%, 78.79% and 77.32% respectively, and the gearing ratio year-by-year decrease indicated that the management had stepped up the capital management and thus the asset structure had been increasingly optimized.

#### **4. Analysis of major liabilities**

##### **(1) Bills payable**

As of the end of 2014, 2015 and September 2016, the balance of bill payables of the Company is RMB0, RMB2,936,132,800 and RMB1,463,129,800 respectively and the percentage over the total liabilities was 0.00%, 15.88% and 5.30% respectively. Compared to the end of 2014, the bills payable balance incurred from scratch, rose to RMB2,936,132,800 at the end of 2015, because of increased bill settlement business increased gradually since the establishment of the Company in 2014. Compared to the end of 2015, the balance of bills payable decreased by RMB1,473,003,000, or by 50.17% at the end of September 2016, mainly attributable to the difference in the progress of bill disbursement.

##### **(2) Account payables**

As of the end of 2014, 2015 and September 2016, the balance of account payables of the Company was RMB137,108,400, RMB422,100 and RMB191,091,400 respectively and the percentage over total liabilities was 2.69%, insignificant and 0.69% respectively. It is mainly attributable to the fact that the payment for the power plants and projects were reclassified as other payables from account payable and which caused the substantial decrease of the balance of account payables. As at the end of September of 2016 compared to the end of 2015, the balance of account payables increased by RMB190,669,400. The reason was that the issuer continuously acquired new subsidiaries from January through September of 2016 and the payables for power plant equipment and projects of such subsidiaries were consolidated into account payables of the issuer.

##### **(3) Other payables**

As of the end of 2014, 2015 and September 2016, the balance of other payables of the Company was RMB3,535,036,400, RMB8,524,562,300 and RMB11,496,895,000 respectively and the percentage over total liabilities was 69.46%, 46.09% and 41.66% respectively. Compared to the end of 2014, the balance of other payables increased by RMB4,989,525,900, or by 141.14% at the end of 2015. It was mainly attributable to the fact that the Issuer confirmed that the equipment project price for payment for the construction of power plant is not the expenses directly related to operational activities and the payment for power plant equipment and for projects in 2015 is reclassified as other payables from account payables and simultaneously, the continuous expansion in the construction of subsidiaries' Photovoltaic Power Plant also made other payables increased significantly. At the end of September 2016 compared to the end of

2015, the balance of other payables increased by RMB2,972,332,700, or by 34.87%. It is mainly attributable to the fact that expansion in construction of Photovoltaic Power Plant had led to the corresponding increase in the payment of equipment and projects.

The breakdown of other payables is as follows:

**Table: Breakdown of other payables of the issuer for the last two years**

*Unit: RMB0'000*

<b>Items</b>	<b>As of 30 September 2016</b>	<b>As of 31 December 2015</b>	<b>As of 31 December 2014</b>
Projects fees	496,184.05	329,937.27	152,406.37
Equipment fees	292,664.93	159,206.56	161,605.53
Inter-company current account payments	355,095.80	360,652.62	39,094.33
Security deposits	438.39	1,496.44	152.73
Other	4,444.18	592.69	144.56
Lease premiums for land	217.58	300.18	79.09
Individual current account payments	127.33	211.89	7.42
Others	517.24	58.57	13.62
<b>Total</b>	<b>1,149,689.50</b>	<b>852,456.23</b>	<b>353,503.64</b>

## Five largest payables of the Issuer as of the end of September 2016

*Unit: RMB0'000*

Name of company	Relationship with the Issuer	Amount	Term	Nature	Percentage of total other payables (%)
Nanjing GCL New Energy Development Co., Ltd. (南京協鑫新能源發展有限公司)	Parent	410,465.15	Within two years	Equipment fees, current account payments	35.70
Jiali (Tianjin) Asset Management Enterprise (Limited Partnership)* (嘉立(天津)資產管理合夥企業(有限合夥))	The Company being one of its limited partner	119,507.68	Within one year	Inter-company borrowings	10.39
Shanghai Electric Power Construction Co., Ltd.* (上海電力建設有限責任公司)	Unrelated party	75,887.24	Within two years	Project fees	6.60
Zhongli Photovoltaic Science and Technology Group Co., Ltd.* (中利騰暉光伏科技有限公司)	Unrelated party	56,244.32	Within one year	Project fees	4.89
Nanjing CNI Energy Engineering Company Limited* (南京中核能源工程有限公司)	Unrelated party	55,375.07	Within two years	Project fees	4.82
<b>Total</b>		<b>717,479.46</b>			<b>62.40</b>

**Table: Five largest other payables of the Issuer as of the end of 2015***Unit: RMB0'000*

<b>Name of company</b>	<b>Relationship with the Issuer</b>	<b>Amount</b>	<b>Term</b>	<b>Nature</b>	<b>Percentage of total other payables (%)</b>
Jiali (Tianjin) Asset Management Enterprise (Limited Partnership)* (嘉立(天津)資產管理合夥企業(有限合夥))	The Company being one of its limited partner	100,000.00	Within one year	Inter-company borrowings	11.73
Nanjing GCL New Energy Development Co., Ltd. (南京協鑫新能源發展有限公司)	Parent	367,266.03	Within one year	Equipment fees, lending payments	43.08
Shanghai Electric Power Construction Co., Ltd.* (上海電力建設有限責任公司)	Unrelated party	64,314.99	Within one year	Project fees	7.54
Wuhan Rixin Technology Co., Ltd.	Unrelated party	34,982.83	Within one year	Project fees	4.10
Zhongli Photovoltaic Science and Technology Group Co., Ltd.* (中利騰暉光伏科技有限公司)	Unrelated party	33,272.91	Within one year	Project fees	3.90
<b>Total</b>		<b>599,836.76</b>			<b>70.35</b>

The breakdown of major other payables of the Issuer with ageing of more than one year is as follows:

**Table: Major other payables of the Issuer with ageing more than one year as at the end of September 2016**

*Unit: RMB0'000*

<b>Item</b>	<b>Amount</b>	<b>Reasons for being outstanding or not carried forward</b>
Nanjing GCL New Energy Development Co., Ltd. (南京協鑫新能源發展有限公司)	31,071.60	Not settled with the counterparty
Jiangsu Yuefa Construction Engineering Co., Ltd.* (江蘇躍發建設工程有限公司)	1,195.72	Not settled with the counterparty
Shunfeng Photovoltaic Investment. (China) Co., Ltd* (順風光電投資(中國)有限公司)	1,112.47	Not settled with the counterparty
China Energy Engineering Group Jiangsu No.1 Electric Power Construction Engineering Co., Ltd.* (中國能源建設集團江蘇省電力建設第一工程有限公司)	762.63	Not settled with the counterparty
<b>Total</b>	<b>34,142.42</b>	

**Table: Major other payables of the Issuer with ageing more than one year as of the end of 2015**

*Unit: RMB0'000*

<b>Item</b>	<b>Amount</b>	<b>Reasons for being outstanding or not carried forward</b>
Zhongli Photovoltaic Science And Technology Group Co., Ltd.* (中利騰暉光伏科技有限公司)	33,272.91	Not settled with the counterparty
Hubei Zhuiji Electric Co., Ltd. (湖北追日電氣股份有限公司)	14,713.16	Not settled with the counterparty
Nanjing Gcl New Energy Development Co., Ltd. (南京協鑫新能源發展有限公司)	3,300.58	Not settled with the counterparty
Jiao Suxiu (焦素秀)	83.50	Not settled with the counterparty
Guodian Nanjing Automation Co., Ltd. (國電南京自動化股份有限公司)	65.30	Not settled with the counterparty
Shanghai CHINT Power Supply System Co., Ltd. (上海正泰電源系統有限公司)	44.10	Not settled with the counterparty

<b>Item</b>	<b>Amount</b>	<b>Reasons for being outstanding or not carried forward</b>
Rongxin Power Electronic Co., Ltd. (榮信電力電子有限公司)	17.40	Not settled with the counterparty
Chuan Kai Electric Co.,Ltd., (川開電氣股份有限公司)	15.80	Not settled with the counterparty
Shanghai Huatong Technology (Group) Co., Ltd.) (上海華通電氣科技發展(集團)有限公司)	12.45	Not settled with the counterparty
Xj Electric Co., Ltd. (許繼電氣股份有限公司)	10.26	Not settled with the counterparty
<b>Total</b>	<b>51,535.45</b>	

(4) *Long-term borrowings*

As of the end of 2014, 2015 and September 2016, the balance of long-term borrowings of the Company was RMB838,000,000, RMB4,146,200,000 and RMB6,008,466,900 respectively, accounting for 16.47%, 22.42% and 21.77% of total liabilities respectively. As of the end of 2015, the balance of long-term borrowings increased by RMB3,308,200,000, or by 394.77% compared to that of 2014. As of the end of September 2016, the Company's long-term borrowings increased by RMB1,862,266,900, or by 44.92% compared to that of 2015. The significant increases in the past two periods was mainly attributable to the substantial increase in payment of finance leasing payable and trust loans.

(5) *Long-term payables*

As of the end of 2014, 2015 and September 2016, the balance of long-term payables of the Company was RMB506,113,000, RMB1,560,398,200 and RMB5,666,108,600 respectively, accounting for 9.95%, 8.44% and 20.53% of total liabilities. As at the end of 2015 compared to that of 2014, the balance of long-term payables increased by RMB1,054,285,200, or by 208.31%; as at the end of September 2016 compared to end of 2015, the Company's long-term payables increased by RMB4,105,710,500, or by 263.12%. The substantial increase in the long-term payables of the Last two years and the Latest period was mainly attributable to the Company's business development and construction of photovoltaic power plants.

### 3. Analysis for cashflows

**Table: The Issuer's cashflows in the Last two years and the Latest period**

*Unit: RMB0'000*

<b>Item</b>	<b>For the nine months ended September 2016</b>	<b>2015</b>	<b>2014</b>
Net Cash flows generated from operating activities	36,867.06	9,923.24	16,224.17
Net Cash flows generated from investing activities	(523,393.90)	(705,481.17)	(112,404.97)
Net Cash flows generated from financing activities	547,120.76	809,645.15	123,287.82
Net increase in cash and cash equivalents	60,530.07	114,087.22	27,107.02

#### *(1) Analysis for cash flows generated from operating activities*

In 2014, 2015 and for the nine months ended September 2016, the net cash flows generated from the Issuer's operating activities was RMB162,241,700, RMB99,232,400 and RMB368,670,600, all were inflows, indicating that the operation conditions of the Issuer were favorable and the sales collection was relatively timely. The net cashflows in operating activities in 2015 is decreased by RMB6,300.93 compared to that of 2014, or by 38.84%. It was mainly due to the fact that the government subsidiaries for the construction of power plants in 2015 had not been paid.

#### *(2) Analysis for cash flows generated from investing activities*

In 2014, 2015 and for the nine months ended September 2016, the net cash flows generated from the Issuer's investing activities was RMB (1,124,049,700), RMB (7,054,811,700) and RMB (5,233,939,000), all were outflows indicating that the scale of outflowing was relatively higher. It was mainly due to the fact that the Issuer was in its infancy, with huge demand for investment in the newly-established power plants of subsidiaries. Thus, outflows from the cash paid for purchasing fixed assets, intangible assets and other long-term assets were relatively bigger.

The cash outflows from investing activities in 2015 increased by RMB5,930,762,000, or by 527.62%. It was mainly due to the increase in the Issuer's cash paid for purchasing fixed assets, intangible assets and other long-term assets together with the increase in the investing scales for project construction.



(3) *Analysis for cash flows generated from financing activities*

In 2014, 2015 and for the nine months ended September 2016, the net cash flows generated from the Issuer's financing activities was RMB1,232,878,200, RMB8,096,451,500 and RMB5,471,207,600. The situation of significant net cash inflows was maintained and the debt financing amount for various years was relatively higher. In 2015, the net cashflows from financing activities is increased by RMB6,863,573,300 compared to that of 2014, or by 556.71%. It is mainly due to the fact that the construction of photovoltaic power plants in 2015 was fully carried out and in turn the debt finance increased accordingly.

4. *Solvency analysis*

(1) *Major solvency indicators*

**Table: Major solvency targets of the Issuer in the Last two years and the Latest period**

<b>Item</b>	<b>As of 30 September 2016</b>	<b>As of 31 December 2015</b>	<b>As of 31 December 2014</b>
Gearing ratio	77.32%	78.79%	81.68%
Current ratio	0.70	0.61	0.19
Quick ratio	0.70	0.61	0.19
Interest coverage ratio	2.53	2.85	31.69

*Note:* interest coverage ratio = (total profit + interest expense)/interest expense, among which, interest expense=interest expenses included in the finance cost- interest income included in finance cost.

(2) *Gearing ratio*

As of the end of 2014, 2015 and September 2016, the Issuer's gearing ratio was 81.68%, 78.79% and 77.32% respectively and presenting a downside trend year by year and indicating that the management stepped up the management on the asset structure.

(3) *Current ratio and quick ratio*

As of the end of 2014, 2015 and September 2016, the Issuer's current ratios were 0.19, 0.61 and 0.70 and quick ratios were 0.19, 0.61 and 0.70, presenting a trend of rapid improvement. Overall, the Company's short-term solvency had continued to improve.

(4) *Interest coverage ratio*

In 2014, 2015 and for the nine months ended September 2016, the Issuer's interest coverage ratio was 31.69, 2.85 and 2.53 and the downside trend is substantial but still in a controllable range.

Overall, the Issuer possessed stronger profitability and its liquidity was at a better level and the interest coverage ratio was in a controllable level and thus the overall solvency was relatively better. The Issuer established a standardized legal entity governance structure in accordance with the requirements under Modern Enterprise System and set up a sound and self-disciplined financial policy and a good risk control mechanism. With its development and being stronger of the primary business, the Issuer’s future profitability is expected to be further improved and thus the solvency is in turn strengthened accordingly, providing powerful safeguard for timely reimbursement of this issuance of bond.

**5. Analysis for asset turnover ability**

**Table: The Issuer’s asset turnover ability indicator in the Last two years and the Latest period**

<b>Item</b>	<b>For the nine months ended September 2016</b>	<b>2015</b>	<b>2014</b>
Receivable turnover ratio	1.75 (annualized)	1.28	1.24

In the Last two years and the Latest period, the Issuer’s receivable turnover ratio presents a steady upside trend. As of the end of 2014, 2015 and at the end of September 2016, the receivable turnover ratios was 1.24, 1.28 and 1.75 (annualised) respectively. The increase of the Issuer’s receivable turnover ratio was mainly attributable to the increase in operating income of the Company in recent years and the increasing pace exceeded that of receivables, indicating the Issuer’s good standing in payment collection.

## 6. Analysis for profitability

**Table: Profitability of the Issuer in the Last two years and the Latest period**

Unit: RMB0'000

Item	For the nine months ended September 2016		2015		2014	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
<b>Operating revenue</b>	<b>164,034.81</b>		<b>73,022.82</b>		<b>12,328.33</b>	
<b>Less: operating cost</b>	<b>45,267.48</b>		<b>19,597.28</b>		<b>12,240.51</b>	
Business taxes and surcharges	68.77		102.62		0.79	
Sales expense	–		–		–	
Administrative expenses	9,329.23		3,669.61		309.44	
Finance cost	44,924.69		20,106.65		91.44	
Asset impairment loss	–		–		–	
Other operating income	–		–		–	
Add: net investment income	–		–		–	
<b>Operating profits</b>	<b>64,444.64</b>		<b>29,546.66</b>		<b>(313.86)</b>	
Add: off-operating revenues	460.96		4,160.99		3,064.80	
Less: off-operating expenses	40.39		199.09		0.02	
Including: net loss on disposal non-current assets	1.00		0.08		–	
<b>Total profits</b>	<b>64,865.21</b>		<b>33,508.56</b>		<b>2,750.93</b>	
Less: income tax	-28.43		-69.04		12.75	
<b>Net profits</b>	<b>64,893.65</b>		<b>33,577.60</b>		<b>2,738.17</b>	

### (1) Analysis for operating revenues

**Table: operating revenues by various segments of the Issuer in the Last two years and the Latest period**

Unit: RMB0'000

Item	For the nine months ended september 2016		2015		2014	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Primary business revenue	163,950.17	99.95%	72,995.37	99.96%	12,328.33	100.00%
Including: sales of electricity	163,950.17	99.95%	72,995.37	99.96%	5,581.03	45.27%
Sale of equipment	–	–	–	–	6,747.30	54.73%
Other business revenue	84.64	0.05%	27.45	0.04%	–	–
<b>Total operating revenues</b>	<b>164,034.81</b>	<b>100.00%</b>	<b>73,022.82</b>	<b>100.00%</b>	<b>12,328.33</b>	<b>100.00%</b>

The Issuer's operating revenues in 2014, 2015 and for the nine months ended September 2016 were RMB123,283,300, RMB730,228,200 and RMB1,640,348,100. From the perspective of revenue composition, sales of electricity was the major contributor for the Issuer's operating revenue.

In 2015 as compared to that of 2014, operating revenue increased by RMB606,944,900, or by 492.32%. It was mainly attributable to the significant increase in electricity volume of the power plants connected into the grid in the current year. In 2015, the Issuer's sales revenue achieved RMB729,953,700 and the percentage of operating revenue was 99.96% and such amounts of revenue increased by RMB674,143,400, or by 1,207.92% compared to 2014.

In addition to the sales of electricity, the Issuer also sold the solar energy power plant equipment acquired at the beginning of establishment of the Company in 2014, so the Company achieving the revenues from sales of equipment of RMB67,473,000 in the current year. Upon completion of sales of the above equipment, such operating revenue was not again incurred in 2015.

For the nine months ended September 2016, the operating volume of the Issuer was further improved, and it achieved revenues from sales of electricity of RMB1,639,501,700 and the percentage of operating revenues is 99.95% and has already exceeded the total of 2015. Meanwhile, the Issuer's other operating revenues is mainly from sales of photovoltaic materials.

The confirming basis of operating revenue from sales of electricity of the Issuer was the on-grid price and volume of on-grid electricity. According to the Notification on Circular on Promoting the healthy development of PV Industry by Using Price Leverage, the benchmark on-grid price of PV power plant is classified into three types, namely RMB0.90/KWh, RMB0.95/KWh and RMB1.00/KWh according to the advantage and disadvantage of light resources of different regions. Upon connected to grid, the term for price of electricity subsidiaries is 20 years in principle. The On-grid electricity volume sold by the Issuer is settled with grid companies of various provinces according to the actual volume of on-grid power monthly. As at the end of 2015, there were 41 power plants among PV power plants put into operation by the Company and has been connected on-grid with installed on-grid capacity of 1.64GW, which provides the foundation for the operating revenue in 2016. According to the statistics promulgated by National Energy Administration of PRC, in the first quarter of 2016, PV restricted power is mainly produced in Western China. Gansu abandoned light power 840 million KWh, with a discard rate of 39%; Xinjiang (Xinjiang Production and Construction Corps included) abandoned light power 760 million KWh, with a discard rate of 52%; Ningxia abandoned light power 210 million KWh, with a discard rate of 20%. As at 31 December 2015, the Issuer had no PV power plant in Gansu Province, but six PV power plants in Xinjiang and Ningxia with installed PV capacity of 235MWh and sales volume of on-grid electricity is 127,876MWh, representing 14.33% and 14.69% of the respective total installed capacity and total sales volume of on-grid electricity of the Issuer. As the Issuer's photovoltaic power plants are widely

distributed, where it strategically avoided being highly concentrated in certain areas, effectively reduced the risk of regional abandoned light power and provided better protection for profitability.

On the other hand, the Issuer plans to complete an installation size of 24GW in 2016-2020, if the issuer can complete the installation of the program and signed the on-grid agreement, it will further expand its business scope, increase profitability.

(2) *Product gross profits and margins analysis*

In the Last two years and the Latest period, the gross profit of the products of the Issuer are as follows:

**Table: Gross profits of primary business of the Issuer**

*Unit: RMB0'000*

Item	For the nine months ended September 2016		2015		2014	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Sales of electricity	118,683.73	100.00%	53,403.21	100.00%	57.90	65.94%
Sales of equipment	-	-	-	-	29.91	34.06%
<b>Total</b>	<b>118,683.73</b>	<b>100.00%</b>	<b>53,403.21</b>	<b>100.00%</b>	<b>87.82</b>	<b>100.00%</b>

In the Last two years and the Latest period, the gross margin of various kinds of products of the Issuer are as follows:

**Table: Gross margins of primary business of the Issuer**

Item	For the nine months ended September 2016	2015	2014
Sales of electricity	72.39%	73.16%	1.04%
Sales of equipment	-	-	0.44%
Gross margins of primary business	72.39%	73.16%	0.71%

*Note:* operating gross margin=(primary business revenue – primary business cost)/primary business revenue

The primary business gross margin in 2015 is increased significantly compared to that in 2014, from 1.04% to 73.16%, is mainly due to the following:

Firstly, the Issuer was established in July 2014, and its accumulatively on-grid capacity in 2014 was 535.5MW (among which it has acquired two already on-grid power plant of 100MW), The Issuer's self-established power plant was connected with grid in December 2014, so the operating revenue from power generation of self-established power plant in 2014 was relatively small, its revenue of power generation was derived from electricity revenue generated upon merger and acquisition of power plant; the Issuer sold externally some surplus solar energy power plant equipments which was purchased at the beginning of its establishment, so it incurred operating revenue from sales of equipment in 2014 and the gross profits from sales of such portion equipment was relatively low. The above factors led to lower level of overall gross margin of the Issuer in 2014 and which is only 0.71%.

Simultaneously, the purchasing scale of equipment of the Issuer after 2015 was more reasonable and no surplus equipment was sold externally and its primary business is only solar energy power generation. As it entered into normal investment, building and operation period of PV power plants in 2015 and 2016, its installed capacity on-grid was increased significantly compared to that of 2014. In 2015 and for the nine months ended 30 September 2016, the Issuer's newly added on-grid installed capacity was 1,024MW and 1,455MW. Pursuant to the Circular of Provisions on Accounting Treatment of Renewable Energy Tariff (Caikuai [2012] No.24), when the renewable energy power generation enterprise sells renewable energy volume of electricity, it shall confirm revenue according to the actually received or receivable, so the primary business of the Issuer includes the national subsidies receivable but not received, such portion of subsidies payment is approximately representing 65% of the revenue of the Issuer in 2015 and for the nine months ended 30 September 2016. And because the out-of-pocket cost for operation and maintenance and human resources for daily need upon one-off investment at the preliminary stage of the PV power plant was relatively low, and its operation cost was mainly derived from depreciation over the power plant. The above factors led to significant improvement in gross margin level of Issuer in 2015 and for the nine months ended 30 September 2016.

(3) *Comparison and analysis for the gross margin of listing companies in the same industry.*

In the Last two years and the Latest period, except for 2014, the Issuer's gross margin level was higher than the average levels of comparable listing companies with similar business or similar business segments with the Issuer.

- 1) The listing companies with comprehensive electricity sales business as its primary business includes GD Power Development Co.,Ltd. (600975.SH) and Datang International Power Generation Co.,Ltd. (601991.SH). The gross margin level of sales of electricity of the above two listing companies in 2014, 2015 and for the nine months ended 30 September 2016 was around 35% on average.

- 2) The gross margin level of sales of electricity of solar energy of Jiangsu Akcome Solar Science & Technology Co., Ltd. whose primary business includes the business segment of solar energy power generation in 2014, 2015 and for the nine months ended 30 September 2016 was around 55%.

The gross margin of power generation business of the Issuer was higher than that of the above listing companies in the same industry due to the following:

- 1) Sales of electricity of GD Power Development Co., Ltd. and Datang International Power Generation Co., Ltd. include thermal power, hydropower, wind power, solar power and other types of power generation business. Due to the fact that thermal power and hydropower have no national subsidies; although the construction cost of thermal power's single power plant is lower than solar power plant and but the later cost necessary for power generation except depreciation is higher than that of solar power plant; and the on-grid benchmark tariff of wind power is lower than that of solar power plant and as a result of other multiple factors, the gross margin level of sales of electricity of GD Power Development Co.,Ltd. and Datang International Power Generation Co.,Ltd. were relatively lower.
- 2) The time for which Jiangsu Akcome Solar Science & Technology Co., Ltd. is engaged in solar energy power plant is earlier than the Issuer. In recent years, the technology for constructing solar energy power plants is advanced rapidly and the construction cost on each unit KWh has been decreasing year by year, so the Issuer's depreciation expenses in the operation cost was lower than that in Akcome Solar Science & Technology who was engaged in the construction of power plant in earlier years, so its gross margin is relatively higher than that of Jiangsu Akcome Solar Science & Technology Co., Ltd.

On the other hand, as at end of September 2016, the Issuer accumulatively invested in 3.88GW PV power plant, through the scale of economics from large-scale procurement, the Issuer effectively lower the price of the construction; through technology innovation and application of new technology, and continuously optimization of all segments through the construction and development, it also decrease the cost of construction from sources. As the depreciation expenses for power plant are the primary operating cost of the Issuer, the decrease in the investment in the building of power plant substantially improved the Issuer's overall gross margin.

For the respect of later operation and maintenance of power plant, the Issuer makes use of new technology and new products to improve the system efficiency and further boost the volume of electricity power generation of the power plant; through adoption of automation non-water robotic to substitute the conventional hand-made cleaning technology and it also saves the artificial cost. In addition, due to significant difference in single W cost of different levels of photovoltaic power plant, the operation cost on single W basis of 60-100MW photovoltaic

power plant is less than 50% of that of photovoltaic power plant below 20MW. Through reasonable allocation of resources, the Issuer managed to lower the operation cost of PV power plant in later period.

To sum up, as a result of higher on-grid benchmark tariff in solar energy PV power plant industry and the Issuer itself is able to more effectively control the construction cost and maintenance cost, the Issuer's gross margin in the Last two years and the Latest period (except 2014) is higher than that of other listing company in the same industry.

(4) *Analysis for various expenses*

**Table: the Issuer's various expenses**

*Unit: RMB0'000*

Item	For the nine months ended September 2016		2015		2014	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Operating revenue	164,034.81	100.00%	73,022.82	100.00%	12,328.33	100.00%
Sales expenses	–	–	–	–	–	–
Administrative expense	9,329.23	5.69%	3,669.61	5.03%	309.44	2.51%
Finance cost	44,924.69	27.39%	20,106.65	27.53%	91.44	0.74%

Due to the nature of the industry, the Issuer did not incur any sales expenses in the Last two years and the Latest period.

In 2014, 2015 and from January to September 2016, the Issuer's administrative expense is RMB3,094,400, RMB36,696,100 and RMB93,292,300, representing a rising trend. The administrative expense mainly consists of employees' salaries and employees' travel expenses.

In 2014, 2015 and from January to September 2016, the Issuer's finance cost is RMB914,400, RMB201,066,500 and RMB449,246,900. The substantial rises in finance cost in 2015 compared to 2014 is mainly attributable to the significant increase in bank borrowings. The Finance cost from January to September 2016 has already exceeded the whole year level in 2015, reflects the further increase in interest-bearing liabilities, however, the percentage of finance cost over operating revenue from January to September 2016 is basically in line with that in 2015, reflecting that operating revenue and external finance show the trend of growing in the same proportion.



**Table: finance cost of the Company in the Last two years and the Latest period***Unit: RMB0'000*

Item	For the nine months ended September 2016		2015		2014	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Interest expense	46,065.77	102.54%	19,511.08	97.04%	98.94	108.20%
Less: interest income	3,792.56	8.44%	1,434.72	7.14%	9.29	10.16%
Handling fees and other charges	2,651.47	5.90%	2,030.28	10.10%	1.79	1.96%
<b>Total finance cost</b>	<b>44,924.69</b>	<b>100.00%</b>	<b>20,106.65</b>	<b>100.00%</b>	<b>91.44</b>	<b>100.00%</b>

**(II) Analysis for the Parent' calibers**

The primary business of the Parent was engaged in guidance, oversight and management over its subsidiaries, with the main characteristic as follows:

From the perspective of asset structure, the main asset of the Parent was comprised of long-term equity investment and other receivables. As at end of 2015 and at end of September 2016, The parent's total assets was RMB7,297,842,400, RMB9,283,863,000. At the above timeframe, the balance of long-term equity investment was RMB3,720,871,100 and RMB5,310,754,100 respectively, the percentage of total assets was 50.99% and 57.20% respectively; the balance of other receivables was RMB3,242,899,300 and RMB2,222,365,500 respectively, the percentage of total assets was 44.44% and 23.94%; the percentage of long-term equity investment and other receivables over total assets was 95.42% and 81.14% respectively.

From the perspective of earning source, in 2014 and 2015, due to the fact that the Issuer was the investment platform for power plant and did not carry out any actual operating business, so operating revenue was not incurred, the parent's net profit, after deducting costs and expenses, was negative in consecutive two years. In 2014 and 2015, the net profits of the -Issuer's parent were RMB (1,618,600) and RMB (42,498,800) . For the nine months ended September 2016, the Parent's operating revenue achieved RMB469,214,600, after deducting of operating cost of RMB435,897,400 and the related tax, the Parent achieved net profits of RMB18,185,300 for the current period.

## 1. Asset structure

**Table: assets of the Issuer's Parent in the Last two years and the Latest period**

*Unit: RMB0'000*

Item	For the nine months ended September 2016		2015		2014	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Total current asset	372,310.89	40.10%	332,030.85	45.50%	43,829.63	24.34%
Total non-current asset	556,075.41	59.90%	397,753.39	54.50%	136,226.54	75.66%
<b>Total assets</b>	<b>928,386.30</b>	<b>100.00%</b>	<b>729,784.24</b>	<b>100.00%</b>	<b>180,056.17</b>	<b>100.00%</b>

With the continuous development in the business of the Issuer, the scale of total asset of the Parent assumed a growth trend. As of the end of 2014, 2015 and September 2016, the closing balance of the Parent's total asset is RMB1,800,561,700, RMB7,297,842,400 and RMB9,283,863,000 respectively. The total assets of the Parent at end of 2015 increased by RMB5,497,280,700, or by 305.31%, compared to that of 2014. At the end of September 2016, the total asset of the Parent increased by RMB1,986,020,600, or by 27.21%. The rapid growth in asset of the Parent in the Last two years and the Latest period was mainly due to the rapid expansion in business.

From the perspective of asset structure, the percentage of current asset was significantly improved. As at the end of September 2016, the gap between the percentage of current asset and that of the non-current asset over total assets was small; therefore the asset structure had become more reasonable.

### (1) Current asset

The current asset of the issuer's parent is mainly comprised of other receivables and monetary fund. As of the end of 2014, 2015 and at the end of September 2016, the current asset of the issuer's parent is as follows:

**Table: Current asset of the issuer's parent in the Last two years and the Latest period***Unit: RMB0'000*

Item	As at 30 September 2016		As at 31 December 2015		As at 31 December 2014	
	Amount	percentage	Amount	percentage	Amount	percentage
Monetary fund	103,030.25	27.67%	6,949.34	2.09%	8,861.81	20.22%
Account receivable	44,192.86	11.87%	–	–	–	–
Advanced payment	–	–	791.58	0.24%	–	–
Interest receivable	909.80	0.25%	–	–	–	–
Other receivables	222,236.55	59.69%	324,289.93	97.67%	34,967.82	79.78%
Dividend receivable	1,941.41	0.52%	–	–	–	–
<b>Total current assets</b>	<b>372,310.89</b>	<b>100.00%</b>	<b>332,030.85</b>	<b>100.00%</b>	<b>43,829.63</b>	<b>100.00%</b>

As at the end of 2015, the current asset of the Issuer's parent was increased by RMB2,882,012,200, or by 657.55%, compared to that as at end of 2014. As at the end of September 2016, the current asset of the Issuer's parent was increased by RMB402,800,400, or by 12.13%, compared to that as at the end of 2015.

As at the end of 2014, 2015 and as at the end of September 2016, the balance of monetary funds of the Issuer's parent was RMB88,618,100, RMB69,493,400 and RMB1,030,302,500. As at the end of 2015 compared to that as at the end of 2014, monetary funds was decreased by RMB19,124,700, or by 21.58%; As at the end of September 2016 compared to that as at the end of 2015, monetary funds was increased by RMB960,809,100, or by 1,382.59%. It was mainly because more bank loans after being in place on the account had not been used.

As at the end of 2014, 2015 and as at the end of September 2016, the balance of other receivables of the Issuer's parent is RMB349,678,200, RMB3,242,899,300 and RMB2,222,365,500. As at the end of 2015 compared to that as at the end of 2014, other receivables was increased by RMB2,893,221,100, or by 827.40%; As at the end of September 2016 compared to that as at the end of 2015, other receivables was decreased by RMB1,020,533,800, or by 31.47%. In the Last two years and the Latest period, the balance of other receivables presents a fluctuated trend, it is mainly attributable to the increases in funds borrowings among parent, subsidiaries and external companies and not identical with each other for the maturity dates of above amounts and which make the balance of other receivables incurring significant fluctuations.

As at the end of 2014, 2015 and as at the end of September 2016, the balance of receivables of the Issuer's parent is RMB0.00, RMB0.00 and RMB441,928,600. The higher balance as at end of September 2016 is mainly due to the fact that the Issuer's parent and its project companies jointly as leases to lease the equipment at the end of 2014, and the leasing contract expired in January 2016, the finance lease company issued invoice of equipment to the Issuer's parent, the

Issuer's parent then re-issue it to its project companies and therefore accountable receivables is incurred. But this receivables have been off-set in consolidation level. As at the end of 2013 and 2014, this item has no balance.

(2) *Non-current asset*

Non-current assets of the Issuer's parent is mainly comprised of long-term equity investment and available-for-sale finance assets. As at the end of 2014, 2015 and as at the end of September 2016, the non-current assets of the Issuer's parent is as follows:

**Table: Non-current assets of the Issuer's parent in the Last two years and the Latest period**

*Unit: RMB0'000*

Item	As at 30 September 2016		As at 31 December 2015		As at 31 December 2014	
	Amount	percentage	Amount	percentage	Amount	percentage
Sale of finance assets	25,000.00	4.50%	25,000.00	6.29%	–	–
Long-term equity investment	531,075.41	95.50%	372,087.01	93.55%	128,303.92	94.18%
Other non-current assets	–	–	666.38	0.17%	7,922.62	5.82%
<b>Total non-current assets</b>	<b>556,075.41</b>	<b>100.00%</b>	<b>397,753.39</b>	<b>100.00%</b>	<b>136,226.54</b>	<b>100.00%</b>

As at the end of 2014 and 2015 and as at the end of September 2016, the balance of non-current asset of the Issuer's parent is RMB1,362,265,400, RMB3,977,533,900 and RMB5,560,754,100 respectively.

As at the end of 2014, non-current asset of the parent comprises long-term equity investment, other non-current asset, among which, the percentage of long-term equity over non-current asset was 94.18%. As at the end of 2015, the parent's non-current asset comprised of long-term equity investment, available-for-sale financial asset and other non-current asset.

In the non-current asset, as at the end of 2015 compared to that of 2014, the balance of long-term equity investment increased by RMB2,437,830,900, or by 190.00%; as at the end of September 2016 compared to that of 2015, the balance of long-term equity investment increased by RMB1,589,884,000, or by 42.73%. The substantial increases in long-term equity investment of the Issuer's parent in the Last two years and the Latest period is mainly due to that its investment in its subsidiaries was continuously increased.

## 2. *Liability status*

**Table: Liabilities of the Issuer's Parent**

*Unit: RMB0'000*

Item	As at 30 September 2016		As at 31 December 2015		As at 31 December 2014	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Total current liabilities	68,986.19	28.87%	290,623.19	100%	30,033.73	37.24%
Total non-current liabilities	170,000.00	71.13%	–	–	50,611.30	62.76%
<b>Total liabilities</b>	<b>238,986.19</b>	<b>100.00%</b>	<b>290,623.19</b>	<b>100.00%</b>	<b>80,645.03</b>	<b>100.00%</b>

### (1) *Current liabilities*

As at the end of 2016, parent company's current liabilities mainly comprised notes payable, non-current liabilities due in one year and other payables. As at the end of 2014, 2015 and as at end of September 2016, Parent's current liabilities were current liabilities were listed below as at end of 2014 and 2015 and as at the end of September 2016 respectively:

**Table: Current liabilities of the Issuer's Parent**

*Unit: RMB0'000*

Item	As at 30 September 2016		As at 31 December 2015		As at 31 December 2014	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Notes payable	50,000.00	72.48%	230,000.00	79.14%	–	–
Accounts payable	–	–	–	–	–	–
Tax payable	69.00	0.10%	44.40	0.02%	46.78	0.16%
Interest payable	331.25	0.48%	–	–	–	–
Other payables	18,585.94	26.94%	10,084.97	3.47%	29,986.94	99.84%
Non-current liabilities due in 1 year	–	–	50,493.81	17.37%	–	–
Other current liabilities	–	–	–	–	–	–
<b>Total current liabilities</b>	<b>68,986.19</b>	<b>100.00%</b>	<b>290,623.19</b>	<b>100.00%</b>	<b>30,033.73</b>	<b>100.00%</b>

As at the end of 2014, 2015 and as at the end of September 2016, the balance of current liabilities of the Issuer's parent is RMB300,337,300, RMB2,906,231,900 and RMB689,861,900.

As at end of 2015 compared to that as at end of 2014, the current liabilities of the Issuer's parent was increased by RMB2,605,894,600, or by 867.66%, it was mainly due to the increase in bill payables. As at the end of September 2016 compared to that as at the end of 2015, the current liabilities of the Issuer's parent was decreased by RMB2,216,370,000, or by 76.26%. It was mainly due to the decreases in bill payables and non-current liabilities due within one year.

(2) *Non-current liabilities*

**Table: Non-current liabilities of the Issuer's Parent**

*Unit: RMB0'000*

Item	As at 30 September 2016		As at 31 December 2015		As at 31 December 2014	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Long-term payables	170,000.00	100%	-	-	50,611.30	100%
<b>Total non-current liabilities</b>	<b>170,000.00</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>50,611.30</b>	<b>100%</b>

As at the end of 2014, 2015 and as at the end of September 2016, the balance of non-current liabilities of the Issuer's parent is RMB506,113,000, RMB0.00 and RMB1,700,000,000.

As at end of 2015 compared to that as at the end of 2014, the non-current liabilities of the Issuer's parent was decreased by RMB506,113,000 and it is nil at end of 2014, it is mainly due to the fact that the original long-term payables shall be due in next one year and the Issuer reclassified it into current liabilities in 2015 financial statement. As at end of September 2016 compared of that as at end of 2015, the non-current liabilities of the Issuer's parent is increased by RMB1,700,000,000. It was mainly due to the increase in borrowings under finance lease.

3. *Analysis for cash flows*

**Table: cash flows of the Issuer's parent**

*Unit: RMB0'000*

Item	January – September 2016	2015	2014
Net Cash flows generated from operating activities	(599.64)	(55,607.22)	17,671.79
Net Cash flows generated from investing activities	(159,448.24)	(278,527.64)	(108,809.98)
Net Cash flows generated from financing activities	256,128.79	330,962.39	100,000.00
Net increase in cash and cash equivalents	96,080.91	(3,172.47)	8,861.81

In 2014, 2015 and for the nine months ended 30 September 2016, the net cash flows from operating activities of the Issuer's parent was RMB176,717,900, RMB (556,072,200) and RMB (5,996,400).

Cash inflows from operating activities of the Parent is mainly the receipt of other cashes related to operating activities, cash outflows from operating activities is mainly for the payment of other cashes related to operating activities. In 2014, 2015 and for nine months ended 30 September 2016, the scale of cash received by the parent which is related to operating activities is relatively higher. It is mainly due to that the parent developed rapidly and the fund borrowings among its controlling parties, subsidiaries and external companies is increased. Such portion of cashflow is mostly transferred as other cash related to operating activities.

In 2014, 2015 and for nine months ended 30 September 2016, the net cashflow from investing activities of the Issuer's parent is RMB (1,088,099,800), RMB (2,785,276,400) and RMB (1,594,482,400) respectively.

In 2014, 2015 and for nine months ended 30 September 2016, the increases in the net cash outflows generated from investing activities of the Issuer's parent is significant and it is mainly due to the relatively significant increases in cash paid for the investment of the parent. The Parent is still in its infancy of investment and the cash generated from investing activities shows a condition of net outflowing.

In 2014, 2015 and for nine months ended 30 September 2016, the net cashflows from financing activities of the Issuer's parent is RMB1,000,000,000, RMB3,309,623,900 and RMB2,561,287,900.

The increases in net cashflow generated from financing activities of the Parent in 2014 and 2015 is relatively significant and it is mainly due to its capital increase in 2015 and its registered capital is further increased.

#### 4. *Solvency analysis*

**Table: solvency targets of the Issuer's parent in the Last two years and the Latest period**

<b>Item</b>	<b>As at end of September 2016</b>	<b>As at end of 2015</b>	<b>As at end of 2014</b>
Gearing ratio	25.74%	39.82%	44.79%
Current ratio	5.40	1.14	1.46
Quick ratio	5.40	1.14	1.46

As at end of 2014, 2015 and as at end of September 2016, the gearings of the Issuer's parent is 44.79%, 39.82% and 25.74% and presenting a downside trend. It is mainly attributable to the fact that the management is paid more attention to the management over asset structure and control scale of indebtedness and maintains strong long-term solvency.

As at end of 2014, 2015 and as at end of September 2016, the current ratio and quick ratio of the Issuer's parent is 1.46, 1.14 and 5.40 respectively, presenting a trend of firstly decline and then rise significantly. Among which, as of the end of 2014, 2015, the current ration and quick ratio is relatively stable and the above ratio as at end of September 2016 rised significantly. And it is mainly due to the significant increases in the balance of monetary funds of the Issuer's parent for the six months ended 30 June 2016, increased from RMB88,618,100 and RMB,69,493,400 as at end of 2014 and 2015 to RMB1,030,302,500 at the end of September 2016, reflecting that the Issuer's operating fund has been continuously enriched and the ability of short-term liabilities has been continuously improved.

## 5. Profitability

### (1) Revenue and expense

**Table: profitability targets of the Issuer's parent in the Last two years and the Latest period**

*Unit: RMB0'000*

<b>Item</b>	<b>January - September 2016</b>	<b>2015</b>	<b>2014</b>
Operating revenue	46,921.46	–	–
Less: operating cost	43,589.74	–	–
Business taxes and surcharges	6.97	–	–
Administrative expense	2,707.58	210.86	65.98
Finance cost	740.05	4,039.02	95.88
Asset impairment loss	–	–	–
Other operating income	–	–	–
Add: net investment income	1,941.41	–	–
Operating profits	1,818.53	(4,249.88)	(161.86)
Add: off-operating revenues	–	–	–
Less: off-operating expenses	–	–	–
Total profits	1,818.53	(4,249.88)	(161.86)
Less: income tax	–	–	–
Net profits	1,818.53	(4,249.88)	(161.86)



From the respective of revenue, in 2014 and 2015, the Issuer's parent is not involved in the actual business and mainly in charge of the co-ordination, guidance and overseeing of its subordinated enterprises to be involved in the construction of various project and therefore its operating revenue and operating gross margin are both nil. For the nine months ended 30 September 2016, the Issuer's parent achieved operating revenue of RMB469,214,600. And it is mainly due to the fact that the Issuer's parent and its project companies jointly as leases to lease the equipment at the end of 2014, and the leasing contract expired in January 2016, the finance lease company issued invoice of equipment to the Issuer's parent, the Issuer's parent then re-issue it to its project companies. But these receivables have been off-set in consolidation level.

From the perspective of period expenses, the expenses of the Issuer's parent are mainly comprised of administrative expense and finance cost. In 2015, the finance cost of the parent is RMB40,390,200 and representing an increase of RMB39,431,400 compared to that of 2014, or by 4,112.50%; For the nine months ended 30 September 2016 compared to that in 2015, finance cost decreased by RMB32,989,700, or by 81.68%. Changes in finance cost of the Issuer in the Last two years and the Latest period is closely related to the changing trend of the interest-bearing indebtedness.

### **(III) Sustainability of profitability**

With the continuously being put into operation of photovoltaic power plants under the Issuer's subsidiaries, in 2014,2015 and for the nine months ended 30 September 2016, the Issuer achieved operating revenue of RMB123,000,000, RMB730,000,000 and RMB1,640,000,000. Among which, revenue from sales of electricity in 2014 is RMB56,000,000 and revenue from sales of equipment is RMB67,000,000. In 2015 and for the nine months ended 30 September 2016, the Issuer's operating revenue are all revenue from sales of electricity.

In 2014, most photovoltaic power plant of the Issuer is project in progress. In 2015, Upon normal operation of various photovoltaic power plant, the Issuer's primary operating gross margin is significantly increased from 0.71% in 2014 to 73.16% in 2015 and 72.39% for the nine months ended 30 September 2016. It is mainly attributable to the fact that upon completion of preliminary investment in the construction of power plant by the Company, there are only small amounts of maintenance cost needed in later operation, so the gross margin maintains at higher level from the beginning of 2014.

In 2014, 2015 and for the nine months ended 30 September 2016, the Issuer's period expense is RMB4,000,000, RMB238,000,000 and RMB543,000,000 respectively, the percentage of three expenses of operating revenue is 3.25%,32.56% and 33.07%. From the perspective of composition of period expenses, the Issuer has not incurred any sales expense and day-to-day operating expenses are all included in the administrative expenses. In 2014, 2015 and for the nine months ended 30 September 2016, the Issuer's management fees are RMB3,000,000, RMB37,000,000 and RMB93,000,000 respectively; and its finance costs are RMB910,000,

RMB201,000,000 and RMB449,000,000. The reason for significant increases in finance costs is that the expansion in the investment and construction of photovoltaic power plant drive the rise in demand for financing.

In the respect of total profits, most of the photovoltaic power plant of the Company has not yet completed and put into operation in 2014, so the profitability of the current year is relatively low. In 2015, With the completion of construction and grid connection of photovoltaic power plant, the Issuer achieved total profit of RMB335,000,000 for the current year. For the nine months ended 30 September 2016, the Company achieved total profits of RMB649,000,000, and started to present a trend of stable rises.

In light of the above, since the photovoltaic power plant projects was successively put into operation in 2015, the Company's profitability is continuously increased. The period expenses and operating revenue maintains at a reasonable level, and the policy in connection with the industry is kept stable, the Issuer shall possess stronger sustainable profitability in the future.

#### **(IV) Development objective for future operation**

The Issuer will make full layout and suit its measures to local conditions to develop corresponding types of power plants according to the environmental characteristics of the various regions of the country: In the northwest, the Issuer will make full use of the Belt and Road national policy, continue to construct large scale ground photovoltaic power plants in the Northwest Region with good conditions of digesting and delivery. In the central region, the Issuer will begin to innovatively construct large and medium-sized agricultural light complementary facilities photovoltaic power plant in the areas with higher price of electricity and with better lighting conditions. In southeast, the Issuer will choose an area with higher price in business segments and with better lighting conditions to construct distributed photovoltaic power plant and construct similar distributed photovoltaic power generation projects in the area with high power load through 35KV access. In North China, the Issuer will make use of synergy policy of Beijing, Tianjin and Hebei Province and in the areas with higher price of electricity, better lighting conditions and the task of energy saving and emission reduction being heavier, it will construct the photovoltaic projects with large and medium sized agricultural light complementary facilities and industrial and commercial rooftop projects.

The Issuer will continue to respond positively to the call under the Opinions on the Promotion of Advanced Photovoltaic Products Technology Application and Industrial Upgrading issued by National Energy Bureau, Ministry of Industry and Information Technology and National Accreditation Committee, implement the Leader Plane develop and construct the large-scale demonstration base for key areas, build technology and brand advantages.

To sum up, the issuer will continue to enhance the scientific and technological content in the future, and is committed to continuous innovation in business models and financing model, and strive to become the world's leading integrated photovoltaic power generation operators.

## V. INTEREST-BEARING INDEBTEDNESS OF THE COMPANY

### (I) Total balance of interest-bearing indebtedness

As at the end of September of 2016, the interest-bearing indebtedness of the issuer is totally RMB14,089,042,500, the percentage of total assets of the issuer at end of September 2016 is 39.48%, and representing 174.08% of net assets, All interest bearing indebtedness is not overdue. Interest-bearing indebtedness balance and its compositions of the issuer at end of September 2016 is presented as the following:

**Table: Breakdown of interest-bearing indebtedness of the Issuer in the Last two years and the Latest period**

Item	At end of September 2016		At end of 2015		At end of 2014	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Non-current liabilities due within one year	241,446.70	17.14%	119,451.46	17.31%	3,500.00	2.54%
Long-term borrowings	600,846.69	42.65%	414,620.00	60.08%	83,800.00	60.76%
Long-term payables	566,610.86	40.22%	156,039.82	22.61%	50,611.30	36.70%
<b>Total</b>	<b>1,408,904.25</b>	<b>100.00%</b>	<b>690,111.28</b>	<b>100.00%</b>	<b>137,911.30</b>	<b>100.00%</b>

### (II) Ageing analysis for interest-bearing indebtedness

As at end of September 2016, the Issuer's interest-bearing indebtedness within one year is totally RMB14,089,042,500, the percentage of owner's interests as of the end of September 2016 is 174.08%. Among which, long-term borrowings and long-term payables is totally RMB11,674,575,500. The Issuer's interest-bearing indebtedness is mainly comprised of medium to long term indebtedness and the short-term pressure on insolvency is comparatively small.

### (III) Breakdown of interest-bearing indebtedness

As at end of September 2016, the breakdown of interest-bearing indebtedness of the Issuer is as follows:

1. *Non-current indebtedness due within one year*

**Table: Non-current indebtedness of the Issuer due within one year as at 30 September 2016**

*Unit: RMB0'000*

<b>Loan company</b>	<b>Balance as at 30 September 2016</b>	<b>Category of indebtedness</b>	<b>Credit enhancement</b>	<b>Contract inception date</b>	<b>Contract expiry date</b>
Ningxia Jinxin Photovoltaic Electric Power* (寧夏金信光伏電力)	1,200.00	Long-term borrowings	Pledge on equity interests, pledge on assets, pledge on tariff-collection right	2015/9/28	2030/9/27
Hami Yaohui Photovoltaic* (哈密耀輝光伏電力)	2,750.00	Long-term borrowings	Pledge on equity interests, pledge on assets, pledge on tariff-collection right	2015/2/15	2025/2/14
Inner Mongolia Xiangdao New Energy* (內蒙古香島新能源)	5,000.00	Long-term borrowings	Pledge on equity interests, pledge on assets, pledge on tariff-collection right	2015/7/2	2025/7/1
Zhejiang Shuqimeng* (浙江舒奇蒙)	1,792.94	Payment under finance leases	Pledge on equity interests, pledge on tariff-collection right	2015/12/31	2018/12/30
Hengshan Jinghe Solar Energy* (橫山晶合太陽能)	30,027.87	Long-term borrowings	Pledge on equity interests, pledge on assets, pledge on tariff-collection right	2015/12/8	2030/12/7
Haibin New Energy* (海濱新能源)	242.59	Long-term financing	Guarantees, pledge on equity interests	2016/4/29	2025/1/15
Hainan Tianlike New Energy* (海南天利科新能源)	1,600.00	Long-term borrowings	Pledge on equity interests, pledge on assets, pledge on tariff-collection right	2015/3/24	2027/3/23
Hainan Yisheng New Energy* (海南意晟新能源)	1,351.71	Finance leases	Guarantees, pledge on equity interests	2016/4/29	2019/3/15
Licheng Solar Energy* (黎城光伏電力)	1,798.07	Payment under finance leases	Guarantees, pledge	2016/2/19	2025/1/8
Shanxi Jiasheng Energy* (山西佳盛能源)	1,000.00	Long-term borrowings	Pledge on equity interests, pledge on assets, pledge on tariff-collection right	2015/6/23	2025/6/22
Yu County Jinyang New Energy* (孟縣晉陽新能源)	2,000.00	Long-term borrowings	Pledge on equity interests, pledge on assets, pledge on tariff-collection right	2015/5/29	2025/5/28
Suqian Luneng Solar Power* (宿遷綠能電力)	1,084.52	Payment under finance leases	Pledge on equity interests	2015/12/7	2020/12/6

Loan company	Balance as at 30 September 2016	Category of indebtedness	Credit enhancement	Contract inception date	Contract expiry date
Hami Ourui Photovoltaic Power Generation* (哈密歐瑞光伏電力)	2,399.40	Payment under finance leases	assets pledge	2016/5/13	2019/3/15
Ningxia Shengjing Solar Power* (寧夏盛景太陽能)	700.00	Long-term borrowings	Guarantees, security, pledge	2015/4/28	2030/4/27
Shangyi Yuanchen New Energy* (尚義元辰新能源)	2,230.00	Long-term borrowings	Pledge on equity interests, pledge on assets, pledge on tariff-collection right	2015/11/12	2030/11/11
Baoying Xinyuan Photovoltaic Power* (寶應鑫源光伏電力)	886.75	Payment under finance leases	Pledge on equity interests, pledge on tariff-collection right	2015/8/7	2020/8/6
Nantong Haide New Energy* (南通海德新能源)	766.60	Payment under finance leases	Pledge on equity interests	2015/12/7	2020/12/6
Delingha Century Concord Photovoltaic Power* (德令哈協合光伏電力)	1,650.00	Long-term borrowings	Pledge on equity interests, pledge on assets, pledge on tariff-collection right	2012/9/20	2028/9/19
Hainanzhou Shineng Photovoltaic Power* (海南州世能光伏電力)	800.00	Long-term borrowings	Pledge on equity interests, pledge on assets, pledge on tariff-collection right	2013/6/20	2026/6/19
Tianchang GCL Solar Energy* (天長協鑫光伏電力)	9,289.06	Payment under finance leases	Pledge on equity interests, pledge on tariff-collection right	2015/10/23	2016/10/22
Yuanmou Green Power New Energy* (元謀綠電新能源)	15,391.87	Payment under finance leases	Pledge on equity interests, pledge on tariff-collection right	2015/12/28	2016/12/27
Hefei Jiannan Solar Power* (合肥建南電力)	1,348.57	Finance leases	Guarantees, pledge	2015/8/7	2023/8/7
Shandong Wanhai Solar Power* (山東萬海電力)	2,626.49	Payment under finance leases	Pledge on equity interests, pledge on tariff-collection right	2016/5/27	2019/5/27
Menghai GCL Solar Agricultural Power* (勐海協鑫光伏農業電力)	2,238.32	Payment under finance leases	Pledge on equity interests, pledge on tariff-collection right	2016/4/25	2019/4/25
Zhongli Tenghui Hainan Solar Power* (中利騰暉海南電力)	18,270.77	Payment under finance leases	Pledge on equity interests	2015/11/6	2024/11/6
Qixian GCL New Energy* (淇縣協鑫新能源)	24,885.33	Payment under finance leases	Pledge on equity interests	2015/11/16	2017/2/16
Huixian GCL Solar Energy* (輝縣市協鑫光伏電力)	900.00	Long-term borrowings	Pledge on equity interests, pledge on tariff-collection right	2016/6/24	2028/6/23
Donghai Solar Energy* (東海光伏電力)	3,574.02	Payment under finance leases	Guarantees, pledge	2015/11/16	2016/11/15
Lincheng GCL Photovoltaic Power* (臨城協鑫光伏發電)	600.00	Long-term borrowings	pledge on tariff-collection right	2016/2/5	2030/12/29

<b>Loan company</b>	<b>Balance as at 30 September 2016</b>	<b>Category of indebtedness</b>	<b>Credit enhancement</b>	<b>Contract inception date</b>	<b>Contract expiry date</b>
Jurong Xinda Photovoltaic Power* (句容信達光伏發電)	547.50	Finance leases	Guarantees, pledge	2016/8/22	2018/8/22
Tongyu Zajia Qinye Technology* (通榆咱家禽業科技)	2,286.91	Finance leases	Guarantees, pledge	2016/5/5	2018/5/15
Gaotang GCL Jinghui Photovoltaic* (高唐協鑫晶輝光伏)	1,253.10	Payment under finance leases	Pledge on equity interests	2016/1/29	2026/1/28
Ningxia Lvhao Photovoltaic Power* (寧夏綠昊光伏發電)	6,744.36	Payment under finance leases	Pledge on equity interests	2016/3/27	2017/9/22
Pingshan Shijing New Energy* (平山縣世景新能源)	650.00	Long-term borrowings	Pledge on assets, pledge on tariff-collection right	2016/5/27	2030/5/26
Jingbian Shunfeng New Energy* (靖邊縣順風新能源)	864.53	Payment under finance leases	Pledge on equity interests, pledge on tariff-collection right	2016/4/25	2019/4/25
Macheng Jinfu Solar Energy* (麻城金伏太陽能電力)	62,892.15	Long-term borrowings	Guarantees, pledge	2016/9/29	2031/9/28
Haifeng GCL Photovoltaic Power* (海豐縣協鑫光伏電力)	14,954.15	Finance leases	Guarantees	2016/6/28	2018/6/27
Hanneng Guangping Solar Energy* (邯能廣平縣光伏電力)	2,799.06	Finance leases	Guarantees, pledge	2015/4/15	2025/3/18
Hefei Jiuyang* (合肥久陽)	2,728.94	Finance leases	Guarantees, pledge	2016/5/5	2018/5/15
Dangshan GCL* (碭山協鑫)	5,460.15	Finance leases	Guarantees, pledge	2016/9/30	2018/9/30
Baotou Zhongli Tenghui Photovoltaic Power* (包頭市中利騰暉光伏發電)	1,860.98	Finance leases	pledge	2015/11/17	2024/11/16
<b>Total</b>	<b>241,446.70</b>				

## 2. Breakdown of Long-term borrowings

**Table: Long-term borrowings of the Issuer as at 30 September 2016**

*Unit: RMB0'000*

Loan company	Balance as at 30 September 2016	Credit enhancement	Contract inception date	Contract expiry date
Ningxia Jinli* (寧夏金禮)	34,500.00	Pledge on equity interests, pledge on assets, pledge on tariff-collection right	2016/5/5	2029/5/4
Ningxia Jinxin Photovoltaic Electric Power* (寧夏金信光伏電力)	32,400.00	Pledge on equity interests, pledge on assets, pledge on tariff-collection right	2015/9/28	2030/9/27
Jinhu Zhenghui Photovoltaic* (金湖正輝太陽能)	61,000.00	Pledge on equity interests, pledge on assets, pledge on tariff-collection right	2015/8/28	2027/8/27
Hami Yaohui Photovoltaic* (哈密耀輝光伏電力)	36,750.00	Pledge on equity interests, pledge on assets, pledge on tariff-collection right	2015/2/15	2025/2/14
Inner Mongolia Xiangdao New Energy* (內蒙古香島新能源)	52,500.00	Pledge on equity interests, pledge on assets, pledge on tariff-collection right	2015/7/2	2025/7/1
Hengshan Jinghe Solar Energy* (橫山晶合太陽能)	31,400.00	Pledge on equity interests, pledge on assets, pledge on tariff-collection right	2015/12/8	2030/12/7
Haibin New Energy* (海濱新能源)	7,899.32	Pledge on equity interests, pledge on assets, pledge on tariff-collection right	2016/4/29	2025/1/15
Hainan Tianlike New Energy* (海南天利科新能源)	14,600.00	Pledge on equity interests, pledge on assets, pledge on tariff-collection right	2015/3/24	2027/3/23
Shanxi Jiasheng Energy* (山西佳盛能源)	14,047.37	Pledge on equity interests, pledge on assets, pledge on tariff-collection right	2015/6/23	2025/6/22
Yu County Jinyang New Energy* (孟縣晉陽新能源)	28,000.00	Pledge on equity interests, pledge on assets, pledge on tariff-collection right	2015/5/29	2025/5/28
Ningxia Shengjing Solar Power* (寧夏盛景太陽能)	18,200.00	Pledge on equity interests, pledge on assets, pledge on tariff-collection right	2015/4/28	2030/4/27
Shangyi Yuanchen New Energy* (尚義元辰新能源)	52,570.00	Pledge on equity interests, pledge on assets, pledge on tariff-collection right	2015/11/26	2030/11/26
Delingha Century Concord* (德令哈協合)	57,650.00	Pledge on equity interests, pledge on assets, pledge on tariff-collection right	2012/9/20	2028/9/19
Huixian GCL Solar Energy* (輝縣市協鑫光伏電力)	9,650.00	Pledge on equity interests, pledge on assets, pledge on tariff-collection right	2016/6/24	2028/6/23
Zhangjiakou GCL Photovoltaic Power* (張家口協鑫光伏發電)	12,000.00	Pledge on assets, pledge on tariff-collection right	2016/6/22	2031/6/21

<b>Loan company</b>	<b>Balance as at 30 September 2016</b>	<b>Credit enhancement</b>	<b>Contract inception date</b>	<b>Contract expiry date</b>
Lincheng GCL Photovoltaic Power* (臨城協鑫光伏發電)	15,600.00	Pledge on tariff-collection right	2016/2/5	2030/12/29
Yugan GCL New Energy* (餘干縣協鑫新能源)	23,200.00	Guarantees, pledge	2016/6/30	2031/6/29
Pingshan Shijing New Energy* (平山縣世景新能源)	17,350.00	Pledge on assets, pledge on tariff-collection right	2016/5/27	2030/5/26
Macheng Jinfu Solar Energy* (麻城市金伏太陽能電力)	61,530.00	Guarantees, pledge	2016/9/29	2031/9/28
Hainanzhou Shineng Photovoltaic Power* (海南省世能光伏發電)	20,000.00	Pledge on equity interests, pledge on assets, pledge on tariff-collection right	2013/6/20	2026/6/19
<b>Total</b>	<b>600,846.69</b>			

### 3. Breakdown of long-term payables

**Table: Long-term payables of the Issuer as at 30 September 2016**

*Unit: RMB0'000*

<b>Loan company</b>	<b>Balance as at 30 September 2016</b>	<b>Credit enhancement</b>	<b>Contract inception date</b>	<b>Contract expiry date</b>
Suzhou GCL New Energy* (蘇州協鑫新能源)	170,000.00	Guarantees, pledge on equity interests	2016/5/4	2018/5/3
Zhejiang Shuqimeng* (浙江舒奇蒙)	7,267.97	Pledge on equity interests, pledge on tariff-collection right	2015/12/31	2018/12/30
Hainan Yisheng New Energy* (海南意晟新能源)	5,643.55	Pledge on equity interests, pledge on tariff-collection right	2016/4/25	2019/4/25
Licheng GCL Solar Energy* (黎城協鑫光伏電力)	17,306.39	Guarantees, pledge	2016/2/19	2025/1/8
Suqian Luneng Solar Power* (宿遷綠能電力)	4,652.98	Pledge on equity interests	2015/12/7	2020/12/6
Hami Ourui Photovoltaic Power Generation* (哈密歐瑞光伏發電)	10,743.67	Pledge on assets	2016/5/13	2019/3/15
Baoying Xinyuan Photovoltaic Power* (寶應鑫源光伏發電)	3,131.30	Pledge on assets	2015/8/7	2020/8/6
Nantong Haide New Energy* (南通海德新能源)	3,140.91	Pledge on equity interests	2015/12/7	2020/12/6



<b>Loan company</b>	<b>Balance as at 30 September 2016</b>	<b>Credit enhancement</b>	<b>Contract inception date</b>	<b>Contract expiry date</b>
Hefei Jiannan Solar Power* (合肥建南電力)	8,332.94	Pledge on assets	2015/8/7	2023/8/7
Xuzhou Xinri Solar Energy* (徐州鑫日光伏電力)	5,702.50	Guarantees, pledge	2016/8/18	2018/8/10
Shandong Wanhai Solar Power* (山東萬海電力)	18,399.40	Pledge on equity interests, pledge on tariff-collection right	2016/5/27	2019/5/27
Kaifeng Huaxin New Energy* (開封華鑫新能源)	56,598.25	Guarantees, pledge on equity interests	2016/3/22	2018/3/21
Menghai GCL Solar Agricultural Power* (勸海協鑫光伏農業電 力)	15,233.45	Pledge on equity interests, pledge on tariff-collection right	2016/4/25	2019/4/25
Yulin Longyuan Solar Energy* (榆林隆源光伏電力)	59,999.00	Guarantees, pledge on equity interests	2015/11/6	2017/11/6
Jurong Xinda Photovoltaic Power* (句容信達光伏發電)	8,471.47	Guarantees, pledge	2016/8/22	2018/8/22
Tongyu Zajia Qinye Technology* (通榆縣咱家禽業科技)	6,757.27	Pledge on equity interests, pledge on tariff-collection right	2016/4/29	2018/4/29
Gaotang GCL Jinghui Photovoltaic* (高唐縣協鑫晶輝 光伏)	17,060.51	Pledge on equity interests	2016/1/29	2026/1/28
Jingbian Shunfeng New Energy* (靖邊縣順風新能源)	5,486.66	Pledge on equity interests, pledge on tariff-collection right	2016/4/25	2019/4/25
Funan GCL Photovoltaic Power* (阜南協鑫光伏電力)	47,405.53	Guarantees, pledge, security	2016/9/15	2018/6/15
Haifeng GCL Photovoltaic Power* (海豐縣協鑫光伏電力)	11,269.23	Guarantees	2016/6/28	2018/6/27
Hefei Jiuyang New Energy* (合肥久陽新能源)	8,269.45	Pledge on equity interests, pledge on tariff-collection right	2016/4/29	2018/4/29
Dangshan GCL* (碭山協鑫)	10,180.60	Guarantees, pledge	2016/9/30	2018/9/30
Baotou Zhongli Tenghui Photovoltaic Power* (包頭市中 利騰暉光伏發電)	28,037.27	Pledge on equity interests	2015/11/6	2024/11/6
Fuyang Hengming Solar Energy* (阜陽衡銘太陽能電力)	10,649.94	Guarantees, pledge, security	2016/9/7	2024/9/7
Hanneng Guangping Solar Energy* (邯能廣平縣光伏電力)	20,125.98	Guarantees, pledge	2015/4/15	2025/3/18
Zhongli Tenghui Hainan Solar Power* (中利騰暉海南電力)	6,744.62	Pledge on equity interests	2015/11/6	2024/11/6

Loan company	Balance as at 30 September 2016	Credit enhancement	Contract inception date	Contract expiry date
<b>Total</b>	<b>566,610.86</b>			

As at end of September 2016, among the interest-bearing indebtedness of the Issuer, the percentage of long-term borrowings and other payables is relatively high and the aggregated percentage of interest-bearing indebtedness is 82.87%. The of the Issuer's business characteristics determine its primary indebtedness as a project loan or a long-term finance leasing payment related to the Photovoltaic Power plant.

## VI. BREAKDOWN OF RESTRICTED ASSETS

As at end of September 2016, the values of restricted assets of the Issuer is totally RMB8,696,000,000, the breakdown of which is as follows:

**Table: Restricted assets of the Issuer as at 30 September 2016**

*Unit: RMB0'000*

Item	Restricted amount	Reason for being restricted
Monetary fund	80,315.44	Bank acceptance bill, deposits for guarantee
Account receivable	143,954.55	Bank acceptance bill, deposits for guarantee
Fixed assets	287,732.32	Used in financing
Interests in subsidiaries	357,613.53	Used in financing
<b>Total</b>	<b>869,615.84</b>	

As of the end of 2015, the values of restricted assets of the Issuer is totally RMB5,582,000,000, and the breakdown of which is as follows:

**Table: Restricted assets of the Issuer as at end of 2015**

*Unit: RMB0'000*

Item	Restricted amount	Reason for being restricted
Monetary fund	42,266.81	Bank acceptance bill, deposits for guarantee
Account receivable	14,406.15	Bank acceptance bill, deposits for guarantee
Fixed assets	238,469.85	Used in financing
Interests in subsidiaries	263,041.43	Used in financing
<b>Total</b>	<b>558,184.24</b>	

For the specific particulars of restricted assets, please refer to the paragraph headed “A. *Asset security, pledge, guarantee and other right restriction arrangement as of the date of signing the prospectus*” under the Section Nine: Other Significant Matters.

In addition to the above restricted assets, the Issuer has no other restricted assets as of the end of 2015.

## **VII. RELATED PARTY AND RELATED PARTY TRANSACTIONS**

### **1. Related information of controlling shareholders of the Company**

The controlling shareholder of the Company is Nanjing GCL New Energy Development Company Limited.

### **2. Particulars of subsidiaries of the Company**

For details, please refer to the paragraph headed “C. Important equity investment in other enterprises” under the Section 3 Financial and Accounting Information.

### 3. Related party transaction and current accounts

#### (1) related purchases and sales

**Table: Related party transactions in the Last two years and the Latest period**

*Unit: RMB0'000*

<b>Related party</b>	<b>Description of related party transactions</b>	<b>Transaction amount from January - September 2016</b>	<b>Transaction amount in 2015</b>	<b>Transaction amount in 2014</b>
Nanjing GCL New Energy Development Co., Ltd. (南京協鑫新能源發展有限公司)	Purchased of equipment	116,828.27	134,583.25	160,339.04
GCL System Integration Technology Co., Ltd.* (協鑫集成科技股份有限公司)	Purchased of equipment	–	8,879.15	–
Qingdao Changsheng Ridian Solar Power Technology Company Limited* (青島昌盛日電太陽能科技股份有限公司)	Purchase of services	–	9,999.99	–
<b>Total</b>	<b>–</b>	<b>116,828.27</b>	<b>153,462.39</b>	<b>160,339.04</b>

(2) *Inter-company borrowings of the related parties*

**Table: Inter-company borrowings between the Issuer and the related parties for the nine months ended 30 September 2016**

*Unit: RMB0'000*

<b>Related party</b>	<b>Amount of borrowings (balance as at 30 September 2016)</b>	<b>Inception date</b>	<b>Maturity date</b>	<b>Interest rate</b>
<b>Borrowings</b>				
Nanjing GCL New Energy Development Co., Ltd. (南京協鑫新能源發展有限公司)	527,134.39	Borrowed by tranches	Outstanding	20,009.47
Jiali (Tianjin) Asset Management Enterprise (Limited Partnership)* (嘉立(天津)資產管理合夥企業(有限合夥))	100,000.00	Borrowed by tranches	2017/06/10	6,769.10
<b>Total borrowings</b>	<b>627,134.39</b>			<b>26,778.57</b>
<b>Lendings</b>				
Nanjing GCL New Energy Development Co., Ltd. (南京協鑫新能源發展有限公司)	113,045.10	Lent by tranches	Outstanding	11,348.95
<b>Total lendings</b>	<b>113,045.10</b>			<b>11,348.95</b>

**Table: Inter-company borrowings between the Issuer and the related parties for the year 2015**

*Unit: RMB0'000*

<b>Related party</b>	<b>Amount of borrowings (balance as at end of 2015)</b>	<b>Inception date</b>	<b>Maturity date</b>	<b>Interest rate</b>
<b>Borrowings</b>				
Nanjing GCL New Energy Development Co., Ltd. (南京協鑫新能源發展有限公司)	441,215.37	Borrowed by tranches	Outstanding	7,869.17
Jiali (Tianjin) Asset Management Enterprise (Limited Partnership)* (嘉立(天津)資產管理合夥企業(有限合夥))	100,000.00	Borrowed by tranches	2017/06/10	658.85
Jiali (Tianjin) Asset Management Enterprise (Limited Partnership)* (嘉立(天津)資產管理合夥企業(有限合夥))	125,000.00	2015/06/12	2015/10/29	3,017.69
GCL-Poly (Suzhou) New Energy Limited Company (保利協鑫(蘇州)新能源有限公司)	12,000.03	2015/09/29	2015/10/20	41.14
<b>Total borrowings</b>	<b>678,215.41</b>	–	–	<b>11,586.85</b>
<b>Lendings</b>	–	–	–	–
Nanjing GCL New Energy Development Co., Ltd. (南京協鑫新能源發展有限公司)	227,801.40	Lent by tranches	Outstanding	4,142.14
<b>Total lendings</b>	<b>227,801.40</b>	–	–	<b>4,142.14</b>

#### 4. Amounts due from/to related parties

##### (1) amounts due from related parties

**Table: amounts due from related parties of the Issuer in the Last two years and the Latest period**

*Unit: RMB0'000*

<b>Item</b>	<b>Related party</b>	<b>Amount as at end of September 2016</b>	<b>Amount as at end of 2015</b>	<b>Amount as at end of 2014</b>
Other receivables	GCL New Energy Investment (China) Co., Ltd.* (協鑫新能源投資(中國)有限公司)	–	–	1,000.00
Advanced payments	Nanjing GCL New Energy Development Co., Ltd. (南京協鑫新能源發展有限公司)	–	15,830.93	–
Other receivables	Nanjing GCL New Energy Development Co., Ltd. (南京協鑫新能源發展有限公司)	443,382.19	434,775.68	–
Interests receivable	Nanjing GCL New Energy Development Co., Ltd. (南京協鑫新能源發展有限公司)	634.28	2,747.19	–
Other receivables	GCL-Poly (Suzhou) Financial Consulting Co., Ltd.* (保利協鑫(蘇州)財務諮詢有限公司)	–	26.04	–
Other receivables	Kunming Rongcui Investment Co., Ltd.* (昆明容翠投資有限公司)	–	1,700.00	–
Other receivables	Shanghai GCL New Energy Investment Company Limited* (上海協鑫新能源投資有限公司)	446.34	206.24	–
Other receivables	GCL New Agriculture Technology Co., Ltd.* (協鑫新農業科技有限公司)	2.25	2.25	–
Other receivables	Yulin GCL Agriculture Co., Ltd.* (榆林協鑫農業有限公司)	100.00	100.00	–
<b>Total</b>		<b>444,565.05</b>	<b>455,388.33</b>	<b>1,000.00</b>

**(2) Amounts due to related parties****Table: amounts due to related parties of the Issuer in the Last two years and the Latest period***Unit: RMB0'000*

<b>Item</b>	<b>Related party</b>	<b>Amount as at end of September 2016</b>	<b>Amount as at end of 2015</b>	<b>Amount as at end of 2014</b>
Account payables	Suzhou GCL Xinyang Financial Consulting Co., Ltd* (蘇州協鑫鑫陽財務諮詢有限公司)	–	24.57	–
Other payables	Suzhou GCL-Poly Solar Power Investment Ltd.* (蘇州保利協鑫光伏電力投資有限公司)	–	–	690.50
Other payables	Nanjing GCL New Energy Development Co., Ltd. (南京協鑫新能源發展有限公司)	410,465.15	367,266.03	105,605.32
Interests payable	Nanjing GCL New Energy Development Co., Ltd. (南京協鑫新能源發展有限公司)	–	4,903.55	–
Other payables	GCL-Poly (Suzhou) New Energy Co., Ltd.* (保利協鑫(蘇州)新能源有限公司)	–	21,290.14	–
Other payables	Datong Xian GCL Solar Energy Co., Ltd.* (大同縣協鑫光伏電力有限公司)	–	514.75	–
Other payables	Jiali (Tianjin) Asset Management Enterprise (Limited Partnership)* (嘉立(天津)資產管理合夥企業(有限合夥))	96,814.61	100,000.00	–
Other payables	Jiangsu GCL Property Management Co., Ltd.* (江蘇協鑫物業管理有限公司)	–	20.32	–
Other payables	Jiangsu GCL Sunshine Charity Fund* (江蘇協鑫陽光慈善基金會)	–	4.47	–
Other payables	Maanshan Jianshan Iron Mine Co., Ltd.* (馬鞍山尖山鐵礦有限公司)	9.45	1.86	–
Other payables	Qingdao Changsheng Ridian Solar Technology Co., Ltd. (青島昌盛日電太陽能科技股份有限公司)	–	2,179.59	–



Item	Related party	Amount as at end of September 2016	Amount as at end of 2015	Amount as at end of 2014
Other payables	Suzhou Xinzhihai Enterprise Management Consulting Co., Ltd.* (蘇州鑫之海企業管理諮詢有限公司)	52.40	40.88	–
Other payables	GCL System Integration Technology Co., Ltd.* (協鑫集成科技股份有限公司)	–	1,321.45	–
Other payables	Xuzhou GCL Solar Energy. Co., Ltd.* (徐州協鑫光伏電力有限公司)	6.94	1.01	–
Other payables	Yinhua Century Concord New Energy Investment Limited* (銀華協合新能源投資有限公司)	–	1,595.78	–
Interests payable	Jiali (Tianjin) Asset Management Enterprise (Limited Partnership)* (嘉立(天津)資產管理合夥企業(有限合夥))	–	241.45	–
Other payables	Jiangsu Kehua Property Management Co., Ltd. (江苏科华物业管理有限公司)	0.51	–	
Other payables	Jiangsu Ruineng Investment Co., Ltd.* (江蘇瑞能投資有限公司)	1,475.71	–	
Other payables	Panzhihua GCL Photovoltaic Power Co., Ltd.* (攀枝花協鑫光伏電力有限公司)	80.00	–	
<b>Total</b>		<b>508,904.77</b>	<b>499,405.84</b>	<b>106,295.82</b>

In order to regulate the group's cash pool accounting, capital accumulation, allocation, transfers and internal interest accruals and so on, the Issuer's intermediate controlling shareholder GCL New Energy Holding Limited released the Measures for managing the cash pool (interim), which is applicable to the internal use for the Group. Nanjing GCL Energy Development Co., Ltd. is the subject of cash pool and companies within the Group are member company of cash pool. This system makes detailed agreements on "Cash Pool Accounting and the related prescriptions", "accounting" and "Specific Operating Procedures for Cash Pool Business". The survival period of this bond, the Issuer shall manage the relevant necessary related party transactions according to such system and the requirements prescribed under the GCL New Energy Holding Limited's enterprise standards\_fund usage management system.

## VIII. FUNDS OCCUPATION BY THE ISSUER

### (I) Whether exists the funds occupation by the controlling shareholders, actual controllers and its controlled other enterprises for the Issuer in the Last two years and the Latest period

As of 30 September 2016, in addition to the funds of RMB1,130,451,000 occupied by the controlling shareholders as a result of performing the strategic operational strategies deployed by the immediate controlling shareholder by the Issuer, there is no funds which are occupied by the controlling shareholders, actual controller and its controlled other enterprises.

The Issuer lends and borrows funds from its shareholders in a bid to optimize the fund allocation and improve the utilizing rates. In the survival period of this bond, it does not rule out the fact that the Issuer shall further make arrangement for funds borrowing, however, the Issuer's related party transactions shall be made decisions in strict with the requirements promulgated under Related Party Transaction Decision-making System of Suzhou GCL New Energy Investment Co., Ltd. And in the same time, we shall formulate the funds-raising overseeing system for this bond so as to ensure the funds raised through this bond shall be re-lent to other enterprises.

**Table: Inter-company between the Issuer and its project companies and the controlling shareholder as at 30 September 2016**

*Unit: RMB*

No.	Name of company	Inter-company balance	Interest rate (per annum)	Expected payment date	Within 1 year	Over 1 year
1	Ningxia Jinxin Photovoltaic Electric Power Co.,Ltd.* (寧夏金信光伏電力有限公司)	3,889,936.04	8%	2016/11/30	3,889,936.04	-
2	Kaifeng Huaxin New Energy Development Co.,Ltd.* (開封華鑫新能源開發有限公司)	446,496,625.83	8%	2016/12/30	446,496,625.83	-
3	Zhangjiakou GCL Photovoltaic Power Co., Ltd.* (張家口協鑫光伏發電有限公司)	79,271,650.92	8%	2016/11/30	79,271,650.92	-
4	Anfu GCL New Energy Co., Ltd.* (安福協鑫新能源有限公司)	10,180,400.00	8%	2017/6/30	10,180,400.00	-
5	Pingshan Shijing New Energy Co., Ltd.* (平山縣世景新能源有限公司)	12,623,078.60	8%	2017/6/30	12,623,078.60	-
6	Yugan GCL New Energy Co., Ltd.* (餘干縣協鑫新能源有限公司)	2,000,000.00	8%	2017/1/30	2,000,000.00	-

No.	Name of company	Inter-company balance	Interest rate (per annum)	Expected payment date	Within 1 year	Over 1 year
7	Suzhou GCL New Energy Investment Co.,Ltd. (蘇州協鑫新能源投資有限公司)	1,532,134,962.97	8%	2016/12/30	1,532,134,962.97	-
8	Ningxia Jinli Photovoltaic Electric Power Co., Ltd.* (寧夏金禮光伏電力有限公司)	36,135,247.66	8%	2017/6/10	36,135,247.66	-
9	Hefei Jiuyang New Energy Co., Ltd.* (合肥久陽新能源有限公司)	70,800,000.00	8%	2016/12/30	70,800,000.00	-
10	Baotou Zhongli Tenghui Photovoltaic Power Co., Ltd.* (包頭市中利騰暉光伏發電有限公司)	16,600,000.00	8%	2017/6/10	16,600,000.00	-
11	Hengshan Jinghe Solar Energy Co., Ltd.* (橫山晶合太陽能發電有限公司)	97,625,909.18	8%	2017/6/10	97,625,909.18	-
12	Jiangsu GCL Haibin New Energy Technology Development Co., Ltd.* (江蘇協鑫海濱新能源科技發展有限公司)	1,759,890.00	8%	2017/3/30	1,759,890.00	-
13	Fuyang Hengming Solar Energy Power Co.,Ltd. (阜陽衡銘太陽能電力有限公司)	24,000,000.00	8%	2017/1/30	24,000,000.00	-
14	Yulin Yushen Industrial Zone Dongtou Energy Co., Ltd. (榆林市榆神工業區東投能源有限公司)	653,849,062.20	8%	2017/6/30	-	653,849,062.20
15	Shangyi Yuanchen New Energy Development Co., Ltd.* (尚義元辰新能源開發有限公司)	51,043,698.73	8%	2017/1/30	51,043,698.73	-
16	Menghai GCL Solar Agricultural Power Co., Ltd.* (勳海協鑫光伏農業電力有限公司)	613,698.25	8%	2017/1/30	613,698.25	-
17	Huixian GCL Solar Energy Co., Ltd.* (輝縣市協鑫光伏電力有限公司)	5,215,063.33	8%	2017/3/30	5,215,063.33	-
18	Yulin Longyuan Solar Energy Co., Ltd.* (榆林隆源光伏電力有限公司)	256,121,496.67	8%	2017/3/30	-	256,121,496.67
19	Tongyu Zajia Qinye Technology Co., Ltd.* (通榆縣咱家禽業科技有限公司)	3,010,219.00	8%	2017/6/10	3,010,219.00	-
20	<b>Total</b>	<b>3,303,370,939.38</b>	<b>8%</b>	<b>2017/6/30</b>	<b>2,393,400,380.51</b>	<b>909,970,558.87</b>

- (II) Whether there exists the fact that the Issuer provides guarantee for controlling shareholders, actual controllers and its controlled enterprises for the Issuer in the Last two years and the Latest period**

In the Last two years and the Latest period, There not exists the fact that the Issuer provides guarantee for controlling shareholders, actual controllers and its controlled enterprises.

**IX. CHANGES IN THE STRUCTURE OF THE COMPANY'S ASSET AND LIABILITIES AFTER THIS ISSUANCE.**

Upon completion of issuance of this bond, the structure of the Company's assets and liabilities shall changes. It is assumed that the structure of the Company's assets and liabilities changes on the following bases:

- (I) The base date of relevant financial data to simulate the adjustment is 30 September 2016;**
- (II) It is assumed that the net amount of the funds raised by this bond is RMB1,750,000,000 and not consider the related expenses incurred in the course of financing and all is issued;**
- (III) It is assumed that the net amount of the funds raised by this bond of RMB1,750,000,000 shall be included into the balance sheet as at 30 September 2016.**
- (IV) It is assumed that all the funds raised by this bond shall be applied into the construction of photovoltaic power plant project;**

(V) It is assumed that the issuance of this bond shall be completed on 30 September 2016.

Based on the above, the effects of issuance of this bond on the structure of the Company's assets and liabilities are as presented in the following table:

**Simulated consolidated balance sheet**

*Unit: RMB0'000*

<b>Item</b>	<b>Before the issuance of bond</b>	<b>After the issuance of bond (simulated)</b>	<b>Simulated changes</b>
Total current assets	1,117,262.08	1,292,262.08	175,000.00
Total non-current assets	2,451,734.43	2,451,734.43	–
Total assets	3,568,996.51	3,743,996.51	175,000.00
Total current liabilities	1,592,175.14	1,592,175.14	–
Total non-current liabilities	1,167,457.55	1,342,457.55	175,000.00
Total liabilities	2,759,632.69	2,934,632.69	175,000.00
Gearing ratio	77.32%	78.38%	1.06%
Current ratio	0.70	0.81	0.11

**X. PENDING LITIGATION OR ARBITRATION**

According to the confirmation by the relevant government authorities, the confirmation in writing of the Issuer and upon auditing by Guohao Law Firm, as at the date of issuing the legal opinion letter for this bond, none of the Issuer is at present engaged in any litigation or arbitration or administrative penalty cases of material importance which is pending or foreseeable to substantially affect the financial conditions, operation activities of the Issuer.

## **Section Seven: Use of Proceeds**

### **I. AMOUNT OF PROCEEDS FROM CORPORATE BOND ISSUANCE**

In accordance with the relevant provisions of the “*Management Measures for Corporate Bond Issuance and Trading*” and in conjunction with the Company’s financial position and future capital requirements, the Issuer and shareholders have issued a mandate adopted by shareholders at the Board meeting and the shareholders’ meeting held on 7 December 2016 respectively, deciding unanimously to authorize the Company to apply for non-public issuance of not more than RMB1.75 billion (including) of green corporate bonds.

### **II. PLAN OF PROCEEDS USE**

With the approval of the competent agency of the Issuer, the proceeds from the proposed green corporate bond issuance, after deducting issuing expenses, will be used for the investment in and construction and/or pre-financing of the 20MW photovoltaic power plant project of Dangshan GCL in Caozhuang Xihong River and other 8 green projects. The information of the investment projects are as follows:

RMB187 million for the 20MW photovoltaic power plant project of Dangshan GCL in Caozhuang Xihong River and the 10MW photovoltaic power plant project of Dangshan GCL in Caozhuang Xihong River (Phase II); RMB268 million for the 40MW agricultural light complementary photovoltaic power plant project in Huigu Town, Yongqiao District; RMB123 million for the 20MW agricultural light complementary photovoltaic power generation project in Zhuangjiaqiao, Taoyuan County, Hunan; RMB700 million for the 100MW agricultural light complementary project in Haifeng, Guangdong; RMB131 million for the 50MW independent power plant project in Anfu County (20MW for Phase I); RMB60 million for the 10MW fishery light complementary photovoltaic power generation project of Xuzhou Xinri Photovoltaic Power Co., Ltd. (Phase II); RMB236 million for the 35MW facility agricultural photovoltaic power generation project in Taiyangpo, Panzhihua; and RMB45 million for the 6MW fishery light complementary project in Liubao, Baoying, Yangzhou, totaling RMB1.75 billion.

**Table: Information of the bond-funded investment projects**

No.	Location	Project name (Including installed capacity)	Total investment (in RMB ten thousand)	Investment amount from proceeds (in RMB ten thousand)	Approval obtained				
					Approval	Environmental Impact Assessment (EIA)	Land pre-approval	Permission notes for location	Power grid connecting
1	Dangshan County, Anhui Province	20MW photovoltaic power plant project of Dangshan GCL in Caozhuang Xihong River, 10MW photovoltaic power plant project of Dangshan GCL in Caozhuang Xihong River (Phase II)	24,000.00	18,700.00	✓	✓	✓	✓	✓
2	Suzhou City, Anhui Province	40MW agricultural light complementary photovoltaic power plant project in Huigu Town, Yongqiao District	34,400.00	26,800.00	✓	✓	✓	✓	✓
3	Taoyuan County, Hunan Province	20MW agricultural light complementary photovoltaic power generation project in Zhuangjiaqiao, Taoyuan County, Hunan	16,163.00	12,300.00	✓	✓	✓	✓	✓
4	Haifeng County, Guangdong Province	100MW agricultural light complementary project in Haifeng, Guangdong	89,000.00	70,000.00	✓	✓	✓	✓	✓
5	Anfu County, Jiangxi Province	50MW independent power plant project in Anfu County (20MW for Phase I)	16,680.00	13,100.00	✓	✓	✓	✓	✓
6	Xuzhou City, Jiangsu Province	10MW fishery light complementary photovoltaic power generation project of Xuzhou Xinri (Phase II)	7,900.00	6,000.00	✓	✓	✓	✓	✓
7	Panzhihua City, Sichuan Province	35MW facility agricultural photovoltaic power generation project in Taiyangpo, Panzhihua	31,013.48	23,600.00	✓	✓	✓	✓	x <sup>5</sup>
8	Baoying County, Yangzhou City, Jiangsu Province	6MW fishery light complementary project in Liubao, Baoying, Yangzhou	5,803.00	4,500.00	✓	✓	✓	✓	✓
		<b>Total</b>	<b>224,959.48</b>	<b>175,000.00</b>					

5. As at the execution date of the Prospectus, the approval of the 35MW facility agricultural photovoltaic power generation project in Taiyangpo, Panzhihua has not yet completed, and is expected by the Issuer to be completed in 2017.

## **(I) Information on investment projects**

### **1. Information of projects**

The proceeds from bond issuance RMB1.75 billion are intended to be used fully for solar photovoltaic power plant projects. In order to ensure smooth progress of the projects and protect the interests of the shareholders, the Company may, within the scope of the above investment projects, make appropriate adjustments to the investment order and specific amount of the corresponding proceeds, based on specific conditions of the Company and the market. To the extent that there are inconsistencies in availability time of the proceeds and progress of the projects, the Company will, in view of the actual situation and demands, firstly make investment with other funds (including self-owned funds, bank loans, etc.), and then repay them with by the proceeds. The Company will be responsible for the specific implementation based on the shareholders' decision, the Company's financial conditions, project investment amount, market conditions and other actual situations.

The bond-fund investment projects are all solar photovoltaic power plant projects. According to the "*Catalog of Green Bond Supported Projects (2015)*" compiled by the Green Finance Committee under China Society for Finance and Banking and published on 22 December 2015, these projects are classified into the following categories:



Tier I classification	Tier II classification	Tier III classification	Conditions for specification or definition	Industry classification name and code in national economy
5. Clean energy	5.2 Solar photovoltaic power generation	5.2.1 Facility construction and operation	<p>Solar photovoltaic power plants and solar high-temperature thermal power plants (excluding distributed solar photovoltaic power generation system) shall meet the following conditions:</p> <ol style="list-style-type: none"> <li>1. Photoelectric conversion efficiency of polycrystalline silicon battery pack <math>\geq 15.5\%</math>, attenuation rate of the pack (from the date when the project is put into operation) <math>\leq 2.5\%</math> (within one year), and <math>\leq 0.7\%</math> (after one year);</li> <li>2. Photoelectric conversion efficiency of monocrystalline silicon battery pack <math>\geq 16\%</math>, attenuation rate of the pack (from the date when the project is put into operation) <math>\leq 3\%</math> (within one year), and <math>\leq 0.7\%</math> (after one year);</li> <li>3. Photoelectric conversion efficiency of high magnification photovoltaic pack <math>\geq 28\%</math>, attenuation rate of the pack (from the date when the project is put into operation) <math>\leq 2\%</math> (within one year), and <math>\leq 0.5\%</math> (after one year), attenuation rate of the project <math>\leq 10\%</math> (throughout the entire life cycle);</li> <li>4. Photoelectric conversion efficiency of Silicon-based thin-film battery pack <math>\geq 8\%</math>, Photoelectric conversion efficiency of CIGS thin-film battery pack <math>\geq 11\%</math>, Photoelectric conversion efficiency of CdTe thin-film battery pack <math>\geq 11\%</math>, Photoelectric conversion efficiency of other thin-film battery pack (s) <math>\geq 10\%</math>;</li> <li>5. Attenuation rate of polycrystalline silicon, monocrystalline silicon and thin-film battery projects <math>\leq 20\%</math> (within the life cycle).</li> </ol>	D Electricity, heat, gas and water production and supply industry – 44 Electricity, heat production and supply industry – 4415 Solar power generation.

In summary, the bond-fund investment projects above are all within the categories of green bond supported projects set out in the “*Catalog of Green Bond Supported Projects (2015)*” compiled by the Green Finance Committee under China Society for Finance and Banking, and in line with the relevant requirements of the “*Catalog of Green Bond Supported Projects (2015)*”. Therefore, they qualify as green industry projects.

## 2. *Green assurance on projects*

Deloitte Touche Tohmatsu CPA LLP (Special General Partnership) issued its independent limited assurance report on 6 December 2016. The main content is as follows:

### (1) *Objects of assurance*

Deloitte Touche Tohmatsu CPA LLP (Special General Partnership) has been entrusted by the Issuer to provide limited guarantee assurance as to whether the management statement of the bond issuance satisfies the following requirements:

- A. Whether the use of proceeds from bond issuance set out in the management statement of the bond issuance follows the requirements of Notice on the Pilot Business of Green Corporate Bonds (Shenzhengshang No. [2016] 206, hereinafter referred to as “Shenzhengshang No. [2016] 206 Notice”);
- B. Whether the related policies and internal control measures for project evaluation and selection, proceeds management and information disclosure set out in the management statement of the bond issuance satisfies the requirements of Shenzhengshang No. [2016] 206 Notice.

### (2) *Responsibilities of the Issuer*

Subject to the requirements of Shenzhengshang No. [2016] 206 Notice, the Issuer shall prepare and publish the management statement of the bond issuance, including development of the green project standards, establishment of related policies and internal control measures for green project evaluation and selection, proceeds management and information disclosure;

Subject to the requirements of Shenzhengshang No. [2016] 206 Notice, the Issuer shall determine the use of proceeds from the bond issuance, and evaluate and select the projects to be invested by the proceeds based on the green project standards;

Subject to the requirements of Shenzhengshang No. [2016] 206 Notice, the Issuer shall allocate and manage the proceeds and perform information disclosure on the use of proceeds on a regular basis;

The Issuer shall, in connection with the information collection, preparation and publication of the management statement of the bond issuance, establish appropriate risk management and internal control measures, to avoid substantial misstatement due to fraud or error.

(3) *Responsibilities of independent third-party assurance agency*

Under the agreement with the Issuer, Deloitte Touche Tohmatsu CPA LLP (Special General Partnership) is responsible for implementation of the limited guarantee assurance engagement, namely, performing the assurance engagement that whether the management statement of the bond issuance issued by the Issuer satisfies the requirements of Shenzhengshang No. [2016] 206 Notice, and issue an independent limited assurance report.

(4) *Basis of assurance engagement*

Deloitte Touche Tohmatsu CPA LLP (Special General Partnership) performed limited guarantee assurance engagement in accordance with the International Standard on Assurance Engagements 3000: Assurance Engagement not included in the Historical Financial Information Audit or Review. In planning and implementing the limited guarantee assurance engagement, Deloitte Touche Tohmatsu CPA LLP (Special General Partnerships) aimed at obtaining all the information and explanations that it deemed necessary, in order to acquire sufficient credentials to support its conclusions.

The independent limited guarantee assurance engagement performed by Deloitte Touche Tohmatsu CPA LLP (Special General Partnership) includes interviews with the principal officer responsible for the information collection, preparation and publication of the management statement of the bond issuance, access to the relevant supporting documents, and implementation of analysis, review and other evidence collection procedures. The engagement carried out by Deloitte Touche Tohmatsu CPA LLP (Special General Partnership) includes:

- A. obtaining and reviewing the internal management system documents in relation to the bond issuance of the Issuer, to understand the current situation of its internal management;
- B. interviewing the principal officer responsible for the internal management of the bond issuance, to understand the related policies, procedures and internal control measures for project evaluation and selection, proceeds management and information disclosure;
- C. interviewing the principal officer responsible for the investment management of the proceeds from the bond issuance, to understand the use plan of the proceeds from the bond issuance;
- D. review the catalog of the proposed green projects, project approval documents and related project materials, to assess whether they meet the green project standards;

- E. reviewing the related information and environmental performance measurement tools of the proposed green industry projects, and reviewing the environmental performance measurement process, to assess whether the environmental performance measurement results were reasonable;
- F. obtaining and reviewing other supporting documents on related policies, procedures and internal control measures for project evaluation and selection, proceeds management and information disclosure.

(5) *Limitations of assurance engagement*

The type of assurance on the green bond projects is a limited guarantee assurance, and the procedure is carried out for obtaining a limited guarantee, in order to confirm the credibility of information. The scope of such procedure is less than that of the procedure carried out for obtaining a reasonable guarantee. Deloitte Touche Tohmatsu CPA LLP (Special General Partnerships) will not express its opinions on the effectiveness of the Issuer's management systems and procedures as well as the performance information in its assurance engagement and its assurance report.

The assurance of Deloitte Touche Tohmatsu CPA LLP (Special General Partnership) is based on its interpretation of Shenzhengshang No. [2016] 206 Notice, and has a certain degree of subjectivity. Therefore, different stakeholders may have different interpretations.

The assurance engagement of Deloitte Touche Tohmatsu CPA LLP (Special General Partnership) is solely performed for the limited guarantee assurance prior to the Issuer's bond issuance, excluding statutory financial reports. The assurance of Deloitte Touche Tohmatsu CPA LLP (Special General Partnership) is also limited to the existing policies and procedures prior to the bond issuance.

(6) *Conclusions of assurance engagement*

According to the above limited guarantee assurance engagement, Deloitte Touche Tohmatsu CPA LLP (Special General Partnership) has not found any failure to follow the requirement of "Shenzhengshang No. [2016] 2016 Notice" in the use of proceeds from green corporate bond issuance set out in the Issuer's management statement of the bond issuance.

According to the above limited guarantee assurance engagement, Deloitte Touche Tohmatsu CPA LLP (Special General Partnership) has not found any failure to follow the requirements of "Shenzhengshang No. [2016] 2016 Notice" in related policies and internal control measures for project evaluation and selection, proceeds management and information disclosure set out in the Issuer's management statement of the bond issuance.

(7) *Use of assurance report*

The engagement of Deloitte Touche Tohmatsu CPA LLP (Special General Partnership) is based on the relevant terms of the assurance agreement signed with the Issuer, and a limited guarantee assurance conclusion has been issued. The assurance report issued is solely prepared for the Issuer without any other purpose. Deloitte Touche Tohmatsu CPA LLP (Special General Partnership) shall not be liable to any third party for the content of its engagement performed or that of the assurance report on the green bond projects issued.

**According to the “Management Statement of Green Corporate Bond of Suzhou GCL New Energy Investment Co., Ltd.” issued by the Issuer on 6 December 2016, the Company will strictly follow the related policies and internal control measures for the use of proceeds, green project evaluation and selection, proceeds management and information disclosure set out in this statement. Before the issuance of green corporate bonds, it will disclose in the prospectus of green corporate bonds the green industry project categories to be invested by proceeds, project identification basis or criteria, environmental efficiency objectives, use plan of the proceeds from green corporate bond issuance and management system and other contents. Throughout the duration of green corporate bonds, it will disclose the use of the proceeds from green corporate bond issuance, progress of green industry projects and environmental efficiency and other content according to the disclosure requirements of periodic report by relevant regulatory authorities. For the duration period of green corporate bonds, it will employ an independent third-party assessment agency with relevant experience and qualifications to conduct continuous follow-up assessment on the progress and environmental efficiency of green industry projects supported by green corporate bonds, issue the annual assessment report, and make timely information disclosure.**

3. *Further information of investment projects*

The bond fund investment projects are all solar photovoltaic power plants. As of the end of 2016, all investment projects had been under construction, with smooth progress. The investment and construction of these investment projects are further described in the following table:

**Table: investment and construction information of this bond issuance project**

*Unit: RMB0'000*

No.	Project name	Total investment	Project capital	Proposed proceeds of this bond issuance	Invested amounts			Future investment plan	Project construction period
	(Including installed capacity)				Owned funds	Payments under finance lease	Total		
1	20MW photovoltaic power plant project of Dangshan GCL in Caozhuang Xihong River, 10MW photovoltaic power plant project of Dangshan GCL in Caozhuang Xihong River (Phase II)	24,000.00	4,800.00	18,700.00	4,800.00	1,267.00	6,067.00	For the part which has not yet be invested in, it is proposed to use the proceeds of this bond issuance to be directly invested; for the part which has been used the prior investment payment under finance leasing, it is proposed to apply the proceeds of this bond issuance to repay such portion of payment under finance lease	April 2016 to March 2017
2	40MW agricultural light complementary photovoltaic power plant project in Huigu Town, Yongqiao District	34,400.00	6,880.00	26,800.00	6,880.00	4,064.00	10,944.00		April 2016 to March 2017
3	20MW agricultural light complementary photovoltaic power generation project in Zhuangjiaqiao, Taoyuan County, Hunan	16,163.00	3,232.60	12,300.00	3,232.60	8,926.00	12,159.00		April 2016 to December 2017
4	100MW agricultural light complementary project in Haifeng, Guangdong	89,000.00	17,800.00	70,000.00	17,800.00	22,700.00	40,500.00		January 2016 to June 2017
5	50MW independent power plant project in Anfu County (20MW for Phase I)	16,680.00	3,336.00	13,100.00	3,336.00	2,636.00	5,972.00		January 2016 to June 2017
6	10MW fishery light complementary photovoltaic power generation project of Xuzhou Xinri (Phase II)	7,900.00	1,580.00	6,000.00	1,580.00	6,020.00	7,600.00		May 2016 to August 2016
7	35MW facility agricultural photovoltaic power generation project in Taiyangpo, Panzhihua	31,013.48	6,202.70	23,600.00	5,261.00	0.00	5,261.00		September 2016 to May 2017
8	6MW fishery light complementary project in Liubao, Baoying, Yangzhou	5,803.00	1,160.60	4,500.00	1,160.60	3,256.40	4,417.00		April 2016 to July 2016
	<b>Total</b>	<b>224,959.48</b>	<b>44,991.90</b>	<b>175,000.00</b>	<b>44,050.20</b>	<b>48,869.40</b>	<b>92,920.00</b>		

(1) *Dangshan GCL Caozhuang Xihong River 20MW Photovoltaic Power Plant and Dangshan GCL Caozhuang Xinhong River Phase II 10MW Photovoltaic Power Plant Project*

A. Project overview and the use of funds raised

The Dangshan GCL Caozhuang Xihong River 20MW Photovoltaic Power Plant and Dangshan GCL Caozhuang Xinhong River Phase II 10MW Photovoltaic Power Plant Project will both be constructed by Dangshan GCL Photovoltaic Power Co., Ltd., a subsidiary of the GCL New Energy. The above projects are located in the site of Dangshan County in Anhui Province. The aggregated capacity planning to be installed is 30MW. The areas for Dangshan GCL Caozhuang Xihong River 20MW Photovoltaic Power Plant (Phase I) is approximately 658 Mu and that of Dangshan GCL Caozhuang Xinhong River Phase II 10MW Photovoltaic Power Plant Project is approximately 300 Mu. The above projects are mainly comprised of two parts, that is Preparation Area and Production Area. In the former, a number of parking spaces and greenbelt will be placed while the latter is mainly composed of photovoltaic arrays and the foundation of box transformers. Photovoltaic array is mainly arranged in the river. A total of 30 photovoltaic power generation units will be configured, and each photovoltaic power unit is equipped with 25 40kW inverters and one 1000kVA step-up transformer.

As of 31 December 2016, one contract under finance lease has been signed and the particulars are as follows:

No.	Name of company	Amounts of borrowings (RMB0'000)	Annual interest rate (%)	Term	Balance of borrowings as at the execution date of the Prospectus (RMB0'000)
1	Huaneng Tiancheng Financial Leasing Co.,Ltd. (華能天成融資租賃公司)	15,750.00	6.58	30 September 2016 to 30 September 2018	15,750.00
<b>Total</b>		<b>15,750.00</b>			<b>15,750.00</b>

In case that the decline in scale of funds in project construction leads to a surplus in the proceeds used in this project, the surplus will be used to repay the preliminary financing of the project, or for other equity investment projects.

B. Approval of the project

- i) On 31 December 2015, the Issuer obtained the Circular on Filing of Dangshan GCL Caozhuang Xihong River 20MW Photovoltaic Power Plant (Sufa Gai Nengyuan [2015] No.349) issued by Suzhou Municipal Development and Reform Commission, which approved the Filing of Dangshan GCL Caozhuang Xihong River 20MW Photovoltaic

Power Plant; On 31 December 2015, the Issuer obtained the Circular on Filing of Dangshan GCL Caozhuang Xinhong River Phase II 10MW Photovoltaic Power Plant Project (Sufa Gai Nengyuan [2015] No.360) issued by Suzhou Municipal Development and Reform Commission, approved the Filing of Dangshan GCL Caozhuang Xinhong River Phase II 10MW Photovoltaic Power Plant Project;

- ii) On 9 June 2016, the Issuer obtained the Letter of Reviewing Opinion to the Environment Effects Report on Dangshan GCL Caozhuang Xihong River 20MW Photovoltaic Power Plant (Su Huan Jian Han [2016] No.84) issued by Suzhou Municipal Environment Protection Bureau. The document deemed that Dangshan GCL Caozhuang Xihong River 20MW Photovoltaic Power Plant complies with the requirements under the related laws and regulations on environment protection and would not have destructive effects on the ecological environment; On 9 June 2016, the Issuer obtained the Letter of Reviewing Opinion to the Environment Effects Report on Dangshan GCL Caozhuang Xihong River Phase II 10MW Photovoltaic Power Plant Project (Su Huan Jian Han [2016] No.85) issued by Suzhou Municipal Environment Protection Bureau. The document deems that Dangshan GCL Caozhuang Xihong River Phase II 10MW Photovoltaic Power Plant project complies with the requirements under the related laws and regulations on environment protection and will not have destructive effects on the ecological environment;
- iii) On 28 January 2016, the Issuer obtained the Letter of Pre-reviewing Opinion on the Land for constructing of Dangshan GCL Caozhuang Xihong River 20+10MW Photovoltaic Power Plant (Dang Guo Tu Zi Han [2016] No.11) issued by Xuzhou Municipal Land and Resources Authority, which agreed the above said projects had passed the land pre-qualification;
- iv) On 21 June 2016, the Issuer obtained the Approval Reply to Letter of Opinion on the Access to the System of Dangshan GCL Caozhuang Xihong River 20MW Photovoltaic Power Plant Project (Su Dian Han [2016] No.13) issued by State Grid Anhui Electric Power Company Suzhou Power Supply Company, and this document agreed the Generator Set of Dangshan GCL Caozhuang Xihong River 20MW Photovoltaic Power Plant Project was integrated to the Suzhou Grid; On 21 June 2016, the Issuer obtained the Approval Reply to Letter of Opinion on the Access to the System of Dangshan GCL Caozhuang Xihong River Phase II 10MW Photovoltaic Power Plant Project (Su Dian Han [2016] No.14) issued by State Grid Anhui Electric Power Company Suzhou Power Supply Company, and this document agreed that the Generator Set of Dangshan GCL Caozhuang Xihong River Phase II 10MW Photovoltaic Power Plant Project was integrated to the Suzhou Grid;



- v) On 8 February 2016, the Issuer obtained the Letter of Opinions on the Preliminary Planning Site Selection of Dangshan GCL Caozhuang Xihong River 20+10MW Photovoltaic Power Plant (Dang Gui Xuan [2016] No.1) issued by Dangshan County Urban and Rural Planning Bureau, and the document agreed that the proposed site had been granted to the above two projects.

#### C. The necessity of project construction

Anhui Dangshan has abundant solar energy resources, convenient transportation conditions and convenient access to power system, which provide good basis for the development and construction of solar power. The scientific and reasonable development of solar energy, and construction of the photovoltaic power plant will play a supporting role for the rapidly developing economy of Anhui Dangshan and help meet its power demand. Photovoltaic power generation is unique for being pollution-free and renewable and sustainable. Unlike conventional natural resources, it is bound to play a positive role in promoting Anhui Dangshan 's economic development, especially its sustainable development.

To sum up, the construction of Dangshan GCL Caozhuang Xihong River 20MW Photovoltaic Power Plant and Dangshan GCL Caozhuang Xinhong River Phase II 10MW Photovoltaic Power Plant Project (hereafter "the two power plant projects") will improve the ecological environment, and achieve better economic benefits, aside from significant social benefits. So it is necessary to build such projects.

#### D. Economic benefits of the projects

According to the project feasibility study report, the total investment of Dangshan GCL Caozhuang Xihong River 20MW Photovoltaic power plant and Dangshan GCL Caozhuang Xinhong River Phase II 10MW photovoltaic power plant project is RMB240,000,000 and the total investment of the former project is RMB160,000,000 and RMB80,000,000 for the latter. Both have a production and operation term of 25 years. The annual on-grid electricity of the former project is estimated to be 21,720,000KWh, with equivalent full load hours at 1,545 hours. The figures for the latter are estimated to be 10,860,000KWh and 1,545 hours respectively.

Under the guidance of such policy documents as Notice of the national development and Reform Commission on improving the policy of on-grid benchmark tariff for wind and Photovoltaic Power Generation (Fagai Jiage [2015] No.3044) and the Circular on Promoting the Healthy Development of PV Industry by Using Price Leverage (Fagai Jiage [2013] No.1638), and in light of the specific local situations, the feasibility study report on Dangshan GCL Caozhuang Xihong River 20MW Photovoltaic Power Plant predicts that the project's average on-grid tariff (tax inclusive) will be RMB1/KWh. According to the estimates on the above tariff level, the investment recovery period (after tax) of Dangshan GCL Caozhuang

Xihong River 20MW Photovoltaic Power Plant is 7 years, and the internal rate of return (ROI) of the party of the investment 12.50%. The specific financial targets of the project are as follows:

No.	Item	Unit	Amount
1	Installed capacity	MW	20
2	Average annual volume of on-grid electricity	0'000KWh	2,172
3	Total investment	RMB0'000	16,000
4	Production operation period	Year	25
5	Equivalent utilization hours	Hrs/year	1,545
6	Average tariff in operational period (VAT inclusive)	RMB/KWh	1
7	Investment recovery period	Year	7
8	Internal rate of return (ROI) of the party investment	%	12.50
9	Planned area of occupation	Mu	300

Under the guidance of national benchmark tariff, the feasibility study report on Dangshan GCL Caozhuang Xinhong River Phase II 10MW Photovoltaic Power Plant Project predicts that the project's average on-grid tariff (tax inclusive) is RMB1/KWh. According to the estimate on the above tariff level, the investment recovery period (after tax) of Dangshan GCL Caozhuang Xinhong River 20MW Photovoltaic Power Plant is 7 years and the internal rate of return (ROI) of the party of the investment 12.50%.. The specific financial targets of the project are as follows:

No.	Item	Unit	Amount
1	Installed capacity	MW	10
2	Average annual volume of on-grid electricity	0'000KWh	1,086
3	Total investment	RMB0'000	8,000
4	Production operation period	Year	25
5	Equivalent utilization hours	Hrs/year	1,545
6	Average tariff in operational period (VAT inclusive)	RMB/KWh	1
7	Investment recovery period	Year	7
8	Internal rate of return (ROI) of the party investment	%	12.50
9	Planned area of occupation	Mu	300

#### E. Project environmental benefits

After the completion of the project, it is expected to save about 10,262.70 tons of standard coal each year, reducing CO<sub>2</sub> emission by about 24,630.48 tons, SO<sub>2</sub> emission by about 15.31 tons, and NO<sub>x</sub> emission by about 14.01 tons, with significant social and environmental benefits.

(2) *Yongqiao District Huigu Township 40MV Photovoltaic Power Plant for Agricultural Light Complementary Facilities.*

A. Project overview and the use of funds raised

The legal entity subject Agricultural Light Complementary Facilities is Suzhou GCL Photovoltaic Power Co., Ltd, and it is a subsidiary of GCL New Energy. This project is located at the site of Fufu Village, Yongqiao District, Huigu Township, Suzhou City in Jiangsu Province Divided into Phase I and Phase II, it has a planned area of approximately 1,500 Mu in total and planned installed capacity of 40MW. The project uses integrated construction mode, and combines Chinese medicine herbal cultivation with the solar power generation.

As of 31 December 2016, one contract under finance lease has been signed and the particulars are as follows:

<b>Name of company</b>	<b>Amounts of borrowings (RMB0'000)</b>	<b>Annual interest rate (%)</b>	<b>Term</b>	<b>Balance of borrowings as at the execution date of the Prospectus (RMB0'000)</b>
Huiyin Financial Leasing Co., Ltd. (徽銀金融租賃有限公司)	15,000.00	6.93	31 October 2016 to 20 October 2018	15,000.00
<b>Total</b>	<b>15,000.00</b>			<b>15,000.00</b>

In case that the decline in scale of funds actually used in project construction leads to a surplus in the proceeds used in this project, the surplus will be used to repay the preliminary financing of the project, or for other equity investment projects.

B. Approval of the project

- i) On 31 December 2015, the Issuer obtained the Circular on Filing of Suzhou GCL Yongqiao District Huigu Township Phase I 20MV Photovoltaic Power Plant for Agricultural Light Complementary Facilities (Sufa Gai Nengyuan [2015] No.352). Issued by Suzhou Municipal Development and Reform Commission, this document approved the Filing of Yongqiao District Huigu Township Phase I Project 40MV Photovoltaic Power Plant for Agricultural Light Complementary Facilities (Suzhou GCL Yongqiao District Huigu Township Phase I 20MV Photovoltaic Power Plant for Agricultural Light Complementary Facilities); On 31 December 2015, the Issuer obtained the Circular on Filing of Suzhou GCL Yongqiao District Huigu Township Phase I 20MV Photovoltaic Power Plant for Agricultural Light Complementary Facilities (Sufa Gai Nengyuan [2015] No.352). Issued by Suzhou Municipal Development and Reform Commission, this document approved the Filing of Yongqiao District Huigu

Township Phase II Project 40MV Photovoltaic Power Plant for Agricultural Light Complementary Facilities (Suzhou GCL Yongqiao District Huigu Township Phase II 20MV Photovoltaic Power Plant for Agricultural Light Complementary Facilities);

- ii) On 9 June 2016, the Issuer obtained the Letter of Reviewing Opinion the Environment Effects Report on Suzhou GCL Yongqiao District Huigu Township Phase I 20MV Photovoltaic Power Plant for Agricultural Light Complementary Facilities (Su Huan Jian Han [2016] No.72) issued by Suzhou Municipal Environment Protection Bureau. The document deems that Yongqiao District Huigu Township Phase I Project 20MV Photovoltaic Power Plant for Agricultural Light Complementary Facilities (Suzhou GCL Yongqiao District Huigu Township Phase I 20MV Photovoltaic Power Plant for Agricultural Light Complementary Facilities) complies with the requirements under the related laws and regulations on environment protection and will not have destructive effects pm the ecological environment; On 9 June 2016, the Issuer obtained the Letter of Reviewing Opinion the Environment Effects Report on the Suzhou GCL Yongqiao District Huigu Township Phase II 20MV Photovoltaic Power Plant for Agricultural Light Complementary Facilities (Su Huan Jian Han [2016] No.73) issued by Suzhou Municipal Environment Protection Bureau. The document deems that Yongqiao District Huigu Township Phase II Project 40MV Photovoltaic Power Plant for Agricultural Light Complementary Facilities (Suzhou GCL Yongqiao District Huigu Township Phase I 20MV Photovoltaic Power Plant for Agricultural Light Complementary Facilities) complies with the requirements under the related laws and regulations on environment protection and will not have destructive effects pm the ecological environment;
- iii) On 30 June 2016, the Issuer obtained the Pre-reviewing Opinion on the Land for constructing of Suzhou GCL Yongqiao District Huigu Township Phase II 20+20MV Photovoltaic Power Plant for Agricultural Light Complementary Facilities (Su Guo Tu Zi Han [2016] No.136). Issued by Suzhou Municipal Land and Resources Authority, this document agreed Yongqiao District Huigu Township 40MV Photovoltaic Power Plant for Agricultural Light Complementary Facilities passed the land pre-qualification;
- iv) On 28 April 2016, the Issuer obtained Minutes for Preliminary Reviewing Meeting for the Designing of Accessing to the System of Suzhou GCL Yongqiao District Huigu Township Phase I 20MV Photovoltaic Power Plant for Agricultural Light Complementary Facilities (Dian Jing Suo Shen Han [2016] No.10) issued by State Grid Suzhou Electricity Supply Company Economic and Technical Research Institute of electric power. The document confirms the Issuer may entrust qualified designing company to prepare the feasibility study report on the access project of Yongqiao District Huigu Township Phase I 40MV Photovoltaic Power Plant for Agricultural Light Complementary Facilities (Suzhou GCL Yongqiao District Huigu Township Phase I 20MV Photovoltaic Power Plant for Agricultural Light Complementary Facilities) in a bid to finally determine the program of the projects access to the grid; On 13 September 2016, the Issuer obtained Letter of Reviewing Opinion for Preliminary Reviewing Meeting for the Accessing to the Grid System of Suzhou GCL Yongqiao District Huigu Township Phase II 20MV Photovoltaic

Power Plant for Agricultural Light Complementary Facilities (Dian Jing Suo Shen Han [2016] No.12) issued by Economic and Technical Research Institute of electric power, State Grid Suzhou Electricity Supply Company, the document confirms that accessing system of Yongqiao District Huigu Township Phase II 40MV Photovoltaic Power Plant for Agricultural Light Complementary Facilities (Suzhou GCL Yongqiao District Huigu Township Phase II 20MV Photovoltaic Power Plant for Agricultural Light Complementary Facilities) had been completed and passed the completion inspection by the relevant authorities and can be connected to the grid and generate power upon meeting various relevant requirements.

- v) On 17 June 2016, the Issuer obtained the Letter of Preliminary Opinions on the Planning Site Selection of Suzhou GCL Yongqiao District Huigu Township Phase I 20MV Photovoltaic Power Plant for Agricultural Light Complementary Facilities issued by Suzhou City Yongqiao District Housing and Construction Authority, the document approves in principle the site selection of Yongqiao District Huigu Township Phase I 40MV Photovoltaic Power Plant for Agricultural Light Complementary Facilities; On 17 June 2016, the Issuer obtained the Letter of Preliminary Opinions on the Planning Site Selection of Suzhou GCL Yongqiao District Huigu Township Phase I 20MV Photovoltaic Power Plant for Agricultural Light Complementary Facilities issued by Suzhou City Yongqiao District Housing and Construction Authority, the document approves in principle the site selection of Yongqiao District Huigu Township Phase II 40MV Photovoltaic Power Plant for Agricultural Light Complementary Facilities (Suzhou GCL Yongqiao District Huigu Township Phase II 20MV Photovoltaic Power Plant for Agricultural Light Complementary Facilities);

#### C. The necessity of project construction

Anhui Suzhou has abundant solar energy resources, convenient transportation conditions and convenient access to power system, which provide good basis for the development and construction of solar power. The scientific and reasonable development of solar energy and construction of Photovoltaic Power Plant will play a supporting role for the rapidly developing economy of Anhui Suzhou and help meet its power demand. Photovoltaic Power Generation is unique for being pollution-free, renewable and sustainable, unlike conventional natural resources, It is bound to play a positive role in promoting Suzhou 's economic development, especially its sustainable development.

To sum up, the construction of Yongqiao District Huigu Township 40MV Photovoltaic Power Plant for Agricultural Light Complementary Facilities will improve the ecological environment, and achieve better economic benefits; simultaneously it has significant social benefits. So it is very necessary to build such a project.

#### D. Economic benefits of the project

According to the project feasibility study report, the total investment of Yongqiao District Huigu Township 40MV Photovoltaic Power Plant for Agricultural Light Complementary Facilities is RMB344,000,000 and the production and operation term is 25 years. During the term of production and operation, the annual on-grid electricity of this photovoltaic power plant is estimated to be 23,060,000 KWh and the equivalent full load hours is 1,200.76 hours.

Under the guidance of such policy documents as Notice of the National Development and Reform Commission on improving the policy of on-grid benchmark tariff of wind and Photovoltaic Power Generation (Fagai Jiage [2015] No.3044) and the Circular on promoting the Healthy Development of PV Industry by Using Price Leverage (Fagai Jiage [2013] No.1638), and in light of the specific local situation, the feasibility study report on Yongqiao District Huigu Township 40MV Photovoltaic Power Plant for Agricultural Light Complementary Facilities predicts that the project's average on-grid tariff (tax inclusive) is RMB0.89/KWh. According to the estimate on the above tariff level, the investment recovery period (after tax) is 8.21 years, the financial internal rate of return of capital 12.99%, the financial internal rate of return (ROI) of the project investment 8.04%, and the capital net profit margin (ROE) 10.45%. The specific financial targets of the project are as follows:

No.	Item	Unit	Amount
1	Installed capacity	MW	40
2	Average annual volume of on-grid electricity	0'000KWh	2,306
3	Total investment	RMB0'000	34,400
4	Production operation period	Year	25
5	Equivalent utilization hours	Hrs/year	1,200.76
6	Average tariff in operational period (VAT inclusive)	RMB/KWh	0.89
7	Investment recovery period (after tax)	Year	8.21
8	Financial internal rate of return of the project capital	%	12.99
9	Financial internal rate of return (ROI) of the project investment	%	8.04
10	Capital net profit margin (ROE)	%	10.45
11	Planned area of occupation	Mu	1,500

#### E. Project environmental benefits

After the completion of the project, it is expected to save about 7,263.90 tons of standard coal each year, reducing CO<sub>2</sub> emission by about 17,433.36 tons, SO<sub>2</sub> emission by about 10.84 tons, and NO<sub>x</sub> emission by about 9.92 tons, with significant social and environmental benefits.

(3) *Hunan Taoyuan County Zhangjia Qiao 20MV Photovoltaic Power Plant for Agricultural Light Complementary Facilities*

A. Project overview and the use of funds raised

The legal entity's subject of Hunan Taoyuan County Zhangjia Qiao 20MV Photovoltaic Power Plant for Agricultural Light Complementary Facilities is Taoyuan Xinhui Photovoltaic Power Co., Ltd, and it is a subsidiary of the Issuer. This project is located at the site of Fengshu Township, Taohuan County, with a planned area of approximately 650 Mu and aggregated installed capacity of 20MW. The project uses the power generation mode of distributed inverter boost and centralized on-grid, through one 25KV lines accessing to the 35KV side of the 110KV substation for the use of public power grid equipment and remote deployment. 25 years total generating capacity of 45,816,200 KWh, the average annual generating capacity of 18,325,600 KWh.

As of 31 December 2016, one contract under finance lease has been signed and the particulars is as follows:

<b>Name of company</b>	<b>Amounts of borrowings (RMB0'000)</b>	<b>Annual interest rate (%)</b>	<b>Term</b>	<b>Balance of borrowings as at the execution date of the Prospectus (RMB0'000)</b>
CITIC Financial Leasing Co., Ltd. (信達金融租賃有限公司)	11,200.00	6.60	28 October 2016 to 25 October 2022	11,200.00
<b>Total</b>	<b>11,200.00</b>			<b>11,200.00</b>

In case that the decline in scale of funds in the actual use in the process of the construction of the project leads to a surplus in the proceeds used in this project, the remaining part of the proceeds will be used to repay the preliminary financing of the project, or for other equity investment projects.

B. Approval of the project

- i) On 29 May 2016, the Issuer obtained the Circular on Filing of Taoyuan County Xinhui Photovoltaic Power Co., Ltd Phase II 10MW Fishing Light complementary facilities photovoltaic power plant (Tao Fa Gai Tou [2015] No.131) issued by Taoyuan County Development and Reform Commission (Xufa Gaibeifa [2015] No.099, this document approves the Filing of Taoyuan County Zhangjia Qiao 20MV agricultural Light complementary facilities photovoltaic power plant;

- ii) On 12 April 2016, the Issuer obtained the Previewing Opinions on the Environment Effects Report (Tao Huan Ping [2016] No.12) issued by Taoyuan County Environment Protection Authority Xuzhou Eco. The document deems that the above said project complies with the requirements under the related laws and regulations on environment protection and will have destructive effects on the ecological environment;
- iii) On 29 January 2016, the Issuer obtained the Pre-reviewing Opinion on the Land for constructing of Taoyuan County Fengshu Township photovoltaic power plant controlling centre project (Tao Guo Tu Zi Yu Shen Zi [2016] No.5) issued by Taoyuan County Land and Resources Authority, this document considers that the land used for the above project complies with the industrial policy of the State and land-suppling policy;
- iv) On 4 January 2016, the Issuer obtained the Letter of Opinions on the Designing of Accessing to the System of Taoyuan County Fengshu Township 3\*20MW Agricultural Light complementary facilities distributed photovoltaic power plant (Dian Jing Yan [2016] No.1) issued by State Grid Hunan Provincial Power Company, the document agrees that the Taoyuan County Zhangjia Qiao 20MV agricultural Light complementary facilities photovoltaic power plant is connected to Hunan State Grid;
- v) On 12 November 2015, the Issuer obtained the Letter of Opinions on the Site Selection of Taoyuan County Xinhui PV Power Co., Ltd. Zhangjia Qiao 20MV agricultural Light complementary facilities photovoltaic power plant issued by Taoyuan County Planning Authority, the document agrees the site selection of Taoyuan County Zhangjia Qiao 20MV agricultural Light complementary facilities photovoltaic power plant.

#### C. The necessity of project construction

Taoyuan District has abundant solar energy resources, and convenient transportation conditions and better access to power system, provides good basis for the development and construction of solar power. The scientific and reasonable development of solar energy, construction of photovoltaic power plant, it will play a supporting role for the rapidly developed economy of Taoyuan District and power demand. Photovoltaic power generation for its unique and pollution-free, no conventional natural resources, renewable and sustainable characteristics, is bound to provide a positive role in promoting Taoyuan District 's economic development, especially in promoting the sustainable development of economy.

To sum up, the construction of Hunan Taoyuan County Zhangjia Qiao 20MV agricultural Light complementary facilities photovoltaic power plant will improve the ecological environment, and achieve better economic benefits, simultaneously it has significant social benefits, so it is very necessary to build such project.



#### D. Economic benefits of the project

According to the project feasibility study report. The total investment of XHunan Taoyuan County Zhangjia Qiao 20MV agricultural Light complementary facilities photovoltaic power plant is RMB161,630,000 and the production and operation term is 25 years. During the term of production and operation, the annual on-grid volume of electricity of this photovoltaic power plant is estimated to be 18,325,600KWh., Equivalent full load hours is 1,182.60 hours.

Under the guidance of such policy documents as Notice of the national development and Reform Commission on improving the policy of on-grid benchmark tariff of wind photovoltaic power generation (Fagai Jiage [2015] No.3044) and the Circular on promoting the healthy development of PV industry by using price leverage (Fagai Jiage [2013] No.1638), and in light of the specific situation in the local place, the feasibility study report on Hunan Taoyuan County Zhangjia Qiao 20MV agricultural Light complementary facilities photovoltaic power plant predicts the project's tariff level is as follows: desulfurization coal benchmark tariff price RMB0.49/KWh, benchmark on-grid tariff (excluding tax) RMB0.41/KWh. According to the estimation on the above tariff level, the investment recovery period of such project is 7.80 years, the internal rate of return of capital is 15.30%, the financial internal rate of return (ROI) (after tax) of the total investment was 9.74%, and the specific financial targets of the project is as follows:

No.	Item	Unit	Amount
1	Installed capacity	MW	20
2	Average annual volume of on-grid electricity	0'000KWh	1,832.56
3	Total investment	RMB0'000	16,163
4	Production operation period	Year	25
5	Equivalent utilization hours	Hrs/year	1,182.60
6	Average tariff in operational period (VAT inclusive)	RMB/KWh	desulfurization coal benchmark tariff price RMB0.49/KWh, benchmark on-grid tariff (excluding tax) RMB0.41/KWh.
7	investment recovery period (after tax)	Year	7.80
8	internal rate of return of the capital	%	15.30
9	internal rate of return (ROI) of the project investment (after tax)	%	9.74
10	Planned area of occupation	Mu	650

E. Project environmental benefit

After the completion of the project, it is expected to save about 57,725,600 tons of standard coal each year, reducing CO<sub>2</sub> emissions of about 138,541,500 tons, reducing SO<sub>2</sub> emissions of about 8.61 tons, reducing NO<sub>x</sub> emissions of about 7.88 tons, with significant social and environmental benefits.

(4) *Guangdong Haifeng 100MV agricultural light complementary project*

A. Project overview and the use of funds raised

The subject of Guangdong Haifeng 100MV agricultural light complementary project is Haifeng GCL Photovoltaic Power Co.,Ltd.\* (海豐縣協鑫光伏電力), and it is a subsidiary of the Issuer. This project is located at the site of Gongping Township, Haifeng County, Shanwei City of Guangdong Province with total occupied areas of 3,475.55 Mu and planned installed capacity of 100MW. This project adopts the combination of agriculture and photovoltaic technology, the project facilities includes power field, booster station, power distribution room and integrated floor, and it will use a single 200Wp or more power efficient silicon components, with 100KV or more voltage connected to the grid.

As of 31 December 2016, one contract under finance lease has been signed and the particulars is as follows:

Name of company	Amounts of borrowings (RMB0'000)	Annual interest rate (%)	Term	Balance of borrowings as at the execution date of the Prospectus (RMB0'000)
Zhujiang Financial Leasing Co., Ltd. (珠江金融租賃有限公司)	30,000.00	7.04	28 June 2016 to 27 June 2022	22,500.00
<b>Total</b>	<b>30,000.00</b>			<b>22,500.00</b>

In case that the decline in scale of funds in the actual use in the process of the construction of the project leads to a surplus in the proceeds used in this project, the remaining part of the proceeds will be used to repay the preliminary financing of the project, or for other equity investment projects.

B. Approval of the project

- i) On 11 December 2015, The Issuer obtained the Filing Certificate on Investment Project of Guangdong Province (with filing No. 2015-441521-44-03-011275) and completed the filing procedures on Guangdong Haifeng 100MV agricultural light complementary project;

- ii) On 26 November 2015, the Issuer obtained the Opinions on Environmental Protection for the construction of GCL Haifeng 100MV agricultural light complementary project; and the document deems that the Haifeng 100MV agricultural light complementary project complies with the requirements for the laws and regulations governing the environmental protection;
- iii) On 26 April 2016, the Issuer obtained the Letter of Opinions on the Site Selection of the People's Republic of China on the Construction Project (Xuan Zi No.2016004) issued by Haifeng County Urban and Rural Planning Authority, the document confirms the legal compliance of site selection of Guangdong Haifeng 100MV agricultural light complementary project;
- iv) On 3 March, 2015, the Issuer obtained the Reviewing Opinion on the Designing of Guangdong Haifeng 100MV agricultural light complementary project access to the system issued by State Grid of Guangdong Company Limited, the documents agrees that Guangdong Haifeng 100MV agricultural light complementary project is connected to the State Grid of Guangdong Province;
- v) On 18 November 2015, the Issuer obtained the Letter of Opinions on the Site Selection of Guangdong Haifeng 100MV agricultural light complementary project (Hai Guo Tu Zi Han [2015] No.59) issued by Haifeng County Land and Resources Authority, the document agrees the opinions on site selection of Guangdong Haifeng 100MV agricultural light complementary project.

#### C. The necessity of project construction

Guangdong Haifeng has abundant solar energy resources, and convenient transportation conditions and better access to power system, provides good basis for the development and construction of solar power. The scientific and reasonable development of solar energy, construction of photovoltaic power plant, it will play a supporting role for the rapidly developed economy of Guangdong Haifeng and power demand. Photovoltaic power generation for its unique and pollution-free, no conventional natural resources, renewable and sustainable characteristics, is bound to provide a positive role in promoting Guangdong Haifeng 's economic development, especially in promoting the sustainable development of economy.

To sum up, the construction of Guangdong Haifeng 100MV agricultural light complementary project will improve the ecological environment, and achieve better economic benefits, simultaneously it has significant social benefits, so it is very necessary to build such project.

#### D. Economic benefits of the project

According to the project feasibility study report. The total investment of Guangdong Haifeng 100MV agricultural light complementary project is RMB890,000,000 and the production and operation term is 25 years. During the term of production and operation, the annual on-grid volume of electricity of this photovoltaic power plant is estimated to be 113,018,200KWh. The average annual utilization hours is 999 hours.

Under the guidance of such policy documents as Notice of the national development and Reform Commission on improving the policy of on-grid benchmark tariff of wind photovoltaic power generation (Fagai Jiage [2015] No.3044) and the Circular on promoting the healthy development of PV industry by using price leverage (Fagai Jiage [2013] No.1638), and in light of the specific situation in the local place, the feasibility study report on Guangdong Haifeng 100MV agricultural light complementary project predicts the project's average on-grid tariff (tax inclusive) is RMB0.98/KWh. According to the estimation on the above tariff level, The investment recovery period (after tax) is 10.34 years, the financial internal rate of return of capital is 17.51%, the financial internal rate of return (ROI) (after tax) of the project investment in was 8.10%, and the specific financial targets of the project is as follows:

No.	Item	Unit	Amount
1	Installed capacity	MW	100
2	Average annual volume of on-grid electricity	0'000KWh	11,301.82
3	Total investment	RMB0'000	89,900
4	Production operation period	Year	25
5	Equivalent utilization hours	Hrs/year	999
6	Average tariff in operational period (VAT inclusive)	RMB/KWh	0.98
7	investment recovery period (after tax)	Year	10.34
8	internal rate of return of the capital	%	17.51
9	internal rate of return (ROI) of the project investment (after tax)	%	8.10
10	Planned area of occupation	Mu	3,475.55

#### E. Project environmental benefit

After the completion of the project, it is expected to save about 35,600.73 tons of standard coal each year, reducing CO<sub>2</sub> emissions of about 85,441.76 tons, reducing SO<sub>2</sub> emissions of about 53.12 tons, reducing NO<sub>x</sub> emissions of about 48.60 tons, with significant social and environmental benefits.

(5) *Anfu County 50MW independent power plant project (with Phase I of 20MV)*

A. Project overview and the use of funds raised

The subject of Anfu County 50MW independent power plant project (with Phase I of 20MV) is Anfu GCL New Energy Co., Ltd., and it is a subsidiary of the Issuer. This project is located at the site of Ganluo Township, Anfu County, Ji'an City of Jiangxi Province with planned areas of 600 Mu and planned installed capacity of 20MW. And the whole power generation system is comprised of certain sub-systems. Each subsystem of solar photovoltaic power generation is operated through DC – AC inverter, boost to 35KV, and is incorporated into the 35KV substation at the nearest.

As of 31 December 2016, one contract under finance lease has been signed and the particulars is as follows:

<b>Name of company</b>	<b>Amounts of borrowings (RMB0'000)</b>	<b>Annual interest rate (%)</b>	<b>Term</b>	<b>Balance of borrowings as at the execution date of the Prospectus (RMB0'000)</b>
Xinda Finance Leasing Co., Ltd. (信達金融租賃有限公司)	10,000.00	6.84	28 October 2016 to 30 October 2022	10,000.00
<b>Total</b>	<b>10,000.00</b>			<b>10,000.00</b>

In case that the decline in scale of funds in the actual use in the process of the construction of the project leads to a surplus in the proceeds used in this project, the remaining part of the proceeds will be used to repay the preliminary financing of the project, or for other equity investment projects.

B. Approval of the project

- i) On 27 April 2015, The Issuer obtained the Circular on the Filing of the Ground PV Power Plant Project of 50MW (with Phase I of 20MW) in relation to Anfu County GCL New Energy Co., Ltd. (Jian Fagai Jiaoneng Zi [2015] No.26). The approval agreed to the filing of the Anfu County 50MW independent power plant project (with Phase I of 20MW);
- ii) On 25 August 2015, the Issuer has obtained the Approval Reply to the Environment Effects Report on the Ground PV Power Plant Project of 50MW (with Phase I of 20MW) in relation to Anfu County GCL New Energy Co., Ltd. (Anhuan Hangjian Zi [2015] No.52). The file deems that Anfu County 50MW independent power plant project (with Phase I of 20MV) will not have material and adverse impact on the environment.

- iii) On 2 November 2015, the Issuer obtained the approval from Anfu County Land Resources Bureau (Anguo Tuzi Zi [2015] No.359). the approval agreed to the land prequalification in relation to Anfu County 50MW independent power plant project (with Phase I of 20MV).
- iv) On 8 October 2015, the Issuer obtained the Reviewing Opinion on the Designing of GCL Anfu Daguo Villiage 20MW PV power plant access to the system of State Grid Jiangxi electric power company Economic and Technical Research Institute (Gandian Jingyan Guishen [2015] No.194) issued by State Grid Jiangxi electric power company Economic and Technical Research Institute, the approval agreed Anfu County 50MW independent power plant project (with Phase I of 20MV) to access to the State Grid of Jiangxi Province;
- v) On 11 September 2015, the Issuer obtained the People's Republic of China rural construction planning permit, which sets out that the planning for the site of Anfu County 50MW independent power plant project (with Phase I of 20MV) by the Issuer is legal and valid.

#### C. The necessity of project construction

Anfu county has abundant solar energy resources, and convenient transportation conditions and better access to power system, provides good basis for the development and construction of solar power. The scientific and reasonable development of solar energy, construction of photovoltaic power plant, it will play a supporting role for the rapidly developed economy of Anfu county and power demand. Photovoltaic power generation for its unique and pollution-free, no conventional natural resources, renewable and sustainable characteristics, is bound to provide a positive role in promoting Anfu county's economic development, especially in promoting the sustainable development of economy.

To sum up, the construction of Anfu county 50MW independent power plant project (with Phase I of 20MV) will improve the ecological environment, and achieve better economic benefits, simultaneously it has significant social benefits, so it is very necessary to build such project.

#### D. Economic benefits of the project

According to the project feasibility study report. The total investment of Anfu county 50MW independent power plant project (with Phase I of 20MV) is RMB166,800,000 and the production and operation term is 25 years. During the term of production and operation, the annual on-grid volume of electricity of this photovoltaic power plant is estimated to be 18,612,000KWh.

Under the guidance of such policy documents as Notice of the national development and Reform Commission on improving the policy of on-grid benchmark tariff of wind photovoltaic power generation (Fagai Jiage [2015] No.3044) and the Circular on promoting the healthy development of PV industry by using price leverage (Fagai Jiage [2013] No.1638), and in light of the specific situation in the local place, the feasibility study report on Anfu county 50MW independent power plant project (with Phase I of 20MV) predicts the project's average on-grid tariff (tax inclusive) is RMB1.00/KWh. According to the estimation on the above tariff level, the total return on investment of such project is 9.98%, and the specific financial targets of the project is as follows:

No.	Item	Unit	Amount
1	Installed capacity	MW	20
2	Average annual volume of on-grid electricity	0'000KWh	1,861.20
3	Total investment	RMB0'000	16,680
4	Production operation period	Year	25
5	Average tariff in operational period (VAT inclusive)	RMB/KWh	1.00
6	Total return on investment	%	9.98
7	Planned area of occupation	Mu	600

#### E. Project environmental benefit

After the completion of the project, it is expected to save about 5862.78 tons of standard coal each year, reducing CO<sub>2</sub> emissions of about 14070.67 tons, reducing SO<sub>2</sub> emissions of about 8.75 tons, reducing NO<sub>x</sub> emissions of about 8.00 tons, with significant social and environmental benefits.

#### (6) *Xuzhou Xinri Photovoltaic Power Co., Ltd Phase II 10MW Fishing Light complementary facilities photovoltaic power plant*

##### A. Project overview and the use of funds raised

The legal entity's subject of Xuzhou Xinri Photovoltaic Power Co., Ltd Phase II 10MW Fishing Light complementary facilities photovoltaic power plant is Xuzhou Xinri Photovoltaic Power Co., Ltd, and it is a subsidiary of the Issuer. This project is located at the site of in Xuzhou economic and Technological Development Zone Xu Jia highway east, make use of the existing fish ponds in aquaculture farms, with occupied areas of 300 Mu and total installed capacity of 20MW for the project. And the whole power generation system is comprised of certain sub-systems. After the completion of the project, fish ponds do not change the original form and use, and still carry out aquaculture, to achieve efficient use of complementary fish and fish ponds resources.

As of 31 December 2016, one contract under finance lease has been signed and the particulars is as follows:

<b>Name of company</b>	<b>Amounts of borrowings (RMB0'000)</b>	<b>Annual interest rate (%)</b>	<b>Term</b>	<b>Balance of borrowings as at the execution date of the Prospectus (RMB0'000)</b>
Kangfu International Leasing Co., Ltd. (康富國際租賃有限公司)	5,800.00	7.53	18 September 2016 to 18 September 2022	5,749.00
<b>Total</b>	<b>5,800.00</b>			<b>5,749.00</b>

In case that the decline in scale of funds in the actual use in the process of the construction of the project leads to a surplus in the proceeds used in this project, the remaining part of the proceeds will be used to repay the preliminary financing of the project, or for other equity investment projects.

#### B. Approval of the project

- i) On 3 November 2015, the Issuer obtained the Circular on Filing of Xuzhou Xinri Photovoltaic Power Co., Ltd Phase II 10MW Fishing Light complementary facilities photovoltaic power plant issued by Xuzhou Municipal Development and Reform Commission (Xufa Gaibeifa [2015] No.099), this document approves the Filing of Xuzhou Xinri Photovoltaic Power Co., Ltd Phase II 10MW Fishing Light complementary facilities photovoltaic power plant;
- ii) On 15 January 2016, the Issuer obtained the Approval Reply to the Environment Effects Report on the Xuzhou Xinri Photovoltaic Power Co., Ltd Phase II 10MW Fishing Light complementary facilities photovoltaic power plant (Xu Huan Kai Biao Fu [2016] No.1) issued by Xuzhou Municipal Environment Protection Authority Xuzhou Economic and Technological development Zone Branch. The document deems that Xuzhou Xinri Photovoltaic Power Co., Ltd Phase II 10MW Fishing Light complementary facilities photovoltaic power plant complies with the requirements under the related laws and regulations on environment protection;
- iii) On 23 February 2016, the Issuer obtained the Pre-reviewing Opinion on the Land for constructing of Xuzhou Xinri Photovoltaic Power Co., Ltd Phase II 10MW Fishing Light complementary facilities photovoltaic power plant (Xu Guo Tu Ziyuan [2016] No.9) issued by Xuzhou Municipal Land and Resources Authority, this document agreed Xuzhou Xinri Photovoltaic Power Co., Ltd Phase II 10MW Fishing Light complementary facilities photovoltaic power plant passed the land pre-qualification;



- iv) On 8 January 2016, the Issuer obtained Minutes for Preliminary Reviewing Meeting for the Designing of Accessing to the System of Xuzhou Xinri Photovoltaic Power Co., Ltd Phase II 10MW Fishing Light complementary facilities photovoltaic power plant (Dian Jing Yan [2016] No.1) issued by Jiangsu Provincial Power Company Xuzhou Electricity Supply Company, the document records the implementation program for Xuzhou Xinri Photovoltaic Power Co., Ltd Phase II 10MW Fishing Light complementary facilities photovoltaic power plant;
- v) On 27 January 2016, the Issuer obtained the Letter of Opinions on the Site Selection of the People's Republic of China (Xuan Zi No. 320300201602004) issued by Xuzhou Municipal Planning Authority, the document deems Xuzhou Xinri Photovoltaic Power Co., Ltd Phase II 10MW Fishing Light complementary facilities photovoltaic power plant complies with the requirements for urban and rural planning.

C. The necessity of project construction

Xuzhou has abundant solar energy resources, and convenient transportation conditions and better access to power system, provides good basis for the development and construction of solar power. The scientific and reasonable development of solar energy, construction of photovoltaic power plant, it will play a supporting role for the rapidly developed economy of Xuzhou City and power demand. Photovoltaic power generation for its unique and pollution-free, no conventional natural resources, renewable and sustainable characteristics, is bound to provide a positive role in promoting Xuzhou City 's economic development, especially in promoting the sustainable development of economy. The construction of Xuzhou Xinri Photovoltaic Power Co., Ltd Phase II 10MW Fishing Light complementary facilities photovoltaic power plant will improve the ecological environment, and achieve better economic benefits, simultaneously it has significant social benefits, so it is very necessary to build such project.

D. Economic benefits of the project

According to the project feasibility study report. The total investment of Xuzhou Xinri Photovoltaic Power Co., Ltd Phase II 10MW Fishing Light complementary facilities photovoltaic power plant is RMB70,900,000 and the production and operation term is 20 years. During the term of production and operation, the annual on-grid volume of electricity of this photovoltaic power plant is estimated to be 11,080,000KWh., Equivalent full load hours is 1,107 hours.

Under the guidance of such policy documents as Notice of the national development and Reform Commission on improving the policy of on-grid benchmark tariff of wind photovoltaic power generation (Fagai Jiage [2015] No.3044) and the Circular on promoting the healthy development of PV industry by using price leverage (Fagai Jiage [2013] No.1638), and in light of the specific situation in the local place, the feasibility study report on Xuzhou Xinri Photovoltaic Power Co., Ltd Phase II 10MW Fishing Light complementary facilities

photovoltaic power plant predicts the project's average on-grid tariff (tax inclusive) is RMB1.15/KWh. According to the estimation on the above tariff level, The investment recovery period is 9 years, the financial internal rate of return of capital is 12.12%, the financial internal rate of return (ROI) of the total investment in was 7.89%, the project capital net profit margin (ROE) was 7.45%, and the specific financial targets of the project is as follows:

No.	Item	Unit	Amount
1	Installed capacity	MW	10
2	Average annual volume of on-grid electricity	0'000KWh	1,108
3	Total investment	RMB0'000	7,900
4	Production operation period	year	20
5	Equivalent utilization hours	Hrs/year	1,107
6	Average tariff in operational period (VAT inclusive)	RMB/KWh	1.15
7	investment recovery period	year	9
8	financial internal rate of return of capital	%	12.12
9	financial internal rate of return (ROI) of the total investment	%	7.89
10	project capital net profit margin (ROE)	%	7.45
11	Planned area of occupation	Mu	300

#### E. Project environmental benefit

After the completion of the project, it is expected to save about 3,490.20 tons of standard coal each year, reducing CO<sub>2</sub> emissions of about 8,376.48 tons, reducing SO<sub>2</sub> emissions of about 5.21 tons, reducing NO<sub>x</sub> emissions of about 4.76 tons, with significant social and environmental benefits.

#### (7) *Panzhuhua Sun Slope 35MW facilities agricultural photovoltaic power generation project*

##### A. Project overview and the use of funds raised

The legal entity's subject of Panzhuhua Sun Slope 35MW facilities agricultural photovoltaic power generation project is Yanbian Xinneng Photovoltaic Power Co., Ltd, and it is a subsidiary of the Issuer. This project is located at the site of Hongge Township, Yanbian County of Panzhuhua City, with planned areas of 1,382.45 Mu and planned installed capacity of 35MW for the project. The project is a photovoltaic power plant in the agricultural light complementary pattern, through inclination, height and spacing optimization and in combination with PV array effective distribution, screens Chinese herbal medicines of project area specialty to be planted in the PV array and construct complete complementary planting system of "Chinese Medicine-light energy" in a bid to realize the maximization of integrated benefits.

As of 31 December 2016, one contract under finance lease has been signed and the particulars is as follows:

<b>Name of company</b>	<b>Amounts of borrowings (RMB0'000)</b>	<b>Annual interest rate (%)</b>	<b>Term</b>	<b>Balance of borrowings as at the execution date of the Prospectus (RMB0'000)</b>
Zhejiang Zhongda Yuantong Finance Leasing Co., Ltd. (浙江中大元通融資租賃有限公司)	18,933.00	6.45	20 December 2016 to 19 December 2024	18,933.00
<b>Total</b>	<b>18,933.00</b>			<b>18,933.00</b>

In case that the decline in scale of funds in the actual use in the process of the construction of the project leads to a surplus in the proceeds used in this project, the remaining part of the proceeds will be used to repay the preliminary financing of the project, or for other equity investment projects.

#### B. Approval of the project

- i) On 30 September 2016, the Issuer obtained the Circular on Filing of Investment Project by the Enterprises (Basic Construction) issued by Sichuan Provincial Development and Reform Commission (Filing No. Chuantou Zibei [2016-510000-44-03-021080-BQFG] No.0062), this document approves the Filing of Panzhihua Sun Slope 35MW facilities agricultural photovoltaic power generation project;
- ii) On 28 June 2016, the Issuer obtained the Approval Reply to the Environment Effects Report of Yanbian County Environment Protection Authority on the Panzhihua Sun Slope 35MW facilities agricultural photovoltaic power generation project (Bian Huan Shen[2016] No.22). The document deems that Panzhihua Sun Slope 35MW facilities agricultural photovoltaic power generation project complies with the requirements under the related laws and regulations on environment protection and will not have material and adverse impact on the environment.
- iii) On 13 June 2016, the Issuer obtained the Pre-reviewing Opinion on the Land for constructing of Panzhihua City Land and Resources Bureau (Pan Guotuzi Han [2016] No.258), this document agreed Panzhihua Sun Slope 35MW facilities agricultural photovoltaic power generation project passed the land pre-qualification;
- iv) As of the date of signing the prospectus, the project has not yet completed the connection approval and is scheduled to obtain the relevant reply document in 2017;

- v) On 30 June 2016, the Issuer obtained the Letter of Opinions on the Site Selection of the People's Republic of China (Xuan Zi No. 510422201600054) issued by Sichuan Provincial Housing and Urban Construction Bureau, the document deems Panzhihua Sun Slope 35MW facilities agricultural photovoltaic power generation project complies with the requirements for urban and rural planning.

#### C. The necessity of project construction

Sichuan Region has abundant solar energy resources, and convenient transportation conditions and better access to power system, provides good basis for the development and construction of solar power. The scientific and reasonable development of solar energy, construction of photovoltaic power plant, it will play a supporting role for the rapidly developed economy of Sichuan Region and power demand. Photovoltaic power generation for its unique and pollution-free, no conventional natural resources, renewable and sustainable characteristics, is bound to provide a positive role in promoting Sichuan Region 's economic development, especially in promoting the sustainable development of economy.

To sum up, the construction of Panzhihua Sun Slope 35MW facilities agricultural photovoltaic power generation project will improve the ecological environment, and achieve better economic benefits, simultaneously it has significant social benefits, so it is very necessary to build such project.

#### D. Economic benefits of the project

According to the project feasibility study report. The total investment of Panzhihua Sun Slope 35MW facilities agricultural photovoltaic power generation project is RMB310,134,800 and the production and operation term is 26 years. The annual on-grid volume of electricity of this photovoltaic power plant is estimated to be 49,043,000KWh., Equivalent full load hours is 1,401 hours.

Under the guidance of such policy documents as Notice of the national development and Reform Commission on improving the policy of on-grid benchmark tariff of wind photovoltaic power generation (Fagai Jiage [2015] No.3044) and the Circular on promoting the healthy development of PV industry by using price leverage (Fagai Jiage [2013] No.1638), and in light of the specific situation in the local place, the feasibility study report on Panzhihua Sun Slope 35MW facilities agricultural photovoltaic power generation project predicts the project's average on-grid tariff (tax inclusive) is RMB0.88/KWh. According to the estimation on the

above tariff level, The investment recovery period is 9.35 years, the financial internal rate of return (ROI) of the project investment in was 9.61%, the project capital net profit margin (ROE) was 19.24%, and the specific financial targets of the project is as follows:

No.	Item	Unit	Amount
1	Installed capacity	MW	35
2	Average annual volume of on-grid electricity	0'000KWh	4,904.30
3	Total investment	RMB0'000	31,013.48
4	Production operation period	year	26
5	Equivalent utilization hours	Hrs/year	1,401
6	Average tariff in operational period (VAT inclusive)	RMB/KWh	0.88
7	investment recovery period	year	9.35
8	financial internal rate of return (ROI) of project investment	%	9.61
9	project capital net profit margin (ROE)	%	19.24
10	Planned area of occupation	Mu	Approx. 1,382.45

#### E. Project environmental benefit

After the completion of the project, it is expected to save about 15,448.55 tons of standard coal each year, reducing CO<sub>2</sub> emissions of about 37,076.51 tons, reducing SO<sub>2</sub> emissions of about 23.05 tons, reducing NO<sub>x</sub> emissions of about 21.09 tons, with significant social and environmental benefits.

#### (8) *Baoying Liubao 6 MW Fishing Light complementary project*

##### A. Project overview and the use of funds raised

The legal entity's subject of Baoying Liubao 6 MW Fishing Light complementary project is Baoying GCL Photovoltaic Power Co., Ltd, and it is a subsidiary of the Issuer. This project is located at the site of Jiangsu County of Baoying Province Liu Bao Zhen Ying Hu Cun aquaculture area, with planned areas of 20 Mu and planned installed capacity of 6MW for the project. This project adopts the "fishing light complementary" ground photovoltaic power generation power station, makes use of the shallow water aquaculture waters which does not have the purposes of navigation, flood, military for the construction of photovoltaic power plant, does not occupy agricultural, industrial and residential land, with significant economic and social benefits.

As of 31 December 2016, one contract under finance lease has been signed and the particulars is as follows:

<b>Name of company</b>	<b>Amounts of borrowings (RMB0'000)</b>	<b>Annual interest rate (%)</b>	<b>Term</b>	<b>Balance of borrowings as at the execution date of the Prospectus (RMB0'000)</b>
China Finance Leasing Co., Ltd. (中國金融租賃有限公司)	3,300.00	7.15	28 October 2016 to 15 October 2026	3,294.00
<b>Total</b>	<b>3,300.00</b>			<b>3,294.00</b>

In case that the decline in scale of funds in the actual use in the process of the construction of the project leads to a surplus in the proceeds used in this project, the remaining part of the proceeds will be used to repay the preliminary financing of the project, or for other equity investment projects.

#### B. Approval of the project

- i) On 10 November 2015, The Issuer obtained the Circular of Yangzhou Municipal Development and Reform Commission on the Filing of 6 MW Fishing Light complementary project in relation to Baoying GCL Photovoltaic Power Co., Ltd. (Yangfa Gaixufa [2015] No.797) issued by Yangzhou Municipal Development and Reform Commission. The approval agreed to the filing of Baoying Liubao 6 MW Fishing Light complementary project;
- ii) On 22 April 2016, the Issuer obtained the Approval Reply to the Environment Effects Report on the 6 MW Fishing Light complementary project in relation to Baoying GCL Photovoltaic Power Co., Ltd. (Baohuan Shenpi [2016] No.51). The file deems that Baoying Liubao 6 MW Fishing Light complementary project complies with the requirements under the related laws and regulations on environment protection and will not have material and adverse impact on the environment.
- iii) On 21 April 2016, the Issuer obtained the Explanation on the land pre-qualification for the 6 MW Fishing Light complementary project in relation to Baoying GCL Photovoltaic Power Co., Ltd., the document deems that according to the Implementation Measures on the Management of Pre-Qualification of Land Used for Construction (Su Guo Tu Zi Gui Fa [2013] No.1), Baoying Liubao 6 MW Fishing Light complementary project does not need to undergo pre-qualification of land for construction.

- iv) On 14 June 2016, the Issuer obtained the Circular on the Reviewing Opinion on the Designing of the 6 MW Fishing Light complementary project access to the system in relation to Baoying GCL Photovoltaic Power Co., Ltd. (Yang Gongdian Fazhan [2016] No.165) issued by State Grid Jiangsu electric power company Yangzhou Power Supply Company, the approval agreed in principle to the Reviewing Opinions on Access to the System issued by the State Grid Yangzhou Power Supply Company Economic and Technology Institute, and support Baoying Liubao 6 MW Fishing Light complementary project accordingly commenced the connection work;
- v) On 11 May 2016, the Issuer obtained the Explanation on the Site Selection for the land of constructing the 6 MW Fishing Light complementary project of Baoying GCL Photovoltaic Power Co., Ltd. issued by Baoying County Housing and Urban Construction Bureau, such document confirms there are not newly added construction land for Baoying Liubao 6 MW Fishing Light complementary project and in case permanent buildings are to be constructed in next step, the procedures such as related site selection, map reviewing and construction thereof will be processed then.

#### C. The necessity of project construction

North Region of Jiangsu Province has abundant solar energy resources, and convenient transportation conditions and better access to power system, provides good basis for the development and construction of solar power. The scientific and reasonable development of solar energy, construction of photovoltaic power plant, it will play a supporting role for the rapidly developed economy of North Region of Jiangsu Province and power demand. Photovoltaic power generation for its unique and pollution-free, no conventional natural resources, renewable and sustainable characteristics, is bound to provide a positive role in promoting the economic development of North Region of Jiangsu Province, especially in promoting the sustainable development of economy. The construction of Baoying Liubao 6 MW Fishing Light complementary project will improve the ecological environment, and achieve better economic benefits, simultaneously it has significant social benefits, so it is very necessary to build such project.

#### D. Economic benefits of the project

The total investment scale of Baoying Liubao 6 MW Fishing Light complementary project is RMB58,030,000 and the production and operation term is 20 years. The annual on-grid volume of electricity of this photovoltaic power plant is estimated to be 6,547,600KWh., Equivalent full load hours is 992.00 hours.

Under the guidance of such policy documents as Notice of the national development and Reform Commission on improving the policy of on-grid benchmark tariff of wind photovoltaic power generation (Fagai Jiage [2015] No.3044) and the Circular on promoting the healthy development of PV industry by using price leverage (Fagai Jiage [2013] No.1638), and in light of the specific situation in the local place, the feasibility study report on Baoying Liubao 6 MW

Fishing Light complementary project predicts the project's average on-grid tariff (tax inclusive) is RMB1/KWh. According to the estimation on the above tariff level, The investment recovery period is 9.98 years, the financial internal rate of return of capital is 12.12%, the financial internal rate of return (ROI) of the total investment in was 7.89%, the project capital net profit margin (ROE) was 7.45%, and the specific financial targets of the project is as follows:

No.	Item	Unit	Amount
1	Installed capacity	MW	6
2	Average annual volume of on-grid electricity	0'000KWh	654.76
3	Total investment	RMB0'000	5,803
4	Production operation period	Year	20
5	Equivalent utilization hours	Hrs/year	992
6	Average tariff in operational period (VAT inclusive)	RMB/KWh	1
7	investment recovery period	Year	9.98
8	financial internal rate of return of capital	%	12.12
9	financial internal rate of return (ROI) of the total investment	%	7.89
10	project capital net profit margin (ROE)	%	7.45
11	Planned area of occupation	Mu	20

#### E. Project environmental benefit

After the completion of the project, it is expected to save about 2,062.49 tons of standard coal each year, reducing CO<sub>2</sub> emissions of about 4,949.99 tons, reducing SO<sub>2</sub> emissions of about 3.08 tons, reducing NO<sub>x</sub> emissions of about 2.82 tons, with significant social and environmental benefits.



### **III. THE IMPACT OF RAISING FUNDS ON THE FINANCIAL STATE OF THE ISSUER**

#### **(I) Conducive to optimizing the corporate debt structure, and reducing financial risks**

As of 30 September 2016, the issuer's gearing ratio was 77.32%, the current ratio was 0.70 times, and the total liabilities amounted to RMB27, 596 million on consolidated bases, among which the current liabilities was 15,922 million, accounting for 57.70% of the total liabilities. After this issuance of the Company's bonds, the percentage of the consolidated gearing current liabilities to the total liabilities will be reduced to 54.25%, and accordingly, the percentage of non-current liabilities to total liabilities will be increased to 45.75%. Under the premise of increasing the total operating capital of the Company, long-term debt financing ratio has increased significantly, and short-term debt repayment pressure has been reduced. Therefore, the issuer's debt structure has become more reasonable.

For the impact of this bonds issuance on the issuer's structure of the assets and liabilities, please refer to "I. the company's assets and liabilities changes after this bonds issuance" in "Section Six: financial accounting information" of this prospectus. If the bonds can be successfully issued and the funds raised can be used as planned, the issuer's gearing ratio will be higher than before and the application of financial leverage will be more appropriate. Meanwhile, the percentage of the company's current liabilities to total liabilities will be decreased to some extent, optimizing the liability structure of the issuer under the premise of effectively increasing the total amount of the issuer's working capital. That will be conducive to the overall arrangement of its medium-to-long-term funds of the issuer, and to the steady implementation of its strategic objectives.

#### **(II) Conducive to rational allocation of funds and supportive of business development**

After the completion of this issuance, the company's funds for the construction of photovoltaic power plants will be enriched, enabling it to implement the development plan and expand its market share, thereby enhancing its profitability, further consolidating and strengthening its leading position in solar photovoltaic power generation.

#### **(III) Conducive to broader financing channels, reduced financing costs and improved profitability**

In recent years, the company's capital demand is growing with the expansion of the installed capacity and the power generation of solar power. To meet the need of the current business development, it can broaden its financing channels through the issuance of corporate bonds, while effectively reducing the financing costs. Estimates according to the current new bank loans, the financial leasing interest rates, and the expected interest rate of corporate bonds to be issued show that the issuance of corporate bonds can save a certain amount of financial costs each year, which is conducive to enhancing its profitability.