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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



英皇證券(香港)有限公司
Emperor Securities Limited

PLACING OF NEW SHARES

On 28 April 2020 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, whereby the Company has conditionally agreed to place, through the Placing Agent, on a best effort basis, up to 1,300,000,000 new Shares at the Placing Price of HK\$0.209 per Placing Share.

The maximum number of the Placing Shares represents: (i) approximately 6.55% of the existing issued share capital of the Company (consisting of 19,841,049,207 Shares in issue as at 28 April 2020); and (ii) approximately 6.15% of the Company's issued share capital as enlarged by the Placing (assuming that all of the 1,300,000,000 Placing Shares will be placed in full and no further Shares will be allotted, issued or repurchased before completion of the Placing). The aggregate nominal value of the Placing Shares will be HK\$130,000,000.

The Placing Price of HK\$0.209 represents (i) a discount of approximately 8.3% to the closing price of HK\$0.228 per Share as quoted on the Stock Exchange on 28 April 2020, being the date of the Placing Agreement; and (ii) a discount of approximately 7.5% to the average closing price of approximately HK\$0.226 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Placing Agreement.

Assuming that all the Placing Shares will be placed in full to the Placees, the proceeds of the Placing will be approximately HK\$272 million, and the net proceeds of the Placing after taking into account all related costs, fees, expenses and commission of the Placing will be approximately HK\$269 million. The Company intends to use the net proceeds from the Placing for repayment of existing borrowings and for general corporate purposes.

The Placing Shares are to be issued under the General Mandate. The issue of the Placing Shares is not subject to the approval of the Shareholders.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares on the Stock Exchange.

Completion of the Placing is subject to the satisfaction of the condition precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

28 April 2020 (after trading hours)

Parties

- (i) the Company
- (ii) the Placing Agent, being Emperor Securities Limited

Placing Agent

The Placing Agent has been appointed to place up to 1,300,000,000 Placing Shares at the Placing Price of HK\$0.209, on a best effort basis. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placees

It is expected that the Placing Shares will be placed to no less than six independent Placees who will be professional, institutional and/or other investors.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Placees (and their respective ultimate beneficial owners) will be Independent Third Parties. Upon completion of the Placing, it is expected that none of the Placees will become a substantial shareholder of the Company immediately after the Placing.

Placing Shares

The number of the Placing Shares represents: (i) approximately 6.55% of the existing issued share capital of the Company (consisting of 19,841,049,207 Shares in issue as at 28 April 2020); and (ii) approximately 6.15% of the Company's issued share capital as enlarged by the Placing (assuming that all of the 1,300,000,000 Placing Shares will be placed in full and no further Shares will be allotted, issued or repurchased before completion of the Placing). The aggregate nominal value of the Placing Shares will be HK\$130,000,000.

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the existing Shares on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.209 represents:

- (i) a discount of approximately 8.3% to the closing price of HK\$0.228 per Share as quoted on the Stock Exchange on 28 April 2020, being the date of the Placing Agreement; and
- (ii) a discount of approximately 7.5% to the average closing price of approximately HK\$0.226 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Shares and was arrived at after arm's length negotiations between the Company and the Placing Agent. The Directors consider that the terms of the Placing and the Placing Price are on normal commercial terms and are fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole. After taking into account all related costs, fees, expenses and commission of the Placing, the net Placing Price is approximately HK\$0.207 per Share.

Conditions of the Placing

Completion of the Placing is conditional upon:

- (i) the passing of resolution(s) by the Board to approve the Placing Agreement and the transactions contemplated thereunder; and
- (ii) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

If the above conditions are not fulfilled by 15 May 2020 (or such later time as may be agreed between the Company and the Placing Agent in writing), the Placing Agreement shall terminate and all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and that both parties shall be released from all their respective obligations pursuant to the Placing Agreement and neither party shall have any claim against the other party in respect of the Placing save for any antecedent breach.

Termination of the Placing

The Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to 10:00 a.m. on the Completion Date upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have an adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the placement of the Placing Shares or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (i) other than the existing situation of the COVID-19 Pandemic, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would affect the success of the Placing;
- (ii) the imposition of any moratorium, suspension (for more than 7 consecutive trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise (other than the COVID-19 Pandemic) and which in the Placing Agent's absolute opinion, would affect the success of the Placing;

- (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may adversely affect the business or financial prospects of the Group and/or the success of the Placing; or
- (iv) any litigation or claim being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would affect the success of the Placing; or
- (v) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (vi) there is any material change (whether or not forming part of a series of changes) in market conditions (other than the COVID-19 Pandemic) which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

Upon the giving of notice to the Company pursuant to the Placing Agreement, all obligations of each of the parties under the Placing Agreement shall cease and determine and neither party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation and liabilities under the Placing Agreement.

Application for listing

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares on the Stock Exchange.

General Mandate to issue the Placing Shares

The issue of the Placing Shares is not subject to Shareholders' approval. The Placing Shares will be issued pursuant to the General Mandate, subject to the limit of up to 3,666,009,841 Shares (representing 20% of the aggregate number of issued Shares of the Company on the day of granting the General Mandate). As at the date of this announcement, no new Shares have been issued under the General Mandate. The issue of the Placing Shares will utilise 1,300,000,000 Shares in aggregate under the General Mandate.

Completion of the Placing

Completion of the Placing shall take place on the Completion Date. A further announcement will be made by the Company in relation to the completion of the Placing.

REASONS FOR THE PLACING

The Company is an investment company and its subsidiaries are principally engaged in the manufacturing of polysilicon and wafers to companies operating in the solar industry as well as the sales of electricity and development, investment, management and operation of solar projects. In view of the current market condition, the Directors consider the Placing to be a good opportunity to raise capital for the Company. The Placing will enable the Company to broaden its shareholders' base and strengthen the financial position of the Company.

USE OF PROCEEDS

Assuming that all the Placing Shares have been placed out to the Placees, the proceeds of the Placing will be approximately HK\$272 million, and the net proceeds for the Placing after taking into account all related costs, fees, expenses and commission of the Placing will be approximately HK\$269 million. The Company intends to use the net proceeds from the Placing for repayment of existing borrowings and for general corporate purposes.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

On 11 June 2019, the Company issued an announcement in relation to, among other things, the placing of 1,511,000,000 new shares under general mandate at the placing price of HK\$0.45 per Share. On 18 June 2019, the placing was completed and 1,511,000,000 shares were successfully placed. The net proceeds from the placing of approximately HK\$680 million had been fully utilised for repayment of existing borrowing and for general corporate purposes as disclosed in the aforesaid announcement.

Save as disclosed above, the Company has not conducted any fund raising activities involving the issue of equity securities within the 12 months immediately prior to the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE

The table below summarises the shareholding structure of the Company: (i) as at the date of this announcement and (ii) immediately upon completion of the Placing (assuming that all of the 1,300,000,000 Placing Shares will be placed in full and no further Shares will be allotted, issued or repurchased before completion of the Placing):

Name of Shareholder	Shareholding as at the date of this announcement		Shareholding immediately upon completion of the Placing	
	<i>Approximate % of issued share capital of the Company</i>	<i>Approximate % of issued share capital of the Company</i>	<i>Approximate % of issued share capital of the Company</i>	<i>Approximate % of issued share capital of the Company</i>
Mr. Zhu and his associates and parties acting in concert with any of them	6,370,388,156	32.11%	6,370,388,156	30.13%
Places under the Placing	0	0%	1,300,000,000	6.15%
Other Shareholders	<u>13,470,661,051</u>	<u>67.89%</u>	<u>13,470,661,051</u>	<u>63.72%</u>
Total	<u>19,841,049,207</u>	<u>100%</u>	<u>21,141,049,207</u>	<u>100%</u>

Completion of the Placing is subject to the satisfaction of the condition precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday or days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are open for general banking business
“Company”	GCL-Poly Energy Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock code: 3800)

“Completion Date”	the date within three Business Days after the date on which all the conditions set out in the Placing Agreement are satisfied or such other date as the Company and the Placing Agent may agree in writing
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“COVID-19 Pandemic”	the coronavirus disease 2019 pandemic
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 12 June 2019 to allot, issue and deal with up to 20% of the aggregate number of issued Shares of the Company as at that date
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with or acting in concert with the Company, its connected persons and their respective associates (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any professional, institutional and other investors, who and whose ultimate beneficial owners are Independent Third Parties, to be procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares
“Placing”	placing of up to 1,300,000,000 new Shares by the Placing Agent on a best effort basis pursuant to the terms of the Placing Agreement
“Placing Agent”	Emperor Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)

“Placing Agreement”	the conditional placing agreement dated 28 April 2020 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.209 per Share
“Placing Shares”	up to 1,300,000,000 new Shares to be allotted and issued by the Company pursuant to the Placing Agreement, each a “Placing Share”
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“%”	percent

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

Hong Kong, 28 April 2020

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