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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)

**JOINT ANNOUNCEMENT
DISCLOSEABLE TRANSACTION OF GCL-POLY
AND INSIDE INFORMATION OF GNE
IN RELATION TO THE SALE OF GNE SHARES
HELD BY ELITE TIME GLOBAL BY WAY OF PLACING**

This joint announcement is made by the GCL-Poly Board pursuant to Chapter 14 of the Listing Rules and by the GNE Board pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO.

On 29 December 2020, Elite Time Global (a wholly-owned subsidiary of GCL-Poly) as the Seller entered into the Placing Agreement with the Joint Placing Agents pursuant to which the Seller agreed to sell and the Joint Placing Agents agreed, as its agents, to procure on a best effort basis, subject to the terms and conditions of the Placing Agreement, places to purchase up to 638,298,000 Placing Shares held by the Seller at the Placing Price of HK\$0.235 per Placing Share.

As one or more of the applicable percentage ratios calculated in accordance with Chapter 14 of the Listing Rules in relation to the Placing exceeds 5% but is less than 25%, the Placing constitutes a discloseable transaction of GCL-Poly under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

This joint announcement is made by the GCL-Poly Board pursuant to Chapter 14 of the Listing Rules and by the GNE Board pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO.

On 29 December 2020, Elite Time Global (a wholly-owned subsidiary of GCL-Poly) as the Seller entered into the Placing Agreement with the Joint Placing Agents pursuant to which the Seller agreed to sell and the Joint Placing Agents agreed, as its agent, to procure on a best effort basis, subject to the terms and conditions of the Placing Agreement, places to purchase up to 638,298,000 Placing Shares held by the Seller at the Placing Price of HK\$0.235 per Placing Share.

The principal terms and conditions of the Placing Agreement are as follows:

THE PLACING AGREEMENT

Date: 29 December 2020

Seller: Elite Time Global Limited (傑泰環球有限公司)

Joint Placing Agents: (1) Shun Loong Securities Company Limited (順隆證券行有限公司)

(2) Pinestone Securities Limited (鼎石證券有限公司)

To the best of the GCL-Poly Directors' knowledge, information and belief having made all reasonable enquiries, the Joint Placing Agents and their respective ultimate beneficial owners are third parties independent of GCL-Poly and the connected persons of GCL-Poly.

The choice of places for the Placing Shares shall be determined solely by the Joint Placing Agents, subject to prior consultation with GCL-Poly and in compliance with all applicable laws and regulations (including those that apply to the proceeds of the Placing Shares receivable by GCL-Poly pursuant to the Placing Agreement and the Listing Rules). In particular, the Joint Placing Agents shall use all reasonable endeavours to ensure that the places shall be parties independent of GCL-Poly and the connected persons (as defined in the Listing Rules) of GCL-Poly.

Placing Shares

As at the date of this joint announcement, the 638,298,000 Placing Shares represent approximately 3.34% of the issued share capital of GNE. The Placing Shares will be sold free from all pledges, liens, encumbrances, equities, security interests or other claims and rank *pari passu* with all of the other GNE Shares of the same class.

Placing Price

The Placing Price of HK\$0.235 per Placing Share represents a discount of approximately 20% to the average closing price of approximately HK\$0.2936 per GNE Share as quoted on the Stock Exchange for the last 5 trading days up to and including 29 December 2020, being the date of this joint announcement.

The Placing Price was determined after arm's length negotiations among the Seller and the Joint Placing Agents with reference to, among other things, the prevailing market price and the recent trading volume of the GNE Shares. The GCL-Poly Directors consider that the terms of the Placing Agreement (including the Placing Price) are fair and reasonable based on the current market conditions and in the interests of GCL-Poly and its shareholders as a whole.

Placing commission

The Joint Placing Agents will charge a total placing commission equal to 3.25% of the aggregate value of the Placing Price multiplied by the number of Placing Shares placed by the Joint Placing Agents. Such placing commission was determined after arm's length negotiations among the Seller and the Joint Placing Agents with reference to, amongst other things, the market rate and the price performance of the Placing Shares. The GCL-Poly Directors consider that the placing commission is fair and reasonable, is in the interests of GCL-Poly and its shareholders as a whole and is in line with the prevailing commission charged by other placing agents.

Completion

Completion shall take place on 5 January 2021 or at such other time and/or date (the “**Placing Completion Date**”) as the Seller and the Joint Placing Agents may agree in writing. The Joint Placing Agents shall pay the net proceeds of the Placing to the Seller through a securities account of the Seller maintained by Shun Loong Securities on the Placing Completion Date.

PROCEEDS FROM THE PLACING

Assuming that all the Placing Shares have been placed out to the Placees, the proceeds of the Placing will be approximately HK\$150 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\$145 million. GCL-Poly intends to use the net proceeds from the Placing for repayment of existing borrowings and for general corporate purposes.

REASONS FOR THE PLACING

GCL-Poly 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 GCL-Poly Board is of the view that the Placing represents an opportunity to raise capital and will enhance the cash position and working capital of GCL-Poly. The GCL-Poly Board considers that the terms of the Placing Agreement are fair and reasonable and the transactions contemplated therein are in the interests of GCL-Poly and its shareholders as a whole.

INFORMATION OF THE PARTIES TO THE PLACING AGREEMENT

The GCL-Poly Group

GCL-Poly is an exempted company with limited liability incorporated in the Cayman Islands. The principal business of GCL-Poly is investment holding. The GCL-Poly Group is principally engaged in the manufacturing and sale of polysilicon and wafers products, and developing and operating of solar farms. As at the date of this joint announcement, GCL-Poly is interested in approximately 62.28% of the issued share capital of GNE.

The GNE Group

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

The GNE Group is principally engaged in the sale of electricity, development, construction, operation and management of solar power plants. As at the date of this joint announcement, GNE is owned as to approximately 62.28% by GCL-Poly.

According to the published financial statements of GNE, the audited consolidated financial information of the GNE Group for the two financial years ended 31 December 2019 and 2018 and the unaudited consolidated financial information of the GNE Group for the six months ended 30 June 2020 are as follows:

	For the six months ended 30 June 2020 (unaudited) RMB'000	For the financial year ended 31 December 2019 (audited) RMB'000	For the financial year ended 31 December 2018 (audited) RMB'000
Profit before tax	285,355	782,316	755,870
Total comprehensive income	200,314	621,442	795,529
Net asset value	10,169,957	9,969,643	9,701,540

Elite Time Global

Elite Time Global is a company incorporated in British Virgin Islands with limited liability and a wholly-owned subsidiary of GCL-Poly. The principal business of Elite Time Global is investment holding.

Joint Placing Agents

Shun Loong Securities

Shun Loong Securities is a company established in Hong Kong with limited liability and a licensed corporation to carry on business in type 1 (dealing in securities) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). Shun Loong Securities is wholly-owned by Tresor Capital Limited, which is in turn owned as to 45% by Smart Fortune Ventures Ltd (which is wholly owned by Dong Ping (董平)), 22.5% by Chan Wing Yau George (陳永祐), 22.5% by Hui Yung Chris (許勇), and 10% by Bian Ho (邊昊) respectively.

Pinestone Securities

Pinestone Securities is a company established in Hong Kong with limited liability and a licensed corporation to carry on business in type 1 (dealing in securities) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). Pinestone Securities is an indirect wholly-owned subsidiary of Pinestone Capital Limited, the shares of which are listed on the Main Board of the Stock Exchange, with stock code: 804.

FINANCIAL IMPLICATIONS OF THE PLACING

As at the date of the joint announcement, GCL-Poly holds 11,880,000,000 GNE Shares through Elite Time Global, representing approximately 62.28% of the issued share capital of GNE. Assuming all of the 638,298,000 GNE Shares are placed out and there will be no change in the issued share capital of GNE between the date of this joint announcement and Completion, upon Completion, the number of GNE Shares held by GCL-Poly, through Elite Time Global, will decrease to 11,241,702,000 GNE Shares, representing approximately 58.94% of the issued share capital of GNE, and GNE will remain as a subsidiary of GCL-Poly. As the change in GCL-Poly's interest in GNE will not result in loss of control in GNE, according to the prevailing accounting standards, no gain or loss will be recognised in GCL-Poly's consolidated income statement as a result of the disposal of Placing Shares arising from the Placing. The movement in the consolidated net assets of GCL-Poly arising from the Placing will be dealt with in the equity attributable to owners of GCL-Poly and non-controlling interests of GCL-Poly Group. The above accounting treatment will be subject to review by the independent auditors of GCL-Poly and the actual amount shall be determined after the Completion.

The GNE Board does not expect the sale of the Placing Shares by the Seller to have any significant impact on the business operations of the GNE Group. Save as disclosed above, GNE was not informed of any other substantial change in shareholdings as at the date of this joint announcement.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated in accordance with Chapter 14 of the Listing Rules in relation to the Placing exceeds 5% but is less than 25%, the Placing constitutes a discloseable transaction of GCL-Poly under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

Shareholders and potential investors of each of GCL-Poly and GNE are advised to exercise caution when dealing in the securities of the respective companies.

DEFINITIONS

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

“Companies Ordinance”	The Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
“Completion”	the completion of the Placing under the Placing Agreement;

“connected person(s)”	has the meaning given to it under the Listing Rules;
“Elite Time Global”	Elite Time Global Limited (傑泰環球有限公司) is a company incorporated in British Virgin Islands with limited liability and a wholly-owned subsidiary of GCL-Poly;
“GCL-Poly”	GCL-Poly Energy Holdings Limited (保利協鑫能源控股有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange, with stock code 3800. As at the date of this joint announcement, GCL-Poly is interested in approximately 62.28% of the issued share capital of GNE;
“GCL-Poly Board”	the board of GCL-Poly Directors;
“GCL-Poly Group”	GCL-Poly and its subsidiaries;
“GCL-Poly Shareholders”	the shareholders of GCL-Poly;
“GNE”	GCL New Energy Holdings Limited (協鑫新能源控股有限公司), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange, with stock code 451;
“GNE Board”	the board of GNE Directors;
“GNE Directors”	the directors of GNE;
“GNE Group”	GNE and its subsidiaries;
“GNE Shares”	share(s) in the share capital of GNE;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Joint Placing Agents”	Shun Loong Securities and Pinestone Securities;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, supplemented or otherwise modified from time to time);
“Main Board”	has the meaning given to it under the Listing Rules;

“percentage ratio(s)”	has the meaning given to it under the Listing Rules;
“Pinestone Securities”	Pinestone Securities Limited (鼎石證券有限公司), a licensed corporation to carry on business in type 1 (dealing in securities) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
“Placing”	the offer by way of a private placing of the Placing Shares procured by the Joint Placing Agents to selected investors to acquire the Placing Shares from Elite Time Global on the terms and subject to the conditions set out in the Placing Agreement;
“Placing Agreement”	the placing agreement dated 29 December 2020 and entered into among the Seller and the Joint Placing Agents in relation to the Placing;
“Placing Price”	HK\$0.235;
“Placing Shares”	up to a maximum of 638,298,000 GNE Shares held by Elite Time Global to be placed under the Placing;
“PRC”	the People’s Republic of China;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shun Loong Securities”	Shun Loong Securities Company Limited (順隆證券行有限公司), a licensed corporation to carry on business in type 1 (dealing in securities) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“U.S.”	the United States of America; and
“%”	per cent.

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

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

Hong Kong, 29 December 2020

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

As at the date of this joint announcement, the GNE Board comprises Mr. Zhu Yufeng (Chairman), Mr. Liu Genyu and Ms. Hu Xiaoyan as executive directors of GNE; Ms. Sun Wei, Mr. Yeung Man Chung, Charles and Mr. He Deyong 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.