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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 Agents



PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 14 January 2021 (before trading hours), the Company and the Placing Agents entered into the Placing Agreement pursuant to which the Placing Agents have conditionally agreed with the Company to act as agents for the Company, each on a several but not joint nor joint and several basis, to procure Placees to subscribe for the Placing Shares at the Placing Price on a best effort basis.

The Placing Shares represent (i) approximately 18.44% of the existing issued share capital of the Company (consisting of 21,144,868,207 Shares in issue as at 14 January 2021 (before trading hours)); and (ii) approximately 15.57% of the Company's issued share capital as enlarged by the Placing (assuming the Placing is completed in full and there will be no change to the total number of Shares in issue from the date of this announcement to the completion of the Placing other than the issue by the Company of the Placing Shares).

Assuming that all the Placing Shares will be placed out to the Placees, the gross proceeds of the Placing will be approximately HK\$4.212 billion, 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\$4.148 billion. The Company intends to use the net proceeds from the Placing for reduction of existing borrowings level and gearing level, adjustment of the debt structure, development of the Company's FBR based granular silicon production business and production capacity, 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 transactions contemplated under the Placing Agreement is subject to such agreement not being terminated in accordance with the terms thereof. In addition, completion of the Placing is subject to the satisfaction of the conditions precedent under the Placing Agreement. Therefore, the Placing may or may not proceed to completion. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

14 January 2021 (before trading hours)

Parties

- (i) the Company
- (ii) UBS, CCBI and Haitong, as the Placing Agents

Placing Agents

The Company has appointed the Placing Agents for the Placing. The Placing Agents have conditionally agreed with the Company, subject to the terms and conditions of the Placing Agreement, to act as agents for the Company, each on a several but not joint nor joint and several basis, to procure Placees to subscribe for the Placing Shares at the Placing Price on a best effort basis.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Placing Agents and their respective ultimate beneficial owners are Independent Third Parties.

Placees

The Placing Agents have informed the Company that it intends to place the Placing Shares to no less than six independent placees (who will be professional, institutional 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 Placing Shares represent: (i) approximately 18.44% of the existing issued share capital of the Company (consisting of 21,144,868,207 Shares in issue as at 14 January 2021 (before trading hours)); and (ii) approximately 15.57% of the Company's issued share capital as enlarged by the Placing (assuming the Placing is completed in full and there will be no change to the total number of Shares in issue from the date of this announcement to the completion of the Placing other than the issue by the Company of the Placing Shares).

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

Placing Price

The Placing Price of HK\$1.08 represents:

- (i) a discount of approximately 12.20% to the closing price of HK\$1.23 per Share as quoted on the Stock Exchange on 13 January 2021 (being the date on which the Placing Price is fixed);
- (ii) a discount of approximately 16.28% to the average closing price of approximately HK\$1.29 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including 13 January 2021, being the date immediately prior to the date of the Placing Agreement; and
- (iii) a discount of approximately 12.20% to the average closing price of approximately HK\$1.23 per Share as quoted on the Stock Exchange for the last 30 trading days up to and including 13 January 2021, being the date 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 among the Company and the Placing Agents. 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\$1.0636 per Placing Share.

Lock-up Undertaking

Unless otherwise agreed by the Placing Agents in writing, the Company undertakes to the Placing Agents that for a period from the date of the Placing Agreement up to 90 days after the Placing Closing Date (the "**Lock-up Period**"), neither the Company nor any person acting on its behalf will, except for the Placing Shares and save as pursuant to the terms of the Share Option Scheme:

- (i) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any equity securities of the Company or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase any equity securities of the Company), or deposit any equity securities of the Company with a depositary in connection with the issue of depositary receipts;

- (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of any equity securities of the Company or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any equity securities of the Company);
- (iii) enter into any transaction with the same economic effect as any transaction described in items (i) and (ii) above; or
- (iv) offer to or agree to do any of the foregoing or announce any intention to do so, whether any of the foregoing transactions is to be settled by delivery of such equity securities, in cash or otherwise (and whether or not the issue of such equity securities will be completed within the Lock-up Period).

Conditions Precedent

Completion of the Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares (and such listing and permission not subsequently being revoked);
- (ii) the delivery of the resolutions of the Board to approve the Placing Agreement and the transactions contemplated thereunder in a form and substance satisfactory to the Placing Agents;
- (iii) the delivery of legal opinion by the U.S. legal counsels of the Company in a form and substance satisfactory to the Placing Agents;
- (iv) no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that would make the Placing void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to the Placing, save where such order or decision would not have a material adverse effect on the legal ability of the Company to proceed with the Placing;
- (v) no circumstances have occurred where the status of the development in the restructuring of any notes by any member of the Group (or the issuer thereof) (other than the circumstances as disclosed in the Extension Announcement) or any other circumstances of the Group which has material adverse effect on the liquidity and solvency position of any member of the Group and is required to be publicly disclosed under any laws and regulations, including but not limited to the Listing Rules and the SFO; and

- (vi) the Placing Agreement not being terminated by the Placing Agents in accordance with its terms.

If any of the above conditions are not fulfilled or waived (in respect of conditions (ii) to (v) only) on or prior to 8:00 a.m. (Hong Kong time) on the Placing Closing Date or such later time as may be agreed between the Company and the Placing Agents, the obligations and liabilities of the Placing Agents and the Company under the Placing shall be null and void and neither the Company nor the Placing Agents shall have any claim against the other for costs, damages, compensation or otherwise.

Termination of the Placing

The Placing Agents may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company at any time prior to 8:00 a.m. (Hong Kong time) on the Placing Closing Date, in accordance with the Placing Agreement, such as on the grounds of breach of any of the representations, warranties and undertakings by the Company as set out in the Placing Agreement which, in the opinion of the Placing Agents, would have or would be likely to have a material adverse effect on the Group or the occurrence of certain force majeure events specified in the Placing Agreement.

In the event that the Placing Agents terminate the Placing Agreement in accordance with the terms of the Placing Agreement, all obligations of each of the Company and the Placing Agents under the Placing Agreement shall cease and no party to the Placing Agreement shall have any claim against any other party(ies) to the Placing Agreement in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement and other liabilities specified 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 the Shareholders' approval.

As at the date of this announcement, the Company has not issued any Shares pursuant to the General Mandate and the number of new Shares that can be allotted and issued by the Company under the General Mandate is 3,968,209,841 Shares. The allotment and issue of the Placing Shares, if completed in full, will utilize approximately 98.28% of the General Mandate. As such, the allotment and issue of the Placing Shares is not subject to any additional Shareholders' approval.

Completion of the Placing

Completion of the Placing shall take place on the Placing Closing 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. The Group is principally engaged in the manufacturing and sale of polysilicon and wafers products, developing and operating solar farms. 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\$4.212 billion, 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\$4.148 billion. The Company intends to use the net proceeds from the Placing for reduction of existing borrowings level and gearing level, adjustment of the debt structure, development of the Company's FBR based granular silicon production business and production capacity, and for general corporate purposes.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

On 28 April 2020, the Company issued an announcement in relation to, among other things, the placing of 1,300,000,000 new Shares under general mandate at the placing price of HK\$0.209 per Share. As the conditions precedent to the aforesaid placing were not fulfilled on or before 29 May 2020, the relevant placing agreement lapsed and such placing did not proceed. For further details, please refer to the announcement dated 29 May 2020 of the Company.

On 16 June 2020, the Company issued an announcement in relation to, among other things, the placing of 1,300,000,000 new Shares under general mandate at the placing price of HK\$0.203 per Share. On 24 June 2020, the aforesaid placing was completed and such 1,300,000,000 Shares were successfully placed. The net proceeds from such placing of approximately HK\$260 million has 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

Assuming the Placing will be completed in full and there being no other changes in the total issued share capital of the Company from the date of this announcement (before trading hours) up to completion of the Placing, set out below is the shareholding structure of the Company (i) as at the date of this announcement (before trading hours) and (ii) immediately after completion of the Placing:

Name of Shareholder	Shareholding as at the date of this announcement (before trading hours)		Shareholding immediately upon completion of the Placing	
	<i>Approximate % of issued</i>		<i>Approximate % of issued</i>	
	<i>Number of Shares</i>	<i>share capital of the Company</i>	<i>Number of Shares</i>	<i>share capital of the Company</i>
Mr. Zhu and his associates and parties acting in concert with any of them	6,370,388,156	30.13%	6,370,388,156	25.44%
Placeses under the Placing	Nil	Nil	3,900,000,000	15.57%
Other Shareholders	<u>14,774,480,051</u>	<u>69.87%</u>	<u>14,774,480,051</u>	<u>58.99%</u>
Total	<u>21,144,868,207</u>	<u>100%</u>	<u>25,044,868,207</u>	<u>100%</u>

Completion of the transactions contemplated under the Placing Agreement is subject to such agreement not being terminated in accordance with the terms thereof. In addition, completion of the Placing is subject to the satisfaction of the conditions precedent under the Placing Agreement. Therefore, the Placing may or may not proceed to completion. 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(s)”	any 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

“CCBI”	CCB International Capital Limited, a company incorporated with limited liability under the laws of Hong Kong and a licensed corporation (CE number: AJO225) licensed to carry on business in type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO
“Company”	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 whose shares are listed on the Main Board of the Stock Exchange (Stock code: 3800)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Extension Announcement”	the joint announcement made by the Company and GCL New Energy Holdings Limited dated 12 January 2021 in relation to, among other things, the extension of the expiration deadline
“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 17 June 2020 to issue and allot up to an aggregate of 3,968,209,841 new Shares
“Group”	the Company and its subsidiaries
“Haitong”	Haitong International Securities Company Limited, a company incorporated with limited liability under the laws of Hong Kong and a licensed corporation (CE number: AAF806) licensed to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO
“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 are Independent Third Parties to the Company or its subsidiaries and their respective associates) whom the Placing Agents have procured to subscribe for any of the Placing Shares pursuant to its obligations under the Placing Agreement
“Placing”	the placing by or on behalf of the Placing Agents of the Placing Shares pursuant to the terms and conditions of the Placing Agreement
“Placing Agents”	UBS, CCBI and Haitong
“Placing Agreement”	the placing agreement dated 14 January 2021 (before trading hours) entered into among the Company and the Placing Agents in relation to the Placing
“Placing Closing Date”	the Business Day after the date on which the conditions as set out in the Placing Agreement are fulfilled but in any event no later than 21 January 2021, or such other date as the Company and the Placing Agents may agree in writing
“Placing Price”	HK\$1.08 per Placing Share
“Placing Shares”	up to a total of 3,900,000,000 new Shares to be issued by the Company pursuant to the Placing Agreement
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“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
“Share Option Scheme”	the share option scheme of the Company adopted on 22 October 2007 which became effective on 13 November 2007 (as refreshed in the extraordinary general meeting of the Company held on 26 November 2015 and otherwise amended and supplemented from time to time)
“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

“UBS”	UBS AG Hong Kong Branch, a company incorporated with limited liability under the laws of Switzerland, acting through its Hong Kong branch situated at 52/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong, which is a licensed corporation (CE number: AEP554) and licensed to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance), type 7 (providing automated trading services) and type 9 (asset management) regulated activities under the SFO
“%”	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, 14 January 2021

As at the date of this announcement, the Board comprises Mr. Zhu Gongshan (Chairman), Mr. Zhu Zhanjun, Mr. Zhu Yufeng, Ms. Sun Wei, Mr. Yeung Man Chung, Charles, 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.