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GCL-Poly Energy Holdings Limited

保利協鑫能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3800)

CONTINUING CONNECTED TRANSACTION IN RELATION TO 2020 YANGZHOU STEAM SUPPLY AGREEMENT

2020 YANGZHOU STEAM SUPPLY AGREEMENT

We refer to the announcement of the Company dated 30 June 2017, the circular dated 21 July 2017, the poll results announcement of the August 2017 EGM dated 11 August 2017 and the announcement dated 25 April 2018 in relation to, among other things, the New Yangzhou Steam Supply Agreement and the revision of annual caps and amendments to the New Yangzhou Steam Supply Agreement. As the New Yangzhou Steam Supply Agreement expired on 31 May 2020, on 31 July 2020, Yangzhou GCL and Yangzhou Power entered into 2020 Yangzhou Steam Supply Agreement.

In addition, Yangzhou Power had supplied, and Yangzhou GCL had purchased, steam for the months of June 2020 and July 2020 (“**Previous De Minimis Transactions**”).

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Zhu Family Trust is the ultimate controlling shareholder of the Company and a connected person. Zhu Family Trust effectively holds 40.8% equity interests in Yangzhou Power, therefore, Yangzhou Power is an associate of Mr. Zhu and a connected person of the Company. Accordingly, the transaction contemplated under the 2020 Yangzhou Steam Supply Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

In accordance with Rule 14A.76 (1) of the Listing Rules, as all applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Previous De Minimis Transactions on an aggregate basis are less than 0.1%, the transactions under the Previous De Minimis Transactions constitute de minimis transactions and are fully exempted from

reporting, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the aggregated transactions contemplated under the 2020 Yangzhou Steam Supply Agreement and the Previous De Minimis Transactions are more than 0.1% but less than 5%, it is subject to the reporting, annual review and announcement requirements but is exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

2020 YANGZHOU STEAM SUPPLY AGREEMENTS

Principal terms of the 2020 Yangzhou Steam Supply Agreement are as follows:-

(i) Date

31 July 2020

(ii) Parties

Supplier: Yangzhou Power

Customer: Yangzhou GCL

(iii) Subject Matter

Yangzhou Power agreed to supply, and Yangzhou GCL agreed to purchase, steam for industrial use with pressure of more than 0.6 Mpa and temperature at more than 150°C for the period commencing from 1 August 2020 and ending on 31 July 2023.

(iv) Consideration

The agreed steam supply price under the 2020 Yangzhou Steam Supply Agreement will be RMB192.60 per tonne and will be payable monthly in arrears based on the amount of steam supplied by Yangzhou Power in the relevant month. The agreed steam supply price has been adjusted to reflect the latest reference price published by the Yangzhou Price Bureau on 13 December 2017.

Subject to the Aggregated Annual Caps, if (i) the reference price prescribed by the Yangzhou Price Bureau is adjusted; or (ii) otherwise agreed by the parties, the parties may adjust the steam supply price but in any event not exceeding the reference price prescribed by the Yangzhou Price Bureau (after adjustment, if any).

(v) **Basis of Consideration**

The steam supply price was determined by arm's length negotiations between the parties with reference to the price prescribed by the Yangzhou Price Bureau. The Yangzhou Price Bureau publishes the reference price for steam to the industry from time to time. The latest reference steam price was published by the Yangzhou Price Bureau on 13 December 2017, stating that the price of steam should not be higher than RMB215 per tonne.

THE PREVIOUS TRANSACTIONS AND THE AGGREGATED ANNUAL CAPS

The amounts of the previous transactions under the New Yangzhou Steam Supply Agreement are set out below:

	For the Financial Year Ending 31 December 2018 (RMB)	For the Financial Year Ending 31 December 2019 (RMB)	For the Period from 1 January 2020 to 31 May 2020 (RMB)
Previous transactions under the New Yangzhou Steam Supply Agreement	7,993,000	10,719,000	5,309,000

The Aggregated Annual Caps for the continuing connected transactions contemplated under the 2020 Yangzhou Steam Supply Agreement and the Previous De Minimis Transactions are set out below:

	For the Period from 1 June 2020 to 31 December 2020 (RMB)	For the Financial Year Ending 31 December 2021 (RMB)	For the Financial Year Ending 31 December 2022 (RMB)	For the Period from 1 January 2023 to 31 July 2023 (RMB)
Previous De Minimis Transactions	933,532.20			
2020 Yangzhou Steam Supply Agreement	2,639,583.00	6,740,229.60	6,740,229.60	4,100,646.60
Aggregated Annual Cap	3,573,115.20	6,740,229.60	6,740,229.60	4,100,646.60

The Aggregated Annual Caps were calculated after primarily taking into account: (i) the total amount of fees payable for the period from 1 June 2020 to 31 July 2020; (ii) the total amount of fees payable for the period from 1 August 2020 to 31 December 2020, the two years ending 31 December 2021 and 31 December 2022, and the period from 1 January 2023 to 31 July 2023; (iii) the potential steam supply price movements in the PRC; and (iv) the estimated consumption of steam by Yangzhou GCL.

REASONS FOR AND BENEFITS OF THE 2020 YANGZHOU STEAM SUPPLY AGREEMENT

Steam is required by Yangzhou GCL for production of wafer and black-silicon products purpose. The Directors (including the independent non-executive Directors) are of the view that the transaction contemplated under the 2020 Yangzhou Steam Supply Agreement was (i) negotiated on arm length basis; (ii) entered into on normal commercial terms; (iii) in the ordinary and usual course of business; (iv) fair and reasonable; and (v) in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Zhu Family Trust is the ultimate controlling shareholder of the Company and a connected person. Zhu Family Trust effectively holds 40.8% equity interests in Yangzhou Power, therefore, Yangzhou Power is an associate of Mr. Zhu and a connected person of the Company. Accordingly, the transaction contemplated under the 2020 Yangzhou Steam Supply Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

In accordance with Rule 14A.76 (1) of the Listing Rules, as all applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Previous De Minimis Transactions on an aggregate basis are less than 0.1%, the transactions under the Previous De Minimis Transactions constitute de minimis transactions and are fully exempted from reporting, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the aggregated transactions contemplated under the 2020 Yangzhou Steam Supply Agreement and the Previous De Minimis Transactions are more than 0.1% but less than 5%, it is subject to the reporting, annual review and announcement requirements but is exempt from Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

As Mr. Zhu and Mr. Zhu Yufeng, son of Mr. Zhu, have material interest in the transaction contemplated under the 2020 Yangzhou Steam Supply Agreement, Ms. Sun Wei is the vice chairman of Golden Concord Holdings Limited, and Mr. Yeung Man Chung, Charles is the vice president of Golden Concord Holdings Limited, Mr. Zhu, Mr. Zhu Yufeng, Ms. Sun Wei and Mr. Yeung Man Chung, Charles have abstained from voting on the resolutions of the Board in respect of the approval of the 2020 Yangzhou Steam Supply Agreement.

INFORMATION ON THE PARTIES TO THE CONTINUING CONNECTED TRANSACTION

The Company

The Company is an investment company and its subsidiaries are principally engaged in the manufacturing and the sale of polysilicon and wafers products as well as the development, owning and operation of solar farms.

Yangzhou GCL

Yangzhou GCL is a company incorporated in the PRC, a wholly-owned subsidiary of the Company.

Yangzhou Power

Yangzhou Power is a company incorporated in the PRC, the principal business of which is the sale and generation of electricity and steam. Zhu Family Trust effectively holds 40.8% equity interests indirectly in Yangzhou Power.

DEFINITIONS

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

“2020 Yangzhou Steam Supply Agreement”	the agreement dated 31 July 2020 entered into between Yangzhou Power as the supplier and Yangzhou GCL as the customer in relation to the supply of steam
“Aggregated Annual Caps”	the maximum amount of fees payable under the 2020 Yangzhou Steam Supply Agreement and the Previous De Minimis Transactions for the period from 1 June 2020 to 31 July 2023
“associate”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“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, the shares of which are listed on the Main Board of the Stock Exchange, with stock code 3800
“connected person”	has the same meaning ascribed to it under the Listing Rules

“Continuing Connected Transactions”	the transactions contemplated under the 2020 Yangzhou Steam Supply Agreement
“Director(s)”	director(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mpa”	Megapascal, a unit of pressure equal to one million pascals
“Mr. Zhu”	Mr. Zhu Gongshan, the Chairman and an executive Director of the Company
“Mr. Zhu Yufeng”	Mr. Zhu Yufeng, son of Mr. Zhu and an executive Director of the Company
“New Yangzhou Steam Supply Agreement”	the agreement dated 30 June 2017 entered into between Yangzhou Power as the supplier and Yangzhou GCL as the customer in relation to the supply of steam
“PRC” or “China”	the People’s Republic of China, and for the purpose of this announcement, excluding the Hong Kong Special Administrative Region of the People’s Republic of China, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Previous De Minimis Transactions”	the transactions between Yangzhou Power and Yangzhou GCL for the supply of steam for the months of June 2020 and July 2020
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the same meaning ascribed to it under the Listing Rules

“Yangzhou GCL”	Yangzhou GCL Photovoltaic Technology Co., Ltd.* (揚州協鑫光伏科技有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of the Company
“Yangzhou Power”	Yangzhou Harbour Sludge Power Co., Ltd.* (揚州港口污泥發電有限公司), a company incorporated in the PRC and a connected person of the Company
“Zhu Family Trust”	a trust, under which Mr. Zhu Gongshan, an executive Director and the chairman of the Board, and his family are beneficiaries
%	per cent.

**For identification purposes only.*

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

Hong Kong, 31 July 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.