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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)**

### **Operating Performance for Third Quarter of 2010**

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the “Board”) of GCL-Poly Energy Holdings Limited (the “Company”, together with its subsidiaries as the “Group”) is pleased to announce the following operating performance of its polysilicon, wafers and power businesses for the third quarter of 2010 based on the preliminary statistics:

#### **Polysilicon Business**

For the first three quarters of 2010, the Group produced an accumulated polysilicon of approximately 12,099 tonnes, representing an increase of approximately 183.5% over the same period of last year. In the third quarter of 2010, the Group produced polysilicon of approximately 5,068 tonnes, representing an increase of approximately 154.3% over the same period of last year.

For the first three quarters and in the third quarter of 2010, the Group sold polysilicon of approximately 8,799 tonnes and 3,405 tonnes respectively. Due to the implementation of long-term strategic sales policy, the Group’s average selling price of polysilicon for the first three quarters and in the third quarter of 2010 were US\$50.6/kg and US\$51.7/kg respectively.

As the Group’s production costs of polysilicon further decreased, the production costs in the third quarter of 2010 decreased to approximately US\$25.4/kg and further down to US\$23.8 at the end of September.

The satisfactory performance of the polysilicon business was resulting from the Group’s strong research and development capabilities, successful self-initiated technological innovation, economy of scale expansion of production capacity and scientific management. Hence, the Group’s polysilicon production volume increased significantly, marked improvement in quality and rapid reduction of production costs.

The Group expects that, as technology improved further, the annual production of polysilicon for 2010 will exceed 16,500 tonnes. Capitalizing on tens of attaining internationally advanced technology patents owned by the Group in polysilicon production, the product quality is expected to enhance further in the future, whereas the production cost of polysilicon is expected to fall. There is still room for downward adjustment of production cost by the end of 2010 as compared to the current level. The Group believes that the global demand for polysilicon for the fourth quarter of 2010 will remain strong, which allows the selling price of polysilicon to maintain at satisfactory level.

### **Wafers Business**

For the first three quarters and in the third quarter of 2010, the Group produced wafers of 624MW and 432MW respectively. For the first three quarters and in the third quarter of 2010, the Group sold wafers of 664MW and 435MW respectively. The average selling price in the third quarter of 2010 was US\$0.8 per watt.

The Group achieved high gross profit margin was due to active engagement in the mass production and technical upgrading of wafer overhead materials whilst producing wafers. The crucible project, which has commenced production in Xuzhou and slurry recovery project, which will commence production by the end of this year, all contributed/will contribute to the continuous reduction in the cost of production of wafers, resulting in further strengthening of our competitiveness.

The Group expects that the capacity expansion target of wafers will reach an overall production capacity of 3.5GW by the end of 2010 and an annual production of approximately 1.3GW in 2010.

The Group's average gross profit margin of the solar business was approximately 39% for the first three quarters; whereas the average gross profit margin of the solar business was approximately 44% for the third quarter.

### **Power Business**

The sales volume in respect of power and steam of the Group for the first three quarters of 2010 was approximately 3,580,159 MWh and 5,090,342 tonnes, representing a decrease of 8.9% and an increase of 26.6% over the same period of last year. The gross profit margin of its power business for the first three quarters was approximately 11.7%.

This announcement is based only on the preliminary review of the management accounts of the Group, which has not been confirmed or audited by the Company's auditors.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in shares of the Company.**

By order of the Board  
**GCL-Poly Energy Holdings Limited**  
**Zhu Gong Shan**  
*Chairman*

Hong Kong, 18 October 2010

*As at the date of this announcement, the Board comprises Mr. Zhu Gong Shan (Chairman), Mr. Sha Hong Qiu, Mr. Ji Jun, Mr. Shu Hua, Mr. Yu Bao Dong, Ms. Sun Wei, Mr. Tong Yee Ming and Mr. Zhu Yu Feng as executive directors; Mr. Chau Kwok Man, Cliff and Ms. Bai Xiao Qing as non-executive directors; Mr. Qian Zhi Xin, Ir. Dr. Raymond Ho Chung Tai, Mr. Xue Zhong Su and Mr. Yip Tai Him as independent non-executive directors.*