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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)**

### **COMPLETION OF THE DISPOSAL OF NON-SOLAR POWER BUSINESS SPECIAL DIVIDEND AND RECORD DATE ADJUSTMENT TO THE CONVERSION PRICE OF THE 2019 CONVERTIBLE BONDS CONTINUING TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the Circular in relation to, among other things, the Proposed Disposal of the Group's non-solar power business. Unless otherwise defined, capitalised terms used herein shall have the same meaning as defined in the Circular.

#### **COMPLETION OF THE DISPOSAL OF NON-SOLAR POWER BUSINESS**

The Board is pleased to announce that completion of the Proposed Disposal took place on 8 December 2015. Upon completion of the Proposed Disposal, the Company no longer engages in the non-solar power business comprised in the Disposal Group and the Company will focus on its core integrated solar business.

In addition, following the completion of the Proposed Disposal, the Amendment Deed and the Restated NCD have become unconditional. The Settlement Sum of RMB1.16 billion has been received by the Company.

#### **SPECIAL DIVIDEND AND RECORD DATE**

As completion of the Proposed Disposal has taken place, the Board resolved that the Special Dividend in the total amount of approximately RMB1.12 billion (equivalent to HK8.62 cents per Share), being approximately 35% of the gross proceeds from the Proposed Disposal, shall be paid to the Shareholders whose names appear on the Company's register of members on 23 December 2015. The Special Dividend is expected to be paid in Hong Kong dollars on 31 December 2015.

In order to qualify for the Special Dividend, all completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 23 December 2015.

## **ADJUSTMENT TO THE CONVERSION PRICE OF THE 2019 CONVERTIBLE BONDS**

Reference is also made to the CB Announcement.

Notice is given that, pursuant to the adjustment provisions of the Conversion Price as stated in the terms and conditions of the 2019 Convertible Bonds, the Conversion Price, currently HK\$2.60 per Share, will be adjusted to HK\$2.45 per Share as a result of the declaration of the Special Dividend by the Board.

All other terms of the 2019 Convertible Bonds remain unchanged. The adjustment will become effective from 24 December 2015, being the day immediately after the record date for the determination of the above special dividend entitlement.

As at the date of this announcement, the total outstanding principal amount of the 2019 Convertible Bond is US\$225,000,000. The 2019 Convertible Bonds entitle the holders of the 2019 Convertible Bonds to convert into 670,889,423 Shares before the adjustment (as mentioned in this announcement) and 711,964,286 Shares after the adjustment (as mentioned in this announcement).

## **CONTINUING TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS**

### **Continuing transactions between the Group and the Disposal Group**

Before completion of the Proposed Disposal, Yangzhou GCL Photovoltaic Technology, a wholly-owned subsidiary of the Company, was purchasing steam from Yangzhou Harbour Sludge Power, a company in the Disposal Group, pursuant to the Steam Supply Agreement.

Further, before completion of the Proposed Disposal, Suzhou GCL Industrial Applications Research leased a property in the PRC to the Target pursuant to the Lease Agreement. Suzhou GCL Industrial Applications Research had been indirectly held by the Target prior to the Reorganisation and was transferred by the Target to the Group during the Reorganisation. As at the date of this announcement, Suzhou GCL Industrial Applications Research has become a company indirectly held by the Company.

Since the Purchaser is a company indirectly owned by the Zhu Family Trust and a connected person of the Company, upon completion of the Proposed Disposal, Yangzhou Harbour Sludge Power, and the Target, being companies of the Disposal Group, have become connected persons of the Company. The transactions contemplated under the Steam Supply Agreement and the Lease Agreement therefore have, upon completion of the Proposed Disposal, become continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

### ***The Steam Supply Agreement***

The principal terms of the Steam Supply Agreement are set out below.

#### *(i) Date*

2 June 2015

*(ii) Parties*

Supplier: Yangzhou Harbour Sludge Power, a company within the Disposal Group

Customer: Yangzhou GCL Photovoltaic Technology, a wholly-owned subsidiary of the Company

*(iii) Subject matter and consideration*

Yangzhou GCL Photovoltaic Technology agreed to purchase and Yangzhou Harbour Sludge Power agreed to supply steam at a rate of 0.2 tonnes to 1 tonne per hour with pressure exceeding 0.6Mpa and temperature exceeding 150°C, during the period from 10 June 2015 to 9 June 2017.

The agreed steam supply price is RMB178.2 per tonne and payable monthly in arrears based on the amount of steam utilised by Yangzhou GCL Photovoltaic Technology in the relevant month.

*(iv) 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 current prescribed price is RMB198 per tonne). Yangzhou Price Bureau will publish steam reference price to the industry from time to time. If the price prescribed by the government authority is adjusted, the parties will adjust the price for the steam supply accordingly.

*(v) Listing Rules implications*

Since the Purchaser is a company indirectly owned by the Zhu Family Trust and a connected person of the Company, upon completion of the Proposed Disposal, Yangzhou Harbour Sludge Power, being a company of the Disposal Group, has become a connected person of the Company. The transactions contemplated under the Steam Supply Agreement has become continuing connected transactions of the Company under Chapter 14A of the Listing Rules upon completion of the Proposed Disposal.

Pursuant to Rule 14A.60 of the Listing Rules, the Company is required to comply with the applicable reporting and disclosure requirements under Chapter 14A of the Listing Rules regarding the Steam Supply Agreement. The Company will comply in full with all applicable reporting, disclosure and, if applicable, independent shareholders' approval requirements under Chapter 14A of the Listing Rules upon any variation or renewal of the Steam Supply Agreement.

***The Lease Agreement***

The principal terms and conditions of the Lease Agreement are set out below.

*(i) Date*

16 July 2015

*(ii) Parties*

Suzhou GCL Industrial Applications Research

Target

*(iii) Subject matter and consideration*

Suzhou GCL Industrial Applications Research leased to the Target a property of 3400 square meters in Suzhou, PRC for business purpose during the period from 20 July 2015 to 19 July 2017.

The agreed rent is RMB255,000 per month which is payable quarterly.

*(iv) Basis of consideration*

The consideration was determined by arm's length negotiations between the parties with reference to the prevailing market rental of comparable class of commercial premises in Suzhou and is exclusive of management fees, utilities and car-park related expenses which are borne by the Target.

*(v) Listing Rules implications*

Since the Purchaser is a company indirectly owned by the Zhu Family Trust and a connected person of the Company, upon completion of the Proposed Disposal, the Target, being a company of the Disposal Group, has become a connected person of the Company. The transaction contemplated under the Lease Agreement has become continuing connected transaction of the Company under Chapter 14A of the Listing Rules upon completion of the Proposed Disposal.

Pursuant to Rule 14A.60 of the Listing Rules, the Company is required to comply with the applicable reporting and disclosure requirements under Chapter 14A of the Listing Rules regarding the Lease Agreement. The Company will comply in full with all applicable reporting, disclosure and, if applicable, independent shareholders' approval requirements under Chapter 14A of the Listing Rules upon any variation or renewal of the Lease Agreement.

**Reasons for and benefits of the transactions**

The Steam Supply Agreement and the Lease Agreement were entered into in the usual and ordinary course of the Company's business.

Yangzhou GCL Photovoltaic Technology used steam to provide heat for wafer production. Steam is supplied through a pipeline network connected to Yangzhou Harbour Sludge Power, which is the nearest thermal power plant to Yangzhou GCL Photovoltaic Technology.

Suzhou GCL Industrial Applications Research owns a property in Suzhou, which is both used by itself as well as having the excess area leased out for rental income.

The Directors (including the independent non-executive Directors) believe that the transactions under the Steam Supply Agreement and the Lease Agreement are on normal commercial terms and have been entered into in the ordinary and usual course of business of the Company and the terms of the Steam Supply Agreement and the Lease Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## Information of the parties

The Company is an investment company and the Group's business primarily consists of the manufacturing and sale of polysilicon and wafer products and developing, owning and operating downstream solar farms both within the PRC and overseas.

The principal business of Yangzhou Harbour Sludge Power is generating and selling electricity and steam in the PRC.

The principal business of the Target is holding interests in subsidiaries which are mainly environmental power plants and acting as a financial platform for its subsidiaries.

The principal business of Yangzhou GCL Photovoltaic Technology is the manufacture and sale of wafer in the PRC.

The principal business of Suzhou GCL Industrial Applications Research is carrying out research and testing of monosilicon and polysilicon related products in the PRC.

## DEFINITIONS

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

“2019 Convertible Bonds”	the up to US\$225,000,000 in aggregate principal amount of 0.75% convertible bonds due 2019 issued by the Company
“CB Announcement”	the announcement of the Company dated 15 July 2015 in relation to the issue of the 2019 Convertible Bonds
“Circular”	the circular of the Company dated 11 November 2015 in relation to, among other things, the Proposed Disposal
“Conversion Price”	the price at which the Shares will be issued upon conversion of the 2019 Convertible Bonds and the conversion price is initially HK\$2.60 per Share, subject to adjustment as provided in the terms and conditions of the 2019 Convertible Bonds
“Lease Agreement”	the agreement dated 16 July 2015 entered into between Suzhou GCL Industrial Applications Research and the Target in relation to the lease of a property from Suzhou GCL Industrial Applications Research to the Target during the period from 20 July 2015 to 19 July 2017
“Special Dividend”	the special dividend of HK8.62 cents per Share to be distributed to the Shareholders
“Steam Supply Agreement”	the agreement dated 2 June 2015 entered into between Yangzhou GCL Photovoltaic Technology and Yangzhou Harbour Sludge Power in respect of the supply of steam by Yangzhou Harbour Sludge Power to Yangzhou GCL Photovoltaic Technology during the period from 10 June 2015 to 9 June 2017

“Suzhou GCL Industrial Applications Research”	蘇州協鑫工業應用研究院有限公司 (Suzhou GCL Industrial Applications Research Co., Ltd*), a wholly-owned subsidiary of the Company
“Yangzhou GCL Photovoltaic Technology”	揚州協鑫光伏科技有限公司 (Yangzhou GCL Photovoltaic Technology Co., Ltd*), a wholly-owned subsidiary of the Company
“Yangzhou Harbour Sludge Power”	揚州港口污泥發電有限公司 (Yangzhou Harbour Sludge Power Co., Ltd*), a company in the Disposal Group

By Order of the Board  
**GCL-Poly Energy Holdings Limited**  
**Yeung Man Chung, Charles**  
*Executive Director*

Hong Kong, 8 December 2015

*As at the date of this announcement, the Board comprises Mr. Zhu Gongshan (Chairman), Mr. Ji Jun, Mr. Zhu Yufeng, Mr. Yeung Man Chung, Charles and Mr. Zhu Zhanjun as executive directors; Mr. Shu Hua as a non-executive director; Ir. Dr. Raymond Ho Chung Tai, Mr. Yip Tai Him and Dr. Shen Wenzhong as independent non-executive directors.*