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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)

CONNECTED TRANSACTION WITH JIANGSU GCL CONSTRUCTION MANAGEMENT LIMITED

On 23 October 2017 (after trading hours), Suzhou GCL Commercial Management Limited* (蘇州協鑫商業管理有限公司) (an indirect wholly-owned subsidiary of the Company) (“**Suzhou GCL**”) and Jiangsu GCL Construction Management Limited* (江蘇協鑫建設管理有限公司) (“**Jiangsu GCL**”) entered into the Current Project Management and Consulting Agreement, under which Suzhou GCL has appointed Jiangsu GCL to provide management and consultancy services in respect of the Suzhou Project.

As disclosed in the announcement of the Company dated 29 September 2017, the Company, through its indirectly owned subsidiary, entered into the Previous Project Management and Consulting Agreement dated 29 September 2017 with Jiangsu GCL.

LISTING RULES IMPLICATIONS

As none of the applicable percentage ratios in respect of the transaction contemplated under the Current Project Management and Consulting Agreement exceeds 5%, the entering into of the Current Project Management and Consulting Agreement does not constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

As at the date of the Current Project Management and Consulting Agreement, Jiangsu GCL is an indirect wholly-owned subsidiary of Golden Concord Group Limited, which is in turn indirectly held under a discretionary trust under which Mr. Zhu Gongshan (an executive Director and chairman of the Company) and his family (including Mr. Zhu Yufeng, a Director and the son of Mr. Zhu Gongshan) are beneficiaries. As Mr. Zhu Gongshan and Mr. Zhu Yufeng are both connected persons of the Company and Jiangsu GCL is an associate of them, Jiangsu GCL is therefore a connected person of the Company. Accordingly, the transaction contemplated under the Current Project Management and Consulting Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the transaction contemplated under the Current Project Management and Consulting Agreement is more than 0.1% but less than 5%, the Current Project Management and Consulting Agreement constitutes a non-exempt connected transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements but exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As the Previous Project Management and Consulting Agreement was entered into with Jiangsu GCL within a 12-month period prior to and inclusive of the date of the Current Project Management and Consulting Agreement, the Current Project Management and Consulting Agreement and the Previous Project Management and Consulting Agreement shall be aggregated as a series of transactions for the Company pursuant to Rule 14.22 and Rule 14A.81 of the Listing Rules.

As none of the applicable percentage ratios in respect of the transactions contemplated under the Current Project Management and Consulting Agreement and the Previous Project Management and Consulting Agreement (in aggregate) exceeds 5%, the entering into of the Current Project Management and Consulting Agreement and the Previous Project Management and Consulting Agreement does not constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio in respect of the transactions contemplated under the Current Project Management and Consulting Agreement and the Previous Project Management and Consulting Agreement (in aggregate) does not exceed 5%, the entering into of the Current Project Management and Consulting Agreement and the Previous Project Management and Consulting Agreement (in aggregate) constitutes a non-exempt connected transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements but exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As (i) Mr. Zhu Gongshan and Mr. Zhu Yufeng have material interests in the transactions contemplated under the Current Project Management and Consulting Agreement, and (ii) Ms. Sun Wei is the vice chairman of Golden Concord Holdings Limited, a company controlled by Mr Zhu Gongshan, Mr. Zhu Gongshan, Mr. Zhu Yufeng and Ms. Sun Wei have abstained from voting on the resolutions passed by the Board in respect of the approval of the Current Project Management and Consulting Agreement.

Save for the Directors mentioned above, none of the other Directors have a material interest in the transaction contemplated under the Current Project Management and Consulting Agreement, and therefore none of them is required to abstain from voting on the relevant Board resolutions.

CURRENT PROJECT MANAGEMENT AND CONSULTING AGREEMENT

The Board announces that on 23 October 2017, Suzhou GCL and Jiangsu GCL entered into the Current Project Management and Consulting Agreement, the details of which are set out below:

Date

23 October 2017

Parties

- (1) Suzhou GCL, as customer
- (2) Jiangsu GCL, as service provider

Subject matter

Suzhou GCL has appointed Jiangsu GCL to provide management and consultancy services in respect of the Suzhou Project relating to the construction of a hotel, conference centre and commercial service hub in Suzhou. The management and consultancy services relate to (i) obtaining preliminary approvals and production approvals; (ii) management and control of the safety, quality, planning, cost, compliance and information technology aspects of the Suzhou Project; (iii) coordination of land approval procedures and (iv) work processes in relation to the inspection of the project.

The Suzhou Project is expected to be completed by December 2018.

Consideration

The maximum aggregate consideration for the services to be supplied by Jiangsu GCL to Suzhou GCL under the Current Project Management and Consulting Agreement is RMB35,150,000 (equivalent to approximately HK\$41,424,275), including RMB27,150,000 (equivalent to approximately HK\$31,996,275) as consultancy services fee and a maximum of RMB8,000,000 (equivalent to approximately HK\$9,428,000) as “investment savings prize” to be calculated as 30% of the difference between the initial execution budget and final completion expenditure for the Suzhou Project. The aggregate consideration shall be payable in cash as follows:

- (i) 20% of the consultancy services fee within 15 days of the date of the Current Project Management and Consulting Agreement;
- (ii) 20% of the consultancy services fee within 15 days of obtaining construction approval and the satisfaction of all conditions for commencement;
- (iii) 20% of the consultancy services fee within 15 days of roof capping of the main project structure; namely the hotel, conference centre and commercial service hub;
- (iv) 20% of the consultancy services fee within 15 days of completion of interior installation;
- (v) 17% of the consultancy services fee within 15 days of construction completion;
- (vi) the remaining 3% of the consultancy services fee withheld as quality assurance warranty to be paid on the first anniversary of construction completion; and
- (vii) where the final completion expenditure does not exceed the initial execution budget, the investment savings prize to be paid within 15 days of construction completion.

The consideration was determined after arm’s length negotiation between the parties with reference to the price of similar services, the experience of Jiangsu GCL and the quality of the services to be provided.

PRINCIPAL TERMS OF THE PREVIOUS PROJECT MANAGEMENT AND CONSULTING AGREEMENT

Please refer to the Company’s announcement dated 29 September 2017 for the principal terms of the Previous Project Management and Consulting Agreement.

REASONS FOR AND BENEFITS OF THE TRANSACTION

Jiangsu GCL has accumulated extensive experience on project construction and management, and it will provide assistance on project registration and approval process as well as coordination with local government via its internal professional project management team. Jiangsu GCL's expertise will facilitate the local approval procedures, including land registrations, construction approvals, project commencement and any subsequent inspections by local government of the Project.

The Directors (including the independent non-executive Directors) consider that the terms of the Current Project Management and Consulting Agreement are on normal commercial terms and entered into in the ordinary and usual course of business of the Company, and the terms of the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

Suzhou GCL is an indirectly wholly-owned subsidiary of the Company whose principal business are business management, real estate development, real estate information consultation (the projects, which are subject to approval in accordance with the laws, shall be operated only after receiving approval from relevant administrative authorities).

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

Jiangsu GCL is an indirect wholly-owned subsidiary of Golden Concord Group Limited. Jiangsu GCL is principally engaged in providing consultancy services to and investments in polysilicon, monocrystalline silicon, solar cells and related components manufacturing projects; and the import and export of goods and processes (excluding those projects falling within the restricted or eliminated categories under the PRC State Industrial Policies). Jiangsu GCL also focuses on providing project construction and management consultancy services to the electricity generation, new energy generation and photovoltaic (including photovoltaic cells and semi-conductors etc.) industries. Jiangsu GCL has extensive management experience in obtaining pre-project and construction approvals, and controlling and monitoring projects (including aspects such as safety, quality, cost, construction time, compliance and adoption of information technologies).

LISTING RULES IMPLICATIONS

As none of the applicable percentage ratios in respect of the transaction contemplated under the Current Project Management and Consulting Agreement exceeds 5%, the entering into of

the Current Project Management and Consulting Agreement does not constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

As at the date of the Current Project Management and Consulting Agreement, Jiangsu GCL is an indirect wholly-owned subsidiary of Golden Concord Group Limited, which is in turn indirectly held under a discretionary trust under which Mr. Zhu Gongshan (an executive Director and chairman of the Company) and his family (including Mr. Zhu Yufeng, a Director and the son of Mr. Zhu Gongshan) are beneficiaries. As Mr. Zhu Gongshan and Mr. Zhu Yufeng are both connected persons of the Company and Jiangsu GCL is an associate of them, Jiangsu GCL is therefore a connected person of the Company. Accordingly, the transaction contemplated under the Current Project Management and Consulting Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

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As (i) Mr. Zhu Gongshan and Mr. Zhu Yufeng have material interests in the transactions contemplated under the Current Project Management and Consulting Agreement, and (ii) Ms. Sun Wei is the vice chairman of Golden Concord Holdings Limited, a company controlled by Mr. Zhu Gongshan, Mr. Zhu Gongshan, Mr. Zhu Yufeng and Ms. Sun Wei have abstained from voting on the resolutions passed by the Board in respect of the approval of the Current Project Management and Consulting Agreement.

Save for the Directors mentioned above, none of the other Directors have a material interest in the transaction contemplated under the Current Project Management and Consulting Agreement, and therefore none of them is required to abstain from voting on the relevant Board resolutions.

DEFINITIONS

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

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	GCL-Poly Energy Holdings Limited, 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
“connected person”	has the meaning ascribed to it under the Listing Rules
“Current Project Management and Consulting Agreement”	the agreement dated 23 October 2017 between Suzhou GCL and Jiangsu GCL in relation to the provision of management and consulting services by Jiangsu GCL to Suzhou GCL in respect of the Suzhou Project

“Director(s)”	the director(s) of the Company
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Jiangsu GCL”	Jiangsu GCL Construction Management Limited* (江蘇協鑫建設管理有限公司), a company established in the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange from time to time
“PRC”	The People’s Republic of China
“Previous Project Management and Consulting Agreement”	the agreement dated 29 September 2017 between Xinjiang GCL and Jiangsu GCL in relation to the provision of management and consulting services by Jiangsu GCL to Xinjiang GCL in respect of the Xinjiang Project
“RMB”	Reminbi, the lawful currency of the PRC
“Share(s)”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Suzhou GCL”	Suzhou GCL Commercial Management Limited* (蘇州協鑫商業管理有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Suzhou Project”	the project relating to construction of a hotel, conference centre and commercial service hub in the Suzhou region, the PRC
“Xinjiang GCL”	Xinjiang GCL New Energy Materials Technology Co., Limited* (新疆協鑫新能源材料科技有限公司), a company established in the PRC and an indirectly owned subsidiary of the Company

“Xinjiang Project” the project relating to the annual production of polysilicon located in Xinjiang Uyghur Autonomous Region, the PRC

“%” per cent.

For illustration purposes only, this announcement contains translations between Renminbi and Hong Kong dollar amounts at RMB1=HK\$1.1785, being the exchange rate prevailing on 23 October 2017. The translations should not be taken as a representation that the Renminbi could actually be converted into Hong Kong dollars at that rate or at all.

* *All of the English titles or names of the PRC entities, as well as certain items contained in this announcement have been included for identification purpose only and may not necessarily be the official English translations of the corresponding Chinese titles or names. If there is any inconsistency between the English translations and the Chinese titles or names, the Chinese titles or names shall prevail.*

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, 23 October 2017

As at the date of this announcement, the Board comprises Mr. Zhu Gongshan (Chairman), Mr. Zhu Zhanjun, Mr. Ji Jun, 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.