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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)

ANNOUNCEMENT

MAJOR TRANSACTION

SUMMARY

On 8 January 2010, the Company, through its wholly-owned subsidiaries, entered into the Acquisition Agreements, pursuant to which the Company will acquire an aggregate of 70.19% of the equity interest in Konca Solar, subject to the terms of the Acquisition Agreements.

The Acquisition Agreements consist of (1) the Offshore Share Purchase Agreement, pursuant to which the Company will indirectly acquire 57.21% of the equity interest in Konca Solar through the acquisition of the Offshore Sale Shares for a cash consideration of RMB694,360,000, subject to the terms of such agreement; (2) the Onshore Share Purchase Agreement A, pursuant to which the Company will indirectly acquire 7.79% of the equity interest in Konca Solar through the acquisition of the Onshore Sale Shares A for a cash consideration of RMB96,150,000, subject to the terms of such agreement; and (3) the Onshore Share Purchase Agreement B, pursuant to which the Company will indirectly acquire 5.19% of the equity interest in Konca Solar through the acquisition of the Onshore Sale Shares B for a cash consideration of RMB63,590,000, subject to the terms of such agreement.

The Acquisitions contemplated under the Acquisition Agreements constitute a major transaction for the Company under Chapter 14 of the Listing Rules as one or more of the applicable percentage ratios exceed 25% but do not exceed 100% and are subject to the reporting, announcement, and shareholders' approval requirements. No Shareholder would be required to abstain from voting at the Company's general meeting for the approval of the Acquisitions. As such, written shareholders' approval from a closely allied group of

Shareholders pursuant to Rule 14.44 of the Listing Rules will be accepted in lieu of the general meeting if the requirements under Rules 14.44 and 14.86 of the Listing Rules are satisfied, failing which the Company will convene a general meeting for the Shareholders to consider and, if thought fit, pass the resolutions to approve the Acquisitions.

A circular containing further information of the Acquisitions required under the Listing Rules will be despatched to the Shareholders in due course.

Warning: Shareholders and potential investors should note that the Acquisitions are subject to the fulfillment of a number of conditions, and accordingly, the transactions contemplated under the Acquisition Agreements may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

INTRODUCTION

The Board announces that the Company, through its wholly-owned subsidiaries, entered into the Acquisition Agreements each dated 8 January 2010, pursuant to which the Company will indirectly acquire an aggregate of 70.19% of the equity interest in Konca Solar, subject to the terms of the Acquisition Agreements.

The Acquisition Agreements consist of (1) the Offshore Share Purchase Agreement, pursuant to which the Company will, through its wholly-owned subsidiary, Wing Trend, indirectly acquire 57.21% of the equity interest in Konca Solar through the acquisition of the Offshore Sale Shares, subject to the terms of the Offshore Share Purchase Agreement; (2) the Onshore Share Purchase Agreement A, pursuant to which the Company will, through its wholly-owned subsidiary, Jiangsu Zhongneng, indirectly acquire 7.79% of the equity interest in Konca Solar through the acquisition of the Onshore Sale Shares A, subject to the terms of the Onshore Share Purchase Agreement A; and (3) the Onshore Share Purchase Agreement B, pursuant to which the Company will, through its wholly-owned subsidiary, Jiangsu Zhongneng, indirectly acquire 5.19% of the equity interest in Konca Solar through the acquisition of the Onshore Sale Shares B, subject to the terms of the Onshore Share Purchase Agreement B.

The terms of the Acquisition Agreements are described in more detail below.

THE OFFSHORE SHARE PURCHASE AGREEMENT

Date:

8 January 2010

Parties:

Offshore Sellers: (1) Mr. Yuan Zhongming
 (2) Ms. Yuan Yu Ping

Offshore Purchaser: Wing Trend

Others: (1) Konca Enterprises
(2) Konca Energy
(3) the Company

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the counterparties of the Offshore Purchaser and the Company under the Offshore Share Purchase Agreement and the ultimate beneficial owner of such counterparties are third parties independent of the Company and connected persons of the Company (as defined in the Listing Rules).

Assets Acquired under the Offshore Share Purchase Agreement

The Offshore Sale Shares, representing approximately 91.97% of the issued share capital in Konca Enterprises which, together with Konca Energy, holds 62.21% of the equity interest in Konca Solar.

Offshore Consideration

The Offshore Consideration is RMB694,360,000 and shall be settled by cash in installments in accordance with the manner set out below:

- (1) a U.S. dollar amount equivalent to RMB40,750,000 shall be paid to the Offshore Sellers by the Offshore Purchaser as the deposit on the date of signing the Offshore Share Purchase Agreement;
- (2) Upon completion of the Listing Rules Requirements:
 - (a) if the Offshore Sellers have already fulfilled the Pre-Second Instalment Requirements, the Offshore Purchaser shall make a second instalment payment of a U.S. dollar amount equivalent to RMB81,510,000 to the Offshore Sellers on the next Business Day following the fulfilment of the Listing Rules Requirements, and
 - i. if the Offshore Conditions Fulfilment Date takes place before the Unconditional Payment Date, a U.S. dollar amount equivalent to RMB572,100,000, being the remaining unpaid amount of the Offshore Consideration, shall be paid to the Offshore Sellers by the Offshore Purchaser on the Offshore Completion Date, and the parties shall proceed to the Offshore Completion in accordance with the Offshore Completion Requirements I set out below; or
 - ii. if the Offshore Conditions Fulfilment Date does not take place before the Unconditional Payment Date, a U.S. dollar amount equivalent to RMB572,100,000, being the remaining unpaid amount of the Offshore Consideration, shall be paid to the Offshore Sellers by the Offshore Purchaser on the Unconditional Payment Date, and the parties shall proceed to the Offshore Completion in accordance with the Offshore Completion Requirements II set out below;

- (b) if the Offshore Sellers have not yet fulfilled the Pre-Second Instalment Requirements, then:
- i. if the Offshore Conditions Fulfilment Date takes place before the Unconditional Payment Date, a U.S. dollar amount equivalent to RMB653,610,000, being the aggregate of the second instalment payment and the remaining unpaid amount of the Offshore Consideration, shall be paid to the Offshore Sellers by the Offshore Purchaser on the Offshore Completion Date, and the parties shall proceed to the Offshore Completion in accordance with the Offshore Completion Requirements I set out below; or otherwise
 - ii. if the Offshore Conditions Fulfilment Date takes place on or after the Unconditional Payment Date, a U.S. dollar amount equivalent RMB653,610,000, being the aggregate of the second instalment payment and the remaining unpaid amount of the Offshore Consideration, shall be paid to the Offshore Sellers by the Offshore Purchaser on the Unconditional Payment Date, and the parties shall proceed to the Offshore Completion in accordance with the Offshore Completion Requirements II set out below.

The Offshore Consideration was determined after arm's length negotiations between the parties to the Offshore Share Purchase Agreement after taking into account a number of factors including the business prospects, financial position and performance of the Target Group Companies, the future synergies to be derived by the Company after the successful acquisition of the Target Group Companies, the reasons and benefits to be derived from the Acquisitions as described below, and the agreed valuation of the Target Group Companies.

The agreed valuation of the Target Group Companies was determined based upon arm's length negotiations amongst the Offshore Purchaser and the Offshore Sellers, and is approximately 8 times the attributable unaudited consolidated net profit of Konca Solar for the year ended 31 December 2009, which was approximately RMB144,130,000.

Offshore Conditions Precedent

Offshore Completion shall be conditional on the following conditions having been fulfilled or waived:

- (a) Deloitte has issued an unqualified audit report in respect of the Target Group Companies;
- (b) all Listing Rules Requirements have been satisfied or waived, as the case may be;
- (c) all necessary requirements to obtain the approval of the PRC Governmental Authorities in respect of the Acquisitions have been satisfied, including but not limited to obtaining the relevant approval of MOFCOM on the undertakings' filing relating to business concentration submitted for the purpose of the Acquisitions; and
- (d) subject to the provision of guarantee by the Company for the performance by the Offshore Purchaser and the Onshore Purchaser of all their respective obligations under the Offshore Share Purchase Agreement and the Onshore Share Purchase Agreements, the conditions precedent to the transfer of the shares under the Onshore Share Purchase Agreements to the Onshore Purchaser as contemplated in the Onshore Share Purchase Agreements have been fulfilled.

Offshore Completion Requirements I

Upon Offshore Completion:

- (a) the Onshore Transactions shall have been completed simultaneously;
- (b) the Offshore Sellers shall transfer the Offshore Sale Shares to the Offshore Purchaser;
- (c) the Offshore Sellers, Konca Solar, Konca Energy and the Offshore Purchaser shall deliver (or procure to deliver) all required documents and items or perform (or procure to perform) all required actions in relation to each of them or any of its respective Affiliates;
- (d) all directors on the board of directors of the Target Group Companies who were nominated by the Offshore Sellers shall execute letters of resignation and nominees of the Offshore Purchaser shall be appointed to the board of directors of the Target Group Companies; and
- (e) each of the Core Employees shall enter into an employment agreement (containing confidentiality and non-competition clauses) with Konca Solar, which shall expire on the date falling at least two years after the Offshore Completion Date, and be in a form acceptable to the Offshore Purchaser.

Offshore Completion Requirements II

(1) On the Unconditional Payment Date:

- (a) all conditions to be fulfilled on the Unconditional Payment Date as provided for in the Onshore Share Purchase Agreements shall have been simultaneously fulfilled;
- (b) the Offshore Sellers, Konca Solar, Konca Energy and the Offshore Purchaser shall deliver (or procure to deliver) all required documents and items or perform (or procure to perform) all required actions in relation to each of them or any of its respective Affiliates as provided under the Offshore Share Purchase Agreement;
- (c) all directors on the board of directors of the Target Group Companies who were nominated by the Offshore Sellers shall execute letters of resignation and shall execute a letter of appointment to authorise the appointment of the nominees of the Offshore Purchaser to the board of directors of the Target Group Companies; and
- (d) each of the Core Employees shall enter into an employment agreement (containing confidentiality and non-competition clauses) with Konca Solar, which shall expire on the date falling at least two years after the Unconditional Payment Date, and be in a form acceptable to the Offshore Purchaser.

- (2) On the Offshore Completion Date:
- (a) the Onshore Transactions shall have been completed simultaneously;
 - (b) the Offshore Sellers shall transfer the Offshore Sale Shares to the Offshore Purchaser; and
 - (c) the Offshore Sellers, Konca Enterprises and Konca Energy shall deliver (or procure to deliver) all required documents and items in relation to each of them or any of its respective Affiliates as provided under the Offshore Share Purchase Agreement.

Offshore Guarantee

In consideration of the Offshore Sellers' execution of the Offshore Share Purchase Agreement, the Company shall unconditionally and irrevocably act as the guarantor for all the obligations of the Offshore Purchaser and the Onshore Purchaser under the Offshore Share Purchase Agreement and the Onshore Share Purchase Agreements respectively.

Offshore Completion

Offshore Completion will take place on a day agreed between the Offshore Purchaser and the Offshore Sellers falling within five Business Days of the date on which all conditions precedent set out in the Offshore Share Purchase Agreement have been fulfilled or waived (as the case may be) (or such other date as the parties may mutually agree in writing), and at such location agreed between the Offshore Purchaser and the Offshore Sellers.

If, after the Unconditional Payment Date, the filing relating to business concentration submitted to the MOFCOM by the Offshore Purchaser is not approved, the Offshore Sellers shall, within three Business Days after the Offshore Purchaser has issued a written notice to the Offshore Sellers, sell the Offshore Sale Shares to such third party (parties) and at such price as may be designated by the Offshore Purchaser and the consideration received from such transaction shall be vested in full in the Offshore Purchaser.

THE ONSHORE SHARE AGREEMENT A

Date:

8 January 2010

Parties:

Onshore Sellers A: (1) Mr. Wu Qiang
 (2) Mr. Zhang Hui

Onshore Purchaser: Jiangsu Zhongneng

Others: (1) Wuxi Dexiang
 (2) Mr. Yuan Zhongming
 (3) the Company

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the counterparties of the Onshore Purchaser and the Company under the Onshore Share Purchase Agreement A and the ultimate beneficial owner of such counterparties are third parties independent of the Company and connected persons of the Company (as defined in the Listing Rules).

Assets Acquired under the Onshore Share Purchase Agreement A

The Onshore Sale Shares A, representing approximately 100% of the equity interest in Wuxi Dexiang which holds 7.79% of the equity interest in Konca Solar.

Onshore Consideration A

The Onshore Consideration A (after deduction of taxes of RMB15,230,000) is RMB80,920,000 and shall be settled by cash in installments in accordance with the manner set out below:

- (1) RMB5,550,000 shall be paid to the Onshore Sellers A by the Onshore Purchaser as the deposit on the date of signing the Onshore Share Purchase Agreement A;
- (2) RMB11,100,000 shall be paid by the Onshore Purchaser to the Onshore Sellers A as the second instalment payment when all of the following conditions set out in the Offshore Share Purchase Agreement have been fulfilled:
 - (a) all Listing Rules Requirements to approve the Offshore Share Purchase Agreement have been satisfied or waived, as the case may be;
 - (b) one executive director of Konca Solar recommended by the Offshore Purchaser under the Offshore Share Purchase Agreement has been appointed; and
 - (c) Mr. Yuan Zhongming has undertaken to act as the general manager of Konca Solar in accordance with the Offshore Share Purchase Agreement.
- (3) if the Onshore Conditions Fulfilment Date takes place before the Unconditional Payment Date, the remaining unpaid amount of Onshore Consideration A shall be paid to the Onshore Sellers A by the Onshore Purchaser on the Onshore Completion Date and the parties shall comply with the Onshore Completion Requirements A set out below.
- (4) if the Onshore Conditions Fulfilment Date takes place on or after the Unconditional Payment Date, the remaining unpaid amount of Onshore Consideration A shall be paid to the Onshore Sellers A by the Onshore Purchaser on the Unconditional Payment Date, and the Onshore Sellers shall comply with the following requirements:
 - (a) the Onshore Sellers A shall pledge the Onshore Sale Shares A to the Onshore Purchaser and shall go through the registration procedure;
 - (b) all profits of Wuxi Dexiang (including but not limited to the profits realized after the Unconditional Payment Date) shall be vested in the Onshore Purchaser; and

- (c) the Onshore Sellers A shall assign the Onshore Sale Shares A to a third party designated by the Onshore Purchaser in accordance with a written notice of the Onshore Purchaser, and all consideration received from such assignment shall be vested in the Onshore Purchaser.
- (5) the Onshore Purchaser shall withhold and pay the individual income tax payable by the Onshore Sellers A and shall deliver the tax payment receipts to the Onshore Sellers A.

The Onshore Consideration A was determined after arm's length negotiations between the parties to the Onshore Share Purchase Agreement A after taking into account a number of factors including (1) the relevant allowances received by Konca Solar having been entered into and recorded in the management accounts of Konca Solar prior to the signing date of the Onshore Share Purchase Agreement A; and (2) the RMB cash maintained in the account of Wuxi Dexiang being not less than RMB1.6 million during the period from the date of the Onshore Share Purchase Agreement A to the Onshore Completion Date.

Onshore Conditions Precedent A

Onshore Completion A shall be conditional on the following conditions having been fulfilled or waived:

- (a) Deloitte has issued an unqualified audit report in respect of Wuxi Dexiang;
- (b) all conditions set out in the Offshore Share Purchase Agreement A have been fulfilled;
- (c) the Onshore Sellers A have procured that Wuxi Dexiang has carved out its business, assets, claims and liabilities so that, other than the 7.79% equity interest in Konca Solar and a cash asset of no less than RMB1.6 million, Wuxi Dexiang does not have any other business, assets, and claims and liabilities.

If, after the Unconditional Payment Date, the notification on concentration of undertakings submitted to MOFCOM by the Onshore Purchaser is not approved, but the Onshore Purchaser has already made payments to the Onshore Sellers A, the Onshore Sellers A shall assign the Onshore Sale Shares A to a third party designated by the Onshore Purchaser and all consideration received from such assignment shall be vested in the Onshore Purchaser.

Onshore Completion Requirements A

- (a) the Offshore Transaction shall have been completed simultaneously;
- (b) the Onshore Sellers A shall transfer the Onshore Sale Shares A to the Onshore Purchaser;
- (c) the Onshore Sellers A, Wuxi Dexiang, and the Onshore Purchaser shall deliver (or procure to deliver) all required documents and items, or perform (or procure to perform) all required actions in relation to each of them or any of its respective Affiliates; and

- (d) all directors on the board of directors of Wuxi Dexiang and Konca Solar who were nominated by the Onshore Sellers A shall execute letters of resignation and nominees of the Onshore Purchaser shall be appointed to the board of directors of the Wuxi Dexiang and Konca Solar.

Onshore Guarantee A

In consideration of the Onshore Sellers A's execution of the Onshore Share Purchase Agreement A, the Company shall unconditionally and irrevocably act as the guarantor for all the obligations of the Onshore Purchaser and the Offshore Purchaser under the Onshore Share Purchase Agreement A and the Offshore Share Purchase Agreement respectively.

Mr. Yuan Zhongming shall unconditionally and irrevocably act as the guarantor, using his 5% equity interest in Konca Solar (whether direct or indirect) as security, for (1) all the obligations of the Onshore Sellers A and/or the Offshore Sellers under the Onshore Share Purchase Agreement A and/or the Offshore Share Purchase Agreement; and (2) 70.19% of all losses incurred by Konca Solar arising from the breach of the Offshore Share Purchase Agreement by the Offshore Sellers prior to the Onshore Completion Date.

Onshore Completion A

Onshore Completion A will take place on a day agreed between the Onshore Purchaser and the Onshore Sellers A falling within five Business Days of the date on which all conditions precedent set out in the Onshore Share Purchase Agreement A have been fulfilled or waived (as the case may be) (or such other date as the parties may mutually agree in writing), and at such location agreed between the Onshore Purchaser and the Onshore Sellers A.

THE ONSHORE SHARE AGREEMENT B

Date:

8 January 2010

Parties:

Onshore Sellers B: (1) Ms. Wu Chunfang
 (2) Mr. Xu Guofeng

Onshore Purchaser: Jiangsu Zhongneng

Others: (1) Wuxi Derun
 (2) Mr. Yuan Zhongming
 (3) the Company

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the counterparties of the Onshore Purchaser and the Company under the Onshore Share Purchase Agreement B and the ultimate beneficial owner of such counterparties are third parties independent of the Company and connected persons of the Company (as defined in the Listing Rules).

Assets Acquired under the Onshore Share Purchase Agreement B

The Onshore Sale Shares B, representing approximately 100% of the equity interest in Wuxi Derun which holds 5.19% of the equity interest in Konca Solar.

Onshore Consideration B

The Onshore Consideration B (after deduction of taxes of RMB10,120,000) is RMB53,470,000 and shall be settled by cash in installments in accordance with the manner set out below:

- (1) RMB3,700,000 shall be paid to the Onshore Sellers B by the Onshore Purchaser as the deposit on the date of signing the Onshore Share Purchase Agreement B;
- (2) RMB7,390,000 shall be paid by the Onshore Purchaser to the Onshore Sellers B as the second instalment payment when all of the following conditions as set out in the Offshore Share Purchase Agreement have been fulfilled:
 - (a) all Listing Rules Requirements to approve the Offshore Share Purchase Agreement have been satisfied or waived, as the case may be;
 - (b) one executive director of Konca Solar recommended by the Offshore Purchaser under the Offshore Share Purchase Agreement has been appointed; and
 - (c) Mr. Yuan Zhongming has undertaken to act as the general manager of Konca Solar in accordance with the Offshore Share Purchase Agreement.
- (3) if the Onshore Conditions Fulfilment Date takes place before the Unconditional Payment Date, the remaining unpaid amount of Onshore Consideration B shall be paid to the Onshore Sellers B by the Onshore Purchaser on the Onshore Completion Date and the parties shall comply with the Onshore Completion Requirements B set out below.
- (4) if the Onshore Conditions Fulfilment Date takes place on or after the Unconditional Payment Date, the remaining unpaid amount of Onshore Consideration B shall be paid to the Onshore Sellers B by the Onshore Purchaser on the Unconditional Payment Date, and the Onshore Sellers B shall comply with the following requirements:
 - (a) the Onshore Sellers B shall pledge the Onshore Sale Shares B to the Onshore Purchaser and shall go through the registration procedure;
 - (b) all profits of Wuxi Derun (including but not limited to the profits realized after the Unconditional Payment Date) shall be vested in the Onshore Purchaser; and
 - (c) the Onshore Sellers B shall assign the Onshore Sale Shares B to a third party designated by the Onshore Purchaser in accordance with a written notice of the Onshore Purchaser, and all consideration received from such assignment shall be vested in the Onshore Purchaser.
- (5) the Onshore Purchaser shall withhold and pay the individual income tax payable by the Onshore Sellers B and shall deliver the tax payment receipts to the Onshore Sellers B.

The Onshore Consideration B was determined after arm's length negotiations between the parties to the Onshore Share Purchase Agreement B after taking into account a number of factors including (1) the relevant allowances received by Konca Solar having been entered into and recorded in the management accounts of Konca Solar prior to the signing date of the Onshore Share Purchase Agreement B; (2) the RMB cash maintained in the account of Wuxi Derun being not less than RMB0.6 million during the period from the date of the Onshore Share Purchase Agreement B to the Onshore Completion Date.

Onshore Conditions Precedent B

Onshore Completion B shall be conditional on the following conditions having been fulfilled or waived:

- (a) Deloitte has issued an unqualified audit report in respect of Wuxi Derun;
- (b) all conditions set out in the Offshore Share Purchase Agreement B have been fulfilled;
- (c) the Onshore Sellers B have procured that Wuxi Derun has carved out its business, assets, claims and liabilities so that, other than the 5.19% equity interest in Konca Solar and a cash asset of no less than RMB0.6 million, Wuxi Derun does not have any other business, assets, and claims and liabilities.

If, after the Unconditional Payment Date, the notification on concentration of undertakings submitted to MOFCOM by the Onshore Purchaser is not approved, but the Onshore Purchaser has already made payments to the Onshore Sellers B, the Onshore Sellers B shall assign the Onshore Sale Shares B to a third party designated by the Onshore Purchaser and all consideration received from such assignment shall be vested in the Onshore Purchaser.

Onshore Completion Requirements B

- (a) the Offshore Transaction shall have been completed simultaneously;
- (b) the Onshore Sellers B shall transfer the Onshore Sale Shares to the Onshore Purchaser;
- (c) the Onshore Sellers B, Wuxi Derun, and the Onshore Purchaser shall deliver (or procure to deliver) all required documents and items, or perform (or procure to perform) all required actions in relation to each of them or any of its respective Affiliates; and
- (d) all directors on the board of directors of Wuxi Derun and Konca Solar who were nominated by the Onshore Sellers B shall execute letters of resignation and nominees of the Onshore Purchaser shall be appointed to the board of directors of the Wuxi Derun and Konca Solar.

Onshore Guarantee B

In consideration of the Onshore Sellers B's execution of the Onshore Share Purchase Agreement B, the Company shall unconditionally and irrevocably act as the guarantor for all the obligations of the Onshore Purchaser and the Offshore Purchaser under the Onshore Share Purchase Agreement B and the Offshore Share Purchase Agreement respectively.

Mr. Yuan Zhongming shall unconditionally and irrevocably act as the guarantor, using his 5% equity interest in Konca Solar (whether direct or indirect) as security, for (1) all the obligations of the Onshore Sellers B and/or the Offshore Sellers under the Onshore Share Purchase Agreement B and/or the Offshore Share Purchase Agreement; and (2) 70.19% of the total losses incurred by Konca Solar arising from the breach of the Offshore Share Purchase Agreement by the Offshore Sellers prior to the Onshore Completion Date.

Onshore Completion B

Onshore Completion B will take place on a day agreed between the Onshore Purchaser and the Onshore Sellers B falling within five Business Days of the date on which all conditions precedent set out in the Onshore Share Purchase Agreement B have been fulfilled or waived (as the case may be) (or such other date as the parties may mutually agree in writing), and at such location agreed between the Onshore Purchaser and the Onshore Sellers B.

INFORMATION ON THE GROUP

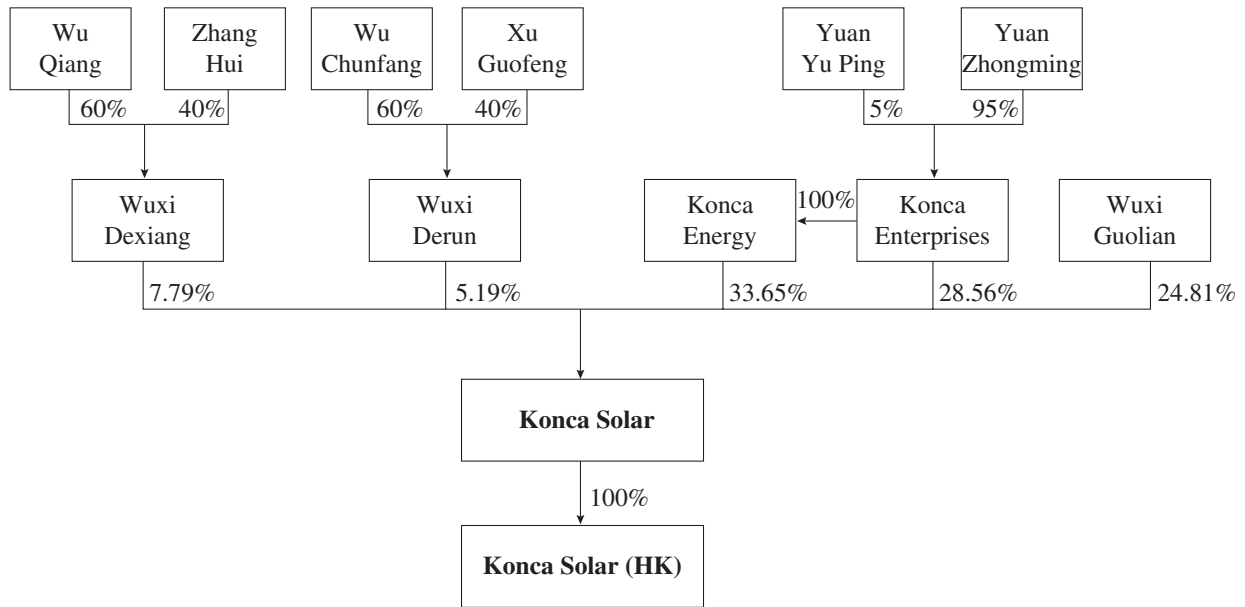
The Company is an investment company and its subsidiaries are principally engaged in the manufacturing of polysilicon and wafers for the solar industry as well as the development, management and operation of environmentally friendly power plans.

INFORMATION ON THE SELLERS AND THE TARGET GROUP COMPANIES

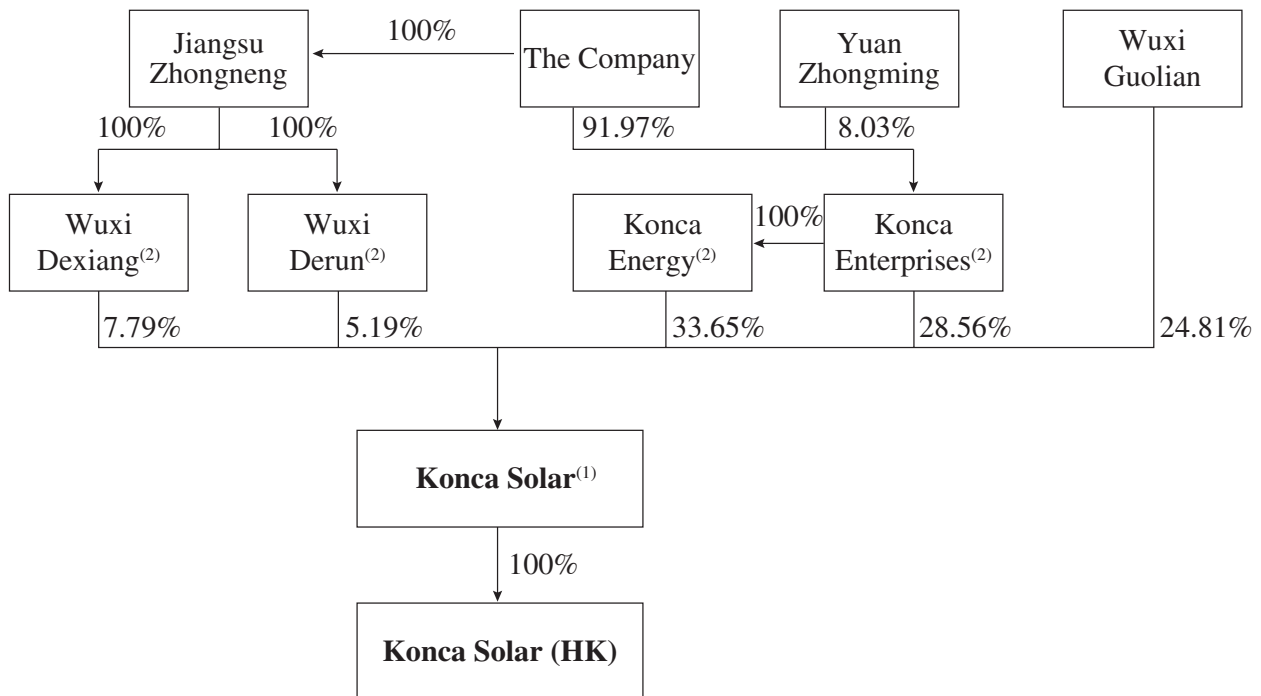
To the best understanding, knowledge and belief to the Directors, the Offshore Sellers, the Onshore Sellers A and the Onshore Sellers B are individual investors; Konca Enterprises, Konca Energy, Wuxi Dexiang, Wuxi Derun are principally engaged in investment holding activities.

Konca Solar is one of the leading PRC manufacturers and suppliers of polysilicon and wafers to companies operating in the solar industry. It principally engages in the development, processing and production of crystal silicon solar cells, semiconductor crystal silicon wafers, cell wafers, solar power generation equipment and components and provision of technical services in the Wuxi City of Jiangsu Province, PRC. Konca Solar (HK) is the wholly-owned subsidiary of Konca Solar.

The following diagram illustrates the shareholding of the Target Group Companies immediately preceding the Acquisitions:



The following diagram illustrates the shareholding of the Target Group Companies immediately after the Acquisitions:



Set out below is the financial information of the Target Group Companies for the two financial years immediately preceding the Acquisitions, which are prepared in accordance with International Financial Reporting Standards (IFRSs):

	For the year ended 31 December 2007	For the year ended 31 December 2008	For the eleven months ended 30 November 2009
	Konca Enterprises Consolidated	Konca Enterprises Consolidated	Konca Enterprises Consolidated
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)
Net profit before taxation	117,801	148,323	58,766
Net profit after taxation	116,311	137,435	55,387
Total assets	253,155	325,336	357,693
Net assets	149,512	281,982	337,368

	For the year ended 31 December 2007	For the year ended 31 December 2008	For the eleven months ended 30 November 2009
	Wuxi Dexiang and Wuxi Derun Combined	Wuxi Dexiang and Wuxi Derun Combined	Wuxi Dexiang and Wuxi Derun Combined
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)
Net profit/(loss) before taxation	(217)	680	9,956
Net profit/(loss) after taxation	(217)	660	9,956
Total assets	33,004	33,974	44,216
Net assets	32,769	33,429	43,385

The approximate unaudited net profit after taxation for the eleven months ended 30 November 2009 of Konca Solar was RMB110 million.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

Solar power is one of the most rapidly growing renewable energy sources in the world today. Polysilicon is the primary raw material used by the solar and electronics industries from which wafers are produced. The considerable growth in the solar industry over recent years has resulted in greater demand for polysilicon and wafers.

The Group is the leading operator in the polysilicon wafer industry in the PRC and it is part of the Group's business strategy to develop and acquire high-quality enterprises such as the Target Group Companies which are engaged in the development, management and manufacturing of wafers in the solar industry to meet the increased demand for wafers and the growing need for cost-effective alternative energy.

The Acquisitions will enable the Group to fulfil its contractual obligations under long-term contracts entered into between the Company and its solar cells and modules customers, under which the Group is required to supply a total of 15.4GW of wafers and 33,000 tonnes of polysilicon between the period from 2008 and 2015. In addition, through the Acquisitions, the Group's in-house wafer production capabilities will be enhanced and the Group will be able to strengthen its vertical integration processes by making use of its self-produced polysilicon as raw materials resulting in better quality assurance. The Group will also be able to effectively reduce the amount of polysilicon used per wafer, which will in turn lead to a decrease in overall production costs.

The Directors believe that the Target Group Companies are able to compete effectively and to capitalise on the long-term growth in the market for wafers in the solar industry due to the Target Group Companies' competitive strengths in its proven capability in constructing and ramping up wafer production capacity, its cost effective production process, facilities and operations costs, its advanced in-house research and development capabilities, and its experienced management team. The Acquisitions will thereby enable the Group to enhance customer service and its competitiveness amongst its market peers, both locally and internationally.

In view of the above-mentioned factors, the Directors are of the view that the terms and conditions of the Acquisitions and all transactions contemplated therein are fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

IMPLICATION UNDER THE LISTING RULES

The Acquisitions contemplated under the Acquisition Agreements constitute a major transaction for the Company under Chapter 14 of the Listing Rules as one or more of the applicable percentage ratios exceed 25% but do not exceed 100% and are subject to the reporting, announcement, and shareholders' approval requirements.

No Shareholder would be required to abstain from voting at the Company's general meeting for the approval of the Acquisitions. As such, written shareholders' approval from a closely allied group of Shareholders pursuant to Rule 14.44 of the Listing Rules will be accepted in lieu of the general meeting if the requirements under Rules 14.44 and 14.86 of the Listing Rules are satisfied. The details of the closely allied group of shareholders are set out below:

Name of the shareholder	The number of shares held by each shareholder	Percentage of shareholding
The Zhu Family	5,012,343,327	32.40%
CIC	3,111,103,054	20.11%

The Zhu Family has been the controlling shareholder of the Company since its establishment in 2006. CIC has become the shareholder of the Company upon completion of the subscription of approximately 20.09% of the issued share capital of the Company through its wholly-owned subsidiary on 23 December 2009.

Both the Company and CIC share a common business pursuit with the Company in the investment in and development of photovoltaic projects or other solar energy projects. Pursuant to this common business pursuit, CIC and the Company have entered into a JV agreement dated 24 November 2009 to establish a joint venture company to conduct photovoltaic electricity generating businesses.

In the event that the requirement under Rules 14.44 and 14.86 of the Listing Rules are not satisfied, the Company will convene a general meeting for the Shareholders to consider and, if thought fit, pass the resolutions to approve the Acquisitions. In this connection, the Company will make a further announcement at the time of despatch of the relevant circular to its Shareholders.

A circular containing further information of the Acquisitions required under the Listing Rules will be despatched to the Shareholders in due course.

Warning: Shareholders and potential investors should note that the Acquisitions are subject to the fulfillment of a number of conditions, and accordingly, the transactions contemplated under the Acquisition Agreements may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITIONS

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

“Acquisition Agreements”	the Offshore Share Purchase Agreement and the Onshore Share Purchase Agreements
“Acquisitions”	the acquisitions of an aggregate of 70.19% of the equity interest in Konca Solar by the Company in accordance with the terms and conditions of the Acquisition Agreements
“Affiliate(s)”	in relation to any specified person means any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person; in relation to a company means any subsidiary or parent company of that company and any subsidiary of any such parent company, in each case from time to time
“Board”	the board of Directors
“Business Day”	means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general commercial business in Hong Kong and the PRC

“CIC”	China Investment Corporation, an investment institution established as a wholly state-owned company under the laws of the PRC
“Company”	GCL-Poly Energy Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 3800)
“Core Employees”	the employees whose names are set out in the letter from the Offshore Sellers to the Offshore Purchaser executed and delivered immediately before the signing of the Offshore Share Purchase Agreement
“Deloitte”	Deloitte Touche Tohmatsu Certified Public Accountants Ltd
“Directors”	the directors of the Company
“Governmental Authorities”	any supra-national, national, provincial, municipal or local government (including any subdivision, court, administrative agency or commission or other authority thereof) or any quasi-governmental or private body exercising any regulatory, taxing, importing or other governmental or quasi-governmental authority
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Jiangsu Zhongneng”	Jiangsu Zhongneng Silicon Industry Technology Development Co., Ltd, a company incorporated with limited liability under the laws of the PRC and a wholly-owned subsidiary of the Company
“Konca Energy”	Konca Energy Limited, a company incorporated with limited liability under the laws of Hong Kong and a wholly owned subsidiary of Konca Enterprises
“Konca Enterprises”	Konca Enterprises Limited, a company incorporated with limited liability under the laws of Hong Kong

“Konca Solar”	Konca Solar Cell Co., Ltd., a company incorporated with limited liability under the laws of the PRC
“Konca Solar (HK)”	Konca Solar Cell (H.K.) Co., Ltd., a company incorporated with limited liability under the laws of Hong Kong and a wholly-owned subsidiary of Konca Solar Cell Co., Ltd.
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Listing Rules Requirements”	means all necessary requirements to approve the Acquisitions under the Listing Rules, including but not limited to (i) the shareholders’ and board of directors’ approval of the Acquisitions as required by the Listing Rules; (ii) the publication of the announcement and the despatch of the circular relating to the Acquisitions as required by the Listing Rules; and (iii) the complete financial statements of the Target Group Companies for the three financial years immediately preceding the issue of the circular being included in the circular in respect of the Acquisitions as required by the Listing Rules
“MOFCOM”	the Ministry of Commerce of the PRC
“Mr. Zhu”	Mr. Zhu Gong Shan, a Director and the controlling shareholder of the Company
“Offshore Completion”	the completion of the sale and purchase of the Offshore Sale Shares in accordance with the terms and conditions of the Offshore Share Purchase Agreement
“Offshore Completion Date”	the date on which the Offshore Completion takes place
“Offshore Conditions Fulfilment Date”	the first Business Day in Hong Kong on or by which all Conditions set out in the Offshore Share Purchase Agreement have been fulfilled
“Offshore Consideration”	the total consideration payable by the Offshore Purchaser to the Offshore Sellers for the acquisition of an aggregate of 91.97% of the issued share capital in Konca Enterprises

“Offshore Purchaser”	Wing Trend
“Offshore Sale Shares”	the 643,790 shares of nominal value of HK\$1.00 each in the capital of Konca Enterprises, representing 91.97% of the issued share capital in Konca Enterprises
“Offshore Sellers”	Mr. Yuan Zhongming, a permanent resident of Macau, and Ms. Yuan Yu Ping, a Belize citizen, together owning 100% of issued share capital in Konca Enterprises which holds 62.21% of the equity interest in Konca Solar
“Offshore Share Purchase Agreement”	the share purchase agreement dated 8 January 2010 entered into by, among others, the Offshore Purchaser and the Offshore Sellers
“Offshore Target Group Companies”	Konca Enterprises, Konca Energy, Konca Solar and Konca Solar (H.K.) and any subsidiaries of such companies from time to time
“Offshore Transaction”	the transaction contemplated under the Offshore Share Purchase Agreement
“Onshore Completion”	the Onshore Completion A and the Onshore Completion B
“Onshore Completion A”	the completion of the sale and purchase of the Onshore Sale Shares A in accordance with the terms and conditions of the Onshore Share Purchase Agreement A
“Onshore Completion B”	the completion of the sale and purchase of the Onshore Sale Shares B in accordance with the terms and conditions of the Onshore Share Purchase Agreement B
“Onshore Completion Date”	the date on which the Onshore Completion takes place
“Onshore Conditions Fulfilment Date”	the first Business Day in the PRC on or by which all Conditions set out in the Onshore Share Purchase Agreements have been completed
“Onshore Consideration A”	the total consideration payable by the Onshore Purchaser to the Onshore Sellers A for the acquisition of an aggregate of 7.79% of the equity interest in Konca Solar

“Onshore Consideration B”	the total consideration payable by the Onshore Purchaser to the Onshore Sellers B for the acquisition of an aggregate of 5.19% of the equity interest in Konca Solar
“Onshore Purchaser”	Jiangsu Zhongneng
“Onshore Sale Shares A”	the 100% equity interest in Wuxi Dexiang, representing 7.79% of the equity interest in Konca Solar
“Onshore Sale Shares B”	the 100% equity interest in Wuxi Derun, representing 5.19% of the equity interest in Konca Solar
“Onshore Sellers A”	Mr. Wu Qiang and Mr. Zhang Hui, both domestic residents of the PRC, together holding 100% of the equity interest in Wuxi Dexiang which holds 7.79% of the equity interest in Konca Solar
“Onshore Sellers B”	Ms. Wu Chunfang and Mr. Xu Guofeng, both domestic residents of the PRC, together holding 100% of the equity interest in Wuxi Derun, which holds 5.19% of the equity interest in Konca Solar
“Onshore Share Purchase Agreement A”	the share purchase agreement dated 8 January 2010 entered into by, among others, Jiangsu Zhongneng, Mr. Wu Qiang and Mr. Zhang Hui
“Onshore Share Purchase Agreement B”	the share purchase agreement dated 8 January 2010 entered into by, among others, Jiangsu Zhongneng, Ms. Wu Chunfang and Mr. Xu Guofeng
“Onshore Share Purchase Agreements”	the Onshore Share Purchase Agreement A and the Onshore Share Purchase Agreement B
“Onshore Target Group Companies”	Wuxi Dexiang, Wuxi Derun, Konca Solar and Konca Solar (H.K.) and any subsidiaries of such companies from time to time
“Onshore Transactions”	the transactions contemplated under the Onshore Share Purchase Agreements
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan

“Pre-Second Instalment Requirements”	all of the following requirements: (1) the candidates recommended by the Offshore Purchaser to the Offshore Sellers for appointment as the executive director and non-executive director have been appointed as directors of the relevant designated Target Group Companies; and (2) Mr. Yuan Zhongming has accepted the appointment by the board of directors of the Offshore Purchaser to act as the general manager of Konca Solar, provided that the Offshore Purchaser shall not intentionally delay the appointment procedure
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holders of ordinary shares in the share capital of the Company with nominal value of HK\$0.10 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group Companies”	Offshore Target Group Companies and Onshore Target Group Companies
“Unconditional Payment Date”	means the first Business Day following the fulfillment of the relevant conditions set out in the Offshore Share Purchase Agreement (including the Listing Rules Requirements, the Offshore Completion Requirements II, the requirement to appoint executive and non-executive directors recommended by the Offshore Purchaser to supervise the business operation of the relevant designated Target Group Companies prior to Completion and the requirement for Mr. Yuan Zhongming to enter into a share pledge agreement to fulfill his guarantor obligations under the Acquisition Agreements), being a date no earlier than 31 March 2010
“U.S. dollar”	United States dollars, the lawful currency of the United States of America
“Wing Trend”	Wing Trend Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company

“Wuxi Derun”	Wuxi Derun Investment Co., Ltd, a company incorporated with limited liability under the laws of the PRC
“Wuxi Dexiang”	Wuxi Dexiang Asset Management Co., Ltd, a company incorporated with limited liability under the laws of the PRC
“Wuxi Guolian”	Wuxi Guolian Development (Group) Co., Ltd, a state-owned company incorporated with limited liability under the laws of the PRC
“Zhu Family”	Mr. Zhu and his associates

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

Hong Kong, 8 January 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 Xiaoqing 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.