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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)

TERMINATION OF DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF 55% EQUITY INTEREST IN THE DUOLUN MINE PROJECT

The Board announces that on 5 February 2010, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Termination Deed with the Vendor, a connected person of the Company under the Listing Rules, to terminate the Sale and Purchase Agreement in relation to the acquisition of the entire issued share capital of the Target. The principal asset of the Target will be the 55% beneficial ownership of the Duolun Mine project.

Reference is made to the circular dated 22 September 2008 (the “Circular”) of GCL-Poly Energy Holdings Limited (the “Company”) in relation to the acquisition of the entire issued share capital of the Target and an announcement dated 7 August 2009 of the Company in respect of the supplemental agreement dated 7 August 2009 entered into between the Vendor and the Purchaser for the purpose of amending the First Long Stop Date from 10 August 2009 to 10 February 2010. Capitalised terms used in this announcement shall have the same meanings as those defined in the Circular unless the context requires otherwise.

The Acquisition is for a consideration of not more than RMB127,936,000 (equivalent to approximately HK\$145,627,000) comprising (i) as to RMB85,000,000 (equivalent to approximately HK\$96,754,000) for the acquisition of the entire issued share capital of the Target; and (ii) up to approximately RMB42,936,000 (equivalent to approximately HK\$48,873,000) for the subsequent increase in the registered capital of Opco to be paid by the Vendor after the First Completion (but on or before the Second Completion Date) on a dollar-for-dollar basis. The aggregate consideration is to be satisfied by the issue of Convertible Notes at an Conversion Price of HK\$1.230 per Conversion Share. The principal asset of the Target will be the 55% beneficial ownership of the Duolun Mine project.

One of the conditions precedent for the First Completion of the acquisition of the entire issued share capital of the Target is the completion of the Reorganisation, i.e. the Target will indirectly own 55% of the equity interest of Opco before the date of the First Long Stop Date, which is 10 February 2010.

The Company was informed by the Vendor that the Reorganisation cannot be completed in the foreseeable future due to one of the minority shareholder has refused to release the pre-emption right, which results in the failure of completing the Reorganisation. In view of the current circumstances, the Board decided to procure the Purchaser to and did enter into a deed of termination (the “Termination Deed”) with the Vendor on 5 February 2010 pursuant to which the parties mutually agreed to terminate the Sale and Purchase Agreement with effect from the date of the Termination Deed.

Up to the date of this announcement, no Convertible Notes under the Sale and Purchase Agreement have been issued.

Upon termination of the Sale and Purchase Agreement, all terms and conditions of the Sale and Purchase Agreement shall become null and void and of no further effect. Each party of the Termination Deed shall irrevocably and unconditionally release the other party from any obligations due to it under the Sale and Purchase Agreement (as amended) and waives all rights, claims, liabilities, actions, proceedings, demands and obligations in respect of the Sale and Purchase Agreement (as amended) save for any antecedent breach (if any) which has not been dealt with by the parties to the Termination Deed.

The Board considers that the termination would not have any material adverse effect on the existing business operations or the financial positions of the Company.

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

Hong Kong, 5 February 2010

As at the date of this announcement, the Board comprises Mr. Zhu Gong Shan (Chairman), Mr. Ji Jun, Mr. Sha Hong Qiu, 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.