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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)

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO COAL SUPPLY FRAMEWORK AGREEMENT

Pursuant to a coal supply agreement dated 14 August 2009 entered into between GCL-Poly Fuel Company (an indirect wholly-owned subsidiary of the Company) and Duolun Golden Concord, GCL-Poly Fuel Company agreed to purchase and Duolun Golden Concord agreed to supply coal for a period from 11 August 2009 to 28 February 2010. As such agreement will expire on 28 February 2010, GCL-Poly Fuel Company entered into the Coal Supply Framework Agreement with Duolun Golden Concord to purchase coal from Duolun Golden Concord for the period from 1 March 2010 to 31 December 2012 on 10 February 2010.

Mr. Zhu, the Director and a deemed Controlling Shareholder, is the founder and one of the beneficiaries of a discretionary trust which indirectly owns 55% equity interest in Duolun Golden Concord, which is an associate of Mr. Zhu and thus a connected person of the Company pursuant to Rule 14A.11 of the Listing Rules. As Mr. Zhu Yu Feng (a Director and the son of Mr. Zhu) is also one of the beneficiaries of the above-mentioned trust, Duolun Golden Concord is also an associate of Mr. Zhu Yu Feng.

The transactions contemplated under the Coal Supply Framework Agreement constitute non-exempt Continuing Connected Transactions for the Company under Rule 14A.35 of the Listing Rules. As each of the applicable percentage ratios (as defined in the Listing Rules) for the Continuing Connected Transactions under the Coal Supply Framework Agreement is less than 2.5%, the transactions are only subject to the reporting and announcement requirements of the Listing Rules and exempt from the approval of the Independent Shareholders requirement in accordance with Chapter 14A of the Listing Rules.

I. BACKGROUND

On 11 August 2008, the Company, through GCL-Poly Coal Mining Limited (a direct wholly-owned subsidiary of the Company), entered into a sale and purchase agreement (“Agreement”) to, among others, conditionally acquire the entire issued share capital of Joint Loyal Holdings Limited (“Joint Loyal”) (the “Acquisition”). Joint Loyal will indirectly hold 55% equity interest of Duolun Golden Concord upon the first completion date. A circular dated 22 September 2008 in relation to, among others, the Acquisition was issued by the Company. The Independent Shareholders of the Company had approved the Acquisition on 15 October 2008. The Agreement was amended by a supplemental agreement dated 7 August 2009, pursuant to which the first long stop date (the “First Long Stop Date”) for the completion of the Acquisition was extended from 11 August 2009 to 10 February 2010. An announcement of the Company dated 7 August 2009 was published in relation to the extension.

On 14 August 2009, the Company, through GCL-Poly Fuel Company entered into a coal supply agreement (“Previous Coal Supply Agreement”) with Duolun Golden Concord to purchase coal from Duolun Golden Concord for the period from 11 August 2009 to 28 February 2010.

On 5 February 2010, the parties under the Agreement (as amended) entered into a deed of termination to terminate the Agreement and the Company has issued an announcement in relation to the termination of the deed on the same date.

As the Previous Coal Supply Agreement will expire on 28 February 2010, GCL-Poly Fuel Company has entered into the Coal Supply Framework Agreement with Duolun Golden Concord to purchase coal from Duolun Golden Concord for the period from 1 March 2010 to 31 December 2012.

II. PRINCIPAL TERMS OF THE COAL SUPPLY FRAMEWORK AGREEMENT

The principal terms of the Coal Supply Framework Agreement are summarized as follows:

1. Date

10 February 2010

2. Parties

Vendor: Duolun Golden Concord

Purchaser: GCL-Poly Fuel Company

3. Subject matter of the Coal Supply Framework Agreement

Duolun Golden Concord has agreed to sell and GCL-Poly Fuel Company has agreed to purchase coal of net calorific as received basis value of $Q_{net.ar}=3300\text{kcal/kg}$ at market price with reference to the North Eastern regional coal supply price. The sale volume and unit price of coal for the period from 1 March 2010 to 31 December 2010 will be 190,000 tonnes and RMB430/tonne inclusive of tax (which is equivalent to approximately HK\$488/tonne) and the transportation fees to Jingtang Port, Beijing respectively. The unit price of coal is adjustable with reference to the North Eastern regional coal supply market price. The sale volume and unit price of coal for the financial years ending 2011 and 2012 will be negotiated and mutually agreed by parties of the Coal Supply Framework Agreement at the beginning of the two years. The amount payable by GCL-Poly Fuel Company to Duolun Golden Concord shall be made after the delivery of coal and receipt of the relevant invoice.

4. Period

The Coal Supply Framework Agreement is effective for a period from 1 March 2010 to 31 December 2012.

5. Annual Caps

The Annual Caps for (i) the period from 1 March 2010 to 31 December 2010 will be approximately RMB81,700,000 (equivalent to approximately HK\$92,800,000); (ii) the period from 1 January 2011 to 31 December 2011 will be approximately RMB87,400,000 (equivalent to approximately HK\$99,200,000); and (iii) the period from 1 January 2012 to 31 December 2012 will be approximately RMB91,200,000 (equivalent to approximately HK\$103,600,000).

Under the Previous Coal Supply Agreement, an amount of approximately RMB13,900,000 (equivalent to approximately HK\$15,777,000) coal has been purchased by GCL-Poly Fuel Company from Duolun Golden Concord for the period from 11 August 2009 to 31 December 2009 and no purchase of coal from Duolun Golden Concord for the month of January 2010. The 2009 and 2010 annual caps of the coal transactions under the Previous Coal Supply Agreement between GCL-Poly Fuel Company and Duolun Golden Concord are RMB84,000,000 and RMB 77,280,000 respectively.

The Annual Caps were calculated after taking into account of (i) the anticipated annual growth rate of coal purchase computed with reference to (a) the anticipated growth of the Group's demand for coal and (b) the anticipated price movement of coal in the PRC; and (ii) the anticipated coal supply from Duolun Golden Concord and other suppliers.

III. REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Coal Supply Framework Agreement was entered into in the usual and ordinary course of the Group's business and terms of which were negotiated based on normal commercial terms and the consideration was determined following arm's length negotiation.

The reason for and the benefit to the Group in entering into the Coal Supply Framework Agreement is that it allows the Group to secure a stable and consistent supply of coal for its coal trading operation, including coal supply to the Group's power plants at a reasonable purchase price.

As such, the Directors (including the independent non-executive Directors) believe that the transactions between Duolun Golden Concord and the Group under the Coal Supply Framework Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and Shareholders as a whole.

IV. GENERAL INFORMATION

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

GCL-Poly Fuel Company is principally engaged in the operation of coal trading.

Duolun Golden Concord is principally engaged in coal mining and sale of coal.

Mr. Zhu, the Director and a deemed Controlling Shareholder, is the founder and one of the beneficiaries of a trust which indirectly owns 55% equity interest in Duolun Golden Concord, which is an associate of Mr. Zhu and thus a connected person of the Company pursuant to Rule 14A.11 of the Listing Rules. As Mr. Zhu Yu Feng (a Director and the son of Mr. Zhu) is also one of the beneficiaries of the above-mentioned trust, Duolun Golden Concord is also an associate of Mr. Zhu Yu Feng.

The transactions contemplated under the Coal Supply Framework Agreement constitute non-exempt Continuing Connected Transactions for the Company under Rule 14A.35 of the Listing Rules. As each of the applicable percentage ratios (as defined in the Listing Rules) for the Continuing Connected Transactions under the Coal Supply Framework Agreement is less than 2.5%, the transactions are only subject to the reporting and announcement requirements of the Listing Rules and exempt from the approval of the Independent Shareholders requirement in accordance with Chapter 14A of the Listing Rules.

V. DEFINITIONS

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

“Annual Caps”	the maximum aggregate annual value of the Continuing Connected Transactions, details of which are set out in the section headed “Annual Caps” of this announcement
“associate”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Coal Supply Framework Agreement”	the Coal Supply Framework Agreement dated 10 February 2010 entered into between Duolun Golden Concord as the vendor and GCL-Poly Fuel Company as the purchaser in relation to the purchase of coal
“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
“Continuing Connected Transactions”	the transactions contemplated under the Coal Supply Framework Agreement
“Controlling Shareholder”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Duolun Golden Concord”	內蒙古多倫協鑫礦業有限責任公司 (Inner Mongolia Duolun Golden Concord Mining Limited*)
“GCL-Poly Fuel Company”	保利協鑫電力燃料有限公司 (GCL-Poly Power Fuel Co., Ltd.*), a limited company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

* For identification purpose only

“Independent Shareholders”	Shareholders other than Mr. Zhu and his associates
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Zhu”	Mr. Zhu Gong Shan, a Director and a deemed Controlling Shareholder
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of the ordinary shares in the share capital of the Company with the nominal value of HK\$0.10 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

In this announcement, RMB\$1.00 =HK\$1.135.

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.

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

Hong Kong, 10 February 2010