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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 PRICE SENSITIVE INFORMATION AND NOTICE OF ADJOURNED BOARD MEETING**

This announcement is made by GCL-Poly Energy Holdings Limited pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform Shareholders and investors that the expected impairment loss for the financial year ending 31 December 2009 arising from the Acquisition, as announced on 16 November 2009, will be substantially reduced following a reassessment of the accounting treatment for the Acquisition.

The Board also wishes to announce that in the light of the above mentioned changes in relation to the expected impairment loss, the Company requires more time to finalise certain accounting issues on the financial statements of the Group for the year ended 31 December 2009, and the meeting of the Board due to be held on 3 March 2010 has been adjourned to 17 March 2010.

***Shareholders of the Company and investors should exercise caution when dealing in the Shares of the Company.***

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

## **REASSESSMENT OF THE ACCOUNTING TREATMENT FOR THE ACQUISITION**

The Board refers to the profit warning announcement made by the Company on 16 November 2009.

As set out in the announcement of 16 November 2009, the previously expected impairment loss came about due to the difference between the closing price of the Shares on 31 July 2009 (i.e. the date of completion of the Acquisition) which was HK\$3.46 and the contract price per Consideration Share which was HK\$2.20, thus creating a significant amount of goodwill (debit) and a similar amount of share premium (credit). Based on the preliminary valuation report on the business of the Target Group as at 31 July 2009 prepared by an independent valuer and made available to senior management of the Company on 13 November 2009, the Board estimated that a non-cash impairment loss for an amount of approximately HK\$9 billion was likely to be charged to the Consolidated Statement of Comprehensive Income, which would adversely affect the Group's results for the year ending 31 December 2009. The above accounting treatment was based on the assumption at that time that in the Acquisition the Company should be seen as the acquirer and Jiangsu Zhongneng as the acquiree. The amount of the impairment loss set out in the 16 November 2009 announcement was concurred by the Company's auditor.

However, in the course of the audit of the Group's 2009 IFRS financial statements which began in mid January 2010, the accounting treatment for the Acquisition has been reassessed, including reference now being made to IFRS 3 (2008) which came into effect for the Group on 1 January 2010 and contained relevant supplementary guidance in this area. Reference has also been made to other facts and circumstances arising after the completion of the transaction. Based on this reassessment, the Acquisition will be accounted for as a reverse acquisition (with the Company as the acquiree) for the purposes of the 2009 IFRS financial statements. The accounting treatment of the Acquisition as a reverse acquisition has been concurred by the Company's auditor.

Based on the estimation made by the management of the Company, under a reverse acquisition there would be a substantial reduction in the amount of goodwill and, accordingly, in the consequential goodwill impairment loss, if any, compared with the goodwill arising and the consequential impairment loss of approximately HK\$9 billion which was calculated on the basis that the Acquisition was an acquisition with the Company as the acquirer.

## **ADJOURNMENT OF BOARD MEETING**

The Board refers to the announcement dated 12 February 2010 in relation to the convening of the meeting of the Board on 3 March 2010 for the purpose of considering and approving, among other matters, the final results of the Group for the year ended 31 December 2009, the publication of the results thereof and considering the recommendation of a final dividend, if any.

The Board announces that as the Company requires more time to finalise certain accounting issues in relation to the financial statements of the Group for the year ended 31 December 2009, in particular the matters arising from the reassessment of the accounting treatment for the Acquisition as set out above, the meeting will be adjourned to 17 March 2010. The meeting will be held at Room 3601-4, 36th Floor, Two Exchange Square, Central, Hong Kong.

**Shareholders of the Company and investors should exercise caution when dealing in the Shares of the Company.**

**I. DEFINITIONS**

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

“Acquisition”	The Group’s acquisition of the Target Group (announced on 22 June 2009), which consists of Jiangsu Zhongneng, one of the leading PRC suppliers of polysilicon and wafers to companies operating in the solar industry, for a consideration amount of approximately HK\$26.35 billion and which was completed on 31 July 2009
“Board”	the board of Directors
“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
“Consideration Share”	The 10,039,772,727 new Shares issued by the Company as part of the consideration for the Acquisition (along with the issue of US\$350 million secured notes and US\$200 million in cash) which represented 90.75% of the then enlarged share capital of the Group
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“IFRS”	International Financial Reporting Standards
“Jiangsu Zhongneng”	江蘇中能硅業科技發展有限公司 (Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd.)*, a limited company established in the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China
“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”	GCL Solar Energy Technology Holdings Inc. and its subsidiaries, Greatest Joy International Limited and its subsidiaries and Sun Wave Group Limited and its subsidiaries

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

Hong Kong, 28 February 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.*

\* *For identification purpose only*