

Immediate Release

29 April 2010



## **GCL-Poly Recorded Steady Growth in the Solar Business in 1Q'2010**

(Hong Kong, 29 April 2010) GCL-Poly Energy Holdings Limited (“GCL-Poly” or the “Company”, stock code: 3800.HK, together with its subsidiaries, the “Group”) is pleased to announce steady growth and satisfactory operating results for the first quarter of 2010.

The Group made further progress in ramping up production volume, achieving better product quality and reducing production cost for its polysilicon business. The average production volume stabilized at over 1,000MT per month with total production volume of 3,112MT for 1Q'2010, representing an increase of 184.5% over the same period in 2009. The Group expects to double its polysilicon production volume to 16,500MT for the full year of 2010 with further technical upgrade.

The Group has also achieved better polysilicon product quality by successfully producing electronic-grade polysilicon. Among all polysilicon producers in China, GCL-Poly is the clear leader through producing the highest purity, the best quality and the most cost-competitive polysilicon. The Group has also been able to further reduce polysilicon production cost to US\$34 per kg in March 2010, so that the Group was able to maintain gross profit margin of polysilicon business at around 30%. The Group expects that polysilicon production cost will further decline to roughly US\$30 per kg by end of 2010. GCL-Poly is confident in becoming one of the leading polysilicon players in the world in the near future by delivering the best quality products to customers at very competitive prices. The Group believes that global demand for polysilicon will remain strong in 2Q'2010 with prices remaining at stable levels. The Group should be able to maintain healthy gross margin levels while conscientiously reducing production cost.

The Group is also actively extending its polysilicon business downstream to wafer manufacturing and such expansion plans are progressing well-on-track. The Xuzhou

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Phase I wafer facilities with annual capacity of 500MW started operating by end of January 2010 and various operating metrics have already reached world-class levels with conversion efficiency ratios already at advanced levels relative to international wafer players. In March 2010, the Group completed the acquisition of Konca Solar, which is one of China's leading wafer companies with annual production capacity of 300MW. Konca Solar recorded encouraging results in 1Q'2010 with wafer sales volume of 77.8MW and gross profit margin of 23%. The Group believes that global demand for wafer will remain strong in 2Q'2010 with wafer prices maintaining at relatively high levels, thus providing a strong backdrop for the Group to expand its wafer operations.

After the Xuzhou Phase I wafer manufacturing facilities become fully ramped up, our annual wafer production capacity will reach 800MW by end of June 2010. The Group is focusing on expanding wafer capacity at Konca Solar as well as at the wafer plants in Xuzhou and Changzhou and expects annual production capacity to reach 2GW by end of October 2010 with annual production volume of 1.3GW for the full year of 2010. Meanwhile, the Group is also actively planning to integrate the production of overhead materials into the wafer manufacturing process in order to further reduce wafer production cost. The Group is confident in becoming one of the leading wafer companies in the world.

Meanwhile, the Group is actively enhancing customer relationships and establishing strategic partnership arrangements with downstream customers through co-location production arrangements in order to complement the aggressive wafer expansion plans. The Group is also increasing its international marketing efforts to expand into key overseas markets and has successfully signed various sales contracts with downstream cell and module companies in Taiwan.

The Group has also made significant progress in the development of solar farms. Currently, the Group is in the final stage of negotiations with various parties regarding solar farm investment opportunities in the US and Europe, including setting up roof-top solar power generation facilities in education institutions in the US. The Group expects to commence development and construction of the first batch of overseas solar farm projects very soon.

As countries all over the world have to deal with rigorous climate situation, many governments are actively subsidizing the renewable energy industry to promote the development of a low-carbon economy and to improve the living environment. The global solar market is expanding rapidly with unprecedented momentum and many research firms have recently revised up their forecasts of global solar installations for year 2010. iSuppli now expects new solar installations to reach 13.6GW in 2010, which is an increase of 90% compared to 2009.

With the solar industry rapidly expanding, wafer supply becomes very tight and is now the main bottleneck in the solar value chain. The Group will continue to capitalize on its research and development, construction, operational and management expertise accumulated over many years to expand its wafer business in order to achieve scale, quality and cost competitiveness in a short time and to integrate the wafer and polysilicon businesses smoothly. The management team at GCL-Poly is extremely confident in the Group's solar business in the future.

#### **About GCL-Poly Energy Holdings Limited (stock code: 3800)**

GCL-Poly Energy Holdings Limited is China's largest polysilicon producer and one of the world's leading wafer suppliers and also a top green energy enterprise in China. Annual polysilicon production capacity reached 18,000 MT by the end of 2009 and is expected to reach 21,000 MT by the end of 2010. The Group has also started constructing wafer production facilities and targets to achieve 2GW of capacity by 2010. In addition, the Group owns and invests in a total of 18 cogeneration power plants, 1 incineration power plant, 1 wind power plant and a 20MW solar farm in Xuzhou, Jiangsu province, which is currently the largest solar farm in China. Most of these plants are located in Jiangsu and Zhejiang provinces in China with strong economic growth and robust demand for electricity and steam. The company is in the process of setting up a joint venture with China Investment Corporation to invest in solar farms globally.

For more information about GCL-Poly, please visit the company's website at [www.gcl-poly.com.hk](http://www.gcl-poly.com.hk).

Press Enquiry:

#### **GCL-Poly Energy Holdings Limited:**

Mr. Joseph Fung      Tel: (852) 3761 3201

Email: [JosephFung@gcl-power.com.hk](mailto:JosephFung@gcl-power.com.hk)

Ms. Stephanie Lau    Tel: (852) 3761 3147

Email: [Stephanielau@gclsolarenergy.com](mailto:Stephanielau@gclsolarenergy.com)

Mr. Zhou Jiangbo     Tel: (852) 3761 3120

Email: [Zhoujiangbo@gcl-power.com.hk](mailto:Zhoujiangbo@gcl-power.com.hk)

#### **Wonderful Sky Financial Group:**

Ms. Cherry Qiu      Tel: (852) 6906 0505

Email: [cherryqiu@wsfg.hk](mailto:cherryqiu@wsfg.hk)

Mr. James Wong      Tel: (852) 9300 2263

Email: [jameswong@wsfg.hk](mailto:jameswong@wsfg.hk)

Wonderful Sky Financial Group Limited 皓天財經集團有限公司

Unit 3102-3105, 31/F, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong

香港灣仔港灣道1號會展廣場辦公大樓31樓3102-3105室

T 852 2851 1038 F 852 2815 1352 E enquiry@wsfg.hk W www.wsfg.hk

Ms. Betty Li                      Tel: (852) 5132 1523  
Ms. Olivia Davidson              Tel: (852) 9764 1456

Email: [bettyli@wsfg.hk](mailto:bettyli@wsfg.hk)  
Email: [oliviadavidson@wsfg.hk](mailto:oliviadavidson@wsfg.hk)