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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 IN RESPECT OF PUBLICATION OF UNAUDITED MANAGEMENT ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020 AND CONTINUAL SUSPENSION OF TRADING

This announcement is made by the board (the “**Board**”) of directors of GCL-Poly Energy Holdings Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 13.49(3) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

We refer to the announcements of the Company dated 31 March 2021, 6 April 2021 and 11 April 2021 whereby the Company announced that (i) the publication of the annual results of the Group for the year ended 31 December 2020 (the “**2020 Annual Results**”) has been further delayed until further notice; (ii) the meeting (the “**Board Meeting**”) of the board of directors of the Company for considering and approving, among other matters, the 2020 Annual Results and its publication thereof, and considering the payment of a final dividend, if any, has been further postponed until further notice; and (iii) suspension of trading in the shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 9:00 a.m. on 1 April 2021.

1. **DELAY IN PUBLICATION OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020**

As disclosed in the Company's announcement dated 11 April 2021, the Audit Committee of the Board (the "**Audit Committee**") received a letter from the Company's auditors, Deloitte Touche Tohmatsu, (the "**Auditors**") on 9 April 2021 (the "**Auditor Letter**") in which the Auditors brought to the attention of the Audit Committee the details of an issue encountered by the Auditors during the audit process and requested the Audit Committee's involvement in resolving the issue.

According to the Auditor Letter, the issue primarily concerns a prepayment in the amount of RMB510 million made by a subsidiary of the Company, Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd.* (江蘇中能硅業科技發展有限公司) ("**Jiangsu Zhongneng**") for the purposes of an Engineering, Procurement and Construction contract entered into in September 2019 ("**EPC Contract**"). The prepayment was included in the Group's audited consolidated financial statements for the year ended 31 December 2019 and the Group's unaudited interim financial statements for the six months ended 30 June 2020. The Audit Committee is working with the Auditors and the Company's management to finalize the 2020 Annual Results. In addition, the Company is taking appropriate steps to assess this matter and provide additional information to the Auditors in relation to the EPC Contract.

The EPC Contract involves services to be provided by contractors in relation to the design, procurement and construction of a silicon material production project located in the Xuzhou Economic Development Zone of Jiangsu Province, PRC (the "**Project**"). Largely as a result of the impact of COVID-19, the Project did not proceed as planned under the EPC Contract and Jiangsu Zhongneng entered into discussions to terminate that contract in October 2020. On 6 April 2021, Jiangsu Zhongneng entered into a termination agreement in respect of the EPC Contract and has received a commercial bill payable no later than October 2021 to refund a total of RMB460 million of the prepayment that Jiangsu Zhongneng had made.

As the issues described will require additional time to resolve, the Company is unable to finalize and publish the 2020 Annual Results at present. The Company will make further announcements to keep shareholders of the Company informed of the progress of the preparation and publication of the 2020 Annual Results as soon as practicable.

2. UNAUDITED FINANCIAL INFORMATION

Rule 13.49(3)(i)(c) of the Listing Rules that where an issuer is unable to publish its preliminary results based on its financial statements in accordance with Rules 13.49(1) and 13.49(2) of the Listing Rules, it must announce, so far as the information is available, its results for the financial year based on financial results which have yet to be agreed with the auditors.

The Board wishes to set forth below the unaudited consolidated financial information extracted from the management accounts of the Group for the year ended 31 December 2020 (“**Unaudited Management Accounts**”).

The Directors confirm that the following unaudited consolidated financial information is prepared on the same basis as used in the audited financial statements of the Group for the year ended and as of 31 December 2019.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

	2020 <i>RMB'000</i> (Unaudited)	2019 <i>RMB'000</i> (Audited)
Revenue	14,620,736	19,249,621
Cost of sales	<u>(10,918,829)</u>	<u>(14,571,196)</u>
Gross profit	3,701,907	4,678,425
Other income	686,000	818,746
Distribution and selling expenses	(93,942)	(126,338)
Administrative expenses	(1,811,930)	(2,051,326)
Finance costs	(3,148,966)	(3,946,920)
Impairment losses under expected credit loss model, net of reversal	(641,813)	(462,741)
Other expenses, gains and losses, net	(4,991,835)	1,058,183
Share of profits of associates	264,918	401,019
Share of losses of joint ventures	<u>(110,408)</u>	<u>(51,365)</u>
(Loss) profit before tax	(6,146,069)	317,683
Income tax expense	<u>(108,412)</u>	<u>(206,848)</u>
(Loss) profit for the year	<u>(6,254,481)</u>	<u>110,835</u>

	2020 <i>RMB'000</i> (Unaudited)	2019 <i>RMB'000</i> (Audited)
Other comprehensive (expense) income		
<i>Item that will not be reclassified to profit or loss:</i>		
Fair value loss on investments in equity instruments at fair value through other comprehensive income	<u>(17,241)</u>	<u>(49,691)</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	(69,856)	36,139
Cumulative loss reclassified to profit or loss on sale of investments in debt instruments measured at fair value through other comprehensive income upon disposal	<u>—</u>	<u>3,540</u>
	<u>(69,856)</u>	<u>39,679</u>
Other comprehensive expense for the year	<u>(87,097)</u>	<u>(10,012)</u>
Total comprehensive (expense) income for the year	<u><u>(6,341,578)</u></u>	<u><u>100,823</u></u>

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	2020 RMB'000 (Unaudited)	2019 RMB'000 (Audited)
NON-CURRENT ASSETS		
Property, plant and equipment	36,706,248	52,412,895
Right-of-use assets	3,432,600	4,529,359
Investment properties	61,148	65,804
Other intangible assets	213,338	247,723
Interests in associates	7,032,381	7,539,323
Interests in joint ventures	567,303	706,200
Other financial assets at fair value through profit or loss	321,267	357,542
Equity instruments at fair value through other comprehensive income	24,616	41,857
Convertible bonds receivable	—	101,097
Deferred tax assets	287,973	291,711
Deposits, prepayments and other non-current assets	1,677,691	2,396,446
Contract assets	1,227,979	5,639,898
Amounts due from related companies — non-trade related	740,531	826,951
Pledged and restricted bank and other deposits	<u>682,105</u>	<u>1,132,156</u>
	<u>52,975,180</u>	<u>76,288,962</u>
CURRENT ASSETS		
Inventories	488,629	751,188
Trade and other receivables	16,986,419	13,857,141
Amounts due from related companies — trade related	210,750	231,987
Amounts due from related companies — non-trade related	386,565	1,474,146
Other financial assets at fair value through profit or loss	800,763	477,256
Held for trading investments	3,447	4,339
Tax recoverable	2,777	6,651
Pledged and restricted bank and other deposits	3,864,571	5,797,270
Bank balances and cash	<u>1,709,585</u>	<u>1,548,019</u>
	<u>24,453,506</u>	<u>24,147,997</u>
Assets classified as held for sale	<u>3,525,749</u>	<u>—</u>
	<u>27,979,255</u>	<u>24,147,997</u>

	2020 <i>RMB'000</i> (Unaudited)	2019 <i>RMB'000</i> (Audited)
CURRENT LIABILITIES		
Trade and other payables	13,071,106	15,018,649
Amounts due to related companies		
— trade related	214,298	1,261,381
Amounts due to related companies		
— non-trade related	1,873,859	554,927
Loans from related companies	788,668	743,922
Contract liabilities	357,461	224,939
Bank and other borrowings — due within one year	23,195,212	26,976,972
Lease liabilities — due within one year	531,258	530,655
Notes payables — due within one year	3,312,863	422,175
Derivative financial instruments	22,000	133,400
Deferred income	40,136	41,885
Tax payables	<u>134,483</u>	<u>144,922</u>
	43,541,344	46,053,827
Liabilities associated with assets classified as held for sale	<u>1,919,568</u>	<u>—</u>
	<u>45,460,912</u>	<u>46,053,827</u>
NET CURRENT LIABILITIES	<u>(17,481,657)</u>	<u>(21,905,830)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>35,493,523</u>	<u>54,383,132</u>

	2020 <i>RMB'000</i> (Unaudited)	2019 <i>RMB'000</i> (Audited)
NON-CURRENT LIABILITIES		
Contract liabilities	—	147,740
Loans from related companies	119,840	1,031,639
Bank and other borrowings — due after one year	13,062,167	20,285,750
Lease liabilities — due after one year	1,358,881	1,910,864
Notes payables — due after one year	—	3,470,542
Deferred income	522,298	628,441
Deferred tax liabilities	110,066	186,748
	<u>15,173,252</u>	<u>27,661,724</u>
NET ASSETS	<u>20,320,271</u>	<u>26,721,408</u>
CAPITAL AND RESERVES		
Share capital	1,862,725	1,742,850
Reserves	14,882,037	20,507,309
Equity attributable to owners of the Company	16,744,762	22,250,159
Non-controlling interests	3,575,509	4,471,249
TOTAL EQUITY	<u>20,320,271</u>	<u>26,721,408</u>

The Board wishes to emphasise that the unaudited consolidated financial information set out above has not been finalised and the Company is still in the process of providing the required information to the Auditors. Shareholders and potential investors should note that the above unaudited consolidated financial information of the Group has not been reviewed or audited by the Auditors and is not based on any other data or information that has been audited or reviewed by the Auditors, and is therefore subject to potential adjustments and finalisation pending the completion of the audit by the Auditors.

The Board Meeting for the purpose of, among others, considering and approving the publication of the 2020 Annual Results will be postponed to a date to be fixed by the Board. As Company is still working closely and actively communicating with the Auditors to assist them to complete the audit of the consolidated financial information of the Group, the Company will use its best endeavours to publish the 2020 Annual Results as soon as practicable.

3. FURTHER ANNOUNCEMENT(S)

Following the completion of the auditing process, the Company will issue further announcement(s) in relation to the audited results for the year ended 31 December 2020 and the material differences (if any) as compared with the unaudited consolidated financial information contained in this announcement. In addition, the Company will issue further announcement(s) as and when necessary if there are other material developments in the completion of the auditing process once it can be ascertained.

4. CONTINUAL SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2021. Trading in shares of the Company will remain suspended until further notice pending publication of the 2020 Annual Results.

The unaudited consolidated financial information contained herein in respect of the Unaudited Management Accounts of the Group have not been audited and have not been agreed with the auditor of the Company. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
GCL-Poly Energy Holdings Limited
保利協鑫能源控股有限公司
Zhu Gongshan
Chairman

Hong Kong, 19 April 2021

As at the date of this announcement, the Board comprises Mr. Zhu Gongshan (Chairman), Mr. Zhu Zhanjun, Mr. Zhu Yufeng, Ms. Sun Wei, Mr. Yeung Man Chung, Charles, Mr. Jiang Wenwu and Mr. Zheng Xiongjiu as executive directors; Ir. Dr. Raymond Ho Chung Tai, Mr. Yip Tai Him, Dr. Shen Wenzhong and Mr. Wong Man Chung, Francis as independent non-executive directors.

* *For identification purpose only*