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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)

UPDATE ANNOUNCEMENT IN RELATION TO THE PUBLICATION OF THE 2020 ANNUAL RESULTS DELAY IN DESPATCH IN THE 2020 ANNUAL REPORT AND CONTINUAL SUSPENSION OF TRADING

This announcement is made by the board of directors (the “**Board**”) of GCL-Poly Energy Holdings Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 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 (a) the Company’s announcements dated 31 March 2021, 6 April 2021 and 11 April 2021 under which it was announced that (i) the publication of the 2020 Annual Results has been delayed until further notice; (ii) the Board Meeting for considering and approving, among other matters, the 2020 Annual Results and its publication, and considering the payment of a final dividend, if any, has been further postponed until further notice; and (iii) the suspension of trading in the shares of the Company on Stock Exchange with effect from 9:00 a.m. on 1 April 2021; and (b) the Company’s announcement dated 19 April 2021 in relation to, among other things, the publication of the unaudited management accounts of the Company for the year ended 31 December 2020 (the “**Management Accounts Announcement**”). Unless otherwise defined, capitalised terms in this announcement have the meaning as set out in the Management Accounts Announcement.

The Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and the public that, further to the updates provided in the Management Accounts Announcement:

1. The Company has earlier this week received from the lead contractor to the EPC Contract an aggregate refund in cash of RMB495.28 million of the prepayment following the termination of the EPC Contract on 6 April 2021. This sum represents approximately 97% of the prepayment that had been paid by Jiangsu Zhongneng for the purposes of the EPC Contract. The balance represents costs incurred in relation to the EPC Contract which will not be refunded to Jiangsu Zhongneng.
2. The Company is continuing to work closely with its professional advisers to resolve the issues raised by the Auditors under the Auditor Letter. The Auditors have raised concerns primarily in relation to the commercial rationale of the EPC Contract, including but not limited to, the validity of the prepayment of RMB510 million made for the purposes of the EPC Contract.
3. Specifically, the Company understands that the concerns in the Auditor Letter arose in March 2021 and early April 2021. During this period, the Auditors performed certain audit procedures to inquire into the circumstances of the prepayment for the EPC Contract (including site visits and interviews) but did not receive satisfactory evidence to satisfy the Auditors of the validity of the prepayment including evidence as to how the prepayment had been used for the EPC Contract.
4. The Company and its Directors are taking this matter seriously and have now:
 - (a) established a special audit issue committee of Directors comprising the Independent Non-Executive Directors (the “**Special Committee**”) to undertake an independent investigation to assess the outstanding issues under the Audit Letter; and
 - (b) appointed other professional advisers (including PRC legal advisers) to assist the Company in assessing the issues raised by the Auditors.
5. The Auditors have suggested in the Auditor Letter that a competent independent accounting firm should be engaged to conduct independent forensic investigation procedures and to report its findings to the Audit Committee. In response to the Auditors’ suggestion, the Company and the Special Committee are actively considering engaging an independent accounting firm qualified to conduct an independent forensic investigation to prepare a report of its findings on the issues raised under the Auditor Letter to the Audit Committee.
6. In the course of assessing the issues in relation to the EPC Contract, the Company has discovered that the EPC Contract constituted a major transaction of the Company as the consideration ratio exceeded 25% but was less than 100% based on the market capitalisation of the Company at the time when the EPC Contract was

entered into. The Company is reviewing the circumstances in which this non-compliance had occurred and believe that this was an isolated incident. The Company should have complied with the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules and is taking steps to rectify the situation to ensure that the applicable requirements under Chapter 14 of the Listing Rules are complied with as soon as is reasonably practicable, notwithstanding that the EPC Contract has now been terminated.

7. Pursuant to Rules 13.49(1) and 13.46 of the Listing Rules, the Company is required to publish 2020 Annual Results on or before 31 March 2021, and to despatch the annual report for the financial year ended 31 December 2020 (the “**2020 Annual Report**”) to the Shareholders on or before 30 April 2021.
8. As the Company requires additional time to resolve the issues under the Auditor Letter, it is expected that the publication of the 2020 Annual Results will be further postponed. The Company will update Shareholders and the public of the expected date of the publication of the 2020 Annual Results as soon as possible. Accordingly, the despatch of the 2020 Annual Report will also be delayed.

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, 28 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. Ho Chung Tai, Raymond, Mr. Yip Tai Him, Dr. Shen Wenzhong and Mr. Wong Man Chung, Francis as independent non-executive directors.