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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)



GCL New Energy Holdings Limited
協鑫新能源控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 451)

INSIDE INFORMATION — BUSINESS UPDATE

This joint announcement is made by GCL-Poly Energy Holdings Limited (“**GCL-Poly**”) and GCL New Energy Holdings Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

ESTABLISHMENT OF HYDROGEN ENERGY BUSINESS UNIT

The Company is pleased to announce that it has established the hydrogen energy business unit (the “**Hydrogen Energy Business Unit**”) to actively conduct the research and development of hydrogen energy (“**Hydrogen Energy**”) and related businesses.

Since 2018, the Company has continued to increase its strategic cooperation and formed strong alliances with enterprises directly under the central government of the PRC and local state-owned enterprises, accelerated cash inflow, and unswervingly promoted the strategic asset-light transformation by disposing its solar power plants. As at the date of this joint announcement, the Company has announced or completed the disposal of solar power plant assets with a total capacity of over 5.6GW, successfully realized the asset-light transformation and restored the liabilities of the Company to a healthier level. In the future, apart from focusing on the solar power generation business, the Company will actively seek for opportunities arising from other clean energy businesses.

At present, major economies around the world are actively promoting energy policies to curb carbon emissions, and the PRC is resolutely adopting an effective energy policy striving to accomplish “carbon peak” and “carbon neutrality” goals by 2030 and 2060 respectively. The Company believes that Hydrogen Energy, as one of the cleanest sources of energy recognized in the world, will become an important solution for decarbonization. In fact, Hydrogen Energy was featured in Section 2 of

“Foresight Planning for the Future of Industry” under Article IX in the “Outline of the Fourteenth Five-Year Plan for the National Economic and Social Development of the PRC”, and together with other cutting-edge technologies such as brain-inspired artificial intelligence, quantum information, genetic technology, future networks and deep-sea and aerospace development, Hydrogen Energy was recognized as “organizing and implementing future industry incubation and acceleration plans as well as planning the layout of a number of future industries”, making it one of the crucial strategic directions of domestic energy transformation in the PRC.

In light of the global promotion of decarbonization, the Company is of the view that the domestic and global demand for Hydrogen Energy has huge room for growth, and expects that the next decade will be the key strategic opportunity period for the investment and utilization of Hydrogen Energy. However, Hydrogen Energy must be chemically extracted from other compounds as there are no natural hydrogen deposits on Earth. Currently, there are several ways of hydrogen production, namely, by coal based chemicals, methanol, electrolysis of water and natural gas. Hydrogen Energy that is produced by electrolysis of water powered by renewable energy such as solar power has zero carbon emission during the production process and is also called “green hydrogen”, which is a form of green energy. Green hydrogen realizes green and clean energy during the entire life cycle of Hydrogen Energy and expands the use of renewable energy. While the cost of solar power generation decreases sharply and the production scale expands, green hydrogen economy will no longer be a major obstacle. With its zero-carbon advantage, green hydrogen will become an important form of Hydrogen Energy supply.

The Company will leverage on its strong scientific research capabilities, intensive technologies and extensive experience in the field of solar power generation, and will prudently research on the application of its existing solar power generation platform in order to produce greenhouse gas-free Hydrogen Energy by electrolysis of water. Meanwhile, natural gas accounts for over 70% of the current global hydrogen production and is the main source of Hydrogen Energy. With the advantages of being an abundant resource, low in production cost and mature technologies, generating hydrogen from natural gas as “transitional clean energy” will play an important role in the implementation of the strategy of “carbon peak and carbon neutrality”. To this end, taking into account of its future diversified layout in Hydrogen Energy, the Company has entered into a non-legally binding memorandum of understanding with POLY-GCL Petroleum Group Limited (保利協鑫天然氣集團有限公司), a connected person of the Company, to capitalize on its abundant overseas natural gas resources, which can be processed into the form of liquid ammonia and subsequently shipped to the PRC for the production of hydrogen. This would potentially enable the Company to meet the hydrogen demand of domestic steel mills, glass factories, ceramic factories and other major customers in order to rapidly expand the Company’s production capacity and meet the huge market demand so as to develop the Company into a major international Hydrogen Energy supplier and integrated service provider.

The board of directors (the “**Board**”) of the Company is of the view that by proactively promoting the implementation of Hydrogen Energy projects, the Company will strive to bring greater returns to the society and its shareholders, which is also one of the milestones to be achieved by the Company amid the continuous promotion of its strategic transformation.

ENTERING INTO COOPERATION FRAMEWORK AGREEMENT OR MEMORANDUM FOR FUND ESTABLISHMENTS

(1) JIC Capital Strategic Cooperation Agreement

On 28 July 2021, the Company entered into a strategic cooperation agreement (the “**JIC Capital Strategic Cooperation Agreement**”) with JIC Capital Management (Tianjin) Limited* (中建投資本管理(天津)有限公司) (“**JIC Capital**”), in relation to the proposed cooperation between the Company and JIC Capital for the establishment of a Hydrogen Energy industrial investment fund with a total fund size of RMB10 billion for investing in the Hydrogen Energy business of the Company. JIC Capital (or its designated entity) shall serve as the manager and general partner of the fund and it is responsible for fund raising, establishment and management of the fund. The Company will assist JIC Capital in preparing and implementing the fund.

The JIC Capital Strategic Cooperation Agreement is non-legally binding between the parties and shall be subject to the fund management contract and its ancillary legal documents to be signed by the parties.

(2) CCBI Strategic Cooperation Memorandum

On 28 July 2021, the Company entered into a strategic cooperation memorandum (the “**CCBI Strategic Cooperation Memorandum**”) with CCB International Asset Management Limited (建銀國際資產管理有限公司) (“**CCBI Asset Management**”) in relation to the proposed cooperation between the Company and CCBI Asset Management for the establishment of a new energy industrial investment fund with an intended total fund size of not more than USD800 million for investing in the new energy related business and investment projects related to the achievement of carbon emission reduction and carbon neutrality, including but not limited to investment projects recommended by the Company which are in line with the investment directions of the fund. CCBI Asset Management shall serve as the manager of the fund, CCBI Asset Management’s designated entity shall serve as the general partner of the fund, while the Company (or its designated entity) shall serve as one of the limited partners of the fund.

The CCBI Strategic Cooperation Memorandum is non-legally binding between the parties and shall be subject to each party’s due diligence and internal approval, as well as the fund legal documents to be signed by the parties.

Save as disclosed above, as at the date of this joint announcement, the Company has not entered into any material agreements in relation to the development of the Hydrogen Energy business. The Company will make timely disclosures in accordance with the relevant requirements of the Listing Rules if there are any material progress in the development of the Hydrogen Energy business or any material agreements to be signed.

RELATIONSHIP BETWEEN GCL-POLY AND THE COMPANY

As at the date of this joint announcement, the Company is a subsidiary of GCL-Poly.

CONTINUED SUSPENSION OF TRADING IN SHARES OF GCL-POLY

Trading in shares of GCL-Poly was suspended from 9:00 a.m. on 1 April 2021 and will remain suspended until further notice. Please refer to GCL-Poly's announcement dated 14 July 2021 for further details regarding the continued suspension of trading in shares of GCL-Poly.

The shareholders of GCL-Poly and the Company, holders of other securities of GCL-Poly and the Company and potential investors are advised to exercise caution when dealing in the securities of GCL-Poly and the Company.

** for identification purpose only*

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

By Order of the Board
GCL New Energy Holdings Limited
協鑫新能源控股有限公司
Zhu Yufeng
Chairman

Hong Kong, 28 July 2021

As at the date of this joint announcement, the board of directors of GCL-Poly comprises Mr. Zhu Gongshan (Chairman), Mr. Zhu Zhanjun, Mr. Zhu Yufeng, Ms. Sun Wei, Mr. Yeung Man Chung, Charles 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.

As at the date of this joint announcement, the board of directors of the Company comprises Mr. Zhu Yufeng (Chairman), Mr. Liu Genyu and Ms. Hu Xiaoyan as executive directors; Ms. Sun Wei, Mr. Yeung Man Chung, Charles and Mr. Fang Jiancai as non-executive directors; and Mr. Xu Songda, Mr. Lee Conway Kong Wai, Mr. Wang Yanguo and Dr. Chen Ying as independent non-executive directors.