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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)

POSITIVE PROFIT ALERT AND BUSINESS UPDATE

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

POSITIVE PROFIT ALERT

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that, based on a preliminary assessment of the Group’s latest management accounts, the Group expects to record a net profit attributable to the owners of the Company of approximately RMB5 billion for the year ended 31 December 2021 (the “**Year 2021**”) as compared to a net loss attributable to the owners of the Company of approximately RMB5.7 billion for the corresponding period in 2020 (the “**Year 2020**”).

The significant increase in net profit attributable to the owners of the Company was mainly due to the following factors:

- (i) In the Year 2021, on the front of the solar material business segment, despite of various negative factors such as significant fluctuations in the raw material prices and energy costs as well as the periodic shortage of productive energy, the photovoltaic industry witnessed continuous strong growth of market demands and increases in both sales price and volume of solar materials and is expected to maintain the continued prosperity under the global development trend of clean energy. In the Year 2021, the granular silicon produced by the

Group accounted for approximately 18% of the total silicon materials output of the Group (excluding the silicon materials output of the associated companies of the Group). The granular silicon project began to show its advantage of higher profit margin, with the gross profit margin of the granular silicon products higher than that of the rod silicon by over approximately 15 percentage points despite substantial increases in the prices of industrial silicon and silicon materials both of which are used as raw materials. For the solar material business segment, the Group expects to record segment profit of approximately RMB5.4 billion for the Year 2021 as compared to segment loss of approximately RMB4.9 billion for the corresponding period in the Year 2020; and

- (ii) The aggregate losses incurred by other non-solar material business segments of the Group for the Year 2021 is expected to record a decrease of over 50% as compared to the aggregate losses of approximately RMB1.2 billion for the corresponding period in the Year 2020. The decrease in aggregate losses was mainly attributable to (a) a decrease in one-off impairment losses for the solar power plants and certain receivables recorded for the Year 2020 and (b) a decrease in finance costs as a result of repayment of debts. However, the decrease in aggregate losses was partially offset by scaling down of our solar power plants business.

BUSINESS UPDATE

The Board would like to provide the update on the latest development of our granular silicon business:

In 2021, the Group has completed the construction of 30,000 metric tonnes production capacity of granular silicon products, amongst which, 20,000 metric tonnes production capacity has become fully operational by the date of this announcement while the remaining production capacity is expected to become fully operational in February 2022. The operation costs and product quality of the granular silicon project meet or even beat the expected standard.

The Company is still in the process of finalizing the audited consolidated annual results of the Group for the Year 2021. Accordingly, the information contained in this announcement is based on a preliminary assessment of the latest management accounts of the Group for the Year 2021, which has not been audited or reviewed by the independent auditors of the Company or the audit committee of the Company. Such information will be subject to finalization and necessary adjustments.

The audited consolidated annual results of the Group for the Year 2021 is expected to be published by the end of March 2022.

The expected timeframe for reaching full production capacity of the granular silicon project is merely an expected production schedule planned by the Group and does not represent a firm commitment to the shareholders of the Company and potential investors, thus the actual date of reaching full production capacity is subject to changes.

Shareholders of the Company and potential investors 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, 24 January 2022

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 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.