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If you have sold or transferred all your shares in GCL-Poly Energy Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



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)

CONTINUING CONNECTED TRANSACTIONS REVISION OF ANNUAL CAPS AND AMENDMENTS TO THE NEW YANGZHOU STEAM SUPPLY AGREEMENT AND NOTICE OF EXTRAORDINARY GENERAL MEETING

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**



Capitalised terms used on this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular.

A letter from the Board is set out on pages 4 to 10 of this circular and the letter from the Independent Board Committee is set out on pages 11 to 12 of this circular.

The letter of advice from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in relation to the Continuing Connected Transactions is set out on pages 13 to 20 of this circular.

A notice convening the EGM to be held at Centenary Room III, G/F., Marco Polo Hongkong Hotel, 3 Canton Road, Tsimshatsui, Kowloon, Hong Kong on Monday, 28 May 2018 at 12 p.m. or immediately after the annual general meeting of the Company, whichever is later, is set out on pages 27 to 28 of this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM should you so wish.

9 May 2018

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DEFINITIONS

In this circular, the following expressions have the meanings set out below unless the context requires otherwise:

“Approved Continuing Connected Transaction Agreements”	the continuing connected transactions under (1) the New JZ Steam Supply Agreement, (2) the New GCL Steam Supply Agreement, (3) the JX Steam Supply Agreement, (4) the Taicang Steam Supply Agreement and (5) the New Desalted Water Supply Agreement, as further described in the circular of the Company dated 21 July 2017
“associate”	has the meaning given to it under the Listing Rules
“August 2017 EGM”	the extraordinary general meeting of the Company held on 11 August 2017 whereby the Independent Shareholders approved the Approved Continuing Connected Transaction Agreements and the annual caps thereunder
“Board”	the board of Directors of the Company
“Company”	GCL-Poly Energy Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning given to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for the Independent Shareholders to consider and, if thought fit, approve the continuing connected transactions contemplated under the Supplemental Agreement and the Revised Annual Caps
“Group”	the Company and its subsidiaries
“GW”	gigawatts
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising all independent non-executive Directors, established for the purpose of considering the Supplemental Agreement and the Revised Annual Caps

DEFINITIONS

“Independent Financial Adviser” or “Frontier”	Frontier Capital Investment Limited (formerly known as China Frontier Capital Investment Limited), a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreement and the Revised Annual Caps. Frontier Capital Investment Limited is a wholly-owned subsidiary of Frontier Financial Group Limited
“Independent Shareholders”	the Shareholders other than Mr. Zhu, Mr. Zhu Yufeng, Ms. Sun Wei and their respective associates
“Latest Practicable Date”	3 May 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mpa”	Megapascal, a unit of pressure equal to one million pascals
“Mr. Zhu”	Mr. Zhu Gongshan, the Chairman and an executive Director
“New Yangzhou Steam Supply Agreement”	the agreement dated 30 June 2017 entered into between Yangzhou Power as the supplier and Yangzhou GCL as the customer in relation to the supply of steam
“PRC” or “China”	the People’s Republic of China, for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Revised Annual Caps”	the annual caps for the transactions under the New Yangzhou Steam Supply Agreement, as supplemented by the Supplemental Agreement, as set out in the section headed “The Previous Transactions and the Revised Annual Caps” in this circular
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong)

DEFINITIONS

“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning given to it under the Listing Rules
“Supplemental Agreement”	the supplemental agreement to the New Yangzhou Steam Supply Agreement dated 25 April 2018 entered into between Yangzhou Power as the supplier and Yangzhou GCL as the customer in relation to the supply of steam
“Yangzhou GCL”	Yangzhou GCL Photovoltaic Technology Co., Ltd* (揚州協鑫光伏科技有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of the Company
“Yangzhou Power”	Yangzhou Harbour Sludge Power Co., Ltd* (揚州港口污泥發電有限公司), a company incorporated in the PRC and a connected person of the Company
“Zhu Family Trust”	the discretionary trust known as the “Asia Pacific Energy Fund”, of which Mr. Zhu and his family (including Mr. Zhu Yufeng, an executive Director and son of Mr. Zhu) are beneficiaries
“%”	per cent.

This circular contains translations between Renminbi and Hong Kong dollar amounts at RMB1 = HK\$1.2442, being the exchange rate prevailing on 25 April 2018. The translations should not be taken as a representation that the Renminbi could actually be converted into Hong Kong dollars at that rate or at all.

* For identification purposes only

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Zhu Gongshan (*Chairman*)

Mr. Zhu Zhanjun (*Chief Executive Officer*)

Mr. Ji Jun

Mr. Zhu Yufeng

Ms. Sun Wei

Mr. Yeung Man Chung, Charles

(Chief Financial Officer & Company Secretary)

Mr. Jiang Wenwu

Mr. Zheng Xiongjiu

Independent non-executive Directors:

Ir. Dr. Ho Chung Tai, Raymond

Mr. Yip Tai Him

Dr. Shen Wenzhong

Mr. Wong Man Chung, Francis

Registered Office:

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Principal place of business
in Hong Kong:*

Units 1703B–1706, Level 17

International Commerce Centre

1 Austin Road West

Kowloon, Hong Kong

9 May 2018

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS REVISION OF ANNUAL CAPS AND AMENDMENTS TO THE NEW YANGZHOU STEAM SUPPLY AGREEMENT

INTRODUCTION

Reference is made to the announcement of the Company dated 25 April 2018 in relation to the New Yangzhou Steam Supply Agreement, as supplemented by the Supplemental Agreement, and the Revised Annual Caps.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things:

- (i) further information in relation to the Supplemental Agreement, including the Revised Annual Caps;
- (ii) the recommendations from the Independent Board Committee in respect of the Supplemental Agreement, including the Revised Annual Caps;
- (iii) the advice from Independent Financial Adviser to the Independent Board Committee and Independent Shareholders in respect of the Supplemental Agreement, including the Revised Annual Caps; and
- (iv) the notice to Shareholders convening the EGM to approve the Supplemental Agreement and the Revised Annual Caps.

THE NEW YANGZHOU STEAM SUPPLY AGREEMENT (AS SUPPLEMENTED BY THE SUPPLEMENTAL AGREEMENT)

The principal terms and conditions of the New Yangzhou Steam Supply Agreement (as supplemented by the Supplemental Agreement) are set out below.

(i) Date

30 June 2017 (as supplemented by the Supplemental Agreement dated 25 April 2018)

(ii) Parties

Supplier: Yangzhou Power

Customer: Yangzhou GCL

(iii) Subject Matter

Yangzhou Power agreed to supply, and Yangzhou GCL agreed to purchase, steam for industrial use with pressure of more than 0.6 Mpa and temperature at more than 150°C for the period commencing from 10 June 2017 and ending on 31 May 2020.

(iv) Consideration

The agreed steam supply price under the New Yangzhou Steam Supply Agreement, as supplemented by the Supplemental Agreement, will be RMB192.60 (equivalent to approximately HK\$239.63) per tonne and will be payable monthly in arrears based on the amount of steam supplied by Yangzhou Power in the relevant month. The agreed steam supply price has been adjusted to reflect the latest reference price published by the Yangzhou Price Bureau on 13 December 2017.

LETTER FROM THE BOARD

Subject to the Revised Annual Caps, if (1) the reference price prescribed by the Yangzhou Price Bureau is adjusted; or (2) otherwise agreed by the parties, the parties may adjust the steam supply price but in any event not exceeding the reference price prescribed by the Yangzhou Price Bureau (after adjustment, if any).

In addition, under the Supplemental Agreement, there is an one-off fee of RMB840,000 (equivalent to approximately HK\$1,045,000) for increasing the supply of steam to Yangzhou GCL.

(v) Basis of Consideration

The steam supply price was determined by arm's length negotiations between the parties with reference to the price prescribed by the Yangzhou Price Bureau. The Yangzhou Price Bureau publishes the reference price for steam to the industry from time to time. The latest reference steam price was published by the Yangzhou Price Bureau on 13 December 2017, stating that the price of steam should not be higher than RMB215 per tonne.

(vi) Conditions precedent

The New Yangzhou Steam Supply Agreement became effective after the New Yangzhou Steam Supply Agreement and the transactions contemplated thereunder were approved by the Independent Shareholders at the August 2017 EGM.

The effectiveness of the Supplemental Agreement shall be conditional upon the Supplemental Agreement and the Revised Annual Caps having been approved by the Independent Shareholders at the EGM.

THE PREVIOUS TRANSACTIONS AND THE REVISED ANNUAL CAPS

The amounts of the previous transactions under the New Yangzhou Steam Supply Agreement which form the basis of the Revised Annual Caps are set out below:

Previous Transactions

1 January 2016 to	RMB928,000
31 December 2016	(equivalent to approximately HK\$1,155,000)
1 January 2017 to	RMB2,001,000
31 December 2017	(equivalent to approximately HK\$2,490,000)

LETTER FROM THE BOARD

The original annual caps and the Revised Annual Caps for the continuing connected transactions contemplated under the New Yangzhou Steam Supply Agreement, as supplemented by the Supplemental Agreement are set out below:

	Original annual caps	Revised Annual Caps
1 January 2018 to 31 December 2018	RMB3,740,000 (equivalent to approximately HK\$4,653,000)	RMB7,993,000 (equivalent to approximately HK\$9,945,000)
1 January 2019 to 31 December 2019	RMB3,930,000 (equivalent to approximately HK\$4,890,000)	RMB10,719,000 (equivalent to approximately HK\$13,337,000)
1 January 2020 to 31 May 2020	RMB1,720,000 (equivalent to approximately HK\$2,140,000)	RMB5,309,000 (equivalent to approximately HK\$6,606,000)

The Revised Annual Caps were calculated after primarily taking into account of: (i) the current agreed steam supply price; (ii) the potential steam supply price movements in the PRC in the future; and (iii) the increased estimated consumption of steam by Yangzhou GCL as set out below:

	Original estimated steam consumption	Updated estimated steam consumption
1 January 2018 to 31 December 2018	20,000 tonnes	41,500 tonnes
1 January 2019 to 31 December 2019	20,000 tonnes	53,000 tonnes
1 January 2020 to 31 May 2020	8,340 tonnes	25,000 tonnes

The Revised Annual Caps are larger than the actual transaction amounts of the previous transactions as the Company took into consideration: (i) the latest steam supply price published by the Yangzhou Price Bureau; (ii) the fact that the latest steam supply prices are at a discount from the reference price published by the Yangzhou Price Bureau and, in the event that coal prices further increase, there will likely be consequential changes in the reference steam price published by the Yangzhou Price Bureau; and (iii) the expected increase in steam consumption by Yangzhou GCL as a result of the expansion of Yangzhou GCL's operations.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE SUPPLEMENTAL AGREEMENT AND THE REVISED ANNUAL CAPS

The New Yangzhou Steam Supply Agreement and the Supplemental Agreement were entered into in the usual and ordinary course of the Group's business. Steam is required by Yangzhou GCL for production of wafer and black-silicon products purpose.

The terms of the New Yangzhou Steam Supply Agreement and the Supplemental Agreement were negotiated based on normal commercial terms and the relevant prices were determined following arm's length negotiations between the parties.

The Directors (excluding the independent non-executive Directors whose view will be given after receiving the advice from the Independent Financial Adviser) believe that the Supplemental Agreement is on normal commercial terms and has been entered into in the ordinary and usual course of business of the Group, and terms of the Supplemental Agreement (including the Revised Annual Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

The Group

The Company is an investment company and its subsidiaries are principally engaged in the manufacturing and sale of polysilicon and wafer products, and developing, owning and operation of solar farms.

Yangzhou Power

Yangzhou Power is a company incorporated in the PRC, the principal business of which is the sale and generation of electricity and steam. Zhu Family Trust effectively holds 40.8% equity interests indirectly in Yangzhou Power.

LISTING RULES IMPLICATIONS

The New Yangzhou Steam Supply Agreement, together with the Approved Continuing Connected Transaction Agreements, were approved by the Independent Shareholders at the August 2017 EGM. The Company expects that the annual caps of the New Yangzhou Steam Supply Agreement previously approved at the August 2017 EGM would be exceeded.

Zhu Family Trust effectively holds 40.8% equity interests indirectly in Yangzhou Power, therefore Yangzhou Power is an associate of Mr. Zhu and a connected person of the Company. Accordingly, the transaction contemplated under the Supplemental Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

Pursuant to Rule 14A.54 of the Listing Rules, the Supplemental Agreement and the Revised Annual Caps constitute changes to the annual caps and terms of the New Yangzhou Steam Supply Agreement, and as the highest applicable percentage ratio in respect of the New Yangzhou Steam Supply Agreement (as supplemented by the Supplemental Agreement) and the Approved Continuing Connected Transaction Agreements, in aggregate, is more than 5%, the Company is required to re-comply with the disclosure, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the Supplemental Agreement and the Revised Annual Caps.

The Independent Board Committee has been established to advise the Independent Shareholders in respect of the terms of the Supplemental Agreement (including the Revised Annual Caps). The Company has appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the fairness and reasonableness of the Supplemental Agreement and the Revised Annual Caps.

As Mr. Zhu and Mr. Zhu Yufeng have a material interest in the Supplemental Agreement, Ms. Sun Wei is the vice chairman of Golden Concord Holdings Limited, a company controlled by Mr. Zhu, and Mr. Yeung Man Chung, Charles is the vice president of Golden Concord Group Limited, a company controlled by the Zhu Family Trust, they have abstained from voting on the resolutions of the Board in respect of the approval of the Supplemental Agreement and the Revised Annual Caps.

EGM

The EGM will be convened by the Company for the Independent Shareholders to consider and, if thought fit, approve the Supplemental Agreement and the Revised Annual Caps. Pursuant to the Listing Rules, any Shareholder with a material interest in the Supplemental Agreement and the Revised Annual Caps and its associates are required to abstain from voting in respect of the Supplemental Agreement and the Revised Annual Caps. As such, Mr. Zhu, Mr. Zhu Yufeng, Ms. Sun Wei, Mr. Yeung Man Chung, Charles and their respective associates are required to abstain from voting in respect of the Supplemental Agreement and the Revised Annual Caps.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISERS

The Independent Board Committee, comprising all the independent non-executive Directors, has been formed to consider and advise the Independent Shareholders in respect of the fairness and reasonableness of the terms of the Supplemental Agreement, including the Revised Annual Caps. Your attention is drawn to the letter from the Independent Board Committee set out on pages 11 to 12 of this circular, which contains its recommendation to the Independent Shareholders as to the voting at the EGM.

LETTER FROM THE BOARD

Frontier Capital Investment Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the fairness and reasonableness of the terms of the Supplemental Agreement, including the Revised Annual Caps. Your attention is drawn to the Letter from the Independent Financial Adviser set out on pages 13 to 20 of this circular.

RECOMMENDATION

The Directors (excluding the independent non-executive Directors, whose views are set out in the letter from the Independent Board Committee on pages 11 to 12 of this circular) consider that the terms of the Supplemental Agreement, including the Revised Annual Caps, are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Supplemental Agreement, including the Revised Annual Caps.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information contained in the appendix to this circular.

By order of the Board
GCL-Poly Energy Holdings Limited
Mr. Zhu Gongshan
Chairman



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)

To the Independent Shareholders

9 May 2018

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS
REVISION OF ANNUAL CAPS AND AMENDMENTS TO
THE NEW YANGZHOU STEAM SUPPLY AGREEMENT**

We refer to this circular dated 9 May 2018 issued by the Company to its Shareholders, of which this letter forms part. Unless the context otherwise requires, terms defined in this circular shall have the same meaning when used in this letter.

We have been appointed as the Independent Board Committee to advise the Independent Shareholders as to whether, in our opinion, the terms of the Supplemental Agreement, including the Revised Annual Caps, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Frontier Capital Investment Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the terms of the Supplemental Agreement, including the Revised Annual Caps.

We wish to draw your attention to (i) the letter of advice from the Independent Financial Adviser as set out on pages 13 to 20 of this circular; and (ii) the letter from the Board as set out on pages 4 to 10 of this circular, which set out information relating to, and the reasons for and benefits of the Supplemental Agreement and the Revised Annual Caps.

As the Company's independent non-executive Directors, we have discussed with the management of the Company the reasons for and benefits of the Supplemental Agreement and the Revised Annual Caps, and the basis upon which their terms have been determined. We have considered the factors and reasons considered by, and the opinions and recommendations of the Independent Financial Adviser, as set out on pages 13 to 20 of this circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We are of the opinion that the terms of the Supplemental Agreement, including the Revised Annual Caps, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to approve the Supplemental Agreement, including the Revised Annual Caps, to be proposed at the EGM.

Yours faithfully,

For and on behalf of the
Independent Board Committee

Ho Chung Tai,
Raymond

Yip Tai Him

Shen Wenzhong

Wong Man Chung,
Francis

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of the letter of advice from Frontier to the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreement, including the Revised Annual Caps, for the purpose of incorporation in this circular.



FRONTIER CAPITAL INVESTMENT LIMITED

23/F, Three Exchange Square,
Central, Hong Kong

9 May 2018

To the Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS REVISION OF ANNUAL CAPS AND AMENDMENTS TO THE NEW YANGZHOU STEAM SUPPLY AGREEMENT

INTRODUCTION

We refer to our engagement as independent financial adviser to advise the Independent Board Committee and the Independent Shareholders with respect to the transactions contemplated under the New Yangzhou Steam Supply Agreement (as supplemented by the Supplemental Agreement) (the “**Continuing Connected Transactions**”). Details of the Continuing Connected Transactions (including the Revised Annual Caps) are set out in the “Letter from the Board” contained in the circular of the Company to the Shareholders dated 9 May 2018 (the “**Circular**”), of which this letter forms part. We, Frontier, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and Independent Shareholders as to whether or not the terms of the Supplemental Agreement (including the Revised Annual Caps) are fair and reasonable so far as the Independent Shareholders are concerned.

Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

As at the Latest Practicable Date, Zhu Family Trust effectively holds 40.8% equity interests indirectly in Yangzhou Power, therefore Yangzhou Power is an associate of Mr. Zhu and a connected person of the Company. Accordingly, the transactions contemplated under the Supplemental Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

With the expected increase in steam consumption by Yangzhou GCL’s newly operating 2GW black-silicon plant and the recent notice published by Yangzhou Price Bureau in December 2017 in relation to the increase in steam reference price, the Company expected that the annual caps that

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

were previously sought and approved by the Independent Shareholders at the August 2017 EGM in connection with the New Yangzhou Steam Supply Agreement would be exceeded. Pursuant to Rule 14A.54 of the Listing Rules, the Supplemental Agreement and the Revised Annual Caps constituted changes to annual cap and terms of agreement and, as the highest applicable percentage ratio in respect of the New Yangzhou Steam Supply Agreement (as supplemented by the Supplemental Agreement) and the Approved Continuing Connected Transaction Agreements, in aggregate, is more than 5%, the Company is required to re-comply with the disclosure, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee, comprising all independent non-executive Directors, namely Ir. Dr. Ho Chung Tai, Raymond, Mr. Yip Tai Him, Dr. Shen Wenzhong and Mr. Wong Man Chung, Francis, has been established for the purpose to consider and to make recommendation to the Independent Shareholders on whether the terms of the Supplemental Agreement, including the Revised Annual Caps, are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

In formulating our opinion, we have reviewed, among other things, (i) the New Yangzhou Steam Supply Agreement; (ii) the Supplemental Agreement; (iii) the notices of reference prices of steam published by Yangzhou Price Bureau; (iv) certain executed contracts in relation to supply of steam entered into by Yangzhou Power to independent third party steam users; (v) the 2017 annual report of the Company (the “**2017 Annual Report**”) and (vi) the announcement of the Company dated 25 April 2018 in relation to the Continuing Connected Transactions. We have further relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Group (the “**Management**”) and have assumed that the information and facts provided and opinions expressed to us are true, accurate and complete in all material aspects at the time they were made and up to the date of the EGM. The Company also confirmed that there are no material facts have been omitted from the information supplied and opinions expressed to us. We have relied on such information and consider that the information we have received is sufficient for us to reach our advice and recommendation as set out in this letter and to justify our reliance on such information. We have no reason to believe that any material information has been withheld, nor to doubt the truth or accuracy of the information provided. We have, however, not conducted any independent investigation into the business and affairs of the Group, nor have we carried out any independent verification of the information supplied.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation on the fairness and reasonableness of terms of the Supplemental Agreement (including the Revised Annual Caps), we have taken into account the following principal factors and reasons:

1. Reasons for entering into the Supplemental Agreement

On 25 April 2018, Yangzhou GCL and Yangzhou Power entered into the Supplemental Agreement to revise certain terms of the New Yangzhou Steam Supply agreement, including, among others, the agreed steam supply price and the annual caps for the continuing connected transactions thereunder. In addition, there is a one-off fee of RMB840,000 shall be payable by Yangzhou GCL to Yangzhou Power for changing and/or adjusting the pipelines size connected to the plants to cater for the increase in steam supply. Save for the aforesaid, there is no other changes to the terms of the New Yangzhou Steam Supply Agreement.

To assess the reasonableness for entering into the Supplemental Agreement, we have considered that: (i) the newly constructed 2GW black-silicon plant in Yangzhou has commenced operation in full in November 2017 and hence steam consumption is expected to further increase; and (ii) the reference steam price as published by Yangzhou Price Bureau has increased to not more than RMB215 per tonne with effect from December 2017, as opposed to the previously published reference price on 13 February 2017 of not more than RMB198 per tonne.

As the Company explained to us, steam is principally used for generating heat for Yangzhou GCL's existing and new plants to manufacture wafer and black-silicon products; and more steam is required for manufacturing black-silicon products as compared to wafer products. Therefore, with the increased demand for steam in its production and the reference price of steam has also been increased by the authority, the Company expected that the annual caps previously sought and approved by the Independent Shareholders at the August 2017 EGM in connection with the New Yangzhou Steam Supply Agreement would be exceeded. On this basis, we consider that the entering into of the Supplemental Agreement (including the Revised Annual Caps) is reasonable.

2. Principal terms of the New Yangzhou Steam Supply Agreement (as Supplemented by the Supplemental Agreement)

Pursuant to the New Yangzhou Steam Supply Agreement, Yangzhou Power agreed to supply, and Yangzhou GCL agreed to purchase, steam with pressure of more than 0.6 Mpa and temperature at more than 150°C for the period, commencing from 10 June 2017 and ending on 31 May 2020. Under the Supplemental Agreement, subject to the approval by Independent Shareholders at the EGM, the proposed terms thereunder shall become effective from 25 April 2018 (being the date of the Supplemental Agreement) and ending on 31 May 2020.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Consideration

Pursuant to the Supplemental Agreement, the agreed steam supply price for steam with pressure of more than 0.6 Mpa and temperature at more than 150°C is RMB192.6 (equivalent to approximately HK\$239.6) per tonne, which was determined after arm's length negotiations between the parties with reference to the reference price prescribed by Yangzhou Price Bureau, which publishes reference steam prices to the industry from time to time. Subject to the Revised Annual Caps, if (i) the reference price prescribed by Yangzhou Price Bureau is adjusted; or (ii) otherwise agreed by the parties under the New Yangzhou Steam Supply Agreement (as supplemented by the Supplemental Agreement), the parties may adjust the steam supply price from time to time but in any event shall not exceed the reference price prescribed by Yangzhou Price Bureau (after adjustment, if any).

Based on the information available to us, the latest steam price notice published by Yangzhou Price Bureau on the reference price of steam was on 13 December 2017, stating that the price of steam should not be higher than RMB215 per tonne. We were advised that no changes have been made to such reference price since and up to the Latest Practicable Date.

To assess the fairness and reasonableness of the consideration under the Supplemental Agreement, we have reviewed (i) the notice of the reference price of steam published by Yangzhou Price Bureau dated 13 December 2017; and (ii) certain executed contracts in relation to the supply of steam by Yangzhou Power to independent third party steam users. We noted that the (a) agreed price of steam with pressure of more than 0.6 Mpa under the Supplemental Agreement represents a discount to the reference price published by Yangzhou Price Bureau of RMB215 per tonne; and (b) the prices of relevant steam that offered by Yangzhou Power in its contracts with other independent third party steam users are not more favorable than that of Yangzhou GCL. We, therefore, consider that the steam supply price and consideration under the Supplemental Agreement are fair and reasonable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Revised Annual Caps

In determining the Revised Annual Caps, the Company has taken into account of: (a) the amounts of the previous transactions under the New Yangzhou Steam Supply Agreement, and (b) the prior approved annual caps at the August 2017 EGM (the “**Original Annual Caps**”) as follows:

Historical or actual transaction amounts incurred during the term of New Yangzhou Steam Supply Agreement and up to 31 December 2017:

Period	Historical or actual transaction amounts
1 January 2016 to 31 December 2016	RMB928,000 (or approximately HK\$1,155,000)
1 January 2017 to 31 December 2017	RMB2,001,000 (or approximately HK\$2,490,000)

Original Annual Caps and the Revised Annual Caps for the period from 1 January 2018 to 31 May 2020:

Period	Original Annual Caps <i>(Note)</i>	Revised Annual Caps <i>(Note)</i>
1 January 2018 to 31 December 2018	RMB3,740,000 (or approximately HK\$4,653,000)	RMB7,993,000 (or approximately HK\$9,945,000)
1 January 2019 to 31 December 2019	RMB3,930,000 (or approximately HK\$4,890,000)	RMB10,719,000 (or approximately HK\$13,337,000)
1 January 2020 to 31 May 2020	RMB1,720,000 (or approximately HK\$2,140,000)	RMB5,309,000 (or approximately HK\$6,606,000)

Note: Figures are rounded for ease of references.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As set out in the Letter from the Board to the Circular, the Revised Annual Caps were calculated based on *inter alia*, (i) the expected steam price; and (ii) the expected steam consumption volume by Yangzhou GCL. To assess the fairness and reasonableness of the Revised Annual Caps, we have reviewed the expected steam price and consumption volume of Yangzhou GCL for the period from 1 January 2018 to 31 May 2020 as follows:

	1 January 2018– 31 December 2018	1 January 2019– 31 December 2019	1 January 2020– 31 May 2020	Steam price published by Yangzhou Price Bureau
<i>Original Annual Caps</i>				
Price per tonne (RMB)				
(“ Original Price(s) ”)	187.1	196.5	206.3	198
Volume (tonne)				
(“ Original Volume(s) ”)	20,000	20,000	8,340	
<i>Revised Annual Caps</i>				
Price per tonne (RMB)				
(“ Revised Price(s) ”)	192.6	202.2	212.3	215
Volume (tonne)				
(“ Revised Volume(s) ”)	41,500	53,000	25,000	

We noted from the above table that the Revised Prices are higher than the Original Prices for the period from 1 January 2018 to 31 May 2020. As advised by the Management, both the Original Prices and Revised Prices were determined: (i) with reference to the latest reference price of steam prescribed by Yangzhou Price Bureau from time to time, and (ii) based on the expected year-on-year increase of the reference price to be about 5%. In connection with this, we have reviewed the notices published by Yangzhou Price Bureau on the reference steam prices since 2015 and up to the Latest Practicable Date and noted that the percentage changes of steam prices during the period were ranging between approximately –6.1% to +8.6%. We also noted that the Revised Prices for the period from 1 January 2018 to 31 May 2020 are not higher than the latest reference price of RMB215 per tonne. In light of the aforesaid, we consider that the basis in determining the Revised Prices is in line with that of the Original Prices and that, the expected 5% increment in price applied by the Group falls within the ambit of the historical percentage changes, is fair and reasonable.

In respect of the Revised Volumes, we noted that the Revised Volumes are higher than the Original Volumes for the period from 1 January 2018 to 31 May 2020. The Management explained that such increase is principally due to the expansion of Yangzhou GCL’s operations. Yangzhou GCL has fully completed the construction of its plant for the 2GW black-silicon project on 16 October 2017 which has commenced operation in full in November 2017. As advised by the Management, Yangzhou GCL originally used electricity to generate heat for its black-silicon plant and later considered that using steam is more appropriate and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

beneficial. We have reviewed the actual monthly steam consumption information of the existing plants and new black-silicon plant of Yangzhou GCL for the period from 1 January 2018 to 31 March 2018 and noted that steam consumption of the new black-silicon plant is over 100% higher than that of the existing plants. Therefore, the steam consumption of Yangzhou GCL starting from 2018 has increased significantly due to the newly operating black-silicon plant. On this basis, we consider the basis in determining the Revised Volumes applied by the Group in arriving the Revised Annual Caps is to be fair and reasonable.

One-off fee for increasing supply of steam

Pursuant to the Supplemental Agreement, there is a one-off fee of RMB840,000 (equivalent to approximately HK\$1,045,000) shall be payable by Yangzhou GCL to Yangzhou Power for increasing the steam supply.

As advised by the Management, given that the steam consumption volume has increased substantially after the new black-silicon plant has decided to use steam in its manufacturing and operation processes, Yangzhou GCL and Yangzhou Power agreed to apply a one-off fee of RMB840,000 to adjust the size of the existing pipelines in order to meet the increased steam consumption volume of Yangzhou GCL.

In connection to the above, we noted that, back in 2011, Yangzhou GCL and Yangzhou Power entered into an agreement dated 16 July 2011, pursuant to which Yangzhou Power agreed to supply steam to Yangzhou GCL and a one-off fee of RMB840,000 was also applied by Yangzhou Power for the pipelines adjustment service. On this basis, we consider that the one-off fee under the Supplemental Agreement is in line with the normal practice of Yangzhou Power and it is fair and reasonable.

Based on the above-mentioned factors and reasons considered, we are of the view that the terms of the Supplemental Agreement (including the Revised Annual Caps) are fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

Having taken into account the above principal factors, we are of the view that (i) the entering into of the Supplemental Agreement is in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Supplemental Agreement are on normal commercial terms, together with the bases of the Revised Annual Caps, are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves advise, the Independent Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the EGM to approve the Supplemental Agreement and the transactions contemplated thereunder including the Revised Annual Caps.

Yours faithfully,

For and on behalf of

Frontier Capital Investment Limited

Letitia Yip

Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Directors' and chief executives' interests and short positions in shares and underlying shares of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, were as follows:

Long position in the Shares:

Name of Director/ chief executive	Number of Shares held			Number of underlying Shares held	Total	Approximate percentage of issued share capital of the Company
	Beneficiary of a trust	Corporate interests	Personal/ Family interests			
Zhu Gongshan	6,197,054,822 (note 1)	—	—	173,333,334 (note 1)	6,370,388,156	34.26%
Zhu Zhanjun	—	—	3,400,000	2,719,359 (note 2)	6,119,359	0.03%
Ji Jun	—	—	—	2,215,774 (note 2)	2,215,774	0.01%
Zhu Yufeng	6,197,054,822 (note 1)	—	—	175,851,259 (note 3)	6,372,906,081	34.28%
Sun Wei	—	—	5,723,000	3,222,944 (note 2)	8,945,944	0.05%
Yeung Man Chung, Charles	—	—	—	1,700,000 (note 2)	1,700,000	0.01%
Jiang Wenwu	—	—	9,600,000	1,712,189 (note 2)	11,312,189	0.06%
Zheng Xiongjiu	—	—	250,000	2,517,924 (note 2)	2,767,924	0.01%
Ho Chung Tai, Raymond	—	—	—	1,007,170 (note 2)	1,007,170	0.01%
Yip Tai Him	—	—	—	1,007,170 (note 2)	1,007,170	0.01%

Notes:

- (1) An aggregate of 6,197,054,822 Shares are collectively held by Highexcel Investments Limited, Happy Genius Holdings Limited and Get Famous Investments Limited, which are wholly-owned by Golden Concord Group Limited, which in turn is wholly-owned by Asia Pacific Energy Holdings Limited. Asia Pacific Energy Holdings Limited is in turn wholly-owned by Asia Pacific Energy Fund Limited. Asia Pacific Energy Fund Limited is ultimately held under a discretionary trust with Credit Suisse Trust Limited as trustee for Mr. Zhu Gongshan and his family (including Mr. Zhu Yufeng, a Director and the son of Mr. Zhu Gongshan) as beneficiaries. Happy Genius Holdings Limited had lent 312,000,000 Shares to the convertible bond investor's associate under the shares lending agreement dated 23 November 2013 (as amended by an agreement dated 15 July 2015 and further amended by an agreement dated 25 January 2016), out of which 69,333,333 shares were returned on 29 April 2016 and 69,333,333 shares were returned on 7 April 2017. Happy Genius Holdings Limited was thus also interested in a long position of 173,333,334 Shares.
- (2) These are share options granted by the Company to the Directors, pursuant to the share option scheme, adopted by the shareholders of the Company on 22 October 2007. Such granted share options can be exercised by the Directors at various intervals during the period from 1 April 2009 to 28 March 2026 at an exercise price of HK\$1.324, HK\$1.160 or HK\$0.586.
- (3) The 175,851,259 underlying shares comprise the long position of 173,333,334 Shares held by Happy Genius Holdings Limited under Note (1) and 2,517,925 share options mentioned under Note (2) above.

Long position in the shares of the Company's associated corporation, namely GCL New Energy Holdings Limited ("**GCL New Energy**"), in which the Company indirectly holds approximately 62.28% issued shares:

Name of Director/ chief executive	Number of shares of GCL New Energy held			Number of underlying shares held	Total	Approximate percentage of issued share capital of GCL New Energy
	Beneficiary of a trust	Corporate interests	Personal interests			
Zhu Gongshan	1,909,978,301 (note 1)	—	—	—	1,909,978,301	10.01%
Zhu Yufeng	1,909,978,301 (note 1)	—	—	3,523,100 (note 2)	1,913,501,401	10.03%
Sun Wei	—	—	—	27,178,200 (note 2)	27,178,200	0.14%
Yeung Man Chung, Charles	—	—	—	15,099,000 (note 2)	15,099,000	0.08%
Zheng Xiongjiu	—	—	2,450,000	—	2,450,000	0.01%

Notes:

- (1) 1,909,978,301 shares in GCL New Energy are beneficially owned by Dongsheng Photovoltaic Technology (Hong Kong) Limited ("**Dongsheng PV**"). Dongsheng PV is wholly-owned by GCL System Integration Technology Co., Ltd. and approximately 22.40% and 28.19% of the issued shares in GCL System Integration, the holding company of Dongsheng PV, is held by the Zhu Family Trust and Mr. Zhu Yufeng, an executive director of GCL New Energy and son of Mr. Zhu Gongshan, respectively.

- (2) These are share options granted by GCL New Energy. Such granted share options can be exercised by Mr. Zhu Yufeng at the interval between 24 July 2015 and 23 July 2025 at an exercise price of HK\$0.606 per share of GCL New Energy and by Ms. Sun Wei and Mr. Yeung Man Chung, Charles at the interval between 24 November 2014 and 23 July 2025 at an exercise price of HK\$1.1798 or HK\$0.606 per share of GCL New Energy.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any member of the Group which is not determinable within one year without payment of compensation other than statutory compensation.

4. DIRECTORS' INTERESTS IN ASSETS OR CONTRACTS AND OTHER INTERESTS

Save for: (i) the Supplemental Agreement contemplated hereunder; (ii) the entering into of the Subscription Agreement between Stand Virtue Limited, a wholly owned subsidiary of the Company, and Millennial Lithium Corp., as disclosed in the announcement of the Company dated 26 February 2018; and (iii) the entering into of the Loan Agreement between the Company and GCL New Energy Development Limited 協鑫新能源發展有限公司, as disclosed in the announcement of the Company dated 19 April 2018, as at the Latest Practicable Date, none of the Directors or proposed Directors had, or has had, any direct or indirect interest in any assets which have been acquired, disposed of by or leased to, or which are proposed to be acquired, disposed of by or leased to, any member of the Group since 31 December 2017, being the date to which the latest published and audited consolidated financial statements of the Company were made up.

Save for the Supplemental Agreement contemplated hereunder and transactions which were disclosed pursuant to the Listing Rules, there was no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date of which any Director is materially interested and which is significant in relation to the business of the Group.

5. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, save as disclosed below, so far as the Directors were aware, none of the Directors or their respective associates had interest in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group.

Name of Director	Name of company in which the relevant Director has interest	Principal activities of the competing company	% interest in competing company
Mr. Zhu Yufeng	Xilingol Zhongneng Silicon Co., Ltd.* (錫林郭勒中能硅業有限公司) (Dormant and inactive)	Intend to produce polysilicon ingot upon completion of construction	Mr. Zhu Yufeng, through companies controlled by him, holds 70% interest

*Note: * English name for identification only*

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial position or trading position of the Group since 31 December 2017, being the date to which the latest published and audited financial statements of the Group were made up.

7. EXPERT AND CONSENT

The following expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears:

Name	Qualification
Frontier Capital Investment Limited	A corporation licensed under the SFO to carry out Type 1, Type 4 and Type 6 regulated activities

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group nor did they have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any interest, direct or indirect, in any assets which have been since 31 December 2017 (being the date to which the latest published audited consolidated accounts of the Group were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

8. GENERAL

The English text of this circular prevails over its Chinese translation in case of discrepancy.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at Unit 1703B–1706, Level 17, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong during normal business hours on any weekday (except public holidays) from the date of this circular up to and including 28 May 2018:

- (a) the Supplemental Agreement;
- (b) the New JZ Steam Supply Agreement dated 30 June 2017 entered into between Xuzhou Jinshanqiao Cogeneration Co., Ltd.* (徐州金山橋熱電有限公司) as the supplier and Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd.* (江蘇中能硅業科技發展有限公司) as the customer in relation to the supply of steam;
- (c) the New GCL Steam Supply Agreement dated 30 June 2017 entered into between Xuzhou Jinshanqiao Cogeneration Co., Ltd.* (徐州金山橋熱電有限公司) as the supplier and Jiangsu GCL Silicon Material Technology Development Co., Ltd.* (江蘇協鑫硅材料科技發展有限公司) as the customer in relation to the supply of steam;
- (d) the New Yangzhou Steam Supply Agreement dated 30 June 2017 entered into between Yangzhou Harbour Sludge Power Co., Ltd.* (揚州港口污泥發電有限公司) as the supplier and Yangzhou GCL Photovoltaic Technology Co., Ltd.* (揚州協鑫光伏科技有限公司) as the customer in relation to the supply of steam;
- (e) the Taicang Steam Supply Agreement dated 30 June 2017 entered into between Taicang GCL Power Generation Co., Ltd.* (太倉港協鑫發電有限公司) as the supplier and Taicang GCL Photovoltaic Technology Co., Ltd.* (太倉協鑫光伏科技有限公司) as the customer in relation to the supply of steam;
- (f) the JX Steam Supply Agreement dated 30 June 2017 entered into between Xuzhou Jinshanqiao Cogeneration Co., Ltd.* (徐州金山橋熱電有限公司) as the supplier and Jiangsu Xinhua Semiconductor Material Technology Limited (江蘇鑫華半導體材料科技有限公司) as the customer in relation to the supply of steam;
- (g) the New Desalted Water Supply Agreement dated 30 June 2017 entered into between Xuzhou Jinshanqiao Cogeneration Co., Ltd.* (徐州金山橋熱電有限公司) as the supplier and Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd.* (江蘇中能硅業科技發展有限公司) as the customer in relation to the supply of desalted water;

- (h) the framework agreement dated 21 November 2017 entered into between GCL-Poly (Suzhou) New Energy Co., Ltd.* (保利協鑫(蘇州)新能源有限公司), GCL System Integration Technology Co., Ltd.* (協鑫集成科技股份有限公司) and GCL System Integration Technology (Suzhou) Ltd.* (協鑫集成科技(蘇州)有限公司) in relation to the supply and purchase of the wafer products;
- (i) the letter from the Independent Board Committee, the text of which is set out on pages 11 to 12 of this circular;
- (j) the letter from the Independent Financial Adviser, the text of which is set out on pages 13 to 20 of this circular; and
- (k) the written consents referred to under the section headed “Expert and Consent” in this Appendix.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “EGM”) of GCL-Poly Energy Holdings Limited (the “**Company**”) will be held at Centenary Room III, G/F., Marco Polo Hongkong Hotel, 3 Canton Road, Tsimshatsui, Kowloon, Hong Kong on Monday, 28 May 2018 at 12 p.m. or immediately after the annual general meeting of the Company, whichever is later, for the purpose of considering and, if thought fit, passing with or without modification the following ordinary resolution of the Company:

ORDINARY RESOLUTION

1. **“THAT**

- (a) the supplemental agreement (the “**Supplemental Agreement**”) dated 25 April 2018 entered into between Yangzhou Harbour Sludge Power Co., Ltd* (揚州港口污泥發電有限公司) and Yangzhou GCL Photovoltaic Technology Co., Ltd* (揚州協鑫光伏科技有限公司) to amend the agreement (the “**New Yangzhou Steam Supply Agreement**”) dated 30 June 2017 and the annual caps thereunder, a copy of which marked “A” has been tabled before the meeting and initiated by the chairman of the meeting for identification purpose, and the transactions contemplated thereunder and the execution of which be and are hereby approved, ratified and confirmed;
- (b) the revised annual caps for the transactions under the New Yangzhou Steam Supply Agreement, as supplemented by the Supplemental Agreement, as stated in the circular of the Company dated 9 May 2018 for the period from 1 January 2018 to 31 May 2020 be and are hereby approved, ratified and confirmed; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) any one of the directors of the Company be and is hereby authorised to do all such acts and things and to execute all such documents for the purpose of, or in connection with, the implementation of and giving effect to the Supplemental Agreement and the transactions ancillary thereto and of administrative nature which he/she considers necessary, desirable or expedient.”

By order of the Board
GCL-Poly Energy Holdings Limited
Mr. Zhu Gongshan
Chairman

Hong Kong, 9 May 2018

Notes:

* *English name for identification only*

- (1) Any shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A shareholder of the Company who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company.
- (2) In order to be valid, a form of proxy and the power of attorney (if any) or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be deposited with the Company's Hong Kong share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof.
- (3) Shareholders of the Company who are entitled to vote at the EGM are those whose names appear as shareholders on the register of members of the Company as at the close of business on Friday, 25 May 2018. In order to qualify for attending and voting at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the share registrar of the Company, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:30 p.m. on 18 May 2018.
- (4) Delivery of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the EGM convened and in such event, the form of proxy shall be deemed to be revoked.
- (5) In the case of joint registered holders of any share, any one of such joint registered holders may vote at the EGM, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint registered holders be present at the EGM, the vote of the senior who tenders a vote either personally or by proxy shall be accepted to the exclusion of the votes of the other joint registered holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

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