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)

PRELIMINARY ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

FINANCIAL HIGHLIGHTS

	2017	2016
	RMB million	*RMB million*
From continuing operations — Solar Energy Business		
Revenue	**3,942**	2,246
Adjusted EBITDA*	**3,442**	1,904
Profit attributable to owners of the Company	**764**	299
	RMB cents	*RMB cents*
Earnings per share		
From continuing operations		
– Basic and diluted	**4.01**	1.61

* *Earnings before finance costs, taxation, depreciation and amortisation and non-operating items.*

CHAIRMAN'S STATEMENT

Dear Shareholders and investors,

GCL New Energy has developed a strong foothold in the realm of sustainable development and innovation while standing in the forefront of the international market with an open-minded and inclusive view against the backdrop of significant transformation of global economic landscape and continuous deepened energy structure. In additional to the mature markets such as the United States, Japan and Europe, we also focus on key overseas market and have established long-term cooperative relationship with countries and governments along the "Belt and Road" route to improve our global competitiveness and influence. As of 31 December 2017, GCL New Energy had a total installed capacity of approximately 6GW, representing an 70% year-on-year growth, to remain the world's second largest by capacity. Its profitability has continued to improve with the profit attributable to shareholders of the Solar Energy Business in 2017 accounted for about RMB764 million, increased significantly by 156% compared with the same period last year. The Company's electricity sales increased by 92% to about 5.3 billion kWh, as compared to the corresponding period of last year. We over-fulfilled our targets in 2017 and further fortified our leading position on the world's solar energy platform.

1. Energy development and business overview

Climate change is a common challenge for the whole world. In 2017, the International Energy Agency combined the sustainable development and energy-related goals set by the United Nations for the first time, and estimated that the share of low-carbon energy would be doubled to 40% by 2040.

China maintained steady economic growth in 2017 with the growth rate of total electricity consumption reached approximately 6.6%, demonstrated the demand for electricity is recovering gradually and the prospect of solar energy industry is set to flourish. In the same year, renewable energy power generation reached 1.7 trillion kWh, a year-on-year increase of 150 billion kWh, which accounted for approximately 26% of total power generation, up 0.7 percentage point from a year earlier. Among them, solar power generation accounted for 118.2 billion kWh, a year-on-year increase of approximately 79% which was substantially higher than the growth of generation from wind power and hydropower. In 2017, the Company leveraged on its "four-in-one" major businesses of development, construction, operation and financing to continuously promote the transformation and upgrading, accelerate the innovation of business model and enhance management.

2. Business review

(1) Seizing the pulse of the times and shouldering the mission of the times

The development of GCL New Energy is closely in line with China's strategy of building a clean, low-carbon, safe and efficient energy system. The year 2017 was a year to pursue the 13th Five-Year Plan and conduct comprehensive structural adjustment and transformation while The 19th National Congress of the Communist Party of China has also emphasized the importance of promoting the revolution of energy production and consumption, pointing out the direction for the solar power industry.

As a clean energy supplier, we also shoulder the social mission entrusted by this new era as we are striving to create economic value for shareholders, employees and the society. We have been dedicated to the rural communities by creating jobs supporting poverty alleviation works and driving the development of other related industries as well as continuously enhancing the ecological environment. We generate green energy to protect the environment. In 2017, we reduced 5.15 million tons of annual carbon dioxide emission compared with thermal power generation, equivalent to planting 210,000 mu of forest.

We actively practice "targeted poverty alleviation" policy. The Company holds approximately 1,170MW of poverty alleviation projects and quota to date, ranking first in China, which can help a total of about 38,000 households in poverty with a total of approximately RMB2 billion to fund poverty alleviation in 20 years, to vitalize poverty alleviation with solar power, benefit people and contribute to the building of a "beautiful China".

(2) Innovating investment and financing and guaranteeing sustainable businesses

In 2017, under the pressure of financial policies including the macroeconomic policy, the federal reserve to raise interest rates and new rules of Bank of China, we explored unremittingly and placed great efforts to come out with scientific planning, balance development and innovation in investment and financing so as to guarantee the sustainable development of the Company.

In 2017, we successfully issued China's first solar energy green bond; our Suzhou investment platform in China successfully introduced the strategic shareholder, Jiangsu Minying Investment Holding Co., Ltd. (江蘇民營投資控股有限公司) ("Jiangsu Minying Investment"), which injected vitality into our domestic business. The Company obtained "BB-" rating from Standard & Poor Inc ("Standard & Poor's") and "Ba2" good credit rating from Moody' Investors Service, Inc. ("Moody's") for the first time and successfully issued US$500 million bonds abroad in January 2018, gaining high recognition from global investors and capital markets and consolidated our position in overseas capital market.

(3) Expanding into overseas markets and focusing on key businesses

The development of overseas markets has become an important strategy for the long-term development of GCL New Energy. In 2017, we stepped up overseas markets expansion and started the recruitment of international talents to attract and cultivate excellent individuals to join the team. We cooperated with influential partners and financial institutions from Europe, the United States, Japan and other developed countries. Meanwhile, we accelerated the development in countries along the "Belt and Road" route, building long-term cooperation with governments and enterprises in regions including Africa, Southeast Asia and the Middle East to greatly increased our resources internationally. Despite of the enormous potentials in the overseas markets, we allocate our resources prudentially and endeavour to choose the most appropriate plan for the long-term development of the Group.

With the transformation and upgrading of the solar industry, distributed solar power plant business equipped with great potentials. We developed provincial companies and through focusing on key areas and market segments to build good partnership with high-quality large enterprises such as subsidiaries of Hon Hai Precision Industry (中國鴻海精密集團), AB InBev (China) Group (百威英博(中國)集團) and Beijing Grain Group (北京糧食集團) to provide safe, stable and clean energy for their factories across the country.

Projects of "Solar + Agriculture" and Frontrunner Program have blossomed and formed a diversified development model. Through sustainable development, we applied specific measures according to local conditions, we have established a benchmark in the industry with quality farming, fishing, poultry and animal husbandry and forestry complemented solar projects. We have high standards and stringent requirements for project development. Our 100MW Frontrunner project in Shanxi (GCL Ruicheng) took the lead to grid connect in full capacity nationwide, enabling the Company continue to lead the industry. The development of the Company has created win-win situations for enterprises, villages and farmers. At present, the Company has 69 solar agricultural complemented solar power plants with a capacity of approximately 2.1GW, accounting for about 38% of the Company's overall capacity.

3. 2018 Prospects

Looking ahead into 2018, China's solar industry is transforming from large-scale development to compete in diversification and differentiation amid of stringent economic and market challenges ahead. As the solar industry becomes more and more mature, the quality of solar power generation is improving while the cost continues to decline and grid parity is in sight.

In 2018, GCL New Energy will continue to strengthen its domestic business and focus not only on ground-mounted solar power projects but also step up the development of distributed solar power plant business and continue to lead the industry with Frontrunner and poverty alleviation projects. At the same time, we will accelerate our international business, focus on key overseas markets with high-quality resources and continuously improve our international competitiveness. We will facilitate the Company's strategic transformation through measures such as resource integration, collaborative development, scientific and technological innovation, and innovative financing and launch fining management for sustainable business development of the Company.

We believe that the development of GCL New Energy is closely linked to global energy reform and national strategy. We appreciate the responsibility and mission in the new era. We will work hard to deliver efficient, safe and clean energy to every household in every corner of the world. On behalf of the Board, I would like to take this opportunity to express my sincerest gratitude to all the employees who works hard in the frontline and everyone at GCL New Energy!

Zhu Yufeng
Chairman

PRESIDENT'S MESSAGE

In 2017, under the leadership of the Board and the management amid of increasing competition and stringent financial environment, GCL New Energy proactively adjusted its development strategy. Leveraged on its concrete "Four-in-One" platform of development, construction, operation and financing to accelerate strategic collaboration and facilitate the "Five Transformation and Upgrades" development objective. With an aim to achieve a sustainable business model, business development has been focusing on achieving stable growth, lowering debt, modifying structure and devoting to quality and every target was fully accomplished in the year.

SUSTAINED LEAPFROG DEVELOPMENT IN SOLAR ENERGY BUSINESS

In 2017, GCL New Energy had a total installed capacity of approximately 5,990MW, representing a significant growth of around 70% compared with the same period of last year, maintaining its second place globally. In particular, the number of solar power plants in China increased from 87 to 157, scattering in 26 provinces, and five solar power projects in the US and Japan with the capacity of approximately 92MW. The Group's grid-connected capacity surged by around 75% to approximately 5,503MW from approximately 3,138MW over the same period of last year, while total electricity sales increased substantially by around 92% to approximately 5,347 million kWh from approximately 2,790 million kWh over the same period of last year. During the year, the Group recorded a phenomenal growth of around 76% and 156% respectively in revenue and profit attributable to shareholders of the Solar Energy Business to approximately RMB3.94 billion and RMB764 million, respectively.

MULTIFACETED TRANSFORMATION AND UPGRADE OF PROJECTS, WITH LEADING PROGRESS IN FRONTRUNNER AND POVERTY ALLEVIATION

Being supported by the national authorities, the solar energy industry has been growing rapidly, enabling China to become the world's largest solar market. In 2017, the country added over 53GW of newly installed capacity in solar power generation, with a cumulative installed capacity of 130GW. The development of solar industry is moving from ground-mounted power plants to the combination of ground-mounted and distributed solar power plants with Solar Frontrunner ("Frontrunner") and Solar Poverty Alleviation ("Solar Poverty Alleviation") projects gaining prominence. During the year, GCL New Energy continued to facilitate the provincial companies to develop Frontrunner and solar poverty alleviation projects, and through adopting differentiated development strategy to diversify its projects.

Solar Frontrunner

Backing by the Chinese government with an aim to achieve grid-parity by 2020, Frontrunner has stepped into the third year of launching with its scale to be the focus of the solar power industry. In 2017, the capacity approved for Frontrunner amounted to 6.5GW, larger than 5.5GW in 2016. The National Energy Administration ("NEA") announced that the capacity of each phase of Frontrunner from 2017 to 2020 to be approximately 8GW, including approximately 6.5GW for application bases and approximately 1.5GW for technical bases. Frontrunner adopts bidding system which not only promotes the professionalism of the industry but also in favour to solar energy companies which possess advanced technological skillsets. GCL New Energy is in a favorable position to secure Frontrunner projects, owing to its inhouse design and research institute and professional teams, outstanding operation and business performance. In 2016, the Group obtained approximately 360MW of Frontrunner projects, ranked third nationwide, with its 100MW Frontrunner project at the pilot base of Ruicheng, Shanxi be the first to achieve full capacity grid connection among the eight pilot bases, significant implication is bought in various respects. In 2018, the Group will leverage its innovative technologies, finance and business models as well as the prominent position of its largest shareholders on the value chain, to focus on the application of Frontrunner while strictly comply with the relevant policy requirements to prudently organize and push forward the planning.

Solar Poverty Alleviation

In 2017, the NEA expressly stated the need to further optimize the layout of solar poverty alleviation projects, with a priority to support the construction of solar poverty alleviation power plants in villages. For villages with sufficient capital and appropriate grid connection access, no restriction will be imposed on the installed capacity. In July 2017, the NEA stated in the "Guidelines on the Implementation of the 13th Five-Year Development Plan for Renewable Energy" (《關於可再生能源發展"十三五"規劃實施的指導意見》), that all provinces are required to prioritize the 2017 construction quota for solar poverty alleviation purposes while over ten provinces are explicitly required to allocate all new quota to solar poverty alleviation, which shows the government is placing great emphasis on supporting solar poverty alleviation which set to become the "13th Five-Year Plan" highlight for the entire solar industry. GCL New Energy actively participate in solar poverty alleviation and the Group has achieved total grid connection of poverty alleviation projects of approximately 570MW as of the end of 2017, including the first batch of 250MW solar poverty alleviation quota obtained in 2016. Meanwhile, the Company obtained a capacity of 600MW solar poverty alleviation projects in 2017, with the most capacity in the country and the projects are expected to be grid connected in 2018. When planning the construction of solar poverty alleviation projects, the Group is taking the local economy into consideration and through the design and application of advanced technology to build most of the Group's solar poverty alleviation projects to complement with agriculture in order to stimulate agricultural sector and development of rural economy.

Distributed Solar Power Plant Projects

In 2017, the domestic market of distributed solar power projects saw a phenomenal growth with an additional installed capacity of more than 19GW, representing a year-on-year growth of 3.7 times. The National Development and Reform Commission and the NEA issued a notice to specify the launch of market-oriented transactions for distributed solar power generation in pilot areas in early 2018, which indicated that electricity transactions can take place between distributed solar power projects and the nearby electricity users within the power distribution network, while power grid companies shall be responsible for electricity transmission and charge a standard transmission fee. This approach allows distributed solar power projects to sell electricity directly to end users, not solely rely on obtaining subsidies from the "Full On-grid Access" and "Self Sufficiency with Remaining Amount for On-grid Access" approaches. As distributed solar power projects are not affected by curtailment and favored by national policies, it is expected to be the driving force of the solar industry.

During the year, GCL New Energy accelerated the development of its distributed solar power business by establishing distributed solar power business department at provincial companies and optimizing the appraisal plan to place greater effort on the business. Meanwhile, the Company achieved a significant breakthrough in developing major clientele by establishing strategic collaboration with renowned multinational corporations and large domestic corporations as well as establishing financing cooperation with several financial institutions. These approaches allow the distributed solar power plant projects to obtain financing terms that is close to the ground-mounted and overcome the difficulties such as short financing maturity, high interest rate and low proportion of financing.

Overseas Projects

In respect of overseas development, GCL New Energy tapped into the "Belt and Road" initiative to facilitate its overseas business. The Group holds distributed solar power projects in Japan and two large ground-mounted power plants in the US, of which the project with a capacity of approximately 83MW in North Carolina got grid connected at end of May 2017 and the one with a capacity of approximately 50MW in Oregon is scheduled for completion in 2018. In addition, the Group made substantial progress in its projects in Africa, America, Europe, Australia and Southeast Asia, gaining ample experiences for achieving the success of combining domestic and international markets.

In the meantime, the Group continued to promote the combination of solar power with agriculture, by integrating local conditions into the design of solar power plants and applying advanced technology. Notable results have been achieved in developing agriculture complemented solar power plants such as agriculture, forestry, animal husbandry and fishery with each power plant cultivates a different crop or animal to promote the development of agriculture.

TECHNOLOGY-DRIVEN DEVELOPMENT WITH SUCCESSFUL CONTROL OF CONSTRUCTION AND OPERATING COSTS

Endeavour to drive its development through technology advancement, GCL New Energy leverages its cutting-edge in-house design and research institute to further innovate and optimize the quality of its development, construction, operation and maintenance. Through the adoption of new technology such as long-span stainless-steel floater-support solar power system and the flat uniaxial supporting structure with inclination, the Group enhanced its core competitiveness, gained a greater advantage in controlling development costs and improved system efficiency during the year. In 2017, the proportion of in-house developed power plants to the newly added installed capacity largely increased to 79%.

For construction and management, the Group strengthened its control and reinforced planning and project supervision to enhance the quality of solar power plant projects. Through monitoring the project construction and process, the Group scientifically managed procurement to ensure better supply chain management. This allowed the Group to enjoy economies of scale with the average unit cost per watt for the construction of solar power plants declined by around 13% from approximately RMB7.2 in 2016 to approximately RMB6.3 in 2017.

In terms of innovative operational management, the Group exerted great focus on enhancing power generation and operation. By focusing on professionalism, artificial intelligence and refined operation to ensure solar power plants to be reliable and generate more electricity. During the year, centralized regional operation and maintenance centres and real-time operations management platforms were introduced to perform central monitoring and functional inter-connection for projects and achieve unattended operations step-by-step, in hope of improving the operation and maintenance standard of its solar power plants. In 2017, a total of five regional operation and maintenance centers commenced operation, with each of the operation and maintenance center covering an area within 200 km and simultaneously monitoring the operation of six or more solar power plants. This resulted in a sharp decline in electricity loss, equipment failure and lowered operation and maintenance costs while improving the life cycle and return of power plant projects. The operation and maintenance cost declined from approximately RMB0.049 per kWh in 2016 to approximately RMB0.042 per kWh in 2017 (excluding land lease). The Group plans to build three more regional operation centers in 2018 and the construction of operation and maintenance centres enable the Group to develop operation and maintenance services for external parties. During the year, the Group established a operation and maintenance department and set to provide approximately 160MW of operation and maintenance services to other domestic solar power companies.

DIVERSE FINANCING

In 2017, GCL New Energy persistently adopted diversified and innovative financing models to allow notable progress to be made in optimizing the financing structure, increasing the replacement with long-term financing, and reducing liabilities as well as accomplishing two of the "Five Transformations and Upgrades" development objects which are transforming from heavy-asset model to a light-asset model with management service provision and introducing strategic partner to form strategic partnership for transforming from solely-owned operation to strategic cooperation. During the year, the Group took further steps to maintain its total liability to total asset ratio to below 85%.

Lower Financing Cost

The Group deployed the strategy of obtaining five to ten years long-term finance leases to replace short-term construction funds for securing not only lower interest expenses but also longer use of funds. In 2017, the Group entered into finance lease agreements with several finance institutions and successfully obtained longer-term finance lease to enable borrowing longer than 5 years term accounted for approximately 86% of the total new borrowings. During the year, the financing costs of new projects was around 6.3%, representing a decline of nearly 0.6 percentage point compared with 6.9% in 2016.

Diversified Financing Models to Lower the Gearing Ratio

In addition, GCL New Energy has adopted diversified and innovative financing models at the listed company, domestic holding company and project levels to promote its overall financing capability. At the listed company level, the Group and Taiping Financial Holdings Co., Ltd. ("Taiping Financial Holdings") entered into a cooperation framework agreement regarding an approximately HK$8 billion investment fund in November 2017.

At domestic holding company level, the Group introduced Sumin Ruineng Wuxi Equity Investment Partnership (蘇民睿能無錫股權投資合夥企業) ("Sumin Ruineng"), a subsidiary of Jiangsu Minying Investment to invest RMB1.5 billion in Suzhou GCL New Energy Investment Co., Ltd. ("Suzhou GCL"), an indirect wholly-owned subsidiary of the Group in November 2017. Upon the completion of capital increase, Sumin Ruineng holds 7.18% equity interest in Suzhou GCL New Energy.

At the project level, the Group transformed into a light-asset model with management service provision during the year. In May 2017, the Group adopted a "Built-Transfer-Operating" model for the first time by entering into a cooperation framework agreement with Fuyang New Energy Technology (Nanyang) Limited (富陽新能源科技(南陽)有限公司), to provide engineering, procurement and construction, and provide operation and maintenance services after completion for approximately 200MW of solar power plants projects. Additionally, in June 2017, Suzhou GCL entered into an equity transfer agreement with Xi'an Zhongmin GCL New Energy Limited Company ("Zhongmin GCL"), to transfer the controlling interest of 130MW in solar power projects. Furthermore, the Group strategically established a fund of RMB1 billion with Beijing Enterprises Photovoltaic Development Company Limited (北京北控光伏科技發展有限公司), an indirect wholly-owned subsidiary of BECE in November 2017 to jointly invest in solar power projects.

Opening Up New Financing Channels through Bond Issuance

In 2017, the Group issued China's first solar energy green corporate bonds. The issue amount of the first tranche was RMB375 million, issued in August and the issue amount of the second tranche was RMB560 million, issued in December. The green bonds are fixed rate bonds with a term of 3 years and the interest has been fixed at 7.5% per annum. Meanwhile, the Group issued US$500 million 7.1% senior notes due 3 years for the first time on 23 January 2018, and gained net proceeds of approximately US$493 million. The notes received strong response from global investors and were significantly oversubscribed for around seven times. Renowned US credit rating agencies Moody's and Standard & Poor's assigned "Ba2" and "BB-" stable ratings to the Group respectively, and "Ba3" and "B+" ratings respectively to the notes.

In general, the Group has adopted a series of diversified innovative financing models to raise large additional capital funds, enhance financial conditions and liquidity, lower gearing ratio and improve financial flexibility with an aim to serving its future business development.

2018 PROSPECTS

GCL New Energy is confident in the future development of solar market. With China National Renewable Energy Center published "China Renewable Energy Outlook 2017" in 2017 to propose increasing the "13th Five-Year Plan" solar energy installed capacity to 200GW, the development of domestic solar market is set to flourish. For the coming year, the Group is aim to increase its attributable installed capacity by 1 to 1.5GW. In 2018, the Group is strive to transform and enhance its management by combining its corporate competences to further deepen its "Five Transformations and Upgrades" development objectives and engage itself in refined and benchmark management comprehensively.

The Group will focus on developing solar poverty alleviation and Frontrunner projects. For the distributed solar power plant business, the Group will continue to cultivate on quality clientele and industrial parks, and through innovative cooperation to develop projects that are both pragmatic and visual. Meanwhile, the Group will actively participate in the distributed solar power pilot projects to promote sustainable development for the distributed solar power plant business. Apart from that, the Group will leverage the "Belt and Road" initiatives to push forward its international strategy while strengthen cooperation with influential domestic and international energy companies to fully capitalize on the opportunities arise from the "Belt and Road".

In addition, GCL New Energy will place great emphasis on capital operation, adjustment of business and operational structure, expansion of strategic cooperation and establishment of off-balance sheet financing platforms. The Company will continue to adopt light-asset model to lower debt and to sustain stable growth and cash flow. Going forward, the Group will strengthen its synergy with other companies under the GCL Group, and play an active role in business development, government relations, resource sharing, synergetic management, escalate effective integration to facilitate the development of GCL New Energy, and deliver stellar performance in the new year under the philosophy of "Bringing Green Power to Life".

2015–2017 KEY PERFORMANCE INDICATORS

	Average Unit Cost of Construction *(RMB)*	**Financing Cost of New Projects**	**Operation and Maintenance cost** *(RMB)*
2015	8.6/watt	7.7%	0.059/kWh
2016	7.2/watt	6.9%	0.049/kWh
2017	6.3/watt	6.3%	0.042/kWh

ACKNOWLEDGEMENTS

Lastly, on behalf of the management of GCL New Energy, I would like to express sincere gratitude to the Board and Shareholders for their continuous support, and to our colleagues for their hard work and contribution during the year.

SUN Xingping
President

The board (the "Board") of the directors (the "Directors") of GCL New Energy Holdings Limited (the "Company" or "GCL New Energy") announces the consolidated results of the Company and its subsidiaries (together, the "Group") for the year ended 31 December 2017 (the "Reporting Period"), with comparative figures for the corresponding period in the previous year (the "Prior Reporting Period") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 December 2017

	NOTES	**2017** *RMB'000*	2016 *RMB'000*
Continuing operations			
Revenue	*3*	**3,942,280**	2,246,425
Cost of sales		**(1,288,791)**	(675,748)
Gross profit		**2,653,489**	1,570,677
Other income	*4*	**220,605**	167,279
Administrative expenses			
— share-based payment expenses		**(33,706)**	(71,409)
— other administrative expenses		**(460,413)**	(370,599)
Loss on change in fair value on convertible bonds		**(118,744)**	(175,248)
Other expenses, gains and losses, net		**30,445**	44,769
Bargain purchase from business combination		**—**	67,111
Share of profits of joint ventures		**4,515**	873
Finance costs	*5*	**(1,432,082)**	(966,243)
Profit before tax		**864,109**	267,210
Income tax credit	*6*	**40,153**	42,189
Profit for the year from continuing operations	*7*	**904,262**	309,399
Discontinued operations			
Profit (loss) for the year from discontinued operations	*16*	**77,112**	(168,659)
Profit for the year		**981,374**	140,740
Other comprehensive expense:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation		**(43,357)**	(10,959)
Reclassification adjustments for the cumulative gain included in profit or loss upon disposal of operations		**(86,512)**	—
		(129,869)	(10,959)
Total comprehensive income for the year		**851,505**	129,781

	NOTES	**2017** **RMB'000**	2016 RMB'000
Profit (loss) for the year attributable to:			
Owners of the Company			
— from continuing operations		**764,327**	299,045
— from discontinued operations		**77,112**	(168,659)
		841,439	130,386
Profit for the year attributable to non-controlling interests from continuing operations			
— Owners of perpetual notes		**131,400**	4,846
— Other non-controlling interests		**8,535**	5,508
		981,374	140,740
Total comprehensive income for the year attributable to:			
Owners of the Company		**711,570**	119,427
Non-controlling interests			
— Owners of perpetual notes		**131,400**	4,846
— Other non-controlling interests		**8,535**	5,508
		851,505	129,781
		RMB cents	*RMB cents*
Earnings per share	*9*		
From continuing and discontinued operations			
— Basic and diluted		**4.41**	0.70
From continuing operations			
— Basic and diluted		**4.01**	1.61

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2017

	NOTES	2017 RMB'000	2016 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**38,104,300**	26,755,177
Prepaid lease payments		**113,094**	109,359
Interest in an associate		**1,000**	—
Interests in joint ventures		**63,261**	42,159
Amounts due from related companies		**151,700**	144,700
Other investments		**100,000**	—
Deposits, prepayments and other non-current assets	10	**5,518,674**	3,372,316
Pledged bank and other deposits		**515,005**	226,871
Deferred tax assets		**146,275**	88,598
		44,713,309	30,739,180
CURRENT ASSETS			
Trade and other receivables	11	**4,227,637**	3,386,165
Other loan receivables		**118,989**	344,058
Amounts due from related companies		**206,581**	20,247
Prepaid lease payments		**2,082**	2,371
Tax recoverable		**1,042**	1
Other investments		**240,040**	—
Pledged bank and other deposits		**1,728,068**	2,028,388
Bank balances and cash		**4,196,596**	3,826,486
		10,721,035	9,607,716
Assets classified as held for sale		**—**	1,131,282
		10,721,035	10,738,998
CURRENT LIABILITIES			
Bills and other payables and deferred income	12	**10,851,194**	11,393,936
Amounts due to related companies		**102,784**	83,261
Tax payable		**7,052**	6,037
Loans from fellow subsidiaries		**1,071,876**	676,307
Bank and other borrowings	13	**7,067,596**	4,947,720
Convertible bonds		**925,642**	—
		20,026,144	17,107,261
Liabilities directly associated with assets classified as held for sale		**—**	910,112
		20,026,144	18,017,373
NET CURRENT LIABILITIES		**(9,305,109)**	(7,278,375)
TOTAL ASSETS LESS CURRENT LIABILITIES		**35,408,200**	23,460,805

	NOTES	2017 RMB'000	2016 RMB'000
NON-CURRENT LIABILITIES			
Bank and other borrowings	*13*	**25,482,406**	16,153,286
Convertible bonds		**—**	858,461
Bonds payable	*14*	**882,760**	—
Deferred income	*12*	**211,613**	—
Deferred tax liabilities		**35,479**	29,454
		26,612,258	17,041,201
NET ASSETS		**8,795,942**	6,419,604
CAPITAL AND RESERVES			
Share capital		**66,674**	66,674
Reserves		**5,554,196**	4,425,179
Amount recognised in other comprehensive income and accumulated in equity relating to non-current assets classified as held for sale		**—**	81,101
Equity attributable to owners of the Company		**5,620,870**	4,572,954
Equity attributable to non-controlling interest			
— owner of perpetual notes		**1,866,085**	1,800,000
— other non-controlling interests		**1,308,987**	46,650
TOTAL EQUITY		**8,795,942**	6,419,604

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended 31 December 2017

	NOTE	**2017** **RMB'000**	2016 *RMB'000*
OPERATING ACTIVITIES			
Profit for the year		**981,374**	140,740
Adjustments for:			
Income tax		**(34,830)**	(12,901)
Amortisation of prepaid lease payments		**2,323**	2,798
Amortisation of deferred income on government grant — ITC (defined in note 4)		**(3,836)**	—
Amortisation of deferred income on government grants		**(89)**	(153)
Depreciation of property, plant and equipment		**1,089,361**	722,078
Loss on disposal of property, plant and equipment		**453**	28
Finance costs		**1,445,966**	978,450
Impairment loss recognised on plant and equipment		—	183,942
Interest income		**(139,264)**	(91,907)
Share-based payment expenses		**33,706**	71,409
Share of profits of joint ventures		**(4,515)**	(873)
Gain on deemed disposal of a joint venture		—	(1,823)
Loss on change in fair value of convertible bonds		**118,744**	175,248
Bargain purchase from business combination		—	(67,111)
Gain on other investments		**(2,883)**	—
Loss on remeasurement to fair value less costs to sell		**4,734**	—
Gain on disposal of discontinued operations including a cumulative exchange gain reclassified from translation reserve to profit or loss	*16*	**(86,512)**	—
Gain on disposal of three solar power plant projects		**(18,745)**	—
Operating cash flows before movements in working capital		**3,385,987**	2,099,925
Increase in deposits, prepayment and other non-current assets		**(144,091)**	(123,551)
Increase in inventories		**(4,611)**	(21,006)
Increase in trade and other receivables		**(1,410,809)**	(747,884)
Decrease in amounts due from related companies		**51,180**	13,637
Increase (decrease) in bills and other payables		**1,625**	(751,157)
(Decrease) increase in amounts due to related companies		**(4,841)**	1,387
Cash generated from operations		**1,874,440**	471,351
Income taxes paid		**(20,313)**	(21,197)
NET CASH FROM OPERATING ACTIVITIES		**1,854,127**	450,154

	2017	2016
	RMB'000	*RMB'000*
INVESTING ACTIVITIES		
Interest received	**79,897**	43,901
Payments for construction and purchase of property, plant and equipment and land use rights	**(13,633,917)**	(8,311,628)
Acquisition of subsidiaries	**32,877**	48,824
Settlement of payables to vendors of solar power plant projects	**(23,738)**	(132,159)
Deposits paid for acquisitions of solar power plant projects	**—**	(31,800)
Capital injection to joint ventures	**(34,540)**	—
Capital injection to an associate	**(1,000)**	—
Capital refunded from a joint venture	**7,289**	—
Repayment from third parties	**20,919**	—
Loans to third parties	**—**	(20,556)
Proceeds from disposal of property, plant and equipment	**1,475**	12
Loans to a joint venture	**(71,000)**	(20,807)
Dividend received from joint venture	**714**	14,674
Withdrawal of pledged bank and other deposits	**2,161,188**	878,971
Placement of pledged bank and other deposits	**(2,145,372)**	(2,203,782)
Advance to related parties	**(592)**	—
Repayment from related parties	**284**	19,926
Proceeds from transfer of ITC benefit	**222,751**	—
Proceeds from disposal of PCB business (defined in note 1)	**190,250**	—
Proceeds from disposal of three solar power plant projects	**175,442**	—
Acquisition of other investments	**(606,050)**	—
Repayment of other investments	**268,893**	—
NET CASH USED IN INVESTING ACTIVITIES	**(13,354,230)**	(9,714,424)

	2017	2016
	RMB'000	*RMB'000*
FINANCING ACTIVITIES		
Interest paid	**(1,795,446)**	(1,268,593)
Distributions paid to holders of perpetual notes	**(65,315)**	(4,846)
Proceeds from bank and other borrowings	**18,384,272**	15,162,937
Repayment of bank and other borrowings	**(7,465,522)**	(6,382,566)
Proceeds from loans from fellow subsidiaries	**1,000,000**	1,276,307
Repayment of loan from a fellow subsidiary	**(600,000)**	(999,897)
Proceeds from deemed disposal of partial interest in 蘇州協鑫新能源投資有限公司 ("Suzhou GCL New Energy")	**1,500,000**	—
Transaction costs paid for the deemed disposal of Suzhou GCL New Energy	**(28,302)**	—
Acquisition of additional interest in a subsidiary	**(2,559)**	—
Proceeds from issuance of shares through Rights Issue	**—**	1,963,889
Transaction costs paid for the issuance of Rights Issue	**—**	(23,005)
Proceeds from issuance of perpetual notes	**—**	1,800,000
Transaction costs paid for the issuance of bonds	**(3,540)**	—
Proceeds from issuance of bonds	**885,000**	—
Payment for redemption of bonds	**—**	(360,000)
Advance from related parties	**4,042**	2,014
Repayment to related parties	**(2,433)**	(3,863)
Proceeds from inception of sales and lease back of finance leases	**—**	21,450
Repayment of obligations under finance leases	**(24,151)**	(51,063)
Capital contribution by non-controlling interests	**101,991**	21,918
NET CASH FROM FINANCING ACTIVITIES	**11,888,037**	11,154,682
NET INCREASE IN CASH AND CASH EQUIVALENTS	**387,934**	1,890,412
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**3,853,082**	1,964,993
Effect of exchange rate changes on the balance of cash held in foreign currencies	**(44,420)**	(2,323)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		
Represented by		
— bank balances and cash	**4,196,596**	3,826,486
— bank balances and cash classified as held for sale	**—**	26,596
	4,196,596	3,853,082

1. GENERAL INFORMATION

GCL New Energy Holdings Limited (the "Company") is incorporated in Bermuda as exempted company with limited liability. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its immediate holding company is Elite Time Global Limited, a company incorporated in British Virgin Islands. Its ultimate holding company is GCL-Poly Energy Holdings Limited ("GCL-Poly"), a company incorporated in the Cayman Islands with shares listed on the Stock Exchange. The address of the registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the principal place of business is at Unit 1701B-1702A, Level 17, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

The Company is an investment holding company. Its subsidiaries (hereinafter together with the Company collectively referred to as the "Group") are principally engaged in the sale of electricity, development, construction, operation and management of solar power plants ("Solar Energy Business"). The Group was also engaged in the manufacturing and selling of printed circuit boards ("PCB Business") before its disposal during the year ended 31 December 2017 (note 16) which has been presented as discontinued operations.

The functional currency of the Company and the presentation currency of the Group's consolidated financial statements are Renminbi ("RMB").

2. BASIS OF PREPARATION

As at 31 December 2017, the Group's current liabilities exceeded its current assets by approximately RMB9,305 million. In addition, as at 31 December 2017, the Group has entered into agreements to construct solar power plants and acquire other assets which will involve capital commitments of approximately RMB3,869 million. In addition, the Group, subject to the availability of additional financial resources, is currently looking for further opportunities to increase the scale of its solar power plant operations through mergers and acquisitions. In the event that the Group is successful in securing more solar power plant investments or expanding the investments in the existing solar power plants in the coming twelve months from 31 December 2017, additional cash outflows will be required to settle further committed capital expenditure.

As at 31 December 2017, the Group's total borrowings comprising bank and other borrowings, convertible bonds, bonds payable and loans from fellow subsidiaries amounted to approximately RMB35,430 million, out of which approximately RMB9,065 million will be due in the coming twelve months provided that the covenants under the borrowing agreements are satisfied. The Group's pledged bank and other deposits and bank balances and cash amounted to approximately RMB2,243 million and RMB4,197 million as at 31 December 2017, respectively. The financial resources available to the Group as at 31 December 2017 and up to the date of approval of these consolidated financial statements for issuance may not be sufficient to satisfy the above capital expenditure requirements. The Group is actively pursuing additional financing including, but not limited to, equity and debt financing and bank borrowings.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore, the directors of the Company (the "Directors") have reviewed the Group's cash flow projections which cover a period of not less than twelve months from 31 December 2017. They are of the opinion that the Group will have sufficient working capital to meet its financial obligations, including those committed capital expenditures relating to the solar power plants, that will be due in the coming twelve months from 31 December 2017 upon successful implementation of the following measures which will generate adequate financing and operating cash inflows for the Group:

(i) During the year ended 31 December 2017, the Group had obtained new borrowings totalling RMB18,384 million of which RMB15,945 million had a repayment terms of over 3 years. The Group also issued non-public green bonds of RMB935 million with a term of 3 years. The management is continuously changing the Group's debt profile in obtaining long-term debts to repay the short-term borrowing or other current liabilities;

(ii) On 23 January 2018, the Group issued senior notes of US$500 million (equivalent to RMB3,376 million), which bear interest at 7.1% and will mature on 30 January 2021. The net proceeds of the notes issuance, after deduction of underwriting discounts and commissions and other expenses, amounted to approximately US$493 million, will be used for the development of the Group's business operations, repayment of borrowings and other general corporate purposes;

(iii) The Group is implementing different long-term financing strategy such as asset-light business model and introduction of equity investors on solar power plant level to address the net current liabilities position of the Group:

— On 30 June 2017, the Group, entered into share transfer agreements to sell 2 solar power plants with an aggregate capacity of 130MW to Xi'an Zhongmin GCL New Energy Company Limited, a joint venture of the Company, at a consideration of approximately RMB262 million, which is subsequently completed in July 2017.

— On 31 May 2017, the Group had entered into a co-operation framework agreement with Fuyang New Energy Technology (Nanyang) Limited* (富陽新能源科技(南陽)有限公司) ("Fuyang New Energy"). Under the co-operation framework agreement, Fuyang New Energy will buy certain solar power plants, which will adopt a built-transfer model. The Group will be responsible for the engineering, procurement and construction, and provide operation and maintenance services after completion of the solar power plants.

— On 21 November 2017, the Group entered into a partnership agreement to form a joint venture with a maximum capital contribution of RMB1,000 million, which will primarily invest in solar power plant projects. Pursuant to the agreement, each of Beijing Enterprises Clean Energy Group Limited and the Group will contribute capital of RMB150 million. The investment in the limited partnership may provide an additional source of funding for the development and operation of the Group's projects.

The Group is actively negotiating similar arrangements to generate additional liquidity and working capital.

* *English name for identification only*

(iv) The Group is currently negotiating with several banks in both Hong Kong and the PRC for additional financing. It has received detailed proposals from certain banks for banking facilities with repayment periods for more than one year. The Group also received letters of intent from certain other banks which indicated that these banks preliminarily agreed to offer banking facilities to the Group. The Group is also seeking other form of financing to improve liquidity;

(v) On 20 November 2017, the Company entered into a non-legally binding co-operation framework agreement with Taiping Financial Holdings Company Limited, an overseas investment platform of China Taiping Insurance Group, pursuant to which Taiping Financial Holdings Company Limited agreed that it or its affiliate companies will lead the establishment of an investment fund with a fund size of approximately HK$8,000 million (equivalent to RMB6,687 million), for the purpose of investing in the Company by way of subscription of new shares and convertible bonds; and

(vi) The Group has completed the construction of 156 solar power plants with approval for on-grid connection up to 31 December 2017. The Group also has additional 4 solar power plants under construction targeting to achieve on-grid connection within the coming twelve months from the date of approval of these consolidated financial statements for issuance. The abovementioned solar power plants have an aggregate installed capacity of approximately 5.9 GW and are expected to generate operating cash inflows to the Group.

By taking the above measures, the Directors believe that the Group has sufficient working capital to meet the financial obligations when they fall due.

After taking into account the Group's business prospects, internal resources and the available and forthcoming financing facilities, the Directors are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group can achieve the plans and measures described in (iii) to (v) above. The sufficiency of the Group's working capital to satisfy its present requirements for at least the next twelve months from the date of the approval of these consolidated financial statements for issuance is dependent on the Group's ability to generate adequate financing and operating cash flows through successful renewal of its borrowings upon expiry, compliance with the covenants under the borrowing agreements or obtaining waiver from the relevant banks if the Group is not able to satisfy any of the covenant requirements, successful securing of the financing from banks with repayment terms beyond twelve months from the date of approval of these consolidated financial statements for issuance and other short-term or long-term financing; and the completion of the construction of the solar power plants to generate adequate cash inflows as scheduled. Should the Group be unable to operate as a going concern, adjustments would have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to provide for financial liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents revenue arising on sale of electricity.

Sales of electricity included RMB2,480,937,000 (2016: RMB1,529,794,000) tariff adjustment received and receivable from the state grid companies in the PRC based on the prevailing nationwide government policies on renewable energy for solar power plants. Details of payment arrangement of tariff is disclosed in note 11.

On 30 December 2016, the operating segment regarding the PCB Business of the Group was contracted to be sold and accordingly has been presented as discontinued operations, the disposal was completed during the year ended 31 December 2017.

The Group's chief operating decision maker ("CODM"), being the executive directors of the Company, who regularly reviews revenue by geograhical locations like by countries and/or provinces; however, no other discrete information was provided. In addition, the CODM reviewed the consolidated results when making decisions about allocating resources and assessing performance. As a result, no further segment information other than entity wide financial information was disclosed.

Details of the discontinued operations of the PCB Business are described in note 16.

Geographical information

The Group's operations are located in the PRC, Japan and the United States of America ("US").

Information about the Group's revenue from continuing operations from external customers is presented based on the location of the operations and customers. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers Year ended		**Non-current assets**	
			At	At
	31 December 2017	31 December 2016	**31 December 2017**	31 December 2016
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
PRC	**3,903,969**	2,246,425	**40,752,560**	29,496,817
Other countries	**38,311**	—	**1,211,677**	532,639
	3,942,280	2,246,425	**41,964,237**	30,029,456

Note: Non-current assets excluded those relating to discontinued operations and non-current assets classified as held for sale, financial instruments and deferred tax assets.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	Year ended	
	31 December 2017	31 December 2016
	RMB'000	*RMB'000*
Customer A	**489,996**	N/A[1]
Customer B	**449,877**	N/A[1]

1 The corresponding revenue did not contribute over 10% of the total revenue of the Group before discounting effect on tariff receivables.

4. OTHER INCOME

	2017	2016
	RMB'000	*RMB'000*
Continuing operations		
Bank interest income	**28,159**	26,133
Consultancy income *(Note a)*	**8,698**	18,224
Compensation income	**2,380**	—
Government grants — Incentive subsidies *(Note b)*	**19,427**	5,515
Government grant — Investment Tax Credit ("ITC")	**3,836**	—
Imputed interest on discounting effect on tariff adjustment receivables	**72,024**	10,939
Interest income from other loan receivables	**30,255**	42,482
Interest income from loan to joint ventures	**9,984**	9,649
Management services income from fellow subsidiaries	**36,678**	42,936
Others	**9,164**	11,401
	220,605	167,279

Notes:

(a) Consultancy income represents consultancy fees earned from third parties for design and planning for constructing solar power plants.

(b) Incentive subsidies were received from the relevant PRC government for improvement of working capital and financial assistance to the operating activities. The subsidies were granted on a discretionary basis during the year and the conditions attached thereto were fully complied with.

5. FINANCE COSTS

	2017	2016
	RMB'000	*RMB'000*
Continuing operations		
Interest on:		
Bank and other borrowings	**1,679,858**	1,171,522
Bonds payable	**15,470**	12,002
Loans from fellow subsidiaries	**67,352**	51,520
Total borrowing costs	**1,762,680**	1,235,044
Less: amounts capitalised in the cost of qualifying assets	**(330,598)**	(268,801)
	1,432,082	966,243

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 7.69% (2016: 9.55%) per annum to expenditure on qualifying assets.

6. INCOME TAX CREDIT

	2017	2016
	RMB'000	*RMB'000*
Continuing operations		
PRC Enterprise Income Tax ("EIT"):		
Current tax	**18,771**	8,112
Overprovision in prior years	**—**	(3,516)
	18,771	4,596
Deferred tax	**(58,924)**	(46,785)
	(40,153)	(42,189)

The basic tax rate of the Company's PRC subsidiaries is 25% under the law of the PRC on Enterprise Income Tax (the "EIT Law") and implementation regulations of the EIT Law.

Certain subsidiaries of the Group, being enterprises engaged in public infrastructure projects, under the EIT Law and its relevant regulations, are entitled to tax holidays of 3-year full exemption followed by 3-year 50% exemption commencing from their respective years in which their first operating incomes were derived.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the year. No provision for taxation in Hong Kong Profits Tax was made as there is no assessable profits for both reporting periods.

7. PROFIT FOR THE YEAR

	2017	2016
	RMB'000	*RMB'000*
Continuing operations		
Profit for the year has been arrived at after charging:		
Amortisation of prepaid lease payments	**2,222**	2,625
Auditor's remuneration	**4,359**	3,879
Depreciation of property, plant and equipment	**1,024,599**	559,923
Operating lease rental in respect of properties	**81,565**	44,859
Staff costs (including directors' remuneration but excluding share-based payments)		
— Salaries, wages and other benefits	**282,882**	242,694
— Retirement benefit scheme contributions	**30,344**	30,237
Share-based payment expenses (Administrative expenses in nature)		
— Directors and staff	**26,857**	52,555
— Consultancy services	**6,849**	18,854

8. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during 2017, nor has any dividend been proposed since the end of the reporting period (2016: nil).

9. EARNINGS PER SHARE

For continuing and discontinued operations

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2017	2016
	RMB'000	*RMB'000*
Profit for the purposes of calculation of basic and diluted earnings per share		
Profit for the year attributable to owners of the Company	**841,439**	130,386

	2017	2016
	'000	*'000*
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**19,073,715**	18,615,821

Diluted earnings per share did not assume (i) the exercise of the share options since the exercise price is higher than the average share price nor (ii) the conversion of convertible bonds since their assumed conversion had an anti-dilutive effect on earnings per share for both reporting periods.

For the year ended 31 December 2016, the weighted average number of ordinary shares for the purpose of calculation of basic earnings per share has been adjusted for the rights issue of shares on the basis of three rights shares for eight existing shares held on a pro rata basis ("Rights Issue") completed on 3 February 2016.

For continuing operations

The calculation of the basic and diluted earnings per share from continuing operations attributable to the owners of the Company is based on the following data:

	2017	2016
	RMB'000	*RMB'000*
Profit for the year attributable to owners of the Company	**841,439**	130,386
Less: Profit (loss) for the year from discontinued operations attributable to owners of the Company	**77,112**	(168,659)
Profit for the year attributable to owners of the Company from continuing operations	**764,327**	299,045

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

From discontinued operations

Basic and diluted earnings per share for the discontinued operations is RMB0.40 cent per share (2016: loss of RMB0.91 cent per share), based on the profit for the year from discontinued operations attributable to owners of the Company of RMB77,112,000 (2016: loss of RMB168,659,000) and the denominators detailed above for both basic and diluted earnings per share.

10. DEPOSITS, PREPAYMENTS AND OTHER NON-CURRENT ASSETS

	2017	2016
	RMB'000	*RMB'000*
Prepayments for EPC contracts and constructions *(Note)*	**543,301**	659,597
Refundable value-added tax	**2,715,802**	2,114,127
Deposits paid for acquisitions of solar power plant projects	**1,032**	38,300
Prepaid rent for parcels of land	**378,849**	264,274
Trade receivables *(note 11)*	**1,836,092**	249,555
Others	**43,598**	46,463
	5,518,674	3,372,316

Note: Prepayments for EPC contracts and constructions represent deposits paid to contractors which will be transferred to property, plant and equipment in accordance with the percentage of completion of the constructions.

11. TRADE AND OTHER RECEIVABLES

	2017	2016
	RMB'000	*RMB'000*
Trade receivables	**4,544,477**	2,280,402
Bills receivable	**85,982**	128,517
Prepayment and deposits	**209,473**	113,190
Other receivables		
— Advance to Borrowers	**115,981**	—
— Consultancy service fee receivables	**13,228**	9,127
— Interest receivables	**29,193**	45,611
— Receivables for modules procurement	**164,004**	526,476
— Refundable value-added tax	**711,635**	382,480
— Others	**189,756**	149,917
	6,063,729	3,635,720
Analysed as:		
Current	**4,227,637**	3,386,165
Non-current trade receivables *(note 10)*	**1,836,092**	249,555
	6,063,729	3,635,720

Trade receivables represent receivables for electricity sales which include tariff adjustment receivables to be received from the state grid companies.

Tariff adjustment is included as a component of the government-approved on-grid tariff of solar energy supply. The financial resource for the tariff adjustment is the national renewable energy fund that accumulated through a special levy on the consumption of electricity of end users. The PRC government is responsible to collect and allocate the fund and make settlement through state-owned grid companies to the solar power companies. Effective from March 2012, the application, approval and settlement of the tariff adjustments are subject to certain procedures as promulgated by Caijian [2012] No. 102 Notice on the Interim Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy ("可再生能源電價附加補助資金管理暫行辦法"). Caijian [2013] No. 390 Notice issued in July 2013 further simplified the procedures of settlement of the tariff adjustment. As at 31 December 2017, tariff adjustment receivables amounting to approximately RMB4,244,260,000 (2016: RMB2,116,095,000) are included in the trade receivables.

The Directors expected certain part of the tariff adjustment receivables will be recovered after twelve months from the reporting date, which amounted to approximately RMB1,836,092,000 (2016: RMB249,555,000). Certain part of the tariff adjustment receivables are discounted at an effective interest rate ranged from 3.44% to 3.55% per annum as at 31 December 2017 (2016: 2.65% per annum).

Certain bills receivable issued by third parties endorsed with recourse for settlement of payables for purchase of plant and machinery and construction costs continue to recognise its full carrying amount at the end of both reporting periods and are disclosed in note 12.

Receivables for modules procurement comprise modules procurement cost and commission earned by the Group and the Group allows credit period of 180 days to 1 year (2016: 180 days to 1 year).

For sales of electricity in the PRC, the Group generally grants credit period of approximately one month to local power grid companies in the PRC from the date of invoice in accordance with the relevant electricity sales contracts between the Group and the respective local grid companies.

All bills receivables of the Group are with a maturity period of less than 1 year and not yet due at the end of the reporting period, and management considers the default rate is low based on historical information and experience.

The following is an aged analysis of trade receivables, which is presented based on the invoice date at the end of the reporting period:

	2017	2016
	RMB'000	*RMB'000*
Unbilled *(Note)*	**4,365,887**	2,093,632
0–90 days	**106,472**	101,993
91–180 days	**24,488**	28,807
Over 180 days	**47,630**	55,970
	4,544,477	2,280,402

Note: Unbilled receivables mainly represent tariff adjustments to be billed and received based on the prevailing national government policies on renewable energy.

Consultancy service fee receivables and receivables for modules procurement of RMB55,967,000 (2016: RMB535,603,000) are aged within 1 year and the remaining are aged 1 to 2 years.

Included in these trade receivables are debtors with aggregate carrying amount of RMB104,964,000 (2016: RMB94,964,000) which are past due as at the end of the reporting date. These trade receivables relate to a number of customers for whom there is no recent history of default. The Group does not hold any collateral over these balances.

Ageing of trade receivables which are past due but not impaired:

	2017	2016
	RMB'000	*RMB'000*
Overdue:		
1–90 days	**41,424**	20,783
91–150 days	**15,909**	18,211
Over 150 days	**47,631**	55,970
	104,964	94,964

Based on the track record of regular repayment from state-owned grid companies and the collection of tariff adjustments is well supported by the government policy, all trade receivable from sales of electricity, including tariff adjustments receivables, were expected to be recoverable. Consequently, no provision for impairment of trade receivables was recognised as at 31 December 2017 (2016: Nil).

12. BILLS AND OTHER PAYABLES AND DEFERRED INCOME

	2017	2016
	RMB'000	*RMB'000*
Bills payable	**2,058,487**	2,208,219
Payables for purchase of plant and machinery and construction costs *(Note)*	**7,677,662**	8,314,758
Payables to vendors of solar power plants	**105,533**	130,851
Payables for module procurement	**32,324**	221,410
Other tax payables	**102,600**	61,165
Other payables	**465,862**	122,318
Receipt in advance	**47,510**	14
Deferred income	**219,038**	—
Accruals		
— Staff costs	**137,923**	150,801
— Legal and professional fees	**17,099**	21,117
— Interest expenses	**73,504**	72,075
— Consultancy fees	**92,564**	86,341
— Others	**32,701**	4,867
	11,062,807	11,393,936
Analysed as:		
Current	**10,851,194**	11,393,936
Non-current deferred income	**211,613**	—
	11,062,807	11,393,936

The Group has financial risk management policies in place to ensure settlement of payables within the credit time frame.

All bills payable of the Group is aged within 1 year and not yet due at the end of the reporting period.

Note: Included in the amounts are obligations arising from endorsing bills receivable with recourse with an aggregate amount of RMB8,965,000 (2016: RMB61,246,000).

13. BANK AND OTHER BORROWINGS

	2017	2016
	RMB'000	*RMB'000*
Bank loans	**18,355,613**	10,928,064
Other loans	**14,194,389**	10,172,942
	32,550,002	21,101,006
Secured	**28,947,949**	18,504,281
Unsecured	**3,602,053**	2,596,725
	32,550,002	21,101,006

The carrying amounts of the above borrowings are repayable*:

	2017	2016
Within one year	**7,067,596**	4,947,720
More than one year, but not exceeding two years	**4,925,517**	3,984,328
More than two years, but not exceeding five years	**8,241,017**	5,977,263
More than five years	**12,315,872**	6,191,695
	32,550,002	21,101,006
Less: Amounts due within one year shown under current liabilities	**(7,067,596)**	(4,947,720)
Amounts due after one year	**25,482,406**	16,153,286

Analysed as:

	2017	2016
Fixed-rate borrowings	**4,729,210**	7,630,903
Variable-rate borrowings	**27,820,792**	13,470,103
	32,550,002	21,101,006

* The repayable amounts of bank and other borrowings are based on scheduled repayment dates set out in the respective loan agreements.

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are analysed as follows:

	2017	2016
Fixed-rate borrowings	**2.5% to 11.40%**	2.5% to 11.45%
Variable-rate borrowings		
RMB borrowings	**90% to 140% of Benchmark Borrowing Rate of The People's Bank of China ("Benchmark Rate")**	100% to 110% of Benchmark Rate
JPY borrowings	**London Interbank Offered Rate ("LIBOR") +1.6%**	—
US$ borrowings	**LIBOR +2.5% to 2.9%**	LIBOR +2.9%

The Group's borrowings are denominated in the currencies other than the functional currency of the relevant group entities are set out below:

	2017	2016
	RMB'000	*RMB'000*
EUR	**125,617**	—
US$	**1,942,190**	395,785

As at 31 December 2017 and 2016, included in other loan is an amount of RMB1,000,000,000 obtained by the Group through an investment fund established in the form of a three-year limited partnership ("Limited Partnership"), the capital of which is contributed by two subsidiaries of the Group as to approximately 20% with the remainder contributed by a third party asset management company (the "Limited Partner"). Pursuant to the investment agreement and fund repurchase agreement entered into between the Group and the Limited Partner in conjunction with the formation of the Limited Partnership, the Limited Partner does not entitle to any variable returns (including profit distribution) from the Limited Partnership but receives a fixed return of 8.9% per annum ("Fixed Return"), the transaction as a whole has been considered as a loan granted to the Group in these consolidated financial statements to reflect the economic substance of the arrangement. As the investment fund has been fully utilised for the acquisition of new energy businesses of the Group, this arrangement is accounted for as financing to the Group with the equity interest in the invested project companies as collateral.

The Group is required to comply with certain restrictive financial covenants and undertaking requirements. The Directors had reviewed all required covenant requirements of the Group and no breach of covenants was noted for both years.

14. BONDS PAYABLE

On 19 June 2015 and 7 July 2015, Nanjing GCL New Energy Development Co., Ltd., a wholly-owned subsidiary of the Group, issued bonds with a total nominal value of RMB360,000,000. The bonds bore interests at 6.7% per annum and matured one year from the date of issuance. During the year ended 31 December 2016, the above bonds were fully repaid upon maturity.

On 3 August 2017 and 7 December 2017, the Group completed the first tranche and second tranche of the non-public issuance of green bonds amounting to RMB375,000,000 and RMB560,000,000, respectively, for a term of 3 years with a fixed interest rate of 7.5% per annum. As part of the second tranche amounting to RMB50,000,000 was subscribed by the Group via an external trust, total net proceeds of RMB885,000,000 less transaction costs of approximately RMB3,540,000, that are directly attributable to the issuance of the bonds, was presented as the bonds payable liability.

15. COMMITMENTS

	2017	2016
	RMB'000	*RMB'000*
Capital commitments		
Construction commitments in respect of solar power plant projects contracted for but not provided in the consolidated financial statements	**3,625,741**	4,441,273
Acquisition of property, plant and equipment and leasehold improvements contracted for but not provided	**—**	5,839
	3,625,741	4,447,112
Other commitments		
Commitments to contribute share capital to joint ventures contracted for but not provided	**243,460**	—
	3,869,201	4,447,112

16. DISCONTINUED OPERATIONS

On 30 December 2016, the Group entered into a sale and purchase agreement ("S&P Agreement") to dispose of the entire interest in PCB Business (the "Disposal") to Mr. Yip Sum Yin ("Mr. Yip"), a former director of the Company, at a consideration of HK$250,000,000 (equivalent to RMB218,042,000) plus, as the case may be, adjustment amounts pursuant to the S&P Agreement. On 2 August 2017, the disposal was completed without any adjustment on the consideration. The disposal of PCB Business is consistent with the Group's long-term policy to focus on its core solar power business, which will allow the Group and its management team to focus its resources on the business area where it has the most competitive strengths. The completion of the Disposal was subject to the fulfilment of certain conditions precedent as set out in the S&P Agreement. Details of the Disposal are set out in the announcement of the Company dated 30 December 2016 and the circular of the Company issued to the shareholders dated 20 January 2017.

The profit (loss) for the year from the discontinued PCB Business is set out below:

Analysis of loss for the period from discontinued operations

The results of the discontinued operations were as follows:

	1 January 2017 to 2 August 2017	1 January 2016 to 31 December 2016
	RMB'000	*RMB'000*
Revenue	**842,833**	1,491,564
Cost of sales	**(795,834)**	(1,389,065)
Other income	**18,939**	29,577
Distribution and selling expenses	**(10,540)**	(19,811)
Administrative expenses	**(36,437)**	(71,549)
Other expenses, gains and losses, net	**(10,947)**	16,062
Finance costs	**(7,357)**	(12,207)
Profit before tax	**657**	44,571
Income tax expense	**(5,323)**	(29,288)
	(4,666)	15,283
Loss on measurement to fair value less costs to sell	**(4,734)**	(183,942)
Gain on disposal of discontinued operations including a cumulative exchange gain reclassified from translation reserve to profit or loss	**86,512**	—
Profit (loss) for the year from discontinued operations (attributable to owners of the Company)	**77,112**	(168,659)

Profit (loss) for the period from discontinued operations includes the following:

	1 January 2017 to 2 August 2017	1 January 2016 to 31 December 2016
	RMB'000	*RMB'000*
Amortisation of deferred income on government grants	**(89)**	(153)
Amortisation of prepaid lease payments	**101**	173
Auditor's remuneration	**—**	694
Cost of inventories recognised as an expense	**795,834**	1,389,065
Depreciation of property, plant and equipment *(Note)*	**64,762**	162,155
Operating lease rental in respect of properties	**3,709**	6,416
Staff costs (including directors' remuneration) *(Note)*		
— Salaries, wages and other benefits	**132,167**	236,661
— Retirement benefits scheme contributions	**10,764**	19,128

Note: Staff costs and depreciation and amortisation of approximately RMB123,479,000 (2016: RMB212,528,000) and RMB62,142,000 (2016: RMB158,024,000), respectively, were capitalised as cost of inventories during the period.

Cash flows from discontinued operations:

	1 January 2017 to 2 August 2017	1 January 2016 to 31 December 2016
	RMB'000	*RMB'000*
Net cash inflows from operating activities	**74,321**	135,933
Net cash outflows from investing activities	**(48,331)**	(139,118)
Net cash outflows from financing activities	**(30,881)**	(36,431)
Net cash outflows	**(4,891)**	(39,616)

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

For the year ended 31 December 2017, the revenue of the Group amounted to RMB3,942 million, representing an increase of 76% as compared to RMB2,246 million for the last year. Profit attributable to owners of the Company from continuing operations, solar energy business, amounted to RMB764 million (Year ended 31 December 2016: RMB299 million), representing a 156% increase in profit. The profit/(loss) attributable to owners of the Company during the years ended 31 December 2017 and 31 December 2016 was as follows:

	2017	2016
	RMB million	*RMB million*
Continuing operations ("Solar Energy Business")	**764**	299
Discontinued operations ("PCB Business")	**77**	(169)
Profit for the year attributable to owners of the Company	**841**	130

The significant increase in profit by 156% in the Solar Energy Business during the year was mainly attributable to:

1. The increase in the generation volume of electricity of the solar power plants by 92% from approximately 2,790 million kWh in 2016 to approximately 5,347 million kWh in 2017. The total installed capacity for the Group was increased by 70% from 3,516MW as at 31 December 2016 to 5,990MW in as at 31 December 2017.

2. The increase in adjusted EBITDA by 81% due to economies of scale and effective cost control measures, hereby lowering the average operation and maintenance costs and administrative costs per unit of power generated.

3. The percentage increase in finance costs of 48%, from RMB966 million to RMB1,432 million. The percentage increase in finance costs was lower than the percentage increases in revenue because large quantity of low-cost long term project loans and long-term finance leases were drawn down to replace high cost short-term bridge loans. The average borrowing costs was dropped from approximately 7.3% for the year ended 31 December 2016 to approximately 6.6% for the year ended 31 December 2017.

The Group entered into a sale and purchase agreement on 30 December 2016 to dispose of the entire interest in the PCB Business. The disposal was completed on 2 August 2017. Accordingly, the Group's PCB Business were classified as discontinued operations. The profit for the discontinued operations in 2017 was RMB77 million, which included a cumulative exchange gain of RMB86 million reclassified from foreign currency translation reserve to profit or loss.

Business Review

Capacity and Electricity Generation

As at 31 December 2017, the aggregated installed capacity of the 162 grid-connected solar power plants of the Group (31 December 2016: 90) increased by 70% to 5,990MW (31 December 2016: 3,516MW). Details of capacity, electricity sales volume and revenue for the year ended 31 December 2017 are set out below.

Places	Tariff Zones	Number of solar power plant	Aggregate Installed Capacity[1] (MW)	Grid-connected Capacity[1] (MW)	Electricity Sales Volume (million kWh)	Average Tariff (Net of Tax) (RMB/kWh)	Revenue (RMB million)
Inner Mongolia	1	11	391	391	619	0.75	461
Ningxia	1	5	252	201	241	0.68	164
Qinghai	1	3	107	107	163	0.82	134
Xinjiang	1	2	80	80	111	0.68	76
Subtotal	Zone 1	21	830	779	1,134	0.74	835
Shaanxi	2	13	822	822	689	0.71	490
Hebei	2	3	224	224	262	0.90	235
Qinghai	2	4	141	127	123	0.77	94
Shanxi	2	1	100	20	—	—	—
Yunnan	2	3	98	87	99	0.68	68
Sichuan	2	2	85	85	94	0.68	64
Gansu	2	2	55	25	7	0.76	6
Liaoning	2	2	40	40	36	0.74	27
Jilin	2	3	36	36	46	0.80	37
Xinjiang	2	1	21	21	8	0.75	6
Subtotal	Zone 2	34	1,622	1,487	1,364	0.75	1,027
Henan	3	11	513	493	466	0.76	355
Anhui	3	11	397	369	331	1.03	277
Shanxi	3	6	385	377	308	0.82	252
Jiangsu	3	29	331	320	361	0.86	311
Hubei	5	5	268	262	265	0.80	212
Hebei	3	8	213	208	220	0.95	208
Hunan	3	4	213	208	113	0.80	91
Jiangxi	3	4	192	171	148	0.95	141
Guangdong	3	5	176	66	21	0.85	18
Guizhou	3	3	174	171	97	0.84	81
Shandong	3	5	132	132	190	0.87	165
Guangxi	3	2	120	62	20	0.84	17
Zhejiang	3	2	62	62	25	1.03	26
Hainan	3	2	50	50	67	0.87	58
Fujian	3	1	40	14	2	0.84	1
Shanghai	3	1	7	7	5	0.70	3
Subtotal	Zone 3	99	3,273	2,972	2,639	0.84	2,216
PRC Subtotal		154	5,725	5,238	5,137	0.79	4,078
US		1	83	83	103	0.32	31
Japan		1	4	4	3	2.42	8
Subsidiaries total		156	5,812	5,325	5,243	0.79	4,117
Joint ventures[3]							
PRC		3	173	173	98	0.96	80
Japan		3	5	5	6	2.18	13
Total		**162**	**5,990**	**5,503**	**5,347**	**0.79**	**4,210**

	Revenue (RMB million)
Representing:	
Electricity sales	1,461
Tariff adjustment – government subsidies received and receivable	2,656
Total of subsidiaries	4,117
Less: effect of discounting tariff adjustment receivables to present value[(2)]	(175)
Total revenue of the Group	**3,942**

(1) Aggregate installed capacity represents the maximum capacity that were approved by the local government authorities while grid-connected capacity represents that the actual capacity connected to the State Grid.

(2) Certain portion of the tariff adjustment (government subsidies) receivables will be recovered after twelve months from the reporting date. The tariff adjustment receivables are discounted at an effective interest rate ranging from 3.44% to 3.55% per annum.

(3) Revenue from joint venture solar power plants was accounted for under "Share of Profits of Joint Ventures" in the consolidated statement of profit and loss and other comprehensive income.

Most of the solar power plants of the Group are located in China and almost all of the revenue is contributed by the subsidiaries of State Grid. The State Grid is a State-owned enterprise in China, which possesses low default risk. Therefore, the Directors considered that the credit risk was minimal and no provision for impairment was considered necessary for the years ended 31 December 2017 and 31 December 2016.

Financial Review

After completion of the disposal of Printed Circuit Board ("PCB") Business on 2 August 2017, the Group retained one single reportable segment i.e. the Solar Energy Business. PCB Business is classified as discontinued operations. The following table sets forth the financial highlights of the Group's profit from continuing operations – Solar Energy Business:

	2017	2016	**% of**
	RMB million	*RMB million*	**changes**
Revenue	**4,117**	2,298	79%
Effect of discounting tariff adjustment (government subsidies)	**(175)**	(52)	237%
Revenue, after discounting	**3,942**	2,246	76%
Gross profit	**2,653**	1,571	69%
Adjusted EBIT*	**2,415**	1,341	80%
Adjusted EBITDA*	**3,442**	1,904	81%
Profit for the year from continuing operations attributable to:			
Owners of the Company	**764**	299	156%
Non-controlling interests			
– Owners of perpetual notes	**131**	5	2,520%
– Other non-controlling interests	**9**	5	80%
	904	309	193%

* Adjusted EBIT is defined as earnings before finance costs, taxation, and non-operating items including changes in fair value on convertible bonds while adjusted EBITDA also excludes depreciation and amortisation.

Revenue

During the year ended 31 December 2017, the revenue of the Group mainly comprised sales of electricity and related tariff adjustment (i.e. government subsidies) amounting to approximately RMB3,942 million (2016: RMB2,246 million), net of effect of discounting the tariff receivables to its present value of approximately RMB175 million (2016: RMB52 million). The significant increase in revenue was mainly attributable to the increase in sales of electricity of the solar power plants by 92% as a result of intensive developments of solar power plants in 2017. The average tariff (net of tax) for PRC was approximately

RMB0.79/kWh (2016: RMB0.84/kWh). The decrease in average tariff was mainly due to the tariff cut adopted from 1 July 2016 and competitive bidding tariff for some of our projects.

In terms of revenue generated by tariff zone from the PRC, for the year ended 31 December 2017, approximately 20%, 25% and 55% of revenue were generated from zone 1, zone 2 and zone 3 respectively (2016: 29% for zone 1, 23% for zone 2 and 48% for zone 3). In consistent with our prevailing strategy, the Group focused more on developing solar power plants in well-developed areas with strong domestic power demand (ie zone 2 and zone 3) to minimize the grid curtailment risk in zone 1 area and the impact from competitive bidding in some of the regions.

Gross Profit

The Group's gross margin for the year ended 31 December 2017 was 67.3%, as compared to 69.9% for the year ended 31 December 2016. The decrease in gross margin was mainly due to 1) tariff cut for the projects connected to the grid after 30 June 2016 and 2) competitive bidding for newly constructed solar power plants of which bidding prices are lower than benchmark tariff.

The cost of sales mainly consisted of depreciation, which accounted for 78.5% (2016: 81.9%) of cost of sales, with the remaining costs being operation and maintenance costs of solar power plants. The decrease in deprecation was mainly due to the drop in construction costs from approximately RMB7.2 per watt in 2016 to approximately RMB6.3 per watt in 2017. As the cost of solar power plants is depreciated over 25 years, the drop in construction costs cannot fully offset the drop in tariff price.

Other Income

During the year ended 31 December 2017, other income mainly included imputed interest on discounting effect on tariff adjustment receivables of RMB72 million (2016: RMB11 million), interest income from other loan receivables of RMB30 million (2016: RMB42 million), management services income for managing and operating solar power plants owned by the parent company, GCL-Poly, of RMB37 million (2016: RMB43 million) and bank interest income of RMB28 million (2016: RMB26 million).

Administrative Expenses

The administrative expenses mainly included staff costs, rental expenses and legal and professional fees. Administrative expenses increased by 24% to RMB460 million for the year ended 31 December 2017 (2016: RMB371 million). The increase in administrative expenses was mainly due to the increase in salaries expenses driven by the expansion of Solar Energy Business, but thanks to achieving economies of scale the percentage increase in administrative expenses was much lower than the surge in revenue of 76%.

Share-based Payment Expenses

Share-based payment expenses amounted to RMB34 million for the year ended 31 December 2017 (2016: RMB71 million). The amount represented the share option expenses arising from granting 536,840,000 share options and 473,460,000 share options on 23 October 2014 and 24 July 2015, respectively, under the Company's share option scheme. The decrease was due to drop in the amortization charged according to the shares vesting schedule.

Loss on change in fair value of convertible bonds

During the year ended 31 December 2017, the Group recognised a fair value loss of approximately RMB119 million (2016: RMB175 million) as a result of subsequent re-measurement of the fair value of the convertible bond of a nominal value of HK$775 million (equivalent to approximately RMB648 million) and HK$200 million (equivalent to approximately RMB167 million) issued on 27 May 2015 and 20 July 2015 respectively. The loss was mainly attributable to the changes in parameters in the valuation model, such as increase in share price volatility and decrease in discount rate, resulting in an increase in fair value of the convertible bonds. The fair value of the convertible bonds were based on a valuation report issued by an independent and professional qualified valuer.

Other expenses, gains and losses, net

During the year ended 31 December 2017, the net gain amounted to RMB30 million (2016: RMB45 million). The decrease in net gains was mainly due to decrease in exchange gain from RMB43 million in 2016 to RMB9 million in 2017, which was partly offset by gain on disposal of solar power plant projects of RMB19 million.

Adjusted Net Profit, Adjusted EBIT margin and Adjusted EBITDA margin

	2017	2016
	RMB million	*RMB million*
For the year ended 31 December:		
Profit for the year attributable to owners of the Company from continuing operations	**764**	299
Add: Non-operating items		
Bargain purchase from business combination	–	(67)
Changes in fair value on convertible bonds	**119**	175
Adjusted net profit	**883**	407
Adjusted net margin ratio	**22.4%**	18.1%
Profit for the year from continuing operations	**904**	309
Add: Non-operating items		
Bargain purchase from business combination	–	(67)
Changes in fair value on convertible bonds	**119**	175
Finance costs	**1,432**	966
Income tax credit	**(40)**	(42)
Adjusted EBIT	**2,415**	1,341
Adjusted EBIT margin	**61.3%**	59.7%
Add: Depreciation and amortization	**1,027**	563
Adjusted EBITDA	**3,442**	1,904
Adjusted EBITDA margin	**87.3%**	84.8%

As a result of the continuous growth of Solar Energy Business, the Group can enjoy economies of scale, thereby lowering the average operating and maintenance costs and administrative cost per unit of power generated. Thus, the adjusted EBITDA margin for Solar Energy Business increased from 84.8% for the year ended 31 December 2016 to 87.3% for the year ended 31 December 2017.

For the purpose of results announcement, several items were excluded in the calculation of earnings before interest expense, tax, depreciation, amortisation and exceptional item ("EBITDA"). The adjusted EBITDA presented may, therefore, not be comparable to similarly titled measured by reportedly other companies.

Finance Costs

	2017	2016
	RMB million	*RMB million*
Total borrowing costs	**1,763**	1,235
Less: Interest expenses capitalised	**(331)**	(269)
	1,432	966

Finance costs amounted to RMB1,763 million for the year ended 31 December 2017 (2016: RMB1,235 million) representing an increase of 43% as compared with the year ended 31 December 2016. The increase was mainly due to the significant increase in average borrowing balance as a result of the capital expenditure for expansion of solar power plants. The operation of solar power plants is capital intensive and high gearing in nature. The interest rates were ranging from 2.5% to 11.4% for the year ended 31 December 2017 (2016: 2.5% to 11.45%).

The capitalised interest expenses for the ended 31 December 2017 amounted to RMB331 million (2016: RMB269 million), which represented interest capitalised during construction period of solar power plants. The amount of capitalised interest expenses did not increase in line with the increase in average borrowings balance because the borrowing costs ceased to be capitalised when the solar power plants commenced operations. As a result of ceased capitalisation of interest costs for completed projects, the increase in finance costs is proportionately higher than the increase in average borrowing balance for the year.

Although the total finance costs increased, the average borrowing interest rate for new and existing borrowings was gradually decreasing from 7.3% in 2016 to 6.6% in 2017. The decrease was mainly due to the drawn down of a large quantity of low-cost long term project loans and long term finance leases to replace high cost short-term bridge loans.

Income Tax Credit

Income tax credit for the year ended 31 December 2017 was RMB40 million as compared to RMB42 million for 2016. The income tax credit for the current year is mainly attributable to deferred tax asset recognized as a result of the increase in unrealized profit of intercompany modules sales transactions caused by our rapid expansion. Most of our solar power plants are exempted from the PRC income tax for three years starting from the first year when the solar power plants operate and generate taxable income, followed by 50% reduction for the next three years.

Discontinued Operations

The Group entered into a sale and purchase agreement on 30 December 2016 to dispose of the entire interest in the PCB Business. The Disposal was subsequently approved by the Shareholders on 13 February 2017 and was completed on 2 August 2017. Accordingly, the Group's PCB Business were classified as discontinued operations. The gain for the discontinued operations in 2017 was RMB77 million, which included a cumulative exchange gain of RMB86 million reclassified from foreign currency translation reserve to profit or loss.

Profit (loss) Attributable to Owners of the Company

The Group recorded a profit attributable to the owners of the Company from continuing operations of RMB764 million for the year ended 31 December 2017 (2016: RMB299 million).

The Group recorded a gain attributable to the owners of the Company from discontinued operations (i.e. PCB Business) of RMB77 million for the year ended 31 December 2017 (2016: loss of RMB169 million), which included a cumulative exchange gain of RMB86 million reclassified from foreign currency translation reserve to profit or loss.

Dividend

The Board does not recommend the payment of a dividend for the year ended 31 December 2017 (2016: Nil).

Property, Plant and Equipment

Property, plant and equipment increased significantly from RMB26,755 million as at 31 December 2016 to RMB38,104 million as at 31 December 2017. This was mainly attributable to the increase in the total installed capacity of solar power plants from 3,486MW as at 31 December 2016 to 5,812MW as at 31 December 2017.

Deposits, Prepayment and Other Non-current Assets

As at 31 December 2017, non-current portion for deposits, prepayments and other non-current assets mainly included approximately RMB2,716 million (31 December 2016: RMB2,114 million) for refundable value-added tax, approximately RMB543 million (31 December 2016: RMB660 million) deposits paid for EPC contracts and constructions and approximately RMB1,836 million (31 December 2016: RMB250 million) of tariff adjustments (i.e. the government subsidies) expected to be received after twelve months. There is a substantial increase in tariff receivables expected to be received after twelve months because some solar power plants were waiting for registration into the coming batches of subsidies catalogue.

Trade and Other Receivables

Trade and other receivables increased from RMB3,386 million as of 31 December 2016 to RMB4,228 million as of 31 December 2017. The increase was mainly due to net increase in current portion of government subsidies receivables (i.e. the government subsidies registered in the 6th batch or before, or to be registered for 7th batch) of RMB542 million. During the year ended 31 December 2017, a total of approximately RMB597 million government subsidies for the 6th batch or before has been received. Breakdown of trade and tariff receivables is as follows:

	Batch of subsidies	**2017** ***RMB million***	2016 *RMB million*
Trade receivables			
– basic tariff		**300**	164
Tariff receivables (government subsidies)			
– Current	6th batch or before	**367**	702
– Current	To be registered for the 7th batch	**2,041**	1,164
		2,408	1,866
– Non-current	To be registered for the 8th batch or after	**1,836**	250
		4,244	2,116
Total		**4,544**	2,280

Bills and Other Payables and Deferred Income

Trade and other payables decreased from RMB11,394 million as of 31 December 2016 to RMB11,063 million as of 31 December 2017. Trade and other payables mainly consisted of payables for purchase of plant and machinery and construction of RMB7,678 million (31 December 2016: RMB8,315 million), bills payable of RMB2,058 million (31 December 2016: RMB2,208 million) and deferred income of RMB219 million (31 December 2016: nil). The deferred income of RMB219 million mainly represents the monies received for investment tax credit arrangement of our US projects.

Liquidity and Financial Resources

The Group adopts a prudent treasury management policy to maintain sufficient working capital to cope with daily operations and meet our future development demands for capital. The funding for all its operations has been centrally reviewed and monitored at the Group level. The indebtedness of the Group mainly comprises bank and other borrowings, bonds payable, loans from fellow subsidiaries and convertible bonds. The cash flow activities for the Group are summarised as follows:

	For the year ended 31 December	
	2017	2016
	RMB million	*RMB million*
Net cash generated from operating activities	**1,854**	450
Net cash used in investing activities	**(13,354)**	(9,714)
Net cash generated from financing activities	**11,888**	11,155

The net cash from operating activities during the year ended 31 December 2017 was RMB1,854 million, representing a 312% increase from RMB450 million of the same period last year. The substantial increase in net cash from operating activities was mainly due to the cash received from sale of electricity and tariff adjustments for solar power plants registered to the 6th batch of subsidy catalogue as well as the expansion of grid-connected capacity from 3,138MW as at 31 December 2016 to 5,503MW as at 31 December 2017.

The net cash used in investing activities during the year ended 31 December 2017 primarily arose from payments and deposit paid for the acquisition and development of solar power plant projects.

For the year ended 31 December 2017, the Group's main source of funding was cash generated from financing activities amounting to RMB11,888 million, which mainly included the net effect of newly raised bank and other borrowings of RMB18,384 million and repayment of bank and other borrowings of RMB7,466 million and the proceeds of RMB1,500 million from deemed disposal of partial interest in Suzhou GCL New Energy.

Indebtedness and gearing ratio

Solar Energy Business is a capital intensive industry. The business requires substantial capital investments for developing and constructing solar power plants. Thus, the average gearing ratio for the solar energy industry is relatively high. The Group normally funds the capital expenditure for building solar power plants by bridge financing mainly long term finance leases and equity, whereas most of the long term bank loans from domestic banks are only available for the repayment of high-cost bridging finance after grid connection.

Once the construction of solar power plants is completed and connected to the grid, the plants will generate steady cash inflow to the Group. In view of this relatively low risk characteristic of solar power plants, domestic banks generally provide long-term bank loans of 10 to 15 years at relatively low interest rates, and finance 70% to 80% of the total capital expenditures after the completion of construction. Thus, the average gearing ratio for the solar energy industry is relatively high.

Because of the nature of the solar energy industry in the PRC, the Group was in net current liabilities position of approximately RMB9,305 million as at 31 December 2017. To address the net current liabilities position, the Group has taken several measures to generate sufficient cash inflow to the Group:

(1) During the year ended 31 December 2017, the Group had obtained new borrowing of RMB18,384 million of which RMB15,945 million had a repayment terms of over 3 years. The Group also issued non-public green bonds of RMB935 million with a term of 3 years. The management is continuously changing the Group's debt profile for obtaining long-term debts to repay the short-term borrowing or other current liabilities.

(2) On 22 November 2017, the Group entered into capital increase agreements with Sumin Ruineng Wuxi Equity Investment Partnership (Limited Partnership)* (蘇民睿能無錫股權投資合夥企業（有限合夥）) ("Sumin Ruineng"). Pursuant to which, Sumin Ruineng agreed to make a capital increase in an aggregate amount of RMB1,500 million to Suzhou GCL New Energy Investment Co., Ltd.* (蘇州協鑫新能源投資有限公司) ("Suzhou GCL New Energy"), a subsidiary of the Group. Upon completion of the capital increase, the Group and Sumin Ruineng would hold 92.82% and 7.18% equity interest in Suzhou GCL New Energy, respectively. The transaction was completed in December 2017.

(3) On 23 January 2018, the Group issued senior notes of US$500 million (equivalent to approximately RMB3,376 million). The notes bear interest at 7.1% and will be matured on 30 January 2021. The net proceeds of the notes issue, after deduction of underwriting discounts and commissions and other estimated expenses, amounted to approximately US$493 million.

(4) The Group is implementing different long-term financing strategy such as asset-light business model and introduction of equity investors on solar power plant level to address the net current liabilities position of the Group:

— On 30 June 2017, the Group, entered into share transfer agreements to sell 2 solar power plants with an aggregate capacity of 130MW to Xi'an Zhongmin GCL New Energy Company Limited, a joint venture of the Company, at a consideration of approximately than RMB262 million. The transaction was completed in July 2017.

— On 31 May 2017, the Group entered into a co-operation framework agreement with Fuyang New Energy Technology (Nanyang) Limited* (富陽新能源科技(南陽)有限公司). Under the co-operation framework agreement, Fuyang New Energy will buy certain solar power plants, which will adopt a built-transfer model. The Group will be responsible for the engineering, procurement and construction, and provide operation and maintenance services after completion of the solar power plants.

— On 21 November 2017, the Group entered into a partnership agreement to form a joint venture with a maximum capital contribution of RMB1,000 million, which will primarily invest in solar power plant projects. Pursuant to the agreement, each of Beijing Enterprises Clean Energy Group Limited and the Group will contribute capital of RMB150 million. The investment in the limited partnership may provide an additional source of funding for the development and operation of the Group's projects.

The Group is actively negotiating similar arrangements to generate additional liquidity and working capital.

(5) On 20 November 2017, the Company entered into a non-legally binding co-operation framework agreement with Taiping Financial Holdings Company Limited (太平金融控股有限公司), an overseas investment platform of China Taiping Insurance Group, pursuant to which Taiping Financial Holdings Company Limited agreed that it or its affiliate companies will lead the establishment of an investment fund with a fund size of approximately HK$8,000 million, for the purpose of investing in the Company by way of subscription of new shares and convertible bonds.

(6) The Group is currently negotiating with several banks and financial institutions in both Hong Kong and the PRC for additional financing. It has received detailed proposals from certain banks for banking facilities with repayment periods for more than one year. The Group also received letters of intent from certain private equity funds which indicated that these funds preliminarily agreed to or invest to the Group. The Group is also seeking other form of financing to improve liquidity.

By taking the above measures, we believe that the Group has sufficient working capital to meet the financial obligation when they fall due.

* *English name for identification only*

The Group monitors capital on the basis of two gearing ratios. The first ratio is calculated as net debts divided by total equity and second ratio is calculated as total liabilities divided by total assets. The gearing ratio as at 31 December 2017 and 31 December 2016 were as follows:

	31 December 2017 *RMB million*	31 December 2016 *RMB million*
Non-current indebtedness		
Bank and other borrowings	**25,482**	16,153
Bonds	**883**	–
Convertible bonds	–	858
	26,365	17,011
Current indebtedness		
Loans from fellow subsidiaries	**1,072**	676
Bank and other borrowings	**7,068**	4,948
Convertible bonds	**925**	–
	9,065	5,624
Indebtedness for discontinued operations		
Loan from a shareholder	–	18
Bank borrowings — due within one year	–	181
Obligations under finance leases — due within one year	–	39
Obligations under finance leases — due after one year	–	27
	–	265
Total indebtedness	**35,430**	22,900
Less: cash and cash equivalents — continuing operations	**(4,197)**	(3,826)
— discontinued operations	–	(27)
Pledged bank and other deposits — continuing operations	**(2,243)**	(2,255)
— discontinued operations	–	(20)
Net debts	**28,990**	16,772
Total equity	**8,796**	6,420
Net debts to total equity	**330%**	261%
Total liabilities	**46,638**	35,059
Total assets	**55,434**	41,478
Total liabilities to total assets	**84.1%**	84.5%

The Group's banking and other facilities were summarised as follows:

	31 December 2017 *RMB million*	31 December 2016 *RMB million*
Total banking and other facilities granted	**46,705**	23,398
Facilities utilised	**(44,137)**	(21,313)
Available facilities	**2,568**	2,085

The Group's indebtedness are denominated in the following currencies:

	31 December 2017 *RMB million*	31 December 2016 *RMB million*
Renminbi ("RMB")	**31,989**	21,628
Hong Kong dollars ("HK$")	**926**	876
United States dollars ("US$")	**2,320**	396
Euro dollars ("Euro")	**126**	–
Japanese Yen ("JPY")	**69**	–
	35,430	22,900

Use of Proceeds

The Company conducted below fund raising activities and actual use of proceeds:

Date of announcement/ prospectus	Events	Net proceeds and intended use	Actual use of proceeds
24 January 2018	Issuance of US$500 million senior notes	The net proceeds of approximately US$493 million were intended to be applied as follows: (i) Development of business operations; (ii) Repayments of financial Borrowings; and (iii) Other general corporate purposes	The unused proceeds will be utilised as intended.
3 August 2017, 7 December 2017	Issuance of non-public green bonds amounting to RMB935 million	The net proceeds of approximately RMB933 million were intended to be applied as follows: (i) for renewable energy project investment and construction; and (ii) for repayment of financing of renewable energy projects	All the net proceeds were utilised as intended.

Pledge of Assets

As at 31 December 2017, the following assets were pledged for bank and other facilities granted to the Group:

— property, plant and equipment of RMB26,720 million (31 December 2016: RMB15,619 million);

— nil for prepaid lease payments (31 December 2016: RMB6 million);

— bank and other deposits of RMB2,243 million (31 December 2016: RMB2,276 million); and

— rights to collect the sales of electricity for certain subsidiaries. As at 31 December 2017, the trade receivables of those subsidiaries amounted to RMB4,193 million (31 December 2016: RMB1,860 million).

As at 31 December 2017, there is no obligations under finance leases. At 31 December 2016, the Group's property, plant and equipment with a net book amount of RMB124 million were pledged as security for obligations under finance leases of the Group amounting to RMB66 million.

Contingent Liabilities

The Group did not have any other significant contingent liabilities as at 31 December 2017.

Capital Commitments

As at 31 December 2017, the Group's capital commitments in respect of construction commitments related to solar power plants, purchase of machinery and leasehold improvements and commitment to invest in joint ventures contracted for but not provided amounted to approximately RMB3,626 million, nil and RMB243 million, respectively (31 December 2016: RMB4,441 million, RMB6 million and nil, respectively).

Material Acquisitions and Disposals of Subsidiaries and Associated Companies

For the year ended 31 December 2017, the Group acquired several subsidiaries, which is engaged in solar power plant business in Japan and the PRC at a total consideration of approximately RMB42 million. The construction of the solar power plant project has been completed as at the date of acquisitions. Thus, the acquisition is classified as business combination.

On 30 December 2016, the Group entered into a sale and purchase agreement to dispose of the entire interest in the PCB Business for a consideration of a fixed price of HK$250 million, equivalent to approximately RMB224 million plus, as the case may be, adjustment amounts pursuant to the sale and purchase agreement. On 2 August 2017, the disposal was completed without any further adjustment on the consideration.

On 30 June 2017, the Group entered into share transfer agreements with 西安中民協鑫新能源有限公司 (Xi'an Zhongmin GCL New Energy Company Limited*) ("Zhongmin GCL"), a joint venture of the Group, pursuant to which the Group agreed to sell and Zhongmin GCL agreed to purchase 100% equity interest of 金湖正輝太陽能電力有限公司 (Jinhu Zhenghui Photovoltaic Co., Ltd.*) ("Jinhu") and 山東萬海電力有限公司 (Shandong Wanhai Solar Power Co., Ltd.*) ("Wanhai") for a consideration of approximately RMB192 million and RMB70 million, respectively. The transaction is completed in July 2017.

On 22 November 2017, the Group entered into capital increase agreements with Sumin Ruineng Wuxi Equity Investment Partnership (Limited Partnership)* (蘇民睿能無錫股權投資合夥企業（有限合夥）) ("Sumin Ruineng"). Pursuant to which, Sumin Ruineng agreed to make a capital increase in an aggregate amount of RMB1,500 million to Suzhou GCL New Energy Investment Co., Ltd.* (蘇州協鑫新能源投資有限公司) ("Suzhou GCL New Energy"), a subsidiary of the Group. Upon completion of the capital increase, the Group and Sumin Ruineng would hold 92.82% and 7.18% equity interest in Suzhou GCL New Energy, respectively. The transaction was completed in December 2017.

Save as disclosed above, there were no other significant investments during the year ended 31 December 2017, or plans for material investments as at the date of this report, nor were there other material acquisitions and disposals of subsidiaries during the year ended 31 December 2017.

Events after the Reporting Period

On 23 January 2018, the Group issued senior notes of US$500 million. The notes bear interest at 7.1% and will be matured on 30 January 2021. The estimated net proceeds of the notes issue, after deduction of underwriting discounts and commissions and other estimated expenses, amounted to approximately US$493 million.

* *English name for identification only*

RISK FACTORS AND RISK MANAGEMENT

The Group's business and financial results of operations are subject to various business risks and uncertainties. The factors set out below are those that the management believes could affect the Group's financial results of operations differing materially from expected or historical results. However, there can be other risks which are immaterial now but could turn out to be material in the future.

1. **Policy risk**

   Policies made by the Government have a pivotal role in the solar power industry. Any alternation in the preferential tax policies, on-grid tariff subsidies, generation dispatch priority, incentives, upcoming issuance of green certificates, laws and regulations would cause substantial impact on the solar power industry. Although the Chinese Government has been supportive in aiding the growth of the renewable industry by carrying out a series of favorable measures, it is possible that these measures will be modified abruptly. In order to minimize risks, the company will follow rules set out by the government strictly, and will pay close attention to policy makers in order to foresee any disadvantageous movements.

2. **Grid curtailment risk**

   With the growth in power generating capacity outpaced electricity consumption growth, it has led to utilization decline for power generating capacity across the country since 2014. Although solar power has a higher dispatch priority over conventional power generation in China, given electricity generated from areas with rich solar energy resources cannot be fully consumed in the provinces, and the excess electricity cannot be transmitted to other regions with higher power demand given limited power transmission capacity, grid curtailment has become an issue with high degree of concern for solar power. In this regard, the Company mainly focuses on developing solar power projects in regions with well-developed inter-province power transmission network or with strong domestic power demand such as zone 2 and 3, hence, minimizing grid curtailment risk.

3. **Risk associated with tariff**

   Power tariff is one of the key earning drivers for the company. Any adjustment in tariff might have an impact on the profitability of new solar power projects. Given China's National Development and Reform Commission (NDRC) targets to accelerate the technology development for solar power industry in order to bring down development costs, hence, lowering solar power tariff to the level of coal-fired power by near future, the government subsidy for solar power industry will finally be faded out. To minimise this risk, the Company will continue to fasten technology development and implement cost control measures in order to lower development cost for new projects.

4. **Risk related to high gearing ratio**

Solar power generating business is a capital intensive industry, which highly relies on external financing in order to fund for the construction of solar power plant while the recovery of capital investment takes a long period of time. To cope with the gearing risk, the Company will pay close attention to the market dynamics, and to avoid any unfavorable changes to the Company. Additionally, the company is constantly seeking alternative financing tools and pursing asset-light model to optimize our finance structure and lower its gearing ratio below 85%.

5. **Risk related to interest rate**

Interest risk may result from fluctuations in bank loan rates. Given our company highly relies on external financing in order to obtain investment capital for new solar power project development, any interest rate changes will have impact on the Company's capital expenditure and finance expenses, hence, affecting our operating results. Transformation into asset-light model is an effective way to reduce debts and interest rate exposure.

6. **Foreign currency risk**

As most of our solar power plants are located in the PRC, substantial revenues, capital expenditures, assets and liabilities are in RMB. However, we use foreign currencies such as Hong Kong dollars and US dollars for development of overseas markets. And as a result, a natural hedge was formed, and the Group considered that the foreign currency risk is minimal. For the year ended 31 December 2017, the Group did not purchase any foreign currency derivatives or related hedging instruments. However, management will closely monitor the foreign exchange risk profile and will consider hedging significant foreign currency exposure should the need arises.

7. **Risk related to disputes with joint venture partners**

Our joint ventures may involve risks associated with the possibility that our joint venture partners may have financial difficulties or have disputes with us as to the scope of their responsibilities and obligations. We may encounter problems with respect to our joint venture partners which may have an adverse effect on our business operations, profitability and prospects.

EMPLOYEE AND REMUNERATION POLICIES

We consider our employees to be our most important resource. As at 31 December 2017, the Group had approximately 2,341 employees (31 December 2016: 6,509 employees, for which 4,130 employees are from discontinued operations) in Hong Kong, the PRC and overseas. Employees are remunerated with reference to individual performance, working experience, qualification and the prevailing industry practice. Apart from basic remuneration and the statutory retirement benefit scheme, employee benefits include discretionary bonuses, with share options granted to eligible employees.

CORPORATE GOVERNANCE

The Company is committed to promoting high standards of corporate governance through its continuous effort in improving its corporate governance practices and process. The Board believes that sound and reasonable corporate governance practices are essential for sustainable development and growth, and safeguarding the interests and assets of the Group and enhancement of shareholders' value. Throughout the Reporting Period, the Company complied with all the code provisions set out in the Appendix 14 Corporate Governance Code and Corporate Governance Report in the Rules Governing the Listing of Securities on the Stock Exchange.

AUDIT COMMITTEE AND FINANCIAL INFORMATION

The financial information in this announcement does not constitute the Group's consolidated financial statements for the year, but represents an extract from those consolidated financial statements. The audit committee of the Company has reviewed the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, and the final results of the Group for the Reporting Period in conjunction with the external auditor of the Company.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2017 as set out in this preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this preliminary announcement.

AUDIT OPINION

The auditor of the Group has issued an opinion with a material uncertainty related to going concern paragraph on the consolidated financial statements of the Group for the period under audit. An extract of the auditor's report is set out in the section headed "EXTRACT OF THE AUDITOR'S REPORT" below.

EXTRACT OF THE AUDITOR'S REPORT

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that as of 31 December 2017, the Group's current liabilities exceeded its current assets by RMB9,305 million. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares listed on the Stock Exchange during the Reporting Period.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 21 May 2018 to Friday, 25 May 2018, both days inclusive, during which period no transfer of shares will be effected and for the purpose of determining the identity of members who are entitled to attend and vote at the annual general meeting ("AGM") of the Company to be held on Friday, 25 May 2018 at 11:30 a.m.. In order to be eligible to attend and vote at the AGM, all completed share transfer documents must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Friday, 18 May 2018. The notice of AGM will be published and despatched to shareholders of GCL New Energy in April 2018.

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, 15 March 2018

As at the date of this announcement, the Board comprises Mr. Zhu Yufeng, Mr. Sun Xingping, Ms. Hu Xiaoyan and Mr. Tong Wan Sze as executive Directors; Ms. Sun Wei, Mr. Sha Hongqiu and Mr. Yeung Man Chung, Charles as non-executive Directors; and Mr. Wang Bohua, Mr. Xu Songda, Mr. Lee Conway Kong Wai, Mr. Wang Yanguo and Dr. Chen Ying as independent non-executive Directors.