保利協鑫

GCL-Poly Energy Holdings Limited
保利協鑫能源控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 3800)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007

The board of directors (the "Board") of GCL-Poly Energy Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2007 as follows:

FINANCIAL HIGHLIGHTS

	2007	2006
	HK$'000	*HK$'000*
Revenue		
Sales of electricity	**1,508,392**	711,600
Sales of steam	**384,230**	198,422
	1,892,622	910,022
(Loss) profit attributable to equity holders of the Company		
Profit from ordinary operation	**100,559**	84,465
Loss from non-recurring items	**(374,238)**	(26,170)
	(273,679)	58,295
	HK cents	*HK cents*
Basic (loss) earnings per share		
Profit from ordinary operation	**21.51**	21.70
Loss from non-recurring items	**(80.05)**	(6.72)
	(58.54)	14.98

The loss attributable to shareholders for the year ended 31 December 2007 amounted to HK$273.7 million compared to a profit attributable to shareholders of HK$58.3 million in 2006, the change was a result of the combined effect of the following non-recurring items:

- loss on increase in fair value of Convertible Note of HK$348.6 million (2006: HK$86.6 million);
- listing expenses net of interest income from subscription period before the listing of the Company of HK$28.9 million (2006: HK$7.1 million); and
- discount on acquisition of the equity interest in a subsidiary of HK$3.3 million (2006: discount on acquisition of an associate of HK$67.5 million).

Excluding the above non-recurring items, the profit attributable to shareholders from the ordinary operation was HK$100.6 million, representing an increase of HK$16.1 million or 19.1% as compared with HK$84.5 million in 2006.

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007

	NOTES	2007 HK$'000	2006 HK$'000
Revenue	3	**1,892,622**	910,022
Cost of sales		**(1,520,765)**	(710,753)
Gross profit		**371,857**	199,269
Other income	5	**112,085**	36,846
Administrative expenses		**(214,667)**	(69,036)
Operating profit		**269,275**	167,079
Finance costs	6	**(165,712)**	(105,490)
Share of results of associates		**20,286**	46,709
Loss on increase in fair value of convertible note		**(348,571)**	(86,617)
Discount on acquisition of a subsidiary		**3,271**	–
Discount on acquisition of the equity interest in an associate		**–**	67,519
(Loss) profit before tax		**(221,451)**	89,200
Income tax credit (expense)	7	**4,132**	(3,460)
(Loss) profit for the year	8	**(217,319)**	85,740
Attributable to:			
Equity holders of the Company		**(273,679)**	58,295
Minority interests		**56,360**	27,445
		(217,319)	85,740
		HK cents	*HK cents*
(Loss) earnings per share – Basic	9	**(58.54)**	14.98

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2007

	NOTES	2007 HK$'000	2006 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**4,974,246**	2,221,178
Prepaid lease payments		**250,053**	73,292
Interests in associates		**77,955**	456,811
Goodwill		**124,639**	–
Other intangible assets		**15,801**	–
Available-for-sale investments		**12,453**	11,443
Loan receivables		**–**	597
Pledged bank deposits		**–**	9,950
Deferred tax assets		**12,149**	1,728
Deposit for acquisitions of property, plant and equipment and land use rights		**–**	1,090
		5,467,296	2,776,089
CURRENT ASSETS			
Inventories		**134,552**	41,978
Trade and other receivables	10	**583,975**	136,565
Prepaid lease payments		**9,561**	2,662
Amounts due from related companies		**20,640**	59,091
Tax recoverable		**656**	–
Pledged bank deposits		**258,382**	144,554
Bank balances and cash		**858,724**	186,566
		1,866,490	571,416
CURRENT LIABILITIES			
Trade and other payables	11	**657,250**	243,030
Amounts due to related companies		**48,707**	263,068
Tax payable		**4,901**	779
Borrowings – due within one year		**1,593,142**	387,533
		2,304,000	894,410
NET CURRENT LIABILITIES		**(437,510)**	(322,994)
TOTAL ASSETS LESS CURRENT LIABILITIES		**5,029,786**	2,453,095
NON-CURRENT LIABILITIES			
Deferred income		**66,613**	9,899
Borrowings – due after one year		**2,123,164**	1,143,752
Convertible note		–	780,004
Deferred tax liabilities		**23,821**	–
		2,213,598	1,933,655
NET ASSETS		**2,816,188**	519,440
CAPITAL AND RESERVES			
Share capital		**97,242**	100
Reserves		**2,330,099**	313,335
Equity attributable to equity holders of the Company		**2,427,341**	313,435
MINORITY INTERESTS		**388,847**	206,005
TOTAL EQUITY		**2,816,188**	519,440

NOTES:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair value and have been prepared in accordance with the International Financial Reporting Standards ("IFRSs"). The accounting policies used in preparing the consolidated financial statements are consistent with those adopted by the Group in preparing the consolidated financial statements for the year ended 31 December 2006.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

At the date of this report, the International Accounting Standards Board and the International Financial Reporting Interpretations Committee ("IFRIC") have issued the following new and revised International Accounting Standards ("IASs"), IFRSs, amendments and interpretations which are not yet effective. The Group has not early adopted the following new standards, amendments and interpretations in the preparation of the consolidated financial statements for the year.

IAS 1 (Revised)	Presentation of Financial Statements[1]
IAS 23 (Revised)	Borrowing Costs[1]
IAS 27 (Revised)	Consolidated and separate Financial Statements[2]
IAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[1]
IFRS 2 (Amendment)	Vesting Conditions and Cancellation[1]
IFRS 3 (Revised)	Business Combination[2]
IFRS 8	Operating Segments[1]
IFRIC-Int 11	IFRS 2: Group and Treasury Share Transactions[3]
IFRIC-Int 12	Services Concession Arrangements[4]
IFRIC-Int 13	Customer Loyalty Programmes[5]
IFRIC-Int 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction4

[1] Effective for annual period beginning on or after 1 January 2009
[2] Effective for annual period beginning on or after 1 July 2009
[3] Effective for annual period beginning on or after 1 March 2007
[4] Effective for annual period beginning on or after 1 January 2008
[5] Effective for annual period beginning on or after 1 July 2008

The directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the results and the financial position of the Group except for the adoption of IFRS 3 (revised) "Business Combinations" and IAS 27 (Revised) "Consolidation and Separate Financial Statements". IFRS 3 (revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. IAS 27 (revised) will affect the accounting treatment on changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions.

3. REVENUE

An analysis of the Group's revenue for the year is as follows:

	2007	2006
	HK$'000	*HK$'000*
Sales of electricity	**1,508,392**	711,600
Sales of steam	**384,230**	198,422
	1,892,622	910,022

4. SEGMENT INFORMATION

Substantially all of the Group's consolidated revenue and contribution to profit from operations for the year ended 31 December 2006 were derived from the coal (including coal sludge, sludge and gangue) fuelled cogeneration plants in the PRC. Accordingly, no analysis by business segment of operations is provided. Revenue from sales of electricity and sales of steam are considered as one reportable business segment because steam is generated simultaneously during the power generation process.

During the year ended 31 December 2007, a cogeneration plant fuelled by natural gas, which before 13 March 2007 was equity accounted for as an associate has became a subsidiary of the Group, and its results are consolidated into the Group. For management purposes, the Group is currently organised into three operating divisions – coal (including coal sludge, sludge and gangue) fuelled cogeneration plants, gas-fuelled cogeneration plant and others. These divisions are the basis on which the Group reports its primary segment information.

Segment information about the Group's operations for the year ended 31 December 2007 is presented below.

Income Statement
For the year ended 31 December 2007

	Coal (including coal sludge, sludge and gangue) fuelled cogeneration plants *HK$'000*	Gas-fuelled cogeneration plant *HK$'000*	Others *HK$'000*	Consolidated *HK$'000*
Revenue	1,175,017	701,537	16,068	1,892,622
Result				
Segment result	200,654	107,900	30,505	339,059
Unallocated income				33,641
Unallocated expense				(103,425)
Share of results of associates	20,286	–	–	20,286
Finance costs				(165,712)
Discount on acquisition of a subsidiary				3,271
Loss on increase in fair value of convertible note				(348,571)
Loss before tax				(221,451)
Income tax credit				4,132
Loss for the year				(217,319)

5. OTHER INCOME

	2007	2006
	HK$'000	*HK$'000*
Government grants	**43,807**	16,202
Subscription interest income	**22,872**	–
Interest income	**10,769**	5,654
Management fee income	**12,900**	1,350
Sales of scrap materials	**8,973**	6,081
Rental income	**4,132**	2,993
Amortisation of connection fee income	**2,389**	2,944
Others	**6,243**	1,622
	112,085	36,846

6. FINANCE COSTS

	2007	2006
	HK$'000	*HK$'000*
Interest on:		
Bank and other borrowings	**166,158**	90,552
Discounted bills	**4,337**	2,749
Issue cost of convertible note	**–**	18,092
Other finance costs	**219**	305
Total borrowing costs	**170,714**	111,698
Less: Interest capitalised	**(5,002)**	(6,208)
	165,712	105,490

7. INCOME TAX CREDIT (EXPENSE)

	2007	2006
	HK$'000	*HK$'000*
The tax credit (expense) comprises:		
Current tax:		
Current year	**(4,696)**	(4,156)
Overprovision in prior year	**530**	10
	(4,166)	(4,146)
Deferred tax	**8,298**	686
	4,132	(3,460)

The tax credit (expense) of the year represents income tax in the PRC which is calculated at the prevailing tax rate on the taxable income of subsidiaries in the PRC.

According to PRC tax laws and regulations prevailing in the year 2007 and before, in general, PRC companies should be liable to pay enterprise income tax at the rate of 33% on their assessable profit except where existing laws, administrative regulations or any other relevant regulations promulgated by the PRC State Council provide for tax exemptions or other relief. Foreign invested enterprises that are engaged in the energy industry, upon approval by the State Administration of Taxation, enjoy a preferential enterprise income tax rate of 15% on the assessable profits. All our PRC subsidiaries engaged in energy industry enjoy this preferential tax rate, except for the Taicang Incineration Plant which is currently applying for such tax rate reduction to the local tax authority.

Pursuant to the relevant laws and regulations in the PRC, as the major subsidiaries are established in the PRC in the form of wholly foreign-owned enterprises or sino-foreign equity joint venture enterprises and engaged in the production activities, they should be entitled to full tax exemption from PRC Foreign Enterprise Income Tax ("FEIT") for two years starting from their first profit making year and followed by a 50% reduction on the FEIT for the next three years.

On 16 March 2007, the Law of the People's Republic of China on Enterprise Income Tax (the "New Law") was promulgated by Order No. 63 of the President of the PRC. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations would impose a single income tax rate of 25% for all the enterprises from 1 January 2008. According to the Circular of the State Council on the Implementation of Transitional Preferential Policies for Enterprise Income Tax (Guofa 2007 No.39), those entities that previously enjoyed tax incentive rate at 15% would increase their applicable tax rate progressively to 25% over a five-year period. The deferred tax balance has been adjusted to reflect the tax rates that are expected to apply to the respective periods during which the asset will be realised or the liability settled.

The subsidiaries, located in other jurisdictions, had no assessable profits for the year.

No provision for Hong Kong Profits Tax has been made as the Group did not have any assessable profit arising in Hong Kong for the year.

8. (LOSS) PROFIT FOR THE YEAR

	2007	2006
	HK$'000	*HK$'000*
(Loss) profit for the year has been arrived at after charging:		
Staff costs, including directors' remuneration		
Salaries, wages and other benefits	**102,081**	49,561
Share based payment expense	**2,201**	–
Retirement benefits scheme contributions	**6,264**	2,888
Total staff costs	**110,546**	52,449
Auditor's remuneration	**4,427**	807
Cost of inventories recognised as expense	**1,210,349**	556,613
Depreciation	**163,311**	94,536
Release of prepaid lease payments to income statement	**3,593**	2,387
Listing expenses	**51,810**	7,072
Impairment loss on trade and other receivable	**4,381**	–
Exchange loss, net	**12,042**	3,579
Loss on disposal of property, plant and equipment	**114**	505

9. (LOSS) EARNINGS PER SHARE

The calculation of the basic (loss) earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	2007	2006
	HK$'000	*HK$'000*
(Loss) profit attributable to equity holders of the Company	**(273,679)**	58,295
Represented by:		
Profit from ordinary operation	**100,559**	84,465
Non-recurring items		
Loss on increase in fair value of convertible note	**(348,571)**	(86,617)
Listing expenses less subscription interest income	**(28,938)**	(7,072)
Discount on acquisition of equity interest in an associate	**–**	67,519
Discount on acquisition of a subsidiary	**3,271**	–
Loss from non-recurring items	**(374,238)**	(26,170)
	(273,679)	58,295

	2007	2006
	'000	*'000*
Weighted average number of shares	**467,513**	389,220

	2007	2006
	HK Cents	*HK Cents*
Basic (loss) earnings per share		
– Profit from ordinary operation	**21.51**	21.70
– Loss from non-recurring items	**(80.05)**	(6.72)
	(58.54)	14.98

For the purpose of calculation of number of shares for the calculation of basic (loss) earnings per share, 388,220,000 shares issued pursuant to the capitalisation issue was based on the assumption that the capitalisation occurred at 1 January 2006.

The employee share options had no dilution effect on the loss per share for the year ended 31 December 2007 as the average market price of the Company's shares was lower than the exercise price of the options.

No diluted earnings per share was presented for the year ended 31 December 2006 as assuming the conversion of the Company's outstanding convertible note would result in an increase in earnings per share for the year ended 31 December 2006.

10. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables of HK$406,370,000 (2006: HK$112,467,000), the aged analysis of which is as follows:

	2007	2006
	HK$'000	*HK$'000*
0-90 days	**401,695**	110,579
91-180 days	**3,405**	1,046
Over 180 days	**1,270**	842
	406,370	112,467

The Group has a policy of allowing an average credit period of 30 to 90 days to its trade customers.

11. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of HK$148,738,000 (2006: HK$39,345,000) and trade bills and notes payables of HK$21,263,000 (2006: HK$38,805,000), the aged analysis of which are as follows:

	2007	2006
	HK$'000	*HK$'000*
Trade payables		
0-90 days	**139,306**	36,243
91-180 days	**4,321**	811
Over 180 days	**5,111**	2,291
	148,738	39,345
Bills and notes payable (trade)		
0-90 days	**10,753**	28,855
91-180 days	**10,510**	9,950
	21,263	38,805

The average credit period for trade purchases is 30 to 90 days.

BUSINESS REVIEW

Corporate Reorganisation

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands on 12 July 2006. Pursuant to a reorganisation to rationalise the structure of the Group in preparation for the public listing of the Company's shares on The Stock Exchange, the Company became the holding company of the subsidiaries of the Group. Details of reorganisation are set out in the Company's Prospectus dated 31 October 2007. The shares of the Company were listed on the main board of the Stock Exchange on 13 November 2007.

Asset Acquisition

Upon the listing of the Company, we have acquired additional interests in the following power plants. The changes in our equity interests in these power plants are as follows:

- Taicang Poly Congeneration Plant increased to 100% from 49%;
- Jaxing Cogeneration Plant increased to 95% from 44%;
- Dongtai Cogeneration Plant increased to 100% from 49.9%;
- Peixian Cogeneration Plant increased to 100% from 49.9%;
- Xuzhou Cogeneration Plant increased to 75% from 38.25%; and
- 29.4% equity interest in the Funing Cogeneration Plant was acquired.

During the period from the date of listing of the Shares of the Company to 31 December 2007, we have completed the acquisitions of 100% equity interests in each of Puyuan Cogeneration Plant, Xinneng Cogeneration Plant and Suzhou Fuel Company and an additional 30.6% equity interest in the Funning Cogeneration Plant.

Following the completion of acquisition, the Group holds 60% of the equity interest in Funning Cogeneration Plant.

Subsequent to the year ended 31 December 2007, we have also completed the acquisition of 49% equity interest in Beijing Cogeneration plant in January 2008 and completed the acquisition of the entire equity interest in the Huitengliang Project Company in March 2008.

These acquisitions enlarged the Group's business operation and enhance future operation capacity. In particular, the acquisition of Suzhou Fuel Company, which is engaged in procurement of coal, enables us to have a more favorable terms when negotiating with coal suppliers due to centralized purchase function in Suzhou Fuel Company and improve our overall efficiency by overseeing and controlling our coal costs at the Group level in the future.

Generation Capacity

As at 31 December 2007, the Group owns 17 cogeneration plants and 1 solid waste incineration plant which are all in commercial operation, with attributable installed capacity of 594.3 MW and an attributable steam extraction capacity of 1,562.4 ton/h. It represented an increase of 28.0% and 53.6% as compared with attributable installed capacity of 464.3 MW and attributable steam extraction capacity of 1,017.5 ton/h in 2006. The significant increase was mainly due to the aforementioned acquisitions and the commencement of commercial operation of the following power plant facilities in 2007:

- Unit 3 generator and unit 3 boiler of the Jiaxing Cogeneration Plant in July 2007
- Unit 2 generator and unit 2 boiler of the Puyuan Cogeneration Plant in July 2007
- Unit 1 generator and unit 1 boiler of the Puyuan Cogeneration Plant in October 2007
- Unit 3 boiler of Baoying Cogeneration Plant in September 2007
- Unit 3 boiler of Lianyungang Xiexin Cogeneration Plant in September 2007
- Unit 3 boiler of Xinneng Cogeneration Plant in November 2007
- Unit 3 boiler of Rudong Cogeneration Plant in December 2007

Below are the tables detailing the generation capacity of electricity and steam as at 31 December 2007 and 31 December 2006.

Generation Capacity – Electricity

Plant	Fuel(s)	Actual In-Service Date	Approved Generators	Installed Capacity *MW*	Current Equity Interest	Attributable Installed Capacity *MW* **31.12.2007**	Attributable Installed Capacity *MW* 31.12.2006
Kunshan Cogeneration Plant	Coal	Unit #1 Aug '03 Unit #2 Sep '03	2	2 x 24	51%	**24.5**	24.5
Haimen Cogeneration Plant	Coal	Unit #1 Dec '03 Unit #2 Jan '04	2	2 x 15	51%	**15.3**	15.3
Rudong Cogeneration Plant	Coal	Unit #1 Nov '04 Unit #2 Jan '05	2	2 x 15	100%	**30.0**	30.0
Huzhou Cogeneration Plant	Coal	Unit #1 Sep '04 Unit #2 Dec '04	3	2 x 15	94.77%	**28.4**	28.4
Taicang Poly Cogeneration Plant	Coal	Unit #1 Dec '98 Unit #2 Feb '99 Unit #3 May '03	3	3 x 15	100%	**45.0**	22.1
Jiaxing Cogeneration Plant	Coal	Unit #1 Aug '05 Unit #2 Oct '05 Unit #3 Jul '07	3	2 x 15 + 1 x 6	95%	**34.2**	13.2
Xinneng Cogeneration Plant	Coal/Sludge	Unit #1 Oct '06 a	2	1 x 6	100%	**6.0**	N/A c
Suzhou Cogeneration Plant	Natural Gas	Unit #1 Sep '05 Unit #2 Nov '05	2	2 x 180	51%	**183.6**	183.6
Fengxian Cogeneration Plant	Coal/Coal Sludge/Gangue	Unit #1 Oct '03 Unit #2 Nov '03	2	2 x 15	51%	**15.3**	15.3

Plant	Fuel(s)	Actual In-Service Date	Approved Generators	Installed Capacity *MW*	Current Equity Interest	Attributable Installed Capacity *MW* **31.12.2007**	Attributable Installed Capacity *MW* 31.12.2006
Yangzhou Cogeneration Plant f	Coal/Coal Sludge/Sludge	Unit #1 Mar '04 Unit #2 Apr '04	2	2 x 24	51%	**24.5**	24.5
Dongtai Cogeneration Plant	Coal/Coal Sludge	Unit #1 Jul '97 Unit #2 Jun '98	2	2 x 15	100%	**30.0**	15.0
Peixian Cogeneration Plant	Coal/Coal Sludge/Gangue	Unit #1 May '00 Unit #2 Jul '00	2	2 x 15	100%	**30.0**	15.0
Xuzhou Cogeneration Plant	Coal/Coal Sludge/Gangue	Unit #1 Dec '02 Unit #2 Jan '03	2	2 x 15	75%	**22.5**	11.5
Puyuan Cogeneration Plant f	Coal/Coal Sludge/Gangue	Unit #1 Oct '07 b Unit #2 Jul '07	3	1 x 15 + 1 x 6	100%	**21.0**	N/A c
Funing Cogeneration Plant	Coal/Coal Sludge	Unit #1 Dec '02 Unit #2 Feb '03	2	2 x 15	60%	**18.0**	N/A d
Baoying Cogeneration Plant	Coal/Coal Sludge/Biomass	Unit #1 Apr '05 Unit #2 Jun '05	2	2 x 15	100%	**30.0**	30.0
Lianyungang Xiexin Cogeneration Plant	Coal/Biomass	Unit #1 Jul '05 Unit #2 Sep '05	2	2 x 15	100%	**30.0**	30.0
Taicang Incineration Plant	Municipal Solid Waste	Unit #1 Oct '06	1	1 x 6	100%	**6.0**	6.0
Plants being our subsidiary or associated company as at 31 December				870		**594.3**	464.3
Acquisition of operating company in 2008							
Beijing Cogeneration Plant	Natural Gas	Unit #1 Jul '06 Unit #2 Jul '06	2	2 x 75	49%	**73.5**	N/A e
Total (including acquisition of operating company in 2008)				1,020		**667.8**	464.3

Notes:

a. Unit 2 generator of the Xinneng Cogeneration Plant commenced operation in February 2008.

b. Unit 3 generator of the Puyuan Cogeneration Plant is expected to commence operation in July 2008.

c. The Group acquired the entire equity interest with effect from November 2007.

d. The Group acquired 29.4% interest upon IPO and a further interest of 30.6% on 27 November 2007.

e. The acquisition of Beijing Cogeneration Plant was completed in January 2008.

f. Applications are in the process to become resources comprehensive utilization plants.

Generation Capacity – Steam

Plant	**Fuel(s)**	**Actual In-Service Date**	**Approved Boilers**	**Installed Boilers**	**Steam Extraction Capacity** *ton/h*	**Current Equity Interest**	**Attributable Steam Extraction Capacity** ***ton/h*** **31. 12. 2007**	**Attributable Steam Extraction Capacity** *ton/h* 31. 12. 2006
Kunshan Cogeneration Plant	Coal	Unit #1 Aug '03 Unit #2 Sep '03 Unit #3 Sep '05	3	3	160	51%	**81.6**	81.6
Haimen Cogeneration Plant	Coal	Unit #1 Dec '03 Unit #2 Jan '04	3	2	100	51%	**51.0**	51.0
Rudong Cogeneration Plant	Coal	Unit #1 Nov '04 Unit #2 Jan '05 Unit #3 Dec '07	3	3	100	100%	**100.0**	100.0
Huzhou Cogeneration Plant	Coal	Unit #1 Sep '04 Unit #2 Dec '04	4	2	100	94.77%	**94.8**	94.8
Taicang Poly Cogeneration Plant	Coal	Unit #1 Dec '98 Unit #2 Feb '99 Unit #3 May '03 Unit #4 Apr '05	4	4	150	100%	**150.0**	73.5
Jiaxing Cogeneration Plant	Coal	Unit #1 Aug '05 [a] Unit #2 Oct '05 Unit #3 Jul '07	4	3	172	95%	**163.4**	44.0
Xinneng Cogeneration Plant	Coal/Sludge	Unit #1 Oct '06 Unit #2 Oct '06 Unit #3 Nov '07	3	3	30	100%	**30.0**	N/A [c]
Suzhou Cogeneration Plant	Natural Gas	Unit #1 Sep '05 Unit #2 Nov '05	2	2	200	51%	**102.0**	102.0
Fengxian Cogeneration Plant	Coal/Coal Sludge/Gangue	Unit #1 Oct '03 Unit #2 Nov '03 Unit #3 Jun '05	3	3	100	51%	**51.0**	51.0
Yangzhou Cogeneration Plant [f]	Coal/Coal Sludge/Sludge	Unit #1 Mar '04 Unit #2 Apr '04	3	2	160	51%	**81.6**	81.6
Dongtai Cogeneration Plant	Coal/Coal Sludge	Unit #1 Jul '97 Unit #2 Jun '98	3	2	100	100%	**100.0**	49.9
Peixian Cogeneration Plant	Coal/Coal Sludge/Gangue	Unit #1 May '00 Unit #2 Jul '00 Unit #3 Dec '02	3	3	100	100%	**100.0**	49.9
Xuzhou Cogeneration Plant	Coal/Coal Sludge/Gangue	Unit #1 Dec '02 Unit #2 Jan '03 Unit #3 Aug '03	3	3	100	75%	**75.0**	38.3
Puyuan Cogeneration Plant [f]	Coal/Coal Sludge/Gangue	Unit #1 Oct '07 [b] Unit #2 Jul '07	3	2	122	100%	**122.0**	N/A [c]
Funing Cogeneration Plant	Coal/Coal Sludge	Unit #1 Dec '02 Unit #2 Feb '03 Unit #2 Sep '04	3	3	100	60%	**60.0**	N/A [d]
Baoying Cogeneration Plant	Coal/Coal Sludge/Biomass	Unit #1 Apr '05 Unit #2 Jun '05 Unit #3 Sep '07	3	3	100	100%	**100.0**	100.0
Lianyungang Xiexin Cogeneration Plant	Coal/Biomass	Unit #1 Jul '05 Unit #2 Sep '05 Unit #3 Sep '07	3	3	100	100%	**100.0**	100.0
Taicang Incineration Plant	Municipal Solid Waste	Unit #1 Oct '06 Unit #2 Oct '06	3	2	N/A	100%	**N/A**	N/A

Plant	Fuel(s)	Actual In-Service Date	Approved Boilers	Installed Boilers	Steam Extraction Capacity *ton/h*	Current Equity Interest	Attributable Steam Extraction Capacity *ton/h* 31. 12. 2007	Attributable Steam Extraction Capacity *ton/h* 31. 12. 2006
Plants being our subsidiary or associated company as at 31 December					1,994		**1,562.4**	1,017.5
Acquisition of operating company in 2008								
Beijing Cogeneration Plant	Natural Gas	Unit #1 Jul '06 Unit #2 Jul '06	2	2	100	49%	**49.0**	N/A [e]
Total (including acquisition of operating company in 2008)					2,094		**1,611.4**	1,017.5

Notes:

a. Unit 4 boiler of the Jiaxing Cogeneration Plant is expected to commence operation in June 2008.

b. Unit 3 boiler of the Puyuan Cogeneration Plant is expected to commence operation in July 2008.

c. The Group acquired the entire equity interest with effect from November 2007.

d. The Group acquired 29.4% interest upon IPO and a further interest of 30.6% on 27 November 2007.

e. The acquisition of Beijing Cogeneration Plant was completed in January 2008.

f. Applications are in the process to become resources comprehensive utilization plants.

Electricity

Generation Volume

Total gross generation volume of electricity was 5,300,202 MWh for the year ended 31 December 2007, representing an increase of 6.3% as compared with 4,983,979 MWh in 2006. Total electricity sales volume was 4,809,142 MWh for the year ended 31 December 2007, representing an increase of 5.0% as compared with 4,578,631 MWh in 2006. The increase was mainly due to the growth of attributable operational generation capacity from 464.3 MW in 2006 to 594.3 MW in 2007. The gross generation and electricity sales volume of each of the cogeneration plants are tabled as follows:

Electricity – Generation Volume

Plant	Gross Generataion *MWh* 2007	Gross Generataion *MWh* 2006	Electricity Sales *MWh* 2007	Electricity Sales *MWh* 2006
Kunshan Cogeneration Plant	**425,110**	401,872	**377,241**	357,691
Haimen Cogeneration Plant	**196,671**	197,070	**175,450**	178,122
Rudong Cogeneration Plant	**180,809**	185,578	**161,160**	166,321
Huzhou Cogeneration Plant	**201,823**	226,213	**178,936**	201,403
Taicang Poly Cogeneration Plant	**339,912**	355,609	**299,506**	321,769 [d]
Jiaxing Cogeneration Plant	**209,050**	207,366	**179,195**	180,893 [d]
Xinneng Cogeneration Plant	**52,656**	N/A [a]	**42,880**	N/A [a]
Suzhou Cogeneration Plant	**1,698,204**	1,775,549	**1,634,911**	1,705,798 [c]
Fengxian Cogeneration Plant	**212,364**	210,315	**185,247**	187,629
Yangzhou Cogeneration Plant	**369,728**	340,710	**328,540**	304,830
Dongtai Cogeneration Plant	**198,538**	200,300	**178,910**	181,700 [d]
Peixian Cogeneration Plant	**221,737**	220,024	**192,920**	195,423 [d]
Xuzhou Cogeneration Plant	**221,993**	207,997	**197,074**	185,186 [d]
Puyuan Cogeneration Plant	**69,901**	N/A [a]	**61,482**	N/A [a]
Funing Cogeneration Plant	**211,863**	N/A [b]	**182,540**	N/A [b]
Baoying Cogeneration Plant	**234,278**	224,100	**208,101**	203,430
Lianyungang Xiexin Cogeneration Plant	**214,115**	223,014	**193,202**	202,767
Taicang Incineration Plant	**41,450**	8,262	**31,847**	5,669
Plants being our subsidiary or associated company as at 31 December	**5,300,202**	4,983,979	**4,809,142**	4,578,631
Acquisition of operating company in 2008				
Beijing Cogeneration Plant	**749,470**	N/A [e]	**749,470**	N/A [e]
Total (including acquisition of operating company in 2008)	**6,049,672**	4,983,979	**5,558,612**	4,578,631

Notes:

a. The Group acquired the entire equity interest with effect from November 2007.

b. The Group acquired 29.4% interest upon IPO and a further interest of 30.6% on 27 November 2007.

c. Transfer from an associate to a subsidiary of the Group on 13 March 2007.

d. Became a subsidiary upon IPO on 13 November 2007; previously accounted for as an associated company.

e. The acquisition of Beijing Cogeneration Plant was completed in January 2008.

Approved On-grid Tariff

Our power plant's major customer for its electricity output is its local provincial power grid company. The price is based on the approved on-grid tariff determined by the provincial price bureaus. On-grid tariff depends on the fuel types of each power plant and whether government encouraged desulphurization equipment has been used. In 2007, our gas fuelled cogeneration plant in Suzhou as well as our Baoying Cogeneration Plant and Lianyungang Xiexin Cogeneration Plant benefited from an increase in on-grid tariff, while the tariffs of other cogeneration plants remained stable as compared with 2006. During the year 2007, the approved on-grid tariff of plants being our subsidiary or associated company, ranged from RMB458/MWh to RMB646/MWh. Excluding those plants not yet acquired in 2006, the approved on-grid tariff for the year 2006 ranged from RMB458/MWh to RMB575/MWh.

Steam

Generation Volume

Total output of steam of the plants was 5,596,645 tons for the year ended 31 December 2007, representing an increase of 42.3% as compared with 3,933,940 tons in 2006. Steam sales of 4,842,683 tons for the year ended 31 December 2007 was recorded, representing an increase of 45.0% as compared with 3,338,812 tons in 2006. The increase was mainly due to the growth of attributable steam extraction capacity to 1,562.4 ton/h in 2007 from 1,017.5 ton/h in 2006. The following table shows the total steam output and the steam sales of each of the power plants.

Steam – Generation Volume

Plant	**Total Output** *ton* **2007**	Total Output *ton* 2006	**Steam Sales** *ton* **2007**	Steam Sales *ton* 2006
Kunshan Cogeneration Plant	**510,978**	460,331	**448,092**	400,095
Haimen Cogeneration Plant	**379,709**	380,863	**351,952**	334,768
Rudong Cogeneration Plant	**495,436**	408,328	**422,340**	349,451
Huzhou Cogeneration Plant	**265,473**	211,737	**244,474**	192,405
Taicang Poly Cogeneration Plant	**508,971**	509,018	**462,799**	450,828 [d]
Jiaxing Cogeneration Plant	**713,038**	216,822	**627,825**	191,431 [d]
Xinneng Cogeneration Plant	**192,437**	N/A [a]	**172,221**	N/A [a]
Suzhou Cogeneration Plant	**486,284**	438,654	**432,288**	373,899 [c]
Fengxian Cogeneration Plant	**338,894**	275,619	**292,748**	233,764
Yangzhou Cogeneration Plant	**301,050**	98,243	**226,874**	61,726
Dongtai Cogeneration Plant	**402,485**	358,901	**348,171**	285,011 [d]
Peixian Cogeneration Plant	**227,267**	194,083	**177,186**	149,652 [d]
Xuzhou Cogeneration Plant	**201,372**	186,450	**166,838**	168,735 [d]
Puyuan Cogeneration Plant	**153,968**	N/A [a]	**126,090**	N/A [a]
Funing Cogeneration Plant	**176,416**	N/A [b]	**154,671**	N/A [b]
Baoying Cogeneration Plant	**188,521**	130,459	**144,013**	92,085
Lianyungang Xiexin Cogeneration Plant	**54,347**	64,432	**44,101**	54,963
Plants being our subsidiary or associated company as at 31 December	**5,596,645**	3,933,940	**4,842,683**	3,338,812
Acquisition of an operating company in 2008				
Beijing Cogeneration Plant	**202,470**	N/A [e]	**202,470**	N/A [e]
Total (including acquisition of operating company in 2008)	**5,799,115**	3,933,940	**5,045,153**	3,338,812

Notes:

a. The Group acquired the entire equity interest with effect from November 2007.

b. The Group acquired 29.4% interest upon IPO and a further interest of 30.6% on 27 November 2007.

c. Transfer from an associate to a subsidiary of the Group on 13 March 2007.

d. Became a subsidiary upon IPO on 13 November 2007; previous accounted for as an associated company.

e. The acquisition of Beijing Cogeneration Plant was completed in January 2008.

Fuel Cost

The cogeneration plants within our Group are primarily fuelled by coal (including coal sludge, sludge and gangue) and natural gas.

Coal (including coal sludge, sludge and gangue) fuelled generation

In 2007, the average unit fuel cost for electricity generation was RMB256.1/MWh, representing an increase of 6.2% as compared with RMB241.1/MWh in 2006. In 2007, the average unit fuel cost for steam generation was RMB79.2/ton, representing an increase of 4.6% as compared with RMB75.7/ton in 2006. The increase is mainly due to the increase in coal price in the current year.

Natural gas-fuelled generation

Only Suzhou Cogeneration Plant, which became our subsidiary in 2007, is fuelled by natural gas. The average unit fuel cost of electricity and steam generation of Suzhou Cogeneration Plant was RMB309.2/MWh and RMB74.6/ton, respectively.

We had acquired the entire equity interest in Suzhou Fuel Company, which is engaged in procurement of coal, by the end of 2007 by the proceeds of the IPO. Centralized procurement of coal through Suzhou Fuel Company enables us to have more favorable terms when negotiating with coal suppliers through bulk purchases and improve our overall efficiency by overseeing and controlling our coal costs at the Group level in future.

Post Balance Sheet Events

Subsequent to 31 December 2007, the Group have completed the acquisition of 49% equity interest in Beijing Cogeneration Plant in January 2008 and the entire equity interest in Huitengliang Project Company.

On 29 February 2008, the Company served a written notice to a company controlled by our controlling shareholder, notifying that we had decided not to exercise an option nor a right of first refusal amongst others granted under the Non-competition Deed, to acquire 70% equity interest in Lianyungang Baoxin Biomass Cogeneration Plant. Please refer to our announcement dated 3 March 2008 for further details.

On 29 February 2008, the Group entered into a legally binding conditional framework agreement with an independent third party for (i) the acquisition of 70% equity interest in 臨滄潤達水電有限公司 (Lincang Renda Hydropower Company Limited*), a joint venture company established in the PRC engaged in operating hydropower plants in Yunan, the PRC for an estimated consideration of RMB35,700,000 (approximately HK$38,387,000) subject to due diligence and further negotiation and (ii) proposed joint investment in certain other hydropower plants. Please refer to our announcement dated 29 February 2008 for further details.

Outlook

According to the Eleventh Five Year plan for national economy and social development, the PRC Government expects to achieve an average 7.5% annual Gross Domestic Product ("GDP") growth in the years 2006 to 2010. The growth rate of the power industry has grown at a high rate than China's GDP since 2000 as a result of the rapid growth of industries and rising residential power demand as per capital income increased. We believe that demand for electricity will continue to be strong in the locations where our power plants are located. We believe the year of 2008 will continue to bring opportunities and challenges to our Group.

Business Strategy

We will continue to strive to be one of the most successful and environmentally conscious power companies in the PRC. We will continue to strengthen our position and increase our market share by seeking strategic acquisition opportunities and utilizing our cumulative experience in developing, managing and operating cogeneration plants. In particular, we will continue to pursue the following strategies:

- Develop new cogeneration plants and seek for strategic acquisition opportunities.

- Expand and upgrade existing cogeneration plants.

- Emphasize highly efficient and environmental friendly power plants and clean and renewable fuels together with desulphurization equipment.

- Continue to implement rigorous cost control measures.

In view of the continuous increase in the price of fuel, particularly the price of coal, which are primarily used by our cogeneration plants, we are considering several possible alternatives, including acquiring coal mining/supply companies for vertical integration and as part of our cost control measures.

MANAGEMENT DISCUSSION AND ANALYSIS

Comparison with Prospectus

In the Prospectus dated 31 October 2007, the Company forecasted its consolidated net profit attributable to the equity holders of the Company before loss on increase in fair value of the convertible note for the year 2007 to be not less than HK$63.9 million. The consolidated net profit attributable to the equity holders of the Company before loss on increase in fair value of the Convertible Note in the year 2007 is HK$74.9 million which exceeds the forecast by approximately HK$11.0 million or 17.2%.

Comparison with 2006

Revenue and operating profit for the year ended 31 December 2007 was HK$1,892.6 million and HK$269.3 million respectively, compared to HK$910.0 million and HK$167.1 million in 2006. The surge is mainly attributable to the results of Suzhou Cogeneration Plant which was previously equity accounted for as an associate, have been consolidated as a subsidiary of the Group in March 2007 after the Group obtained its control over its operating and financial policies. In addition, the results of acquisitions of Taicang Poly Cogeneration Plant, Dongtai Cogeneration Plant, Jiaxing Cogeneration Plant, Peixian Cogeneration Plant, Xuzhou Cogeneration Plant, Puyuan Cogeneration Plant and Suzhou Fuel Company (collectively the "New Acquisitions") have been included in the consolidated income statement from the respective effective dates of acquisitions.

The results excluding Suzhou Cogeneration Plant and New Acquisitions

To provide more comparable basis with last year, we take out the result of Suzhou Cogeneration Plant and New Acquisitions. The following is an analysis of the operations excluding the Suzhou Cogeneration Plant and the New Acquisitions so that the two years are more comparable.

	2007 (excluding Suzhou Cogeneration plant and New Acquisitions)	2006
	HK$'000	*HK$'000*
Revenue	**1,078,872**	910,022
Cost of sales	**(859,446)**	(710,753)
Gross profit	**219,426**	199,269
Gross profit (%)	**20.3%**	21.9%

Gross profit: Gross profit in 2007 amounted to HK$219.4 million, representing an increase of HK$20.2 million, or 10.1%, from HK$199.3 million in 2006. It was mainly attributable to the expansion and upgrade of the existing power plants. In addition, a full year operation for 2007 has been recorded for Taicang Incineration Plant and Xinneng Cogeneration Plant which commenced operations in October 2006 and November 2006, respectively. Gross profit margin slightly decreased to 20.3% in 2007 from 21.9% in 2006 mainly due to increase in coal price.

Share of Results of Associates

The Group's share of profit of associates dropped significantly by HK$26.4 million in 2007 from HK$46.7 million to HK$20.3 million. It was mainly due to the transfer of Suzhou Cogeneration Plant from an associate to a subsidiary as discussed above. In addition, following the further acquisitions of equity interests in Dongtai Cogeneration Plant, Jiaxing Cogeneration Plant, Peixian Cogeneration Plant, Taicang Poly Cogeneration Plant and Xuzhou Cogeneration Plant upon IPO, all these plants which were accounted for as associates of the Group, have become our subsidiaries.

Loss from Non-recurring Items

Upon listing of the shares of the Company on the Stock Exchange, the Group recorded a loss on increase in fair value of convertible note of HK$348.6 million upon the conversion of the convertible amount and redemption of the convertible note together with accrued interest. The fair value of the Conversion Note at the conversion date is determined based on the fair value of the shares issued and cash paid by the Company to the holder of the Convertible Note. The loss is a non-cash transaction and will not recur as the Convertible Note has been extinguished immediately after IPO. The Group has also recorded a net amount of HK$28.9 million representing listing expenses, net of subscription interest income. In addition, the Group has recorded a discount on acquisition of a subsidiary of HK$3.3 million. If we exclude all these non-recurring items, the profit attributable to shareholders from the ordinary operation was HK$100.6 million (2006: HK$84.5 million).

Loss for the Year

As a result of the above factors, the Group recorded a loss of HK$217.3 million for the year ended 31 December 2007 as compared with the profit for the year 2006 of HK$85.7 million.

Use of Proceeds from the IPO

The net proceeds from the Company's issue of new shares in connection with its listing on the Stock Exchange, after deducting the underwriting commissions and other expenses amounted to HK$1,042.0 million. The proceeds received from the IPO are scheduled to be applied to further our strategy of increasing installed capacity through acquisition and expanding and upgrading our existing power plants. As of 31 December 2007, an aggregate amount of HK$556.5 million, representing 53.4% of the total net proceeds have been progressively utilised as set out in our Prospectus. Details of the utilisation up to 31 December 2007 are set out below:

- approximately HK$275 million for the redemption of the loan amount of the convertible note

- approximately HK$50 million for the cash portion of the consideration for the acquisitions of certain subsidiaries from Poly Group

- approximately HK$183.6 million for the acquisition of the entire equity interest in the Suzhou Fuel Company, Xinneng Cogeneration Plant and the Puyuan Cogeneration Plant and 30.6% of the equity interest in the Funning Cogeneration Plant

- approximately HK$27.9 million for the expansion of Puyuan Cogeneration Plant, Xinneng Cogeneration Plant, Jiaxing Cogeneration Plant and Rudong Cogeneration Plant

- approximately HK$20 million for the repayment of bank loan

Subsequent to 31 December 2007, the Group had further utilised the proceeds in accordance with the use set out in the Prospectus as follows:

- approximately HK$156.0 million for acquisition of 49% interest in Beijing Cogeneration Plant;

- approximately HK$22.0 million for acquisition of 100% equity interest in the Huitengliang Project Company.

Liquidity and Financial Resources

For the year ended 31 December 2007, the Group's primary sources of funding were cash generated from operations and financing activities, including the issuance of new shares on 13 November 2007 and new bank loans. Our principal liquidity requirements are for redemption of the loan amount of the non-convertible portion of the Convertible Note together with accrued interest, new investment financing and capital expenditures. As at 31 December 2007, the Group had a net current borrowings position of HK$476 million (31 December 2006: HK$56.4 million).

The Group's net current liabilities as at 31 December 2007 were HK$437.5 million (2006: HK$323.0 million). It was because the Group's capital expenditures were mainly financed by short-term borrowings and these short-term borrowings are expected to be renewable on an annual basis.

To manage the liquidity risk, the Group will regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash in short and long term. In particular, subsequent to 31 December 2007, the Group has obtained confirmations from lending banks to the effect that they agree to renew their loan facilities in the aggregate amount of RMB889.2 million which were outstanding as of 31 December 2007.

As at 31 December 2007, the Group's total assets were HK$7,333.8 million (2006: HK$3,347.5 million). Bank balances and cash including current pledged bank deposit were HK$1,117.1 million (2006: HK$331.1 million).

Foreign Currency Risk

Most of our fuel costs and operating expenses, including our salaries and other personnel costs and other purchases, sales and administration costs, are denominated in RMB, and we collect all of our revenues in RMB. We expect to continue to incur a significant portion of our operating costs, and to recognise operating revenues in RMB. Our foreign currency exposure currently relates only to the proceeds raised from IPO not yet utilised and hence deposited in US dollars and HK dollars bank accounts with financial institutions. As at 31 December 2007, such deposits amounted to HK$379.6 million, out of which an aggregate amount of HK$178.0 million was already paid for acquisitions pursuant to the planned use of proceeds as set out in the Prospectus.

In the future, we may as we deem appropriate, enter into financial instruments including forward foreign exchange contracts, to hedge against any foreign currency risk arising from our operations. Nevertheless, we currently have not engaged in any foreign currency hedging activities.

Borrowings

As at 31 December 2007, the Group's total borrowings amounted to HK$3,716 million (2006: HK$1,531 million). Below is a table showing the borrowing structure and maturity profile of the Group's total borrowings.

Borrowing Structure

	2007	2006
	HK$ million	*HK$ million*
Secured borrowings	**2,672**	633
Unsecured borrowings	**1,044**	898
	3,716	1,531

Maturity profile of borrowings

	2007	2006
	HK$ million	*HK$ million*
Repayable:		
On demand or wthin one year	**1,593**	387
After one year but within two years	**444**	320
After two years but within five years	**834**	565
After five years	**845**	259
Group's total borrowings	**3,716**	1,531

As at 31 December 2007, all of the Group's borrowings are denominated in RMB. The borrowings carry both fixed and floating rate interest at rates with reference to the Benchmark Borrowing Rate of The People's Bank of China. The fixed-rate borrowings and variable rate borrowings are 5.02% to 10.44% and Benchmark rate -0.5% to +2% respectively.

Key Financial Ratios of the Group

	2007	2006
Current ratio	**0.81**	0.64
Quick ratio	**0.75**	0.59
Net debt to equity	**107%**	380%

Current ratio	=	balance of current assets at the end of year/balance of current liabilities at the end of the year
Quick ratio	=	(balance of current assets at the end of the year-balance of inventories at the end of the year)/balance of current liabilities at the end of the year
Net debt to shareholders' equity	=	(balance of total bank and other borrowings at the end of the year-balance of bank balances, cash and pledged bank deposits at the end of the year)/balance of equity attributable to equity holders of the Company at the end of the year

Pledge of Assets

As at 31 December 2007, property, plant and equipment and prepaid lease payments with a carrying value approximately HK$3,550.4 million and HK$237.4 million, respectively, were pledged as security for certain banking facilities granted to the Group. Apart from these, bank deposits in an aggregate amount of HK$258.4 million were pledged to banks to secure bills and notes payable and short term borrowings granted to the Group. The pledged bank deposits will be released upon repayment of the relevant borrowings and/or bills and notes payable.

Contingent Liabilities

As at 31 December 2007, there were no material contingent liabilities. As at 31 December 2006, the Group had given guarantees of HK$102.0 million to certain banks for banking facilities granted to associates and a related company. All these guarantees have been released in order to prepare for the listing of the Company on the Stock Exchange.

EMPLOYEES

As at 31 December 2007, the Group employed approximately 1,826 employees.

DIVIDEND

The Directors do not recommend the payment of any dividend for the year ended 31 December 2007.

CORPORATE GOVERNANCE

With the exception of the deviation set out below, the Company has complied with the provisions of the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules during the period from the date of listing of the shares of the Company on the Main Board of the Stock Exchange on 13 November 2007 to 31 December 2007 (the "Review Period") and up to the date of the publication of this announcement:

Code provision A.2.1 of the Code requires that the division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. During the period, Mr. Zhu Gong Shan is acting as Chairman of the Board and Mr. Sha Hong Qiu is acting as President of the Group which functions as a chief executive officer. During the Review Period, the Chairman and the President have performed their scope of duties and such segregation of their responsibilities as set out below. Although the role of the Chairman and the President have been clearly established above, it has not yet been set out in writing until it has been written and confirmed by the Board at the meeting held on 10 April 2008.

The primary responsibilities of the Chairman are to provide leadership to the Board to setting the corporate goals and objective of the Company, overseeing the performance of the Board in achieving such corporate goals and objectives and taking a lead to ensure that the Board acts in the best interest of the Company and shareholders as a whole. The primary responsibilities of the President of the Company are to provide leadership for the management of the Company, taking a lead to implement the Company's strategies and oversee the performance of the management in achieving the corporate goals and objectives.

CONVERTIBLE NOTE

On 7 November 2006, the Company issued a Convertible Note and upon IPO on 13 November 2007, the convertible portion of 60% was converted into shares of the Company and the non-convertible portion of 40% was redeemed with accrued interest on the note.

PURCHASES, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The shares of the Company were listed on the Stock Exchange on 13 November 2007. The Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company during the Review Period.

MODEL CODE SET OUT IN APPENDIX 10 OF THE LISTING RULES

The Company has established its code for securities transactions by Directors (the "STD Code") in terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules.

Having made specific inquires of all Directors, the Company has received confirmations of compliance with the required standard set out in the STD Code.

PUBLICATION OF INFORMATION ON THE STOCK EXCHANGE WEBSITE

This announcement is published on the websites of the Company (www.gcl-poly.com.hk) and the Stock Exchange (www.hkexnews.hk). The annual report of the Company for the year ended 31 December 2007 will be dispatched to shareholders of the Company and available on the above websites in due course.

AUDIT COMMITTEE AND AUDITORS

The Audit Committee of the Company has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2007. The figures in respect of the Group's consolidated balance sheet, consolidated income statement and the related notes thereto for the year ended 31 December 2007 as set out in this announcement have been agreed by the Group's auditors, 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 announcement.

GLOSSARY OF TERMS

"associate(s)"	has the meaning ascribed thereto in the Listing Rules
"Baoying Cogeneration Plant"	寶應協鑫生物質發電有限公司 (Baoying Xiexin Biomass Electric-Power Co., Ltd.*)
"Beijing Cogeneration Plant"	華潤協鑫(北京)熱電有限公司 (Huarun Xiexin (Beijing) Cogeneration Co., Ltd.*)
"Board" or "Board of Directors"	our board of Directors
"China" or "PRC"	the People's Republic of China, but for the purposes of this annual report, excluding Hong Kong
"Company"	GCL-Poly Energy Holdings Limited
"Connected Person"	has the meaning ascribed thereto in the Listing Rules
"Controlling Shareholder"	has the meaning ascribed thereto in the Listing Rules
"Convertible Note"	the convertible redeemable note for the principal amount of US$88 million issued by the Company to MS China 3 Limited, on 7 November 2006
"Corporate Reorganisation"	the corporate reorganisation of our Group conducted in preparation for the Listing, details of which are set out in the section entitled "History, Corporate Reorganization and Group Structure – Corporate Reorganization" in the Prospectus
"Director(s)"	director(s) of our company or any one of them
"Dongtai Cogeneration Plant"	東台蘇中環保熱電有限公司 (Dongtai Suzhong Environmental Protection Cogeneration Ltd.*)
"Fengxian Cogeneration Plant"	豐縣鑫源生物質環保熱電有限公司(Fengxian Xinyuan Biological Environmental Heat and Power Co., Ltd.*)

"Funing Cogeneration Plant"	阜寧協鑫環保熱電有限公司 (Funing Golden Concord Environmental Protection Cogeneration Co., Ltd.)
"Group"	the Company and its subsidiaries
"Haimen Cogeneration Plant"	海門鑫源環保熱電有限公司 (Haimen Xinyuan Environmental Protection Cogeneration Co., Ltd.*)
"Huitengliang Project Company"	錫林郭勒國泰風力發電有限公司 (Xi Lin Guo Le Guotai Wind Power Generation Co., Ltd.*)
"Huzhou Cogeneration Plant"	湖州協鑫環保熱電有限公司 (Huzhou Golden Concord Environmental Protection Cogeneration Co., Ltd.*)
"IFRS"	the International Financial Reporting Standards
"IPO"	the initial public offering and listing of Shares of the Company on the main board of the Stock Exchange on 13 November 2007
"Jiaxing Cogeneration Plant"	嘉興協鑫環保熱電有限公司 (Jiaxing Golden Concord Environmental Protection Cogen-Power Co., Ltd.*)
"Kunshan Cogeneration Plant"	昆山鑫源環保熱電有限公司 (Kunshan Xinyuan Environmental Protection Cogen-Power Co., Ltd.*)
"Lianyungang Xiexin Cogeneration Plant"	連雲港協鑫生物質發電有限公司 (Lianyungang Xiexin Biomass Cogeneration Co., Ltd.*)
"Xinneng Cogeneration Plant"	連雲港鑫能污泥發電有限公司 (Lianyungang Xinneng Power Co., Ltd.*)
"Listing"	listing of the Shares on the Stock Exchange pursuant to the IPO
"Listing Date"	13 November 2007
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Main Board"	the Main Board of the Stock Exchange
"Mr. Zhu"	朱共山先生 (Mr. Zhu Gong Shan), a Controlling Shareholder and a director of the Company
"Non-Competition Deed"	the deed of non-competition undertakings dated 27 October 2007 entered into between Highexcel Investments Limited, Mr. Zhu and Mr. Zhu Yu Feng in favour of the Company

"Peixian Cogeneration Plant"	沛縣坑口環保熱電有限公司 (Peixian Mine-site Environmental Cogen-Power Co., Ltd.*)
"Poly Group"	Poly (Hong Kong) Investments Limited and/or its subsidiaries
"Prospectus"	the prospectus of the Company dated 31 October 2007 issued in connection with IPO
"Puyuan Cogeneration Plant"	桐鄉濮院協鑫環保熱電有限公司 (TongXiang Puyuan Xiexin Environmental Protection Co-generation Co., Ltd *)
"Rudong Cogeneration Plant"	如東協鑫環保熱電有限公司 (Rudong Golden Concord Environmental Protection Cogen-Power Co. Ltd.*)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Suzhou Cogeneration Plant"	蘇州工業園區藍天燃氣熱電有限公司 (Suzhou Industrial Park Blue Sky Gas Cogen-Power Co., Ltd.*)
"Suzhou Fuel Company"	蘇州保利協鑫燃料有限公司 (Suzhou GCL-Poly Power Fuel Co., Ltd.*)
"Taicang Incineration Plant"	太倉協鑫垃圾焚燒發電有限公司 (Taicang Xiexin Refuse Incineration Power Co. Ltd.*)
"Taicang Poly Cogeneration Plant"	太倉保利協鑫熱電有限公司 (Taicang Poly Xiexin Thermal Power Co., Ltd.*)
"Xuzhou Cogeneration Plant"	徐州保鑫污泥發電有限公司 (Xuzhou Baoxin Sludge Power Co., Ltd.*)
"Yangzhou Cogeneration Plant"	揚州港口污泥發電有限公司 (Yangzhou Harbour Cogen-Power Co., Ltd.*)

By order of the Board
Zhu Gong Shan
Chairman

Hong Kong, 10 April 2008

* *for identification only*

As at the date of this announcement, the Board comprises Mr. Zhu Gong Shan (Chairman), Mr. Ji Jun, Mr. Sha Hong Qiu, Mr. Shu Hua, Mr. Yu Bao Dong, Ms. Sun Wei and Mr. Lau Wai Yip as executive Directors; Mr. Law Ryan Wing Cheung as non-executive Director; Mr. Heng Kwoo Seng, Mr. Qian Zhi Xin, Ir. Dr. Raymond Ho Chung Tai and Mr. Xue Zhong Su as independent non-executive Directors.