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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2009	2008	Changes
	RMB'000	*RMB'000*	
		(Restated)	
Revenue	**1,951,810**	1,787,267	9.2%
Gross profit	**300,837**	200,538	50.0%
Profit attributable to owners of the Company	**71,847**	20,504	250.4%
Basic earnings per share	**RMB7.3 cents**	RMB2.1 cents	247.6%

The board of directors (the "Board" or the "Directors") of GCL-Poly Energy Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2009 together with the comparative figures for the corresponding period as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2009

		Six months ended 30 June	
		2009	2008
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited) (Restated)
Revenue	*3*	**1,951,810**	1,787,267
Cost of sales		**(1,650,973)**	(1,586,729)
Gross profit		**300,837**	200,538
Other income		**54,284**	66,522
Distribution and selling expenses		**(2,766)**	(3,018)
Administrative expenses		**(108,961)**	(108,474)
Profit from operations		**243,394**	155,568
Finance costs	*5*	**(113,463)**	(129,821)
Share of profits of associates		**1,865**	17,470
Profit before tax		**131,796**	43,217
Income tax expense	*6*	**(16,807)**	(5,599)
Profit and total comprehensive income for the period	*7*	**114,989**	37,618
Profit and total comprehensive income for the period attributable to:			
Owners of the Company		**71,847**	20,504
Minority interests		**43,142**	17,114
		114,989	37,618
		RMB	*RMB*
Earnings per share	*8*		
– Basic		**0.073**	0.021
– Diluted		**0.072**	–

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2009

	Notes	**30 June 2009** *RMB'000* **(Unaudited)**	31 December 2008 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**4,917,093**	4,948,386
Prepaid lease payments		**224,330**	227,824
Interests in associates		**217,204**	245,322
Goodwill		**116,011**	116,011
Other intangible assets		**11,282**	14,053
Available-for-sale investments		**8,031**	8,692
Deferred tax assets		**14,242**	14,503
Pledged bank deposits		**57,800**	56,359
Deposits for acquisitions of property, plant and equipment		**4,760**	31,000
		5,570,753	5,662,150
CURRENT ASSETS			
Inventories		**167,601**	258,804
Trade and other receivables	*9*	**532,215**	468,489
Prepaid lease payments		**7,798**	8,608
Amounts due from related companies		**43,562**	25,785
Tax recoverable		**4,272**	943
Pledged bank deposits		**402,742**	231,034
Bank balances and cash		**1,046,955**	413,727
		2,205,145	1,407,390
CURRENT LIABILITIES			
Trade and other payables	*10*	**818,374**	827,485
Amounts due to related companies		**47,520**	54,003
Tax payables		**19,690**	8,474
Borrowings – due within one year		**1,981,314**	1,652,066
		2,866,898	2,542,028
NET CURRENT LIABILITIES		**(661,753)**	(1,134,638)
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,909,000**	4,527,512
NON-CURRENT LIABILITIES			
Deferred income		**73,342**	74,510
Borrowings – due after one year		**1,850,868**	1,597,181
Deferred tax liabilities		**33,872**	32,094
		1,958,082	1,703,785
NET ASSETS		**2,950,918**	2,823,727

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2009

	30 June 2009 *RMB'000* **(Unaudited)**	31 December 2008 *RMB'000* (Audited)
CAPITAL AND RESERVES		
Share capital	**97,208**	92,779
Reserves	**2,445,482**	2,322,978
Equity attributable to owners of the Company	**2,542,690**	2,415,757
Minority interests	**408,228**	407,970
TOTAL EQUITY	**2,950,918**	2,823,727

NOTES:

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with the International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

Change of Presentation Currency

As stated on the annual report of the Group for the year ended 31 December 2008, the presentation currency of the Group has been changed from Hong Kong Dollar to Renminbi, as a result, the comparative figures for the six months ended 30 June 2008 have been restated and resulted in the decrease of exchange reserve of approximately HK$76,892,000 as at 1 January 2008 and HK$158,180,000 for the six months ended 30 June 2008.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as appropriate.

In the current period, the Group has applied, for the first time, a number of new and revised standards, amendments and interpretations issued by the International Accounting Standard Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") which are effective for the financial year beginning on 1 January 2009. Except as described below, the accounting policies used in the interim financial information are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2008.

IAS 1 "Presentation of Financial Statements" (Revised 2007) has introduced a number of terminology changes (including revised titles for the condensed consolidated financial statements) and has resulted in a number of changes in the presentation and disclosure. However, IAS 1 (Revised 2007) has had no impact on the reported results or financial position of the Group.

IFRS 8 "Operating Segments" is a disclosure standard that requires the identification of operating segments to be performed on the same basis as financial information that is reported internally for the purpose of allocating resources between segments and assessing their performance. The application of IFRS 8 has resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with IAS 14 "Segment Reporting" (see note 4) and has had no impact on the reported results or financial position of the Group.

The adoption of the other new and revised standards, amendments and interpretations had no material effect on how the results and financial position for the current and prior accounting periods have been prepared and presented.

3. REVENUE

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

	Six months ended 30 June	
	2009	2008
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Restated)
Sales of electricity	**1,248,269**	1,122,222
Sales of steam	**422,381**	373,443
Sales of coal	**281,160**	291,602
	1,951,810	1,787,267

4. SEGMENT INFORMATION

IFRS 8, with effect from 1 January 2009, requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, the predecessor Standard (IAS 14) required an entity to identify two sets of segments (business and geographical) using a risks and rewards approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments.

In the past, the Group reported information by business segments in accordance with the different types of fuels used in power generation by each power plant and coal trading. The Group now reports information by the following two operating segments:

a) Power plants operations

For the purpose of resources allocation and performance assessment, the chief operating decision maker reviews operating results and financial information on a plant by plant basis. Each power plant shares similar economic characteristics, produces electricity and/or steam by using similar production process and all of electricity and/or steam produced are distributed and sold to regional power grid companies and customers respectively. Accordingly, the Group's power plants operations are aggregated into a single reportable segment.

b) Coal trading

The Group has a subsidiary engaged in procurement and sales of coal to group companies and other external customers.

The application of IFRS 8 has resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with IAS 14. Accordingly, segment information by power plants operations and coal trading is presented below. Amounts reported for the prior period have been restated to conform to the requirements of IFRS 8.

4. SEGMENT INFORMATION *(continued)*

For the six months ended 30 June 2009

	Power plants operations *RMB'000* **(Unaudited)**	**Coal trading** *RMB'000* **(Unaudited)**	**Consolidated** *RMB'000* **(Unaudited)**
Revenue	**1,670,650**	**612,616**	**2,283,266**
Inter-segment sales	**–**	**(331,456)**	**(331,456)**
External sales	**1,670,650**	**281,160**	**1,951,810**
Segment result	**258,656**	**8,007**	**266,663**
Other income			**5,557**
Administrative expense			**(28,826)**
Profit from operations			**243,394**
Finance costs			**(113,463)**
Share of profits of associates			**1,865**
Profit before tax			**131,796**

For the six months ended 30 June 2008

	Power plants operations *RMB'000* (Unaudited) (Restated)	Coal trading *RMB'000* (Unaudited) (Restated)	Consolidated *RMB'000* (Unaudited) (Restated)
Revenue	1,495,665	743,965	2,239,630
Inter-segment sales	–	(452,363)	(452,363)
External sales	1,495,665	291,602	1,787,267
Segment result	172,949	7,840	180,789
Other income			12,234
Administrative expense			(37,455)
Profit from operations			155,568
Finance costs			(129,821)
Share of profits of associates			17,470
Profit before tax			43,217

Inter-segment sales are charged at prevailing market rates.

Segment result represents pre-tax profits generated by the group entities engaged in the reportable segment operation. Corporate income and expenses, finance costs, management fee income and consultancy fee income earned and incurred by the management companies and investment holding companies are not allocated to the segments.

5. FINANCE COSTS

	Six months ended 30 June	
	2009	2008
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Restated)
Interest on:		
Bank borrowings	**109,001**	124,944
Discounted bills	**4,139**	5,028
Other finance costs	**323**	402
Total borrowing costs	**113,463**	130,374
Less: Interest capitalised	**–**	(553)
	113,463	129,821

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2009	2008
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
		(Restated)
The tax expense comprises:		
Current tax:		
PRC Enterprise Income Tax	**3,608**	1,935
Withholding tax on declared dividends	**11,160**	–
Deferred tax	**2,039**	3,664
	16,807	5,599

The income tax expense for the period represents income tax in the People's Republic of China (the "PRC") which is calculated at the prevailing tax rate on the taxable income of subsidiaries in the PRC.

The subsidiaries located in other jurisdictions have no assessable profits for the period. 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 period.

The Group, which has subsidiaries that are tax resident in the PRC, is subject to the PRC dividend withholding tax of 5% or 10% for those non-PRC resident immediate holdings company registered in Hong Kong and British Virgin Islands respectively, when and if undistributed earnings are declared to be paid as dividends commencing on 1 January 2008 to the extent those dividends are paid out of profits that arose on or after 1 January 2008. Accordingly, a provision for dividend withholding tax of approximately RMB2,775,000 has been recognised for the six months ended 30 June 2009.

7. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2009	2008
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited) (Restated)
Profit for the period has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	**122,485**	123,717
Release of prepaid lease payments to statement of comprehensive income	**4,304**	4,253
Amortisation of intangible assets	**371**	371
Total depreciation and amortisation	**127,160**	128,341
Impairment loss recognised in respect of trade and other receivables	**2,229**	1,583
Impairment of intangible assets	**2,400**	–
Impairment of available-for-sale investments	**661**	–
Loss on disposal of property, plant and equipment	**4,315**	115
Exchange (gain) loss, net	**(176)**	11,491

8. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2009	2008
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited) (Restated)
Earnings for the purpose of calculation of basic and diluted earnings per share	**71,847**	20,504

	Number of shares Six months ended 30 June	
	2009	2008
	'000	*'000*
Weighted average number of shares for the purpose of basic earnings per share	**980,227**	972,419
Effect of dilutive potential share on shares options	**16,314**	–
Weighted average number of shares for the purpose of dilutive earnings per share	**996,541**	–

8. EARNINGS PER SHARE *(continued)*

	Six months ended 30 June	
	2009	2008
	RMB	*RMB*
	(Unaudited)	(Unaudited)
		(Restated)
Basic earnings per share	**0.073**	0.021
Diluted earnings per share	**0.072**	–

The employee share options had no dilution effect on the earnings per share for six-month ended 30 June 2008 as the average market price of the Company's shares was lower than the exercise price of the options.

9. TRADE AND OTHER RECEIVABLES

Trade and bill receivables at the financial position date mainly comprise amounts receivable from the sales of electricity, steam and coal trading. The Group generally allows an average credit period of 30 to 90 days to its trade customers. The aged analysis of trade and bill receivables, net of allowances, is as follows:

	30 June 2009	31 December 2008
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables:		
0-90 days	**422,603**	362,487
91-180 days	**3,853**	3,033
Over 180 days	**633**	505
	427,089	366,025
Bill receivables – trade:		
0-90 days	**14,942**	9,471
91-180 days	**1,330**	300
	16,272	9,771
	443,361	375,796

10. TRADE AND OTHER PAYABLES

Trade and bill payables principally comprise amounts outstanding for purchases of coal and ongoing costs. The average credit period for trade purchases is 30 to 90 days. The aged analysis of trade and bill payables is as follows:

	30 June 2009 *RMB'000* **(Unaudited)**	31 December 2008 *RMB'000* (Audited)
Trade payables:		
0–90 days	**106,209**	87,535
91–180 days	**3,646**	11,311
Over 180 days	**13,044**	10,784
	122,899	109,630
Bill payables – trade:		
0-90 days	**32,500**	72,417
91-180 days	**78,568**	64,000
	111,068	136,417
	233,967	246,047

Other payables mainly represent construction payables, dividend payables, deposits received from customers, other tax payables, interest payables and accruals.

CHAIRMAN'S STATEMENT

On behalf of the board of Directors, I am pleased to report that GCL-Poly achieved remarkable operating results for the first half of 2009. For the six months ended 30 June 2009, the Group recorded turnover of approximately RMB1,952 million, an increase of 9.2% over the same period in 2008. The profit attributable to the owners of the Company amounted to approximately RMB72 million, an increase of 250.4% as compared with the corresponding period in 2008. Basic earnings per share amounted to RMB0.073, an increase of RMB0.052 from RMB0.021 for the same period in 2008.

In June 2009, GCL-Poly announced the acquisition of 100% equity interest in Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd. ("Jiangsu Zhongneng"), the main operating entity of GCL Solar Energy Technology Holdings Inc. ("GCL Solar") in China. Jiangsu Zhongneng is the largest polysilicon producer in China and one of the leading polysilicon producers in the world. The acquisition, completed on 31 July 2009, can help to solidify GCL-Poly's position as a global green energy operator with the mission of "bringing green power to life". The acquisition of Jiangsu Zhongneng signifies the Group's entry into the solar industry and will provide the Group with enormous growth opportunities going forward.

Business Review

The first half of 2009 was full of both opportunities and challenges. The increase in on-grid tariffs in July and August 2008 resulted in higher revenue from electricity sales. The substantial drop in spot coal price and the decrease in bank interest rate effectively mitigated the cost pressure for fuel and financial expenses of power companies. On the other hand, the economic slowdown caused by the global financial crisis resulted in a decrease in demand for electricity and steam, which directly affected utilization rates and production volumes of power companies.

Facing these opportunities and challenges, we have set out the following business objectives and achieved significant results: maintaining the stability of electricity and steam sales; mitigating the negative impact of lower coal price on steam selling price; and maximizing the effectiveness of controlling fuel costs and financial expenses.

For the first half of 2009, the Group's average utilization hours reached 3,243 hours, an increase of 119 hours as compared with 3,124 hours for the same period in 2008. Electricity sales reached 2,588,702 MWh, an increase of 6.4% over the same period in 2008. Steam sales were 2,656,208 tonnes, a decrease of 2.6% over the same period in 2008. Average on-grid tariff was RMB564 per MWh for the first half of 2009, an increase of 4.5% as compared with the corresponding period of 2008. Average steam selling price was RMB180 per tonne, an increase of 16.1% as compared with that of the first half of 2008. The better-than-expected growth in revenue of the Group during the period was attributable to the increase in on-grid tariff and steam selling price as well as the stability of electricity and steam sales.

During the first half of 2009, we grasped the opportunity arising from the decrease in coal price and interest rate to exert a more effective control on fuel costs and financial expenses. In the first half of 2009, the average cost of coal (equivalent to 5,000Kcal, after deducting valueadded tax) was RMB452 per tonne, representing a decrease of 3.2% as compared with the first half of 2008. The Group's financial expenses for the first half of 2009 were reduced by 12.6% even though the interest bearing liabilities increased.

We have made new progress in expanding our renewable energy business in the first half of 2009. The second phase of capacity expansion at the Taicang Incineration Plant was completed in June 2009, increasing installed capacity from 6MW to 12MW. The installation of facilities at the Wind Power Plant located in Xilin Gol in Inner Mongolia was fully completed in May 2009 and all 66 wind generator units are expected to commence operation in the second half of 2009.

Acquisition of Polysilicon Business

On 3 June 2009, GCL-Poly entered into an agreement with investors of Jiangsu Zhongneng, the operating entity of GCL Solar in China, to acquire 100% of equity interest in Jiangsu Zhongneng at a consideration of HK$26.35 billion, which was satisfied by means of: (1) issuance of approximately 10.04 billion new shares at HK2.2 per share, (2) issuance of US$350 million secured notes; and (3) cash payment of US$200 million. After closing of the above acquisition on 31 July 2009, the Group completed a successful placement of 1.3 billion new shares and part of the proceeds were used to fully redeem the US$350 million secured notes.

Located in Xuzhou, Jiangsu province, Jiangsu Zhongneng is China's largest and one of the world's leading polysilicon producers. Since July 2006, Jiangsu Zhongneng has completed the construction of its phase I and phase II polysilicon production facilities and a majority of its phase III production facilities. Jiangsu Zhongneng's annual polysilicon production capacity is expected to reach 18,000MT by the end of 2009, and will further expand to 21,000MT by the end of 2010 through further technical improvement, making it one of the top three largest polysilicon suppliers in the world. Since its successful production of the first batch of polysilicon in September 2007, Jiangsu Zhongneng's polysilicon production volume has been increasing steadily, with over 1,000 MT of polysilicon produced for the first quarter of 2009.

Jiangsu Zhongneng adopts the most advanced hydrochlorination technology and the modified Siemens process to produce polysilicon. Leveraging on its own technological innovation capabilities, Jiangsu Zhongneng has successfully broken the monopoly of overseas polysilicon producers in the use of hydrochlorination technology. Through hydrochlorination, by-products from the polysilicon production process – Silicon Tetrachloride and Hydrogen Chloride – are effectively recycled back into TCS, one of the major raw materials used in the polysilicon production process. Not only is this process environmentally friendly but it also helps to significantly reduce unit production cost. Jiangsu Zhongneng's production cost decreased from US$66/kg in 2008 to US$36/kg for the month of June 2009, which is highly competitive versus its global peers who have over 10 years of experience in the polysilicon manufacturing industry.

With its rapid expansion of production capacity, steady increase in production volume, continuous technological innovation and substantial cost advantages, Jiangsu Zhongneng is able to be the first mover to take advantage of market opportunities and increase its market share, resulting in remarkable investment returns. In 2008, Jiangsu Zhongneng successfully entered into several long-term supply agreements with China's main solar cell and module manufacturers that provide for an aggregate sales volume of approximately 33,000 MT of polysilicon and approximately 15.4 GW of wafers. In the same year, GCL Solar produced 1,850MT of polysilicon with sales revenue of approximately RMB3,521 million and a gross profit margin approximately of 72.5%. For the first half of 2009, GCL Solar produced 2,274MT of polysilicon with sales revenue of approximately RMB1,112 million and a gross profit margin of approximately 41.4%.

Outlook

With heightening concerns over increasing global warming and depleting conventional fossil fuels, China and the rest of the world are paying more attention to the use of renewable energies and the development of a low-carbon economy, and have been initiating a series of measures to promote the adoption of clean energy. The supply of sunlight is endless and the cost of producing solar energy should continue to decrease going forward. This makes solar energy one of the most sustainable form of renewable energies and is gaining more attention and support from various countries. Recently, the Chinese government has launched the Rooftop Subsidy Plan and the Golden Sun Project to help kick start the solar industry in China. More solar subsidy programs are expected to be initiated by the Chinese government at the upcoming "New Development Plan on Alternative Energy" to further encourage the adoption of solar energy.

GCL-Poly is well-positioned to capitalize on the growth opportunities within the clean energy industry. Looking forward into the second half of 2009, we are also confident that our business operations will achieve satisfactory growth.

Governments all over the world have been advocating the use of renewable energies and the global economic environment has shown signs of recovery lately, so polysilicon price has returned to a satisfactory level. Currently, Jiangsu Zhongneng is in full operation, and the Xuzhou phase III production facility should be fully ramped up to its designed annual production capacity of 15,000MT by year end 2009. We expect that the production volume in 2009 will meet our planned target. We believe that the Group's competitive advantages will be further strengthened with continuous technical upgrading and the implementation of the "direct electricity supply" policy. Meanwhile, the construction of an in-house wafer facility is in preparation, and we target a capacity of 1 GW by mid-2010.

As for the power generation business, demand for electricity and steam has been rebounding along with the gradual economic recovery in China. Moreover, it is expected that the government will launch additional policies to reform the electricity pricing mechanism, linking electricity price directly to coal price. These factors will help create a favourable environment for the Group to achieve better operating results in the second half of the year.

Finally, I would like to express my heartfelt gratitude to our Directors, our management team and our staff for their hard work over the past six months. I also wish to extend my gratitude to our shareholders and business partners for their continuous support.

Zhu Gong Shan
Chairman

Hong Kong, 21 September 2009

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

For the six months ended 30 June 2009, the Group achieved significant growth with profit attributable to owners of the Company amounting to approximately RMB71.8 million. This represented an increase of 250.4 percent compared to approximately RMB20.5 million (restated) for the six months ended 30 June 2008. These achievements were due in large part to the support from our customers, suppliers, business partners as well as from the dedicated efforts of our management team and employees.

COMPLETION OF VERY SUBSTANTIAL ACQUISITION

On 31 July 2009, the Group completed the acquisition of 100% equity interest of Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd, ("Jiangsu Zhongneng") via the acquisition of GCL Solar Energy Technology Holdings Inc. ("GCL Solar"), Sun Wave Group Limited ("Sun Wave") and Greatest Joy International Limited ("Greatest Joy"). GCL Solar is one of the world's leading suppliers of polysilicon and wafers to companies operating in the solar industry with production facilities located in Xuzhou, Jiangsu province, China. Polysilicon is the primary raw material for wafers used in the solar and electronics industries.

The acquisition of GCL Solar provides a golden opportunity for the Group to gain access to technologies for large-scale renewable energy-related projects, and also enable the Group to further develop operations in the renewable energy industry. In particular, the Group will be able to diversify its current utility business portfolio while forming integrated synergies by raising its competitiveness, expanding its upstream business operations and commercialising solar energy products for business and retails markets.

For the six months ended 30 June 2009, the unaudited revenue, gross profit margin and EBITDA of GCL Solar were approximately RMB1,112.2 million, 41.40% and RMB471.5 million respectively. During the six months ended 30 June 2009, GCL Solar sold 1,917MT of polysilicon and 9.3MW of wafers, with realised average selling price of US$80.0/kg and US$0.78/W respectively. Polysilicon production volume and average production cost for the corresponding period amounted to 2,274MT and US$43.4/kg respectively. The amount of capital expenditure was approximately RMB1,068 million for the six months ended 30 June 2009.

PLACING OF NEW SHARES

During the period under review, the Company placed 50 million shares at a price of HK$1.55 per share, raising approximately HK$75.5 million after deducting placing commission and related expenses. The proceeds will primarily used as general working capital and for the future business development of the Group.

In August 2009, the Company successfully placed 1.3 billion shares at a price of HK$2.83 per share. The net proceeds totalled approximately HK$3.53 billion after deducting the placing commission, professional fees and all other related expenses. As at the reporting date, an aggregate amount of HK$2.85 billion, representing 80.7% of total net proceeds, had been utilised for repayment of the secured notes and related expenses.

BUSINESS REVIEW

As at 30 June 2009, the Group (including its subsidiaries and associated power plants) operated 19 power plants. These comprised 14 coal-fired cogeneration plants and comprehensive resource utilisation plants, 2 gas-fuelled cogeneration plants, 2 biomass cogeneration plants and 1 solid waste incineration plant with an attributable installed capacity of 703.8MW and attributable steam extraction capacity of 1,756.4 tonne/h. This represented an increase of 3.1% and 5% respectively compared to an attributable installed capacity of 682.8MW and attributable steam extraction capacity of 1,673.3 tonne/h as at 30 June 2008. This increase was due primarily to the expansion of installed capacity at the Puyuan Cogeneration Plant and Taicang Incineration Plant.

In addition, a wind power plant (the Huitengliang Project) located in the Inner Mongolia Autonomous Region with installed capacity of 49.5MW is expected to begin commercial operations during the second half of 2009.

Electricity and Steam – Sales Volume

For the Group's subsidiary power plants, the total sales volume of electricity increased by 6.4% to 2,588,702MWh in the first half of 2009 as compared to the same period last year. However, total volume of steam sales decreased by 2.6% to 2,656,208 tonnes due to the difficult conditions to the steam customers during the economic downturn.

The gross generation and electricity sales volume of each power plants are tabled as follows:

Plant	**Gross Generation MWh 30.6.2009**	Gross Generation MWh 30.6.2008	**Electricity Sales MWh 30.6.2009**	Electricity Sales MWh 30.6.2008
Kunshan Cogeneration Plant	**214,228**	214,411	**190,046**	189,828
Haimen Cogeneration Plant	**82,194**	83,748	**73,060**	74,500
Rudong Cogeneration Plant	**100,532**	90,993	**89,790**	81,330
Huzhou Cogeneration Plant	**98,700**	96,286	**88,187**	85,297
Taicang Poly Cogeneration Plant	**125,785**	159,774	**112,187**	146,289
Jiaxing Cogeneration Plant	**127,997**	121,200	**112,904**	100,620
Lianyungang Xinneng Cogeneration Plant	**68,132**	50,520	**60,387**	43,400
Puyuan Cogeneration Plant	**124,030**	83,637	**110,396**	72,166
Fengxian Cogeneration Plant	**116,908**	108,826	**101,154**	95,172
Yangzhou Cogeneration Plant	**150,063**	171,641	**134,220**	153,850
Dongtai Cogeneration Plant	**95,845**	88,399	**86,570**	80,200
Peixian Cogeneration Plant	**107,610**	102,492	**95,873**	91,242
Xuzhou Cogeneration Plant	**110,250**	101,050	**97,392**	88,853
Suzhou Cogeneration Plant	**1,050,820**	927,185	**1,013,481**	894,963
Baoying Cogeneration Plant	**116,546**	118,126	**104,560**	105,840
Lianyungang Xiexin Cogeneration Plant	**108,128**	120,202	**96,631**	108,416
Taicang Incineration Plant	**27,152**	24,649	**21,864**	20,447
Sub-total	**2,824,920**	2,663,139	**2,588,702**	2,432,413
Funing Cogeneration Plant	**105,391**	90,048	**94,980**	80,510
China Resources Beijing Cogeneration Plant	**346,370**	337,721	**336,732**	328,093
Total (including subsidiaries and associated power plants)	**3,276,681**	3,090,908	**3,020,414**	2,841,016

The following table indicates total steam output and steam sales of each power plant.

Plant	**Steam Output tonne 30.6.2009**	Steam Output tonne 30.6.2008	**Steam Sales tonne 30.6.2009**	Steam Sales tonne 30.6.2008
Kunshan Cogeneration Plant	**255,185**	290,262	**217,568**	242,398
Haimen Cogeneration Plant	**183,904**	193,044	**165,167**	175,170
Rudong Cogeneration Plant	**255,476**	277,189	**221,276**	236,929
Huzhou Cogeneration Plant	**170,440**	185,000	**162,328**	180,861
Taicang Poly Cogeneration Plant	**234,721**	252,723	**196,013**	221,349
Jiaxing Cogeneration Plant	**380,184**	362,116	**339,528**	339,820
Lianyungang Xinneng Cogeneration Plant	**80,568**	139,040	**70,214**	119,658
Puyuan Cogeneration Plant	**335,610**	274,015	**317,894**	244,262
Fengxian Cogeneration Plant	**150,456**	133,639	**128,367**	113,912
Yangzhou Cogeneration Plant	**123,723**	97,704	**99,193**	71,319
Dongtai Cogeneration Plant	**196,241**	211,022	**172,641**	193,281
Peixian Cogeneration Plant	**107,203**	102,674	**85,780**	88,908
Xuzhou Cogeneration Plant	**122,745**	126,072	**102,906**	109,889
Suzhou Cogeneration Plant	**292,162**	314,113	**261,215**	263,698
Baoying Cogeneration Plant	**80,621**	113,585	**61,966**	85,936
Lianyungang Xiexin Cogeneration Plant	**66,022**	51,225	**54,152**	40,208
Sub-total	**3,035,261**	3,123,423	**2,656,208**	2,727,598
Funing Cogeneration Plant	**52,002**	56,289	**40,493**	44,983
China Resources Beijing Cogeneration Plant	**164,484**	155,130	**162,482**	152,049
Total (including subsidiaries and associated power plants)	**3,251,747**	3,334,842	**2,859,183**	2,924,630

Average Utilization Hours

The average utilization hours of a power plant refers to the amount of electricity produced during a specified period (in MWh) divided by the average installed capacity of the plant during the same period (in MW). For the six months ended 30 June 2009, the average utilization hours of the Group’s subsidiary power plants was 3,243 hours compared to the same period last year of 3,124 hours.

Fuel cost

Coal

Coal costs include coal, coal sludge, sludge and gangue. The Group's coal costs were stable during the period under review. The average unit cost of coal (equivalent to 5,000 Kcal) in the first half of 2009 was RMB315/MWh and RMB94/tonne for electricity generation and steam generation respectively.

Natural gas

The average unit cost of electricity generation and steam generation of Suzhou Cogeneration Plant in the first half of 2009 was RMB356/MWh and RMB156 per tonne respectively,

EMPLOYEES

The Group values quality staff as our most important resources. As at 30 June 2009, the Group had approximately 1,853 employees in Hong Kong and the PRC. Total employee costs for the period ended 30 June 2009, including directors' emoluments, amounted to approximately RMB84.4 million.

The Group's top management personnel believe that our success and long-term growth will depend on the quality, performance and commitment of our employees. To this end, we sponsored a number of training and development programmes for our employees at various levels during the period under review.

OUTLOOK

The remarkable results achieved in the first half of 2009 were primarily due to higher on-grid tariffs and steam prices. The increase in electricity generation volume compared with last year was due in part to China's aggressive government spending programme during the last quarter of 2008 with ramped-up outlays for infrastructure and social programmes to ward off the global economic downturn. In view of the gradual recovery of mainland China's economic situation, electricity demand is expected to increase during the second half of 2009.

It is generally known that coal price fluctuations have important effects on the overall profitability of the Group because coal is still a dominant component of our cost of goods sold. The coal price in China was relatively stable in the first half of 2009 and we expect this trend to carry over into the second half of this year. Therefore, we are optimistic about the prospects for our energy business and expect the electricity and steam sales in the second half of 2009 to record a moderate increase compared with 2008.

With our reputation as a leading environmentally friendly power plant operator in China, our long-term prospects for business continue to look encouraging in light of the Chinese government's policies that now focus on the development of clean energy. In particular, the acquisition of GCL Solar will further extend our business in the solar energy sector and will strengthen our position as one of the leading clean energy power plant operators in China.

The Group will continue to actively expand its clean and renewable energy business in China and, at the same time, we will also explore other new business opportunities abroad.

FINANCIAL REVIEW

Revenue

Revenue for the six months ended 30 June 2009 amounted to approximately RMB1,951.8 million, representing a 9.2% increase from approximately RMB1,787.3 million (restated) for the six month period in 2008. This growth was mainly driven by the increase in sales volume of electricity and an upward adjustment of on-grid tariffs in the second half of 2008 as well as an increase in steam prices.

Gross profit margin

The Group's gross profit margin increased from 11.2% in the first half of 2008 to 15.4% in the corresponding period of 2009. The increase in gross profit margin was mainly due to increase in on-grid tariffs and steam prices.

Share of profits of associates

The Group's share of profits of associates for the six months ended 30 June 2009 was approximately RMB1.9 million, representing a decrease of 89.3% compared with the corresponding period last year. The lower share of profits of associates was due to the Beijing Cogeneration Plant reporting lower profits in the first half of 2009 compared to the same period last year.

Profit attributable to owners of the Company

As a result of the factors noted above, for the six months ended 30 June 2009, profit attributable to owners of the Company increased significantly by 250.4% to approximately RMB71.8 million from approximately RMB20.5 million (restated) for the same period last year.

Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2009 (six months ended 30 June 2008: nil).

Liquidity and financial resources

As at 30 June 2009, the Group had net current liabilities of approximately RMB661.8 million. However, taking into account the Group's presently available banking facilities, internal financial resources and proceeds from placing of new shares of the Company, the Group has sufficient working capital for its present requirements within one year from the end of the reporting period.

As at 30 June 2009, the Group's bank balances, cash and pledged bank deposits amounted to approximately RMB1,507.5 million.

For the six months ended 30 June 2009, the Group's main sources of funding included new bank loans, net cash inflows from operating activities and proceeds from placing new shares, which amounted to approximately RMB1,442.2 million, RMB422.7 million and RMB68.3 million respectively. The Group's funds were primarily used for repayment of short-term bank loans, purchase of properties, plants and equipment and payment of interest, which amounted to approximately RMB859.3 million, RMB132.1 million and RMB117.2 million respectively.

Borrowings

All of the Group's borrowings were 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. As at 30 June 2009, the Group's total borrowings were approximately RMB3,832.2 million (as at 31 December 2008: approximately RMB3,249.2 million). The maturity profile of the group's borrowings is as follows:

	30 June 2009 *RMB million*	31 December 2008 *RMB million*
Secured borrowings	**2,405.0**	2,197.6
Unsecured borrowings	**1,427.2**	1,051.6
Maturity profile of borrowings:		
On demand or within one year	**1,981.3**	1,652.0
After one year but within two years	**449.9**	403.0
After two years but within five years	**867.0**	666.2
After five years	**534.0**	528.0
Group's total borrowings	**3,832.2**	3,249.2

Key financial ratios of the Group

	30 June 2009	31 December 2008
Current ratio	**0.77**	0.55
Quick ratio	**0.71**	0.45
Net debt to equity attributable to owners of the Company	**91.4%**	105.5%

	For six months ended 30 June 2009	For six months ended 30 June 2008
EBITDA (million)	**372.4**	301.4

Current ratio	=	balance of current assets at the end of the period/ balance of current liabilities at the end of the period
Quick ratio	=	(balance of current assets at the end of the period – balance of inventories at the end of the period)/balance of current liabilities at the end of the period
Net debt to Equity attributable to owners of the Company	=	(balance of total borrowings at the end of the period – balance of bank balances, cash and pledged bank deposits at the end of the period)/balance of equity attributable to owners of the Company at the end of the period
EBITDA	=	profit before taxation + interest expense + depreciation and amortisation

Foreign currency risk

All of our revenue, cost of sales and part of the administrative expenses are denominated in RMB. Besides some of the bank deposits which are denominated in Hong Kong Dollars and United States Dollars, most of our assets and liabilities are denominated in RMB. Since RMB is our functional currency, our foreign currency risk exposure therefore is mostly confined to assets denominated in Hong Kong Dollars and United States Dollars.

Pledge of assets

As at 30 June 2009, property plant and equipment and prepaid lease payment with a carrying value approximately of RMB2,952.7 million and RMB220.3 million respectively, were pledged as security for certain banking facilities granted to the Group. Apart from these, a bank deposit amounting to approximately RMB460.5 million was pledged to certain banks for securing the banking facilities granted to the Group.

Capital commitments

As at 30 June 2009, the Group had capital commitments in respect of the acquisition of property, plant and equipment contracted for but not provided in the financial statements amounting to approximately RMB126.3 million (as at 31 December 2008: approximately RMB81.7 million) and authorized but not contracted for capital commitments amounting to approximately RMB50.2 million (as at 31 December 2008: RMB40.0 million).

Contingent liabilities

As at 30 June 2009, the Group provided guarantees of RMB15 million to bank in respect of banking facilities granted to an associate.

Events after the end of reporting period

On 16 July 2009, the authorised share capital of the Company increased from HK$1 billion to HK$2 billion by the creation of an additional 10 billion shares of HK$0.10 each.

On 31 July 2009, the Group completed the acquisition of Jiangsu Zhongneng. The consideration for this acquisition is comprised US$200 million cash, US$350 million secured notes and the issuance of 10,039,772,727 new ordinary shares at an issue price of HK$2.2 each. The secured notes were fully redeemed on 17 August 2009 by the proceeds from placing of new shares.

On 4 August 2009, the Company and BOCI Asia Limited, China International Capital Corporation Hong Kong Securities Limited, ICBC International Securities Limited, Morgan Stanley & Co. International plc, the Hongkong and Shanghai Banking Corporation as well as UBS AG, Hong Kong Branch (the "Placing Agents") entered into a placing agreement, whereby the Company agreed to issue and the Placing Agents sought to procure investors who would subscribe for 1.3 billion new shares at a price of HK$2.83 per placing share. The transaction has been completed on 11 August 2009.

CODE ON CORPORATE GOVERNANCE PRACTICES

The corporate governance report of the Board has been set out in the Company's 2008 Annual Report. During the six months ended 30 June 2009, the Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") except with the deviation of Code E.1.2 which states that the chairman of the board should attend the annual general meeting. As Mr. Zhu Gong Shan, Chairman of the Company, was out of town and therefore unable to attend the annual general meeting of the Company held on 25 May 2009. Mr. Tong Yee Ming, an executive Director and Chief Financial Officer of the Company, represented Mr. Zhu to chair the annual general meeting accordingly.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Board has adopted the model code for securities transactions by Directors (the "Model Code") with terms no less exacting than required provisions set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the six months ended 30 June 2009.

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

During the six months ended 30 June 2009, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDITOR'S AND AUDIT COMMITTEE'S REVIEW

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2009 have been reviewed by Deloitte Touche Tohmatsu (the auditor of the Company) and the audit committee of the Company, which consists of three independent non-executive Directors, namely Mr. Yip Tai Him, Ir Dr. Raymond Ho Chung Tai and Mr. Qian Zhi Xin. The audit committee expressed no disagreement with the accounting policies and principles adopted by the Group.

By order of the Board
GCL-Poly Energy Holdings Limited
Zhu Gong Shan
Chairman

Hong Kong, 21 September 2009

As at the date hereof, the Board comprises Mr. Zhu Gong Shan (Chairman), Mr. Sha Hong Qiu, Mr. Ji Jun, Mr. Shu Hua, Mr. Yu Bao Dong, Ms. Sun Wei, Mr. Tong Yee Ming and Mr. Zhu Yu Feng as Executive Directors; Mr. Qian Zhi Xin, Ir Dr. Raymond Ho Chung Tai, Mr. Xue Zhong Su and Mr. Yip Tai Him as Independent Non-executive Directors.