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GCL-Poly Energy Holdings Limited

保利協鑫能源控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 3800)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

FINANCIAL HIGHLIGHTS

	Year ended 31 December		% of Changes
	2010 <i>HK\$ million</i>	2009 <i>HK\$ million</i> (Restated)	
Revenue	18,471.9	4,943.6	273.7%
Gross profit	6,810.7	1,490.6	356.9%
Profit (loss) attributable to owners of the Company	4,023.6	(199.7)	2,114.8%
	<i>HK cents</i>	<i>HK cents</i>	
Basic earnings (loss) per share	26.01	(1.78)	1,561.2%

The board of directors (the “Board” or the “Directors”) of GCL-Poly Energy Holdings Limited (the “Company” or “GCL-Poly”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2010 together with the comparative figures for the corresponding period in the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2010

	Notes	2010 HK\$'000	2009 HK\$'000 (restated)
Revenue	3	18,471,924	4,943,622
Cost of sales		<u>(11,661,227)</u>	<u>(3,453,008)</u>
Gross profit		6,810,697	1,490,614
Other income	5	575,194	219,309
Distribution and selling expenses		(46,346)	(7,469)
Administrative expenses		(996,317)	(408,321)
Finance costs	6	(606,427)	(348,814)
Other expenses		(187,455)	(159,349)
Share of results of associates		10,681	9,875
Share-based payment expenses		<u>(12,658)</u>	<u>(852,742)</u>
Profit (loss) before tax		5,547,369	(56,897)
Income tax expense	7	<u>(1,159,320)</u>	<u>(93,236)</u>
Profit (loss) for the year	8	4,388,049	(150,133)
Other comprehensive income			
Exchange differences arising from translation to presentation currency		<u>536,231</u>	<u>(13,344)</u>
Total comprehensive income (expenses) for the year		<u><u>4,924,280</u></u>	<u><u>(163,477)</u></u>
Profit (loss) for the year attributable to:			
Owners of the Company		4,023,577	(199,736)
Non-controlling interests		<u>364,472</u>	<u>49,603</u>
		<u><u>4,388,049</u></u>	<u><u>(150,133)</u></u>
Total comprehensive income (expenses) for the year attributable to:			
Owners of the Company		4,522,758	(211,039)
Non-controlling interests		<u>401,522</u>	<u>47,562</u>
		<u><u>4,924,280</u></u>	<u><u>(163,477)</u></u>
		HK	HK
Earnings (loss) per share	9		
Basic		<u><u>26.01 cents</u></u>	<u><u>(1.78 cents)</u></u>
Diluted		<u><u>25.96 cents</u></u>	<u><u>(1.78 cents)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2010

	<i>Notes</i>	31.12.2010 <i>HK\$'000</i>	31.12.2009 <i>HK\$'000</i> (restated)
NON-CURRENT ASSETS			
Property, plant and equipment		23,662,411	15,573,737
Prepaid lease payments		980,186	740,987
Goodwill		1,036,297	545,485
Other intangible assets		110,202	40,786
Interests in a jointly controlled entity		120,644	—
Interests in associates		223,958	231,645
Available-for-sale investment		—	6,814
Deferred tax assets		39,835	9,077
Deposits for acquisitions of property, plant and equipment and prepaid lease payments		1,444,584	278,098
Pledged and restricted bank deposits		90,211	225,739
		27,708,328	17,652,368
CURRENT ASSETS			
Inventories		1,646,734	727,252
Trade and other receivables	10	2,370,216	1,569,473
Amounts due from related companies		36,205	14,858
Loans to related companies		90,150	79,116
Prepaid lease payments		22,797	18,924
Tax recoverable		11,484	1,767
Pledged and restricted bank deposits		1,960,798	803,712
Bank balances and cash		6,505,089	5,311,337
		12,643,473	8,526,439
CURRENT LIABILITIES			
Trade and other payables	11	4,192,716	2,395,549
Amounts due to related companies		88,185	139,386
Loan from a related company		—	56,787
Advances from customers		988,786	436,804
Deferred income		41,418	25,795
Tax payables		567,678	27,334
Bank borrowings — due within one year		6,410,831	5,032,745
Obligations under finance leases		111,288	—
Convertible loan notes		—	—
		12,400,902	8,114,400

	31.12.2010 HK\$'000	31.12.2009 HK\$'000 (restated)
NET CURRENT ASSETS (LIABILITIES)	<u>242,571</u>	<u>412,039</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>27,950,899</u>	<u>18,064,407</u>
NON-CURRENT LIABILITIES		
Advances from customers	1,977,998	1,906,632
Deferred income	320,366	168,855
Bank borrowings — due after one year	7,379,352	3,539,711
Obligations under finance leases	441,475	—
Convertible redeemable preferred shares	—	—
Derivative instruments	—	—
Deferred tax liabilities	<u>452,422</u>	<u>230,964</u>
	<u>10,571,613</u>	<u>5,846,162</u>
NET ASSETS (LIABILITIES)	<u>17,379,286</u>	<u>12,218,245</u>
CAPITAL AND RESERVES		
Share capital/issued equity	1,547,396	1,547,155
Reserves	<u>14,604,806</u>	<u>10,068,095</u>
Equity attributable to owners of the Company	16,152,202	11,615,250
Non-controlling interests	<u>1,227,084</u>	<u>602,995</u>
TOTAL EQUITY (NET DEFICIT)	<u>17,379,286</u>	<u>12,218,245</u>

NOTES:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as appropriate. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

Change of presentation currency

The functional currency of the Company is Renminbi (“RMB”) as the principal operations of the Group are carried out in the People’s Republic of China (“PRC”) in which those transactions are predominantly denominated in RMB. In prior years, the consolidated financial statements of the Group were prepared using RMB as the presentation currency. During the year, the directors of the Company considered it is more appropriate to use Hong Kong dollars (“HK\$”) as the presentation currency of the consolidated financial statements because the Company is listed on the Stock Exchange in Hong Kong. As a result, the comparative figures have been restated to HK\$ and resulted in accumulated translation loss of approximately HK\$32,579,000 recognised in equity (translation reserve) as at 1 January 2009 and translation gain of HK\$499,181,000 recognised in the other comprehensive income for the year ended 31 December 2010 (2009: translation loss of HK\$11,303,000).

Acquisition of Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd (“Jiangsu Zhongneng”)

On 31 July 2009, the Company completed the acquisition of 100% of the equity interest in Jiangsu Zhongneng through the acquisitions of 100% of the issued share capital and entire preference shares of GCL Solar Energy Technology Holdings Inc. (“GCL Solar”) and 100% of the issued share capital of Sun Wave Group Limited and Greatest Joy International Limited (collectively, the “Solar Group”) (the “Acquisition”). Under IFRS 3, Business Combinations, as the Acquisition resulted in the selling shareholders of the Solar Group becoming, as a group, the controlling shareholders of the Company, the Acquisition was accounted for as a reverse acquisition. For accounting purpose, the Solar Group was the accounting acquirer and the Company (the accounting acquiree) was deemed to have been acquired by the Solar Group.

As described in the Company’s annual consolidated financial statements for the year ended 31 December 2009, the consolidated financial statements had been prepared as a continuation of the Solar Group, with adjustments to the equity structure of the Company using the exchange ratio established in the acquisition agreements to reflect the number of shares of the Company issued under the acquisition agreements.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

New and revised Standards and Interpretations applied in the current year

In the current year, the Group has applied the following new and revised standards, amendments and interpretations (“new and revised IFRSs”) issued by the International Accounting Standards Board and International Financial Reporting Interpretations Committee (“IFRIC”).

IFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
IFRS 3 (as revised in 2008)	Business Combinations
IAS 27 (as revised in 2008)	Consolidated and Separate Financial Statements
IAS 39 (Amendments)	Eligible Hedged Items
IFRSs (Amendments)	Improvements to IFRSs issued in 2009
IFRSs (Amendments)	Amendments to IFRS 5 as part of Improvements to IFRSs issued in 2008
IFRIC-Int 17	Distributions of Non-cash Assets to Owners

Except as described below, the application of the new and revised IFRSs in the current year has had no material effect on the amounts reported in these consolidated financial statements and disclosures set out in these consolidated financial statements.

IFRS 3 (as revised in 2008) “Business Combinations”

IFRS 3 (as revised in 2008) has been applied in the current year prospectively to business combinations of which the acquisition date is on or after 1 January 2010 in accordance with the relevant transitional provisions. Its application has affected the accounting for the acquisition of 70.19% of the equity interest in Konca Solar Cell Co., Ltd. (“Konca Solar”), a joint stock limited liability company incorporated in the PRC during the current year.

The impact of adoption of IFRS 3 (as revised in 2008) has been:

- IFRS 3 (as revised in 2008) allows a choice on a transaction-by-transaction basis for the measurement of non-controlling interests at the date of acquisition (previously referred to as “minority interests”) either at fair value or at the non-controlling interest’s share of recognised identifiable net assets of the acquiree. In the current year, in accounting for the acquisition of 70.19% of the equity interest in Konca Solar (the “Konca Solar Acquisition”), the Group has elected to measure the non-controlling interests at the proportionate share of net identifiable assets of the acquiree. Consequently, the goodwill recognised in respect of that acquisition reflects the impact of the excess of the consideration over the Group’s share of the fair value of the identifiable net assets of the acquiree acquired;
- IFRS 3 (as revised in 2008) changes the recognition and subsequent accounting requirements for contingent consideration. Previously contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were always made against the cost of the acquisition. Under the revised standard, contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against the cost of acquisition only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

- IFRS 3 (as revised in 2008) requires the recognition of a settlement gain or loss when the business combination in effect settles a pre-existing relationship between the Group and the acquiree.
- IFRS 3 (as revised in 2008) requires acquisition-related costs to be accounted for separately from the business combination. As a result, the Group has recognised approximately HK\$2,853,000 of such costs as an expense in profit or loss included in administrative expenses for current year and approximately HK\$6,000,000 for the year ended 31 December 2009 respectively, whereas previously they were accounted for as part of the cost of the acquisition.
- The effect of the change in this accounting policy on the Group's basic and diluted earnings per share for the current and prior years is insignificant.

IAS 27 (as revised in 2008) Consolidated and Separate Financial Statements

The application of IAS 27 (as revised in 2008) has resulted in changes in the Group's accounting policies for changes in ownership interests in subsidiaries of the Group.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the revised standard requires the Group to derecognise all assets, liabilities and non-controlling interests at their carrying amounts and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss. In prior years, in the absent of specific requirements in IFRSs, on the disposal of controlling interest of subsidiary to associate, the carrying amounts of the Group's interests in subsidiary and associate are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the associate is adjusted and the fair value of the consideration received is recognised in profit or loss.

These changes have been applied prospectively from 1 January 2010 in accordance with the relevant transitional provisions.

The revised standard is expected to affect the accounting for changes in ownership interests in future accounting periods.

Amendments to IAS 17 Leases

As part of Improvements to IFRSs issued in 2009, IAS 17 Leases has been amended in relation to the classification of leasehold land. Before the amendments to IAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the consolidated statement of financial position. The amendments to IAS 17 have removed such a requirement. The amendment requires that the classification of leasehold land should be based on the general principles set out in IAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee.

In accordance with the transitional provisions set out in the amendments to IAS 17, the Group reassessed the classification of unexpired leasehold land as at 1 January 2010 based on information that existed at the inception of the leases. The application of the amendments to IAS 17 has had no impact on the consolidated financial statements of the Group.

New and revised standards and interpretations issued but not yet effective

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRSs (Amendments)	Improvements to IFRSs issued in 2010 ¹
IFRS 7 (Amendments)	Disclosures — Transfers of Financial Assets ³
IFRS 9	Financial Instruments ⁴
IAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets ⁵
IAS 24 (as revised in 2009)	Related Party Disclosures ⁶
IAS 32 (Amendments)	Classification of Rights Issues ⁷
IFRIC-Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement ⁶
IFRIC-Int 19	Extinguishing Financial Liabilities with Equity Instruments ²

¹ Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate.

² Effective for annual periods beginning on or after 1 July 2010.

³ Effective for annual periods beginning on or after 1 January 2011.

⁴ Effective for annual periods beginning on or after 1 January 2013.

⁵ Effective for annual periods beginning on or after 1 January 2012.

⁶ Effective for annual periods beginning on or after 1 January 2011.

⁷ Effective for annual periods beginning on or after 1 February 2010.

IFRS 9 Financial Instruments (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. IFRS 9 Financial Instruments (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

- Under IFRS 9, all recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.
- In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under IFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

IFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that IFRS 9 that will be adopted in the Group's consolidated financial statements for financial year ending 31 December 2013 and that the application of the new standard may not have a significant impact on the amounts reported in respect of the Group's financial assets and financial liabilities based on an analysis of the Group's financial instruments as at 31 December 2010.

The directors of the Company anticipate that the application of other new and revised IFRSs will have no material impact on the results and the financial position of the Group.

3. REVENUE

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

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i> (restated)
Sales of wafer	9,181,692	297,679
Sales of polysilicon	4,293,233	2,879,648
Sales of electricity	2,673,061	1,113,789
Sales of steam	1,397,254	476,495
Sales of coal	358,324	176,011
Others	<u>568,360</u>	<u>—</u>
	<u>18,471,924</u>	<u>4,943,622</u>

4. SEGMENT INFORMATION

Information reported to the Board of Directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

The Group has internal reports about the solar business and power business that are regularly reviewed by the Board of Directors and accordingly, they are considered as two separate operating segments.

Specifically, the Group's operating segments under IFRS 8 are as follows:

- (a) Solar business — manufacture and sale of polysilicon and wafer to companies operating in the solar industry.
- (b) Power business — development, construction, management and operation of cogeneration power plants and sales of coals. Power plants include coal fuelled cogeneration plants, resources comprehensive utilisation cogeneration plants, gas fuelled cogeneration plants, biomass fuelled cogeneration plants, an incineration plant, a wind power plant and a solar farm.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segment:

For the year ended 31 December 2010

	Solar business HK\$'000	Power business HK\$'000	Total HK\$'000
Revenue			
— external customer	<u>14,043,285</u>	<u>4,428,639</u>	<u>18,471,924</u>
Segment profit	<u>4,213,502</u>	<u>276,344</u>	4,489,846
Unallocated income			5,009
Unallocated expense			(25,572)
Fair value adjustment arising from acquisition (Note)			(68,576)
Share-based payment expenses			<u>(12,658)</u>
Profit for the year			<u>4,388,049</u>

For the year ended 31 December 2009 (restated)

	Solar business HK\$'000	Power business HK\$'000	Total HK\$'000
Revenue			
— external customer	<u>3,177,327</u>	<u>1,766,295</u>	<u>4,943,622</u>
Segment profit	<u>671,498</u>	<u>204,380</u>	875,878
Unallocated income			1,251
Unallocated expense			(58,063)
Fair value adjustment arising from acquisition (Note)			(7,563)
Impairment loss on goodwill			(108,894)
Share-based payment expenses			<u>(852,742)</u>
Loss for the year			<u>(150,133)</u>

Note: The effect arising from the fair value adjustments in relation to the assets of the Power business and Konca Solar are based on the valuation identified upon on the Acquisition and Konca Solar Acquisition, which are subject to the amortisation/depreciation over the estimated useful lives of the relevant assets.

Segment profit represents the profit earned by each segment excluding the effect arising from the fair value adjustments in relation to the assets of the Power Group and Konca Solar, impairment of goodwill and share option expenses incurred by the business. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment starting from 1 January 2010.

The measurement basis for segment profit is consistent with 2009, except that during the current year, the management has allocated the corporate expenses incurred and management fee income and consultancy fee income earned by the Group's management companies and investment holding companies to the two operating segments provided that such expenses and income are specifically incurred and earned by the respective operating segments.

5. OTHER INCOME

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i> (restated)
Government grants	288,668	106,202
Consultancy fee income	65,012	12,411
Sales of scrap materials	61,390	11,498
Bank interest income	43,346	22,885
Waiver of other payables	30,878	8,630
Waste processing management fee	27,835	10,631
Management fee income	15,425	3,435
Interest income from related companies	2,120	15,812
Amortisation of connection fee income	1,881	7,343
Exchange gain, net	—	6,108
Others	38,639	14,354
	<u>575,194</u>	<u>219,309</u>

6. FINANCE COSTS

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i> (restated)
Interest on:		
Bank loans		
— wholly repayable within five years	608,794	353,457
— not wholly repayable within five years	43,258	17,776
Loans from related companies	11,412	1,328
Secured notes and discounted bills	16,044	21,917
Obligations under finance leases	1,407	—
Upfront fees	22,307	136,962
Total borrowing costs	703,222	531,440
Less: Interest capitalised	(96,795)	(182,626)
	<u>606,427</u>	<u>348,814</u>

7. INCOME TAX EXPENSE

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i> (restated)
PRC Enterprise Income Tax (“EIT”)		
Current tax	990,664	24,957
Overprovision in prior years	<u>(16,715)</u>	<u>—</u>
	973,949	24,957
PRC dividend withholding tax	40,998	65,684
Deferred tax	<u>144,373</u>	<u>2,595</u>
	<u>1,159,320</u>	<u>93,236</u>

The income tax expense for 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.

Under the Law of People’s Republic of China on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of PRC subsidiaries is 25% from 1 January 2008 onwards, except for those subsidiaries described below.

Pursuant to the relevant laws and regulations in the PRC, certain PRC subsidiaries are exempted from PRC EIT for two years starting from their first profit making year, followed by a 50% reduction for the next three years ended. The exemption period will end on 31 December 2012.

According to the Circular of the State Council on the Implementation of Transitional Preferential Policies for Enterprise Income Tax (Guofa [2007] No. 39), certain Group entities that previously enjoyed tax incentive rate of 15% would have their applicable tax rate progressively increased to 25% over a five-year transitional period. The tax exemption and deduction from EIT for these entities are still applicable until the end of the five-year transitional period under the EIT Law based on the revised income tax rate.

In addition, certain PRC subsidiaries were granted income tax deduction for procuring domestic plant and machinery manufactured in the PRC.

The subsidiaries in jurisdictions other than the PRC and Hong Kong have no assessable profits for the year. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the year ended 31 December 2010. 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 ended 31 December 2009.

The Group’s subsidiaries that are tax resident in the PRC are subject to the PRC dividend withholding tax of 5% or 10% for those non-PRC resident immediate holding company registered in Hong Kong and the British Virgin Islands, respectively, when and if undistributed earnings are declared to be paid as dividends out of profits that arose on or after 1 January 2008. Accordingly, a provision for deferred taxation in respect of withholding tax on undistributed earnings of HK\$185,210,000 has been recognised for the year ended 31 December 2010 (2009: HK\$4,900,000).

8. PROFIT (LOSS) FOR THE YEAR

2010	2009
HK\$'000	HK\$'000
	(restated)

Profit (loss) for the year has been arrived at after charging (crediting):

Staff costs, including directors' remuneration		
Salaries, wages and other benefits	929,874	279,786
Retirement benefit scheme contributions	36,999	22,950
Share-based payment expenses	12,658	852,742
	<u>979,531</u>	<u>1,155,478</u>
Total staff costs		
	979,531	1,155,478
Depreciation of property, plant and equipment	1,158,371	454,335
Amortisation of prepaid lease payments	19,924	9,647
Amortisation of other intangible assets (included in administrative expenses)	66,086	351
	<u>1,244,381</u>	<u>464,333</u>
Total depreciation and amortisation		
Add/(less): Amounts included in inventories	106,407	(60,368)
	<u>1,350,788</u>	<u>403,965</u>
Amounts charged to profit or loss		
	1,350,788	403,965
Auditor's remuneration	12,328	12,978
Cost of inventories recognised as expenses	11,087,637	3,225,651
Allowance for trade and other receivables	759	12,391
Loss on disposal of property, plant and equipment	5,354	1,080
Gain on disposal of prepaid lease payments	1,310	—
Amounts included in other expenses (income):		
Exchange loss (gain), net	96,094	(6,108)
Research and development cost recognised as expenses	12,186	14,362
Impairment loss on available-for-sale investment	6,886	2,305
Impairment loss on goodwill	—	108,894
Change in fair value of convertible loan notes	—	36,718
Change in fair value of convertible redeemable preferred shares	—	8,320
Change in fair value of derivative instruments	—	(11,250)

9. EARNINGS (LOSS) PER SHARE

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

	2010 HK\$'000	2009 HK\$'000 (restated)
Profit (loss) for the year attributable to owners of the Company	<u>4,023,577</u>	<u>(199,736)</u>
	Number of shares	
	2010 '000	2009 '000 (restated)
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	15,472,199	11,244,071
Effect of dilutive potential ordinary shares:		
Share options	<u>28,364</u>	<u>—</u>
Weighted average number of ordinary shares for the purpose of dilutive earnings (loss) per share	<u>15,500,563</u>	<u>11,244,071</u>

The weighted average number of shares used for the purpose of calculating loss per share for the financial year ended 31 December 2009 reflected the Solar Group's weighted average number of ordinary shares pre-combination multiplied by the exchange ratio established in the Acquisition, and the weighted average total actual shares of the Company in issue after date of Acquisition.

	2010 HK	2009 HK (restated)
Basic earnings (loss) per share	<u>26.01 cents</u>	<u>(1.78 cents)</u>
Diluted earnings (loss) per share	<u>25.96 cents</u>	<u>(1.78 cents)</u>

The computation of the diluted loss per share for the year ended 31 December 2009 does not assume the conversion of the convertible redeemable preferred shares and convertible loan notes and the exercise of the share options since the assumed issuance and their exercise would decrease the loss per share for that year.

10. TRADE AND OTHER RECEIVABLES

The Group generally allows a credit period ranging from 0 to 90 days for trade receivables and 0 to 180 days for bills receivables. The following is an aged analysis of trade receivables and bills receivables (trade), net of allowances for doubtful debts, presented based on the invoice date at the end of the reporting period as follows:

	31.12.2010 HK\$'000	31.12.2009 <i>HK\$'000</i> (restated)
Trade receivables:		
0–90 days	970,742	802,430
91–180 days	16,100	169,982
Over 180 days	<u>17,635</u>	<u>429</u>
	<u>1,004,477</u>	<u>972,841</u>
Bills receivables (trade):		
0–90 days	276,018	105,006
91–180 days	<u>31,885</u>	<u>159,466</u>
	<u>307,903</u>	<u>264,472</u>

11. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables and bills and notes payables (trade) presented based on the invoice date at the end of the reporting period:

	31.12.2010 HK\$'000	31.12.2009 <i>HK\$'000</i> (restated)
Trade payables:		
0–90 days	942,435	283,449
91–180 days	24,518	13,049
Over 180 days	<u>27,703</u>	<u>21,116</u>
	<u>994,656</u>	<u>317,614</u>
Bills and notes payables(trade):		
0–90 days	660,375	—
91–180 days	<u>158,386</u>	<u>22,715</u>
	<u>818,761</u>	<u>22,715</u>

The credit period for trade purchases is ranging from 30 to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to report that GCL-Poly achieved excellent operating results in 2010. For the financial year ended 31 December 2010, GCL-Poly recorded a revenue of HK\$18.47 billion, representing an increase of 274% as compared with HK\$4.94 billion for the same period in 2009. Net profit for 2010 was HK\$4.02 billion.

The year 2010 marked a period of fast growth in China's economy. It was also a year where GCL-Poly achieved the most rapid business development and remarkable operating results since its establishment. GCL-Poly, China's largest polysilicon producer and the world's leading polysilicon producer, has further strengthened its position to become the largest global wafer producer and the leading global manufacturer of silicon materials. By the end of November 2010, GCL-Poly's annual wafer production capacity reached 3.5 GW — one month ahead of schedule. At the year-end, the Company's annual polysilicon production capacity reached 21,000 MT. Developing in tandem with the photovoltaic industry and society as a whole, GCL-Poly credits its success in 2010 to several factors including: our strategic position as an industry leader; an emphasis on technological innovation; continuous management upgrades; insistence on a people-oriented value concept, and creating harmonious business management environment and order. We hereby present to our shareholders with the year's excellent operating results.

2010 was a remarkable year for GCL-Poly. In January, GCL-Poly ranked 42nd in the "Top 500 Chinese Merchants in China's Market". In February, the Company was selected as a constituent of the Hang Seng Composite Index. In March, we announced the successful acquisition of 70.19% equity interest in Konca Solar Cell Co. Ltd, a leading solar silicon wafer supplier in China. Konca Solar's track record and expertise in wafer production have laid a solid foundation which enables GCL-Poly to become the world's leading wafer supplier. In July, GCL-Poly was awarded the title of "2010 Best Low-Carbon Business in China"; in the same month, the Company was admitted as a constituent of the Hang Seng Mainland 100 Index. In August, GCL-Poly was named by Fortune as one of the "Most Innovative Chinese Companies for 2010". At November end, GCL-Poly ramped up its wafer production capacity to 3.5 GW. Since the official production launch for Phase I 500 MW Wafer Project of Xuzhou Wafer in January 2010, the Company has managed to become the world's largest wafer producer in just 11 months.

In the second half of 2010, the Company signed several long-term contracts with global leading solar cell and module manufacturers. These included a RMB20.8 billion supply contract with Hareon, and 10 GW and 2.5 GW long-term supply contracts with JA Solar and Solarfun Power, respectively.

The start of 2011 has seen GCL-Poly's development momentum remain strong and encouraging. In January, the Company signed 7.5 GW and 5.2 GW long-term supply contracts with global leading cell and module manufacturers Trina Solar and Canadian Solar, respectively. In February, we signed a 4.4 GW long-term supply contract with China Sunergy, another global leading cell and module manufacturer. To date, GCL-Poly's aggregate long-term wafer supply contracts for the period of 2011 to 2016 have exceeded 50 GW.

New Achievements in the Silicon Materials Business

In 2010, GCL-Poly managed to capitalise on opportunities arising from the strong development of the global photovoltaic industry by continuously upgrading its polysilicon business. We also expanded our wafer business in order to take full advantage of the synergy of the integrated businesses. On 6 December 2010, we announced that our wafer production capacity had reached 3.5 GW which was ahead of our original schedule. The polysilicon production capacity also reached 21,000 MT at the end of the year. Throughout the year of 2010, GCL-Poly produced 17,853 MT of polysilicon and 1.4 GW of wafer, with sales of 10,507 MT of polysilicon and 1.4 GW of wafer generating revenues of HK\$14.04 billion. We today stand as a highly influential and competitive silicon material manufacturer and supplier in the world.

Elements of Our Success

1. Technological innovation, production capacity enhancement, cost down and quality upgrade effort

With great emphasis on technological innovation as the core competence in an enterprise's development, GCL-Poly has established the United States Research and Development Centre and the Suzhou Industrial Technology Research Institute to provide leading-edge technical support, enabling the Company to take better advantage of new technologies, materials and techniques. With close cooperation between the United States Research and Development Centre and Jiangsu Zhongneng, the polysilicon business has completed several major technical improvements and continuously minimised the unit energy consumption and unit material consumption in production. By the end of 2010, the production cost of polysilicon was reduced to approximately US\$22.5 per kilogram. Even during the process of ramping up the production capacity, we were able to increase the production volume of the ingot slicing equipment and attained progressive results. The yield rate for wafer production has now reached 95%.

2. Strong execution capabilities in construction and production management

The ramping up of the Company's four slicing projects — Xuzhou Wafer (徐州硅材料), Konca Solar (高佳太陽能), Changzhou Wafer (常州硅材料) and Suzhou Wafer (蘇州硅材料) — was on average one month ahead of our original schedule. This contributed to additional profits in 2010. The Company achieved its wafer production capacity of 3.5 GW — the highest in the world — in only 11 months. GCL-Poly furthermore showcased outstanding execution capabilities on project construction and management. For instance, the construction of Changzhou Phase I 300 MW Slicing Project was completed and commenced production in just 48 days through the use of a local idled plant. The Company also overcame the challenges of employees' recruitment and training in a short time frame. All the projects commenced production smoothly, and the production yield rate of the plants now exceeds 94%. The miraculous success of GCL-Poly's wafer business in 2010 was attributed to our extensive experience in construction management and team cultivation over the past two decades.

3. *Management Innovation*

GCL-Poly Silicon Material Management Centre is highly effective in team building with many talents involved in operations and management. Through the establishment of supply chain systems, the management centre has set up centralised procurement so that we are able to lower both production and project costs continuously. The implementation of the product quality management system has led to the product quality upgrade. The in-house production of TCS has decreased the polysilicon raw material cost. The slurry recovery has lowered the wafer production cost. These innovative management approaches, together with the continuous improvements in production methods, have strengthened internally GCL-Poly as well as optimised all of the Company's production units.

4. *Adhering to commercial integrity, enhancement of customer service and increase market share steadily*

Whilst the market price of silicon material is increasing due to the supply shortage, we have foregone the short-term gains and did not increase the wafer price unduly. Hence, we are able to build up customers' trust, promote GCL-Poly's acceptance and image, establish order in the industry and stabilise business operating environment. In 2010, the Company continued to adopt its market strategy of "embracing our customers and working with strong leaders in the market". Our wafer plants were set up in the vicinity of the factory sites of customers such as Trina Solar, Canadian Solar and Hareon in order to establish close sales cooperation with our customers. We have a mutual understanding to execute strategic co-location strategy with our customers including JA Solar and Goldpoly. GCL-Poly set up and optimised its global customer service network system in 2010 to promote efficiency and quality. We have set up a representative office in Taiwan to improve cooperation, customer service, as well as front-line effects of research and development. Moreover, GCL-Poly has made progressive achievements in exploring the international market. In October 2010, the Company signed a 815 MW long-term supply contract with Indosolar Limited, a leading solar cell manufacturer in India.

Power Business Outperforms Counterparts

In 2010, under the adverse market environment of rising coal prices and controlled electricity tariffs, the Company endeavoured to maximise the effectiveness of existing resources by means of centralised management, cost cutting and exploring new avenues of opportunity in order to ensure the sound and stable development of its power and steam businesses. In 2010, the Company achieved sales of 4.71 billion kWh of electricity, with a year-on-year fall of 7.5%, and sales of 7,042,493 MT of steam, with a year-on-year rise of 22.3%.

While ensuring sound and stable growth of the business, the Company also adopted various measures including coal purchasing cost controls, cash pooling, centralised insurance, inland river navigation, bulk purchasing of resources, expansion in heat supplies, and a vigorous push for a steam-price adjustment. All these combined measures have helped to achieve excellent economic indicators in the operations of our power business in 2010, which compared well with the stagnant performance of our industry players.

Outstanding Investment Returns from Overseas Solar Farms

GCL solar power investment team was set up in May 2010, with the aim of developing and investing in solar farm projects in the United States, Europe and several key emerging markets. The installed capacity was 6 MW during 2010, with pipeline projects of approximately 2 GW. This has produced excellent project development results. The Company has cooperated successfully with several banks and financial institutions including Wells Fargo, a tax equity fund, for the funding of solar farm projects established in the United States. These funds will be used to finance GCL-Poly's solar farm projects in the United States and laid the foundation for further development.

Social Responsibilities

As an enterprise that has long been engaged in the development of renewable energy, we are well aware of our responsibilities to environmental protection. The Company effectively recycles various by-products of polysilicon production, and we ensure that our manufacturing facilities comply with national standards. All our cogeneration power plants are equipped with desulphurisation facilities, which can significantly reduce the emission of sulphur dioxide.

Whilst maximising shareholders' value, GCL-Poly performs its social responsibilities by acting as an industry leader to stabilise the market and maintain order in the industry. Meanwhile, the Company has actively served the society by creating jobs, making charitable donations, and taking an active part in public welfare. In 2010, GCL-Poly and its employees made generous donations to drought-ravaged Southwest China and earthquake-affected Yushu. We have taken an active part in education welfare through various channels for the provision of a suitable environment for incubating more talents for the society. In 2010, the Company built the first Sunshine Primary School — GCL Sunshine Dengjiao Primary School (協鑫陽光登交小學). We also made donation to the Nanjing University Education Foundation and donated solar power systems to various schools.

With our commitment to the society, we endeavour to promote harmony. We have extended our sincerity, love and care to rehabilitation centres, orphanages, and schools in mountainous areas in the mainland via our annual "Sunshine Love and Care Action" (陽光關愛行動). We were the sole sponsor of the Eco-Friendly Economy Forum (環保經濟論壇) of China Fortune Foundation Limited (中國富強基金會) to explore the benefits of environmental protection.

Outlook and Plan for 2011

Energy shortages and environmental pollution are the two major challenges which human beings encounter in the long run. The exploration of new energy sources mainly in the form of renewable energies, the development of a low-carbon economy and the breakthrough in developing emerging industries are the vital means of overcoming these two challenges. Industrial and agricultural development, coupled with rising standards of living, has increased energy consumption in the 21st century. Conventional energies such as coal, oil and natural gas are expected to be depleted within the next tens to hundreds of years. Therefore, the exploration of new energy sources mainly in the form of renewable energies is the most important topic for the future survival of the human race.

As the most sustainable of the renewable energy sources, solar power is increasingly gaining the support of governments around the world. The total worldwide installation in 2010 has not been announced yet. However, various influential institutions pointed out that 2010 was a year of good harvest for solar companies. The total estimated installed capacity of solar farms around the world in 2010 was over 16 GW. By comparison with 2009's installed capacity of 7.2 GW, this was a more than two-fold increase. Germany remains the world's largest photovoltaic market, with an installed capacity exceeding 8 GW in 2010. In Italy, the photovoltaic market also grew very rapidly in 2010. Market analysts estimated the 2010 installed capacity of solar farms in Italy was in the range of 2.5–3.5 GW, and estimated to reach 4 GW in 2011. Other European markets such as Spain and Czech Republic also showed a satisfactory performance during the year. Although the subsidy policies for solar energy in Germany and Spain will change in 2011, cost decreases across the entire photovoltaic value chain are expected to mitigate some of these adverse factors. We still expect very good prospects for the European market in 2011. Meanwhile, with the various states of the United States extending or launching subsidy and incentive policies, the United States will play a more important role in the global photovoltaic market in 2011. Apart from encouraging private investments in solar farms, the United States government also requires large utility companies to comply with renewable portfolio standards (RPS). Other Asian and Middle East countries such as India, Japan, Korea, Saudi Arabia, Qatar and Israel have each launched national plans for developing solar power and that will provide new areas of growth for the global photovoltaic industry. We believe that the new installed capacity of global solar power to exceed 20 GW in 2011.

The development prospects of new energy industry in China are promising. The photovoltaic industry in particular shows phenomenal potential with immense business opportunities. It is expected that from 2011 to 2015 the country's total installed power capacity will reach 1.4 billion kW and new energy will account for 15%. The year 2011 marks the beginning of the country's 12th Five-Year Plan. The economy of China will strike a balance between growth and anti-inflation. Local governments' deployment of scarce resources including land, incentive policies and scarce bank financing will be skewed towards the strategic emerging industries. China will start a new round of investment and construction in the new energy domain. Since the launch of the Golden Sun Demonstration Projects (金太陽示範工程) and Building Integrated Photovoltaic Demonstration Projects (太陽能光電建築應用示範工程) in December 2010, which have outlined the scale of the domestic photovoltaic targets in the future years. It is estimated that the annual domestic installed capacity after 2012 will be no less than 1

GW. We opine that China will make great effort in developing the photovoltaic industry in the future. The country will change from being a major photovoltaic material producer to a major user of solar energy.

In 2011, we will follow thoroughly the working theme of “technological innovation, management upgrades, people-oriented and harmonious development”, and insist on the principles of prioritising talents, technology and values. With technological innovation and management upgrades, we will continue to lead the silicon materials industry, gradually changing our business model of our power business, and facilitate the rapid expansion of the solar farm business.

For the silicon materials business, we will expand on the foundation of our current production capacity of polysilicon and wafer. We expect the production capacity of polysilicon to reach 46,000 MT by end of 2011 and polysilicon output to reach 31,000 MT for the year 2011. Meanwhile, through implementing technical upgrades and minimising energy consumption, we are confident in lowering the polysilicon production cost to approximately US\$20 per kilogram by the end of 2011 in order to ensure that our gross profit margins will continue to be higher than those of our industry peers. We will also continue to focus on the development of our wafer business in 2011. Apart from our current wafer production bases in Xuzhou, Wuxi, Changzhou and Suzhou, we will build new wafer facilities in Yangzhou, Taicang, Quanzhou and Henan such that our global competitiveness in the silicon materials business will be strengthened. We expect that by the end of 2011, our wafer production capacity will be ramped up to 6.5 GW and wafer output will reach 5.5 GW for the year 2011.

GCL Solar Energy Limited (協鑫光伏有限公司) will continue to explore markets in the United States and overseas. We will develop sufficient photovoltaic pipeline projects in order to fulfil the requirements of rapid business development. We hope that we can become the world’s leading solar farm enterprise within three years.

While developing the solar farm business, we will continue to ensure the healthy and stable development of our existing environmentally friendly power business. On one hand, we will adopt proactive measures to cope with fluctuations in fuel prices and ensure effective power business development; on the other hand, we will further enhance our business mix in accordance with carbon neutral principles by increasing our investments in clean and renewable energy, and raising the proportion of incineration and natural gas power plants.

Finally, I would like to express my heartfelt gratitude to our Directors, management team and all the staff of GCL-Poly for their hard work over the past year. I also wish to extend my gratitude to our shareholders and business partners for their continuing support.

Zhu Gong Shan
Chairman

Hong Kong, 17 March 2011

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

Global solar installations accelerated in 2010, with the Group capitalising on its momentum from 2009 to extend its growth as one of the world's leading polysilicon and wafer manufacturers.

The Group was very successful in ramping up its polysilicon production capacity from 18,000 MT by the end of 2009 to 21,000 MT by end of 2010 and achieved its in-house wafer production capacity of 3.5 GW by November 2010.

During 2010, the Group achieved a remarkable financial performance as a result of the impressive growth of revenue and efficient low cost production in our solar business.

Results of the Group

2010 was a record year for the Group with revenue amounted to HK\$18,471.9 million, representing an increase of 274% compared with the revenue of HK\$4,943.6 million for the year ended 31 December 2009. The significant increase was mainly due to the surge in revenue contributed from solar business together with the consolidation of full year results of the power business.

The Group's net profit attributable to owners of the Company for 2010 was HK\$4,023.6 million compared with a loss of HK\$199.7 million in 2009.

Major Acquisition

On 30 March 2010, the Group completed the acquisition of 70.19% of the equity interests in Konca Solar with a total cash consideration of approximately HK\$971 million. Konca Solar principally engages in the research and development, production and sale of monocrystalline and multicrystalline ingots and wafers. Since its establishment, Konca Solar has enjoyed stable growth and is a highly-regarded industry-leader in terms of technology, quality and cost control measures. Following the successful completion of the acquisition of Konca Solar, the sales and net profit contribution from Konca Solar's wafer business were consolidated into the Group since April this year. The acquisition enabled the Group to enhance its wafer production capabilities and further vertically integrated its production processes by making use of self-produced polysilicon.

Use of Proceeds

The Company raised approximately HK\$9,320 million in gross proceeds by placement/subscription of new shares in 2009. As at 31 December 2010, an aggregate amount of HK\$8,868 million representing 95% of gross proceeds was utilized as follows:

1. approximately HK\$2,732 million for the redemption of the secured notes;
2. approximately HK\$2,340 million for the repayment of bank borrowings;
3. approximately HK\$971 million for the acquisition of Konca Solar;
4. approximately HK\$2,096 million for the capital expenditure related to expansion of polysilicon production capacity, the development and expansion of wafer production capacities, and the development of the solar farm business;
5. approximately HK\$341 million for the payment of transaction costs related to the placement/subscription of new shares and the acquisition of the solar business (including commission, legal and other professional fees); and
6. approximately HK\$388 million for the loan repayments and general working capital purposes.

BUSINESS REVIEW

Solar Business

Silicon Material Business

Production

GCL Solar supplies polysilicon and wafer to companies operating in the solar industry. Polysilicon is the primary raw material for wafer used in the solar and electronics industries. Monocrystalline and multicrystalline wafers are then processed by downstream manufacturers to produce solar cells and modules.

During the year, Jiangsu Zhongneng successfully completed its technical improvement project and with its annual production capacity increasing from 18,000 MT by end of 2009 to 21,000 MT by end of 2010. During the year ended 31 December 2010, GCL Solar produced 17,853 MT of polysilicon, representing a significant increase of 140% as compared to 7,454 MT for the year ended 31 December 2009.

GCL Solar commenced its in-house wafer manufacturing in December 2009. On 30 March 2010, the Company completed the acquisition of Konca Solar, a leading supplier of solar wafer in the PRC. GCL Solar further expanded its own in-house wafer and ingot manufacturing facilities during the year, and the wafer production capacity of the Company's manufacturing plants at Xuzhou, Changzhou, Wuxi and Suzhou were all ramped up to their required levels by December 2010. As at 30 November 2010, our annual wafer production capacity reached 3.5 GW. For the year ended 31 December 2010, approximately 1.4 GW of wafers were produced.

Production Costs

GCL Solar's polysilicon and wafer production costs mainly depend on its ability to control raw material costs, to achieve economies of scale in its operations and to efficiently manage its supply chain.

During the year, Jiangsu Zhongneng successfully ramped up its hydrochlorination capacity from 300,000 MT to 500,000 MT, which allowed full recycling of the by-products and reduced the cost of TCS — an important raw material for polysilicon production. In addition, GCL Solar was able to reduce the cost of steam and electricity, as well as other overhead costs. As a result, polysilicon production costs were lowered to HK\$175.1 (US\$22.5) per kilogram by the end of December 2010, which is considered to be the lowest in the industry.

Although GCL Solar commenced its in-house wafer production in 2010, the Company has already been able to reduce its production costs to a very competitive level. This is mainly attributable to technological advancements together with a co-location strategy that has helped us to significantly reduce our logistics and overhead costs. As a result, GCL Solar's wafer average production costs (before eliminating the internal profit of polysilicon) were approximately HK\$4.30 (US\$0.57) per W for the year ended 31 December 2010.

Sales Volume and Revenue

For the year ended 31 December 2010, GCL Solar sold 10,507 MT of polysilicon and 1,451 MW of wafer, and its revenue amounted to HK\$14,043.3 million. For the year ended 31 December 2009, GCL Solar sold 5,675 MT of polysilicon and 46.4 MW of wafer, and achieved a revenue of HK\$3,177.3 million.

The average selling prices of polysilicon and wafer were approximately HK\$408.6 (US\$52.1) per kilogram and HK\$6.32 (US\$0.82) per W respectively for the year ended 31 December 2010. The corresponding average selling prices of polysilicon and wafer for the year ended 31 December 2009 were approximately HK\$506.9 (US\$65.4) per kilogram and HK\$6.40 (US\$0.83) per W respectively.

Environmental Matters

GCL Solar has adopted the modified Siemens method for its polysilicon production. We process all our waste water and waste gas according to national environmental standards. In addition, most of our solid waste can be recycled and does not contain poisonous materials. We have established a pollution control system and installed a variety of anti-pollution apparatus in our facilities to reduce, treat, and where feasible, recycle any waste generated during the manufacturing process. We have been granted a pollutant discharge permit, a work-safety permit for the storage and use of hazardous chemicals, and a permit for the use of our high-pressure containers.

Our wafer production facilities are environmentally friendly, with various pollution control measures in force. Moreover, we have developed our in-house slurry recovery facilities, enabling us to recycle and reuse our slurry.

We believe that the environmental protection systems implemented in our facilities are adequate to comply with the national environmental protection regulations.

Recent Developments

GCL Solar has completed ramping up the polysilicon and wafer production capacity to 21,000 MT and 3.5 GW by end of 2010. GCL Solar has recently signed several long-term supply contracts with cell and module manufacturers. To cater for the rising demand from these long-term contracts, the Board has recently approved our expansion plan to further invest HK\$17.7 billion in the polysilicon and wafer facilities. We will increase our polysilicon production capacity to 46,000 MT by end of 2011 and to 65,000 MT by the mid of 2012. In addition, our wafer production capacity will be ramped up to 6.5 GW by the end of 2011.

Outlook

Global demand for new installations of photovoltaic systems ramped up substantially to over 16 GW in 2010. This is thanks in large part to the enthusiastic support of governments in Europe, many of which provide subsidies to solar-power manufacturers and users. We anticipate that countries such as Germany, Italy, France and Spain will continue to exhibit a strong demand for photovoltaic system installation in 2011. In addition, China, the United States, India and countries in the Middle East appear willing to increase installation and promote solar-power usage.

The average selling prices of polysilicon, wafer, cell and module are expected to fall in the coming year. This will stimulate market demand and boost shipment volumes. As the difference between the cost of generating electricity from solar versus traditional means narrow, grid parity is becoming an achievable target. These lowered costs in turn will enable governments to reduce their subsidies to the solar industry.

The PRC government has set out standards for capacity expansion in the energy-intensive and often highly polluting polysilicon industry. The qualified polysilicon manufacturers should maintain an annual production scale of at least 3,000 MT and their economical power consumption for recycling should be reduced to 60 kWh per kilogram of polysilicon by the end of 2011. In addition, plants are required to recycle at least 98.5% of waste hydrogen and fluorosilicone chemicals, which are highly acidic and polluting to the environment. Plants that cannot fulfil the requirements will need to overhaul their facilities or face closure. The industry will soon enter into a consolidation stage, with only the most powerful players able to sustain their presence in the solar industry.

The quality of polysilicon will be a critical factor leading to increased demand in solar power around the world. Polysilicon durability is highly prized in photovoltaic products manufacturing, with wafer made from high-quality polysilicon bringing improvements to conversion efficiency. This in turn will further lower the overall cost of using solar power.

GCL Solar adopts a co-location strategy in establishing its polysilicon and wafer manufacturing plants, enabling the Company to form close bonds with customers in nearby regions. Our production expansion strategy will continue to follow this pattern, giving us the competitive edge in cost control.

Solar Power Plant Business

In 2010, GCL Solar Energy Inc., a subsidiary of GCL-Poly, completed the construction of approximate 6 MW solar photovoltaic power projects in the United States and entered into the sales and leaseback transactions for these projects with Wells Fargo.

Joint Programme with Wells Fargo

In November 2010, GCL Solar Energy Inc. signed a joint programme with Wells Fargo through which Wells Fargo will provide over US\$100 million by the end of 2011 to facilitate GCL Solar Energy Inc. in developing solar photovoltaic power projects across the United States.

Joint Venture with SolarReserve, LLC

In November 2010, GCL Solar Energy Inc. formed a joint venture with SolarReserve, LLC. Its experienced management team has previously invested in renewable and conventional energy projects around the world. The joint venture will work to develop solar photovoltaic projects in the United States, and its project pipeline comprising a solar photovoltaic project-development pipeline of more than 1 GW.

Other Projects

GCL Solar Energy Inc. has 4.8 MW projects currently under construction and has acquired 11.1 MW projects in the United States, for which we plan to start construction in the first quarter of 2011. All the projects are intended to be sold to Wells Fargo through the sales and leaseback transactions once they have met the commercial operation requirements in 2011.

Outlook

In 2011, we expect that the United States will continue to offer excellent investment opportunities in photovoltaic systems, with attractive government support programmes such as the Federal Business Energy Investment Tax Credit (ITC) — which provides a 30% tax credit on the investment cost of photovoltaic systems, and the Modified Accelerated Cost-Recovery System (MACRS) — allowing accelerated depreciation of investments in photovoltaic systems. With over 1 GW of project development pipeline secured with SolarReserve, LLC, the tax equity investment partnership with Wells Fargo, and our strong local presence with extensive experience in engineering, procurement and construction and operation capabilities, we are well positioned to capture investment opportunities in photovoltaic systems in the United States.

In addition, we will continue to identify, develop and invest in projects in China, India, South Africa, Australia, as well as other emerging high-growth markets.

Power Business

The Group's power plants are one of the categories of environmentally friendly power plants that are encouraged by the PRC government.

As at 31 December 2010, the Group operates 21 power plants (including its subsidiary and associated power plants) in the PRC. These comprised 14 coal-fired cogeneration plants and comprehensive resource utilisation cogeneration plants, 2 gas-fired cogeneration plants, 2 biomass cogeneration plants, 1 solid-waste incineration plant, 1 wind power plant and 1 solar farm. The total installed capacity and attributable installed capacity were 1,125.5 MW and 773.3 MW, respectively. The total steam extraction capacity and attributable steam extraction capacity were 2,239.0 tonne/h and 1,756.4 tonne/h, respectively.

Sales Volume and Revenue

The following table indicates total electricity sales and steam sales for each of the Group's power plants:

Electricity Sales Volume

Plant	Electricity Sales MWh 31.12.2010	Electricity Sales MWh 31.12.2009	Electricity Sales MWh 1.8.2009– 31.12.2009
Subsidiary power plants			
Kunshan Cogeneration Plant	391,866	406,356	179,490
Haimen Cogeneration Plant	117,320	146,670	59,860
Rudong Cogeneration Plant	165,525	185,717	78,287
Huzhou Cogeneration Plant	148,667	168,863	66,057
Taicang Poly Cogeneration Plant	214,634	250,123	117,563
Jiaxing Cogeneration Plant	209,871	227,812	91,353
Lianyungang Xinneng Cogeneration Plant	91,153	120,950	49,437
Puyuan Cogeneration Plant	204,167	231,617	98,855
Fengxian Cogeneration Plant	157,466	198,753	80,075
Yangzhou Cogeneration Plant	267,002	274,490	116,460
Dongtai Cogeneration Plant	143,089	175,680	72,820
Peixian Cogeneration Plant	180,448	199,800	86,333
Xuzhou Cogeneration Plant	152,248	193,438	78,613
Suzhou Cogeneration Plant	1,789,106	1,847,234	662,006
Baoying Cogeneration Plant	154,253	197,070	75,880
Lianyungang Xiexin Cogeneration Plant	144,120	187,334	73,202
Taicang Incineration Plant	72,224	52,815	26,252
Guotai Wind Power Plant	84,263	27,000	27,000
Xuzhou Solar Farm	21,663	—	—
Total subsidiary power plants	4,709,085	5,091,722	2,039,543
Associated power plants			
Funing Cogeneration Plant	103,179	191,260	80,530
China Resources Beijing Cogeneration Plant	642,701	682,836	283,298
Total subsidiary and associated power plants	5,454,965	5,965,818	2,403,371

Steam Sales

Plant	Steam Sales tonne 31.12.2010	Steam Sales tonne 31.12.2009	Steam Sales tonne 1.8.2009– 31.12.2009
Subsidiary power plants			
Kunshan Cogeneration Plant	692,116	480,962	221,986
Haimen Cogeneration Plant	482,847	385,211	189,501
Rudong Cogeneration Plant	651,420	435,545	184,535
Huzhou Cogeneration Plant	360,697	341,724	153,658
Taicang Poly Cogeneration Plant	423,697	398,110	171,016
Jiaxing Cogeneration Plant	909,017	816,044	413,546
Lianyungang Xinneng Cogeneration Plant	221,368	158,192	74,418
Puyuan Cogeneration Plant	840,530	740,260	376,033
Fengxian Cogeneration Plant	379,595	316,807	164,065
Yangzhou Cogeneration Plant	254,049	199,858	82,338
Dongtai Cogeneration Plant	449,191	364,859	164,178
Peixian Cogeneration Plant	168,129	160,164	62,706
Xuzhou Cogeneration Plant	264,555	188,308	78,875
Suzhou Cogeneration Plant	625,172	518,926	220,683
Baoying Cogeneration Plant	186,962	136,904	66,916
Lianyungang Xiexin Cogeneration Plant	133,148	116,885	54,654
Total subsidiary power plants	7,042,493	5,758,759	2,679,108
Associated power plants			
Funing Cogeneration Plant	88,167	81,649	34,326
China Resources Beijing Cogeneration Plant	358,272	297,671	120,869
Total subsidiary and associated power plants	7,488,932	6,138,079	2,834,303

Revenue

Revenue for the power business for the year ended 31 December 2010 was HK\$4,428.6 million. For the period from 1 August 2009 to 31 December 2009, revenue for the power business was HK\$1,766.3 million.

Average Utilisation Hours

Average utilisation hours for the Group's subsidiary power plants, defined as 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), was 5,465 hours in 2010, a decrease of 13.1% compared with 6,291 hours in 2009. The decrease was due to a commensurate decrease in electricity generation during the year.

Approved On-Grid Tariff

For electricity output, the major customers of our power plants are their respective local provincial power-grid companies. Prices are based on an approved on-grid tariff that is determined by the provincial price bureaus. The on-grid tariff depends on the fuel type of the relevant power plant and whether government-encouraged desulphurisation equipment has been installed. As at 31 December 2010, the approved on-grid tariff of the Group (excluding solar farm) ranged from approximately HK\$584.2/MWh to HK\$860.8/MWh. The implementation of on-grid tariffs for solar farm was approximately HK\$2,467.5/MWh as at 31 December 2010.

Approved Steam Price

In response to PRC-government incentive projects, the Group sells steam to customers exclusively within a certain radius of where our cogeneration plants are located. Steam prices are negotiated commercially between customers and the cogeneration plants and are subject to local government pricing guidelines. Prices may vary according to market forces. As at 31 December 2010, the approved steam price of our subsidiaries and associated power plants ranged from HK\$165.3/tonne to HK\$283.5/tonne.

Production Costs

The major costs of sales in the power-plant business were fuel costs including coal, natural gas, coal sludge, sludge, gangue and biomass materials.

For the Company's coal-fired cogeneration plants, comprehensive resource utilisation plants and biomass cogeneration plants, average unit fuel costs for electricity sales and steam sales were HK\$422.5/MWh and HK\$131.6/tonne respectively for the year ended 31 December 2010.

In the case of the Group's gas-fired cogeneration plants, Suzhou Cogeneration Plant, natural gas was the major component of the cost of sales. Average unit fuel costs for electricity sales and steam sales were HK\$448.6/MWh and HK\$169.2/tonne respectively for the year ended 31 December 2010.

Health, Safety and Environmental Matters

All power plants within the Group have implemented internal safety policies that include protective measures against health and safety hazards. Health and safety issues are closely monitored.

All existing coal-fired cogeneration plants are installed either with circulating fluidised bed boilers or pulverised coal boilers with desulphurisation equipment to reduce the emission of air pollutants. All power plants operated by the Group have obtained the required applicable approvals and have satisfied the emission requirements set forth by local government.

All power plants within the Group have installed the CEMS (Continuous Emissions Monitoring System) required by the PRC government for the purpose of monitoring pollutant emissions of thermal power plants.

We believe that the environment protection system and installed facilities of our power plants are adequate to comply with the national environmental protection regulations.

Outlook

Coal prices continued to rise throughout 2010, and are expected to remain high in 2011. The high coal price will impose pressure on fuel costs for the operation of the Group's power plants. We will focus on steam sales as contract prices of steam can be negotiated between us and our customers, making it easier to maintain profit margins despite the increase in fuel costs. The implementation of cost-cutting measures is also expected to help the power business to generate a healthy level of cash flow. In the long run, we will put our emphasis on the development of renewable-energy power plants.

Employees

We consider our employees to be our most important resource. As at 31 December 2010, the Group had approximately 12,387 employees in Hong Kong, the PRC and overseas. Employees are remunerated with reference to individual performance, working experience, qualification and the prevailing industry practice. Apart from basic remuneration and the statutory retirement benefit scheme, employee benefits include discretionary bonuses, with share options granted to eligible employees.

FINANCIAL REVIEW

Segment Information

The Group reported its financial information in two segments — the solar business and power business — during the year. The following table sets forth the Group's profits from operations by business segment:

	Solar Business <i>HK\$'000</i>	Power Business <i>HK\$'000</i>	Corporate <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Revenue	14,043,285	4,428,639	—	18,471,924
Segment profit	4,213,502	276,344	—	4,489,846
EBITDA	6,623,746	909,447	(28,609)	7,504,584

Revenue

Revenue for the year ended 31 December 2010 amounted to HK\$18,471.9 million, representing an increase of 274% as compared with HK\$4,943.6 million for the year ended 31 December 2009. The significant increase was mainly due to the surge in revenue attributable to the solar business together with the consolidation of full-year results from the power business. The recovery in the solar market and the commencement of in-house wafer production during the year led to the substantial rise in revenue driven by sales of polysilicon and wafer. Revenue attributable to sales of electricity also increased as we could only consolidate five months' revenues of power business in 2009.

Gross Profit Margin

Gross profit margin for the solar business rose from 36.4% for the year ended 31 December 2009 to 44.4% for the year ended 31 December 2010. The increase in gross profit margin was mainly due to the significant decrease in polysilicon production costs and additional profit captured from the sale of wafer produced from 2010 onwards, though it was partly offset by the decline in the average selling price of polysilicon. For the power business, the gross profit margin for the year ended 31 December 2010 was 13.1%. The overall gross profit margin for the Group was 36.9% for the year ended 31 December 2010.

Other Income

Other income mainly comprised government grants of HK\$288.7 million, consultancy fee income of HK\$65.0 million, sales of scrap materials of HK\$61.4 million as well as bank interest income and interest income from related companies amounting to HK\$45.5 million.

Distribution and Selling Expenses

Distribution and selling expenses stood at HK\$46.3 million for the year ended 31 December 2010, representing an increase of 5.2 times from HK\$7.5 million for the year ended 31 December 2009. Expenses mainly represented salaries and other expenses incurred by GCL Solar's sales office. Increases in distribution and selling expenses were due to the increase in salaries and other office-related expenses as a result of the expansion of the sales office.

Administrative Expenses

Administrative expenses amounted to HK\$996.3 million for the year ended 31 December 2010, representing an increase of 144% from HK\$408.3 million for the year ended 31 December 2009. This increase was primarily attributable to increases in salaries and other staff costs as a result of headcount increase due to growth in the solar business, an increase in depreciation and other office expenses due to the growth in the operating structure, and the consolidation of full year administrative expenses from the power business.

Finance Costs

Finance costs of the Group for the year ended 31 December 2010 were HK\$606.4 million, which rose by 73.9% from HK\$348.8 million in 2009. The increase was mainly due to increased interest expenses as a result of a larger average bank loan balance, and the fall in interest being capitalised during the year.

Share of Results of Associates

The Group's share of profits of associates for the year ended 31 December 2010 was approximately HK\$10.7 million, which was derived solely from the power business.

Share-Based Payment Expenses

The amount mainly represented the share option expenses arising from the Company's equity-settled share option scheme.

Income Tax Expense

Income tax expense for the year ended 31 December 2010 stood at HK\$1,159.3 million, representing an increase of 11.4 times as compared with HK\$93.2 million for the year ended 31 December 2009. The increase was mainly due to the surge in the PRC Enterprise Income Tax and deferred tax provided for the undistributed profit, which resulted from a significant increase in profits generated from the solar business in the PRC and an increase in income tax paid by Jiangsu Zhongneng as its 100% tax exemption had expired.

Profit attributable to Owners of the Company

Profit attributable to Owners of the Company for the year ended 31 December 2010 was HK\$4,023.6 million as compared with a loss of HK\$199.7 million for the year ended 31 December 2009.

Liquidity and Financial Resources

	2010	2009
	<i>HK\$ million</i>	<i>HK\$ million</i>
Net cash from operating activities	7,834.1	351.9
Net cash used in investing activities	(10,777.6)	(1,557.6)
Net cash from financing activities	3,933.6	4,537.0

For the year ended 31 December 2010, the Group's main sources of funding were cash generated from operating and financing activities. The net cash from operating activities and financing activities in 2010 were HK\$7,834.1 million and HK\$3,933.6 million respectively. The increase in net cash from operating activities was mainly attributable to a strong operating result arising from the solar business during the year. The net cash used in investing activities primarily arose from payments for the purchase of property, plant and equipment due to the ramping up of our wafer production facilities and technical improvements to polysilicon production facilities. The main financing activities of the Group in 2010 included newly raised bank borrowings of HK\$14,214.5 million and repayment of bank borrowings amounting to HK\$10,069.7 million.

The Group has a strong financial position. Aggregate restricted and unrestricted cash and bank balances amounted to approximately HK\$8,556.1 million as at 31 December 2010 (31 December 2009: HK\$6,340.8 million). The Group's total assets as at 31 December 2010 were HK\$40,351.8 million (31 December 2009: HK\$26,178.8 million).

Indebtedness

The indebtedness of the Group mainly comprises bank borrowings and obligations under finance lease. As at 31 December 2010, the Group's total bank borrowings amounted to HK\$13,790.2 million (31 December 2009: HK\$8,572.5 million) and obligations under finance lease amounted to HK\$552.8 million (31 December 2009: Nil). Below is a table showing the bank borrowing structure and maturity profile of the Group's total borrowings:

	2010 <i>HK\$ million</i>	2009 <i>HK\$ million</i>
Secured	1,823.6	4,684.5
Unsecured	<u>11,966.6</u>	<u>3,888.0</u>
	13,790.2	8,572.5
Maturity profile of bank borrowings		
On demand or within one year	6,410.8	5,032.7
After one year but within two years	1,876.2	1,837.8
After two years but within five years	4,852.1	1,050.1
After five years	<u>651.1</u>	<u>651.9</u>
Group's total bank borrowings	<u>13,790.2</u>	<u>8,572.5</u>
Bank borrowings are denominated in the following currencies		
RMB	11,568.4	8,339.8
USD	<u>2,221.8</u>	<u>232.7</u>
	<u><u>13,790.2</u></u>	<u><u>8,572.5</u></u>

As at 31 December 2010, RMB bank borrowings carried both fixed and floating interest rates at rates with reference to the Benchmark Borrowing Rate of The People's Bank of China or Shanghai Interbank Offer Rate (SIBOR). US-dollar bank borrowings carried interest rates at rates with reference to the London Interbank Offer Rate (LIBOR).

Key Financial Ratios of the Group

	2010	2009
Current ratio	1.02	1.05
Quick ratio	0.89	0.96
Net debt to equity	35.8%	19.2%

Current ratio = Balance of current assets at the end of the 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 total equity = (Balance of total interest-bearing 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 owners of the Company at the end of the year

Foreign Currency Risk

Most of our revenue, cost of sales and operating expenses are denominated in RMB. Some of the bank deposits are denominated in Hong Kong dollars and US dollars. Most of our assets and liabilities are denominated in RMB. Since RMB is our functional currency, our foreign currency risk exposure is mostly confined to assets denominated in Hong Kong dollars and US dollars.

For the year ended December 2010, the Group did not purchase any foreign currency or interest rate derivatives or related hedging instruments.

Pledge of Assets

As at 31 December 2010, property, plant and equipment and prepaid lease payments with a carrying value of approximately HK\$3,004.0 million and HK\$264.1 million respectively, were pledged as security for certain banking facilities granted to the Group. Apart from these, bank deposits of an aggregate amount of HK\$163.2 million were pledged to the banks to secure borrowings granted to the Group.

Capital Commitments

As at 31 December 2010, the Group had capital commitments in respect of the acquisition of property, plant and equipment contracted for but not provided in financial statements amounting to approximately HK\$3,036.3 million (31 December 2009: HK\$1,995.0 million) and authorised but not contracted for capital commitments amounting to HK\$566.4 million (31 December 2009: HK\$4,136.2 million).

Contingent Liabilities

As at 31 December 2010, the Group provided guarantees of HK\$17.6 million (31 December 2009: HK\$36.4 million) to a bank in respect of the banking facilities granted to an associate.

Events After the End of Reporting Year

On 12 January 2011, 25,000,000 share options were granted by the Company to eligible persons to optimise their future contributions to the Group at an exercise price of HK\$3.32 per share. Details of the grant of share options are set out in the Company's announcement dated 12 January 2011.

DIVIDENDS

The Board recommended the payment of a final dividend of HK5.1 cents per share ("Final Dividend") for the year ended 31 December 2010 (2009: Nil), subject to the approval of the shareholders at the forthcoming annual general meeting of the Company to be held on 16 May 2011. If approved, the Final Dividend will be paid on or about 26 July 2011 to shareholders whose names appear on the register of members of the Company on 16 May 2011.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 12 May 2011 to Friday, 13 May 2011 (both dates inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for the recommended Final Dividend and for the purpose of ascertaining the members' entitlement to the attendance of the forthcoming annual general meeting of the Company to be held on Monday, 16 May 2011, all transfer of shares of the Company accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 11 May 2011.

CORPORATE GOVERNANCE

The Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the year ended 31 December 2010 with the exception of the following areas:

(1) Code Provision A.2.1

Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Subsequent to the acquisition of the polysilicon and wafer business on 31 July 2009, Mr. Zhu Gong Shan (the Chairman and a director of the Company) was appointed as the Chief Executive Officer. As Mr. Zhu has more than twenty years experience in power business and is the founder of our Xuzhou polysilicon production base,

the Board considers it is appropriate to elect Mr. Zhu as the Chief Executive Officer. In view of the strong support and assistance given to Mr. Zhu by the Company's experienced and dedicated management team and executives, the Board is of the opinion that Mr. Zhu is able to discharging his responsibilities to manage the Board as well as the Group's businesses, The Board will continuously monitor and make new appointments when appropriate.

(2) Code Provisions E.1.2

Code Provisions E.1.2 states that the chairman of the board should attend the annual general meeting. As Mr. Zhu Gong Shan, Chairman of the Board, was out of town and unable to attend the annual general meeting of the Company held on 17 May 2010, Mr. Tong Yee Ming (an executive Director and Chief Financial Officer of the Company) represented Mr. Zhu to chair the annual general meeting accordingly.

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

The Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company during the year ended 31 December 2010.

MODEL CODE SET OUT IN APPENDIX 10 OF THE LISTING RULES

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

Having made specific inquires of all Directors, the Company has received from all Directors confirmations of compliance with the required standard as set out in the Code throughout the year ended 31 December 2010.

PUBLICATION OF INFORMATION ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement is published on the websites of the Company (www.gcl-poly.com.hk) and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). The annual report of the Company for the year ended 31 December 2010 will be dispatched to shareholders of the Company and available on the above websites in due course.

REVIEW OF ANNUAL RESULTS

Audit committee of the Company has reviewed the audited financial statements of the Group for the year ended 31 December 2010.

Glossary of Terms

“Baoying Cogeneration Plant”	寶應協鑫生物質發電有限公司 (Baoying Xiexin Biomass Electric Power Co., Ltd.*)
“Board” or “Board of Directors”	our board of Directors
“Changzhou Wafer”	常州協鑫光伏科技有限公司 (Changzhou GCL Photovoltaic Technology Co., Ltd.*)
“China” or “PRC”	the People’s Republic of China, but for the purposes of this announcement, excludes Hong Kong and Macau Special Administrative Region
“China Resources Beijing Cogeneration Plant”	華潤協鑫（北京）熱電有限公司 (China Resources Golden Concord (Beijing) Co-generation Power Co., Ltd.*)
“Company” or “GCL-Poly”	GCL-Poly Energy Holdings Limited
“Director(s)”	director(s) of the 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 Co-generation Co., 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 Cogeneration Co., Ltd.)
“GCL Solar”	GCL Solar Energy Technology Holdings Inc.
“Group”	the Company and its subsidiaries
“Guotai Wind Power Plant”	錫林郭勒國泰風力發電有限公司 (Xilingol Guotai Wind Power Generation Co., Ltd.*)
“GW”	gigawatts
“Haimen Cogeneration Plant”	海門鑫源環保熱電有限公司 (Haimen Xinyuan Environmental Protection Co-generation Co., Ltd.)
“Huzhou Cogeneration Plant”	湖州協鑫環保熱電有限公司 (Huzhou Golden Concord Environmental Protection Cogen-Power Co., Ltd.)

“Jiangsu Zhongneng”	江蘇中能硅業科技發展有限公司 (Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd.)
“Jiaxing Cogeneration Plant”	嘉興協鑫環保熱電有限公司 (JiaXing Golden Concord Environmental Cogeneration Co., Ltd.)
“Konca Solar”	高佳太陽能股份有限公司 (Konca Solar Cell 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.)
“kWh”	Kilowatt hour
“Lianyungang Xiexin Cogeneration Plant”	連雲港協鑫生物質發電有限公司 (Lianyungang Xiexin Biomass Electric-Power Generation Co., Ltd.)
“Lianyungang Xinneng Cogeneration Plant”	連雲港鑫能污泥發電有限公司 (Lianyungang Xinneng Sludge Power Co., Ltd.*)
“MT”	metric tonnes
“MW”	megawatts
“Peixian Cogeneration Plant”	沛縣坑口環保熱電有限公司 (Peixian Mine-site Environmental Cogen-Power Co., Ltd.)
“Puyuan Cogeneration Plant”	桐鄉濮院協鑫環保熱電有限公司 (Tongxiang Puyuan Xiexin Environmental Protection Cogeneration 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.*)
“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 Wafer”	蘇州協鑫光伏科技有限公司 Suzhou GCL Photovoltaic Technology 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.)
“TCS”	trichlorosilane

“W”	watts
“Xuzhou Cogeneration Plant”	徐州西區環保熱電有限公司 (Xuzhou Western Environmental Protection Co-generation Power Co., Ltd.)
“Xuzhou Solar Farm”	徐州協鑫光伏電力有限公司 (Xuzhou GCL Solar Energy Co., Ltd.*)
“Xuzhou Wafer”	江蘇協鑫硅材料科技發展有限公司 Jiangsu GCL Silicon Material Technology Development Co., Ltd
“Yangzhou Cogeneration Plant”	揚州港口污泥發電有限公司 (Yangzhou Harbour Sludge Power Co., Ltd.)

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

Hong Kong, 17 March 2011

As at the date of this announcement, 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. Chau Kwok Man, Cliff and Ms. Bai Xiao Qing as non-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.

* *for identification only*