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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2015	2014	% of
	HK$ million	*HK$ million*	Changes
	(Unaudited)	(Unaudited)	
Revenue	**17,939.2**	17,222.0	4.2%
Gross profit	**3,894.4**	3,677.9	5.9%
Profit attributable to owners of the Company	**825.7**	900.4	(8.3%)
	HK cents	*HK cents*	
Basic earnings per share	**5.33**	5.81	(8.3%)
Diluted earnings per share	**5.18**	5.81	(10.8%)

The board of directors (the "Board" or the "Directors") of GCL-Poly Energy Holdings Limited (the "Company" or "GCL-Poly") announces the unaudited condensed interim consolidated results of the Company and its subsidiaries (the "Group or "GCL-Poly") for the six months ended 30 June 2015 together with the comparative figures for the corresponding period in the previous year as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

		Six months ended 30 June	
		2015	2014
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**17,939,161**	17,222,037
Cost of sales		**(14,044,773)**	(13,544,162)
Gross profit		**3,894,388**	3,677,875
Other income	*4*	**603,185**	618,034
Distribution and selling expenses		**(49,296)**	(33,904)
Administrative expenses		**(1,465,013)**	(1,127,116)
Finance costs	*5*	**(1,487,869)**	(1,405,602)
Other expenses, gains and losses, net	*6*	**(51,218)**	(428,373)
Share of profits of associates		**3,583**	1,605
Share of losses of joint ventures		**(56,024)**	(1,052)
Profit before tax		**1,391,736**	1,301,467
Income tax expense	*7*	**(393,680)**	(288,071)
Profit for the period	*8*	**998,056**	1,013,396
Other comprehensive income (expense), net of income tax:			
Item that will not be reclassified to profit or loss:			
Exchange differences arising from translation to presentation currency		**4,197**	(170,112)
Item that may be reclassified subsequently to profit or loss:			
Change in fair value of available-for-sale investment		**—**	(63,234)
		4,197	(233,346)
Total comprehensive income for the period		**1,002,253**	780,050
Profit for the period attributable to:			
Owners of the Company		**825,664**	900,353
Non-controlling interests		**172,392**	113,043
		998,056	1,013,396
Total comprehensive income for the period attributable to:			
Owners of the Company		**828,791**	684,892
Non-controlling interests		**173,462**	95,158
		1,002,253	780,050
		HK cents	*HK cents*
Earnings per share	*9*		
Basic		**5.33**	5.81
Diluted		**5.18**	5.81

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2015

	Notes	As at 30 June 2015 HK$'000 (Unaudited)	As at 31 December 2014 HK$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**53,071,949**	50,611,803
Prepaid lease payments		**1,788,983**	1,773,240
Goodwill		**613,567**	633,615
Other intangible assets		**168,481**	172,834
Interests in joint ventures		**223,534**	310,191
Interests in associates		**272,966**	252,033
Held-to-maturity investments		**31,536**	15,306
Convertible bonds receivable		**147,159**	174,841
Deferred tax assets		**88,990**	94,173
Deposits, prepayments and other non-current assets		**2,068,022**	1,461,052
Amount due from a related company		**—**	27,296
Pledged and restricted bank deposits		**268,635**	158,183
		58,743,822	55,684,567
CURRENT ASSETS			
Inventories		**2,547,458**	2,695,748
Project assets		**414,633**	418,106
Trade and other receivables	*10*	**15,025,576**	13,658,345
Amounts due from related companies	*12*	**1,256,088**	125,033
Prepaid lease payments		**41,741**	41,149
Tax recoverable		**37,393**	20,989
Held for trading investment		**35,090**	21,750
Pledged and restricted bank deposits		**15,380,603**	11,809,191
Bank balances and cash		**6,420,691**	5,528,957
		41,159,273	34,319,268

	Notes	As at 30 June 2015 HK$'000 (Unaudited)	As at 31 December 2014 HK$'000 (Audited)
CURRENT LIABILITIES			
Trade and other payables	*11*	**21,122,394**	20,832,540
Amounts due to related companies	*12*	**1,168,496**	734,786
Loan from a related company		**3,109**	12,900
Advances from customers		**639,189**	973,473
Bank and other borrowings — due within one year		**27,291,185**	21,951,325
Obligations under finance leases — due within one year		**981,188**	931,826
Notes payables — due within one year		**1,596,324**	2,278,404
Bonds payable		**150,119**	—
Deferred income		**131,209**	122,340
Tax payables		**251,563**	234,391
		53,334,776	48,071,985
NET CURRENT LIABILITIES		**(12,175,503)**	(13,752,717)
TOTAL ASSETS LESS CURRENT LIABILITIES		**46,568,319**	41,931,850
NON-CURRENT LIABILITIES			
Advances from customers		**450,379**	646,954
Bank and other borrowings — due after one year		**16,139,572**	14,254,302
Obligations under finance leases — due after one year		**2,186,685**	1,206,002
Notes payables — due after one year		**1,892,476**	1,890,330
Convertible bonds payables		**2,243,669**	1,443,088
Deferred income		**607,814**	603,514
Deferred tax liabilities		**625,824**	524,475
Other non-current liability		**20,000**	—
		24,166,419	20,568,665
NET ASSETS		**22,401,900**	21,363,185
CAPITAL AND RESERVES			
Share capital		**1,548,947**	1,548,920
Reserves		**17,715,865**	16,856,704
Equity attributable to owners of the Company		**19,264,812**	18,405,624
Non-controlling interests		**3,137,088**	2,957,561
TOTAL EQUITY		**22,401,900**	21,363,185

NOTES:

1. BASIS OF PREPARATION

The unaudited condensed interim consolidated 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 (the "Stock Exchange") (the "Listing Rules") and with International Accounting Standard 34 ("IAS 34") Interim Financial Reporting issued by International Accounting Standard Board ("IASB"). The unaudited condensed interim consolidated financial statements do not include all the information required for a complete set of International Financial Reporting Standards financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2014.

The directors of the Company (the "Directors") have given careful consideration to the going concern status of the Group in light of the fact that the Group's current liabilities exceeded its current assets by HK$12,176 million as at 30 June 2015 and the Group had cash and cash equivalents of HK$6,421 million against the Group's bank and other borrowings due within one year of HK$27,291 million as at that date. The Directors have evaluated the Group's current undrawn banking facilities and renewable bank borrowings. In order to improve liquidity, the Group has negotiated with certain banks, who have indicated that they do not foresee any reasons to withdraw the existing facilities in the foreseeable future, and will continue to negotiate with other banks to obtain revolving banking facilities to ensure the Group's bank borrowings can be renewed on an on-going basis. The Directors believe that the Group will be able to renew the banking facilities upon maturity dates.

During the year ended 31 December 2014, the Group acquired GCL New Energy Holdings Limited ("GCL New Energy"), whose shares are listed on the Stock Exchange. The Company together with three of its subsidiaries ("GCL-Poly Subsidiaries") jointly signed a framework borrowing agreement with a state-owned bank in the PRC for a total uncommitted banking facility of HK$6,341 million to finance the solar energy projects undertaken by the Company and its subsidiaries. Up to the date of approval of these unaudited condensed interim consolidated financial statements, approximately HK$2,416 million were drawn down by the Company and its subsidiaries other than any members of GCL New Energy, and approximately HK$1,129 million were drawn down by GCL New Energy and its subsidiaries (collectively referred to as "GCL New Energy Group"). The remaining undrawn facility of approximately HK$2,796 million is available for GCL New Energy Group to draw down to finance its solar farm projects. Under this framework agreement, guarantees from the Company and GCL-Poly Subsidiaries are required for the loan drawdowns. In addition, the drawdown of the facilities and the terms of the borrowings, including the borrowing amounts, pledges or guarantees required and repayment terms, are subject to further approval of the bank upon further application by GCL New Energy Group, and provision of guarantees from the Company and GCL-Poly Subsidiaries provided on a borrowing-by-borrowing basis.

The Directors have given careful consideration to the going concern status of GCL New Energy Group in preparing these unaudited condensed interim consolidated financial statements, in light of the fact that, as at 30 June 2015, GCL New Energy Group's current liabilities exceeded its current assets by HK$3,742 million; and it had net cash outflow from operating activities of HK$413 million for the six months ended 30 June 2015. In addition, GCL New Energy Group had existing commitments and entered into new agreements during the six months ended 30 June 2015 and up to the date of approval of these unaudited condensed interim consolidated financial statements to acquire several solar energy farm sites and construct solar farms which will involve total capital expenditures of approximately HK$8,292 million to be settled within the next twelve months from 30 June 2015. This included payables of approximately HK$3,616 million that have been recognised as current liabilities at 30 June 2015.

In addition, subject to the availability of further financial resources, GCL New Energy Group is currently looking for further opportunities to increase the scale of its solar farm operations through mergers and acquisitions. In the event that GCL New Energy Group is successful in securing more solar farm investments or expanding the investments in the existing solar farms in the coming twelve months from 30 June 2015, significant additional cash outflows will be required to settle further committed capital expenditures. As at 30 June 2015, GCL New Energy Group's total borrowings comprising bank and other borrowings, convertible bond, bonds and obligations under finance leases amounted to HK$7,279 million in total, out of which approximately HK$2,430 million will be due in the next twelve months from 30 June 2015. GCL New Energy Group is required to comply with certain restrictive financial covenant and undertaking requirements under certain of the borrowing agreements. GCL New Energy Group's pledged bank deposits and cash and cash equivalents amounted to approximately HK$878 million and HK$2,132 million as at 30 June 2015, respectively. The financial resources available to GCL New Energy Group as at 30 June 2015 and up to the date of approval of these unaudited condensed interim consolidated financial statements are not sufficient to satisfy all of the above financial obligations and committed capital expenditures. GCL New Energy Group is actively pursuing additional sources of financing including, but not limited to, equity and debt financing from banks, financial institutions and private investors.

The Directors are of the opinion that GCL New Energy Group will have sufficient working capital to meet its financial obligations, including those committed capital expenditures relating to the solar farms, that will be due in the next twelve months from 30 June 2015 upon successful implementation of the following measures which will generate adequate financing and operating cash inflows for GCL New Energy Group:

(i) Subsequent to 30 June 2015:

- GCL New Energy Group completed the issuance of bonds of approximately HK$303 million to certain private investors;
- GCL New Energy Group obtained new borrowings with an aggregate amount of approximately HK$61 million from a bank in the PRC, of which approximately HK$56 million have a repayment term of more than twelve months from the date of drawdown; and
- GCL New Energy Group completed the issuance of a convertible bond of approximately HK$200 million to an overseas investment company with a repayment term of three years from the date of issuance.

(ii) GCL New Energy Group has been actively negotiating with the PRC creditor banks for renewal of its current borrowings as necessary when they fall due in the coming twelve months from the date of these unaudited condensed interim consolidated financial statements; and if needed, to obtain waiver from the relevant lenders from complying with the covenant requirements. Based on the past experience, GCL New Energy Group did not encounter significant difficulties in renewing the borrowings and the Directors are confident that all borrowings can be renewed and the waiver, if needed, can be obtained upon GCL New Energy Group's application when necessary;

(iii) GCL New Energy Group is currently actively negotiating with several banks in both Hong Kong and the PRC for additional financing. It has received detailed proposals from certain banks for total banking facilities of approximately HK$1,527 million with repayment periods from one to five years. GCL New Energy Group also received letters of intent from certain other banks which indicated that these banks tentatively might offer banking facilities of approximately HK$9,543 million to GCL New Energy Group;

(iv) GCL New Energy is actively negotiating with other private investors for additional financing in the form of equity or debt or a combination of both. During the six months ended 30 June 2015, GCL New Energy Group completed the issue of a new convertible bond to a non-banking financial institution with a nominal amount of approximately HK$775 million, and the issue of bonds to certain private investors of approximately HK$153 million; and

(v) GCL New Energy Group has completed the construction of 20 solar farms with approval for on-grid connection up to the date of approval of these unaudited condensed interim consolidated financial statements. GCL New Energy Group also has additional 17 solar farms under construction targeting to achieve on-grid connection in the near future. The abovementioned solar farms have an aggregate installed capacity of approximately 1,549MW and are expected to generate operating cash inflows to GCL New Energy Group.

Accordingly, the Directors are satisfied that it is appropriate to consolidate the unaudited condensed interim consolidated financial statements of GCL New Energy in the Company's unaudited condensed interim consolidated financial statements on a going concern basis.

The Directors are of the opinion that, taking into account the above undrawn banking facilities, renewal of existing banking facilities, the Group's cash flow projection for the coming year, and the successful implementation of measures of GCL New Energy Group as described above, the Group will have sufficient working capital to meet its cashflow requirements in the next twelve months. Accordingly, these unaudited condensed interim consolidated financial statements have been prepared on a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

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

Except as described below, the accounting policies and methods of computation used in the unaudited condensed interim consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied, for the first time, the following new amendments to International Financial Reporting Standards ("IFRSs") issued by IASB that are relevant for the preparation of the Group's unaudited condensed interim consolidated financial statements:

Amendments to IAS 19	Defined Benefit Plans: Employee Contributions
Amendments to IFRSs	Annual Improvements to IFRSs 2010 – 2012 Cycle
Amendments to IFRSs	Annual Improvements to IFRSs 2011 – 2013 Cycle

The Directors anticipate that the application of the new amendments to IFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these unaudited condensed interim consolidated financial statements.

3. SEGMENT INFORMATION

The Group's reportable and operating segments under IFRS 8 are as follows:

(a) Solar material business — mainly manufacture and sales of polysilicon and wafer to companies operating in the solar industry.

(b) Power business — development, construction, management and operation of power plants and sales of coals in the PRC. Power plants include coal fuelled cogeneration plants, resources comprehensive utilisation cogeneration plants, gas fuelled cogeneration plants, biomass fuelled cogeneration plants, incineration plants and a wind power plant.

(c) Solar farm business — development, construction, management, operation and sales of solar farms in overseas and in the PRC. It also includes the management and operation of certain previously developed solar farms in the PRC.

(d) New energy business — a listed company, GCL New Energy, which is principally engaged in the development, construction, operation and management of solar farms as well as manufacturing and selling of printed circuit boards.

Segment revenue and results

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

Six months ended 30 June 2015

	Solar material business *HK$'000* **(Unaudited)**	**Power business** *HK$'000* **(Unaudited)**	**Solar farm business** *HK$'000* **(Unaudited)**	**New energy business** *HK$'000* **(Unaudited)**	**Total** *HK$'000* **(Unaudited)**
Segment revenue					
Revenue	**11,412,016**	**5,009,152**	**384,433**	**1,135,237**	**17,940,838**
Inter-segment sales *(Note a)*	**—**	**(1,677)**	**—**	**—**	**(1,677)**
Revenue from external customers	**11,412,016**	**5,007,475**	**384,433**	**1,135,237**	**17,939,161**
Segment profit (loss)	**992,249**	**231,906**	**(74,609)**	**90,205**	**1,239,751**
Elimination of inter-segment profit					**(59,721)**
Unallocated income					**26,260**
Unallocated expenses					**(81,609)**
Fair value adjustments *(Note b)*					**(3,427)**
Impairment loss on goodwill					**(20,243)**
Loss on fair value change of convertible bonds receivable					**(27,000)**
Loss on fair value change of convertible bonds payable issued by the Company					**(89,404)**
Gain on fair value change of held for trading investment					**13,449**
Profit for the period					**998,056**

Six months ended 30 June 2014

	Solar material business *HK$'000* (Unaudited)	Power business *HK$'000* (Unaudited)	Solar farm business *HK$'000* (Unaudited)	New energy business *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Segment revenue					
Revenue	11,888,321	4,752,151	327,007	270,457	17,237,936
Inter-segment sales *(Note a)*	—	(15,899)	—	—	(15,899)
Revenue from external customers	11,888,321	4,736,252	327,007	270,457	17,222,037
Segment profit (loss)	1,135,021	81,325	59,061	(2,183)	1,273,224
Unallocated income					8,527
Unallocated expenses					(80,587)
Fair value adjustments *(Note b)*					(14,976)
Loss on disposal of available-for-sale investment					(19,251)
Impairment loss on available-for-sale investment					(4,508)
Loss on fair value change of convertible bonds receivable					(85,308)
Loss on fair value change of convertible bonds payable issued by the Company					(67,045)
Gain on fair value change of held for trading investment					3,320
Profit for the period					1,013,396

Notes:

(a) Inter-segment sales made are based on prevailing market price.

(b) The effect arising from fair value adjustments is related to the assets and liabilities of the group entities carrying out the power business in the PRC (the "Power Group") deemed acquired in 2009, GCL New Energy acquired in 2014 and acquisition of other subsidiaries in previous financial years which are subject to the amortisation/depreciation over the estimated useful lives of the relevant assets.

Segment profit (loss) represents the profit (loss) of each respective segment excluding unallocated income, unallocated expenses (including depreciation of an aircraft and respective finance costs under the sale and finance leaseback arrangements), the fair value adjustments (see *Note b* above), impairment loss on goodwill, change in fair value of convertible bonds receivable, change in fair value of convertible bonds payable issued by the Company, change in fair value of held for trading investment, loss on disposal of available-for-sale investment and impairment loss on available-for-sale investment. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and performance assessment.

The accounting policies of the operating segments are the same as the Group's accounting policies.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	As at 30 June 2015 *HK$'000* **(Unaudited)**	As at 31 December 2014 *HK$'000* (Audited)
Segment assets		
Solar material business	**63,634,991**	60,684,597
Power business	**11,693,889**	11,262,981
Solar farm business	**6,253,022**	6,330,646
New energy business	**16,418,533**	9,951,941
Total segment assets	**98,000,435**	88,230,165
Fair value adjustments *(Note)*	**266,649**	271,693
Goodwill	**613,567**	633,615
Convertible bonds receivable	**147,159**	174,841
Held for trading investment	**35,090**	21,750
Held-to-maturity investments	**31,536**	15,306
Unallocated bank balances and cash	**551,233**	294,909
Unallocated corporate assets	**257,426**	361,556
Consolidated assets	**99,903,095**	90,003,835
Segment liabilities		
Solar material business	**49,877,655**	47,746,778
Power business	**8,255,224**	7,977,281
Solar farm business	**5,002,148**	5,005,366
New energy business	**12,425,632**	6,058,753
Total segment liabilities	**75,560,659**	66,788,178
Fair value adjustments *(Note)*	**98,334**	100,729
Convertible bonds payable issued by the Company	**1,526,903**	1,443,088
Unallocated corporate liabilities	**315,299**	308,655
Consolidated liabilities	**77,501,195**	68,640,650

For the purpose of monitoring segment performances and allocating resources between segments:

- All assets are allocated to operating segments other than fair value adjustments (see *Note* below), corporate bank balances and cash and other assets (including goodwill, an aircraft, convertible bonds receivable, held for trading investment and held-to-maturity investments) of the management companies and investment holdings companies; and

- All liabilities are allocated to operating segments other than fair value adjustments (see *Note* below), corporate bank borrowings and liabilities (including convertible bonds payable) of the management companies and investment holdings companies.

Note: The effect arising from fair value adjustments is related to the assets and liabilities of the Power Group deemed acquired in 2009, GCL New Energy acquired in 2014 and acquisition of other subsidiaries in previous financial years, which are subject to the amortisation/depreciation over the estimated useful lives of the relevant assets.

Revenue from major products

The following is an analysis of the Group's revenue from its major products and services:

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Sales of wafer	**9,921,055**	10,049,129
Sales of electricity	**2,394,934**	2,130,031
Tariff adjustment *(Note)*	**453,353**	195,353
Sales of coal	**2,020,213**	1,816,134
Sales of polysilicon	**908,362**	1,275,038
Sales of steam	**861,415**	918,789
Sales of printed circuit boards	**782,336**	270,457
Others (comprising the sales of ingots, modules and processing fees)	**597,493**	567,106
	17,939,161	17,222,037

Note: Tariff adjustment represents subsidy received and receivable from the government authorities in respect of the Group's solar farm business and new energy business. Tariff adjustment is recognised at its fair value where there is a reasonable assurance that the additional tariff will be received and the Group will comply with all attached conditions, if any.

4. OTHER INCOME

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Government grants	**112,931**	187,483
Sales of scrap materials	**153,251**	160,996
Bank interest income	**197,315**	141,132
Interest income from a related company	**17,041**	—
Waste processing management fee	**40,169**	43,061
Management and consultancy fee income	**15,567**	13,634
Others	**66,911**	71,728
	603,185	618,034

5 FINANCE COSTS

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on:		
Bank and other borrowings		
— wholly repayable within five years	**722,821**	668,404
— not wholly repayable within five years	**115,590**	49,783
Discounted bills receivable and letters of credit	**580,487**	544,968
Obligations under finance leases	**52,456**	54,488
Notes and bonds payables	**129,220**	135,204
Total borrowing costs	**1,600,574**	1,452,847
Less: Interest capitalised	**(112,705)**	(47,245)
	1,487,869	1,405,602

6. OTHER EXPENSES, GAINS AND LOSSES, NET

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Research and development costs	**137,769**	156,294
Compensation income	**(126,350)**	—
Provision for pipelines reinstallation charge	**13,512**	80,000
Exchange (gain) loss, net	**(11,154)**	57,462
Loss on fair value change of convertible bonds receivable	**27,000**	85,308
Loss on fair value change of convertible bonds payables	**31,070**	67,045
Gain on fair value change of held for trading investment	**(13,449)**	(3,320)
Bargain purchase on business combination	**(27,423)**	—
Impairment loss on goodwill	**20,243**	—
Impairment loss on property, plant and equipment	**—**	46,747
Reversal of impairment loss on deposits for acquisitions of property, plant and equipment	**—**	(62,564)
Loss on disposal of available-for-sale investment	**—**	19,251
Impairment loss on available-for-sale investment	**—**	4,508
Gain on disposal of joint ventures	**—**	(22,358)
	51,218	428,373

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
PRC Enterprise Income Tax ("EIT")		
Current tax	**282,673**	221,340
Overprovisions in prior periods	**(29,204)**	(11,418)
	253,469	209,922
Hong Kong Profits Tax		
Current tax	**15,023**	18,690
Underprovisions in prior period	**119**	—
	15,142	18,690
USA Federal and State Income Tax — Current tax	**245**	1,687
PRC dividend withholding tax	**18,802**	11,413
Deferred tax	**106,022**	46,359
	393,680	288,071

The PRC EIT for the period 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 the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of PRC subsidiaries is 25%, except for those subsidiaries described below.

Certain subsidiaries operating in the PRC have been accredited as "High and New Technology Enterprise" by the Science and Technology Bureau of Jiangsu Province and relevant authorities for a term of three years, and have been registered with the local tax authorities for enjoying the reduced 15% EIT. Accordingly, the profits derived by these subsidiaries are subject to 15% EIT for the six months ended 30 June 2015 (six months ended 30 June 2014: 15%). The qualification as High and New Technology Enterprise will be subject to annual review by the relevant government authorities in the PRC.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the period.

During the six months ended 30 June 2015, Federal and State tax rates in the United States of America (the "USA") are calculated at 35% and 8.8%, respectively (six months ended 30 June 2014: 35% and 8.8%, respectively).

The Group's subsidiaries and associates that are tax residents in the PRC are subject to the PRC dividend withholding tax of 5% or 10% for those non-PRC resident immediate holding companies 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.

8. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	**2,009,237**	1,818,128
Amortisation of prepaid lease payments	**21,214**	20,946
Amortisation of other intangible assets (included in cost of sales and administrative expenses)	**12,485**	14,574
Total depreciation and amortisation	**2,042,936**	1,853,648
Less: Amounts included in inventories	**(80,808)**	(92,271)
Total depreciation and amortisation charged to profit or loss	**1,962,128**	1,761,377
Cost of inventories recognised as cost of sales	**12,904,416**	12,748,192
Impairment loss on project assets (included in cost of sales)	**12,260**	53,001
Impairment loss on trade and other receivables (included in administrative expenses)	**164,792**	185,512
Loss on disposal of property, plant and equipment	**4,033**	14,283
Share-based payment expenses (included in administrative expenses)	**76,712**	51,346
Write-down on inventories (included in cost of sales)	**60,730**	14,996

9. 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	
	2015	2014
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Earnings		
Earnings for the purposes of calculation of basic earnings per share		
— Profit for the period attributable to owners of the Company	**825,664**	900,353
Effect of dilutive potential ordinary shares:		
— Adjustment to the share of profit of GCL New Energy Group based on dilution of its earnings per share	**(22,921)**	—
	802,743	900,353

	Six months ended 30 June	
	2015	2014
	'000	*'000*
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**15,489,346**	15,485,432
Effect of dilutive potential ordinary shares:		
Share options issued by the Company	**13,537**	20,451
Weighted average number of ordinary shares for the purpose of dilutive earnings per share	**15,502,883**	15,505,883

Diluted earnings per share for the six months ended 30 June 2015 did not assume (1) the conversion of convertible bonds issued by the Company because the assumed conversion would result in an increase in earnings per share; and (2) the exercise of share options granted by GCL New Energy because the exercise price of those options is higher than the average market price for the shares for the six months ended 30 June 2015.

Diluted earnings per share for the six months ended 30 June 2014 did not assume the conversion of convertible bonds issued by the Company since the conversion would increase the earnings per share for the six months ended 30 June 2014.

10. TRADE AND OTHER RECEIVABLES

The Group generally allows a credit period within 1 to 4 months from the invoice date for trade receivables and may further extend 3 to 6 months for settlement through bills issued by banks and financial institutions obtained from trade customers.

The following is an aged analysis of trade receivables (net of allowances for doubtful debts) and bills receivable (trade) at the end of the reporting period, presented based on the invoice date which approximated the respective revenue recognition dates and the bills issue dates:

	As at 30 June 2015 *HK$'000* **(Unaudited)**	As at 31 December 2014 *HK$'000* (Audited)
Trade receivables:		
Within 3 months	**5,584,541**	4,687,085
3 to 6 months	**924,598**	278,746
Over 6 months	**386,131**	503,164
	6,895,270	5,468,995
Bills receivable (trade):		
Within 3 months	**2,660,065**	3,232,645
3 to 6 months	**2,321,109**	2,388,467
	4,981,174	5,621,112

11. TRADE AND OTHER PAYABLES

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

	As at 30 June 2015 *HK$'000* **(Unaudited)**	As at 31 December 2014 *HK$'000* (Audited)
Trade payables:		
Within 3 months	**3,042,031**	2,793,258
3 to 6 months	**2,425,016**	2,260,636
Over 6 months	**288,863**	248,210
	5,755,910	5,302,104
Bills payable (trade):		
Within 3 months	**1,494,225**	2,548,032
3 to 6 months	**5,755,406**	4,655,452
	7,249,631	7,203,484

12. BALANCES WITH RELATED COMPANIES

The following is an aged analysis of amounts due from related companies (trade-related) at the end of the reporting period, presented based on the invoice date which approximated the respective revenue recognition dates:

	As at 30 June 2015 *HK$'000* **(Unaudited)**	As at 31 December 2014 *HK$'000* (Audited)
Within 3 months	**39,034**	58,933
3 to 6 months	**263,636**	500
Over 6 months	**753,725**	3,496
	1,056,395	62,929

The following is an aged analysis of amounts due to related companies (trade-related) at the end of the reporting period, presented based on the invoice date:

	As at 30 June 2015 *HK$'000* **(Unaudited)**	As at 31 December 2014 *HK$'000* (Audited)
Within 3 months	**438,899**	310,929
3 to 6 months	**180,209**	250,982
Over 6 months	**2,227**	688
	621,335	562,599

Note:

The amounts due from/to related companies are unsecured, non-interest bearing and the credit period for trade-related balances are within 3 months.

Included in amounts due from related companies (trade-related) was an amount of HK$1,039,695,000 due from GCL System Integration Technology Co., Ltd. ("GCL System Integration"), an A-share listed company whose shares are listed on the Shenzhen Stock Exchange, which Mr. Zhu Gongshan and his family members which hold in aggregate 21% of the share capital of GCL System Integration and exercise significant influence over GCL System Integration with effect from 10 February 2015 and was a third party trade customer as at 31 December 2014. The amount was fully settled subsequent to the end of the reporting period.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to announce the following results of GCL-Poly in the first half of 2015. For the six months ended 30 June 2015, GCL-Poly's revenue reached HK$17.94 billion, representing a 4.2% increase as compared with the same period in 2014; gross profit was approximately HK$3.89 billion, an approximately 5.9% increase as compared with the same period in 2014, profit attributable to owners of the Company amounted to approximately HK$0.83 billion; basic earnings per share amounted to approximately HK5.33 cents. The operating environment of photovoltaic("PV") industry saw a significant improvement during the period. The installed capacity of global PV market in 2015 is expected to increase by 20% from 2014 to 53 GW. The outperforming results of GCL-Poly in the first half of 2015 were attributed to its strategy of consistently focusing on customers as well as the trend of market demand, and continuously improving its leading competitive edges at the up and downstream of the industry value chain, including technology innovation, developing and promoting higher efficiency products, refining manufacturing efficiency; and hence, achieving better cost control. Particularly, the significant amount of GCL's higher efficiency products were introduced to the market, which has led the PV Industry to an era of higher efficiency.

The PV Market Continued to Grow and the Industry has Developed Healthier

According to industry analysis and forecast, it is expected that the global PV market will continue to grow and the estimated global solar installation demand could reach approximately 32 GW in the second half of 2015. In particular, PV installed capacity in China market will continue to lead the global market. The China National Energy Administration has confirmed the target for 17.8 GW of PV installation connected to the grid by the end of 2015 in China. Furthermore, those emerging markets (including Japan, the U.S., India, South Africa and Southeast Asia) have been increasing growing. The rise of these markets has become a major highlight in the global market.

After intensified industry consolidation in past few years, most of those excessive capacities in the solar industry were phased out, and industry concentration has significantly improved. Hence, the solar industry has entered into a rational and mature developing stage. Meanwhile, the Government has introduced industry regulating policies, which has helped to increase entry barriers and operational standards of the solar PV industry. With more disciplined practices are advocated by leading companies in the industry, more positive incentives have brought to the market. Particularly, industry leaders' advantages, such as brand influence, financial strength and technological innovation, could be fully presented, creating a favorable micro and macro developing environment.

Leading by higher efficiency products, higher efficiency installation system, and hence, lower cost of solar energy per watt, the solar industry has entered into the higher efficiency era. As a result, continuous improving investment return on PV installation projects has become the primary approach to achieve grid parity for the solar energy power.

It is notable that the recovery of the PV industry has also encountered the challenges of trading disputes. The European Union and the U.S. has adopted in succession the anti-dumping and anti-countervailing measures against the silicon-based solar PV products from China. Furthermore, in early

July, the U.S. Department of Commerce significantly increased the anti-dumping and anti-countervailing tax rate imposed on China's polysilicon-based solar cells in its announcement of the final judgement of first administrative review. Though China's polysilicon and wafer products were not directly involved, solar cell/modules exports has been negatively impacted. On the other hand, owing to the midstream production shrinkage in their domestic markets, major polysilicon manufacturers in the U.S., Germany and Korea are now heavily relying on and has been dumping enormous volume to China market, by taking advantage of processing trade policy to avoid the anti-dumping taxes imposed by the Chinese Ministry of Commerce. Therefore, the polysilicon price in China dropped persistently in the first half of this year, causing huge losses across global polysilicon industry. As a result, GCL-Poly was forced to decrease polysilicon products shipment and increase the production and sales to meet the significantly increased demand in raw materials from domestic PV customers.

Looking forward to the full year of 2015, despite of the global trade war barriers, market shrinkage in traditional major markets like Europe, and decreasing solar energy subsidies in countries like Japan, the global PV market should continue to grow, mainly due to the continuously decreasing cost of solar power energy, more newly introduced favorable policies by the Chinese government, as well as those rapidly emerged new markets.

Technology Innovation has Brought Competitive Differentiation; Higher Efficiency Products have Attributed to Better Operational Results

In the first half of the year, facing the complexities including global economic growth slowdown, more stringent measures against China taken by the U.S., difficult financing environment for the PV industry, and re-activation of some backward capacities, the Company's solar material business still managed to secure satisfactory outcome thanks to its strengthened core competitiveness with continuous efforts in differentiation. In the first half of the year, polysilicon production increased by 13.7% as compared with the same period in 2014 to 36,768 MT. Apart from internal shipment to wafer business, the external shipment was 7,005 MT; the production and shipment of wafer products were 7,102 MW and 7,061 MW, representing an increase of 17.5% and 19.8%, respectively, as compared with the same period in 2014.

In the first half of 2015, the Company continued to adjust the product mix according to customers' demand, further decreased polysilicon shipments and increased production and shipment of high efficiency wafer products. As a result, the revenue of solar material business only decreased slightly by 4.0% on period on period basis despite of the persistent drop in products prices. Meanwhile, polysilicon products sales contribution to total revenue dropped to 8.0% while that of wafer products increased to 86.9%. With its optimized product mix in dealing with seasonally slowing polysilicon but stable wafer markets, the Company was able to maintain the operating results by leveraging competitive edges to meet customer demands.

Regarding technology research and development, the Company has continuously increased its R&D investment in the first half of 2015 through prioritizing key projects. As at the end of June 2015, the Company had 92 ongoing R&D projects, and its 14 subsidiaries have applied for 394 patents, and received 230 licensed patents. The Company had 4 research papers published in global journals (included in SCI). It also participated in the preparation of 3 international standards, 12 national standards and 6 industry standards. It obtained 8 new high-tech product certifications in Jiangsu Province.

In respect of crystal growing and wafer slicing process, the Company has been continuously improving ingoting technology of high-efficiency GCL Multi-Wafer products and making progress in the R&D of new products. As at the end of June 2015, S3 product capacity was ramped up to 110 million pieces per month. On 28 April 2015, the R&D of the new generation of high-efficiency polycrystalline silicon wafer product, "GCL Multi-Wafer S4" has achieved success, marking that GCL-Poly's polycrystalline technologies has stepped up to a new level. Trial data from customers have shown that the average conversion efficiency of "GCL Multi-Wafer S4" was further improved as compared with previous generation of GCL Multi-Wafer products. The successful R&D of "GCL Multi-Wafer S4" narrows down the conversion efficiency spread between multi wafer and mono wafer products, thus strengthening the cost effectiveness of multi wafer products as well as further enhances the Company's influences and leading position in the PV Market.

Regarding production and operation, the Company has further promoted GPW, established, improved and refined production systems, as well as increased operation efficiency, resulting in a significant decrease in production cost. In June 2015, the Modified Siemens method based polysilicon production cost decreased by approximately 8.9% as compared with the same period in 2014, further strengthening its global cost leading position. Furthermore, the non-silicon cost of wafer products, which contributed majority of total revenue, decreased by approximately 13.0% on a period on period basis, offsetting the negative impact of period on period 14.3% drop in the selling price.

By consistently expanding to global markets and focusing on customers, GCL-Poly has enhanced industry cooperation and achieved higher customers satisfaction. While remaining demand driven orientation, the Company proactively communicated with customers, establishing a quick customer response system through its CRM on-line customer service system, with a goal to promote and materialise the grid parity goal of solar power energy as soon as possible through industry cooperation.

Promoting the Application of Higher Efficiency Product; Forming Strategic Synergies at the Up and Downstream of Value Chain

The Company will continue to maintain its global leading position and advantages in polysilicon, crystal growing and wafer slicing technology, cost and service, implement the application of high efficiency products and systems by leveraging on our advantages of raw materials manufacturing capabilities at the upstream of the value chain, thus form the strategic synergies at the up and downstream of the industry chain, and further maximize business profitability.

Stable Power Business Development Outperformed Peers

In the first half of 2015, the power business continued to record stable performance. The Company has continued to maximise the efficiencies of existing resources with centralized management and cost control, assuring the healthy development of its power and steam businesses. As at the end of June

2015, the Company sold 3,192 GWh of electricity, with a period-on-period increase of 5.7%, and 4,092,619 tonnes of steam, with a period-on-period decrease of 3.0%. While ensuring stable growth of the business, the Company also adopted various measures including cost control of coal procurement, bulk procurement of supplies, expansion of steam supply, and vigorous efforts in steam price adjustment. These combined measures have helped us to achieve encouraging results in terms of the overall operational and financial indicators in the first half of 2015 when compared with the industry average.

Finally, I would like to express my heartfelt gratitude to our Directors, management team and all the staff of GCL-Poly for their efforts and hard work over the past six months, and extend my heartfelt thanks to our shareholders and business partners for their continuing supports to the Company as well.

Zhu Gongshan
Chairman

Hong Kong, 28 August 2015

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

Benefited from the supportive national policies from the PRC, the demand for solar products continued to grow modestly in the first half of 2015. The Group was able to capture this favourable market condition and the Group continued to operate at full capacity of polysilicon and wafer manufacturing facilities and further reduced our fundamental production costs to an extremely competitive level.

For the six months ended 30 June 2015, the Group recorded growth of 4.2% in revenue to approximately HK$17,939.2 million. Profit attributable to the owners of the Company is HK$825.7 million as compared to HK$900.4 million during the same period in 2014.

Segment Information

The Group organised its financial information in the following business segments during the period:

— Solar Material Business

— Power Business

— Solar Farm Business

— New Energy Business

The following table sets forth the Group's operating results by business segments:

	2015			2014		
	Revenue from external customers *HK$ million*	**Segment profit (loss)** *HK$ million*	**EBITDA*** *HK$ million*	Revenue from external customers *HK$ million*	Segment profit (loss) *HK$ million*	EBITDA* *HK$ million*
Solar Material Business	**11,412**	**992**	**3,761**	11,888	1,135	3,780
Power Business	**5,008**	**232**	**646**	4,736	81	659
Solar Farm Business	**384**	**(74)**	**167**	327	59	210
Corporate**	**—**	**N/A**	**(96)**	—	N/A	(70)
Sub-total	**16,804**	**1,150**	**4,478**	16,951	1,275	4,579
New Energy Business	**1,135**	**90**	**288**	271	(2)	28
Total	**17,939**	**1,240**	**4,766**	17,222	1,273	4,607

* The following items were excluded in the calculation of earnings before interest expenses, tax, depreciation and amortisation ("EBITDA"): i) Impairment losses on property, plant and equipment; ii) Reversal of impairment loss on deposits for acquisitions of property, plant and equipment; iii) Impairment losses on available-for-sale investment; iv) Loss on disposal of available-for-sale investment; v) Gain/loss on fair value change of convertible bonds receivable; vi) Gain/loss on fair value change of convertible bonds payables; vii) Gain/loss on fair value change of held for trading investments; viii) Gain on disposal of joint ventures; ix) Provision for pipelines reinstallation charge; x) Compensation income; xi) Bargain purchase on business combination and xii) Impairment loss on goodwill.

EBITDA is included because it is used by management and, we expect, certain investors to use to measure the Group's operating performance. EBITDA is not an item recognised by IFRSs, and should not be considered as an alternative to profit, operating profit, or any other indicator of a Group's operating performance required by IFRS. When analysing the Group's operating performance, investors should use EBITDA in addition to, and not as an alternative for, profit, operating profit, or any other performance measure presented in accordance with IFRS. It is a metric that is sometimes used to compare the results of companies by removing the effects of different factors that might otherwise make comparisons inaccurate or inappropriate. We believe that the Group's EBITDA reflects an additional way of viewing aspects of the Group's operations that, when viewed with the Group's IFRS results, provides a more complete understanding of factors and trends affecting the Group's business.

** The corporate segment primarily included the elimination of inter-segment profit, unallocated income and unallocated expenses.

BUSINESS REVIEW

Solar Material Business

Production

GCL-Poly supplies polysilicon and wafer to companies operating in the solar industry. Polysilicon is the primary raw material for wafer used in the solar wafer production. In the solar industry supply chain, wafers are further processed by downstream manufacturers to produce solar cells and modules.

With further technical improvement during the first half of 2015, our annual polysilicon production capacity was reached at 70,000 MT. During the six months ended 30 June 2015, GCL-Poly operated its polysilicon business at full capacity and produced approximately 36,768 MT of polysilicon, representing an increase of 13.7% as compared to 32,341 MT for the same period in 2014.

During the six months ended 30 June 2015, GCL-Poly continued to adopt various technological improvements on application of advanced ingot furnace facility and wafer slicing process. GCL-Poly's annual wafer production capacity has increased to 14 GW as at 30 June 2015. For the six months ended 30 June 2015, GCL-Poly produced approximately 7,102 MW of wafers (including processing business with supplied materials) were produced, representing an increase of 17.5% from 6,042 MW for the same period in 2014. During the first half of 2015, GCL-Poly successfully launched the fourth generation, high-efficiency multi-crystalline silicon wafer "GCL Multi-Wafer S4", which demonstrated a significant performance improvement with increment in the conversion efficiency of solar cells.

Sales Volume and Revenue

Despite significant decrease of average selling price of polysilicon and wafer during the first half of 2015 as compared to the same period in 2014, revenue from external customers of our Solar Material Business for the six months ended 30 June 2015 amounted to approximately HK$11,412.0 million, representing a slight decrease of 4.0% from HK$11,888.3 million for the six months ended 30 June 2014.

For the six months ended 30 June 2015, GCL-Poly sold 7,005 MT of polysilicon and 7,061 MW of wafer (including processing business with supplied materials), a decrease of 6.1% and an increase of 19.8% respectively, as compared to 7,463 MT of polysilicon and 5,896 MW of wafer for the same period in 2014.

The average selling prices of polysilicon and wafer were approximately HK$133.4 (US$17.2) per kilogram and HK$1.51 (US$0.195) per W respectively for the six months ended 30 June 2015. The corresponding average selling prices of polysilicon and wafer for the six months ended 30 June 2014 were HK$171.0 (US$22.1) per kilogram and HK$1.75 (US$0.225) per W respectively.

Cost and Net Profit Margin

GCL-Poly's polysilicon and wafer production costs mainly depend on its ability to control raw material costs, lower energy consumption, achieve economies of scale in its operations and streamline production processes. During the six months ended 30 June 2015, GCL-Poly continued to make effort on cost reduction and control measures.

Attributed to the effective method on raw material recycling together with technology innovation, GCL-Poly was able to reduce its fundamental production cost to an extremely competitive level, and hence resulted in production yield increase. With a full capacity utilisation rate and reduction in costs for the six months ended 30 June 2015 for both polysilicon and wafer production, our operating performance continuously improved. Therefore, despite the significant decrease of average selling price of polysilicon and wafer, the net profit margin of our Solar Material Business for the six months ended 30 June 2015 still maintained at 8.7% as compared to net profit margin of 9.5% in the same period in 2014.

Power Business

The Group's Power Business consists of cogeneration plants, incineration plants and a wind power plant in the PRC. They are under the category of environmentally friendly power plants that are encouraged by the PRC government. As at 30 June 2015 and 31 December 2014, the Group operated 21 power plants in the PRC (including subsidiaries and associates) as follows:

	30 June 2015			31 December 2014		
		Capacity (MW)			Capacity (MW)	
	Quantity	**Installed**	**Attributable installed**	Quantity	Installed	Attributable installed
Power plants						
Coal-fired cogeneration plants and resources comprehensive utilisation cogeneration plants	**13**	**444.0**	**352.2**	13	444.0	352.2
Gas-fired cogeneration plants	**3**	**870.0**	**391.1**	3	870.0	391.1
Biomass cogeneration plants	**2**	**60.0**	**60.0**	2	60.0	60.0
Solid-waste incineration plants	**2**	**36.0**	**36.0**	2	36.0	36.0
Wind power plant	**1**	**49.5**	**49.5**	1	49.5	49.5
Total	**21**	**1,459.5**	**888.8**	21	1,459.5	888.8

A gas-fired cogeneration plant located in Wuxi, Jiangsu province with installed capacity of 360 MW is currently under construction and is expected to be completed in 2015.

As at 30 June 2015 and 31 December 2014, total steam extraction and attributable steam extraction were 2,339.0 tonne/h and 1,755.9 tonne/h respectively.

Sales Volume

For the six months ended 30 June 2015, total electricity and steam sales volume were 3,192,479 MWh and 4,092,619 tonnes, respectively, representing an increase of 5.7% and a decrease of 3.0%, respectively, as compared to 3,019,168 MWh and 4,218,838 tonnes for the same period in 2014. The increase of electricity sales was mainly contributed by Suzhou Cogeneration Plant — Northern. The decrease of steam sales was mainly due to the discontinued operation of Xuzhou Cogeneration Power Plant.

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

Plants	**Electricity Sales** *MWh* **30.06.2015**	Electricity Sales *MWh* 30.06.2014	**Steam Sales** *tonne* **30.06.2015**	Steam Sales *tonne* 30.06.2014
Subsidiary plants				
Kunshan Cogeneration Plant	**179,946**	197,812	**336,677**	307,550
Haimen Cogeneration Plant	**87,380**	75,620	**106,348**	139,280
Rudong Cogeneration Plant	**87,655**	81,082	**407,226**	374,160
Huzhou Cogeneration Plant	**60,595**	59,451	**207,980**	183,762
Taicang Poly Cogeneration Plant *(note 1)*	**60,668**	106,762	**170,444**	173,810
Jiaxing Cogeneration Plant	**101,917**	112,239	**447,179**	378,564
Lianyungang Xinneng Cogeneration Plant	**49,780**	52,009	**129,159**	214,635
Puyuan Cogeneration Plant	**112,686**	90,438	**341,940**	328,564
Fengxian Cogeneration Plant *(note 2)*	**72,946**	50,881	**931,612**	908,542
Yangzhou Cogeneration Plant	**202,929**	212,335	**149,395**	132,514
Dongtai Cogeneration Plant	**83,559**	47,545	**166,211**	245,480
Peixian Cogeneration Plant	**87,802**	75,987	**111,003**	114,986
Xuzhou Cogeneration Plant *(note 3)*	**N/A**	56,480	**N/A**	113,180
Suzhou Cogeneration Plant — Blue Sky	**999,070**	1,001,300	**410,689**	409,803
Suzhou Cogeneration Plant — Northern	**714,078**	506,441	**N/A**	N/A
Baoying Cogeneration Plant	**66,361**	66,509	**110,615**	115,065
Lianyungang Xiexin Cogeneration Plant	**69,190**	80,079	**66,141**	78,943
Taicang Incineration Plant	**38,779**	39,855	**N/A**	N/A
Xuzhou Incineration Plant	**69,410**	65,562	**N/A**	N/A
Subtotal	**3,144,751**	2,978,387	**4,092,619**	4,218,838
Guotai Wind Power Plant	**47,728**	40,781	**N/A**	N/A
Total of subsidiaries	**3,192,479**	3,019,168	**4,092,619**	4,218,838
Associated power plants				
Funing Cogeneration Plant	**93,121**	86,028	**29,436**	34,565
China Resources Beijing Cogeneration Plant	**301,685**	342,630	**218,709**	177,239
Grand total	**3,587,285**	3,447,826	**4,340,764**	4,430,642

Note 1: Taicang Poly Cogeneration Plant has ceased operation in July 2015.

Note 2: It included the steam sales of its subsidiary, Fengxian Xincheng Environmental Cogeneration Co., Ltd.

Note 3: Xuzhou Cogeneration Plant has ceased operation in June 2014.

Revenue

For the six months ended 30 June 2015, the revenue from external customers for the power business was HK$5,007.5 million, representing an increase of 5.7% as compared to HK$4,736.3 million in the same period in 2014. The increase was mainly due to increase in the sales of electricity and coal during the period.

Average Utilisation Hours

Average utilisation hour is defined as the amount of electricity generated by the Group's power plants during a specified period (in MWh) divided by the average installed capacity of the power plants of the Group during the same period (in MW).

For the six months ended 30 June 2015, the average utilisation hour of the power plants (excluding Taicang Poly Cogeneration Plant, Xuzhou Cogeneration Plant and Suzhou Cogeneration Plant–Northern) was 2,820 hours, representing a decrease of 3.1% as compared to the 2,911 hours for the same period in 2014.

Approved On-Grid Tariff

For electricity output, the major customers of the Group's power plants are their respective local provincial electric-grid companies.

On-Grid Tariff of the Group's cogeneration plants are based on an approved on-grid tariff that is determined by the provincial price bureaus. The on-grid tariff depends on the type of fuel of the relevant power plants and whether government-encouraged environmental equipment has been installed. As at 30 June 2015, the approved on-grid tariff of the Group's cogeneration plants ranged from approximately HK$603.0/MWh to HK$961.5/MWh (31 December 2014: HK$628.6/MWh to HK$959.4/MWh).

Approved Steam Price

In response to the PRC-government incentive program, 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 our cogeneration plants and are subject to the local government pricing guidelines. Price may vary according to the market forces. As at 30 June 2015, the approved steam price of the Group's cogeneration plants ranged from HK$188.8/tonne to HK$388.8/tonne (31 December 2014: HK$208.3/tonne to HK$353.4/tonne).

Fuel Costs

The major cost of sales for the Group's cogeneration plants was the cost of fuels including coal, natural gas, coal sludge and biomass materials.

For the Group's coal-fired cogeneration plants, resource comprehensive utilisation plants and biomass cogeneration plants, the average unit fuel cost for electricity sales and steam sales were HK$316.7/MWh and HK$92.5/tonne respectively for the six months ended 30 June 2015. The average unit fuel costs for electricity sales and steam sales were HK$360.8/MWh and HK$109.9/tonne respectively for the same period in 2014. The decrease was mainly due to a decrease in coal price during the period.

For the Group's two Suzhou cogeneration plants, natural gas was the major component of the cost of sales. The average unit fuel cost for electricity sales and steam sales were HK$704.6/MWh and HK$215.7/tonne respectively for the six months ended 30 June 2015. The corresponding average unit fuel cost for electricity sales and steam sales for the same period in 2014 were HK$651.5/MWh and HK$203.2/tonne respectively. The increase was mainly due to an increase in natural gas price during the second half of 2014.

Solar Farm Business

As at 30 June 2015, the Solar Farm Business consists of 371 MW of solar farms, of which 18 MW was contributed by the overseas operations in the United States and 353 MW was contributed by the Power Business in the PRC.

Overseas Solar Farms

As at 30 June 2015, the Group's total installed capacity of solar farms in the United States remained at 18 MW. For the six months ended 30 June 2015, the total amount of sales of electricity is approximately HK$41.6 million. Besides, 150 MW solar farms in South Africa, which was partnered with CAD fund, commenced operation in 2014 with the total effective ownership of 9.7% owned by the Group.

PRC Solar Farms

As at 30 June 2014 and 2015, the Group operated 10 solar farms in the PRC (excluding the new energy business) and the installed capacity and attributable installed capacity were remained unchanged at 353.0 MW and 289.3 MW, respectively.

Sales Volume and Revenue

Revenue for Solar Farm Business was HK$384.4 million and HK$327.0 million for the six months ended 30 June 2015 and 2014 respectively.

For the six months ended 30 June 2015, the electricity sales volume of Solar Farm Business in overseas and the PRC were 16,377 MWh and 281,547 MWh respectively.

New Energy Business

The Group's new energy business represents a listed company, GCL New Energy Holdings Limited ("GCL New Energy"), which is principally engaged in the development, construction, operation and management of solar farms, as well as manufacturing and selling of printed circuit boards.

For the six months ended 30 June 2015, GCL New Energy continuously expanded into solar farm business through joint developments of solar farms projects in different regions of the PRC. As at 30 June 2015, GCL New Energy's aggregate installed capacity and grid-connected capacity were 772.5 MW and 645.3 MW respectively (including the solar farms of joint ventures). GCL New Energy has a pipeline of more than 776.0 MW of solar farms under development or construction.

Revenue

For the six months ended 30 June 2015, revenue contributed by the New Energy Business amounted to HK$1,135.2 million. As the solar farms achieved the on-grid connection starting from December 2014, the Solar Energy Business started to contribute revenue to the Group in the first half of 2015.

Outlook

Following the solar industry recovered in full swing in 2014, we experienced a seasonal slowdown in the first half of 2015, dampened by the increasing volumes of polysilicon import into China, ahead of the final cut-off date of August 31st Import Duty Levy on foreign import as "trade processing" loophole. At the same time, we continue to see weaker players suffered from the seasonal swing, and continue to exit the industry, and as a result solar product selling prices are expected to remain stable in the long run, and we managed to maintain our utilization relatively high to sustain our cost reduction and believe that cost should continue to come down in 2015.

We anticipate that 2015 global PV solar demand to grow modestly to approximately 50–55GW from 47–48GW in 2014, with demand in emerging markets such as China, the U.S., Japan, UK, India, Korea, Australia and Brazil will continue to increase. These emerging markets will play a more important role in the solar industry development, resulting in a more balanced geographical diversification. We believe that environmental and energy-related spending will still be a new driver in sustaining China's GDP growth, until air pollution materially improves. The National Energy Bureau of China has earmarked 17.8 GW of installations in China in 2015. In addition, if there were a minimal decrease in ground-mounted Feed-In-Tariff ("FiT") in China for 2016, we expect a second half 2015 installation could surge. We believe that an increasing amount of installations in 2015 will be supported by the roof-top/distributed generation subsidy announced in August 2013 as the investment environment of distributed energy becoming more mature and interest rate in China continued to ease. In Japan, the second largest market to-date, has recently adjusted the current subsidy to 33–35yen/KWh for residential projects, down from 37yen/KWh in the previous year. However, we believe that the declining incentives in Japan will shift the market to focus on price performance of PV components such as those made by our customers, instead of a pure focus on highest conversion efficiency. With over 50GW of the approved pipeline, Japanese market should remain robust in coming years, following an estimated 9GW of installation of solar farms in 2014. For the European markets, UK was the fastest growing country in deploying solar country with close to 3GW installed in 2014. We expect the UK remain the bright spot in the European market this few years. On the other hand, India government has officially announced a target of 100GW of solar installations by 2020. With rich sunlight resources and the availability of government incentives such as the National Solar Mission and State Programs, substantial foreign capital to invest in the country and has become one of the fastest growing markets of the solar industry.

As import of polysilicon from the United States into China will likely reduce significantly in the second half of 2015 with the stringent control on trade-processing loophole by China's Ministry of Commerce, we expect the average selling price of solar products will remain resilient in the second half 2015. We are optimistic that our manufacturing cost will continue to decrease as capacity utilisation continues to increase. As we recently have commissioned, operation of our captive power plant, we expect the Group will remain competitive with our superior cost structure and effective execution to manage our production facilities.

The cost and quality of PV products will continue to be the critical factors to the global demand in the solar industry. Following the launch of "GCL S3+" wafer in November 2014, we launched the "S4" Multicrystalline wafer in May 2015, with an average efficiency close to 18.3%. We believe with our continued effort in raising our wafer conversion efficiency, it helps our customers to reduce their manufacturing costs, further lower the overall capital expenditure of solar farms, and to increase the competitiveness and return on investment of PV system installation.

Employees

We consider our employees to be our most important resource. As at 30 June 2015, the Group had approximately 18,326 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

Revenue

Revenue for the six months ended 30 June 2015 amounted to HK$17,939.2 million, representing an increase of 4.2% as compared to HK$17,222.0 million for the six months ended 30 June 2014. The increase in revenue was mainly due to additional revenue contributed by New Energy Business during the period.

Gross Profit Margin

The Group's overall gross profit margin for the six months ended 30 June 2015 was 21.7%, as compared to 21.4% for the six months ended 30 June 2014.

Gross profit margin for the solar material business decreased from 24.7% for the six months ended 30 June 2014 to 24.1% for the six months ended 30 June 2015. The slight decrease was due to the fact that the decrease in average selling price in the first half of 2015 of polysilicon and wafer products was substantially offset by the decrease in our production costs as a result of high utilisation of manufacturing facilities and the effective method on raw materials recycling together with technology innovation.

For the power business, the gross profit margin increase slightly from 11.5% for the six months ended 30 June 2014 to 11.9% for the six months ended 30 June 2015.

The gross profit margin for the solar farm business was 51.4% for the six months ended 30 June 2015 and 55.1% for the corresponding period in 2014.

For New Energy business, the gross profit margin for the six months ended 30 June 2015 was 28.9%.

Other Income

Other income mainly comprised government grants of HK$112.9 million, sales of scrap materials of HK$153.3 million, bank interest income of HK$197.3 million.

Distribution and Selling Expenses

Distribution and selling expenses amounted to HK$49.3 million for the six months ended 30 June 2015, representing an increase of 45.4% from HK$33.9 million for the six months ended 30 June 2014. Increase in distribution and selling expenses were due to more sales and marketing activities were carried out during the period.

Administrative Expenses

Administrative expenses amounted to HK$1,465.0 million for the six months ended 30 June 2015, representing an increase of 30.0% from HK$1,127.1 million for the six months ended 30 June 2014. Increase in administrative expenses was primarily due to expansion of our New Energy Business.

Other Expenses, Gains and Losses, Net

Other expenses, gains and losses, net for the six months ended 30 June 2015 were HK$51.2 million, representing a decrease of 88.0% from HK$428.4 million for the six months ended 30 June 2014. The decrease was mainly due to the decrease in exchange loss, loss on fair value change of convertible bonds receivable and payables, provision for pipelines reinstallation charge and the increase in compensation income during the period.

Finance Costs

Finance costs of the Group for the six months ended 30 June 2015 were HK$1,487.9 million, increased by 5.9% as compared to HK$1,405.6 million for the corresponding period in 2014. Increase mainly related to more bank and other borrowings during the period.

Share of Profits of Associates

The Group's share of profit of associates for the six months ended 30 June 2015 was HK$3.6 million, which was mostly derived from the power business.

Share of Losses of Joint Ventures

The Group's share of losses of joint ventures for the six months ended 30 June 2015 was HK$56.0 million, which was mostly derived from a joint venture in the United States.

Income Tax Expense

Income tax expense for the six months ended 30 June 2015 was HK$393.7 million, representing an increase of 36.7% as compared to HK$288.1 million for the six months ended 30 June 2014. The increase was mainly due to less tax losses being utilised during the period.

Profit attributable to Owners of the Company

Profit attributable to owners of the Company amounted to HK$825.7 million for the six months ended 30 June 2015 as compared to a profit of HK$900.4 million for the six months ended 30 June 2014.

Liquidity and Financial Resources

As at 30 June 2015, the total assets of the Group were about HK$99,903.1 million, of which the aggregate restricted and unrestricted cash and bank balances amounted to approximately HK$22,069.9 million. The bank interest received for the six months ended 30 June 2015 was HK$197.3 million.

For the six months ended 30 June 2015, the Group's main source of funding was cash generated from financing activities. During the current period, the net cash from financing activities for the current period was HK$6.9 billion, compared to HK$2.0 billion in the corresponding period in 2014. Increase in net cash from financing activities was mainly due to raise of bank and other borrowings, proceeds from new sales and finance lease back arrangements and issuance of convertible bonds payable.

For the six months ended 30 June 2015, the net cash used in investing activities was HK$8.2 billion, primarily related to the deposits paid for and purchase of property, plant and equipment of HK$4.2 billion (which was mainly attributable to GCL New Energy Group of HK$2.3 billion), and outflow of HK$14.6 billion for placing of pledged bank deposits to secure new bank borrowings and bills payable.

For the six months ended 30 June 2015, the net cash from operating activities was HK$2.2 billion, compared with HK$5.0 billion in the same period in 2014. The decrease was primarily due to the deferred settlement from customers as a result of the longer sales cycle of the solar business industry. However, subsequent to the reporting date, approximately HK$3.8 billion out of the HK$6.9 billion trade receivables was settled up to 20 August 2015.

The Directors have given careful consideration to the going concern status of the Group in light of the fact that the Group's current liabilities exceeded its current assets by HK$12,176 million as at 30 June 2015 and the Group had cash and cash equivalents of HK$6,421 million against the Group's bank and other borrowings due within one year of HK$27,291 million as at that date. The Directors have evaluated the Group's current undrawn banking facilities and renewable bank borrowings. In order to improve liquidity, the Group has negotiated with certain banks, who have indicated that they do not foresee any reasons to withdraw the existing facilities in the foreseeable future, and will continue to negotiate with other banks to obtain revolving banking facilities to ensure the Group's bank borrowings can be renewed on an on-going basis. The Directors believe that the Group will be able to renew the banking facilities upon maturity dates.

The Directors are of the opinion that, taking into account the above undrawn banking facilities, renewal of existing banking facilities, the Group's cash flow projection for the coming year, and the successful implementation of measures of GCL New Energy Group, the Group will have sufficient working capital to meet its cashflow requirements in the next twelve months.

For detailed information, please refer to "Basis of Preparation" Section of this announcement.

Indebtedness

The indebtedness of the Group mainly comprises bank and other borrowings, obligations under finance lease, notes payables, convertible bonds payables and bonds payable. As at 30 June 2015, the Group's total bank and other borrowings amounted to HK$43,430.8 million (31 December 2014: HK$36,205.6 million), obligations under finance lease amounted to HK$3,167.9 million (31 December 2014: HK$2,137.8 million), notes payables amounted to HK$3,488.8 million (31 December 2014: HK$4,168.7 million), convertible bonds payables amounted to HK$2,243.7 million (31 December 2014: 1,443.1 million) and bonds payable amounted to HK$150.1 million (31 December 2014: Nil). Below is a table showing the bank and other borrowing structure and maturity profile of the Group's bank and other borrowings:

	As at 30 June 2015	As at 31 December 2014
	HK$ million	*HK$ million*
Secured	**31,034.1**	27,850.0
Unsecured	**12,396.7**	8,355.6
	43,430.8	36,205.6
Maturity profile of bank borrowings		
On demand or within one year	**27,291.2**	21,951.3
After one year but within two years	**6,280.1**	7,063.7
After two years but within five years	**4,658.2**	4,211.7
After five years	**3,941.9**	2,978.9
Other loan		
After three years but within five years	**1,259.4**	—
Group's total bank and other borrowings	**43,430.8**	36,205.6
Bank and other borrowings are denominated in the following currencies		
RMB	**31,288.8**	23,550.2
USD	**12,142.0**	12,655.4
	43,430.8	36,205.6

As at 30 June 2015, RMB bank borrowings carried floating interest rates at rates with reference to the Benchmark Borrowing Rate of The People's Bank of China. USD bank borrowings carried interest rates at rates with reference to the London Interbank Offer Rate (LIBOR).

The notes payables bear interest at a rate of 4.95%–7.05% per annum and the convertible bonds payables issued by the Company and GCL New Energy bear interest at a fixed rate of 0.75% and 6% per annum, respectively.

Key Financial Ratios of the Group

	As at 30 June 2015	As at 31 December 2014
Current ratio	**0.77**	0.71
Quick ratio	**0.72**	0.65
Net debt to equity attributable to the owners of the Company	**157.9%**	143.8%

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 and project assets at the end of the period)/balance of current liabilities at the end of the period
Net debt to total equity attributable to owners of the Company	=	(Balance of total indebtedness at the end of the period — balance of bank balances, cash and pledged and restricted bank deposits at the end of the period)/balance of equity attributable to owners of the Company at the end of the period

Foreign Currency Risk

Most of the Group's revenue, cost of sales and operating expenses are denominated in RMB, US dollar and Hong Kong dollar. Most of the Group's business is located in the PRC while the presentation currency of the unaudited condensed interim consolidated financial statements is Hong Kong dollar. The Group's exposure to foreign currency risk arose from monetary assets and monetary liabilities as well as the non-monetary assets and non-monetary liabilities of the Group that are denominated in foreign currencies.

The following sensitivity analysis details the Group's sensitivity to a simultaneous and uniform 3.5% decrease in RMB against the relevant foreign currencies. The sensitivity analysis includes all outstanding foreign currency denominated assets and liabilities and assumes their translation as at 30 June 2015 for a 3.5% change in foreign currency rates.

	HK$' million
Decrease in profit for the six months ended 30 June 2015	382
Decrease in equity attributable to owners of the Company	653

For the six months ended 30 June 2015, the Group did not purchase any material foreign currency or interest rate derivatives or related hedging instruments.

In light of the depreciation of RMB subsequent to the reporting date, the Company is actively considering the effective measures to reduce the foreign currency risk exposure, including the additional investment of assets denominated in foreign currencies, currency derivatives as well as other related hedging instruments. The Directors are of the opinion that, with the successful implementation of the above measures, the abovementioned foreign currency risk exposure can be reduced.

Pledge of Assets

As at 30 June 2015, property, plant and equipment and prepaid lease payments with a carrying value of approximately HK$20,976.6 million and HK$643.8 million respectively, were pledged as security for certain banking facilities and borrowings granted to the Group (31 December 2014: HK$21,519.4 million and HK$513.8 million respectively). Apart from these, bank deposits, bill receivables and held-to-maturity investment of HK$3,646.0 million (31 December 2014: HK$2,620.5 million), HK$3,034.4 million (31 December 2014: HK$1,810.4 million) and HK$35.1 million (31 December 2014: HK$15.3 million), respectively, were pledged to the banks to secure borrowings and finance leases granted to the Group.

Capital Commitments

As at 30 June 2015, the Group's capital commitments in respect of purchase of property, plant and equipment, construction costs in respect of project assets, and share capital commitment to a joint venture contracted for but not provided amounted to HK$4,596.8 million, HK$553.5 million and HK$45.7 million, respectively (31 December 2014: HK$5,617.9 million, HK$505.4 million and HK$66.0 million, respectively). In addition, the Group had capital commitments in respect of purchase of property, plant and equipment and share capital commitment to a joint venture which were authorised internally but not contracted for amounted to HK$2,393.0 million and Nil, respectively (31 December 2014: HK$2,483.2 million and HK$116.9 million, respectively).

Contingencies

Contingent liability

Same as disclosed in the Company's 2014 annual report, there is no material change for the six months ended 30 June 2015, except for the following:

Two subsidiaries of the Group were named as a co-defendant in a lawsuit filed for alleged racketeering and fraud in connection with the Group's solar farm project in Puerto Rico. The named subsidiaries of the Group were deemed improper party to the dispute by the judge, and were subsequently dismissed from the case pursuant to an order dated 11 February 2015. On 27 February 2015, the plaintiff filed a motion to reconsider the decision to dismiss the named subsidiaries of the Group with the trial judge. The court denied reconsideration on 6 April 2015 and the plaintiff has not filed any motions challenging the dismissal which has become a final order.

As a result, the Directors considered that their liabilities in relation to these litigation matters have been discharged and accordingly, no accrual has been made for these matters.

Financial guarantees contracts

At 30 June 2015, the Group provided total guarantees of HK$127 million (31 December 2014: HK$127 million) to the banks in respect of banking facilities of an associate. The associate had utilised HK$127 million (31 December 2014: HK$127 million) in total of such banking facilities at the end of the reporting period. The Directors consider that the fair value of the financial guarantees at the date of inception and at the end of the reporting period is insignificant.

Events After the End of The Interim Period

On 8 July 2015, a wholly-owned subsidiary of GCL New Energy completed an issue of bonds of principal amount of RMB239,200,000 (equivalent to approximately HK$303,322,000) with a repayment term of one year and an interest rate of 6.7% per annum.

On 20 July 2015, a captive power plant of 350 MW owned by Jiangsu Zhongneng Polysilicon Technology Co., Ltd. ("Jiangsu Zhongneng"), a wholly-owned subsidiary of the Company, has commenced operation and connected to the grid on 20 July 2015. The captive power plant will serve and supply electricity and steam directly to Jiangsu Zhonneng to meet part of its energy demand for the production of polysilicon.

On 20 July 2015, GCL New Energy completed an issuance of zero coupon convertible bonds amounting to HK$200,000,000. The bond will mature in three years from the date of issuance and redeemable at its nominal value of HK$200,000,000 plus accrued interest or can be converted into ordinary shares of GCL New Energy at conversion price of HK$1.20 per share, subject to adjustments, after six months from the date of issuance to the date of maturity. Further details on the issuance of the convertible bonds have been set out in the announcement of GCL New Energy dated 20 July 2015.

On 20 July 2015, GCL-Poly (Suzhou) New Energy Co., Ltd.* ("GCL-Poly Suzhou"), a wholly-owned subsidiary of the Group, issued the (i) first tranche short term notes in the principal amount of RMB650,000,000 (equivalent to approximately HK$810,550,000) due 2016 (the "First Tranche Short Term Notes"); and (ii) first tranche medium term notes in the principal amount of RMB500,000,000 (equivalent to approximately HK$623,500,000) due 2018 (the "First Tranche Medium Term Notes") to financial institutions in the PRC. The First Tranche Short Term Notes bear interest at a fixed rate of 5.5% per annum and the maturity date will be 20 July 2016. The First Tranche Medium Term Notes bear interest at a fixed rate of 7% per annum and the maturity date will be 20 July 2018.

The net proceeds from the issue of the First Tranche Short Term Notes and the First Tranche Medium Term Notes, after deduction of underwriting commissions and other estimated expenses, amounted to approximately RMB1,142,000,000 (equivalent to approximately HK$1,424,000,000) and will be used for the Group's general working capital and repayment of its existing bank borrowings.

On 22 July 2015, the Company has completed the issue of convertible bonds due 2019 (the "2019 Convertible Bonds") pursuant to which all of the conditions precedent to the issue of the 2019 Convertible Bonds in the aggregate principal amount of US$225,000,000 (equivalent to approximately HK$1,744,313,000), at the interest rate of 0.75% per annum with an initial conversion price of HK$2.6 per share under the subscription agreement has been satisfied. The proceeds of the issuance of the 2019 Convertible Bonds was used for the settlement of the amount payable by the Company, with carrying value of HK$1,526,903,000 at 30 June 2015, in respect of the redemption of the US$200,000,000 0.75% convertible bonds due 2018 issued by the Company on 29 November 2013 (the "Existing Convertible Bonds"). The net proceeds (net of the redemption price for the existing convertible bonds, fees, commissions and expenses) from the issue of the 2019 Convertible Bonds are approximately US$17,000,000 (equivalent to approximately HK$131,793,000). The 2019 Convertible Bonds are designated as fair value through profit or loss. On 23 July 2015, the Company has completed the cancellation of the Existing Convertible Bonds, which has been exchanged by the holders thereof with the Company for the 2019 Convertible Bonds.

On 24 July 2015, GCL New Energy has granted 473,460,000 share options to directors and employees with exercise price of HK$0.61, subject to acceptance by the grantees, to subscribe for an aggregate of 473,460,000 shares under the existing share option plan of GCL New Energy. These share options will be vested when the performance conditions are met until 23 July 2025.

On 31 July 2015, GCL New Energy entered into agreements with two contractors which undertook to provide design, procurement and construction services of photovoltaic power plants with an aggregate capability of 140MW in Tianchang city in Anhui province, Menghai county in Xishuangbanna Dai Autonomous Prefecture and Yangquan city in Shanxi province, the PRC. The aggregate consideration for the services under these agreements is RMB1,024,323,000 (equivalent to approximately HK$1,298,913,000).

On 12 August 2015, GCL New Energy Group entered into a cooperation agreement (the "Cooperation Agreement") with Shanghai Lvjing Investment Management Company Limited* (上海綠璟投資管理有限公司) ("Lvjing Investment") and Shaanxi Province Shenmu County Guoxiang Lvhua Shengtai Company Limited* (陝西省神木縣國祥綠化生態有限責任公司) ("Shaanxi Lvhua") regarding certain solar farm projects in an aggregate of 360MW in Shenmu County, Shaanxi Province, PRC.

Pursuant to the Cooperation Agreement, on 12 August 2015, GCL New Energy Group as lender entered into four loan agreements with an aggregate principal amount of RMB460 million with four wholly-owned subsidiaries of Lvjing Investment and Shaanxi Lvhua.

Pursuant to the Cooperation Agreement, GCL New Energy Group shall have the right (but not the obligation) to acquire from Lvjing Investment and/or Shaanxi Lvhua any or all of the equity interests of the four subsidiaries mentioned above in the event of any default under the loan agreements (the "Call Option") at the exercise price and terms to be agreed among the relevant parties with reference to the then valuation of the relevant equity interests. The exercise of the Call Option shall be at the discretion of GCL New Energy Group and subject to the requirements of any applicable laws, rules and regulations.

* English names for identification only

DIVIDEND

The Board does not recommend the payment of any dividend for the six months ended 30 June 2015 (2014: nil).

CORPORATE GOVERNANCE CODE

The corporate governance report of the Board has been set out in the Company's 2014 Annual Report. During the six months ended 30 June 2015, the Company has complied with the code provisions of the Corporate Governance Code (the "Code") as set out in Appendix 14 of the Listing Rules with the exception of the following areas:

(i) 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. Mr. Zhu Gongshan (the Chairman and a Director of the Company) was appointed as the Chief Executive Officer with effect from 1 September, 2009. In view of Mr. Zhu as the founder of the Company and our Xuzhou polysilicon production base, his in-depth knowledge and expertise, his extensive business network and connections, the scope of operations and the business development of the Company, the Board considered that it was appropriate to elect Mr. Zhu as the Chief Executive Officer. The Board is of the view that an experienced and dedicated management team and executives will give continuous support and assistance to Mr. Zhu and that he discharges his responsibilities to manage the Board as well as the Group's businesses effectively. The Board and the Nomination Committee will review the board structure regularly to ensure it meets the needs of the Company's development and objectives.

(ii) Code provision A.5.1

Code provision A.5.1 stipulates that a nomination committee which is chaired by the chairman of the board or an independent non-executive director ("INED") and comprises a majority of independent non-executive directors should be established. As a result of the resignation of an INED who was also the chairman of the nomination committee on 8 May 2015, the nomination committee then comprised one executive director and one INED. The Board appointed Mr. Yip Tai Him (an INED) as the chairman of the committee with effect from 15 July 2015 so that the chairman and the majority of the committee complied with the requirements of Code provision A.5.1.

(iii) Code provision E.1.2

Code provision E.1.2 stipulates that the chairman of the board should attend the annual general meeting. Mr. Zhu Gongshan, the Chairman of the Board, was unable to attend the annual general meeting of the Company held on 5 June 2015 as he had to attend certain business aboard. Mr. Zhu had invited Mr. Yeung Man Chung, Charles, an executive Director and Chief Financial Officer of the Company to attend and act as the chairman of such meeting.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Board has adopted the model code for securities transactions by Directors (the "Model Code") as 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 2015.

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

During the six months ended 30 June 2015, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities of the Company during the interim period.

AUDITOR'S AND AUDIT COMMITTEE'S REVIEW

The financial information set out in this announcement represents an extract from the unaudited condensed interim consolidated financial statements of the Group, which have been reviewed by the Group's external auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410 issued by the Hong Kong Institute of Certified Public Accountants and by 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 Dr. Shen Wenzhong. 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 Gongshan
Chairman

Hong Kong, 28 August 2015

As at the date of this announcement, the Board comprises Mr. Zhu Gongshan (Chairman), Mr. Ji Jun, Mr. Zhu Yufeng, Mr. Yeung Man Chung, Charles and Mr. Zhu Zhanjun as executive directors; Mr. Shu Hua as a non-executive director; Ir. Dr. Raymond Ho Chung Tai, Mr. Yip Tai Him and Dr. Shen Wenzhong as independent non-executive directors.