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GCL-Poly Energy Holdings Limited

保利協鑫能源控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 3800)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

FINANCIAL HIGHLIGHTS

	Year ended 31 December		% of Changes
	2011	2010	
	<i>HK\$ million</i>	<i>HK\$ million</i>	
Revenue	25,505.6	18,471.9	38.1%
Gross profit	8,466.3	6,810.7	24.3%
Profit attributable to owners of the Company	4,274.9	4,023.6	6.2%
	<i>HK cents</i>	<i>HK cents</i>	
Basic earnings per share	27.62	26.01	6.2%

The board of directors (the “Board” or the “Directors”) of GCL-Poly Energy Holdings Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2011 together with the comparative figures for the corresponding period in the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

	NOTES	2011 HK\$'000	2010 HK\$'000
Revenue	3	25,505,564	18,471,924
Cost of sales		(17,039,258)	(11,661,227)
Gross profit		8,466,306	6,810,697
Other income	4	613,221	575,194
Distribution and selling expenses		(56,712)	(46,346)
Administrative expenses			
— Share-based payment expenses		(82,287)	(12,658)
— Other administrative expenses		(1,617,240)	(996,317)
Finance costs	5	(1,166,322)	(606,427)
Other expenses		(321,038)	(187,455)
Share of profit of associates		15,173	10,681
Share of losses of jointly controlled entities		(11,969)	—
Profit before tax		5,839,132	5,547,369
Income tax expense	6	(1,269,174)	(1,159,320)
Profit for the year	7	4,569,958	4,388,049
Other comprehensive income			
Exchange differences arising from translation to presentation currency		948,951	536,231
Total comprehensive income for the year		5,518,909	4,924,280
Profit for the year attributable to:			
Owners of the Company		4,274,893	4,023,577
Non-controlling interests		295,065	364,472
		4,569,958	4,388,049
Total comprehensive income for the year attributable to:			
Owners of the Company		5,158,492	4,522,758
Non-controlling interests		360,417	401,522
		5,518,909	4,924,280
		HK cents	HK cents
Earnings per share	8		
Basic		27.62	26.01
Diluted		27.58	25.96

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2011

	NOTES	2011 HK\$'000	2010 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		41,181,267	23,662,411
Prepaid lease payments		1,127,999	980,186
Goodwill		995,210	1,036,297
Other intangible assets		66,467	110,202
Interests in jointly controlled entities		167,869	120,644
Interests in associates		220,577	223,958
Deferred tax assets		45,362	39,835
Deposits for acquisitions of property, plant and equipment and prepaid lease payments		1,361,994	1,444,584
Pledged and restricted bank deposits		306,202	90,211
		<u>45,472,947</u>	<u>27,708,328</u>
CURRENT ASSETS			
Inventories		3,626,703	1,646,734
Trade and other receivables	9	7,040,143	2,599,280
Amounts due from related companies		95,151	36,205
Loan to a related company		46,206	90,150
Prepaid lease payments		26,781	22,797
Tax recoverable		225,946	11,484
Held for trading investment		21,964	—
Pledged and restricted bank deposits		4,049,733	1,960,798
Bank balances and cash		6,882,663	6,505,089
		<u>22,015,290</u>	<u>12,872,537</u>
CURRENT LIABILITIES			
Trade and other payables	10	7,628,097	4,383,986
Amounts due to related companies		630,002	125,979
Advances from customers		1,022,400	988,786
Deferred income		75,620	41,418
Tax payables		80,203	567,678
Bank borrowings — due within one year		11,582,443	6,410,831
Obligations under finance leases — due within one year		433,302	111,288
		<u>21,452,067</u>	<u>12,629,966</u>

	2011 <i>HK\$'000</i>	2010 <i>HK\$'000</i>
NET CURRENT ASSETS	563,223	242,571
TOTAL ASSETS LESS CURRENT LIABILITIES	46,036,170	27,950,899
NON-CURRENT LIABILITIES		
Amounts due to related companies	23,585	—
Advances from customers	2,068,009	1,977,998
Deferred income	404,608	320,366
Bank borrowings — due after one year	17,703,856	7,379,352
Obligations under finance leases — due after one year	1,264,617	441,475
Long-term notes	1,831,172	—
Deferred tax liabilities	606,191	452,422
	23,902,038	10,571,613
NET ASSETS	22,134,132	17,379,286
CAPITAL AND RESERVES		
Share capital	1,547,096	1,547,396
Reserves	19,020,014	14,604,806
Equity attributable to owners of the Company	20,567,110	16,152,202
Non-controlling interests	1,567,022	1,227,084
TOTAL EQUITY	22,134,132	17,379,286

NOTES:

1. BASIS OF PREPARATION

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

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

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

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

Amendments to IFRSs	Improvement in IFRSs issued in 2010
IAS 24 (as revised in 2009)	Related Party Disclosures
Amendments to IAS 32	Classification of Rights Issues
Amendments to IFRIC — Int 14	Prepayments of a Minimum Funding Requirement
IFRIC — Int 19	Extinguishing Financial Liabilities with Equity Instruments

The application of the new and revised IFRSs in the current year has had no material effect on the Group’s financial performance and positions for the current and prior years and on the disclosures set out in these consolidated financial statements.

New and revised IFRSs issued but not yet effective

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

Amendments to IFRS 1	Government Loans ²
Amendments to IFRS 7	Disclosures — Transfers of Financial Assets ¹
	Disclosures — Offsetting Financial Assets and Financial Liabilities ²
Amendments to IFRS 7 & IFRS 9	Mandatory Effective Date of IFRS 9 and Transition Disclosures ³
IFRS 9	Financial Instruments ³
IFRS 10	Consolidated Financial Statements ²
IFRS 11	Joint Arrangements ²
IFRS 12	Disclosure of Interests in Other Entities ²
IFRS 13	Fair Value Measurement ²
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income ⁵
Amendments to IAS 12	Deferred Tax: Recovery of Underlying Assets ⁴
IAS 19 (as revised in 2011)	Employee Benefits ²
IAS 27 (as revised in 2011)	Separate Financial Statements ²
IAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures ²
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities ⁶
IFRIC — Int 20	Stripping Costs in the Production Phase of a Surface Mine ²

¹ Effective for annual periods beginning on or after 1 July 2011

² Effective for annual periods beginning on or after 1 January 2013

³ Effective for annual periods beginning on or after 1 January 2015

⁴ Effective for annual periods beginning on or after 1 January 2012

⁵ Effective for annual periods beginning on or after 1 July 2012

⁶ Effective for annual periods beginning on or after 1 January 2014

Amendments to IFRS 7 Disclosures — Transfers of Financial Assets

The amendments to IFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

The directors anticipate that the application of the amendments to IFRS 7 will affect the Group's disclosures regarding transfers of financial assets in the future. Based on the analysis of the Group's financial assets at the end of the reporting period, the application of such amendment has no impact to the Group's disclosure.

Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities and amendments to IFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities

The amendments to IAS 32 clarify existing application issues relating to the offsetting requirements. Specifically, the amendments clarify the meaning of “currently has a legally enforceable right of set-off” and “simultaneous realisation and settlement”.

The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amended offsetting disclosures are required for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The disclosures should also be provided retrospectively for all comparative periods. However, the amendments to IAS 32 are not effective until annual periods beginning on or after 1 January 2014, with retrospective application required.

IFRS 9 Financial Instruments

IFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of IFRS 9 are described as follows:

- IFRS 9 requires all recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- The most significant effect of IFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under IFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

The directors anticipate that the adoption of IFRS 9 in the future may not have significant impact on amounts reported in respect of the Group's financial assets and financial liabilities.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised in 2011) and IAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

IFRS 10 replaces the parts of IAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements and SIC-Int 12 *Consolidation — Special Purpose Entities*. IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in IFRS 10 to deal with complex scenarios.

IFRS 11 replaces IAS 31 *Interests in Joint Ventures* and SIC — Int 13 *Jointly Controlled Entities — Non-Monetary Contributions by Venturers*. IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under IAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under IFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under IAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

The directors anticipate that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013. The directors are currently assessing the impact of the application of these five standards.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in IFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under IFRS 7 *Financial Instruments: Disclosures* will be extended by IFRS 13 to cover all assets and liabilities within its scope.

IFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that IFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new Standard may affect the amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

Amendments to IAS 1 Presentation of Items of Other Comprehensive Income

The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

3. SEGMENT INFORMATION

The Group is organised on the basis of the type of goods or services delivered or provided. Information reported to the Executive Directors of the Company, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

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

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

- (a) Solar business — manufacture and sale of polysilicon and wafer to companies operating in the solar industry. It also includes development, construction, management and operation of overseas solar power plant business and solar farm system integration business.
- (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, an incineration plant, a wind power plant and a solar farm.

Segment revenue and results

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

Year ended 31 December 2011

	Solar business	Power business	Total
	HK\$’000	HK\$’000	HK\$’000
Revenue from external customers	20,517,009	4,988,555	25,505,564
Segment profit	4,721,658	167,896	4,889,554
Unallocated income			4,925
Unallocated expense			(61,144)
Fair value adjustments (<i>Note</i>)			(64,179)
Share-based payment expenses			(82,287)
Impairment loss on goodwill			(90,407)
Loss on fair value changes for held for trading investment			(26,504)
Profit for the year			4,569,958

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

Segment profit represents the profit earned by each segment excluding the effect arising from the fair value adjustments in relation to the assets of the group entities carrying out the power business in the PRC (the “Power Group”) and Konca Solar Cell Co. Ltd. (“Konca Solar”), fair value changes on held for trading investment, impairment of goodwill and share option expenses incurred by the Group. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

Segment assets

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

	2011 HK\$'000	2010 HK\$'000
Segment assets		
Solar business	55,108,278	30,187,591
Power business	8,894,334	8,346,608
Total segment assets	64,002,612	38,534,199
Fair value adjustments (<i>Note</i>)	428,867	489,457
Goodwill	995,210	1,036,297
Unallocated bank balances and cash	1,762,019	509,628
Unallocated corporate assets	299,529	11,284
Consolidated total assets	67,488,237	40,580,865

For the purpose of monitoring segment performances and allocating resources between segments, all assets are allocated to operating segments other than goodwill and corporate assets of the management companies and investment holdings companies.

Note: The effect arising from fair value adjustments is related to the assets of the Power Group deemed acquired in 2009 and Konca Solar acquired in 2010 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:

	2011 HK\$'000	2010 HK\$'000
Sales of wafer	18,702,567	9,181,692
Sales of polysilicon	1,049,267	4,293,233
Sales of electricity	3,003,847	2,673,061
Sales of steam	1,690,072	1,397,254
Sales of coal	334,158	358,324
Others (comprise the sales of ingot and processing fees)	725,653	568,360
	<u>25,505,564</u>	<u>18,471,924</u>

4. OTHER INCOME

	2011 HK\$'000	2010 HK\$'000
Government grants	195,461	288,668
Sales of scrap materials	140,503	61,390
Bank interest income	91,695	43,346
Insurance compensation income	31,920	564
Waste processing management fee	31,362	27,835
Consultancy fee income	29,160	65,012
Management fee income	17,004	15,425
Amortisation of deferred income in relation to sale and finance leaseback of solar projects	12,821	—
Bad debts recovered	9,869	2,272
Amortisation of connection fee income	4,399	1,881
Interest income from related companies	4,201	4,457
Waiver of other payables	1,005	30,878
Others	43,821	33,466
	<u>613,221</u>	<u>575,194</u>

5. FINANCE COSTS

	2011 HK\$'000	2010 HK\$'000
Interest on:		
Bank borrowings		
— wholly repayable within five years	1,225,723	629,520
— not wholly repayable within five years	36,932	43,258
Loans from related companies	—	11,329
Discounted bills	89,646	16,044
Long-term notes	16,210	—
Obligations under finance leases	74,466	3,071
Total borrowing costs	1,442,977	703,222
Less: Interest capitalised	(276,655)	(96,795)
	<u>1,166,322</u>	<u>606,427</u>

6. INCOME TAX EXPENSE

	2011 <i>HK\$'000</i>	2010 <i>HK\$'000</i>
PRC Enterprise Income Tax (“EIT”)		
Current tax	1,118,662	990,664
Overprovision in prior years	(57,159)	(16,715)
	<u>1,061,503</u>	<u>973,949</u>
PRC dividend withholding tax	82,811	40,998
Deferred tax	124,860	144,373
	<u><u>1,269,174</u></u>	<u><u>1,159,320</u></u>

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

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

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

According to the Circular of the State Council on the Implementation of Transitional Preferential Policies for Enterprise Income Tax (Guofa [2007] No.39) (the “New EIT Law”), certain Group entities that previously enjoyed tax incentive rate of 15% would have their applicable tax rate progressively increased to 25% over a five-year transitional period commencing on 1 January 2008. The tax exemption and deduction from EIT for these entities are still applicable until the end of the five-year transitional period under the New EIT Law based on the revised income tax rate and expires in 2013.

A subsidiary operating in the PRC has been accredited as a “High and New Technology Enterprise” by the Science and Technology Bureau of Jiangsu Province and other authorities in March 2012 for a term of three years, and has been registered with the local tax authority to be eligible to the reduced 15% enterprise income tax rate from 2011 to 2013. Accordingly, the subsidiary is subject to 15% enterprise income tax rate for the year ended 31 December 2011. The qualification as a High and New Technology Enterprise will be subject to annual review by the relevant government authorities in the PRC.

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

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No provision for Hong Kong Profits Tax has been made as the Group did not have any assessable profit arising in Hong Kong for the year ended 31 December 2011 and 2010.

Taxation arising in the United States is calculated at a prevailing rate of 40.7% for both years. No provision for Federal Income Tax and State and Local Income Tax has been made as the Group did not have any assessable profit arising in the United States for the year ended 31 December 2011 and 2010.

The Group’s subsidiaries that are tax resident in the PRC are subject to the PRC dividend withholding tax of 5% or 10% for those non-PRC resident immediate holding company registered in Hong Kong and the British Virgin Islands, respectively, when and if undistributed earnings are declared to be paid as dividends out of profits that arose on or after 1 January 2008. Accordingly, a provision for deferred taxation of HK\$147,874,000 in respect of withholding tax on undistributed earnings has been recognised during the year ended 31 December 2011 (2010: HK\$185,210,000).

7. PROFIT FOR THE YEAR

	2011 <i>HK\$'000</i>	2010 <i>HK\$'000</i>
Profit for the year has been arrived at after charging (crediting):		
Staff costs, including directors' remuneration		
Salaries, wages and other benefits	1,288,951	929,874
Retirement benefit scheme contributions	42,417	36,999
Share-based payment expenses	82,287	12,658
Total staff costs	<u>1,413,655</u>	<u>979,531</u>
Depreciation of property, plant and equipment	2,023,652	1,158,371
Amortisation of prepaid lease payments	37,356	19,924
Amortisation of other intangible assets (included in administrative expenses)	<u>64,347</u>	<u>66,086</u>
Total depreciation and amortisation	2,125,355	1,244,381
Add/less: Amounts included in inventories	<u>(167,282)</u>	<u>106,407</u>
Amounts of depreciation and amortisation charged to profit or loss	<u>1,958,073</u>	<u>1,350,788</u>
Auditor's remuneration	13,863	12,328
Cost of inventories recognised as expenses	16,342,892	11,087,637
Allowance for trade and other receivables	4,809	759
(Gain) loss on disposal of property, plant and equipment	(5,563)	5,354
Gain on disposal of prepaid lease payments	—	1,310
Write-down of inventories (included in cost of sales)	120,965	—
Impairment loss on amount due from an associate (included in administrative expenses)	12,436	—
Amounts included in other expenses:		
Exchange (gain) loss, net	(102,896)	96,094
Research and development cost recognised as expenses	112,799	12,186
Impairment loss on property, plant and equipment	96,434	—
Impairment loss on goodwill	90,407	—
Impairment loss on prepayments	97,790	—
Impairment loss on available-for-sale investment	—	6,886
Loss on fair value changes of held for trading investment	<u>26,504</u>	<u>—</u>

8. EARNINGS PER SHARE

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

	2011 <i>HK\$'000</i>	2010 HK\$'000
Earnings		
Earnings for the purposes of calculation of basic and diluted earnings per share		
— Profit for the year attributable to owners of the Company	<u>4,274,893</u>	<u>4,023,577</u>
	2011 '000	2010 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	15,476,804	15,472,199
Effect of dilutive potential ordinary shares on share options	<u>24,934</u>	<u>28,364</u>
Weighted average number of ordinary shares for the purpose of dilutive earnings per share	<u>15,501,738</u>	<u>15,500,563</u>

9. TRADE AND OTHER RECEIVABLES

The Group generally allows a credit period ranging from 0 to 90 days for trade receivables and 0 to 180 days for bills receivables.

The following is an aged analysis of trade receivables, net of allowances for doubtful debts, presented based on the invoice date at the end of the reporting period as follows:

	2011 <i>HK\$'000</i>	2010 HK\$'000
Trade receivables:		
0–90 days	2,509,839	970,742
91–180 days	204,886	16,100
Over 180 days	<u>20,292</u>	<u>17,635</u>
	<u>2,735,017</u>	<u>1,004,477</u>

The following is an aged analysis of bills receivable (trade-related), presented based on the bills issue date at the end of the reporting period:

	2011 <i>HK\$'000</i>	2010 HK\$'000
Bills receivables — trade:		
0–90 days	910,231	331,780
91–180 days	<u>370,419</u>	<u>205,187</u>
	<u>1,280,650</u>	<u>536,967</u>

10. TRADE AND OTHER PAYABLES

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

	2011 <i>HK\$'000</i>	2010 <i>HK\$'000</i>
Trade payables:		
0–90 days	2,069,763	1,035,052
91–180 days	228,711	84,873
Over 180 days	114,332	27,773
	<u>2,412,806</u>	<u>1,147,698</u>

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

	2011 <i>HK\$'000</i>	2010 <i>HK\$'000</i>
Bills and notes payable (trade):		
0–90 days	485,164	304,329
91–180 days	239,814	185,415
	<u>724,978</u>	<u>489,744</u>

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to report that GCL-Poly achieved outstanding operating results in 2011. For the financial year ended 31 December 2011, GCL-Poly recorded revenue of HK\$25.51 billion, representing an increase of 38.1% as compared with HK\$18.47 billion for the same period in 2010. Net profit for 2011 was HK\$4.27 billion.

2011 was an exceptional year for the world economy and the photovoltaic industry met with the toughest winter. Due to objective factors such as the European debt crisis and industry over-capacity, the market prices of photovoltaic ("PV") products dropped significantly during the year bringing forth strong operation challenge to PV companies. However, GCL-Poly continued to lead the industry as the world's largest manufacturer of low-cost, high-quality polysilicon and wafer. We adjusted our engineering, research and development ("R&D"), production operations, and marketing strategies at the right time with reference to market changes. We have maintained our leadership in the industry in terms of company size, production costs, and product quality by means of methods such as construction adjustments, new product development, production improvement, high efficiency cost reduction as well as motivational policies to achieve outstanding results.

2011 was a year of significant development for GCL-Poly. After technological upgrades and capacity expansion, our annual production capacity of polysilicon has reached 65,000 MT at the end of 2011 and annual production capacity of wafer increased to 8GW at the end of 2011. These achievements fully demonstrate GCL-Poly's strong capabilities in infrastructural construction and supply chain procurement. Projects of GCL-Poly's subsidiaries, which included the 780MW wafer project (Phase I) of Taicang Wafer and the 600MW wafer project of Xuzhou Wafer, were on stream one by one, signaling a milestone in the construction and development history of GCL. The official commencement of construction of Suzhou GCL-Poly Industrial Application Research Institute Co., Ltd, a wholly-owned subsidiary of GCL-Poly, laid the foundation of another new step in GCL-Poly's development of cutting edge technology. In October 2011, GCL-Poly announced the establishment of GCL-Poly Solar Power System Integration (Taicang) Co., Ltd., which officially launched the global solar system integration business and building a global carrier brand in the PV industry. GCL-Poly has been working closely with large state-owned companies such as China Guangdong Nuclear Power Group ("CGN") to accelerate the development and adoption of solar power in order to push forward clean energy applications.

Moving into 2012, GCL-Poly will continue to take a great step forward in business development. We have already become the world's largest production, research and development base for silicon materials. The Company will also make significant progress in system integration and development of solar farm projects both in China and overseas, and become an expert in providing solutions for global solar system power generation. In January, we signed a framework agreement with China Merchants New Energy Group Limited to jointly build the best and most professional rooftop solar power system operating platform. In February, we formed a joint venture with NRG Solar LLC ("NRG"), a leading PV project developer in the United States. We also co-invested with Bank of America Merrill Lynch to fund GCL-Poly's municipal solar power system project in the United States. Developing system integration and solar farm projects conform to our "dual-core" strategy — upstream production of polysilicon and wafer and downstream system integration and solar farm development. This has ensured GCL-Poly with a core competitive advantage which helps us to maintain our leadership position in the industry.

Accelerated Development of Silicon Materials Business and Strengthened Competitive Advantages as a Leading Enterprise in the Global PV Industry

1. To increase overall quality and economy of scale and to decrease production cost substantially in order to establish leading position in the global industry

Being the most influential and competitive silicon material manufacturer and supplier in the world, GCL-Poly continues to expand its polysilicon and wafer business. The following statistics demonstrate strongly our leading market position and competitive advantages: we sold 2,812 MT of polysilicon and 4.451 GW of wafer respectively for the year ended December 31, 2011. A total revenue of HK\$20,460 million was recorded, which rose by 45.7% on a year-on-year basis. Polysilicon production cost and wafer processing cost were lowered to US\$18.6 per kilogram and US\$0.13 per W, respectively as at the end of December 2011. Our cost advantages enabled us to be the market leader in the world. With continuous improvement in product quality, all polysilicon has reached electronic grade and wafer production yield rate is above 94%. At the end of December 2011, our annual production capacity of polysilicon reached 65,000 MT and annual production capacity of wafer reached 8 GW.

2. A Fully Upgraded R&D System with Innovative Technological Achievement

In June 2011, Suzhou GCL-Poly Industrial Application Research Institute Co., Ltd was established. In July, the construction of GCL-Poly's US R&D Analysis and Testing Centre was completed. Adding on with the scientific research capability of the existing US R&D Centre and the Xuzhou R&D Centre, as well as our cooperation with various higher education R&D units on technology breakthrough, we are able to constantly improve our production techniques, resulting in upgrading GCL-Poly from a manufacturing-oriented enterprise to a manufacturing company with hi-tech scientific research capability. Meanwhile, we constantly strengthen our innovation-driven capability by increasing our R&D investment. Currently, many of our new technologies have outstanding performance in our production process and applications; enable us to be a world leader in technology, cost and quality. GCL-Poly is further accelerating its technological innovation. The Company has completed several major technical upgrades for its polysilicon projects, and we have turned these technical know-how into our patents. While further improving the capability of the hydrochlorination process, we continue to optimise the recycling technology and improve the distillation system to ensure that we can produce high quality polysilicon with low energy consumption.

GCL-Poly highly regards technology development and values the important functions perform by our high-tech specialists in our production processes. The Company has adopted the employee stock options scheme to encourage and motivate the initiatives of our technical staff in research and innovation. Meanwhile, GCL-Poly is leading the way in reducing the costs of polysilicon and various components along the PV value chain, which contributes remarkably to grid parity power generation for the global PV industry.

3. *“Embracing our Customers and Working with Strong Leaders in the Market” Strategy is the Key to our Success*

In 2011, GCL-Poly continued to implement its market strategy of “embracing our customers and working with strong leaders in the market”. We have established long-term strategic cooperation relationship with global leading solar cell and module manufacturers such as Canadian Solar, Trina Solar, JA Solar, Suntech, Hareon and China Sunergy as well as setting up wafer slicing plants in the vicinity of their factories in order to build up close sales links with our customers. We have also built new plants through joint ventures with customers such as Canadian Solar and Goldpoly to further deepen the win-win strategic cooperation. In addition, customer adhesion is enhanced by new products such as “GCL Quasi-Mono Wafer” (鑫單晶) which helps us to increase our market share. So far, this market strategy has been well recognised and appreciated.

Outstanding Results of Domestic and Overseas Solar Farm Project Development

The solar power investment team of GCL-Poly achieved better results in 2011. Due to factors such as innovation, technological improvement and cost reduction across the industry, the silicon material cost has fallen, narrowing the gap between the power generation cost of solar power and the conventional energy sources and therefore gradually reducing government subsidies for solar energy. Solar power, with promising future, is being used in adjusting the energy portfolios of many countries and will play an important role in the development of energy economies. Therefore, the Company is pushing forward rapidly on the development of our downstream solar farm projects, and our system integration business with our solar farm pipeline projects steadily progressing. In China, GCL-Poly has further strengthened its strategy to cooperate with large state-owned enterprises such as signing cooperation agreements with CGN and China Merchants New Energy Group respectively. Being an influential enterprise in the PV upstream industry, we have advantages not only in distinct cost structure but also in the development of downstream solar farm projects as well as in brand recognition and financing. All of these advantages have been crucial in obtaining strong support on our cooperation with state-owned enterprises in domestic solar farm project development. At the same time, the Company has established successful cooperation with several renowned international banks and financial institutions including Wells Fargo and Bank of America Merrill Lynch. Both of them will finance GCL-Poly’s overseas solar farm projects as well as in the United States and laid the foundation for further development. This new business model was successfully developed by the Company.

Stable Power Business Development Outperforms Peers

In 2011, under the adverse market environment of rising coal prices and priced-controlled electricity tariffs, the Company has continued to maximise the efficiencies of existing resources by means of centralised management, cost cutting measures and exploring new opportunities in order to ensure the sound and stable development of its power and steam businesses. During the year ended 31 December 2011, the Company sold 4.79 billion kWh of electricity, with a year-on-year increase of 1.8%, and 7,565,162 tonnes of steam, with a year-on-year rise of 7.4%, and realised sales revenue of HK\$4.99 billion.

While ensuring stable growth of the business, the Company also adopted various measures including coal purchasing cost controls, bulk material procurement, increase in steam supply, and driving steam-price adjustment proactively. These combined measures have helped us to achieve better financial results in 2011, when compared with the industry norm.

Social Responsibilities

As a global leading enterprise that has long been engaged in the development of renewable energy, GCL-Poly is well aware of its responsibilities to environmental protection and social contribution. The Company effectively recycles 100% of various by-products of polysilicon production, and we ensure that our manufacturing facilities comply with national environmental standards. All our cogeneration power plants are equipped with desulphurisation facilities, which can significantly reduce the emission of sulphur dioxide. Meanwhile, we have actively served the society with our best endeavours by creating jobs, making charitable donations and taking an active part in public welfare. Through our annual “Sunshine Love and Care Action”(陽光關愛行動) programme, we have extended our sincerity and loving care to rehabilitation centres, orphanages and schools in mountain areas in the mainland. In 2011, “Yan Oi GCL Charity Fund” was approved by Career Development Centre of China Red Cross Foundation and was officially established. The fund is a publicly raised fund jointly set up by GCL Group and Career Development Centre of Red Cross Foundation, and is innovatively managed by Red Cross Foundation. It will face the public and communicate the important message of humanity and charity spirit to the society. Furthermore, we have contributed to the China sports development by sponsoring Jiangsu Sainty Football Club (江蘇舜天足球俱樂部) for the whole 2011 league season.

Outlook

Energy shortages and environmental pollution are two major challenges which human beings will encounter in the long run. The exploration of renewable energies and the development of a low-carbon economy are the important ways to overcome these two challenges and they are also seen as important opportunities for the development of emerging industries. As one of the most sustainable renewable energy sources, solar power is drawing more and more attention and support from governments. The benefits derived from the economies of scale of both upstream and downstream enterprises have lowered the production costs, resulting in the product selling prices decreasing rapidly. It will also help to lower the power generation cost of the whole system. Coupled with the opening of emerging solar markets and the supportive programmes, the investment returns of PV industry will be greatly enhanced. We believe that this year will be a year of remarkable progress.

According to the latest report issued by the European Photovoltaic Industry Association (“EPIA”), global PV systems connected to the grid increased by 11 GW from 2010 to 27.7 GW in 2011. Total installed PV capacity worldwide reached over 67.4 GW, indicating that PV is now the third most important renewable energy after hydro and wind power in terms of worldwide installed capacity. Although the European debt crisis has not been fundamentally resolved, and the global economy is still in turmoil, solar power will become more and more competitive as the cost of the whole PV value chain fell rapidly. In 2012, solar power will certainly see greater development. We expect that globally PV installed capacity will range between 25-30 GW this year. China, the United States and European countries such as Germany and Italy will be the major solar user markets. Other Asian and Middle East countries such as India, Japan, Korea, Saudi Arabia, Qatar, and Israel, have respectively launched their own national plans to develop solar power, which will provide new growth engines for the global PV industry.

China's renewable energy industry possesses future development and bright prospects, particularly with enormous potential and tremendous business opportunities in the PV sector. The "Notice of Solar Feed-in-Tariff Policy from National Development and Reform Commission" (國家發展改革委關於完善太陽能光伏發電上網電價政策的通知) issued by NDRC on 24 July 2011 marked a major milestone of PV industry. We believe that the benchmark on-grid tariff policy for solar energy will play a crucial role in opening up the PV application market in China. We believe China will devote great effort to develop the PV industry in the future and will transform from a country which manufactures PV products to a major user of PV products. Market estimates suggest that China's PV installations may reach 4-5GW this year.

For our silicon material business, the project of technological improvement and capacity expansion of Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd. has reached its full capacity. We are confident in lowering the polysilicon production cost to US\$18 per kilogram by the end of 2012 through technological upgrades and reduction of energy consumption in order to ensure that our gross profit margin will be maintained at a level which is higher than the industry norm. In 2012, we will continue to devote all our efforts to develop our wafer business and further lower the wafer processing cost via excellent manufacturing capability, technological improvement and strong supply chain management.

GCL-Poly will continue to expand its system integration and solar farm business in China, the United States and other emerging markets, increase the PV project pipelines and satisfy the demand for rapid business development. We anticipate that we will become the global leading solar power generation company in three years.

While devoting all our effort to develop the solar business, we will ensure the healthy and stable development of our environmentally friendly power business. On one hand, we will adopt proactive measures to cope with fluctuations in fuel prices and ensure effective development of the power business. On the other hand, we will further optimise our business mix in accordance with carbon neutral principles by increasing our investments in clean and renewable energy, and raising the proportion of power generation from incineration and natural gas power plants.

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

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

Despite the fact that the selling prices of the solar products experienced substantial decline and the sentiment was increasingly deteriorating around the solar industry in 2011, we were still able to record growth in terms of revenue and net profit in the past year. Setting aside such tough challenges, GCL successfully ramped up its production capacity of polysilicon and wafer as well as implemented effective cost-cutting measures so that we were able to maintain our profitability under this negative solar sentiment in the market.

Results of the Group

Revenue amounted to HK\$25,505.6 million for the year ended 31 December 2011, representing an increase of 38.1% compared with the revenue of HK\$18,471.9 million for the year ended 31 December 2010. Increase in revenue was mainly due to significant growth in the volume of wafer sales.

The Group's net profit attributable to owners of the Company for 2011 was HK\$4,274.9 million, as compared to HK\$4,023.6 million in 2010.

BUSINESS REVIEW

Solar Business

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.

During the second half of 2011, Jiangsu Zhongneng successfully completed its 40,000MT polysilicon expansion plan. Together with the technical improvement project that was completed in the first half of 2011, the annual production capacity of Jiangsu Zhongneng increased from 21,000 MT by end of 2010 to 65,000 MT by end of 2011.

As a result of the increase in polysilicon production capacity, our polysilicon production volume rose significantly. During the year ended 31 December 2011, GCL-Poly produced approximately 29,414 MT of polysilicon, representing an increase of 64.8% as compared to 17,853 MT for the year ended 31 December 2010.

GCL-Poly further expanded its own in-house wafer and ingot manufacturing facilities during the year, and the new wafer production capacity of the Group's manufacturing plants at Xuzhou, Changzhou, Taicang, Henan, Wuxi and Suzhou all ramped up to their designed capacities by end of July 2011. In December 2011, our annual wafer production capacity reached 8 GW. For the year ended 31 December 2011, approximately 4,488 MW of wafers were produced, representing an increase of 2.2 times as compared with 1,412 MW for the year ended 31 December 2010.

Production Costs

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 year, Jiangsu Zhongneng continued to deploy all its efforts into reducing raw material costs, the energy consumption and other overhead costs. As a result, our average polysilicon production costs decreased 24.7% from HK\$214.7 (US\$27.7) per kilogram for 2010 to HK\$161.7 (US\$20.8) per kilogram for 2011.

Attributed to our technical improvements, in-house sourcing of supplies, slurry recovery and other measures all helped to increase our production yield and reduce costs, GCL-Poly successfully reduces the wafer production cost to an extremely competitive level and has become one of the lowest cost wafer manufacturers in the world. For the year ended 31 December 2011, our average wafer production cost (before eliminating the internal profit of polysilicon) was approximately HK\$3.33 (US\$0.43) per W, representing a decrease of 22.6% as compared to HK\$4.30 (US\$0.57) per W for the year ended 31 December 2010.

Sales Volume and Revenue

Revenue of our solar material business for the year ended 31 December 2011 amounted to approximately HK\$20,459.8 million, representing an increase of 45.7% from HK\$14,043.3 million for the year ended 31 December 2010.

For the year ended 31 December 2011, GCL-Poly sold 2,812 MT of polysilicon and 4,451 MW of wafer, a decrease of 73.2% and an increase of 2.1 times respectively, as compared with the 10,507 MT of polysilicon and 1,451 MW of wafer for the corresponding period in 2010. The majority of the polysilicon produced during 2011 was consumed in-house for further production of ingots and wafers, which have a greater value. This led to a significant drop in the polysilicon sales volume as compared with 2010. The decline in revenue, resulting from a drop in polysilicon sales volume, was compensated by the significant increase in revenue generated from wafer sales.

The average selling prices of polysilicon and wafer were approximately HK\$370.8 (US\$47.7) per kilogram and HK\$4.20 (US\$0.54) per W respectively for the year ended 31 December 2011. The corresponding average selling prices of polysilicon and wafer for the year ended 31 December 2010 were HK\$408.6 (US\$52.1) per kilogram and HK\$6.32 (US\$0.82) per W respectively.

Solar Power Plant and Solar System Integration Business

Solar Power Plant Business

In the first half of 2011, there were approximately 4.8 MW of solar power plants on stream in the United States and all these projects were under the sales and leaseback transactions with Wells Fargo Finance LLC (“Wells Fargo”). These projects were all located in the Antelope Valley High School district, California. In the second half of 2011, there were approximately 4.9 MW solar farms on stream in the Palmdale School district in California. The sales and leaseback transactions for these projects were completed with Bank of America Merrill Lynch. The Group’s total solar farm projects in operation in the United States reached 16 MW as at 31 December 2011. For the year ended 31 December 2011, revenue from sales of electricity generated by the photovoltaic (“PV”) projects in United States was approximately HK\$39.5 million (US\$5.1 million).

As of 31 December 2011, the Group had over 200 MW projects which were ready to commence construction in 2012 and as of today, approximately 300 MW projects in the United States and Puerto Rico are currently in the planning stage.

Joint Programme with Wells Fargo

In November 2010, the Group signed a joint programme with Wells Fargo through which Wells Fargo would provide over US\$100 million to facilitate the Group’s development of solar power plant projects in the United States. To date, we have already completed approximately 11 MW of solar power plant projects with Wells Fargo under the sales and leaseback arrangement. Wells Fargo intends to continue providing funding to the Group on future solar power plant projects.

Partnership with Bank of America Merrill Lynch

In December 2011, Bank of America Merrill Lynch formed a long-term tax equity financing partnership with GCL to provide funding for over 1 GW solar power plant projects under development in the United States. The first transaction under this financing arrangement was the 4.9 MW Palmdale School district solar power plants.

Joint Venture with Solar Reserve

In 2011, we continued to develop the projects in the portfolio of the joint venture with Solar Reserve. The pipeline projects are mainly located in California, Nevada, Utah and Colorado in the United States with capacities over 1 GW.

In 2012, we will continue to develop the projects under the joint venture with the objective to begin construction in the near future.

Solar System Integration Business

In the fourth quarter of 2011, the GCL Solar System Integration Business Unit was formed and the objective of this new unit is to provide performance optimised turnkey system solutions to solar utility, commercial rooftop and residential rooftop projects.

We have also signed a joint venture agreement with NRG, a leading PV utility project developer in the United States. We also provide 70MW of PV equipment to NRG in 2012, with an option to provide additional 200MW in the next three years.

In addition to the NRG agreement, GCL has signed memorandum of understandings with several engineering, procurement and construction companies and project developers for the provision of over 2GW of PV equipment in regions such as North America, Europe, South Africa, and Asia. GCL is also the developer of 1GW PV project in the vicinity of Datong city in China. For the year ended 31 December 2011, revenue from trading of modules was approximately HK\$17.8 million.

Power Business

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

As at 31 December 2011, the Group operates 22 power plants in the PRC which include its subsidiaries and associated companies. These comprised 14 coal-fired cogeneration plants and comprehensive resource utilisation cogeneration plants, 2 gas-fired cogeneration plants, 2 biomass cogeneration plants, 1 solid-waste incineration plant, 1 wind power plant and 2 solar farms. A 10 MW solar farm in Sangri County, the Tibet Autonomous Region was completed at the end of the year. The total installed capacity and attributable installed capacity were 1,135.5 MW and 783.3 MW, respectively. The total steam extraction capacity and attributable steam extraction capacity were 2,239.0 tonne/h and 1,756.4 tonne/h, respectively.

Sales Volume and Revenue

For the year ended 31 December 2011, the Group sold 4,793,282 MWh of electricity and 7,565,162 tonnes of steam, representing an increase of 1.8% and 7.4%, respectively, as compared with 4,709,085 MWh of electricity and 7,042,493 tonnes of steam for the same period last year.

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

Plant	Electricity Sales MWh 31.12.2011	Electricity Sales MWh 31.12.2010	Steam Sales tonne 31.12.2011	Steam Sales tonne 31.12.2010
Subsidiary power plants				
Kunshan Cogeneration Plant	392,904	391,866	677,026	692,116
Haimen Cogeneration Plant	119,550	117,320	317,357	482,847
Rudong Cogeneration Plant	155,240	165,525	759,534	651,420
Huzhou Cogeneration Plant	144,695	148,667	342,959	360,697
Taicang Poly Cogeneration Plant	156,008	214,634	394,801	423,697
Jiaxing Cogeneration Plant	191,721	209,871	937,041	909,017
Lianyungang Xinneng Cogeneration Plant	67,509	91,153	462,334	221,368
Puyuan Cogeneration Plant	196,907	204,167	917,057	840,530
Fengxian Cogeneration Plant	79,884	157,466	575,976	379,595
Yangzhou Cogeneration Plant	295,442	267,002	265,195	254,049
Dongtai Cogeneration Plant	90,178	143,089	449,670	449,191
Peixian Cogeneration Plant	79,603	180,448	198,385	168,129
Xuzhou Cogeneration Plant	101,031	152,248	249,439	264,555
Suzhou Cogeneration Plant	2,253,877	1,789,106	700,414	625,172
Baoying Cogeneration Plant	146,201	154,253	183,802	186,962
Lianyungang Xiexin Cogeneration Plant	137,224	144,120	134,172	133,148
Taicang Incineration Plant	76,676	72,224	N/A	N/A
Guotai Wind Power Plant	86,825	84,263	N/A	N/A
Xuzhou Solar Farm	21,807	21,663	N/A	N/A
Total subsidiary power plants	4,793,282	4,709,085	7,565,162	7,042,493
Associated power plants				
Funing Cogeneration Plant	95,004	103,179	78,303	88,167
China Resources Beijing Cogeneration Plant	664,990	642,701	384,396	358,272
Total subsidiary and associated power plants	5,553,276	5,454,965	8,027,861	7,488,932

Revenue for the power business for the year ended 31 December 2011 was approximately HK\$4,988.6 million, an increase of 12.7% compared to HK\$4,428.6 million for the same period last year. The increase was mainly due to increase in sales volume and selling price of electricity and steam during the year.

Average Utilisation Hours

Average utilisation hours for the Group's subsidiary power plants, defined as the amount of electricity produced during a specified period (in MWh) divided by the average installed capacity of the plant during the same period (in MW), was 5,540 hours for the year of 2011, representing an increase of 1.4% compared with 5,465 hours for the same period last year. The increase was due to the increase in electricity generation during the year.

Approved On-Grid Tariff

For electricity output, the major customers of our power plants are their respective local provincial power-grid companies. Prices are based on an approved on-grid tariff that is determined by the provincial price bureaus. The on-grid tariff depends on the fuel type of the relevant power plant and whether government-encouraged desulphurisation equipment has been installed. For the year ended 31 December 2011, the approved on-grid tariff of the Group excluding solar farm ranged from approximately HK\$614.8/MWh to HK\$916.1/MWh (2010: HK\$584.2/MWh to HK\$860.8/MWh).

Approved Steam Price

In response to the PRC-government incentive programmes, the Group sells steam to customers exclusively within a certain radius of where our cogeneration plants are located. Steam prices are negotiated commercially between customers and the cogeneration plants and are subject to local government pricing guidelines. Prices may vary according to market forces. In 2011, the approved steam price of our subsidiary and associated power plants ranged from approximately HK\$180.8/tonne to HK\$298.3/tonne (2010: HK\$165.3/tonne to HK\$283.5/tonne).

Cost of sales

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

For the Group's coal-fired cogeneration plants, comprehensive resource utilisation plants and biomass cogeneration plants, average unit fuel costs for electricity sales and steam sales were approximately HK\$471.4/MWh and HK\$154.3/tonne respectively for the year ended 31 December 2011. The corresponding average unit fuel costs for electricity sales and steam sales were HK\$422.5/MWh and HK\$131.6/tonne respectively for the same period last year.

In the case of the Group's gas-fired cogeneration plants, Suzhou Cogeneration Plant, natural gas was the major component of the cost of sales. Average unit fuel costs for electricity sales and steam sales were approximately HK\$497.9/MWh and HK\$194.2/tonne respectively for the year ended 31 December 2011. The corresponding average unit fuel costs for electricity sales and steam sales for the year ended 31 December 2010 were HK\$448.6/MWh and HK\$169.2/tonne respectively.

Recent Developments

The Ministry of Commerce of the United States launched an anti-dumping investigation into the export practices of Chinese solar cell manufacturers in the fourth quarter of 2011. As the Group is not involved in the manufacturing of solar panels, we anticipate that the results of the investigation will not have a substantial impact on the solar business of the Group. On the other hand, the Group will cooperate with other downstream manufacturers to mitigate the effect of potential duties on solar panels.

On 16 February 2012, GCL-Poly Limited, a wholly owned subsidiary of the Company issued the first tranche of the RMB1 billion notes with a tenor of three years. The principal amount of the first tranche notes is RMB400 million and the maturity date will be 16 February 2015. The proceeds will be used to fund our power business projects, the repayment of bank borrowings and general working capital requirement.

Outlook

The downgrading of the credit rating of the sovereign debts of the United States and the European debt crisis created uncertainties to the global economy. Liquidity of the capital markets was tightened because the banks in the United States and other European countries were not eager to be actively involved in commercial lending. As a result, it was difficult for the project developers to obtain the required amount of funding and resulting in slowing down the growth of the global solar markets. In 2011, global demand for new installations of PV systems increased slightly to approximately 23 GW and Germany and Italy continued to exhibit the largest demand for PV system installation. We anticipate that demand for PV system installation in Germany and Italy will remain steady in 2012, while countries such as China, the United States, Japan, India, Korea, Saudi Arabia, Qatar and Israel will grow due to various supporting policies from the governments. The market demand will no longer focus mainly on the European countries. The emerging markets will play a more important role in the solar industry in the future, leading to a more balanced growth in the geographical aspect.

The average selling prices of polysilicon, wafer, cell and module are expected to be stable in the coming year. Consolidation took place after the product prices had dropped substantially since the beginning of 2011. Many marginal manufacturers with their production costs even higher than the market selling prices were forced to close down. It is becoming obvious that the upstream solar industry is quickly evolving into an oligopoly market especially in the manufacturing of polysilicon. The lower costs of PV products and installation lead to an attractive project return, resulting in the increase of installation demand. However, demand is curtailed by the poor macro financing environment. Therefore we believe that the supply and demand for solar products will be more or less in equilibrium in 2012, limiting the volatility of the product prices.

China's Five-Year Plan for the solar sector addressed that the cumulative installed capacity target by end-2015 and end-2020 are 15GW and 50GW respectively. In addition, the National Development and Reform Commission launched the Feed-In-Tariff ("FiT") scheme in July 2011. For solar projects in which construction can be completed and connected to the state grid in 2012 and afterwards can enjoy the tariff of RMB1/kWh. Since the FiT scheme limits the downside risks of the projects, the solar installation in China increased significantly in 2011 to approximately 3 GW. We anticipate that the solar demand in China will continue to prosper, and the demand will be comparable with Germany and Italy in the next few years.

The cost and quality of PV products will continue to be the critical factors to the global demand in the solar industry. Continuous cost reduction enables affordable solar at grid parity in not only the developed countries but also the emerging markets. In addition, consumers demand higher system efficiency. The launch of "GCL Quasi-Mono Wafer" meets the requirement of our customers as the average conversion efficiency has already attained 18%. It helps our customers to reduce their manufacturing costs and will further lower the overall capital expenditure of solar power plants.

The co-location strategy of establishing our polysilicon and wafer manufacturing plants near our customers prove to be successful as we can build close ties with them in nearby regions. Our production expansion strategy will continue to follow this pattern, giving us a competitive edge in cost control.

The Group formally commenced the solar system integration business in October 2011, with an objective to provide solar farm investors with a one-stop solar system solution: from project development, engineering, procurement, construction, financing to operation and management. We will focus not only the domestic market but also the overseas markets. It is anticipated that global solar installation demand will show a mild growth in 2012, which will provide ample opportunities for us to expand our market share.

In 2012, we expect that the United States will continue to offer excellent investment opportunities in PV systems, with attractive government support programmes such as the federal Business Energy Investment Tax Credit (“ITC”) — which provides a 30% tax credit on the investment cost of PV systems, and the Modified Accelerated Cost-Recovery System (“MACRS”) — allowing accelerated depreciation of investments in PV systems. With over 1GW of pipeline projects on hand, coupled with the tax equity investment partnership with Wells Fargo and Bank of America Merrill Lynch, we are well positioned to capture investment opportunities in PV systems in the United States.

The Group proactively participates in solar farm construction in China. The cooperation with CGN Solar Energy Development Co., Ltd. to develop a 1GW solar farm in Datong City, Shanxi Province shows the first step of the Group in large-scale solar farm construction. The FiT scheme will strongly promote the development of solar industry in China.

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

For the power business, average coal prices in 2011 was higher than that in 2010 and the coal fired power plants in the PRC have all been affected accordingly. The price of coal is expected to stay at high level in 2012. In view of this, the National Development and Reform Commission announced an increase on grid-tariff at the end of 2011 and we believe that it will mitigate the effect of high fuel costs for the operation of the Group’s power plants. We will continue to focus on steam sales as contract prices of steam can be negotiated with our customers directly, making it easier to maintain profit margins despite the continuous increases in fuel costs. The Group will try every possible ways to further enhance operation efficiency. In the long run, we will continue to emphasize on the development of renewable-energy power plants with an objective to expand capacity internally.

Health, Safety and Environmental Matters

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

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

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

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

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

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

Employees

We consider our employees to be our most important resource. As at 31 December 2011, the Group had approximately 17,124 employees in Hong Kong, the PRC and overseas. Employees are remunerated with reference to individual performance, working experience, qualification and the prevailing industry practice. Apart from basic remuneration and the statutory retirement benefit scheme, employee benefits include discretionary bonuses, with share options granted to eligible employees.

FINANCIAL REVIEW

Segment Information

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

	Solar Business <i>HK\$ million</i>	Power Business <i>HK\$ million</i>	Corporate <i>HK\$ million</i>	Consolidated <i>HK\$ million</i>
Revenue	20,517	4,989	—	25,506
Segment profit	4,722	168	—	4,890
EBITDA	8,372	842	(250)	8,964

Revenue

Revenue for the year ended 31 December 2011 amounted to HK\$25,505.6 million, representing an increase of 38.1% as compared with HK\$18,471.9 million for the year ended 31 December 2010. The increase was mainly due to the increase in revenue attributable to the solar business as a result of significant growth in wafer sales volume.

Gross Profit Margin

The Group's gross profit margin for the year ended 31 December 2011 was 33.2%, as compared with 36.9% for the year ended 31 December 2010. Gross profit margin for the solar business decreased from 44.4% for the year ended 31 December 2010 to 38.6% for the year ended 31 December 2011. The decrease in gross profit margin was mainly due to the significant drop in average selling price of polysilicon and wafer since the first quarter of 2011, which was partly offset by the decrease in the polysilicon production cost and the wafer processing cost. For the power business, the gross profit margin for the year ended 31 December 2011 was 11.0%, which was lower than 13.1% for the year ended 31 December 2010 as a result of the increase in fuel costs.

Other Income

Other income mainly comprised government grants of HK\$195.5 million, sales of scrap materials of HK\$140.5 million, bank interest income amounting to HK\$91.7 million, and waste processing management fee income of HK\$31.4 million.

Distribution and Selling Expenses

Distribution and selling expenses amounted to HK\$56.7 million for the year ended 31 December 2011, representing an increase of 22.5% from HK\$46.3 million for the year ended 31 December 2010. Increases in distribution and selling expenses were due to more sales and marketing activities were carried out during the year.

Share-Based Payment Expenses

The amount mainly represented the share option expenses arising from the Company's employee share option scheme. During the year, 133.1 million new share options were granted by the Company which led to higher share-based payment expenses.

Other Administrative Expenses

Other administrative expenses amounted to HK\$1,617.2 million for the year ended 31 December 2011, representing an increase of 62.3% from HK\$996.3 million for the year ended 31 December 2010. The significant growth was due to expansion of our solar material business and solar power plant business.

Finance Costs

Finance costs of the Group in 2011 were HK\$1,166.3 million, which rose by 92.3% from HK\$606.4 million in 2010. A higher amount of bank borrowings together with higher interest rate led to the increase in interest expenses during the year.

Share of profit of Associates

The Group's share of profits of associates for the year ended 31 December 2011 was HK\$15.2 million, which was derived solely from the power business.

Share of losses of Jointly Controlled Entities

The amount represented the Group's share of loss of our jointly controlled entity, GCL-SR Solar Energy, LLC, for the year ended 31 December 2011. This jointly controlled entity holds more than 1GW of pipeline solar projects in the United States.

Income Tax Expense

Income tax expense for the year ended 31 December 2011 stood at HK\$1,269.2 million, representing an increase of 9.5% as compared with HK\$1,159.3 million for the year ended 31 December 2010. The increase was mainly due to the increase in the PRC Enterprise Income Tax as a result of the increase in profits during the year.

Profit attributable to Owners of the Company

Profit attributable to Owners of the Company for the year ended 31 December 2011 was HK\$4,274.9 million as compared with HK\$4,023.6 million for the year ended 31 December 2010.

Liquidity and Financial Resources

	2011 <i>HK\$ million</i>	2010 <i>HK\$ million</i>
Net cash from operating activities	2,763.8	7,827.1
Net cash used in investing activities	(18,245.3)	(10,775.3)
Net cash from financing activities	15,534.0	3,938.3

For the year ended 31 December 2011, the Group's main sources of funding were cash generated from operating and financing activities. The net cash from operating activities and financing activities in 2011 were HK\$2,763.8 million and HK\$15,534.0 million respectively. The decrease in net cash from operating activities was mainly attributable to increase in inventory level due to the increase in inventory of new solar farm projects, an increase in trade receivables as a result of more credit sales and increase in income taxes paid. The net cash used in investing activities primarily arose from payments for the purchase of property, plant and equipment due to the ramping up of our new polysilicon and wafer production facilities. The main financing activities of the Group in 2011 included newly raised bank borrowings of HK\$24,415.9 million, issuance of long-term notes of HK\$1,789.2 million, proceeds from finance leases HK\$1,451.8 million and repayment of bank borrowings amounting to HK\$9,941.2 million. The long-term notes was issued to institutional investors in November 2011 in an aggregate principal amount of RMB1,500 million and which will mature on 14 November 2018. The net proceeds of approximately HK\$1,789.2 million will be used to fund capital expenditure for the expansion of our polysilicon production capacity, technical improvement and general working capital requirement.

The aggregate restricted and unrestricted cash and bank balances amounted to approximately HK\$11,238.6 million as at 31 December 2011 (31 December 2010: HK\$8,556.1 million). The Group's total assets as at 31 December 2011 were HK\$67,488.2 million (31 December 2010: HK\$40,580.9 million).

Indebtedness

The indebtedness of the Group mainly comprises bank borrowings, obligations under finance lease and long-term notes. As at 31 December 2011, the Group's total bank borrowings amounted to HK\$29,286.3 million (31 December 2010: HK\$13,790.2 million), obligations under finance lease amounted to HK\$1,697.9 million (31 December 2010: HK\$552.8 million) and long-term notes amounted to HK\$1,831.2 million (31 December 2010: Nil). Below is a table showing the bank borrowing structure and maturity profile of the Group's total borrowings:

	2011 <i>HK\$ million</i>	2010 <i>HK\$ million</i>
Secured	4,133.8	1,823.6
Unsecured	25,152.5	11,966.6
	<u>29,286.3</u>	<u>13,790.2</u>
Maturity profile of bank borrowings		
On demand or within one year	11,582.4	6,410.8
After one year but within two years	7,375.6	1,876.2
After two years but within five years	9,873.2	4,852.1
After five years	455.1	651.1
	<u>29,286.3</u>	<u>13,790.2</u>
Group's total bank borrowings	<u>29,286.3</u>	<u>13,790.2</u>
Bank borrowings are denominated in the following currencies		
RMB	21,753.6	11,568.4
USD	7,339.5	2,221.8
CHF	193.2	—
	<u>29,286.3</u>	<u>13,790.2</u>

As at 31 December 2011, RMB bank borrowings carried both fixed and floating interest rates at rates with reference to the Benchmark Borrowing Rate of The People's Bank of China or Shanghai Interbank Offer Rate (SIBOR). USD bank borrowings carried interest rates at rates with reference to the London Interbank Offer Rate (LIBOR). CHF bank borrowings carried fixed interest rates.

The long-term notes bear interest at a rate of 7.05% per annum for the first five years, payable annually in arrears on 15 November each year. The long-term notes denominated in RMB are listed on the Shanghai Stock Exchange on 12 January 2012.

Key Financial Ratios of the Group

	2011	2010
Current ratio	1.03	1.02
Quick ratio	0.86	0.89
Net debt to equity	104.9%	35.8%

Current ratio	=	Balance of current assets at the end of the year/balance of current liabilities at the end of the year
Quick ratio	=	(Balance of current assets at the end of the year – balance of inventories at the end of the year)/balance of current liabilities at the end of the year
Net debt to total equity	=	(Balance of total interest-bearing borrowings at the end of the year – balance of bank balances, cash and pledged bank deposits at the end of the year)/balance of equity attributable to equity holdings of the Company at the end of the year

Foreign Currency Risk

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

For the year ended December 2011, the Group did not purchase any material foreign currency or interest rate derivatives or related hedging instruments.

Pledge of Assets

As at 31 December 2011, property, plant and equipment and prepaid lease payments with a carrying value of approximately HK\$10,353.4 million and HK\$425.4 million respectively, were pledged as security for certain banking facilities and borrowings granted to the Group (31 December 2010: HK\$3,004.0 million and HK\$264.1 million respectively). Apart from these, bank deposits of an aggregate amount of HK\$1,551.3 million (31 December 2010: HK\$163.2 million) were pledged to the banks to secure borrowings granted to the Group and obligations under finance leases.

Capital Commitments

As at 31 December 2011, the Group had capital commitments in respect of the acquisition of property, plant and equipment contracted for but not provided in financial statements amounting to HK\$3,811.8 million (31 December 2010: HK\$3,036.3 million) and authorised but not contracted for capital commitments amounting to HK\$6.6 million (31 December 2010: HK\$566.4 million).

Contingent Liabilities

As at 31 December 2011, the Group provided guarantees of HK\$111.0 million (31 December 2010: HK\$17.6 million) to a bank in respect of the banking facilities granted to an associate company. The associate had utilised HK\$96.2 million (2010: HK\$17.6 million) of such banking facilities at the end of the reporting period.

As at 31 December 2011, the Group also provided guarantee of US\$30.0 million (approximately HK\$233.2 million) (31 December 2010: Nil) to a bank in respect of a banking facility granted to one of our third party long-term customer. In return for the guarantee, the third party customer provided a non-fundable and non-cancellable deposit to the Group with carrying amount of HK\$246.7 million at the end of the reporting period.

Events After the End of Reporting Year

On 12 January 2012, the Group entered into a share purchase agreement with Sinopro Enterprises Limited, a company controlled by Mr. Zhu Gong Shan and his family, and agreed to purchase 100% equity interest in Charm Team Limited. Cham Team Limited indirectly holds 100% of the equity interest in 保利協鑫(徐州)再生能源發電有限公司 (“Xuzhou GCL-Poly Renewable Energy Company Limited”), a company engaged in operating a power plant and incorporated in the PRC. The cash consideration to be paid for the acquisition is RMB290 million (equivalent to approximately HK\$356.7 million).

On the same day, the Group entered into an equity transfer agreement with 上海國能投資有限公司 (“Shanghai Guoneng Investment Company Limited”), a company controlled by Mr. Zhu Gong Shan and his family, and agreed to purchase 100% equity interest in 四川協鑫硅業科技有限公司 (“Sichuan Xie Xin Silicon Technology Company Limited”), a company engaged in manufacturing and sale of metallurgical grade silicon and incorporated in the PRC. The cash consideration to be paid for the acquisition is RMB91 million (equivalent to approximately HK\$111.9 million).

On 20 December 2011, GCL-Poly Limited, a wholly owned subsidiary of the Company, completed the registration of a RMB1 billion notes with a tenor of three years with the National Association of Financial Market Institutional Investors. On 16 February 2012, GCL-Poly Limited issued the first tranche of the above notes. The aggregate principal amount of the first tranche notes are RMB400 million, bearing interest at a fixed rate of 6.9% per annum and the maturity date will be 16 February 2015. The proceeds will be used to fund our power business projects, the repayment of bank borrowings and general working capital requirement.

DIVIDENDS

The Board recommends the payment of a final dividend of HK5.5 cents per share (“Final Dividend”) for the year ended 31 December 2011 (2010: HK5.1 cents per share), subject to the approval of the shareholders at the forthcoming annual general meeting of the Company to be held on 28 May 2012. If approved, the Final Dividend will be paid on or about 20 July 2012 to shareholders whose names appear on the register of members of the Company on 4 June 2012.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 1 June 2012 to Monday, 4 June 2012 (both dates inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for the recommended Final Dividend, all transfer of shares of the Company accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 31 May 2012.

CORPORATE GOVERNANCE

The Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited throughout the year ended 31 December 2011 with the exception of the following areas:

(1) Code Provision A.2.1

Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Subsequent to the acquisition of the polysilicon and wafer business on 31 July 2009, Mr. Zhu Gong Shan (the Chairman and a director of the Company) was appointed as the Chief Executive Officer. As Mr. Zhu has more than twenty years experience in power business and is the founder of our Xuzhou polysilicon production base, the Board considers it is appropriate to elect Mr. Zhu as the Chief Executive Officer. In view of the strong support and assistance given to Mr. Zhu by the Company's experienced and dedicated management team and executives, the Board is of the opinion that Mr. Zhu is able to discharging his responsibilities to manage the Board as well as the Group's businesses, The Board will continuously monitor and make new appointments when appropriate.

(2) Code Provisions E.1.2

Code Provisions E.1.2 states that the chairman of the board should attend the annual general meeting. As Mr. Zhu Gong Shan, Chairman of the Board, was out of town and unable to attend the annual general meeting of the Company held on 16 May 2011, the annual general meeting was chaired by an executive director accordingly.

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

During the year, the Company repurchased 15,000,000 ordinary shares of the Company on The Stock Exchange of Hong Kong Limited for an aggregate amount of HK\$43,400,000. The repurchases were made by the directors for the enhancement of shareholders' value. Details of the repurchases are as follows:

Month of the repurchases	Highest price paid per share HK\$	Lowest price paid per share HK\$	Number of ordinary Shares repurchased	Aggregate amount HK\$
June 2011	3.45	3.26	5,000,000	16,850,000
Sept 2011	2.79	2.52	10,000,000	26,550,000
Total			<u>15,000,000</u>	<u>43,400,000</u>

The 15,000,000 shares repurchased were cancelled during the year. The nominal value of HK\$1,500,000 of all the shares cancelled during the year was debited to share capital and the remaining relevant aggregate consideration of HK\$41,900,000 was debited to the Company's share premium.

Save as disclosed above, 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 year.

MODEL CODE SET OUT IN APPENDIX 10 OF THE LISTING RULES

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

Having made specific inquiries of all Directors, the Company has received from all Directors confirmations of compliance with the required standard as set out in the Code throughout the year ended 31 December 2011.

PUBLICATION OF INFORMATION ON THE STOCK EXCHANGE WEBSITE

This announcement is published on the websites of the Company (www.gcl-poly.com.hk) and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). The annual report of the Company for the year ended 31 December 2011 will be dispatched to shareholders of the Company and available on the above websites in due course.

REVIEW OF ANNUAL RESULTS

The Audit Committee of the Company has reviewed the audited financial statements of the Group for the year ended 31 December 2011.

Glossary of Terms

“Baoying Cogeneration Plant”	寶應協鑫生物質發電有限公司 (Baoying Xiexin Biomass Electric Power Co., Ltd.*)
“Board” or “Board of Directors”	our board of Directors
“China” or “PRC”	the People’s Republic of China, but for the purposes of this announcement, excludes Hong Kong and Macau Special Administrative Region of the PRC
“China Resources Beijing Cogeneration Plant”	華潤協鑫（北京）熱電有限公司 (China Resources Golden Concord (Beijing) Co-generation Power Co., Ltd.*)
“Company”	GCL-Poly Energy Holdings Limited
“Director(s)”	director(s) of the Company or any one of them
“Dongtai Cogeneration Plant”	東台蘇中環保熱電有限公司 (Dongtai Suzhong Environmental Protection Co-generation Co., Ltd.)
“Fengxian Cogeneration Plant”	豐縣鑫源生物質環保熱電有限公司 (Fengxian Xinyuan Biological Environmental Heat and Power Co., Ltd.)
“Funing Cogeneration Plant”	阜寧協鑫環保熱電有限公司 (Funing Golden Concord Environmental Protection Co-generation Co., Ltd.)
“Group”	the Company and its subsidiaries
“Guotai Wind Power Plant”	錫林郭勒國泰風力發電有限公司 (Xilingol Guotai Wind Power Generation Co., Ltd.*)
“GW”	gigawatts
“Haimen Cogeneration Plant”	海門鑫源環保熱電有限公司 (Haimen Xinyuan Environmental Protection Co-generation Co., Ltd.)
“Huzhou Cogeneration Plant”	湖州協鑫環保熱電有限公司 (Huzhou Golden Concord Environmental Protection Cogen-Power Co., Ltd.)
“Jiangsu Zhongneng”	江蘇中能硅業科技發展有限公司 (Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd.)
“Jiaxing Cogeneration Plant”	嘉興協鑫環保熱電有限公司 (JiaXing Golden Concord Environmental Cogeneration Co., Ltd.)
“Kunshan Cogeneration Plant”	昆山鑫源環保熱電有限公司 (Kunshan Xinyuan Environmental Protection Cogen-Power Co., Ltd.)
“kWh”	Kilowatt hour
“Lianyungang Xiexin Cogeneration Plant”	連雲港協鑫生物質發電有限公司 (Lianyungang Xiexin Biomass Electric-Power Generation Co., Ltd.)
“Lianyungang Xinneng Cogeneration Plant”	連雲港鑫能污泥發電有限公司 (Lianyungang Xinneng Sludge Power Co., Ltd.*)

“MT”	metric tonnes
“MW”	megawatts
“Peixian Cogeneration Plant”	沛縣坑口環保熱電有限公司 (Peixian Mine-site Environmental Cogen-Power Co., Ltd.)
“Puyuan Cogeneration Plant”	桐鄉濮院協鑫環保熱電有限公司 (Tongxiang Puyuan Xiexin Environmental Protection Cogeneration Co., Ltd.*)
“Rudong Cogeneration Plant”	如東協鑫環保熱電有限公司 (Rudong Golden Concord Environmental Protection Cogen-Power Co. Ltd.*)
“Suzhou Cogeneration Plant”	蘇州工業園區藍天燃氣熱電有限公司 (Suzhou Industrial Park Blue Sky Gas Cogen-Power Co., Ltd.)
“Taicang Incineration Plant”	太倉協鑫垃圾焚燒發電有限公司 (Taicang Xiexin Refuse Incineration Power Co. Ltd.*)
“Taicang Poly Cogeneration Plant”	太倉保利協鑫熱電有限公司 (Taicang Poly Xiexin Thermal Power Co., Ltd.)
“W”	watts
“Xuzhou Cogeneration Plant”	徐州西區環保熱電有限公司 (Xuzhou Western Environmental Protection Co-generation Power Co., Ltd.)
“Xuzhou Solar Farm”	徐州協鑫光伏電力有限公司 (Xuzhou GCL Solar Energy Co., Ltd.*)
“Yangzhou Cogeneration Plant”	揚州港口污泥發電有限公司 (Yangzhou Harbour Sludge Power Co., Ltd.)

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

Hong Kong, 15 March 2012

As at the date of this announcement, the Board comprises Mr. Zhu Gong Shan (Chairman), Mr. Sha Hong Qiu, Mr. Ji Jun, Mr. Shu Hua, Mr. Yu Bao Dong, Ms. Sun Wei and Mr. Zhu Yu Feng as executive directors; Mr. Chau Kwok Man, Cliff and Mr. Zhang Qing as non-executive directors; Mr. Qian Zhi Xin, Ir. Dr. Raymond Ho Chung Tai, Mr. Xue Zhong Su and Mr. Yip Tai Him as independent non-executive directors.

* *for identification only*