GCL New Energy Holdings Limited
協鑫新能源控股有限公司

(incorporated in Bermuda with limited liability)

(Stock code: 451)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

The board of directors (the "Directors") of GCL New Energy Holdings Limited (the "Company") announced the unaudited condensed consolidated interim financial information ("Interim Financial Information") of the Company and its subsidiaries (together, the "Group") for the six months ended 30 September 2014.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2014

		Six months ended 30 September	
		2014	2013
	Note	***HK$'000***	*HK$'000* (restated)
Revenue	3	**800,381**	839,217
Cost of sales		**(743,131)**	(759,727)
Gross profit		**57,250**	79,490
Other income	4	**48,210**	43,960
Distribution and marketing costs		**(11,030)**	(13,329)
Administrative expenses		**(81,621)**	(56,976)
Other expenses, gains and losses		**(2,310)**	(1,434)
Operating profit	5	**10,499**	51,711
Realised gain on embedded derivatives upon conversion of convertible redeemable bond	12	**57,324**	–
Change in fair value of embedded derivatives	12	**–**	(38,160)
Finance income		**1,104**	160
Finance costs		**(12,593)**	(15,080)
Profit/(loss) before income tax		**56,334**	(1,369)
Income tax expense	6	**(16,424)**	(7,663)
Profit/(loss) attributable to owners of the Company for the period		**39,910**	(9,032)
Basic and diluted earnings/(loss) per share attributable to the owners of the Company	8	**0.33 cents**	(0.11 cents)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2014

	Six months ended 30 September	
	2014	2013
	HK$'000	*HK$'000*
		(restated)
Profit/(loss) for the period	**39,910**	(9,032)
Other comprehensive (expenses)/income:		
Items that may be reclassified subsequently to profit or loss		
– Currency translation differences	**(1,752)**	12,241
Total comprehensive income attributable to owners of the Company for the period	**38,158**	3,209

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2014

	Note	30 September 2014 HK$'000	31 March 2014 HK$'000 (restated)
ASSETS			
Non-current assets			
Property, plant and equipment		**894,424**	863,850
Land use rights		**20,609**	20,960
Deposits, prepayments and other non-current assets	9	**423,921**	9,473
		1,338,954	894,283
Current assets			
Inventories		**176,490**	205,306
Trade and other receivables	9	**431,836**	367,733
Amount due from a fellow subsidiary		**10,820**	–
Pledged bank deposits		**8,076**	5,074
Cash and cash equivalents		**1,200,991**	46,250
		1,828,213	624,363
Total assets		**3,167,167**	1,518,646
EQUITY			
Capital and reserves			
Share capital	13	**52,949**	8,595
Reserves		**2,163,776**	212,099
Total equity		**2,216,725**	220,694

	Note	30 September 2014 HK$'000	31 March 2014 HK$'000 (restated)
LIABILITIES			
Non-current liabilities			
Borrowings	11	**94,268**	70,473
Deferred income tax liabilities		**13,792**	13,764
Deferred income		**20,573**	20,915
		128,633	105,152
Current liabilities			
Trade and other payables	10	**494,090**	479,039
Borrowings	11	**276,927**	284,706
Convertible redeemable bond	12	**–**	388,720
Current income tax liabilities		**50,792**	40,335
		821,809	1,192,800
Total liabilities		**950,442**	1,297,952
Total equity and liabilities		**3,167,167**	1,518,646
Net current assets/(liabilities)		**1,006,404**	(568,437)
Total assets less current liabilities		**2,345,358**	325,846

1 BASIS OF PREPARATION

GCL New Energy Holdings Limited (the "Company") is a limited liability company incorporated in Bermuda and listed on the Main Board of The Stock Exchange of Hong Kong Limited. The address of its registered office is Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda.

During the period, the Company and its subsidiaries (together the "Group") were principally engaged in the development, construction, operation and management of solar farm, as well as manufacturing and selling of printed circuit boards. In prior periods, the Group were principally engaged in the manufacturing and selling of printed circuit boards.

For the year ended 31 March 2014 and prior periods, the Group's financial statements had been presented in units of Hong Kong dollars. As the group has expanded, management is of the opinion that it is more appropriate to present the financial information in thousands units of Hong Kong dollars. This Interim Financial Information is presented in thousand units of Hong Kong dollars, unless otherwise stated.

On 18 July 2014, the Group changed its financial year end date from 31 March to 31 December.

This Interim Financial Information has been approved for issue by the Board of Directors on 27 November 2014.

This Interim Financial Information has been reviewed, not audited.

Key events:

During the current period, the Group prepared its first Interim Financial Information in accordance with International Financial Reporting Standard ("IFRS"). Further details are given in Note 1.1. Pursuant to the adoption of IFRS, cost model is also adopted for buildings retrospectively. Further details are given in Note 2(c).

On 9 May 2014, the Company completed the conversion of convertible redeemable bonds into 33,542,857 ordinary shares, issue of 360,000,000 ordinary shares through share subscription and placing of 50,000,000 ordinary shares. Further details are given in Notes 12 and 13, respectively.

During the six months ended 30 September 2014, the Group completed the acquisition of several companies at a total consideration of approximately HK$135,141,000 (equivalent to RMB107,100,000). Further details are given in Note 15.

1.1 Adoption of IFRS

For the year ended 31 March 2014 and prior years/periods, the Group previously prepared its consolidated financial statements in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants. On 9 May 2014, GCL-Poly Energy Holdings Limited ("GCL-Poly") completed the subscription of 360,000,000 new shares issued by the Company as set out in Note 13 below, and became the controlling shareholder of the Company. GCL-Poly prepares its consolidated financial statements in accordance with IFRS issued by International Accounting Standards Board. The Board of Directors consider the adoption of IFRS can align the accounting policies and the basis of preparation of the Company with those of GCL-Poly and can provide more relevant information to GCL-Poly without diminishing the values and benefits of the financial information to other shareholders and readers of the financial information. The Board of Directors decided to adopt IFRS for preparing the Company's financial statements commencing from the current financial reporting period onwards.

The Board of Directors reassessed the detailed accounting policies adopted by the Company in accordance with HKFRS and those adopted by GCL-Poly in accordance with IFRS, and considered that there are not material textual differences between those accounting policies except for the one which is further described in Note 2(c) below. The accounting policy for buildings had been reassessed by the directors and changed to follow the cost model under International Accounting Standard 16 with effect from 1 April 2014 retrospectively.

The financial information set out herein represents the Company's first Interim Financial Information for the six months ended 30 September 2014 prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". The detailed accounting policies used in preparing the Interim Financial Information are consistent with those used in preparing the annual consolidated financial statements for the year ended 31 March 2014, which were in accordance with HKFRS, except the one described above. The Company has consistently applied these accounting policies used in preparing the opening statement of financial position as at 1 April 2013 and throughout all periods presented in accordance with IFRS, as if these policies had always been in effect. The Company's IFRS adoption and transition date is 1 April 2013. The Company did not apply any exemption under the provisions of IFRS.

1.2 Going concern

As at 30 September 2014, the Group had entered into agreements to acquire solar energy farm sites and construct the solar farm thereon which will involve capital expenditure totalling approximately HK$5,644 million (equivalent to approximately RMB4,473 million). Subsequent to 30 September 2014 and up to the date of approval of this unaudited condensed consolidated financial information, the Group has entered into further agreements to acquire a few more solar farm sites and construct solar farms thereon which will involve capital expenditure totalling approximately HK$2,707 million (equivalent to approximately RMB2,145 million). Pursuant to the terms of these agreements, such committed capital expenditure totalling approximately HK$8,351 million (equivalent to approximately RMB6,618 million) has to be settled within the next twelve months from the balance sheet date. In addition, the Group is currently looking for further opportunities to increase the scale of its solar farms operations through mergers and acquisitions. According to the Group's cash flow projections, the total budgeted capital expenditure to be settled in the coming twelve months from the balance sheet date relating to solar farms, including the committed and planned projects set out in this paragraph, will be approximately HK$9,739 million (equivalent to approximately RMB7,718 million).

As at 30 September 2014, the Group's total bank borrowings amounted to HK$351 million, out of which approximately HK$257 million will be due in the coming twelve months. The Group's cash and cash equivalents amounted to approximately HK$1,201 million as at 30 September 2014. The financial resources available to the Group as at 30 September 2014 and up to the date of approval of this unaudited condensed consolidated financial information are not sufficient to satisfy the above capital expenditure requirements. The Group is actively pursuing additional financing including, but not limited to, equity and debt financing and bank borrowings.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

The Directors have reviewed the Group's cash flow projections which cover a period of not less than twelve months from the balance sheet date. They are of the opinion that the Group will have sufficient working capital to meet its financial obligations, including those relating to the solar farms, that will be due in the coming twelve months from the balance sheet date upon successful implementation of the following measures which will generate adequate financing and operating cash inflows for the Group:

(i) As at 30 September 2014, the Group had cash and cash equivalents of HK$1,201 million.

(ii) On 8 October 2014, the Company completed a subscription of 291,000,000 ordinary shares of the Company at a price of HK$2.55 per share (the ''Share Subscription''). The net proceeds from the Share Subscription amounted to approximately HK$735 million.

(iii) The Group has been actively negotiating with the banks for the renewal of its borrowings as necessary when the borrowings fall due in the coming twelve months. Based on the past experience, the Group did not encounter any significant difficulties in renewing the borrowings and the Directors are confident that all borrowings can be renewed upon the Company's application when necessary.

(iv) In March 2014, GCL-Poly together with three of its subsidiaries ("GCL-Poly Subsidiaries") jointly signed a framework borrowing agreement with a stated-owned bank in the PRC for a total uncommitted banking facility of HK$6,309 (equivalent to approximately RMB5,000 million) to finance the solar energy projects undertaken by GCL-Poly and its subsidiaries. Up to the date of approval of this unaudited condensed consolidated financial information, approximately HK$2,524 million (equivalent to RMB2,000 million) were drawn down by GCL-Poly and its subsidiaries other than any members of the Group. The remaining undrawn facility of approximately HK$3,785 million (equivalent to RMB3,000 million) is available for the Group to draw down to finance its solar farm projects. Under this framework agreement, guarantees from GCL-Poly and GCL-Poly subsidiaries are required for the loans drawdown. In addition, the drawdown of the facilities and the terms of the borrowings, including such as the borrowing amounts, pledges or guarantees required and repayment terms, are subject to the approval of the bank upon application by the Group, and with the guarantees from GCL-Poly and GCL-Poly Subsidiaries provided. The Group is in the process of discussing with GCL-Poly to obtain GCL-Poly's written support of the provision of guarantees from GCL-Poly and GCL-Poly Subsidiaries that the bank requires.

(v) The 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$1,428 million (equivalent to approximately RMB1,132 million) with repayment periods from one year to five years. The Group also received letters of intent from certain other banks which tentatively indicated that these banks offer banking facilities of approximately HK$7,571 million (equivalent to approximately RMB6,000 million) to the Group.

(vi) The Group is also actively negotiating with other private investor for additional financing in the form of equity or debt or a combination of both.

(vii) The Group targets to have its 15 solar farms achieving on-grid connection in the near future. These solar farms have an aggregate installed capacity of approximately 755MW and are expected to generate operating cash inflows to the Group.

Accordingly, the Directors are satisfied that it is appropriate to prepare the unaudited condensed consolidated financial information on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group can achieve the plans and measures described in (iii) to (vii) above. Whether the Group will be able to continue as a going concern depends upon the Group's ability to generate adequate financing and operating cash flows through renewal of its bank borrowings upon expiry, successfully secure the financing from banks with repayment terms beyond twelve months from the balance sheet date, obtain the necessary guarantees from GCL-Poly and GCL-Poly Subsidiaries that the bank requires and other short-term or long-term financings from private investors; and to complete the construction of the solar farms as scheduled and generate adequate cash inflows. Should the Group be unable to operate as a going concern, adjustments would have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to provide for financial liabilities which might arise; and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the unaudited condensed consolidated financial information.

2 ACCOUNTING POLICIES

Taxes on income in the interim periods are accrued using the tax rates that will be applicable to the expected total annual earnings.

(a) The following amendments and interpretation to standards are mandatory for accounting periods beginning on or after 1 April 2014. The adoption of these amendments and interpretation to standards does not have any significant impact to the results and financial position of the Group.

IAS 32 (Amendment)	Financial instruments: Presentation – offsetting financial assets and financial liabilities
IAS 36 (Amendment)	Recoverable amount disclosures for non-financial assets
IAS 39 (Amendment)	Novation of derivatives and continuation of hedge accounting
IFRS 10, IFRS 12 and IAS 27 (2011) (Amendments)	Investment Entities
IFRIC Interpretation – Int 21	Levies

(b) The following new standards and amendments to standards have been issued but are not effective for the period and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
IFRSs (amendment)	Annual improvements to IFRSs 2010–2012 cycle and 2011–2013 cycle	1 July 2014
IFRSs (amendment)	Annual improvements to IFRSs 2012–2014 cycle	1 January 2016
IFRS 9 (2014)	Financial instruments	1 January 2018
IFRS 10 and IAS 28 (amendment)	Sale or contribution of assets between an investor and its associates or joint venture	1 January 2016
IFRS 11 (amendment)	Accounting for acquisitions of interests in joint operations	1 January 2016
IFRS 14	Regulatory deferral accounts	1 January 2016
IFRS 15	Revenue from contracts with customers	1 January 2017
IAS 16 and IAS 38 (amendment)	Acceptable methods of depreciation and amortisation	1 January 2016
IAS 16 and IAS 41 (amendment)	Agriculture: bearer plants	1 January 2016
IAS 19 (amendment)	Defined benefit plans: employee contributions	1 July 2014
IAS 27 (amendment)	Equity method in separate financial statements	1 January 2016

Management is still assessing the impact on adoption of the above new standards and amendments to standards and is not yet in a position to state whether they would have a significant impact on the Group's results of operations and financial position.

(c) Adoption of cost model for buildings pursuant to the adoption of IFRS

In previous years, the Group's buildings were carried in the consolidated statement of financial position at their revalued amounts less subsequent accumulated depreciation. Following the change of controlling shareholder on 9 May 2014 and the adoption of IFRS as set out in note 1.1, the accounting policy for buildings has been changed to follow the cost model under IAS 16 which is consistent with GCL-Poly with effect from 1 April 2014. The cost model has been adopted retrospectively and the comparative figures for the corresponding prior periods have been reported under IFRS.

The effects of the adoption of cost model pursuant to the adoption of IFRS as described above are as follows:

i. Unaudited condensed consolidated income statement (extracts) and unaudited condensed consolidated statement of comprehensive income for the six months ended 30 September 2013:

	Reported under HKFRS	Effect of difference	As reported under IFRS
	HK$'000	*HK$'000*	*HK$'000*
Depreciation	67,780	(1,148)	66,632
Loss before income tax	2,517	(1,148)	1,369
Income tax expense	7,663	–	7,663
Loss attributable to owners of the Company	10,180	(1,148)	9,032
Currency translation differences	(12,796)	555	(12,241)
Revaluation surplus on building, net of tax	(5,491)	5,491	–
Other comprehensive income	(18,287)	6,046	(12,241)
Total comprehensive income	(8,107)	4,898	(3,209)

ii. Unaudited consolidated statement of changes in equity (extracts) for the six months ended 30 September 2013:

	Reported under HKFRS	Effect of difference	As reported under IFRS
	HK$'000	*HK$'000*	*HK$'000*
Accumulated losses	(29,044)	3,221	(25,823)
Revaluation reserve	57,544	(57,544)	–
Exchange reserve	103,999	312	104,311

iii. Unaudited consolidated statement of financial position (extracts) as at 31 March 2014:

	As reported under HKFRS	Effect of difference	As reported under IFRS
	HK$'000	*HK$'000*	*HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment	926,000	(62,150)	863,850
EQUITY			
Capital and reserves			
Accumulated losses	(211,074)	4,629	(206,445)
Revaluation reserve	52,113	(52,113)	–
Exchange reserve	125,685	(573)	125,112
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities	27,857	(14,093)	13,764

iv. Unaudited consolidated income statement (extracts) and unaudited consolidated statement of comprehensive income for the year ended 31 March 2014:

	Reported under HKFRS	Effect of difference	As reported under IFRS
	HK$'000	*HK$'000*	*HK$'000*
Depreciation	132,724	(2,286)	130,438
Gain on disposal	–	(6,257)	(6,257)
Loss before income tax	154,963	(8,543)	146,420
Income tax expense	26,572	–	26,572
Loss attributable to owners of the Company	181,535	(8,543)	172,992
Currency translation differences	(21,686)	333	(21,353)
Revaluation surplus on building, net of tax	(1,386)	1,386	–
Other comprehensive income	(23,072)	1,719	(21,353)
Total comprehensive income	158,463	(6,824)	151,639

3 REVENUE AND SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that make strategic decisions.

In previous years, the Group was principally engaged in the manufacturing and selling of printed circuit boards ("PCB business"). There was only one reportable segment for the Group for the six months ended 30 September 2013. During the current period, the Group is expanding into the development, construction, operation and management of solar farm and is qualified as another reportable segment ("Solar Energy Business").

The following table presents revenue and profit information regarding the Group's operating segments for the six months ended 30 September 2014:

	Solar Energy Business *HK$'000*	PCB Business *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Revenue from external customers	**–**	**800,381**	**–**	**800,381**
Segment results	**(7,519)**	**39,671**	**(21,653)**	**10,499**
Realised gain on embedded derivatives upon conversion of convertible redeemable bond	**–**	**–**	**57,324**	**57,324**
Finance income	**131**	**130**	**843**	**1,104**
Finance costs	**(4)**	**(12,268)**	**(321)**	**(12,593)**
Profit/(loss) before income tax	**(7,392)**	**27,533**	**36,193**	**56,334**
Income tax expense	**–**	**(16,424)**	**–**	**(16,424)**
Profit/(loss) for the period	**(7,392)**	**11,109**	**36,193**	**39,910**
Bad debt written off	**–**	**2,380**	**–**	**2,380**
Depreciation and amortisation	**48**	**67,746**	**–**	**67,794**
Additions to property, plant and equipment	**25,189**	**71,402**	**–**	**96,591**

The Group's operations are principally located in Hong Kong and the PRC. The revenue from external customers in Hong Kong and the PRC for the six months ended 30 September 2014 is HK$524,426,000 (2013: HK$569,031,000), and the revenue from external customers in other countries is HK$275,955,000 (2013: HK$270,186,000).

For the six months ended 30 September 2014, revenues of HK$137,206,000 (2013: HK$113,868,000) were derived from a single external customer. These revenues were attributable to the PCB business.

The following table presents the assets and liabilities of the Group by reportable segments as at 30 September 2014:

	Solar Energy Business HK$'000	PCB Business HK$'000	Unallocated HK$'000	Total HK$'000
At at 30 September 2014				
Segment assets				
Total segment assets	**1,645,870**	**1,520,978**	**319**	**3,167,167**
Segment liabilities				
Total segment liabilities	**51,502**	**894,695**	**4,245**	**950,442**

4 OTHER INCOME

	Six months ended 30 September **2014** *HK$'000*	2013 *HK$'000*
Amortisation of deferred income on government grants	**233**	231
Government subsidies *(Note)*	**12,451**	7,669
Sales of manufacturing by-products	**23,623**	35,277
Management service income	**10,185**	–
Sundries	**1,718**	783
	48,210	43,960

Note: Government subsidies represent cash received from the local municipal government in the PRC during the six months ended 30 September 2014 and 2013 as incentives to encourage export sales in the PRC, the conditions attached thereto had been fully complied with.

5 OPERATING PROFIT

	Six months ended 30 September	
	2014	2013
	HK$'000	*HK$'000*
Operating profit is stated after charging/(crediting) the following:		
Amortisation of land use rights	**244**	243
Bad debts written off *(Note)*	**2,380**	2,393
Reversal of other receivables previously written off *(Note)*	**(252)**	(3,140)
Cost of inventories sold	**440,790**	449,202
Depreciation:		
– Owned property, plant and equipment	**62,837**	58,220
– Leased property, plant and equipment	**4,713**	8,412
Net exchange (gain)/loss	**(2,629)**	14,272
Operating lease rental in respect of properties	**5,083**	3,203
Staff costs (including directors' and chief executive's emoluments)	**157,104**	133,895

Note: These expenses/(gains) have been included in "other expenses, gains and losses" in the condensed consolidated interim income statement.

6 INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made for the period as the Group had no assessable profits during the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

	Six months ended 30 September	
	2014	2013
	HK$'000	*HK$'000*
Current income tax – overseas taxation	**14,067**	9,841
Deferred income tax	**2,357**	(2,178)
	16,424	7,663

7 DIVIDEND

The Directors do not recommend the payment of an interim dividend in respect of the six months ended 30 September 2014 (2013: Nil).

8 EARNINGS/(LOSS) PER SHARE

Basic

The calculation of basic earnings/(loss) per share is based on the profit/(loss) attributable to owners of the Company and on the weighted average number of ordinary shares in issue during the period.

The weighted average number of ordinary shares in issue during the period is adjusted for the issue of shares through share subscriptions on 9 May 2014 (see Note 13(a)) and 16 October 2014 (see Note 16(a)), the issue of shares through placements on 9 May 2014 (see Note 13(b)) and 13 October 2014 (see Note 16(a)), the issue of shares upon conversion of convertible redeemable bond on 9 May 2014 (see (Note 13(c)), the shares subdivision on 30 June 2014 (see Note 13(d)) and 21 October 2014 (see Note 16(c)).

	Six months ended 30 September	
	2014	2013 (restated)
Profit/(loss) for the period attributable to owners of the Company (HK$'000)	**39,910**	(9,032)
Weighted average number of ordinary shares in issue for the purpose of calculating basic earnings/(loss) per share (thousands of shares)	**11,974,122**	8,186,068
Basic earnings/(loss) per share attributable to owners of the Company (HK$)	**0.33 cents**	(0.11 cents)

Diluted

For the six months ended 30 September 2014, the diluted earnings per share is based on the weighted average number of 11,980,027,000 shares during the period after adjusting the dilutive effect of convertible redeemable bond up to its conversion on 9 May 2014.

For the six months ended 30 September 2013, the diluted loss per share was the same as the basic loss per share, as the convertible redeemable bond had an anti-dilutive effect on the loss per share.

	Six months ended 30 September	
	2014	2013
Weight average number of ordinary shares in issue during the period (thousands of shares)	**11,974,122**	8,186,068
Adjustment for convertible redeemable bond (thousands of shares)	**5,905**	–
Weighted average number of ordinary shares for diluted earnings/(loss) per share (thousands of shares)	**11,980,027**	8,186,068
Diluted earnings/(loss) per share attributable to owners of the Company (HK$)	**0.33 cents**	(0.11 cents)

9 DEPOSITS, PREPAYMENTS AND TRADE AND OTHER RECEIVABLES

Non-current - deposits, prepayments and other non-current assets

	30 September 2014	31 March 2014
	HK$'000	*HK$'000*
Deposits for consultancy service and engineering, procurement and construction ("EPC") contracts *(Note a)*	**299,635**	–
Deposits for acquisitions of solar farm projects *(Note b)*	**90,284**	–
Prepaid rents	**15,257**	–
Deposits for finance leases	**11,984**	4,643
Others	**6,761**	4,830
	423,921	9,473

Note:

(a) Such amounts were paid to consultants and EPC contractors for monitoring, managing and constructing the solar farms which will be transferred to solar farms under construction subsequent to the period end.

(b) Included in deposits for acquisitions of solar farms were deposits paid to five independent third parties for five acquisitions of solar farms projects.

Current - trade and other receivables

	30 September 2014	31 March 2014
	HK$'000	*HK$'000*
Trade receivables	**352,933**	310,077
Value-added tax recoverable	**28,601**	22,899
Prepayments and other receivables	**50,302**	34,757
	431,836	367,733

Included in trade and other receivables are trade receivables of HK$352,933,000 (31 March 2014: HK$310,077,000). The ageing analysis of trade receivables, net of provision, is as follows:

	30 September 2014	31 March 2014
	HK$'000	*HK$'000*
0 – 60 days	**251,989**	227,193
61 – 120 days	**97,548**	77,313
121 – 180 days	**1,432**	4,226
181 – 240 days	**36**	1,016
Over 240 days	**1,928**	329
	352,933	310,077

Sales are made to customers with credit terms of 30 to 120 days.

The carrying amounts of trade and other receivables approximate their fair values.

10 TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of HK$327,690,000 (31 March 2014: HK$333,152,000). The ageing analysis of trade payables is as follows:

	30 September 2014	31 March 2014
	HK$'000	*HK$'000*
0 – 60 days	**133,712**	136,387
61 – 120 days	**130,250**	125,411
121 – 180 days	**53,990**	56,641
181 – 240 days	**5,784**	9,783
Over 240 days	**3,954**	4,930
	327,690	333,152

The carrying amounts of trade and other payables approximate their fair values.

11 BORROWINGS

The maturities of the borrowings of the Group as at 30 September 2014 and 31 March 2014 are as follows:

	30 September 2014 *HK$'000*	31 March 2014 *HK$'000*
In the third to fifth year		
Obligations under finance leases	**13,776**	4,396
In the second year		
Bank loans	**50,473**	50,738
Obligations under finance leases	**30,019**	15,339
	80,492	66,077
Within one year		
Bank loans due for repayment within one year	**218,319**	245,273
Obligations under finance leases	**38,608**	19,433
Shareholder's loan	**20,000**	20,000
	276,927	284,706
Total	**371,195**	355,179
Represented by:		
Non-current	**94,268**	70,473
Current	**276,927**	284,706
Total	**371,195**	355,179

Movements in borrowings are analysed as follows:

	Six months ended 30 September	
	2014	2013
	HK$'000	*HK$'000*
At the beginning of the period	**355,179**	402,663
Exchange differences	**(1,819)**	6,618
Proceeds of new borrowings	**175,421**	92,690
Proceeds from shareholder's loan	**–**	20,000
Repayments of borrowings	**(157,586)**	(167,682)
At the end of the period	**371,195**	354,289

The shareholder's loan is unsecured, interest-free and fully repayable in July 2015.

12 CONVERTIBLE REDEEMABLE BOND

	30 September	31 March
	2014	2014
	HK$'000	*HK$'000*
Liability components	**–**	58,320
Fair value of the embedded derivatives	**–**	330,400
	–	388,720

On 16 June 2011, the Company issued a three-year 1.0% convertible redeemable bond at a total nominal value of HK$90,000,000 due on 16 June 2014.

The bond matured three years from the date of issuance at their nominal value of HK$90,000,000 or could be converted into ordinary shares of the Company at an original conversion price of HK$1.80 per share, subject to adjustments, after six months from the date of issuance. The conversion price was adjusted to HK$1.75 per share in accordance with the terms on conversion price adjustment after the Company issued 13,650,000 new shares on 25 June 2012.

The conversion price was subject to adjustments for, amongst others, consolidation, subdivision or reclassification of shares, capitalisation of profits or reserve, capital distribution, rights issues of shares or options over shares, issues at a certain discount to current market price, change of control and other usual adjustment events. The conversion price might not be reduced so that the conversion shares might fall to be issued at a discount to their par value. The conversion feature failed the fixed-for-fixed requirement for equity classification as one of the conversion ratio adjustments did not preserve the relative interest between the bondholder and ordinary shareholders. The conversion and redemption option was therefore regarded as derivatives with changes in fair value through profit or loss in accordance with IAS 39, "Financial instruments: recognition and measurement".

The major terms and conditions of the convertible redeemable bond were the same as those described in the annual financial statements for the year ended 31 March 2014. According to the relevant accounting standards and the terms of the convertible redeemable bond, the liability components and the embedded derivatives of the convertible redeemable bond should be separately accounted for. The embedded derivatives concerned referred to conversion right and redemption rights of the convertible redeemable bond exercisable by the bond holders and the Company respectively.

On 17 January 2012, the Company redeemed HK$24,300,000 of the principal amount of the convertible redeemable bond at 105% of the relevant principal amount.

On 13 September 2012, convertible redeemable bond with a principal amount of HK$7,000,000 was converted into 4,000,000 ordinary shares of the Company at the price of HK$1.75 per share. As a result, the Group recognised a loss on embedded derivatives amounting to HK$19,346,000 upon such conversion. As at 30 September 2013, the nominal value of the outstanding convertible redeemable bond was HK$58,700,000.

On 9 May 2014, the outstanding convertible redeemable bonds were converted into 33,542,857 ordinary shares of the Company at the price of HK$1.75 per share (the "Conversion"). The Group recognised a realised gain on embedded derivatives amounting to HK$57,324,000 upon such Conversion.

13 SHARE CAPITAL

	Number of Shares (thousands)	Amount *HK$'000*
Authorised:		
At 1 April 2013 and 31 March 2014 (Ordinary shares of HK$0.10 each)	700,000	70,000
Shares subdivision *(Note d)*	3,500,000	–
Increase in share capital *(Note e)*	4,800,000	80,000
At 30 September 2014 (Ordinary shares of HK$0.0166̇ each)	9,000,000	150,000
Issued and fully paid:		
Ordinary shares of HK$0.10 each		
At 1 April 2013 and 31 March 2014 (Ordinary shares of HK$0.10 each)	85,948	8,595
Issue of shares through share subscription *(Note a)*	360,000	36,000
Issue of shares through placement *(Note b)*	50,000	5,000
Issue of shares upon conversion of convertible redeemable bond *(Note c)*	33,543	3,354
Shares subdivision *(Note d)*	2,647,457	–
At 30 September 2014 (Ordinary shares of HK$0.0166̇ each)	3,176,948	52,949

Notes:

(a) On 13 February 2014, the Company entered into a conditional subscription agreement with GCL-Poly whereby GCL-Poly agreed to subscribe for 360,000,000 new shares of the Company at a subscription price of HK$4 per share for an aggregate cash consideration of HK$1,440,000,000 (the "Subscription"). The Subscription was completed on 9 May 2014 and net proceeds of HK$1,431,157,000 were received.

(b) On 28 February 2014, the Company entered into an amended and restated placing agreement with a placing agent whereby the Company agreed to place, through the placing agent, 50,000,000 new shares of the Company to no less than six placees at a price of HK$4 per share (the "Placement") with net proceeds of approximately HK$195,000,000. The Placement was completed on 9 May 2014.

(c) On 9 May 2014, the convertible redeemable bond issued by the Company with details set out in Note 12 was fully converted into 33,542,857 shares at the price of HK$1.75 per share.

(d) With effect from 30 June 2014, each of the existing issued and unissued shares of HK$0.10 each in the share capital of the Company was subdivided into six subdivided shares of HK$0.01666̇ each (each a "Subdivided Share"), after passing of an ordinary resolution at the special general meeting of the Company held on 27 June 2014 and the Stock Exchange granting the listing of, and permission to deal in, the Subdivided Shares (the "Share Subdivision"). Upon the Share Subdivision became effective, the authorised capital of the Company was HK$70,000,000, divided into 4,200,000,000 Subdivided Shares of HK$0.01666̇ each, of which 3,176,948,262 Subdivided Shares were in issue and fully paid or credited as fully paid.

(e) On 18 August 2014, the shareholders of the Company approved to increase the authorised share capital of the Company to be increased from HK$70,000,000, divided into 4,200,000,000 shares of HK$0.01666̇ each to HK$150,000,000, divided into 9,000,000,000 shares of HK$0.01666̇ each.

14 CAPITAL COMMITMENTS

	30 September 2014	31 March 2014
	HK$'000	*HK$'000*
Authorised but not contracted for:		
Construction commitments in relation to solar farm	**1,638,184**	–
Contracted but not provided for:		
Construction commitments in relation to solar farm	**3,912,211**	–
Purchase of machinery and leasehold improvements	**20,062**	16,240
Acquisition of subsidiaries	**94,043**	–
	4,026,316	16,240
Total capital commitments	**5,664,500**	16,240

15 ACQUISITION OF SUBSIDIARIES

For the six months ended 30 September 2014, the Group acquired controlling equity interests in several companies at a total consideration of approximately HK$135,141,000 (equivalent to RMB107,100,000). These companies did not operate any business prior to the respective dates of acquisitions. Therefore, the Group considers the nature of these acquisitions as acquisitions of assets in substance and the considerations should be attributable to the individual assets acquired and liabilities assumed based on the relative fair values of the individual items.

The following disclosed the significant subsidiaries acquired during the six months ended 30 September 2014:

(a) Acquisition of 金湖正輝太陽能電力有限公司 ("Jinhu Zhenghui")

On 26 August 2014, the Group entered into a subscription agreement with 江蘇正輝太陽能電力有限公司 ("Jiangsu Zhenghui") pursuant to which (i) the Group and Jiangsu Zhenghui agreed to increase the share capital of Jinhu Zhenghui from approximately HK$10,094,000 (equivalent to RMB8,000,000) to approximately HK$202,645,000 (equivalent to RMB160,600,000) and (ii) the Group agreed to subscribe new shares equivalent to 95.02% of the equity interest in Jinhu Zhenghui. The total capital commitment to be made by the Group is approximately HK$192,551,000 (equivalent to approximately RMB152,600,000). As at 30 September 2014, the Group injected approximately HK$90,852,000 (equivalent to RMB72,000,000) of capital with outstanding investment commitment of approximately HK$101,699,000 (equivalent to RMB80,600,000). The acquisition was completed on 4 September 2014. Jinhu Zhenghui is a 100MW solar farm project under development.

Pursuant to the above subscription agreement, the Group has an obligation to purchase the remaining 4.98% equity interest in Jinhu Zhenghui at approximately HK$10,094,000 (equivalent to RMB8,000,000) within one year and two months after the completion of the development project and grid connection testing. Accordingly, other payable of approximately HK$10,094,000 (equivalent to RMB8,000,000) had been recognised as at 30 September 2014 for this regard.

The following table summarises the consideration, the relative fair values of identifiable assets acquired and liabilities assumed at the date of acquisition:

	HK$'000
Relative fair values of assets acquired and liabilities assumed:	
Construction in progress	252
Non-current prepayments	909
Prepayments and other receivables	8,884
Cash and cash equivalents	90,901
Total identifiable net assets acquired	100,946
Consideration payable to former owner of Jinhu Zhenghui	(10,094)
	90,852
Cash consideration paid	90,852
Cash and cash equivalents acquired	(90,901)
Net cash inflow	(49)

(b) Acquisition of 正藍旗國電光伏發電有限公司 ("Zheng Lan Qi")

On 22 September 2014, the Group acquired 93.75% equity interest in Zheng Lan Qi at a consideration of approximately HK$18,927,000 (equivalent to RMB15,000,000). Zheng Lan Qi is a 50MW solar farm project under development.

Pursuant to the acquisition agreement, the Group has an obligation to purchase the remaining 6.25% equity interest in Zheng Lan Qi at approximately HK$1,261,000 (equivalent to RMB1,000,000) after grid connection and generation of electricity. Accordingly, other payable of HK$1,261,000 had been recognised as at 30 September 2014 in this regard.

The relative fair values of assets acquired and liabilities assumed at the acquisition date are analysed as follows:

	HK$'000
Relative fair values of assets acquired:	
Cash and cash equivalents	18,927
Receivable from a shareholder	1,261
Total identifiable net assets acquired	20,188
Consideration payable to former owner of Zheng Lan Qi	(1,261)
	18,927
Cash consideration paid	18,927
Cash and cash equivalents acquired	(18,927)
Net cash outflow	–

(c) Acquisition of 浙江舒奇蒙能源科技股份有限公司 ("Zhejiang Shuqimeng")

On 29 September 2014, the Group acquired 91.00% equity interest in Zhejiang Shuqimeng at a consideration of approximately HK$11,483,000 (equivalent to RMB9,100,000). Zhejiang Shuqimeng is a 17.5MW solar farm project under development. As at 30 September 2014, the Group paid consideration of approximately HK$10,094,000 (equivalent to RMB8,000,000) with outstanding payable of approximately HK$1,389,000 (equivalent to RMB1,100,000).

Pursuant to the acquisition agreement, the Group has an obligation to acquire the remaining 9.00% equity interest in Zhejiang Shuqimeng at approximately HK$1,135,000 (equivalent to RMB900,000) 3 years after the agreement date of 8 August 2014. Accordingly, other payable of HK$1,135,000 had been recognised as at 30 September 2014 in this regard.

The relative fair values of assets acquired and liabilities assumed at the acquisition date are analysed as follows:

	HK$'000
Relative fair values of assets acquired:	
Property, plant and equipment	4
Construction in progress	4,515
Non-current prepayments	2,000
Prepayments and other receivables	5,930
Cash and cash equivalents	169
Total identifiable net assets acquired	12,618
Consideration payable to former owner of Shuqimeng	(1,135)
	11,483
Cash consideration paid	10,094
Cash and cash equivalents acquired	(169)
Net cash outflow	9,925

(d) Acquisition of 哈密耀輝光伏電力有限公司 ("Hami Yaohui")

On 25 September 2014, the Group acquired 100% equity interest in Hami Yaohui at a consideration of approximately HK$12,618,000 (equivalent to RMB10,000,000). Hami Yaohui is a 60MW solar farm project under development.

The relative fair values of assets acquired and liabilities assumed at the acquisition date are analysed as follows:

	HK$'000
Relative fair value of assets acquired and liabilities assumed:	
Non-current prepayments	230
Cash and cash equivalents	12,630
Other payables	(242)
Total identifiable net assets acquired	12,618
Cash consideration paid	12,618
Cash and cash equivalents acquired	(12,630)
Net cash inflow	(12)

(e) Acquisition of 榆林市榆神工業區東投能源有限公司 ("YuShen")

On 25 September 2014, the Group acquired 100% equity interest in Yulin Shi Yu Shen at a consideration of approximately HK$1,261,000 (equivalent to RMB1,000,000). Yulin Shi Yu Shen is a 100MW solar farm project under development.

The relative fair values of assets acquired and liabilities assumed at the acquisition date are analysed as follows:

	HK$'000
Relative fair value of assets acquired and liabilities assumed:	
Construction in progress	1,224
Non-current prepayments	7,659
Prepayments and other receivables	1,211
Other payables	(8,833)
Total identifiable net assets acquired	1,261
Cash consideration paid and net cash outflow	1,261

16 EVENTS AFTER THE REPORTING PERIOD

(a) Top-Up Placing of existing shares and Top-Up Subscription for new shares

On 8 October 2014, Elite Time Global Limited (the controlling shareholder of the Company and a direct wholly-owned subsidiary of GCL-Poly), the Company and a placing agent entered into the Top-Up Placing Agreement pursuant to which the placing agent agreed to, as agent of Elite Time Global Limited and on a best effort basis, procure purchasers to acquire, and Elite Time Global Limited agreed to sell up to 291,000,000 shares of the Company at a price of HK$2.55 per share.

On the same date, Elite Time Global Limited and the Company also entered into the Top-Up Subscription Agreement pursuant to which Elite Time Global Limited conditionally agreed to subscribe for 291,000,000 new shares of the Company at a price of HK$2.55 per share.

The above transactions were completed on 13 October 2014 and 16 October 2014 respectively and the Company raised net proceeds of approximately HK$735 million.

(b) New share option scheme

The Company adopted a new share option scheme on 15 October 2014 ("New Share Option Scheme"). On 23 October 2014, the Company granted 134,210,000 share options at exercise price of HK$4.75 per share option, subject to acceptance by the grantees, to subscribe for an aggregate of 134,210,000 shares of $\text{HK\$}0.0166\dot{6}$ each under the New Share Option Scheme, and of which 35,000,000 share options were granted to the Directors of the Company. As a result of the share subdivision disclosed in Note 16(c) below, the exercise price per share option granted and the number of subdivided shares of one-two-hundred-fortieth (1/240) of a Hong Kong dollar (equivalent to $\text{HK\$}0.0041\dot{6}$) each falling to be issued upon exercise of the options granted had been adjusted to HK$1.1875 per share option and the number of outstanding share options had been adjusted to 536,840,000.

(c) Share subdivision

With effect from 19 November 2014, each of the existing issued and unissued shares of $\text{HK\$}0.0166\dot{6}$ each in the share capital of the Company was subdivided into four Subdivided Shares of one-two-hundred-fortieth (1/240) of a Hong Kong dollar (equivalent to $\text{HK\$}0.0041\dot{6}$) each ("Subdivided Share"), after passing of an ordinary resolution at the special general meeting of the Company held on 18 November 2014 and the Stock Exchange granting the listing of, and permission to deal in, the subdivided shares (the "Share Subdivision"). Upon the Share Subdivision became effective, the authorised capital of the Company was HK$150,000,000 divided into 36,000,000,000 Subdivided Shares of one-two-hundred-fortieth (1/240) of a Hong Kong dollar (equivalent to $\text{HK\$}0.0041\dot{6}$) each, of which 13,871,793,048 Subdivided Shares were in issue and fully paid or credited as fully paid.

(d) Cooperation agreement Hebei Yuanchen

The Company entered into a legally binding cooperation agreement (the "Cooperation Agreement") with 河北元辰實業集團有限公司 ("Hebei Yuanchen") on 6 October 2014, pursuant to which the Company and Hebei Yuanchen will form a cooperation relationship in relation to the development and construction of a 500MW photovoltaic power project located in Zhangjiakou, Hebei province in the PRC. The Company and Hebei Yuanchen agreed to ramp up the capacity of the photovoltaic project to 500MW over a period of 3 to 5 years from the time when Hebei Yuanchen has obtained the requisite land title underlying the photovoltaic project.

The Cooperation Agreement is effective from 6 October 2014 until 31 December 2018 unless it is otherwise terminated by mutual agreement of all of the parties or upon termination of the Cooperation Agreement as a result of any breach of one of the parties' obligations under the Cooperation Agreement.

(e) Acquisition of solar farm project in Inner Mongolia

On 6 October 2014, 蘇州協鑫新能源投資有限公司 ("Suzhou GCL New Energy Investment"), an indirect wholly owned subsidiary of the Company which is incorporated in the PRC, entered into an investment agreement with the seller, 內蒙古香島生態農業開發有限公司 ("Inner Mongolia Xiangdao Agricultural Development Company Limited"*, the "Seller"). Pursuant to and subject to the terms and conditions of the investment agreement, the seller agrees to sell to Suzhou GCL New Energy Investment 90.1% of the issued share capital of 內蒙古香島新能源開發有限公司 ("Inner Mongolia Xiangdao New Energy Development Company Limited"*, "Inner Mongolia Xiangdao") at a consideration of approximately HK$56,845,000 (equivalent to RMB45,050,000). Following the transfer of the equity interest, both Suzhou GCL New Energy Investment and the Seller committed to inject further capital to Inner Mongolia Xiangdao by increasing its total registered capital from approximately HK$63,091,000 (equivalent to RMB50,000,000) to approximately HK$345,237,000 (equivalent to RMB273,600,000) at the same time maintaining their respective ownership of 90.1% (attributable to the Group) and 9.9% (attributable to the Seller) of the total equity interests in Inner Mongolia Xiangdao. The Group's commitment under such capital injection is approximately HK$254,208,000 (equivalent to RMB201,460,000). Inner Mongolia Xiangdao has two solar farm projects under development in the city of Hohhot in the Inner Mongolia Autonomous Region: (i) a 31 MW photovoltaic power generation project and (ii) a 130 MW building-integrated photovoltaic project.

(f) Acquisition of four solar farm projects under development

On 12 November 2014, the Company, through Suzhou GCL New Energy Investment, entered into an equity transfer agreement with 蘇州保利協鑫光伏電力投資有限公司 (Suzhou GCL-Poly Solar Energy Investment Ltd.*), a subsidiary of GCL-Poly, pursuant to which Suzhou GCL New Energy Investment will purchase 100% equity interest in 朔州市協鑫光伏電力有限公司 (Shuozhou GCL Solar Energy Limited*, or "Shuozhou GCL"), 酒泉協鑫新能源有限公司 (Jiuquan GCL New Energy Limited*, or "Jiuquan GCL"), 黎城協鑫光伏電力有限公司 (Licheng GCL Solar Energy Limited*, or "Licheng GCL") and 50% equity interest in 伊犁協鑫能源有限公司 (Yili GCL New Energy Limited*, or "Yili GCL") from Suzhou GCL-Poly Solar Energy Investment Ltd., subject to and in accordance with the terms and conditions of the equity transfer agreement. The consideration to be paid by Suzhou GCL New Energy Investment is approximately HK$13,634,000 (equivalent to RMB10,805,000). Shuozhou GCL, Jiuquan GCL, Licheng GCL and Yili GCL hold solar farms of planned capacity of 50MW, 50MW, 30MW and 30MW, respectively.

* *English for identification only*

CHAIRMAN'S STATEMENT

On behalf of the board of directors, I am pleased to announce the following interim period operating results of GCL New Energy Holdings Limited and its subsidiaries (the "Group" or "GCL New Energy"). For the six months ended 30 September 2014, GCL New Energy recorded revenue of HK$800.4 million and gross profit of approximately HK$57.3 million; while profit attributable to owners of the Company amounted to approximately HK$39.9 million and basic earnings per share amounted to approximately HK$0.33 cents.

Photovoltaic Industry Enjoying Healthy Growth with Promising Prospects

According to predictions by authoritative institutions, new installed capacity of global photovoltaic market in 2014 is expected to exceed 46GW, representing an increase of 19% over the previous year. In 2014, global photovoltaic market continues to maintain a relatively rapid growth while Asian countries markets, represented by the PRC, Japan, India and Southeast Asian countries, will become the biggest highlight amongst global photovoltaic installed capacity growths. In addition, photovoltaic application markets in the United States of America, South Africa, and the United Kingdom in Europe etc. will also enjoy significant growth. In particular, the PRC market is expected to reach its historical high of installed capacity amounted to 14 GW.

Clear Policy Direction and Massive Installation Expected to Commence in the Second Half

Apart from the 6GW national photovoltaic ground-mounted power plants construction target as stipulated in the document titled "National Energy Administration Notice on Annual Target for Scale of Construction of Photovoltaic Power Generation in 2014" (《國家能源局關於下達2014年光伏發電年度新增建設規模的通知》) (Guo Neng Xin Neng 2014 No. 33) promulgated by the National Energy Administration (國家能源局), many areas in the country such as the four administrative districts of southern Xinjiang (新疆南疆四地區) received additional approvals from the National Development and Reform Commission (國家發改委) for specifically approved photovoltaic projects, this will enhance the overall scale of construction of ground-mounted power plants this year. During the first half of 2014, the construction progress of distributed projects in all provinces and autonomous regions slowed down, far from reaching expectations set out in national planning. For most provinces, additional distributed power generation projects filed for approval were accounted for less than 5% of the planned capacity in the first quarter and no new projects filed for approval were noted for some provinces. However, with the scale-up of distributed generation policy in the third quarter and promulgation of supporting measures in favor of distributed generation market, it is expected that installed capacity will gradually grow in the third quarter and will experience explosive growth in the fourth quarter.

Leveraging On the Advantages of Being the Biggest Independent Power Producing Company, the Company Is Growing Rapidly and Became One of the World's Leading Photovoltaic Power Plant Enterprise

On 9 May 2014, the Company announced the completion of the Placement, the Subscription and the change of the company name and all these signified the official birth of GCL New Energy. GCL New Energy is a professional new energy enterprise focusing on development, construction and operation of solar power, energy storage, energy conservation, smart micro-grid and distributed energy. The Company has a world-class research and development team and operations management team and possesses extensive experience in development, construction, operation, maintenance, investment and financing and innovation with respect to solar power systems integration and photovoltaic power plant projects.

GCL New Energy conducts its project development works mainly in the forms of in-house development, joint development, merger and acquisition and cooperation. As at 30 September 2014, the Company has completed the approval/filing works for the Zhongwei project in Ningxia Region, the Jinhu Zhenghui project in Jiangsu Province and the Hengshan Jinghe project in Shaanxi Province and entered into various formal cooperation agreements for a number of projects. The Company has commenced the constructions for projects with capacities approximately 478MW. The Company also implemented regional distribution strategies in regions like Inner Mongolia, Xinjiang, Ningxia, Shaanxi, Shanxi and Jiangsu to cater with the prevailing market developments in national photovoltaic industry.

For funds management, the Company has strengthened its communications with banks and various financial institutions, expanded its financing avenues, adopted various financial measures and achieved rational and effective use of funds.

The Company will focus on the development of in-house development capacity and accumulation of self-developed projects. The Company will also focus on the development of carefully selected regions in response to the prevailing conditions of photovoltaic market. The Company will adopt strict fund management and investment management initiatives, perfect its project manager responsibility system and improve its information management platform. In the future, with our philosophy of "promoting the development of green energy through constant technological innovation", GCL New Energy strives to create the greatest value for our shareholders, providing safe, clean, economical, green new energy for our society and contributing to greener field, clearer water and better living environment.

MANAGEMENT DISCUSSION AND ANALYSIS

Half Year Results of the Group

For the six months ended 30 September 2014, the revenue of the Group amounting to HK$800.4 million (2013: HK$839.2 million) representing a decrease of 4.6% compared with last corresponding period. Profit attributable to owners of the Company amounted to HK$39.9 million (2013: loss attributable to owners of the Company amounted to HK$9.0 million), including a realized gain on embedded derivative upon conversion of convertible redeemable bond amounting to HK$57.3 million for the six months ended 30 September 2014.

Use of Proceeds

The Company raised approximately HK$1,635 million in net proceeds by subscription or placement of new shares during the six months ended 30 September 2014. As at 30 September 2014, an aggregate amount of HK$509 million was utilised as follows:

1. Approximately HK$195 million for the diversification of the Group's business into renewable energy sector and/or for future development of the Group; and

2. Approximately HK$314 million for the development, acquisition or investment into greenfield or existing solar farms, solar projects, solar energy assets or through other similar opportunities

Business Review

Solar Energy Business

On 9 May 2014, the Subscription, Placement, Conversion and the change of company name were completed. With the funds raised by subscription and placement of new shares, we diversify our scope of business into renewable business, which includes the development, construction, operation and management of solar energy.

Through different acquisitions and developments, including the acquisition of Jinhu Zhenghui 100MW solar farm project under development stage and Hengshan Jinghe 150MW solar farm project under development stage, the Group had approximately 478MW of solar farm projects under construction as at 30 September 2014. In addition, we acquired Inner Mongolia Xiangdao solar farm project under development with an aggregated capacity of 161MW on 6 October 2014. We are confident that our projects can be completed and achieved on-grid connection on schedule.

Printed Circuit Board Business

For the six months ended 30 September 2014, revenue contributed by printed circuit board business amounted to HK$800.4 million, a decrease of 4.6% as compared with HK$839.2 million for the six months ended 30 September 2013. Gross profit margin slightly decreased from 9.5% for the six months ended 30 September 2013 to 7.2% for the six months ended 30 September 2014 as a result of increase in staff and other production costs. In future, the Group will continue to implement stringent cost control measures to different production cycles of our printed circuit board business so as to reduce our production cost and improve the gross margin.

Employees and Remuneration Policies

We consider our employees to be our most important resource. As at 30 September 2014, the Group had approximately 3,790 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 Energy Business and Printed Circuit Board business – during the period. The following table sets forth the Group's profit/loss from operations by business segment:

	Solar Energy Business	**Printed Circuit Board Business**	**Consolidated**
	HK$ million	*HK$ million*	*HK$ million*
Revenue from external customers	–	800.4	800.4
Segment (loss)/profit	(7.4)	11.1	3.7
EBITDA	(7.3)	107.5	100.2

Revenue

Revenue for the six months ended 30 September 2014 amounted to HK$800.4 million, representing a decrease of 4.6% from HK$839.2 million for the six months ended 30 September 2013.

Gross Margin

The Group's gross margin for the six months ended 30 September 2014 was 7.2%, as compared with 9.5% for the six months ended 30 September 2013. During the period under review, all revenue and gross profit were contributed by the printed circuit board business. Decreased in gross margin was mainly due to the increase in labour and other production costs.

Other Income

Other income included sales of manufacturing by-products amounting to HK$23.6 million (2013: HK$35.3 million), government subsidies Jiangxi factory amounting to HK$12.5 million (2013: HK$7.7 million) and management services income amounting to HK$10.2 million (2013: Nil). Government subsidies represent cash received from the local municipal government in the PRC as incentives to encourage export sales, the conditions attached thereto had been fully complied with.

Distribution and Marketing Costs

Distribution and marketing costs decreased to HK$11.0 million (2013: HK$13.3 million) representing a decrease of 17.3% compared with last corresponding period. The decrease was mainly due to decrease in sales commission during the period.

Administrative Expenses

Administrative expenses increased to HK$81.6 million (2013: HK$57.0 million) representing an increase of 43.2% compared with last corresponding period. Increase was due to increase in salary and other operating expenses as a result of increase in headcount and operating scale for the expansion into solar energy business.

Finance Costs

Finance costs amounting to HK$12.6 million (2013: HK$15.1 million) represented a decrease of 16.6% compared with last period, which was mainly due to the reduction in average bank borrowing balance and no interest expense incurred after the conversion of convertible redeemable bond on 9 May 2014.

Gain/(loss) relating to the Convertible Redeemable Bond

According to the relevant accounting standards and the terms of the convertible redeemable bond, the liability components and the embedded derivatives of the convertible redeemable bond should be separately accounted for. The embedded derivatives concerned referred to conversion right and redemption rights of the convertible redeemable bond exercisable by the bond holders and the Company, respectively.

During the period under review, the Group recognised a gain on embedded derivatives amounting to HK$57.3 million upon conversion of convertible redeemable bond into 33,543,857 ordinary shares of the Company at the price of HK$1.75 per share on 9 May 2014.

For six months ended 30 September 2013, the Group recognised a fair value loss on embedded derivatives of the convertible redeemable bond amounting to HK$38.2 million, which is primarily a result of the changes of certain parameters during the period used to determine the fair value of the embedded derivatives including but not limited to the Company's share price and its volatility, interest rates and the likelihood of the exercise of the conversion right and redemption rights of the convertible redeemable bond by the bond holders and the Company, respectively.

Income Tax Expense

Income tax expense for the six months ended 30 September 2014 was HK$16.4 million, as compared with HK$7.7 million for the six months ended 30 September 2013. Increase in income tax expense were attributed to increase in profits generated from the printed circuit board business in the PRC.

Profit Attributable to Owners of the Company

The Group recorded a profit attributable to owners of the company of HK$39.9 million for the six months ended 30 September 2014 as compared with a loss attributable to owners of the Company of HK$9.0 million for the six months ended 30 September 2013.

Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2014 (six months ended 30 September 2013: nil).

Liquidity and Financial Resources

	Six months ended	
	30 September 2014	30 September 2013
	HK$ million	*HK$ million*
Net cash generated from operating activities	**18.3**	119.2
Net cash used in investing activities	**(508.3)**	(51.7)
Net cash generated from/(used in) financing activities	**1,644.0**	(55.0)

At 30 September 2014, the Group's banking facilities were summarised as follows:

	30 September 2014	31 March 2014
	HK$ million	*HK$ million*
Total banking facilities granted	**340.7**	367.9
Facilities utilised	**(268.8)**	(296.0)
Available facilities	**71.9**	71.9

Indebtedness

The indebtedness of the Group mainly comprises bank borrowings, obligations under finance leases and shareholder's loan.

	30 September 2014 *HK$ million*	31 March 2014 *HK$ million*
Non-current		
Bank loans	**50.5**	50.8
Obligations under finance leases	**43.8**	19.7
	94.3	70.5
Current		
Bank loans due for repayment within one year	**218.3**	245.3
Obligations under finance leases	**38.6**	19.4
Shareholder's loan	**20.0**	20.0
	276.9	284.7
Total	**371.2**	355.2

At 30 September 2014, the Group's total borrowings were repayable as follows:

	30 September 2014 *HK$ million*	31 March 2014 *HK$ million*
Within one year	**276.9**	284.7
In the second year	**80.5**	66.1
In the third to fifth year	**13.8**	4.4
Total	**371.2**	355.2

Foreign Currency Risk

Most of our revenue, cost of sales and operating expenses are denominated in RMB, US dollars and Hong Kong dollars. Some of the bank deposits are denominated in RMB and Hong Kong dollars. Most of our assets and liabilities are denominated in RMB and Hong Kong dollars.

For the six months ended 30 September 2014, the Group did not purchase any material foreign currency or interest rate derivatives or related hedging instruments.

Pledge of Assets

At 30 September 2014, Group's property, plant and equipment, land use rights and bank deposits with net book amount of HK$265.5 million, HK$20.0 million and HK$8.1 million, respectively (31 March 2014: HK$326.0 million, HK$20.3 million and HK$5.1 million, respectively) was pledged as security for the bank facilities granted to the Group amounted to HK$277.6 million (31 March 2014: HK$317.1 million).

At 30 September 2014, Group's property, plant and equipment with a net book amount of HK$109.8 million (31 March 2014: HK$81.2 million) was pledged as security for obligations under finance leases of the Group amounting to HK$82.4 million (31 March 2014: HK$39.2 million).

Capital Commitments

As at 30 September 2014, the Group's capital commitments in respect of construction commitments in related to solar farm, purchase of machinery and leasehold improvements and acquisition of subsidiaries contracted for but not provided in the unaudited condensed consolidated interim financial information amounted to approximately HK$3,912.2 million, HK$20.1 million and HK$94.0 million, respectively (31 March 2014: Nil, HK$16.2 million and Nil, respectively).

In addition, the Group has capital commitments in respect of construction commitments in related to solar farm authorised but not contracted for amounted to HK$1,638.2 million (31 March 2014: Nil).

Events After the End of the Interim Period

(a) Cooperation agreement Hebei Yuanchen

The Company entered into a legally binding cooperation agreement with 河北元辰實業集團有限公司 ("Hebei Yuanchen") on 6 October 2014, pursuant to which the Company and Hebei Yuanchen will form a cooperation relationship in relation to the development and construction of a 500MW photovoltaic power project located in Zhangjiakou, Hebei province in the PRC. For details, please refer to Note 16(d) of the unaudited condensed consolidated interim financial information.

(b) Acquisition of solar farm project in Inner Mongolia

On 6 October 2014, 蘇州協鑫新能源投資有限公司 ("Suzhou GCL New Energy Investment"), an indirect wholly owned subsidiary of the Company, entered into an investment agreement with the seller, 內蒙古香島生態農業開發有限公司 (Inner Mongolia Xiangdao Agricultural Development Company Limited*), of which the seller agrees to sell to the Suzhou GCL New Energy Investment 90.1% of the issued share capital of 內蒙古香島新能源開發有限公司 (Inner Mongolia Xiangdao New Energy Development Company Limited*) at a consideration of RMB45.05 million. Inner Mongolia Xiangdao New Energy Development Company Limited has two solar farm projects under development in the city of Hohhot in the Inner Mongolia Autonomous Region: (i) a 31 MW photovoltaic power generation project and (ii) a 130 MW building-integrated photovoltaic project. For details, please refer to Note 16(e) of the unaudited condensed consolidated interim financial information.

(c) Top-Up Placing of existing shares and Top-Up Subscription of new shares

On 8 October 2014, Elite Time Global Limited (the controlling shareholder of the Company and a direct wholly-owned subsidiary of GCL-Poly Energy Holdings Limited), the Company and the Placing Agent entered into the Top-Up Placing Agreement pursuant to which the Placing Agent has agreed to, as agent of Elite Time Global Limited and on a best effort basis, procure purchasers to acquire, and Elite Time Global Limited has agreed to sell up to 291,000,000 existing Shares at the Top-Up Placing Price of HK$2.55 per share.

On the same date, Elite Time Global Limited and the Company also entered into the Top-Up Subscription Agreement pursuant to which Elite Time Global Limited has conditionally agreed to subscribe for 291,000,000 new shares of the Company at a price of HK$2.55 per share.

The above transactions were completed on 13 October 2014 and 16 October 2014, respectively, and the Company raised net proceeds of approximately HK$735 million.

(d) Share subdivision

With effect from 19 November 2014, each of the existing issued and unissued shares of $\text{HK\$}0.0166\dot{6}$ each in the share capital of the Company was subdivided into four subdivided shares of one-two-hundred-fortieth (1/240) of a Hong Kong dollar (equivalent to $\text{HK\$}0.0041\dot{6}$) each (each "Subdivided Share"). Upon the Share Subdivision became effective, the authorised capital of the Company was HK$150,000,000 divided into 36,000,000,000 Subdivided Shares of one-two-hundred fortieth (1/240) of a Hong Kong dollar (equivalent to $\text{HK\$}0.0041\dot{6}$) each, of which 13,871,793,048 Subdivided Shares were in issue and fully paid or credited as fully paid.

(e) New share option scheme

The Company adopted a new share option scheme on 15 October 2014 ("New Share Option Scheme"). On 23 October 2014, the Company granted 134,210,000 share options at exercise price of HK$4.75 per share option, subject to acceptance by the grantees, to subscribe for an aggregate of 134,210,000 shares under the New Share Option Scheme, and of which 35,000,000 share options were granted to the Directors of the Company. As a result of the share subdivision disclosed in (d) above, the exercise price per share option granted and the number of subdivided shares falling to be issued upon exercise of the options granted had been adjusted to HK$1.1875 per share option and 536,840,000 share options, respectively.

(f) *Acquisition of four solar farm projects under development*

On 12 November 2014, the Company, through Suzhou GCL New Energy Investment, entered into the equity transfer agreement with 蘇州保利協鑫光伏電力投資有限公司 (Suzhou GCL-Poly Solar Energy Investment Ltd.*), a subsidiary of GCL-Poly Energy Holdings Limited, pursuant to which Suzhou GCL New Energy will acquire 100% equity interest in three solar farm project companies and 50% equity interest in a solar farm project company from Suzhou GCL-Poly Solar Energy Investment Ltd. The consideration to be paid by Suzhou GCL New Energy is RMB10,805,000. The four project companies hold solar farms with aggregated planned capacity of 160MW. For details, please refer to Note 16(f) of the unaudited condensed consolidated interim financial information.

PURCHASE, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES

The Company has not redeemed any of its shares and neither the Company nor any of its subsidiaries have purchased or sold any of the shares of the Company during the six months ended 30 September 2014.

CORPORATE GOVERNANCE

The Company has adopted the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

During the six months ended 30 September 2014, the Company was in compliance with the code provisions set out in the CG Code except for the deviation from the code provisions A.2.1, A.5.1, A.6.7, D.1.4 and E.1.2, which are explained below.

Code provision A.2.1 requires the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Tang Cheng has been the Chairman and President of the Company with effect from 9 May 2014. Mr. Tang has in-depth knowledge and expertise in the solar power plant projects. The Board has evaluated such arrangement and considers that it will not impair the effectiveness of the Board as well as the management of the operations of the Group at the initial stage.

With the rapid growth of the Group, Mr. Zhang Guoxin has been appointed as Executive Director and President of the Company effective from 25 September 2014. Since then, the division of the responsibilities between Mr. Tang Cheng, Chairman of the Board and Mr. Zhang, the President is clearly established. The Chairman is responsible for the leadership of the Board of the Company while the President is responsible for the operation of the business and performance of the Group.

Code provision A.5.1 of the CG Code requires that issuers should establish a nomination committee. The Company has not set up a Nomination Committee until 9 May 2014. Pursuant to the Company's Bye-laws, any director appointed by the Board either to fill a casual vacancy or as an addition to the Board shall retire and be eligible for reelection at the next following general meeting after appointment. Executive Directors identify potential new directors and recommend to the Board for decision. In considering the nomination of a new director, the Board will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates. In determining the independence of Independent Non-Executive Directors, the Board follows the requirements set out in the Listing Rules.

On 9 May 2014, the Nomination Committee has been set up with written terms of reference.

Code provision A.6.7 of the CG Code requires that independent non-executive directors and other non-executive directors shall attend general meetings and develop a balanced understanding of the views of shareholders. A special general meeting was held on 27 June 2014 (the "SGM") and an annual general meeting was held on 18 August 2014 (the "AGM") during the Period. The four Independent Non-Executive Directors and one Non-Executive Director (other than Yu Baodong, a Non-Executive Director) did not attend the SGM due to their other important engagements. The two Non-Executive Directors and Mr. Han Qing-hua, Independent Non-Executive Director, did not attend the AGM by the reason of their other business engagements on the respective dates.

Code provision D.1.4 of the CG Code requires that issuers should have formal letters of appointment for directors setting out the key terms and conditions of their appointment.

The Company did not have formal letter of appointment for Mr. Yip Sum Yin and Madam YU Hung Min, former Director who resigned on 9 May 2014.

On 9 May 2014, Mr. Yip Sum Yin entered into a letter of employment for a term of three years, subject to retirement by rotation and re-election in accordance with the Company's Bye-laws.

Code provision E.1.2 of the CG Code requires that the chairman of the board should attend the annual general meeting. The Chairman of the Board, Mr. Tang Cheng, was unable to attend the AGM of the Company in 2014 as he had another business engagement. Mr. Gu Xin, the Executive Director, attended and took the chair of the AGM and answered questions from the shareholders of the Company.

Save as the aforesaid, none of the directors of the Company is aware of any information which would reasonably indicate that the Company is not, or was not in compliance with the code provisions of the CG Code at any time during the six months ended 30 September 2014.

MODEL CODE

The Company has adopted the model code for securities transactions by Directors ("Model Code") as set out in Appendix 10 of the Listing Rules as its code of conduct regarding the Directors' securities transactions. The Company had made specific enquiry with all Directors, who have confirmed compliance with the required standard set out in the Model Code during the six months ended 30 September 2014.

AUDIT COMMITTEE

The Audit Committee has reviewed, with the management of the Group, the accounting principles and practices adopted by the Group, its internal controls and financial reporting matters including the review of the interim report for the six months ended 30 September 2014.

AUDITOR

The Company's external auditor, PricewaterhouseCoopers, has conducted a review of the Interim Financial Information of the Group for the six months ended 30 September 2014 in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board.

EXTRACT FROM THE INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

The following is an extract of the independent auditor's report on review of the Group's Interim Financial Information for the six months period ended 30 September 2014 which has included an emphasis of matter, but without qualification:

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Emphasis of matter

We draw attention to Note 1.2 to the unaudited condensed consolidated financial information which states that the Group had entered into agreements during the period and up to the date of this report to acquire several solar farm sites and construct solar farms thereon which will involve total capital expenditure of approximately HK$8,351 million (equivalent to approximately RMB6,618 million). The total budgeted capital expenditure of the Group to be settled in the coming twelve months from the balance sheet date relating to solar farms, including the committed projects set out above, is approximately HK$9,739 million (equivalent to approximately RMB7,718 million). These conditions, along with other matters as described in Note 1.2 of the unaudited condensed consolidated financial information, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Our conclusion is not qualified in respect of this matter.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The results announcement is published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and is available on the Company's website at www.gclnewenergy.com. The interim report for the six months ended 30 September 2014 will be dispatched to the Company's shareholders and available on the said websites in due course.

APPRECIATION

On behalf of the Board, I would like to express our thanks to our shareholders, customers, banks, and suppliers for their continuous support to the Group. I would also extend my appreciation to all our management and staffs for their contribution during the period.

By order of the Board
GCL New Energy Holdings Limited
協鑫新能源控股有限公司
Tang Cheng
Chairman

Hong Kong, 27 November 2014

As at the date of this announcement, the executive Directors are Mr. Zhu Gongshan, Mr. Tang Cheng, Mr. Zhang Guoxin, Mr. Gu Xin, Ms. Hu Xiaoyan and Mr. Yip Sum Yin; the non-executive Directors are Ms. Sun Wei and Mr. Yu Baodong; and the independent non-executive Directors are Mr. Wang Bohua, Mr. Xu Songda, Mr. Han Qing-hua and Mr. Lee Conway Kong Wai.