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 YEAR ENDED 31 DECEMBER 2015 AND CHANGE OF CHIEF EXECUTIVE OFFICER AND APPOINTMENT OF ADDITIONAL EXECUTIVE DIRECTORS AND INDEPENDENT NON-EXECUTIVE DIRECTOR

1. Financial highlights

	Year ended 31 December		
	2015	2014	% of Changes
	RMB'million	*RMB'million*	
		(Restated)	
Continuing operations			
Revenue	**21,766.3**	21,523.4	1.1%
Gross profit	**5,776.0**	4,975.5	16.1%
Profit for the year attributable to owners of the Company	**2,105.9**	1,412.4	49.1%
Basic earnings per share	**RMB13.48 cents**	RMB9.04 cents	49.1%
Diluted earnings per share	**RMB12.52 cents**	RMB8.35 cents	49.9%
Discontinued operations			
Profit for the year attributable to owners of the Company	**319.3**	136.2	134.4%
Continuing and discontinued operations			
Profit for the year attributable to owners of the Company	**2,425.2**	1,548.7	56.6%
Basic earnings per share	**RMB15.52 cents**	RMB9.92 cents	56.5%
Diluted earnings per share	**RMB14.52 cents**	RMB9.19 cents	58.0%

Note: Discontinued operations represent the results of the Group's non-solar power business, which has been disposed of on 8 December 2015.

2. The Board is pleased to announce the following changes which will take effect from 1 April 2016:

(a) Mr. Zhu Zhanjun, the current executive director and Executive President of the Company, was appointed to succeed Mr. Zhu Gongshan as the new Chief Executive Officer of the Company. Mr. Zhu Gongshan, the current Chief Executive Officer, an executive director and Chairman of the Company, will continue to serve as an executive director and Chairman of the Company;

(b) Messrs. Jiang Wenwu and Zheng Xiongjiu were appointed as additional executive directors of the Company; and

(c) Mr. Wong Man Chung, Francis was appointed as the additional independent non-executive director of the Company.

The Board is of the view that Mr. Zhu Zhanjun is the appropriate person as the new CEO to lead the Company through the dynamic environment to the next level. The split of the roles of chief executive officer and chairman of the board also helps to bolster the Company's corporate governance. The appointment of additional directors will strengthen the Board performance, which will ultimately benefit the Company.

The board of directors (the "Board" or the "Directors") of GCL-Poly Energy Holdings Limited (the "Company" or "GCL-Poly") announces the audited consolidated results of the Company and its subsidiaries (the "Group or "GCL-Poly") for the year ended 31 December 2015 together with the restated comparative figures for the corresponding period in the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	NOTES	**2015** ***RMB'000***	2014 *RMB'000* (Restated)
Continuing operations			
Revenue	*3*	**21,766,335**	21,523,355
Cost of sales		**(15,990,346)**	(16,547,893)
Gross profit		**5,775,989**	4,975,462
Other income	*4*	**951,498**	790,450
Compensation income arising from the amendment of settlement deed	*7*	**1,160,000**	–
Distribution and selling expenses		**(79,104)**	(66,001)
Administrative expenses		**(1,581,292)**	(1,439,252)
Finance costs	*5*	**(2,208,776)**	(2,114,294)
Other expenses, gains and losses, net	*6*	**(1,200,821)**	(383,555)
Share of (losses) profits of joint ventures		**(49,859)**	5,681
Share of losses of associates		**–**	(277)
Profit before tax		**2,767,635**	1,768,214
Income tax expense	*8*	**(529,554)**	(291,047)
Profit for the year from continuing operations	*9*	**2,238,081**	1,477,167
Discontinued operations			
Profit for the year from discontinued operations	*15*	**488,643**	230,146
Profit for the year		**2,726,724**	1,707,313

	2015	2014
	RMB'000	*RMB'000*
		(Restated)
Other comprehensive income (expense)		
Item that may be subsequently reclassified to profit or loss:		
Exchange differences arising from translation	**7,812**	(13,691)
Realisation of fair value of available-for-sale investment upon disposal	**–**	(50,493)
Total comprehensive income for the year	**2,734,536**	1,643,129
Profit for the year attributable to owners of the Company		
– from continuing operations	**2,105,933**	1,412,425
– from discontinued operations	**319,287**	136,243
Profit for the year attributable to owners of the Company	**2,425,220**	1,548,668
Profit for the year attributable to non-controlling interests		
– from continuing operations	**132,148**	64,742
– from discontinued operations	**169,356**	93,903
Profit for the year attributable to non-controlling interests	**301,504**	158,645
	2,726,724	1,707,313
Total comprehensive income for the year attributable to:		
Owners of the Company	**2,420,755**	1,486,791
Non-controlling interests	**313,781**	156,338
	2,734,536	1,643,129

	Note	2015 RMB cents	2014 RMB cents (Restated)
Earnings per share	*11*		
From continuing and discontinued operations			
Basic		**15.52**	9.92
Diluted		**14.52**	9.19
From continuing operations			
Basic		**13.48**	9.04
Diluted		**12.52**	8.35

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2015

	NOTES	**As at 31 December 2015** *RMB'000*	As at 31 December 2014 *RMB'000* (Restated)	As at 1 January 2014 *RMB'000* (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment		**41,649,905**	39,926,691	34,588,971
Prepaid lease payments		**1,101,931**	1,399,000	1,423,874
Goodwill		**176,528**	499,859	512,859
Other intangible assets		**54,078**	136,349	157,777
Investments in joint ventures		**158,063**	244,703	268,379
Interests in associates		**–**	198,829	153,052
Held-to-maturity investments		**–**	12,075	–
Available-for-sale investments		**90,000**	–	229,427
Convertible bonds receivable		**93,707**	137,932	193,740
Deferred tax assets		**54,305**	74,507	12,218
Deposits, prepayments and other non-current assets		**2,685,754**	1,152,624	529,660
Amount due from related companies		**129,936**	21,534	–
Pledged and restricted bank deposits		**442,225**	124,791	127,765
		46,636,432	43,928,894	38,197,722
CURRENT ASSETS				
Inventories		**1,386,584**	2,456,518	1,935,300
Trade and other receivables	*12*	**14,367,687**	10,775,068	8,693,360
Amounts due from related companies	*14*	**51,809**	98,639	146,151
Prepaid lease payments		**25,127**	32,463	33,534
Available-for-sale investments		**38,726**	–	–
Held for trading investment		**14,456**	17,159	9,804
Tax recoverable		**2,690**	16,559	37,959
Pledged and restricted bank deposits		**6,616,105**	9,316,271	6,352,666
Bank balances and cash		**10,259,967**	4,361,794	4,849,922
		32,763,151	27,074,471	22,058,696
Assets classified as held for sale		**291,907**	–	–
		33,055,058	27,074,471	22,058,696

	NOTES	As at 31 December 2015 RMB'000	As at 31 December 2014 RMB'000 (Restated)	As at 1 January 2014 RMB'000 (Restated)
CURRENT LIABILITIES				
Trade and other payables	*13*	**15,698,110**	16,442,599	10,800,270
Amounts due to related companies	*14*	**206,171**	579,672	577,762
Loan from a related company		**–**	10,176	–
Advances from customers		**478,773**	767,973	751,137
Bank and other borrowings – due within one year		**22,314,968**	17,317,400	19,588,595
Obligations under finance leases – due within one year		**934,578**	735,118	514,330
Notes payables - due within one year		**648,716**	1,797,433	598,558
Bonds payable		**360,000**	–	–
Derivative financial instruments		**12,575**	–	–
Deferred income		**105,330**	96,514	95,182
Tax payables		**233,857**	184,911	129,868
		40,993,078	37,931,796	33,055,702
Liabilities directly associated with assets classified as held for sale		**51,462**	–	–
		41,044,540	37,931,796	33,055,702
NET CURRENT LIABILITIES		**(7,989,482)**	(10,857,325)	(10,997,006)
TOTAL ASSETS LESS CURRENT LIABILITIES		**38,646,950**	33,071,569	27,200,716

	As at 31 December 2015 *RMB'000*	As at 31 December 2014 *RMB'000* (Restated)	As at 1 January 2014 *RMB'000* (Restated)
NON-CURRENT LIABILITIES			
Advances from customers	**202,735**	510,382	859,643
Bank and other borrowings			
– due after one year	**12,120,725**	11,245,219	6,557,198
Obligations under finance leases			
– due after one year	**2,499,828**	951,415	1,113,513
Notes payables – due after one year	**3,670,615**	1,491,281	2,485,531
Convertible bonds payables	**2,018,472**	1,138,452	1,212,330
Deferred income	**352,002**	476,112	488,110
Deferred tax liabilities	**223,089**	413,759	328,793
	21,087,466	16,226,620	13,045,118
NET ASSETS	**17,559,484**	16,844,949	14,155,598
CAPITAL AND RESERVES			
Share capital	**1,372,260**	1,372,226	1,371,752
Reserves	**14,481,912**	13,136,707	11,322,281
Equity attributable to owners of the Company	**15,854,172**	14,508,933	12,694,033
Non-controlling interests	**1,705,312**	2,336,016	1,461,565
TOTAL EQUITY	**17,559,484**	16,844,949	14,155,598

NOTES:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") ("Listing Rules") and by the Hong Kong Companies Ordinance ("CO").

The disclosure requirements set out in the Listing Rules regarding annual accounts have been amended with reference to the provisions of the new Hong Kong Companies Ordinance (Cap 622) regarding preparation of accounts and directors' reports and audits to streamline with IFRSs. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31 December 2015 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31 December 2014 are presented or disclosed in the consolidated financial statements based on the new requirements. Information previously required to be disclosed under the predecessor CO or Listing Rules but not under the new CO or amended Listing Rules are not disclosed in these consolidated financial statements.

Change of presentation currency

The functional currency of the Company is Renminbi ("RMB"). The presentation currency of the consolidated financial statements in prior financial year was Hong Kong dollars ("HK$"). In view of the fact that RMB is being widely accepted and has been used in the pricing and settlement of international trade and the Group's operation is mainly located in the PRC, where transactions are mainly denominated in RMB, the Directors consider that it is more appropriate to use RMB as the presentation currency in presenting the financial performance and financial positions of the Group effective from 1 July 2015, and the comparative information has been restated to reflect the change in presentation currency to RMB accordingly. The Group has also presented the consolidated statement of financial position as at 1 January 2014 without related notes.

For the purpose of presenting the consolidated financial statements of the Group in RMB, the assets and liabilities for the consolidated statement of financial position are translated into RMB at the closing rate at the respective reporting dates. Income and expenses for the consolidated statement of profit or loss and other comprehensive income are translated at the average exchange rates for the month of the transactions, unless exchange rates fluctuated significantly during the year, in which case, the exchange rates prevailing at the dates of transactions are used. The share capital, the share premium and reserves are translated at the exchange rate at the date when the amount was determined. The non-controlling interests presented in the consolidated statement of financial position are translated into RMB at the closing rate at the respective reporting dates.

The Directors have given careful consideration to the going concern status of the Group in light of the fact that the Group's current liabilities exceeded its current assets by RMB7,989 million as at 31 December 2015 and the Group had cash and cash equivalents of RMB10,341 million (including bank balances and cash classified as held for sale of RMB81 million) against the Group's bank and other borrowings due within one year of RMB22,315 million as at that date. The Directors have evaluated the Group's current undrawn banking facilities and renewable bank borrowings. In order to improve liquidity, the Group has negotiated with certain banks, who have indicated that they do not foresee any reasons to withdraw the existing facilities in the foreseeable future, and will continue to negotiate with other banks to obtain revolving banking facilities to ensure the Group's bank borrowings can be renewed on an on-going basis. The Directors believe that the Group will be able to renew the banking facilities upon maturity dates.

During the year ended 31 December 2014, the Group acquired GCL New Energy Holdings Limited ("GNE"), whose shares are listed on the Stock Exchange. As at 31 December 2015, certain subsidiaries of the Company guaranteed bank and other borrowings of GNE which amounted to RMB4,163 million. In addition, the Company together with three of its subsidiaries ("GCL-Poly Subsidiaries") jointly signed a framework borrowing agreement with a state-owned bank in the PRC for a total uncommitted banking facility of RMB5,000 million to finance the solar energy projects undertaken by the Company and its subsidiaries. Up to the date of approval of these consolidated financial statements, approximately RMB1,905 million were drawn down by the Company and its subsidiaries other than any members of GNE, and approximately RMB1,230 million were drawn down by GNE and its subsidiaries (collectively referred to as "GNE Group"). The remaining undrawn facility of approximately RMB1,865 million is available for GNE Group to draw down to finance its solar power plant projects. Under this framework agreement, guarantees from the Company and GCL-Poly Subsidiaries are required for the loan drawdowns. In addition, the drawdown of the facilities and the terms of the borrowings, including the borrowing amounts, pledges or guarantees required and repayment terms, are subject to further approval of the bank upon application by GNE Group, and provision of guarantees from the Company and GCL-Poly Subsidiaries provided on a borrowing-by-borrowing basis.

The Directors have evaluated the going concern status of GNE Group in preparing these consolidated financial statements, in light of the fact that, as at 31 December 2015, GNE Group's current liabilities exceeded its current assets by RMB6,303 million; and it incurred a net loss of RMB15 million for the year ended 31 December 2015. In addition, GNE Group had existing commitments and entered into agreements during the year ended 31 December 2015 and up to the date of approval of these consolidated financial statements to acquire solar power plants sites and construct solar power plants which will involve capital expenditures of approximately RMB6,689 million to be settled within the next twelve months from 31 December 2015. This included payables of approximately RMB4,275 million that have been recognised in current liabilities as at 31 December 2015.

In addition, subject to the availability of further financial resources, GNE Group is currently looking for further opportunities to increase the scale of its solar farm operations through mergers and acquisitions. In the event that GNE Group is successful in securing more solar farms investments or expanding the investments in the existing solar farms in the coming twelve months from 31 December 2015, significant additional cash outflows will be required to settle further committed capital expenditure. As at 31 December 2015, GNE Group's total borrowings comprising bank and other borrowings, convertible bonds, bonds payable, obligations under finance leases, loan from a shareholder and loans from fellow subsidiaries amounted to RMB13,694 million, out of which RMB5,521 million will be due in the next twelve months from 31 December 2015. GNE Group is required to comply with certain restrictive financial covenant and undertaking requirements under certain of the borrowing agreements. GNE Group's pledged and restricted bank deposits and bank balances amounted to approximately RMB952 million and RMB1,965 million as at 31 December 2015, respectively. The financial resources available to GNE Group as at 31 December 2015 and up to the date of approval of these consolidated financial statements are not sufficient to satisfy the above capital expenditures requirement. GNE Group is actively pursuing additional source of financing including, but not limited to, equity and debt financing and bank borrowings.

The Directors have also evaluated the following measures being undertaken by GNE Group to improve their liquidity position, which include:

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

(ii) GNE 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 banking facilities with repayment periods for more than one year. GNE Group also received letters of intent from certain other banks which indicated that these banks tentatively offer banking facilities to GNE Group;

(iii) GNE Group is negotiating with other private investors for additional financing in the form of equity or debt or a combination of both. During the year ended 31 December 2015, GNE Group completed the issuance of convertible bonds to non-banking financial institutions and the issuance of bonds to certain private investors, and entered into trust scheme arrangements with certain financial institutions to secure a 3-year loan facility; and

(iv) GNE Group has completed construction of 41 solar power plants with approval for on-grid connection up to the date of approval of these consolidated financial statements. GNE Group also has additional 10 solar power plants under construction targeting to achieve on-grid connection in the near future. The abovementioned solar power plants have an aggregate installed capacity of approximately 2.3 GW and are expected to generate operating cash inflows to GNE Group.

In addition, subsequent to 31 December 2015:

- On 26 January 2016, the Group has announced the completion of rights issue of 3,097,927,453 rights shares at HK$1.12 per rights share on the basis of 1 rights share for every five shares held on the record date. The net proceed of the rights issue is approximately RMB2,845 million, of which RMB1,222 million had been utilised in subscribing 3,240,000,000 GNE Rights Shares, and

- On 2 February 2016, GNE Group has announced the completion of rights issue of 5,201,922,393 rights shares at HK$0.45 per rights share on the basis of three rights shares for every eight shares held on the record date. The net proceed of the rights issue is approximately RMB1,935 million.

The Directors are of the opinion that the above mentioned rights issues can further improve the Group's liquidity.

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

2. APPLICATION OF NEW AND REVISED IFRSs

(a) Application of new and revised IFRSs

The Group has applied the following amendments to IFRSs issued by IASB for the first time in the current year:

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

The application of these amendments to IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

(b) 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:

		Effective for annual periods beginning on or after
IFRS 9	Financial Instruments	1 January 2018
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
IFRS 14	Regulatory Deferred Accounts	1 January 2016
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 16	Leases	1 January 2019
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants	1 January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to IAS 1	Disclosure Initiative	1 January 2016
Amendments to IAS 7	Disclosure to initiative	1 January 2017
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to IAS 27	Equity Method in Separate Financial Statements	1 January 2016
Amendments to IFRSs	Annual Improvements to IFRSs 2012 – 2014 Cycle	1 January 2016

Except as described below, the Directors consider that the application of the above new and revised IFRSs will have no significant impact on the Group's consolidated financial statements in coming year.

IFRS 9 Financial Instruments

IFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are required 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. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting 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.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that 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. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Directors anticipate that the application of IFRS 9 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practical to provide a reasonable estimate of the effect of IFRS 9 until the Group performs a detailed review.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The Directors anticipate that the application of IFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Group performs a detailed review.

IFRS 16 Leases

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. It distinguishes leases and service contracts on the basis whether an identified asset is controlled by a customer. Subject to limited exceptions for short-term leases and low value assets, distinctions of operating and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees. However, the standard does not significantly change the accounting of lessors.

The Directors anticipate that the application of IFRS 16 in the future may have a material impact on the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 16 until the Group performs a detailed review.

(c) Changes of accounting estimates

In previous years, plant and machinery used for manufacturing of printed circuit boards were depreciated at 10% per annum. Due to technology advancement on plant and machinery and products to be manufactured, the Directors have assessed that the estimated useful lives of these assets are expected to be shorter than previously estimated.

With effect from 31 December 2015, those plant and machinery are depreciated at 16.67% per annum. This change in depreciation rate has increased the depreciation charge for the current year by approximately RMB110,647,000.

3. SEGMENT INFORMATION

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

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

(b) Solar farm business – manages and operates 371 MW solar farms, of which 18 MW is located in the United States of America (the "USA") and 353 MW is located in the PRC. These solar farms were constructed or acquired by the Group prior to obtaining a controlling stake in GNE.

(c) New energy business – represents the business operations of GNE, which is principally engaged in the development, construction, operation and management of solar farms, as well as manufacturing and selling of printed circuit boards.

An operating segment regarding the development, construction, management and operation of power plants and sales of coals in the PRC (collectively referred to as the "non-solar power business") was discontinued in the current year. The segment information reported below does not include any amounts for these discontinued operations which are described in more detail in note 15.

Segment revenue and results

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

Year ended 31 December 2015

Continuing operations

	Solar material business *RMB'000*	**Solar farm business** *RMB'000*	**New energy business** *RMB'000* *(Note)*	**Total** *RMB'000*
Segment revenue				
Revenue from external customers	**19,242,635**	**553,801**	**1,969,899**	**21,766,335**
Segment profit (loss)	**1,872,435**	**(302,945)**	**6,393**	**1,575,883**
Elimination of inter-segment profit				**(28,196)**
Unallocated income				**9,296**
Unallocated expenses				**(395,791)**
Loss on fair value change of convertible bonds receivable				**(44,225)**
Loss on fair value change of convertible bonds payable issued by the Company				**(35,275)**
Loss on fair value change of held for trading investment				**(3,611)**
Compensation income arising from the amendment of settlement deed				**1,160,000**
Profit for the year (continuing operations)				**2,238,081**

Year ended 31 December 2014 (Restated)

Continuing operations

	Solar material business *RMB'000*	Solar farm business *RMB'000*	New energy business *RMB'000* *(Note)*	Total *RMB'000*
Segment revenue				
Revenue from external customers	20,165,714	545,283	812,358	21,523,355
Segment profit (loss)	1,787,145	(56,756)	(138,970)	1,591,419
Unallocated income				10,592
Unallocated expenses				(131,181)
Impairment loss on available-for-sale investments				(3,287)
Loss on disposal of available-for-sale investments				(11,270)
Loss on fair value change of convertible bonds receivable				(55,808)
Gain on fair value change of convertible bonds payable issued by the Company				69,351
Gain on fair value change of held for trading investment				7,351
Profit for the year (continuing operations)				1,477,167

Notes: The operating results of new energy business includes post-acquisition operating results of GNE Group, allocated corporate expenses and the effect arising from fair value adjustments relating to the assets and liabilities of GNE acquired in 2014, which are subject to the amortisation/depreciation over the estimated useful lives of the relevant assets.

The revenue of the new energy business for the current year mainly comprised sales of electricity (including tariff adjustments) amounting to approximately RMB688 million and sales of printed circuit boards to approximately RMB1,282 million.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit (loss) from continuing operations represents the profit (loss) of each respective segment excluding unallocated income, unallocated expenses (including exchange losses, depreciation of an aircraft and respective finance costs under the sale and finance leaseback arrangements), change in fair value of convertible bonds receivable, change in fair value of convertible bonds payable issued by the Company, change in fair value of held for trading investment, loss on disposal of available-for-sale investments, impairment loss on available-for-sale investments and compensation income arising from the amendment of settlement deed. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and performance assessment.

Segment assets and liabilities

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

	2015	2014
	RMB'000	*RMB'000*
		(Restated)
Segment assets		
Solar material business	**47,161,479**	48,050,608
Solar farm business	**4,709,445**	4,994,247
New energy business *(Note)*	**23,194,743**	7,759,556
Total segment assets	**75,065,667**	60,804,411
Assets relating to discontinued operations	**291,907**	9,516,996
Convertible bonds receivable	**93,707**	137,932
Held for trading investment	**14,456**	17,159
Available-for-sale investments	**38,726**	–
Held-to-maturity investments	**–**	12,075
Unallocated bank balances and cash	**3,989,362**	229,577
Unallocated corporate assets	**197,665**	285,215
Consolidated assets	**79,691,490**	71,003,365
Segment liabilities		
Solar material business	**36,246,293**	37,667,433
Solar farm business	**3,843,939**	3,948,732
New energy business *(Note)*	**20,422,363**	4,787,560
Total segment liabilities	**60,512,595**	46,403,725
Liabilities relating to discontinued operations	**51,462**	6,372,744
Convertible bonds payable issued by the Company	**1,285,616**	1,138,452
Unallocated corporate liabilities	**282,333**	243,495
Consolidated liabilities	**62,132,006**	54,158,416

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

- All assets are allocated to operating segments, other than assets relating to discontinued operations, corporate bank balances and cash and other assets (including an aircraft, convertible bonds receivable, held for trading investment, available-for-sale investments and held-to-maturity investments) of the management companies and investment holdings companies; and

- All liabilities are allocated to operating segments, other than liabilities relating to discontinued operations and other liabilities (including convertible bonds payable issued by the Company and obligation under finance leases) of the management companies and investment holdings companies.

Note: The segment assets and liabilities of new energy business included the segment assets and liabilities of GNE Group and the effect arising from fair value adjustments relating to the assets and liabilities of GNE acquired in 2014, 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 continuing operations from its major products and services:

	2015	2014
	RMB'000	*RMB'000*
		(Restated)
Sales of wafer	**16,791,000**	16,679,323
Sales of electricity *(Note)*	**1,217,659**	525,998
Sales of polysilicon	**1,741,766**	2,060,245
Others (comprising the sales of ingots, modules, printed circuit boards and processing fees)	**2,015,910**	2,257,789
	21,766,335	21,523,355

Note: Sales of electricity included RMB503,551,000 (2014: RMB319,709,000) tariff adjustment received and receivable from the state grid companies in the PRC based on the prevailing national government policies on renewable energy for solar power plants.

4. OTHER INCOME

	2015	2014
	RMB'000	*RMB'000*
		(Restated)
Continuing operations		
Government grants	**170,469**	198,559
Sales of scrap materials	**232,683**	252,585
Bank and other interest income	**313,886**	237,239
Management and consultancy fee income	**91,430**	11,395
Waiver of other payables	**7,614**	10,780
Commission income on modules procurement	**89,245**	–
Others	**46,171**	79,892
	951,498	790,450

5. FINANCE COSTS

	2015	2014
	RMB'000	*RMB'000*
		(Restated)
Continuing operations		
Interest on:		
Bank and other borrowings	**1,263,299**	1,165,637
Discounted bills receivable and letters of credit	**782,716**	828,380
Obligations under finance leases	**157,180**	89,502
Notes and bonds payables	**176,778**	108,255
Imputed interest expenses on payables	**21,383**	–
Total borrowing costs	**2,401,356**	2,191,774
Less: Interest capitalised	**(192,580)**	(77,480)
	2,208,776	2,114,294

6. OTHER EXPENSES, GAINS AND LOSSES, NET

	2015	2014
	RMB'000	*RMB'000*
		(Restated)
Continuing operations		
Research and development costs	**257,190**	285,993
Exchange loss, net	**426,584**	39,855
Loss on fair value change of convertible bonds receivable	**44,225**	55,808
Loss (gain) on fair value change of convertible bonds payables	**6,211**	(69,351)
Loss (gain) on fair value change of held for trading investment	**3,611**	(7,351)
Bargain purchase from business combination	**(21,626)**	–
Impairment loss on property, plant and equipment	**175,286**	59,776
Loss on fair value change of derivative financial instruments	**12,575**	–
Impairment on trade and other receivables	**281,818**	39,250
Loss on disposal of property, plant and equipment	**14,947**	16,485
Impairment loss on prepaid lease payments	**–**	9,435
Impairment loss on goodwill	**–**	6,314
Reversal of impairment loss on deposits for acquisitions of property, plant and equipment	**–**	(49,519)
Impairment loss on available-for-sale investments	**–**	3,287
Loss on disposal of available-for-sale investments	**–**	11,270
Gain on disposal of joint ventures	**–**	(17,697)
	1,200,821	383,555

7. COMPENSATION INCOME ARISING FROM THE AMENDMENT OF SETTLEMENT DEED

In November 2015, the Company entered into a deed of amendment of terms of settlement ("Amended Deed of Settlement") with Mr. Zhu Gongshan, Mr. Zhu Yufeng and High Excel Investment Limited (hereinafter collectively defined as the "Covenantors") to amend the terms of the deed of agreement dated 25 March 2015 entered into between the Company and the Covenantors ("Deed of Settlement") pursuant to which such parties conditionally agreed to settle the possible claims relating to, or as a result of any breach or alleged breach of the deed of non-competition dated 27 October 2007 (as amended by a deed of amendment dated 27 March 2014) entered into between the Company and the Covenantors by virture of the acquisition of, or investments in or the enjoyment of any benefits from, any interest in Jinshanqiao Cogeneration Plant ("Jinshanqiao") by Mr. Zhu Gongshan or Mr. Zhu Yufeng. In terms of the Amended Deed of Settlement, the Covenantors paid a cash compensation to the Company of RMB1.16 billion in lieu of a transfer of 100% equity interest in Jinshanqiao to the Company as originally provided for under the Deed of Settlement. Such amount was fully received in December 2015. Further details on this settlement arrangement have been set out in a circular of the Company to the shareholders dated 10 November 2015.

8. INCOME TAX EXPENSE

	2015	2014
	RMB'000	*RMB'000*
		(Restated)
Continuing operations		
PRC Enterprise Income Tax ("EIT")		
Current tax	**414,609**	168,705
(Over) underprovisions in prior years	**(20,150)**	25,042
	394,459	193,747
USA Federal and State Income Tax		
Current tax	**28**	1,336
Overprovisions in prior years *(Note)*	**–**	(26,155)
	28	(24,819)
Hong Kong Profits Tax – Current	**3,993**	24,966
Other jurisdictions	**–**	52
PRC dividend withholding tax	**104,867**	46,655
Deferred tax	**26,207**	50,446
	529,554	291,047

Note: The overprovision in prior years of RMB26,155,000 was mainly due to the refund of income taxes previously paid resulting from the agreement with the relevant tax authority for carrying backward certain losses of a subsidiary in the USA to offset relevant assessable profits of prior years.

The PRC EIT 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. The (over)underprovisions of EIT in prior years arose mainly as a result of completion of tax clearance procedures by certain PRC subsidiaries with the respective tax authorities.

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

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

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

During the current year, Federal and State tax rates in the USA are calculated at 35% and 8.84%, respectively (2014: 35% and 8.84%, respectively).

The Group's subsidiaries and associates that are tax residents in the PRC are subject to the PRC dividend withholding tax of 5% or 10% for those non-PRC resident immediate holding companies registered in Hong Kong and the British Virgin Islands, respectively, when and if undistributed earnings are declared to be paid as dividends out of profits that arose on or after 1 January 2008.

9. PROFIT FOR THE YEAR

	2015	2014
	RMB'000	*RMB'000*
		(Restated)
Continuing operations		
Profit for the year has been arrived at after charging (crediting):		
Staff costs, including directors' remuneration		
Salaries, wages and other benefits	**2,255,659**	1,860,321
Retirement benefit scheme contributions	**69,205**	55,768
Share-based payment expenses	**152,328**	126,900
Total staff costs	**2,477,192**	2,042,989
Depreciation of property, plant and equipment	**2,876,433**	2,557,672
Amortisation of prepaid lease payments	**22,659**	21,900
Amortisation of other intangible assets (included in cost of sales)	**8,039**	8,039
Total depreciation and amortisation	**2,907,131**	2,587,611
Add: Amounts included in inventories	**39,100**	29,063
Total of depreciation and amortisation charged to profit or loss	**2,946,231**	2,616,674
Auditor's remuneration	**17,553**	20,862
Bad debts written off (included in administrative expenses)	**896**	2,164
Cost of inventories recognised as an expense	**15,228,573**	16,085,414
Impairment loss on trade and other receivables (included in other expenses, gains or losses, net)	**281,818**	39,250
Loss on disposal of property, plant and equipment	**14,947**	16,485
Impairment of other receivables/(reversal of other receivables previously written off) (included in administrative expenses)	**66**	(1,437)
Write-down on inventories (included in cost of sales)	**275,419**	172,585

10. DIVIDEND

Dividends for ordinary shareholders of the Company recognised as distribution during the year:

	2015	2014
	RMB'000	*RMB'000*
2015 special dividend – HK$0.0862 (2014: nil) per share	**1,120,000**	–

Subsequent to the end of the reporting period, no dividend was proposed by the Directors.

11. EARNINGS PER SHARE

For continuing and discontinued operations

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

	2015	2014
	RMB'000	*RMB'000*
		(Restated)
Earnings		
Earnings for the purpose of calculation of basic earnings per share		
– Profit for the year attributable to owners of the Company	**2,425,220**	1,548,668
Effect of dilutive potential ordinary shares:		
– Fair value change on convertible bonds issued by the Company	**(111,499)**	(64,653)
Earnings for the purpose of calculation of dilutive Earnings per share	**2,313,721**	1,484,015

	2015	2014
	'000	*'000*
		(Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**15,621,866**	15,619,258
Effect of dilutive potential ordinary shares:		
Share options issued by the Company	**8,923**	25,084
Convertible bonds payable issued by the Company	**303,034**	500,459
Weighted average number of ordinary shares for the purpose of dilutive earnings per share	**15,933,823**	16,144,801

The weighted average number of ordinary shares for the purpose of calculation of basic earnings per share for 2014 and 2015 has been adjusted for the effect of the Rights Issue completed on 26 January 2016.

Diluted earnings per share for the year ended 31 December 2015 did not assume (1) the conversion of convertible bonds issued by GNE and convertible bonds issued by the Company in 2013 because the assumed conversion would result in an increase in earnings per share; and (2) the exercise of share options granted by GNE because the exercise price of those options was higher than the average market price for the GNE shares.

Diluted earnings per share for the year ended 31 December 2014 did not assume the exercise of share options granted by GNE because the exercise price of those options was higher than the average market price for the GNE shares.

For continuing operations

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

Earnings figures are calculated as follows:

	2015	2014
	RMB'000	*RMB'000*
		(Restated)
Profit for the year attributable to owners of the Company	**2,425,220**	1,548,668
Less: Profit for the year from discontinued operations attributable to owners of the Company	**(319,287)**	(136,243)
Earnings for the purpose of basic earnings per share from continuing operations	**2,105,933**	1,412,425

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

For discontinued operations

Basic earnings per share for the discontinued operations is RMB2.04 cents per share (2014: RMB0.87 cent per share) and diluted earnings per share for the discontinued operations is RMB2.00 cents per share (2014: RMB0.84 cent per share), based on the profit for the year from the discontinued operations attributable to owners of the Company of RMB319,287,000 (2014: RMB136,243,000) and the denominators detailed above for both basic and diluted earnings per share.

12. TRADE AND OTHER RECEIVABLES

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

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

	2015	2014
	RMB'000	*RMB'000*
		(Restated)
Trade receivables:		
Unbilled	**837,318**	376,310
Within 3 months	**1,626,908**	3,697,262
3 to 6 months	**286,662**	219,903
Over 6 months	**282,738**	338,241
	3,033,626	4,631,716
Bills receivable (trade):		
Within 3 months	**4,304,120**	2,550,234
3 to 6 months	**4,043,610**	1,884,262
	8,347,730	4,434,496

13. TRADE AND OTHER PAYABLES

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

	2015	2014
	RMB'000	*RMB'000*
		(Restated)
Trade payables:		
Within 3 months	**1,616,474**	2,203,601
3 to 6 months	**1,248,556**	1,783,416
Over 6 months	**11,455**	195,813
	2,876,485	4,182,830
Bills payable (trade):		
Within 3 months	**2,923,941**	2,010,142
3 to 6 months	**1,553,645**	3,672,686
	4,477,586	5,682,828

14. BALANCES WITH RELATED PARTIES

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

	2015	2014
	RMB'000	*RMB'000*
		(Restated)
Within 3 months	**474**	46,492
3 to 6 months	**111**	395
Over 6 months	**1,079**	2,758
	1,664	49,645

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

	2015	2014
	RMB'000	*RMB'000*
		(Restated)
Within 3 months	**3,660**	245,292
3 to 6 months	**24**	198,000
Over 6 months	**168**	542
	3,852	443,834

Note:

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

15. DISCONTINUED OPERATIONS

On 14 September 2015, the Company entered into a sale agreement to dispose of the Group's non-solar power business to 上海其辰投資管理有限公司 Shanghai Qichen Investment Management Co. Ltd., a company in which Mr. Zhu Gongshan has control, at a consideration of RMB3.2 billion. The disposal of non-solar power business is consistent with the Group's long term policy to focus on its core integrated solar business, including the manufacturing and sale of polysilicon and wafer products, and developing, owning and operating downstream solar farms both within the PRC and overseas, to reinforce its position as a leading global player in the rapidly growing photovoltaic industry. The disposal was completed on 8 December 2015, when control of the non-solar power business passed to the acquirer. Details of the disposal of non-solar power business are set out in the announcement of the Company dated 7 September 2015 and the circular of the Company issued to the shareholders dated 10 November 2015.

The profit for the year from the discontinued non-solar power business is set out below. The comparative figures in the statement of profit or loss and other comprehensive income have been restated to re-present the non-solar power business as discontinued operations.

	2015	2014
	RMB'000	*RMB'000*
		(Restated)
Profit of non-solar power business for the year	**406,232**	230,146
Gain on disposal of non-solar power business	**82,411**	–
	488,643	230,146

Analysis of profit for the period/year from discontinued operations

The results of the discontinued operations for the period from 1 January 2015 to 8 December 2015 and year ended 31 December 2014 were as follows:

	Period ended 8 December 2015	Year ended 31 December 2014
	RMB'000	*RMB'000*
		(Restated)
Revenue	**6,624,587**	7,967,195
Cost of sales	**(5,630,479)**	(6,924,157)
Other income	**219,817**	252,250
Distribution and selling expenses	**(6,723)**	(6,882)
Administrative expenses	**(528,082)**	(425,885)
Finance costs	**(216,472)**	(288,924)
Other expenses, gains or losses, net	**154,861**	(160,387)
Share of profit of associates	**7,481**	32,372
Profit before tax	**624,990**	445,582
Attributable income tax expenses	**(218,758)**	(215,436)
	406,232	230,146
Gain on disposal of non-solar power business	**82,411**	–
Profit for the period/year from discontinued operations	**488,643**	230,146

	Period ended 8 December 2015 *RMB'000*	Year ended 31 December 2014 *RMB'000* (Restated)
Profit for the period/year from discontinued operations include the following:		
Staff costs, including directors' remuneration		
Salaries, wages and other benefits	**444,111**	350,619
Retirement benefit scheme contributions	**30,288**	27,388
Share-based payment expenses	**2,000**	1,037
Total staff costs	**476,399**	379,044
Depreciation of property, plant and equipment	**331,239**	354,087
Amortisation of prepaid lease payments	**10,214**	10,959
Amortisation of other intangible assets (included in cost of sales)	**10,138**	12,883
Total of depreciation and amortisation charged to profit or loss	**351,591**	377,929
Auditor's remuneration	**2,163**	2,834
Cost of inventories recognised as an expense	**4,942,511**	6,023,758
Impairment loss on trade and other receivables (included in other expenses, gains and losses, net)	**3,452**	12,662
Loss (gain) on disposal of property, plant and equipment	**1,350**	(463)
Write-down of inventories (included in cost of sales)	**–**	86

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I hereby report the following operating results of GCL-Poly in 2015. As of 31 December 2015, GCL-Poly recorded revenue of approximately RMB$21.766 billion, representing a 1.1% increase as compared with the same period in 2014. Gross profit was approximately RMB$5.776 billion, a 16.1% increase as compared with the same period in 2014. Profit attributable to owners of the Company amounted to approximately RMB$2.425 billion. Basic earnings per share were RMB15.52 cents.

The global PV industry continued to pick up in 2015, and the PV enterprises saw their business improving, driven by the increase in both domestic Chinese and international PV market demand. According to the latest data, in 2015, the global solar market demand increased more than 20% to 51 GW to 57 GW, compared with 44 GW in 2014. The incumbent such as Europe, America and Japan maintained the robust growth, and the emerging markets had started to blossom. The photovoltaic application in Southeast Asia and Latin America countries were expanding with strong momentum. In addition, the scales of installed capacity in the countries of India, Thailand, Chile, Mexico and so on were developing rapidly. The official report of China Energy Bureau pointed out that in 2015, China's newly increased PV installed capacity was 15.13 GW, accounting for more than a quarter of the world's newly installed capacity. With the cumulative installed capacity of over 43 GW, China became the largest photovoltaic power generation country in the world. At the same time, the advancement in the photovoltaic industry continued to accelerate, driven by emergence of new process technologies from various segments,, driving the cost of PV products and photovoltaic power generation persistently down. However, the polysilicon and wafer markets were of a mixed bag this year. For polysilicon, its price continued to decline throughout the year due to the excessive capacity and the impact of dumping of imported materials. As a result, the domestic polysilicon enterprises generally faced much difficulties. On the other hand, the wafer market showed strong market demand since the second half of the year. The wafer price showed no correction and the wafer enterprises had maintained relatively high gross margins.

This year, GCL-Poly launched a series of technological reform measures in polysilicon, ingots and wafer to ensure profit target through cost reduction and increase production. Through disposal of the non-solar power business, GCL-Poly concentrates more effort in its core business of photovoltaic material manufacturing going forward. By disposing the non-solar power business, resolving of Jinshanqiao Cogeneration Plant issue and completion of the rights issue transaction, GCL-Poly has accumulated a fair amount of cash for improvement of its balance sheet gearing so that the Company can be more flexible in increasing investment in R&D and technical transformation, and maintaining its leading position in the industry.

CONSTANT INNOVATION AND ACHIEVING NEW HIGH IN GLOBAL MARKET SHARE

As one of the most influential and competitive silicon material manufacturers and suppliers in the world, the Company achieved remarkable results in both the production and sales. As at the end of December 2015, the Company completed a total production of 74,358 MT and sales of 18,023 MT of polysilicon, a production of 14,968 MW and sales of 15,178 MW of wafers. In 2015, with the capacity utilisation exceeded 100%, the Company has fully achieved the manufacturing and sales targets. The Company's global market shares of polysilicon and wafers were estimated at 30% and 40% respectively, both ranking top of the world.

The highlights of our work in 2015 were as follows: 1. In April 2015, the efficient wafer "GCL Multi-Wafer S4" products achieved mass production. The average conversion efficiency of "GCL Multi-Wafer S4" is up to 18.5%, and it significantly enhances the black edge of wafer and anti-light wane performance. Therefore, the new product sustained GCL's leadership in the high-efficiency wafer market; 2. With our captive power plant commenced operation on 20 July 2015, we were able to significantly reduce the electricity costs of Xuzhou Polysilicon Production Base and thereby pushing down our polysilicon production cost; 3. The Ningxia Zhongwei Monocrystalline Ingot Pulling and Jiangsu Funing Monocrystalline Slicing projects have kicked off smoothly. After GCL-Poly entering into the field of the monocrystalline, we were able to fill the voids of our existing product mix and further solidify our leading position in the industry. 4. We increased the public fund raising and replaced the high cost bank facilities; thus significantly optimized the debt structure and reduced the financing costs. 5. We raised up to RMB2 billion of capital through various investment platforms to various subsidiaries effectively enhanced the gearing of our balance sheet.

Meanwhile, we also made remarkable achievements in R&D: 1. The silane-based FBR technology was progressing smoothly, reaching early-stage large-scale production conditions; 2. The research and development of N-type monocrystalline has commenced, and completed key milestones towards its plan; 3. In 2015, we received four patent certificates for productivity and earned three patents for invention; meanwhile, *Reactor Having the Metal Surfaces Coated with Silicide* was awarded the 2015 Hundred High-Quality Invention Patents in Jiangsu Province. In the meantime, the Company further enhanced Siemens method polysilicon production technology. Moreover, the scientific research projects of upgrading the technological transformation of ingot casting furnaces, optimization of the high-efficiency polycrystalline ingot casting process, the research and development of ingot casting monocrystalline technology, upgrades of diamond wire cutting etc. were still progressing steadily, setting the stage for subsequent capacity-driven cost reduction and product upgrades.

COMPLETION OF DISPOSAL OF NON-SOLAR POWER BUSINESS IN DECEMBER 2015

In 2015, the power business continued to record stable performance. The Company, through centralized management and cost control measures, was able to maximize the efficiencies of existing resources resulting in stable development of its power and steam businesses. At the same time, to streamline our efforts and realign our strategic focus in the development of the core photovoltaic business, the disposal of non-solar power business was voted in favor by the majority shareholders at the Extraordinary General Meeting held on 26 November 2015, and the transaction was completed on 8 December 2015.

RAPID DEVELOPMENT OF THE SOLAR FARM PLATFORM "GCL NEW ENERGY"

2015 marked an important milestone for the business development of GCL New Energy. Since the completion of the acquisition in May 2014, shares placing and changes of the company name, GCL New Energy has achieved a rather desirable results. As at 31 December 2015, the total installed capacity amounted to approximately 1,640MW, representing a growth of 166% over the same period of last year. Financially, the Group recorded a total revenue of approximately RMB1,970 million in 2015, representing a growth of 143% over the same period of last year (since acquisition), whilst the earnings were mainly contributed by the solar energy business. During the year, affected by termination of some non-core businesses and share option for non-cash expenditure provision, GCL New Energy recorded a net loss of RMB15 million.

GCL New Energy is ready for the development of more new projects through rights issue and other financing activities, as well as striving to reduce the financial leverage. Going forward, GCL New Energy will continue to focus on the development of solar energy business and endeavor to become the world's leading solar energy enterprise.

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. While ensuring our power generation and manufacturing activities to be in compliance with national environmental standards, we also actively participated in various public welfare activities, such as "Sunshine Love and Care Action" (陽光關愛行動) and "Higher Education Subsidies" (高等教育獎助學基金) organized by "GCL-Poly Sunshine Charity Fund", disaster relief and care for lives of the poor. Over the years, we have initiated and participated in over 100 charitable events and gained positive feedbacks from the society. In 2015, GCL-Poly was awarded as China Securities Golden Bauhinia Awards "The Best Governance Listed Company" and "The Best Employer in Asia" by Business Media International. At the same time I, as the Chairman of the Company was named as 2015 Top Ten China Economy Person of the Year, which showed trust and recognition from the industries to GCL-Poly. In the future, we will continue to make active contribution to the society by jobs creation, charity donation, public welfare and every other possible ways.

OUTLOOK

The pace of global energy mix-shift will accelerate upon the signing of the *Paris Agreement*. China's National Energy Administration also issued *Utilization of Solar Energy "13th Five-year Plan" (Exposure Draft)*. During the period of "13th Five-year Plan", the total accumulated installed capacity was 150 GW, of which the distributed generation was 70 GW, and the centralized power generation was 80 GW. According to general consensus of market expectations, the global PV demand in 2016 will be about 66 GW, of which China will usher its soaring installation under the stimulus of the "Pacemaker" Plan and the electricity price reduction policies to stimulate demand. We estimate new PV installed capacity at around 20GW in 2016; The extension of U.S. PV investment tax credit to 2019 will pave the way for stable growth of the U.S. PV market; Japan will see the steady development thanks to the continuous decline in the price of photovoltaic products; the emerging markets such as India and other regions will witness further development in view of improvement in the supporting policies and financing instruments, which may trigger an inflection point for explosive growth .

In 2016, we will continue to raise the core competitiveness of products, and focus on improving efficiency and product differentiation advantages. We will further increase the production volumes, improve quality and reduce costs, through internal management and streamlining production. We will keep increasing the scientific research investment: Apart from existing research and development programs, we will also pay close attention to new technologies with industrial prospects in the field of photovoltaic materials. By closer ties with financial institutions, we will continue to promote direct financial issuance, improve financial leverage and capital structure, so as to reduce financial fees and optimize liquidity. With the acceleration of intelligence manufacturing and information construction, we will enhance the automation level of the existing production capacity with a view to promote and realize the industrial upgrading.

Ambition should be firm rather than sharp; success should be based on long lasting rather than short-lived. With the joint efforts by GCL-Poly, the entire solar energy industry and the alternative energy industry, I believe that China will fulfill its commitments at the Paris Climate Change Conference.

Finally, I would like to express my heartfelt gratitude to our Directors, management team and all the staff members of GCL-Poly for their efforts and hard work in 2015. I also wish to extend my gratitude to our shareholders and business partners for their strong support over the past year.

Chairman
Zhu Gongshan

Hong Kong, 23 March 2016

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

2015 was a year of breakthrough for the Group, we streamlined of our business segments and operations to focus on our core integrated solar business, upon the successful completion of the disposal of our non-solar power business (the "Disposal"). As a result, our financial position has also been improved.

Benefited from the supportive national policies from the People's Republic of China (the "PRC"), the demand for solar products continued to grow modestly in 2015. The Group was able to seize this favourable market condition, the Group continued to operate at full capacity of polysilicon and wafer manufacturing facilities, and further reduce our fundamental production costs to an extremely competitive level.

Results of the Group

The Group ceased to carry on non-solar power business following the completion of Disposal. As a result, its operation results have been classified as discontinued operations during the year and its comparative figures have been restated accordingly.

For the year ended 31 December 2015, the revenue, gross profit of the Group and profit attributable to the owners of the Company from continuing operations were approximately RMB21,766 million, RMB5,776 million and RMB2,106 million, respectively, representing an increase of 1.1%, 16.1% and 49.1% respectively as compared with approximately RMB21,523 million, RMB4,976 million and RMB1,412 million in 2014. The profit attributable to owners of the Company from both continuing operations and discontinued operations for the year ended 31 December 2015 amounted to approximately RMB2,425 million as compared to approximately RMB1,549 million in 2014.

Major disposal and the Settlement

The Group entered into a sale agreement to dispose of the Group's non-solar power business on 14 September 2015 for a consideration of RMB3,200 million and entered into an amendment deed on 8 November 2015 to settle the possible claims relating to the non-competition deed (the "Settlement") for a cash compensation of RMB1,160 million. The Disposal and the Settlement were successfully completed in early December 2015.

The profit contributed by the non-solar power business of RMB406 million and gain on disposal of non-solar power business of approximately RMB82 million were included in the results of discontinued operations in the current year.

The amount of cash compensation received by the Company in relation to the amendment deed was credited to profit or loss for the current year.

Business Structure

Disposal of non-solar power business clarifies the Company's business objective, and enables management of the Group to focus on its core integrated solar business, including the manufacturing and sale of polysilicon and wafer products, and developing, constructing and operating downstream solar farms both within the PRC and overseas. Except for the solar farm projects of 371 MW that were constructed or acquired by the Group prior to obtaining a controlling stake in GCL New Energy Holdings Limited ("GNE"), the Group primarily develops, constructs, or acquires downstream solar farms through its platform GNE.

For illustration purpose, if excluding GNE Group and recognising the costs of investment in GNE as non-current assets, the financial position of the Group, GNE Group and the Group (de-consolidated GNE Group) as at 31 December 2015 would be as follows:

	The Group	**GNE Group**	**De-consolidation adjustment[1]**	**The Group (De-consolidated GNE Group)**
	RMB million	*RMB million*	*RMB million*	*RMB million*
Total assets	79,691	23,502	(1,870)	58,059
Total liabilities	62,132	21,060	(638)	41,710
Bank balances and cash, pledged and restricted bank deposits	17,318	2,917	–	14,401
Bank balances and cash classified as assets held for sale	81	–	–	81
Indebtedness				
Bank and other borrowings	34,436	11,877	–	22,559
Loan from fellow subsidiaries	–	629	(629)	–
Obligations under finance leases	3,434	95	–	3,339
Notes payables	4,319	–	–	4,319
Bonds payable	360	360	–	–
Convertible bonds payables	2,019	733		1,286
Net debt	27,169	10,777	(629)	17,021

Note:

1. It mainly includes the fair value adjustments for the acquisition of GNE, adjustments to reflect the investment costs in GNE, and other intercompany transactions and balances. The Group's costs of investment in GNE amounted to be RMB1,143,792,000 (equivalent to HK$1,440,000,000).

Segment Information

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

a) Solar Material Business – mainly manufacture and sales of polysilicon and wafer to companies operating in the solar industry.

b) Solar Farm Business – manages and operates 371 MW solar farms, of which 18 MW is located in the United States and 353 MW is located in the PRC. These solar farms were constructed or acquired by the Group prior to obtaining a controlling stake in GNE.

c) New Energy Business – represents the business operations of GNE, which is principally engaged in the development, construction, operation and management of solar farms, as well as manufacturing and selling of printed circuit boards.

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

	2015			2014 (Restated)		
	Revenue	**Segment profit (loss)**	**EBITDA[1]**	Revenue	Segment profit (loss)	EBITDA[1]
	RMB million	***RMB million***	***RMB million***	*RMB million*	*RMB million*	*RMB million*
Solar Material Business	**19,242**	**1,873**	**6,531**	20,166	1,787	6,359
Solar Farm Business	**554**	**(303)**	**116**	545	(57)	224
Corporate[2]	**N/A**	**N/A**	**(382)**	N/A	N/A	(52)
Sub-total	**19,796**	**1,570**	**6,265**	20,711	1,730	6,531
New Energy Business	**1,970**	**6[3]**	**718**	812	(139)[3]	(29)
Total	**21,766**	**1,576**	**6,983**	21,523	1,591	6,502

1. For the purpose of this results announcement, the following items were excluded in the calculation of earnings before interest expenses, tax, depreciation and amortisation ("EBITDA"): i) Impairment losses on property, plant and equipment; ii) Impairment losses on prepaid lease payments; iii) impairment loss on goodwill; iv) Reversal of impairment loss on deposits for acquisitions of property, plant and equipment; v) Impairment losses on available-for-sale investment; vi) Loss on disposal of available-for-sale investment; vii) Gain/loss on fair value change of convertible bonds receivable; viii) Gain/loss on fair value change of convertible bonds payables; ix) Gain/loss on fair value change of held for trading investments; x) Gain on disposal of joint ventures; xi) Bargain purchase on business combination, xii) Loss on fair value change of derivative financial instruments and xiii) Compensation income arising from the amendment of settlement deed. The EBITDA presented may, therefore, not be comparable to similarly titled measures by reported the companies.

2. The corporate items is not a reportable segment and primarily included unallocated income and unallocated expenses.

3. For the year ended 31 December 2015, the segment profit of the new energy business includes reported net loss of GNE Group of approximately RMB15.5 million, allocated corporate expenses of approximately RMB16.3 million and the amortisation of fair value adjustments of approximately RMB38.2 million, which was related to the assets and liabilities of GNE acquired in 2014 which are subject to the amortisation/depreciation over the estimated useful lives of the relevant assets. The segment loss in prior year represented the loss incurred since the completion of acquisition of GNE Group on 9 May 2014.

BUSINESS REVIEW

Solar Material Business

Production

The Group's solar material business belongs to the upstream of the solar supply chain, which supplies polysilicon and wafer to companies operating in the solar industry. Polysilicon is the primary raw material used in the solar wafer production. In addition, the Group also produces wafer by using polysilicon that are produced by the Group. In the solar industry supply chain, wafers are further processed by downstream manufacturers to produce solar cells and modules.

During the year ended 31 December 2015, the Group operated its polysilicon business at full capacity and produced approximately 74,358 MT of polysilicon, representing an increase of 11.2% as compared to 66,876 MT for the same period in 2014.

During the year ended 31 December 2015, the Group continued to adopt various technological improvements on application of advanced ingot furnace facility and wafer slicing process. The Group's annual wafer production capacity has increased to 14 GW as at 31 December 2015. During the year ended 31 December 2015, the Group produced approximately 14,968 MW of wafers (including processing business with supplied materials), representing an increase of 14.3% from 13,098 MW for the same period in 2014. In 2015, the Group successfully launched the fourth generation, high-efficiency multi-crystalline silicon wafer "GCL Multi-Wafer S4", which demonstrated a significant performance improvement with increment in the conversion efficiency of solar cells.

Sales Volume and Revenue

For the year ended 31 December 2015, the Group sold 18,023 MT of polysilicon and 15,178 MW of wafer (including processing business with supplied materials), representing an increase of 16.7% and 17.6% respectively, as compared with 15,443 MT of polysilicon and 12,909 MW of wafer for the same period in 2014.

The average selling prices of polysilicon and wafer were approximately RMB97.8 (US$15.6) per kilogram and RMB1.175 (US$0.188) per W respectively for the year ended 31 December 2015. The corresponding average selling prices of polysilicon and wafer for the year ended 31 December 2014 were approximately RMB133.4 (US$21.7) per kilogram and RMB1.322 (US$0.215) per W respectively.

Despite significant decrease of average selling price of polysilicon and wafer during the year ended 31 December 2015, revenue from external customers of our Solar Material Business amounted to approximately RMB19,243 million, representing a slight decrease of 4.6% from RMB20,166 million for the same period in 2014.

Cost and Net Profit Margin

The Group'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 ended 31 December 2015, the Group continued to make effort on cost reduction and control measures.

Attributed to the effective method on raw material recycling together with technology innovation, the Group was able to reduce its fundamental production cost to an extremely competitive level, and hence resulted in production yield increase. The Group's polysilicon manufacturing cost has been further driven down as the captive cogeneration power plant commenced to supply electricity directly to Jiangsu Zhongneng since July 2015. With a full capacity utilisation rate and reduction in costs for the year ended 31 December 2015 for both polysilicon and wafer production, our operating performance further improved. Therefore, despite the significant decrease of average selling price of polysilicon and wafer, the net profit margin of our Solar Material Business for the year ended 31 December 2015 was maintained at 9.7% as compared with net profit margin of 8.9% in the same period in 2014.

Solar Farm Business

Overseas Solar Farms

As at 31 December 2015, the Solar Farm Business includes 18 MW of solar farms in the United States. Besides, 150 MW solar farms in South Africa, which was partnered with CAD fund, commenced operation in 2014 with the total effective ownership of 9.7% owned by the Group.

PRC Solar Farms

As at 31 December 2015, the Solar Farm Business also includes 10 solar farms in the PRC and the installed capacity and attributable installed capacity were remained unchanged at 353.0 MW and 289.3 MW, respectively.

Sales Volume and Revenue

For the year ended 31 December 2015, the electricity sales volume of Solar Farm Business in overseas and the PRC were 31,412 MWh and 503,435 MWh (2014: 32,126 MWh and 494,148 MWh), respectively.

For the year ended 31 December 2015, revenue for Solar Farm Business was approximately RMB554 million (2014: RMB545 million).

New Energy Business

On 9 May 2014, the Group completed the acquisition of GNE and planned to continue developing its downstream solar business through the platform GNE. As at 31 December 2015, the Group owns 8,640 million shares of GNE (approximately 62.28% of GNE's issued capital). During the year, GNE has strived to build its solar energy business at a high growth rate through different strategies, including self-development, joint-development and acquisitions. As at 31 December 2015, GNE Group has completed 28 jointly developed solar power plant projects with an aggregate installed capital of 1,170 MW, acquired 6 solar power plants with an aggregated installed capacity of 300 MW and completed 7 in-house developed projects with an aggregated installed capacity of 170 MW. As at 31 December 2015, GNE Group's aggregate installed capacity and grid connected capacity were 1,640 MW and 1,316 MW respectively.

Development Type	**31 December 2015** *MW*	31 December 2014 *MW*	% of Changes
Joint development	**1,170**	479.5	144%
Acquisition	**300**	100	200%
In-house development	**170**	36	372%
Total	**1,640**	615.5	166%

As at 31 December 2015, there were 41 solar power plants owned by GNE Group (31 December 2014: 11) achieved on-grid connection. The aggregated installed capacity of these solar power plants has increased by 166% to 1,640 MW (31 December 2014: 615.5 MW). All of these solar power plants have achieved on-grid connection. The details of the electricity sales volume and revenue for the year ended 31 December 2015 are set out below.

Locations	Number of solar power plants	Aggregate Installed Capacity[1] *(MWh)*	Grid-connected Capacity[2] *(MW)*	Electricity Sales Volume *(MW)*	Average Tariff (Net of Tax) *(RMB/kWh)*	Revenue *(RMB'Million)*
Subsidiary						
Jiangsu	9	222	155	131,762	0.86	114
Inner Mongolia	3	215	175	164,883	0.77	127
Shanxi	5	180	129	126,674	0.85	108
Qinghai	2	120	120	123,106	0.91	112
Hebei	3	134	107	42,435	1.01	43
Ningxia	3	130	130	59,926	0.77	46
Xinjiang	2	80	80	62,624	0.77	48
Shaanxi	2	100	79	51,181	0.81	42
Hainan	2	50	48	29,959	0.84	25
Yunnan	1	50	38	2,473	0.81	2
Shandong	1	35	35	2,564	0.85	2
Zhejiang	2	23	21	19,207	1.00	19
Henan	1	50	50	–	–	–
Anhui	2	80	39	–	–	–
Hubei	1	116	55	–	–	–
Sub-total	**39**	**1,585**	**1,261**	**816,794**	**0.84**	**688**
Joint venture						
Xinjiang	1	25	25	5,326	0.81	4[3]
Qinghai	1	30	30	48,173	0.88	42[3]
Total	**41**	**1,640**	**1,316**	**870,293**	**0.84**	**734**

(1) Aggregate installed capacity represents the maximum capacity that approved by local government authorities.

(2) Grid-connected capacity represents that the actual capacity connected to the State Grid.

(3) Revenue from joint venture solar power plants was accounted for under "share of profit of joint ventures" in the profit or loss.

In terms of project type, the large-scale ground-mounted, agriculture-photovoltaic, fishery-photovoltaic and rooftop distributed power plants accounted for approximately 65%, 17%, 10% and 8%, respectively (2014: 49%, 24%, 20% and 7%) of the aggregated installed capacity of all the solar power plants owned by GNE Group.

Sales Volume and Revenue

For the year ended 31 December 2015, revenue contributed by new energy business amounted to approximately RMB1,970 million, representing an increase of 142.6% when compared with approximately RMB812 million for the same period in 2014. The revenue of the new energy business for the current year mainly comprised sales of electricity and tariff adjustment amounting to approximately RMB688 million and sales of printed circuit boards to approximately RMB1,282 million.

The increase was mainly attributable to the increase in the generation volume of electricity of the solar power plants from 647 MWh in 2014 to 870,293 MWh in 2015 as a result of intensive developments and acquisitions of solar power plants in 2015 and full year operation for those solar power plant achieved on-grid connection in the fourth quarter of 2014.

Financial resources of GNE Group

For the year ended 31 December 2015, GNE Group recorded net cash from operating activities of approximately RMB35 million, net cash used in investing activities of approximately RMB9,181 million and net cash from financing activities of approximately RMB10,479 million (including the loan provided by several subsidiaries of the Group of approximately RMB629 million).

Fund Raising Activities

On 22 July 2015, the Company has issued US$225 million 0.75% convertible bonds due 2019 at an initial conversion price of HK$2.60 per share. The net proceeds were approximately US$223 million after deducting fees, commission and expense. The net proceeds was mainly used to redeem the 2018 Convertible Bonds and for general corporate use. The conversion price has been adjusted to HK$2.34 per share as a result of the special dividend distribution and Rights Issue.

Subsequent to the reporting date, the Company raised approximately HK$3,396 million (equivalent to approximately RMB2,845 million), net of expenses, by way of the Rights Issue of 3,097,927,453 Rights Shares at the Subscription Price of HK$1.12 per Rights Share. The Company had utilised HK$1,458 million (equivalent to RMB1,222 million) in subscribing 3,240,000,000 GNE Rights Shares, and intends to use the remaining proceeds (i) as to approximately HK$1,163 million (equivalent to RMB974 million) for further reducing its indebtedness; and (ii) as to approximately HK$775 million (equivalent to RMB649 million) for general working capital.

Use of proceeds from the Disposal, the Settlement Sum and the Rights issue

The net proceeds from the Disposal and the Settlement Sum amounted to approximately RMB4,105 million after deducting related expenses. As at 31 December 2015, the net proceeds was mainly used to (1) make a special dividend of RMB1,120 million; and (2) repay of bank borrowings of US$50 million (equivalent to RMB332 million).

Subsequent to the reporting date, the Group further repaid bank borrowings of US$300 million (equivalent to RMB1,990 million). The Group intends to use the remaining portion of the proceeds of the Disposal, the Settlement Sum and the Rights issue to further reduce the Group's indebtedness and for working capital and other general corporate purposes.

Outlook

We saw a significant decline in polysilicon prices in the first half of 2015, as a result of increasing volumes of polysilicon import into China, before the final cut-off date of August 31st Import Duty Levy on foreign import as "trade processing" loophole. Despite strong seasonality in the second half of 2015, polysilicon prices continued to decline as a result of channel inventory build-up. However, our revenue mainly derived from solar wafer sales, and its prices had diverged from the falling price trend of polysilicon. Meanwhile, it is increasingly difficult to justify investments to start any new greenfield polysilicon capacity for overseas manufacturers. Also a sustained low polysilicon price environment will put tremendous financial pressure on weaker manufacturers, and as a result, restoring supply-demand balance in the long run.

We anticipate strong seasonality to continue through the first half of 2016, and with high utilization, we believe that cost should continue to come down in 2016. The demand visibility for the second half of 2016 is still limited at this point, but we are confident that we continue to execute our cost reduction strategy. Solar industry had been historically very seasonal, we anticipate a more evenly distributed China installation in 2016.

We anticipate that 2016 global PV solar demand to grow modestly to approximately 66GW, up from 51~57 GW in 2015 and from 44 GW in 2014, with strong demand in China, the USA and Japan, while emerging market such as India, Australia and Latin America will continue to increase. These emerging markets will play a more important role in the solar industry development, resulting in a more balanced geographical diversification.

We also believe that environmental and energy-related spending will still be a new driver in sustaining China's GDP growth, as air pollution still remained a big concern in China. In addition, Chinese government had revised down the ground-mounted Feed-In-Tariff ("FiT") in China, but the returns of solar farms will remain attractive given falling borrowing rate and improvement in lending. We continue to see the Chinese government continue to issue favorable policy for the industry.

Recently, China increased the renewable energy funding surcharge, alleviating the issue of postponed subsidy payments to renewable projects. China also made it mandatory for the State Grid to buy back all renewable energy generation. While renewable energy projects in some provinces such as those in Gansu and Xinjiang are experiencing curtailments, but the completion of Ultra-High Voltage transmission lines linking the western part of China was already underway to resolve the issues. With the advent of the 13th Five-Year-Plan, and an earmarked target of over 150 GW by 2020, we expect new solar installations will remain robust in the next several years.

In late 2015, The U.S. Government extended the 30% solar Investment Tax Credit (ITC) through 2019, reinstated confidence among investors as some had feared a demand cliff after 2016 for the U.S. Market. As many of the U.S. solar projects were already underway, we believe the installation growth will remain robust.

As we recently have commissioned, operation of our captive power plant, we expect the Group will remain competitive with our superior cost structure and effective execution to manage our production facilities. In 2016, the Group will be able to harness all the cost benefit of the captive power plant throughout the entire year.

Employees

We consider our employees to be our most important resource. As at 31 December 2015, the Group had approximately 17,705 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

Continuing operations

Revenue

Revenue for the year ended 31 December 2015 amounted to approximately RMB21,766 million, representing an increase of 1.1% as compared with approximately RMB21,523 million for the same period in 2014. The increase was primarily contributed by the increase in electricity sales of GNE, mainly offsetting by the decrease in sales of polysilicon and wafer as a result of decrease in average selling price of polysilicon and wafer products in 2015.

Gross Profit Margin

The Group's overall gross profit margin for the year ended 31 December 2015 was 26.5%, as compared with 23.1% for the same period in 2014.

Gross profit margin for the solar material business increased from 23.2% for the year ended 31 December 2014 to 27.0% for the year ended 31 December 2015. The increase was mainly attributed to the decrease in production cost as a result of high utilisation of manufacturing facilities, the effective method on raw materials recycling and the commencement of operation of the captive cogeneration power plant, partially offsetting by the decrease in average selling price of polysilicon and wafer products in 2015.

Solar farm business has a gross profit margin of 3.1% for the year ended 31 December 2015, as compared with 38.4% for the corresponding period in 2014. The decrease in gross profit margin was primarily due to the increase in impairment loss on project assets in the current year.

The gross profit margin for the new energy business was 26.5% for the year ended 31 December 2015 and 8.0% for the corresponding period in 2014. The increase in gross profit margin was mainly contributed by its solar power plants, which has a higher gross profit margin than its original printed circuit boards business.

Other Income

For the year ended 31 December 2015, other income mainly comprised government grants of approximately RMB170 million (2014: RMB199 million), sales of scrap materials of approximately RMB233 million (2014: RMB253 million), bank interest income of approximately RMB314 million (2014: RMB237 million) and management, consultancy fee income of approximately RMB91 million (2014: RMB11 million) and commission income on module procurement of approximately RMB89 million (2014: Nil).

Distribution and Selling Expenses

Distribution and selling expenses amounted to approximately RMB79 million for the year ended 31 December 2015, representing an increase of 19.7% from approximately RMB66 million for the same period in 2014. Increase in distribution and selling expenses were due to more sales and marketing activities were carried out during the year.

Administrative Expenses

Administrative expenses amounted to approximately RMB1,581 million for the year ended 31 December 2015, representing an increase of 9.9% from approximately RMB1,439 million for the same period in 2014. Increase in administrative expenses was primarily due to expansion of our new energy business and the increase of share-based payment expenses resulted from the share option scheme of the Company and GNE.

Other Expenses, Gains and Losses, Net

The other expenses, gains and losses represents net expenses of RMB1,201 million for the year ended 31 December 2015 (2014: net expenses of RMB384 million). The net expenses for the current year mainly comprises of exchange loss of RMB427 million, impairment loss on trade and other receivables of approximately RMB282 million, the impairment loss on property, plant and equipment of approximately RMB175 million and research and development costs of approximately RMB257 million.

Finance Costs

Finance costs for the year ended 31 December 2015 were approximately RMB2,209 million, increased by 4.5% as compared to approximately RMB2,114 million for the corresponding period in 2014. Increase was mainly related to the increase of bank and other borrowings by GNE Group during the year.

Share of Losses of Joint Ventures

The Group's share of losses of Joint Ventures for the year ended 31 December 2015 was approximately RMB50 million, mainly comprises of share of loss of a joint venture in the USA of approximately RMB62 million, share of profit of a joint venture in the South Africa of approximately RMB3 million and share of profit of certain joint ventures in the PRC of approximately RMB9 million.

Income Tax Expense

Income tax expense for the year ended 31 December 2015 was approximately RMB530 million, representing an increase of 82.1% as compared with approximately RMB291 million for the same period in 2014. The increase was mainly due to the fact that less tax losses were available to be utilised in the current year when compared with the same period in prior year.

Profit attributable to Owners of the Company

Profit attributable to Owners of the Company from continuing operations amounted to approximately RMB2,106 million for the year ended 31 December 2015, representing an increase of 49.1% as compared with a profit of approximately RMB1,412 million for the same period in 2014.

The profit for the year from discontinued operations includes non-solar power business's profit of approximately RMB406 million (2014: RMB230 million) and gain on disposal of non-solar power business of approximately RMB82 million (2014: Nil).

Profit attributable to Owners of the Company from continuing operations and discontinued operations amounted to approximately RMB2,425 million for the year ended 31 December 2015 as compared with a profit of approximately RMB1,549 million for the same period in 2014.

Property, Plant and Equipment

Property, plant and equipment increased from RMB39,927 million as at 31 December 2014 to RMB41,650 million as at 31 December 2015. This is mainly attributable to the increase in solar power plant assets contributed by GNE Group. During the current year, GNE Group developed and completed a significant amount of solar power plant projects and thus solar power plant assets increased accordingly.

Deposits, Prepayments and Other Non-current Assets

Non-current portion for deposits, prepayments and other non-current assets increased from RMB1,153 million as at 31 December 2014 to RMB2,686 million as at 31 December 2015. The increase was mainly attributable to the increase in deposits for EPC contracts by GNE Group and its acquisitions of solar power plant projects and the increase in refundable value-added tax arising from purchase of materials for construction of GNE Group's solar power plants.

Trade and Other Receivables

Trade and other receivables increased from RMB10,775 million as at 31 December 2014 to RMB14,368 million as at 31 December 2015. The increase was mainly due to increase in bills receivable received from customers for the settlement of accounts receivables for the solar material business and the increase tariff adjustment receivables which arose from the sales of electricity by the Group's solar farm business and new energy business.

Trade and Other Payables

Trade and other payables decreased from RMB16,443 million as at 31 December 2014 to RMB15,698 million as at 31 December 2015. The decrease was mainly due to less bills payable were issued during the current year.

Liquidity and Financial Resources

As at 31 December 2015, the total assets of the Group were about RMB79,691 million, of which the aggregate restricted and unrestricted cash and bank balances amounted to approximately RMB17,399 million (including bank balances and cash classified as assets held for sale of RMB81 million). The bank and other interest received for the year ended 31 December 2015 was approximately RMB340 million.

For the year ended 31 December 2015, the Group's main source of funding was cash generated from financing activities. The net cash from financing activities for the current year was approximately RMB9.9 billion, compared with net cash used in financing activities of approximately RMB0.3 billion in the corresponding period in 2014. Increase in net cash from financing activities was mainly due to raise of bank and other borrowings, proceeds from new sales and finance lease back arrangements, issuance of notes payable and issuance of convertible bonds payable, partially offsetting by the payment of a special dividend.

For the year ended 31 December 2015, the net cash used in investing activities was approximately RMB7.4 billion, primarily related to the deposits paid for and purchase of property, plant and equipment of approximately RMB10.4 billion (which was mainly attributable to GNE Group of approximately RMB8.1 billion), partially offsetting by inflow of approximately RMB2.3 billion for net withdrawal of pledged bank deposits and approximately RMB1.5 billion for net cash inflow from disposal of non-solar power business.

For the year ended 31 December 2015, the net cash from operating activities was RMB3.2 billion, compared with RMB6.9 billion in the same period in 2014. The decrease was primarily due to the increase of bills receivable in trade for the solar business industry.

The Directors have given careful consideration to the going concern status of the Group in light of the fact that the Group's current liabilities exceeded its current assets by approximately RMB7,989 million as at 31 December 2015 and the Group had cash and cash equivalents of RMB10,341 million (including bank balances and cash classified as held for sale of RMB81 million) against the Group's bank and other borrowings due within one year of RMB22,315 million as at that date. The Directors have evaluated the Group's current undrawn banking facilities and renewable bank borrowings. In order to improve liquidity, the Group has negotiated with certain banks, who have indicated that they do not foresee any reasons to withdraw the existing facilities in the foreseeable future, and will continue to negotiate with other banks to obtain revolving banking facilities to ensure the Group's bank borrowings can be renewed on an on-going basis. The Directors believe that the Group will be able to renew the banking facilities upon maturity dates.

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

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

Indebtedness

Details of the Group's indebtedness are as follows:

	31 December 2015	31 December 2014
	RMB million	*RMB million*
		(Restated)
Bank and other borrowings	**34,435.7**	28,562.6
Obligations under finance leases *(Note 1)*	**3,434.4**	1,686.5
Notes payables	**4,319.3**	3,288.7
Bonds payable	**360.0**	–
Convertible bonds payables *(Note 2)*	**2,018.5**	1,138.5
	44,567.9	34,676.3

Notes:

(1) As at 31 December 2015, approximately 11.2% of the obligations under finance leases are denominated in USD.

(2) As at 31 December 2015, approximately 63.7% and 36.3% of the convertible bonds payables are denominated in USD and HKD, respectively.

Bank and other borrowings are denominated in the following currencies:

	31 December 2015 *RMB million*	31 December 2014 *RMB million* (Restated)
RMB	**25,507.6**	18,578.7
US$	**8,902.2**	9,983.9
HKD	**25.9**	–
	34,435.7	28,562.6

Below is a table showing the bank and other borrowing structure and maturity profile of the Group's bank and other borrowings:

	31 December 2015 *RMB million*	31 December 2014 *RMB million* (Restated)
Secured	**21,803.9**	21,970.9
Unsecured	**12,631.8**	6,591.7
	34,435.7	28,562.6
Maturity profile of bank and other borrowings		
On demand or within one year	**22,314.9**	17,317.4
After one year but within two years	**3,913.8**	5,572.6
After two years but within five years	**4,165.9**	3,322.6
After five years	**4,041.1**	2,350.0
Group's total bank and other borrowings	**34,435.7**	28,562.6

As at 31 December 2015, RMB bank and other borrowings carried floating interest rates with reference to the Benchmark Borrowing Rate of The People's Bank of China. USD bank and other borrowings carried interest rates with reference to the London Interbank Offer Rate.

The note payables bear interest at a rate of 4.30% – 7.50% per annum, the bonds payable bears interest at a rate of 6.7% and the convertible bonds payables bear interest at a fixed rate of 0.75% – 6.0% per annum.

Key Financial Ratios of the Group

	As at 31 December 2015	As at 31 December 2014
Current ratio	**0.81**	0.71
Quick ratio	**0.77**	0.65
Net debt to equity attributable to owners of the Company *(Note)*	**171.4%**	143.0%

Note:

As at 31 December 2015, the net debt of GNE was approximately RMB10,777 million (including the loans from fellow subsidiaries of RMB629 million) and the net debt to equity attributable to owners of GNE was 441.5%. For illustration purpose, if purely excluding GNE Group's net debt of RMB10,148 million (excluded the loans from fellow subsidiaries provided by the Group) and assuming the equity attributable to owners of the Company remains unchanged, the net debt to equity attributable to owners of the Company would be 107.4%

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

Foreign Currency Risk

Most of the Group's business is located in the PRC and the presentation currency of the consolidated financial statements of the Company is expressed in RMB. Substantially all of the Group's revenue, cost of sales and operating expenses are denominated in RMB, and the majority of the Group's assets and liabilities are denominated in RMB, while the rest are mainly denominated in US dollar and Hong Kong dollar. Any depreciation of RMB against US dollar or any other foreign currencies may result in an increase in value of the monetary assets and liabilities that are denominated in foreign currencies and affect the earnings and value of the net assets of the Group.

The Group continues to adopt a conservative approach on foreign exchange exposure management and ensure that its exposure to fluctuations in foreign exchange rates is minimised. The majority of the Group's borrowings are denominated in RMB.

Foreign currency forward contracts are utilised when it is considered as appropriate to hedge against foreign currency risk exposure and when suitable opportunities arise. During the year ended 31 December 2015, the Group entered into certain forward contracts to manage foreign currency exchange rate risk, which was primarily related to its US dollar denominated indebtedness.

Current US dollar forward contracts are typically for a period of less than 12 months. The Company's policy is not to utilise derivative financial instruments for trading or speculative purposes.

At 31 December 2015, the Company had outstanding US dollar forward contracts with total notional amounts of approximately US$341 million (equivalent to approximately RMB2,213 million) and the fair value of the US dollar forward contracts of approximately RMB13 million is included as derivative financial liabilities as at 31 December 2015.

For sensitivity analysis purpose, the Group's profit before tax for the year ended 31 December 2015 would increase/decrease by approximately RMB444 million if the Group's outstanding US dollar denominated monetary items adjusts its translation at the end of the reporting period for a 5% change in RMB against US dollar.

The Company is actively considering the effective measures at reasonable costs to further reduce the foreign currency risk exposure, including the additional investment of assets denominated in USD, currency derivatives as well as other related hedging instruments. The Directors are of the opinion that, with the successful implementation of the above measures, the abovementioned foreign currency risk exposure can be reduced.

Pledge of Assets

As at 31 December 2015, property, plant and equipment and prepaid lease payments with a carrying value of approximately RMB15,610 million and RMB6 million respectively, were pledged as security for certain banking facilities and borrowings granted to the Group (31 December 2014: RMB16,977 million and RMB405 million respectively). Apart from these, bank deposits, bill receivables and available-for-sale investments/held-to-maturity investments of RMB2,506 million (31 December 2014: RMB2,067 million), RMB4,555 million (31 December 2014: RMB1,428 million) and RMB13 million (31 December 2014: RMB12 million), respectively, were pledged to the banks to secure borrowings and finance leases granted to the Group.

Capital Commitments

As at 31 December 2015, the Group's capital commitments in respect of purchase of property, plant and equipment, constructions costs in respect of projects, share capital commitment to a joint venture and share capital to an available-for-sale investment contracted for but not provided amounted to RMB5,861 million, nil, RMB36 million and RMB210 million respectively (31 December 2014: RMB4,432 million, RMB399 million, RMB52 million and nil, respectively).

Contingencies

Financial guarantees contracts

At 31 December 2014, the Group provided financial guarantees of RMB100 million to banks in respect of bank facilities of an associate. The associate had fully utilised such bank facilities at the end of the reporting period. No such financial guarantee were provided by the Group as at 31 December 2015.

In addition, as at 31 December 2015, certain subsidiaries of the Company guaranteed bank and other borrowings of certain subsidiaries of GNE which amounted to RMB4,163 million.

Events After the End of The Reporting Period

On 26 January 2016, the Company raised approximately HK$3,470million (equivalent to RMB2,907 million), before expenses, by way of the Rights Issue of 3,097,927,453 Rights Shares at the Subscription Price of HK$1.12 per Rights Share. On 2 February 2016, GNE raised approximately HK$2,341 million (equivalent to RMB1,961 million), before expenses, by way of the Rights Issue of 5,201,922,393 Rights Shares at the Subscription Price of HK$0.45 per Rights Share. The Company had utilised HK$1,458 million (equivalent to RMB1,222 million) in subscribing 3,240,000,000 GNE Rights Shares.

On 15 February 2016, an indirect wholly owned subsidiary of GNE (as the purchaser) entered into a sale and purchase agreement in relation to the sale and purchase of the entire equity interest in the Wilson Project Companies for a total consideration of US$4,212,000. The Wilson Project Companies own the development rights to seven yet to be constructed photovoltaic electrical energy producing utility systems totaling approximately 58.5 MW AC located in North Carolina in the United States.

On 15 February 2016 (US time), an indirectly wholly owned subsidiary of GNE (as the purchaser) entered into a sale and purchase agreement in relation to the sale and purchase of the entire equity interest in the Jackson Project Company for a total consideration of US$720,000. The Jackson Project Company owns the development rights to one yet to be constructed photovoltaic electrical energy producing utility system totaling approximately 10 MW AC located in North Carolina in the United States.

On 29 February 2016, the Company cancelled the outstanding options in respect of 98,904,095 Shares previously granted to the eligible existing grantees and the eligible existing grantees to subscribe for a total of 98,904,095 Shares of the Company under the Share Option Scheme.

DIVIDENDS

A special dividend in the total amount of approximately RMB1.12 billion (equivalent to HK8.62 cents per share) was paid to the shareholders of the Company on 31 December 2015.

The Board does not recommend the payment of any final dividend for the year ended 31 December 2015 (2014: nil).

CORPORATE GOVERNANCE

The Company has complied with all the code provisions as set out in the Corporate Governance Code ("CG Code") under Appendix 14 in the Listing Rules for the year ended 31 December 2015 save for the deviation from the following code provisions of the CG Code:

(i) Code provision A.2.1

Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Zhu Gongshan, the Chairman and a Director of the Company, acted as the Chairman of the Board and also the Chief Executive Officer of the Company. In view of Mr. Zhu as the founder of the Company and our Xuzhou polysilicon production base, his in-depth knowledge and expertise, his extensive business network and connections, as well as the scope of operations and the business development strategies of the Company, the Board considered that Mr. Zhu's acting as the Chief Executive Officer is appropriate. The requirement of this code provision will be complied with by the Company when Mr. Zhu Zhanjun assumes the new CEO with effect from 1 April 2016.

(ii) Code provision A.5.1

Code provision A.5.1 stipulates that a nomination committee which is chaired by the chairman of the board or an independent non-executive director ("INED") and comprises a majority of INEDs should be established. As a result of the resignation of an INED (who was also the chairman of the nomination committee) on 8 May 2015, the nomination committee then comprised one executive Director and one INED only. The requirements of Code provision A.5.1 was complied with not until Mr. Yip Tai Him (an INED) was appointed as the chairman of the committee by the Board with effect from 15 July 2015.

(iii) Code provision A.6.7

Code provision A.6.7 stipulates that (including but not limited to) INEDs and other non-executive directors should also attend general meetings and develop a balanced understanding of the views of shareholders. Two INEDs and the non-executive Director, who were not in Hong Kong when the extraordinary general meeting of the Company held on 26 November 2015, unable to attend such meeting. The non-executive Director was unable to attend the annual general meeting held on 1 June 2015.

(iv) Code provision E.1.2

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

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

During the year, the Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company.

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 under Appendix 10 of the Listing Rules. Having made specific inquires of all Directors, the Company has received from all Directors confirmations of compliance with the required standard as set out in the Code throughout the year ended 31 December 2015.

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 2015 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 2015.

CHANGE OF CHIEF EXECUTIVE OFFICER AND APPOINTMENT OF ADDITIONAL EXECUTIVE DIRECTORS AND INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board is pleased to announce the following changes which will take effect from 1 April 2016:

(a) Mr. Zhu Zhanjun ("**Mr. ZJ Zhu**"), the current executive director and Executive President of the Company, was appointed to succeed Mr. Zhu Gongshan as the new Chief Executive Officer of the Company. Mr. Zhu Gongshan, the current Chief Executive Officer, an executive director and Chairman of the Company, will continue to serve as an executive director and Chairman of the Company;

(b) Messrs. Jiang Wenwu ("**Mr. Jiang**") and Zheng Xiongjiu ("**Mr. Zheng**") were appointed as additional executive directors of the Company; and

(c) Mr. Wong Man Chung, Francis ("**Mr. Wong**") was appointed as the additional independent non-executive directors of the Company.

The Board is of the view that Mr. ZJ Zhu is the appropriate person as the new CEO to lead the Company through the dynamic environment to the next level. The split of the roles of chief executive officer and chairman of the board also helps to bolster the Company's corporate governance.

Mr. ZJ Zhu, aged 46, has vast experience in the polysilicon and wafer business. He joined the Company in 2004 as the plant manager of one of our power plants and became a general manager in 2006. He was transferred to Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd.* (江蘇中能硅業發展有限公司) ("**Jiangsu Zhongneng**"), a subsidiary of the Company which produces polysilicon, as Deputy Director- Infrastructure in 2008. Mr. ZJ Zhu was promoted as the General Manager of Jiangsu GCL Silicon Material Technology Development Co., Ltd. (江蘇協鑫硅材料科技發展有限公司) ("Jiangsu GCL"), a subsidiary of the Company in 2009 and was appointed as a vice president of the Company in 2013, overseeing the Company's ingot business and Jiangsu GCL's wafer business. Mr. ZJ Zhu is an engineer and obtained a Master's degree in Business Administration from China Europe International Business School (中歐國際工商學院) in 2013. Mr. ZJ Zhu is a director of several subsidiaries of the Company and is currently responsible for the overall operation and management of the polysilicon and wafer business of the Company.

Mr. ZJ Zhu is not connected with any directors, senior management, substantial or controlling shareholders of the Company. Mr. ZJ Zhu has not held any directorships in any other public companies in the last three years.

Mr. ZJ Zhu has entered into a service contract with the Company for an initial term of three years commencing on 23 January 2015, subject to termination with three months' prior notice in writing, which will be renewed automatically upon expiry. Mr. ZJ Zhu is entitled to an annual remuneration of RMB4,000,000 with effect from his appointment as Chief Executive Officer of the Company which has been determined with reference to his duties and responsibilities with the Company. In accordance with the Company's Articles of Association, Mr. ZJ Zhu was retired and re-elected as a director of the Company at the annual general meeting of the Company held on 5 June 2015. Mr. ZJ Zhu will retire by rotation following his election by ordinary resolution and will be eligible for re-election in future.

As at the date of this announcement, Mr. ZJ Zhu has an interest in respect of 3,400,000 shares of the Company and 2,719,359 underlying shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance. The interest in the underlying shares represents Mr. ZJ Zhu's entitlement to exercise options for 2,719,359 shares of the Company, which were granted to him under the share option schemes of the Company.

Save as disclosed above, there is no other information relating to Mr. ZJ Zhu to be disclosed pursuant to Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and there is no other matter which needs to be brought to the attention of the shareholders of the Company.

The Board is of the view that the appointment of additional directors will strengthen the Board's performance, which will ultimately benefit the Company. Appended below are the particulars of the additional directors:

Mr. Jiang Wenwu, aged 52, was the deputy general manager of Jiangsu Zhongneng in 2007 and was promoted as the general manager in 2010. In 2015, Mr. Jiang was further promoted as senior vice president (solar business) of the Company. Mr. Jiang is a senior engineer. He obtained an executive master's degree in business administration in 2014 from Cheung Kong Graduate School of Business and a master's degree in engineering in 2003 from Liaoning Shihua University (遼寧石油化工大學), the PRC. Mr. Jiang is responsible for the daily operation and management of Jiangsu Zhongneng, the principal business of which is production and sale of polysilicon.

Mr. Jiang has entered into a service contract with the Company for an initial term of three years, subject to termination with three months' prior notice in writing to the other party, which will be renewed automatically upon expiry. Mr. Jiang is entitled to an annual remuneration of HK$3,100,000 which has been determined with reference to his duties and responsibilities with the Company. In accordance with the Company's Articles of Association, Mr. Jiang will hold office as director until the forthcoming annual general meeting of the Company and will then be eligible for election, thereafter, he will retire by rotation following his election by ordinary resolution and will be eligible for re-election.

Mr. Jiang has acted as a director for certain subsidiaries of the Company. He has not held any directorships in any other public companies in the last three years. Mr. Jiang is not connected with any directors, senior management, substantial or controlling shareholders of the Company.

As at the date of this announcement, Mr. Jiang has an interest in respect of 9,600,000 shares of the Company and 1,712,189 underlying shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance. The interest in the underlying shares represents Mr. Jiang's entitlement to exercise options for 1,712,189 shares of the Company, which were granted to him under the share option schemes of the Company.

Mr. Zheng Xiongjiu, aged 47, was the general manager of the Company's two wafer plants in 2010. Since 2013, Mr. Zheng has managed the wafer business of five wafer plants including the two original wafer plants. In 2015, Mr. Zheng was promoted as senior vice president (solar business) of the Company. He graduated from Xian Jiaotong University in 1991, major in mechanical engineering. Mr. Zheng is currently responsible for the daily operation and management of the of five wafer plants of the Company, the principal business of which is production and sale of wafer.

Mr. Zheng has entered into a service contract with the Company for an initial term of three years, subject to termination with three months' prior notice in writing to the other party, which will be renewed automatically upon expiry. Mr. Zheng is entitled to an annual remuneration of HK$3,100,000 which has been determined with reference to his duties and responsibilities with the Company. In accordance with the Company's Articles of Association, Mr. Zheng will hold office as director until the forthcoming annual general meeting of the Company and will then be eligible for election, thereafter, he will retire by rotation following his election by ordinary resolution and will be eligible for re-election.

Mr. Zheng has acted as a director for certain subsidiaries of the Company. He has not held any directorships in any other public companies in the last three years. Mr. Zheng is not connected with any directors, senior management, substantial or controlling shareholders of the Company.

As at the date of this announcement, Mr. Zheng has an interest in respect of 2,450,000 shares of a subsidiary of the Company, 250,000 shares of the Company and 2,719,358 underlying shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance. The interest in the underlying shares represents Mr. Zheng's entitlement to exercise options for 2,719,358 shares of the Company, which were granted to him under the share option schemes of the Company.

Mr. Wong Man Chung, Francis, aged 51, is a Certified Public Accountant (Practising). Mr. Wong is a fellow member in respect of The Chartered Association of Certified Accountants, The Institute of Chartered Accountants in England and Wales, The Society of Chinese Accountants & Auditors and The Hong Kong Institute of Certified Public Accountants and a certified tax adviser of the Taxation Institute of Hong Kong. Previously, Mr. Wong has worked for KPMG, an international accounting firm for 6 years and the Compliance Department of Hong Kong Securities Clearing Company Limited for about 2 years. He has over 27 years of experience in auditing, taxation, corporate internal control & governance, acquisition & financial advisory, corporate restructuring & liquidation, family trust & wealth management. Mr. Wong is currently an independent non-executive director of China Oriental Group Company Limited, Digital China Holdings Limited, Wai Kee Holdings Limited, Integrated Waste Solutions Group Holdings Limited and Greenheart Group Limited, the shares of all these companies are listed on the Main Board of the Stock Exchange of Hong Kong Limited. Mr. Wong was an independent non-executive director of eForce Holdings Limited, a listed company on the Hong Kong Main Board, upto 19 April 2013. Mr. Wong holds a master's degree in management from Guangzhou Jinan University (廣州暨南大學), the PRC.

Mr. Wong has entered into a service contract with the Company for an initial term of three years, subject to termination with three months' prior notice in writing to the other party. Mr. Wong is entitled to an annual remuneration of HK$240,000 which has been determined with reference to his duties and responsibilities with the Company. In accordance with the Company's Articles of Association, Mr. Wong will hold office as director until the forthcoming annual general meeting of the Company and will then be eligible for election, thereafter, he will retire by rotation following his election by ordinary resolution and will be eligible for re-election.

Mr. Wong has not held any other positions with the Company or its subsidiaries. Save as disclosed above, Mr. Wong has not held any directorships in any other public companies in the last three years. Mr. Wong is not connected with any directors, senior management, substantial or controlling shareholders of the Company.

As at the date of this announcement, Mr. Wong does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, there is no other information relating to Mr. Jiang, Mr. Zheng and Mr. Wong to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other matter which needs to be brought to the attention of the shareholders of the Company.

The above information in relation to Mr. ZJ Zhu, Mr. Jiang, Mr. Zheng and Mr. Wong is correct as at the date of this announcement. If there are any changes to the above information prior to their commencement of appointment on 1 April 2016, the Company shall comply with the Listing Rules and publish a further announcement as required.

The Board is of the view that the appointments of additional directors will strengthen the Board performance by bringing in additional industrial experts and professionals and the new CEO taken up by a separate individual from the chairman will enhance the corporate governance of the Company, which will ultimately benefit the Company and the shareholders of the Company as a whole.

The Board would like to thank Mr. Zhu Gongshan for his outstanding execution power, bringing together dedicated teams and driving the results of the Company and looks forward to continuing to have the benefit of his strategic advice in his role as the chairman of the Board and an executive director of the Company. The Board also takes this opportunity to welcome Mr. Jiang, Mr. Zheng and Mr. Wong on board.

GLOSSARY OF TERMS

"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
"Company, GCL-Poly"	GCL-Poly Energy Holdings Limited
"Director(s)"	director(s) of the Company or any one of them
"GNE"	GCL New Energy Holdings Limited, a limited liability company incorporated in Bermuda with its shares listed in the Stock Exchange Hong Kong Limited (Stock Code: 451)
"GNE Group"	GCL New Energy Holdings Limited and its subsidiaries

"Group"	the Company and its subsidiaries
"GW"	gigawatts
"Jiangsu Zhongneng"	江蘇中能硅業發展有限公司(Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd*), a wholly-owned subsidiary of the Company
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"MT"	metric tonnes
"MW"	megawatts
"MWh"	megawatt hour
"PV"	photovoltaic
"Rights Issue"	issue of 3,097,927,453 rights shares at HK$1.12 per rights share on the basis of one rights share for every five shares of the Company
"W"	watts

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

Hong Kong, 23 March 2016

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

* *for identification only*