GCL New Energy

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

(Incorporated in Bermuda with limited liability) (Stock Code: 451)

2019 INTERIM REPORT

Bringing **Green Power** to life

About GCL New Energy

- A renowned privately-owned solar IPP in China which owned and operated a national portfolio of 212 solar power plants across 26 provinces, together with solar power plants in the US and Japan, the total installed capacity was 7.2GW as of 30 June 2019
- A constituent of MSCI Global Small Cap Index — MSCI China Index, gaining recognition from international capital market
- Included in the trading list of Shenzhen-Hong Kong Stock Connect and Hang Seng Stock Connect Hong Kong Index, gaining recognition from Chinese capital market
- Owned 62.3% by GCL-Poly (3800.HK), a world's leading polysilicon producer and largest wafer supplier

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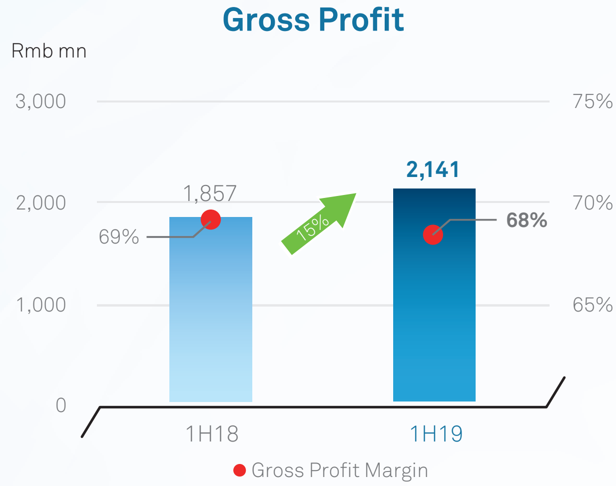
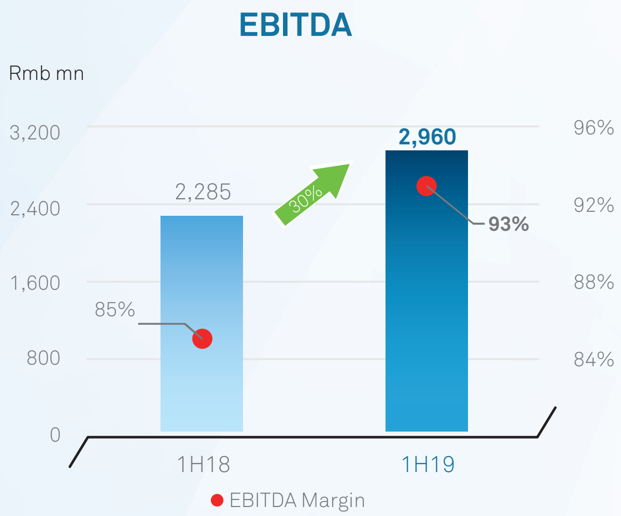
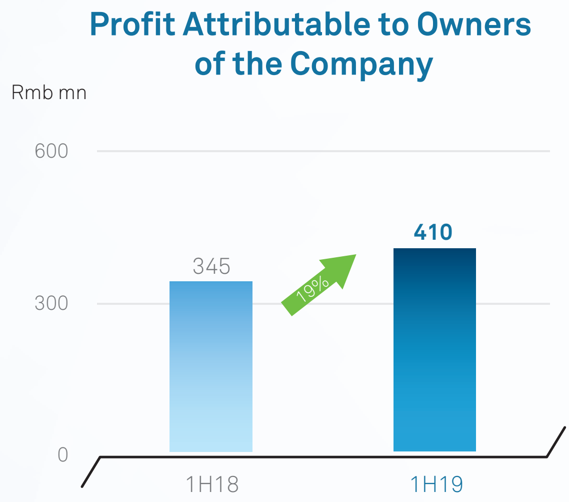
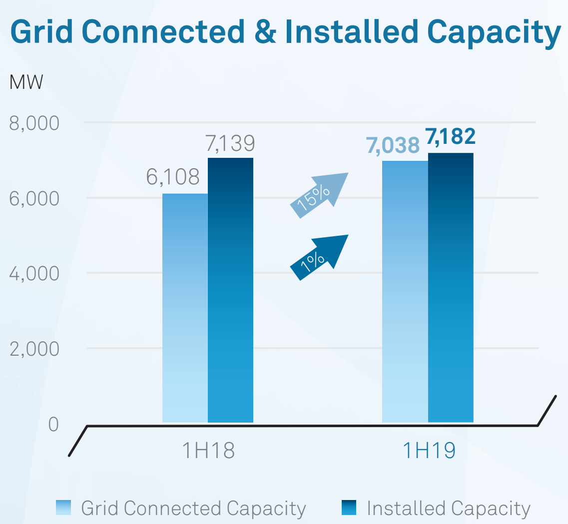
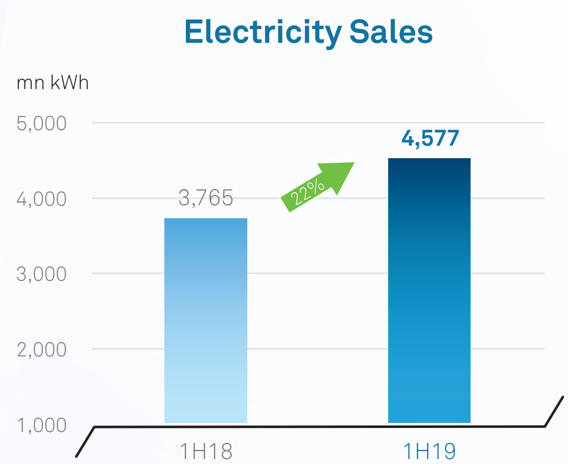










ACHIEVING SIGNIFICANT RESULTS IN STRATEGIC TRANSFORMATION

GCL New Energy resolutely faced the complex and severe situation as well as various challenges arose domestically and worldwide in the first half of 2019, while through sparing no effort to promote the strategic transformation and striving forward to achieve its development goals, encouraging results were accomplished. In order to achieve long-term successful development, the Group made sustaining a stable cash flow as its top priority in the first half of 2019 with focus on strategic transformation, financing expansion, costs control, management enhancement and other improvements to facilitate the sustainable development of the Group.

For the six months ended 30 June 2019 (the "**period**"), after deducting the disposed assets, the total installed capacity of the Group was approximately 7,182MW, and grid-connected capacity was approximately 7,038MW. The sales volume of solar electricity was approximately 4,577 million kWh, representing a year-on-year growth of 22%. During the period, the Group recorded an increase of approximately 17% and approximately 19%, respectively in revenue and profit attributable to the owners of the Company to approximately RMB3.17 billion and RMB410 million, respectively.

EMBRACING FUTURE OPPORTUNITIES THROUGH CREATING POWERFUL STRATEGIC ALLIANCES

During the period, the Group created powerful strategic alliances through successfully introducing domestic centralized management enterprises (the "**Central Enterprises**") and local state-owned enterprises (the "**State-owned Enterprises**") as strategic partners at the listed company level and projects level. Leveraging on the competitive advantages of the strategic partners in financing and other aspects to complement with each other while accelerating the introduction of capital, optimizing the shareholding structure, and striving to enhance profitability of projects, thereby laying a solid foundation for embracing the huge opportunities arise from solar grid parity in the future.

At the listed company level, GCL-Poly Energy Holdings Limited ("**GCL-Poly**"), the parent company holding approximately 62.3% of the entire issued shares of GCL New Energy, announced on 4 June 2019 (the "**Announcement**") that, Elite Time Global Limited ("**Elite Time**"), a wholly owned subsidiary of GCL-Poly entered into a cooperation intent agreement with China Hua Neng Group Hong Kong Limited ("**Hua Neng Hong Kong**"), a subsidiary of China Hua Neng Group Co., Ltd., being a state-owned enterprise, regarding the possible sale of 9,727,594,875 ordinary shares in the share capital of GCL New Energy, representing approximately 51.0% of the entire issued share capital of GCL New Energy as at the date of the Announcement.

As for projects level, the Group reached two agreements in relation to asset sales transactions during the period. On 28 March 2019, the Group announced a transaction in relation to the disposal of 55% equity interests in approximately 280MW solar power plant projects to Wuling Power Corporation Ltd. ("**Wuling Power**"), a subsidiary of China Power International Development Limited, at a consideration of approximately RMB335 million. During the period, the transaction between the Group and Wuling Power has been completed, which reduced the scale of debts of the Group by approximately RMB1.60 billion.

In addition, on 23 May 2019, the Group announced the disposal of 70% equity interests in certain of its subsidiaries which own 19 solar power plants in China with an aggregate installed capacity of approximately 977MW and the related shareholder's loan to Shanghai Rongyao New Energy Co., Ltd.* (上海榕耀新能源有限公司). The aggregate cash consideration of the transaction was approximately RMB1.74 billion plus the dividends of approximately RMB322 million. The net cash proceeds from the transaction (net of estimated taxes and transaction costs) will be approximately RMB2.06 billion in aggregate, which will be used for the repayment of debts by the Group. After completion of the transaction, the debts related to such projects will be reduced by approximately RMB5.80 billion and the scale of debts of the Group will be reduced by a total of approximately RMB7.86 billion. The transaction has been approved by the shareholders at the special general meeting held by GCL New Energy on 19 July 2019 and is expected to be completed in 2019.

Furthermore, the Group also completed two asset sales transactions announced at the end of 2018 during the period. In October 2018, the Group disposed of 80% equity interests in approximately 160MW solar power plant projects and the corresponding shareholder's loan to CGN Solar Energy Development Co., Ltd. ("**CGN Solar**") at a consideration of approximately RMB306 million. After the completion of the transaction, the scale of debts of the Group was reduced by approximately RMB1.13 billion. In addition, in December 2018, the Group sold its the entire equity interests in approximately 140MW solar power plant projects to China Three Gorges New Energy Co., Ltd. ("**Three Gorges New Energy**") at a consideration of approximately RMB251 million, which reduced the scale of debts of the Group by approximately RMB703 million.

Based on the above four transactions, the total cash received and to be received by the Group of approximately RMB2.95 billion (after deducting transaction costs) will be used to repay debts and as the debts related to such projects will no longer be consolidated, the scale of debts of the Company will reduce by approximately RMB9.23 billion in aggregate.

As the Group will continue to provide operation and maintenance ("**O&M**") services for most of the disposed solar power plant projects, stable management fees are generated every year to increase its source of revenue. At the same time, the strategic partners will leverage on its financial strength to replace the solar power plants related debts and reduce financial costs so as to enhance the yield of projects.

EXPANDING FINANCING CHANNELS TO SUSTAIN CASH FLOW

Despite the financial market were full of challenges in the first half of 2019, GCL New Energy strove to minimize the negative impacts by adopting every effective measures such as persistently exploring innovate financing models, expanding financing channels, and optimizing its financial structures to increase the long-term facilities replacement, which effectively replaced the higher costs short-term financing by long-term financing with lower interests. The Group adopted 5 to 10 years long-term finance leases to replace short-term construction funds for securing not only lower interest financing but also longer use of funds. The Group further entered into lease agreements to obtain long-term financing with several financial institutions and increased the proportion of long-term loans to significantly reduce the liquidity risk resulting from using short-term financing for long-term investment. In 2018, the Group was approved to issue medium term notes with an aggregate principal amount of not exceeding RMB3 billion and a maturity of three years to institutional investors of the domestic bond market, and to issue small public offering bonds with an aggregate principal amount of not exceeding RMB3 billion and a maturity of three years to qualified investors, which are providing capitals for the future development, and the Group is actively considering the issuance.

* *English name for identification only*

STRICTLY CONTROLLING COSTS AND EXPANDING O&M BUSINESS

The Group has been actively expanding its O&M business since 2018 and has achieved satisfactory development. During the period, the Group provided O&M services for approximately 1GW of solar power plant projects of GCL-Poly and other domestic solar power companies to generate a stable source of income. Through five of its provincial monitoring centers, the Group centrally monitored various regional O&M centers in each of the provincial centers, providing real-time centralized management and intelligent inter-connection to its solar power plants projects, which not only greatly reduced electricity loss caused by equipment failure and O&M costs, but also improved the reliability and profitability of the entire life cycle of the solar power plants. During the period, the O&M costs of the Group was maintained at approximately RMB4.0 cents per kWh (excluding land costs).

SOLAR POLICIES STEPPING UP THE PACE FOR GRID PARITY

With the introduction of solar policies by the National Development and Reform Commission (the "**NDRC**") and the National Energy Administration (the "**NEA**"), the solar power industry gradually recovered in the first half of 2019. According to information published by the NDRC, China's domestic electricity generation recorded a year-on-year increase of 3.3% in the first half of 2019, in which the solar electricity generation recorded a year-on-year increase of 11.2%, reflecting that the proportion of solar power generation in total electricity generation has been increasing continuously.

As solar power technologies have continued to improve and the cost of development and construction has been declining, it is believed that solar power grid parity can be achieved in the near future. In order to improve the competitiveness of solar power and facilitate the development of subsidy-free grid parity projects, the NDRC and NEA jointly published The Notice on Active Promotion of the Work on Grid Parity of Wind Power and Photovoltaic Power without Subsidies (《關於積極推進風電、光伏發電無補貼平價上網有關工作的通知》) in January 2019, which expressly requires local authorities to expedite the development of grid parity projects and low power price pilot projects, improve the investment environment of projects, encourage enterprises to obtain reasonable compensation through the trading of green certificates, promote the market-oriented transactions of solar power, facilitate the construction of local consumption projects and promote the construction of subsidy-free solar power generation projects through the construction of inter-provincial and inter-regional electricity transmission channels. This document officially establishes various frameworks for the solar power grid parity policies, marking an important event for the development of grid parity.

As required by the Work Plan of Promoting the Non-subsidized Generation of Wind and PV Power (Grid-parity Projects) (draft for comments) (《關於推進風電、光伏發電無補貼平價上網項目建設的工作方案(徵求意見稿)》) issued by the NEA on 10 April 2019, the building of grid parity projects shall be given priority and the execution of top priority dispatch and consumption for grid parity projects shall be strictly implemented. Each of the regions that are capable of building solar power grid parity projects shall file the list of first batch of solar power grid parity projects for 2019 by 25 April 2019, in order to provide supports for the implementation of policies and measures on solar power grid parity projects.

On 22 May 2019, the NDRC and the NEA issued the list of China's first batch of solar power grid parity projects for 2019 with total installed capacity of 14.8 GW, of which approximately 4.6 GW is expected to be on grid by the end of 2019. In addition, the NDRC required State Grid Corporation of China and China Southern Power Grid Co., Ltd. to take serious responsibilities for the transmission infrastructures to guarantee transmission and consumption of all the solar power generated by grid parity projects at tariffs same as local benchmarked coal-fired power tariffs set by the nation under the long term purchase agreement (at least 20-year of duration) when grid parity projects are approved.

China has been steadfastly promoting the adjustment and optimization of energy structure by firmly developing renewable energy and energy transformation is now at a crucial period. Having higher focus on the long-term development of the solar industry, the strategic position of solar power generation has become prominent. As supportive solar policies has been strictly enforced by different regions, solar power grid parity is expected to gradually be achieved.

GRADUALLY SOLVE THE ISSUES OF SUBSIDY SHORTFALL

China's solar power industry holds a leading position in the world, however, the substantial development of solar power capacities in the past few years has led to industry issues, such as delay of subsidy payment and so on. In order to promote the sustainable, healthy and orderly development of the solar power industry, the government placed high emphasis on resolving the issue of subsidy shortfall for the solar power industry in the first half of 2019. By not only including more subsidized items to the Subsidy Catalogue, but also by allocating more resources to effectively refrain the shortfall of the national renewable energy development fund from further expanding and speed up the payment of delayed subsidies.

The Ministry of Finance (the "**MOF**") issued the Notice on Allocation of Renewable Energy Tariff Surcharge Subsidy and Relevant Issues in 2019 (《關於二零一九年可再生能源電價附加補助資金撥付及有關事項的通知》) on 19 June 2019, which stated that the procedures of renewable energy tariff surcharge subsidy allocation for 2019 has been initiated. According to the notice, the MOF will allocate approximately RMB8.1 billion to the first seven batches of the National Renewable Energy Tariff Surcharge Subsidy Catalogue (the "**Subsidy Catalogue**"), of which approximately RMB3.1 billion will be allocated for the solar power projects. Meanwhile, MOF will initiate a larger scale subsidy allocation procedure with a total subsidy budget for 2019 amounting to approximately RMB86.6 billion, and the total amount to be allocated to solar power generators will be approximately RMB40.5 billion. The allocation of a massive amount of subsidy will gradually mitigate the cash flow pressure of solar power generators caused by the delay of subsidy payment.

In addition, the MOF has set the total subsidy for new solar projects in 2019 at RMB3 billion. Through setting a cap on subsidies to limit capacity will prevent the payment of subsidies to further delay and effectively refrain the shortfall of national renewable energy development fund to further expand. As subsidy-free bidding projects will gradually become the mainstream of domestic solar power market, the expansion of solar power capacities will no longer put a heavy burden on the national renewable energy development fund.

The Group believes that, through the promotion of various effective measures, the subsidy issues of the domestic solar industry and the delay of subsidy payment will gradually be resolved in the future, enabling the Group's intrinsic value to be even more prominent.

OUTLOOK

According to the Report on Monitoring and Appraisal of Development of National Renewable Power in 2018 (《2018年度全國可再生能源電力發展監測評價報告》) issued by the NEA on 10 June 2019, as of the end of 2018, the national renewable power generation reached 1,867 billion kWh, accounting for approximately 26.7% of the total electricity generation, of which solar power generation amounted to 177.6 billion kWh, only representing 2.5% of the total electricity generation. The data has reflected that there is a huge space for the solar power market to develop.

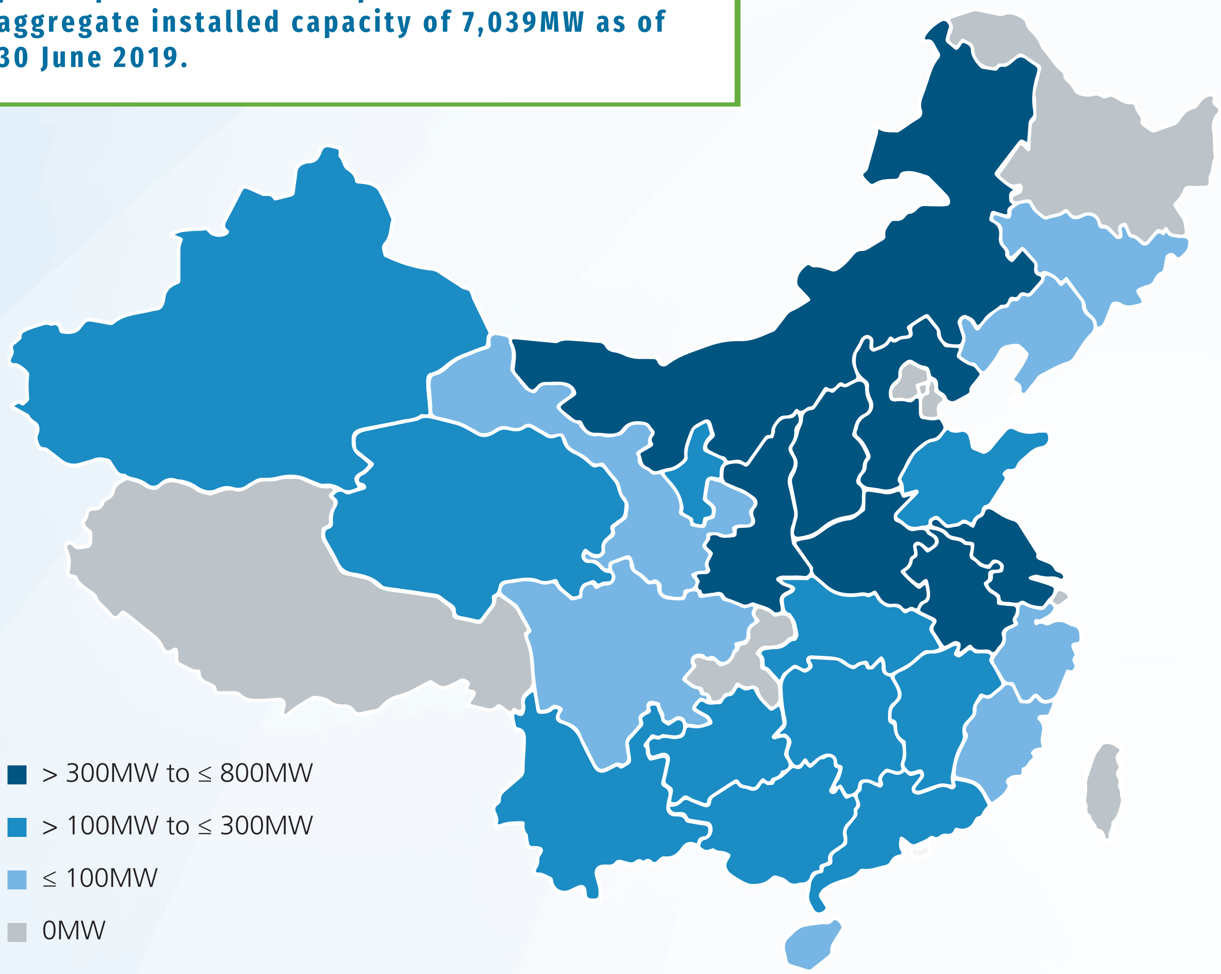
The domestic solar power industry is currently in a transitional period to grid parity. In order to meet the demand for renewable energy development, the government is dedicated to coping with industry-wide problems, such as curtailment, power purchase limit, high non-technical costs and difficulty in financing, by launching a series of policies, and with the support of the local governments, the advent of grid parity is unstoppable.

Solar power grid parity is set to facilitate the energy structure adjustment, making the business models and rules of the renewable energy sector to become more mature, and reducing project risks while gaining project return visibility. The Group believes that the arrival of grid parity will be a momentous transition to the entire solar power industry, providing a predictable future for the industry development, and hence creating plenty of room for new development.

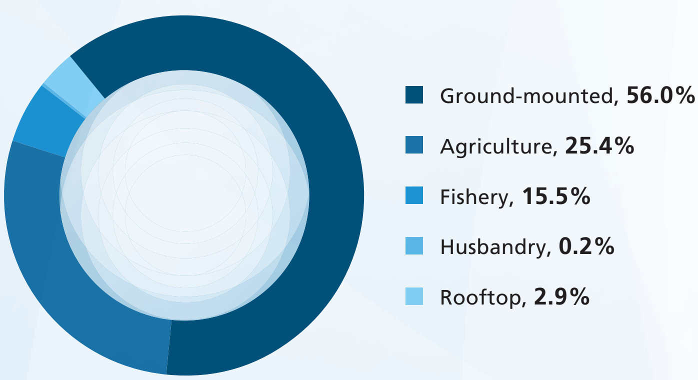
In order to be well prepared for seizing this precious opportunities, the Group will continue to enhance its corporate strengths and consolidate its own competitive advantages. With regard to its strategic transformation, the Group will step up pace to deepen the collaboration with strategic partners to facilitate the inflow of capital and optimise shareholding structures, leading GCL New Energy to a glorious path in the future.

Projects Overview in China

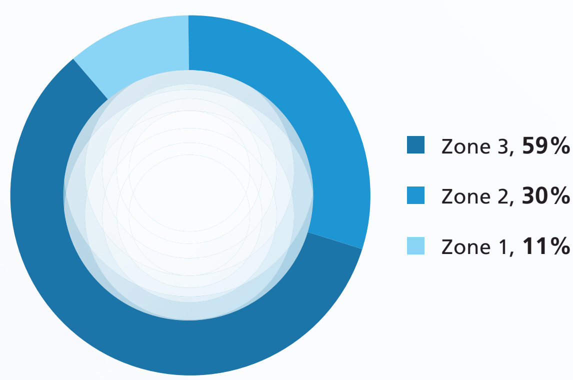
GCL New Energy owned and operated 212 solar power plants accross 26 provinces in China with aggregate installed capacity of 7,039MW as of 30 June 2019.



Total Capacity by Project Type



Total Capacity by Zone



Total Installed Capacity in China: 7,039MW

Management Discussion and Analysis

OVERVIEW

For the period ended 30 June 2019, the revenue of the Group amounted to RMB3,173 million, representing an increase of 17% as compared to RMB2,704 million for the same period last year. Profit attributable to owners of the Company amounted to RMB410 million (six months ended 30 June 2018: RMB345 million).

The increase in profit attributable to owners of the Company by 19% during the period was mainly attributable to combined effect of the following:

1. the increase in the sales volume of electricity of the solar power plants by 22% from approximately 3,765 million kWh in 2018 to approximately 4,577 million kWh in 2019;

2. the increase in administrative expenses from RMB250 million to RMB373 million due to full period effect for expenses after rapid expansion in 2018;

3. the percentage increase in finance costs of 34%, from RMB1,062 million to RMB1,419 million due to (1) a decrease of RMB93 million interest expenses capitalised, (2) an increase in interest bearing debts to fund business expansion from RMB40,688 million as at 30 June 2018 to RMB42,279 million as at 30 June 2019, and (3) an increase in average interest rate;

4. a decrease in exchange loss of RMB193 million, from RMB209 million for the period ended 30 June 2018 to RMB16 million for the period ended 30 June 2019. The exchange loss is mainly caused by the appreciation of USD and HKD denominated indebtedness against RMB;

5. a gain on disposal of subsidiaries and joint ventures of RMB82 million for the period ended 30 June 2019, as compared to RMB33 million for the period ended 30 June 2018; and

6. a bargain purchase from business combination of RMB74 million during the period ended 30 June 2019.

BUSINESS REVIEW

Capacity and Electricity Generation

As at 30 June 2019, the aggregate installed capacity of grid-connected solar power plants of the Group was 7,182MW (31 December 2018: 7,309MW). Details of capacity, electricity sales volume and revenue for the period ended 30 June 2019 are set out below.

Subsidiaries by provinces	Tariff Zones	Number of solar power plant	Aggregate Installed Capacity(1) (MW)	Grid-connected Capacity(1) (MW)	Electricity Sales Volume (million kWh)	Average Tariff (Net of Tax) (RMB/kWh)	Revenue (RMB million)
Inner Mongolia	1	11	358	358	335	0.75	252
Ningxia	1	6	233	233	165	0.72	118
Qinghai	1	3	107	107	82	0.83	68
Xinjiang	1	2	81	81	61	0.67	41
	Zone 1	**22**	**779**	**779**	**643**	**0.75**	**479**
Shaanxi	2	18	1,018	1,018	737	0.71	521
Yunnan	2	8	279	272	193	0.60	116
Hebei	2	5	255	255	187	0.72	135
Qinghai	2	6	179	179	123	0.68	84
Shanxi	2	1	107	107	65	0.87	57
Sichuan	2	2	85	85	73	0.78	57
Jilin	2	4	51	51	44	0.76	33
Liaoning	2	3	47	47	33	0.71	24
Xinjiang	2	2	47	47	31	0.75	23
Gansu	2	2	39	39	25	0.70	18
Inner Mongolia(4)	2	–	–	–	46	0.65	30
	Zone 2	**51**	**2,107**	**2,100**	**1,557**	**0.70**	**1,098**
Henan	3	14	584	584	396	0.74	291
Jiangsu	3	41	565	565	326	0.77	252
Anhui	3	12	410	410	241	0.83	200
Shanxi	3	9	405	405	282	0.69	194
Guizhou	3	6	234	221	107	0.81	86
Hebei	3	9	230	230	159	0.89	142
Shandong	3	7	220	220	149	0.76	113
Guangdong	3	8	219	112	53	0.81	43
Jiangxi	3	5	192	192	76	0.98	74
Hubei	3	4	165	165	99	0.83	82
Guangxi	3	3	160	157	57	0.79	45
Hunan	3	5	101	101	37	0.86	32
Hainan	3	3	80	75	46	0.84	39
Zhejiang	3	3	62	62	25	1.19	30
Fujian	3	3	55	46	16	0.79	13
Shanghai	3	1	7	7	3	1.28	4
Shaanxi	3	1	6	6	3	0.66	2
	Zone 3	**134**	**3,695**	**3,558**	**2,075**	**0.79**	**1,642**
Subtotal		**207**	**6,581**	**6,437**	**4,275**	**0.75**	**3,219**
Japan		1	4	4	2	2.23	4
US		2	134	134	100	0.39	39
Total of Subsidiaries		**210**	**6,719**	**6,575**	**4,377**	**0.74**	**3,262**
Joint ventures/associates(2)							
PRC		5	458	458	197	0.83	164
Japan		3	5	5	3	2.15	7
Total		**218**	**7,182**	**7,038**	**4,577**	**0.75**	**3,433**

	Revenue (RMB million)
Representing:	
Electricity sales	1,260
Tariff adjustment – government subsidies received and receivable	2,002
Total of subsidiaries	3,262
Less: effect of discounting tariff adjustment to present value[3]	(89)
Total revenue of the Group	3,173

(1) Aggregate installed capacity represents the maximum capacity that were approved by the local government authorities while grid-connected capacity represents that the actual capacity connected to the State Grid.

(2) Revenue from joint ventures and associates was accounted for under "Share of profits of joint ventures" and "Share of losses of associates" in the consolidated statement of profit and loss and other comprehensive income.

(3) Certain portion of the tariff adjustment (government subsidies) will be recovered after twelve months from the reporting date. The tariff adjustment is discounted at an effective interest rate ranging from 2.48% to 2.98% per annum.

(4) The subsidiaries were disposed during the period ended 30 June 2019.

Most of the solar power plants of the Group are located in China and almost all of the revenue is contributed by the subsidiaries of State Grid. The State Grid is a State-owned enterprise in China, which possesses low default risk. Therefore, the Directors considered that the credit risk of trade receivables was minimal and no provision for impairment was considered necessary for the six months period ended 30 June 2019 and year ended 31 December 2018.

FINANCIAL REVIEW

The following table sets forth the financial highlights of the Group's results:

	For the period ended		
	30 June 2019 RMB million	30 June 2018 RMB million	% of changes
Revenue	**3,262**	2,779	17%
Effect of discounting tariff adjustment (government subsidies)	**(89)**	(75)	19%
Revenue, after discounting	**3,173**	2,704	17%
Gross profit	**2,141**	1,857	15%
EBITDA*	**2,960**	2,285	30%
Profit for the periods from continuing operations attributable to:			
Owners of the Company	**410**	345	19%
Non-controlling interests			
– Owners of perpetual notes	**81**	66	23%
– Other non-controlling interests	**80**	78	3%
	571	489	17%

* *EBITDA is defined as earnings before finance costs, taxation, depreciation and amortisation.*

Revenue

During the period ended 30 June 2019, revenue of the Group comprised sales of electricity and related tariff adjustment (i.e. government subsidies) amounting to approximately RMB3,262 million (2018: RMB2,779 million), net of effect of discounting the tariff adjustment to its present value of approximately RMB89 million (2018: RMB75 million). The significant increase in revenue was mainly attributable to the increase in sales of electricity of the solar power plants by 22% as a result of intensive developments of solar power plants in 2018 and in full grid-connected capacity in 2019. The average tariff (net of tax) for the PRC was approximately RMB0.74/kWh (2018: RMB0.76/kWh). The decrease in average tariff was mainly due to the tariff cut introduced by the government adopted from 1 July 2018 and competitive bidding tariff for some of our projects.

In terms of revenue generated by tariff zone from the PRC for the period ended 30 June 2019, approximately 15%, 34% and 51% of revenue were generated from zone 1, zone 2 and zone 3 respectively (2018: 17% for zone 1, 28% for zone 2 and 55% for zone 3). In line with our prevailing strategy, the Group focused more on developing solar power plants in well-developed areas with strong domestic power demand (i.e. zone 2 and zone 3) to minimize the grid curtailment risk in zone 1 area.

Gross Profit

The Group's gross margin for the period ended 30 June 2019 was 67.5%, as compared to 68.7% for the period ended 30 June 2018. The slight decrease in gross margin was mainly due to the tariff cut introduced by the government for projects connected to the grid after 30 June 2018.

The cost of sales mainly consisted of depreciation, which accounted for 85.9% (2018: 83.2%) of cost of sales, with the remaining costs being operation and maintenance costs of solar power plants.

Other Income

During the period ended 30 June 2019, other income mainly included imputed interest on discounting effect on tariff adjustment receivables (i.e. interest arising from contracts containing significant financing component) of RMB81 million (2018: RMB57 million), management services income for managing and operating solar power plants of related companies, of RMB28 million (2018: RMB19 million) and bank interest income of RMB9 million (2018: RMB14 million).

Other Administrative Expenses

The other administrative expenses mainly included staff costs, rental expenses and legal and professional fees. Administrative expenses increased by 49% to RMB373 million for the period ended 30 June 2019 (2018: RMB250 million). The increase in administrative expenses was mainly due to full period effect for salaries expenses after rapid expansion in 2018.

Other gains and losses, net

During the period ended 30 June 2019, the net gain amounted to RMB66 million (2018: net loss of RMB159 million). The net gain for 2019 was mainly due to the gain on disposal of solar power plant projects and joint ventures of RMB82 million (2018: RMB33 million), and exchange loss of RMB16 million (2018: RMB209 million), mainly arising from the appreciation of HKD and USD denominated indebtedness against the reporting currency in RMB.

Bargain purchase from business combination

During the period ended 30 June 2019, the Group recognised a bargain purchase from business combination of RMB74 million as the consideration paid by the Group was less than the fair value of the solar power plants acquired. The fair value was assessed by an independent professional valuer using estimated discounted cash flows generated by the solar power plant.

Finance Costs

	For the period ended	
	30 June 2019 RMB million	30 June 2018 RMB million
Total borrowing costs	**1,446**	1,182
Less: Interest expenses capitalised	**(27)**	(120)
	1,419	1,062

Total borrowing costs amounted to RMB1,446 million for the period ended 30 June 2019 (2018: RMB1,182 million) representing an increase of 22% as compared with the period ended 30 June 2018. The increase was mainly due to the significant increase in average borrowing balance as a result of the capital expenditure for expansion of solar power plants. The operation of solar power plants is capital intensive and high gearing in nature. The average borrowing interest rate for new and existing borrowings was increasing from approximately 6.5% in 2018 to approximately 6.9% in 2019.

Income Tax Expenses

Income tax expenses for the period ended 30 June 2019 was RMB67 million (2018: RMB21 million). There is an increase in income tax expenses because some solar power plants had passed the three year's exemption period for the PRC income tax. Most of our solar power plants are exempted from the PRC income tax for three years starting from the first year when the solar power plants operate and generate taxable income, followed by 50% reduction for the next three years.

Profit attributable to other non-controlling interests

Profit attributable to other non-controlling interests amounted to RMB80 million for the period ended 30 June 2019 (2018: RMB78 million).

Earnings before interest expense, tax, depreciation and amortisation

	For the period ended	
	30 June 2019 RMB million	30 June 2018 RMB million
Net Profit and EBITDA margin		
Profit for the period	**571**	489
Add: Finance costs	**1,419**	1,062
Income tax expenses	**67**	21
Depreciation and amortization	**903**	713
EBITDA	**2,960**	2,285
EBITDA margin	**93.3%**	84.5%

Interim Dividend

The Board does not recommend the payment of an interim dividend for the period ended 30 June 2019 (2018: Nil).

Property, Plant and Equipment

Property, plant and equipment was RMB42,970 million as at 31 December 2018 and RMB41,962 million as at 30 June 2019.

Right-of-use Assets

The Group has applied IFRS 16 and recognised right-of-use assets since 1 January 2019. As at 30 June 2019, the right-of-use assets amounted to RMB1,852 million (31 December 2018: Nil).

Deposits, Prepayment and Other Non-current Assets

As at 30 June 2019, non-current portion for deposits, prepayments and other non-current assets mainly included approximately RMB2,046 million (31 December 2018: RMB2,160 million) for refundable value-added tax, approximately RMB308 million (31 December 2018: RMB671 million) deposits paid for EPC contracts and constructions.

Contract assets

Contract assets primarily relate to the portion of tariff adjustments for the electricity sold to the local state grid companies in the PRC in which the relevant on-grid solar power plants are still pending for registration to the Subsidy Catalogue. Any amount previously recognised as contract assets is reclassified to trade receivables at the point at which it is registered in the Subsidy Catalogue.

Contract assets increased from RMB4,236 million as at 31 December 2018 to RMB5,175 million as at 30 June 2019, because some solar power plants were waiting for registration into the coming 8th batch or after of Subsidy Catalogue which is not yet open for registration.

Trade and Other Receivables

As at 30 June 2019, trade and other receivables of RMB6,314 million (31 December 2018: RMB4,930 million) mainly included trade and bills receivables of RMB4,279 million (31 December 2018: RMB2,981 million), refundable value-added tax of RMB970 million (31 December 2018: RMB1,194 million) and consideration receivable from disposal of subsidiaries of RMB364 million (31 December 2018: RMB16 million).

Breakdown of tariff adjustment (i.e. government subsidies) receivables and contract assets are summarized as follows:

Tariff receivables (i.e. government subsidies)	**Batch of subsidies**	**Capacity as at 30 June 2019 (MW)**	**30 June 2019 RMB million**	31 December 2018 RMB million
– Current	6th batch or before	**541**	**1,071**	679
– Current	7th batch	**1,201**	**2,318**	1,772
– Current	Poverty alleviation project	**430**	**247**	93
		2,172	**3,636**	2,544
– Non-current contract asset	To be registered for the 8th batch or after	**4,409**	**5,175**	4,236
Total		**6,581**	**8,811**	6,780

Other Payables and Deferred Income

Other payables and deferred income decreased from RMB10,134 million as of 31 December 2018 to RMB8,197 million as of 30 June 2019. Other payables and deferred income mainly consisted of payables for purchase of plant and machinery and construction of RMB6,626 million (31 December 2018: RMB8,755 million).

Liquidity and Financial Resources

The Group adopts a prudent treasury management policy to maintain sufficient working capital to cope with daily operations and meet our future development demands for capital. The funding for all its operations has been centrally reviewed and monitored at the Group level. The indebtedness of the Group mainly comprises bank and other borrowings, bonds and senior notes payable and loans from related companies. The cash flow activities for the Group are summarised as follows:

	For the period ended	
	30 June 2019 RMB million	31 December 2018 RMB million
Net cash generated from operating activities	**1,009**	321
Net cash used in investing activities	**(2,157)**	(2,851)
Net cash generated from financing activities	**700**	434

The net cash from operating activities during the period ended 30 June 2019 was RMB1,009 million, representing a 214% increase from RMB321 million of the same period last year. The substantial increase in net cash from operating activities was mainly due to the cash received from sale of electricity and tariff adjustments for solar power plants registered to the 7th batch of subsidy catalogue.

The net cash used in investing activities during the period ended 30 June 2019 primarily arose from payments and deposit paid for the acquisition and development of solar power plant projects.

For the period ended 30 June 2019, the Group's main source of funding was cash generated from financing activities amounting to RMB700 million, which mainly included the net effect of (1) newly raised bank and other borrowings of RMB4,227 million, (2) proceeds from loans from related parties of RMB604 million, (3) repayment of bank and other borrowings of RMB2,661 million and (4) interest payment of RMB1,351 million.

Indebtedness and gearing ratio

Solar Energy Business is a capital intensive industry. The business requires substantial capital investments for developing and constructing solar power plants. Thus, the average gearing ratio for the solar energy industry is relatively high. The Group normally gets long term bank loans or long term finance leases after grid connection.

Because of the nature of the solar energy industry in the PRC, the Group was in net current liabilities position of approximately RMB11,296 million as at 30 June 2019. To address the net current liabilities position, the Group has taken several measures to generate sufficient cash inflow to the Group, which were set out in Note 2 to the interim financial statements.

As at 30 June 2019, GCL-Poly, being the guarantor of certain bank borrowings of the Group, was not able to meet restrictive financial covenants of a borrowing, which led to an event of default for such borrowing. This in turn triggered cross default of certain of the Group's bank borrowings as set out in the respective loan agreements between the Company and several banks. Accordingly, bank borrowings amounting to RMB1,963 million is reclassified from non-current liabilities to current liabilities as of 30 June 2019. Subsequent to period end, GCL-Poly has obtained a waiver from the relevant bank for meeting the relevant financial covenant requirements. Therefore, the Directors consider that such event of default did not have any material adverse impact to the Group.

The unaudited condensed consolidated statement of financial position presented below illustrated the situation without the reclassification mentioned above for analysis purpose.

	Balance per interim financial statements RMB'000	Adjustments upon obtained waiver RMB'000	Adjusted balance RMB'000
As at 30 June 2019			
NON-CURRENT ASSETS			
Pledged bank and other deposits	888,103	3,319	891,422
Other non-current assets	52,008,157		52,008,157
	52,896,260	3,319	52,899,579
CURRENT ASSETS			
Pledged bank and other deposits	1,123,345	(3,319)	1,120,026
Bank balances and cash	958,963		958,963
Other current assets	6,713,787		6,713,787
	8,796,095	(3,319)	8,792,776
CURRENT LIABILITIES			
Loans from related companies	778,659		778,659
Bank and other borrowings	9,894,995	(1,962,511)	7,932,484
Lease liabilities	84,038		84,038
Other current liabilities	9,334,503		9,334,503
	20,092,195	(1,962,511)	18,129,684
NET CURRENT LIABILITIES	(11,296,100)	1,959,192	(9,336,908)
TOTAL ASSETS LESS CURRENT LIABILITIES	41,600,160	1,962,511	43,562,671
NON-CURRENT LIABILITIES			
Loans from related companies	2,680,422		2,680,422
Bank and other borrowings	23,686,548	1,962,511	25,649,059
Lease liabilities	1,178,272		1,178,272
Other non-current liabilities	3,865,157		3,865,157
	31,410,399	1,962,511	33,372,910
NET ASSETS	10,189,761	–	10,189,761

We believe that the Group has sufficient working capital to meet the financial obligations when they fall due and also the covenants. After taking into account the Group's business prospects, internal resources and measures, the audit committee of the Company believes that the Group has sufficient working capital to meet the financial obligations when they fall due within twelve months from the end of the reporting period, and it is appropriate to prepare the condensed consolidated financial statements on a going concern basis.

The Group monitors capital on the basis of two gearing ratios. The first ratio is calculated as net debts divided by total equity and the second ratio is calculated as total liabilities divided by total assets. The gearing ratio as at 30 June 2019 and 31 December 2018 were as follows:

	30 June 2019 RMB million	31 December 2018 RMB million
Non-current indebtedness		
Loan from related companies	**2,680**	2,186
Bank and other borrowings	**23,687**	24,340
Bonds and senior notes	**3,412**	3,935
Lease liabilities	**1,178**	–
	30,957	30,461
Current indebtedness		
Loans from related companies	**779**	1,031
Bank and other borrowings	**9,895**	8,323
Bonds	**564**	–
Lease liabilities	**84**	–
	11,322	9,354
Indebtedness for solar power plants projects classified as held for sale		
Bank and borrowings – due within one year	**–**	36
Bank and borrowings – due after one year	**–**	837
	–	873
Total indebtedness	**42,279**	40,688
Less: cash and cash equivalents – continuing operations	**(959)**	(1,362)
– projects classified as held for sale	**–**	(45)
Pledged bank and other deposits – continuing operations	**(2,011)**	(2,031)
Pledged deposits at a related company	**(8)**	(18)
Net debts	**39,301**	37,232
Total equity	**10,190**	9,702
Net debts to total equity	**386%**	384%
Total liabilities	**51,502**	51,478
Total assets	**61,692**	61,180
Total liabilities to total assets	**83.5%**	84.1%

The Group's banking and other facilities were summarised as follows:

	30 June 2019 RMB million	31 December 2018 RMB million
Total banking and other facilities granted	**44,901**	38,945
Facilities utilised	**(41,452)**	(38,302)
Available facilities	**3,449**	643

The Group's indebtedness are denominated in the following currencies:

	30 June 2019 RMB million	31 December 2018 RMB million
Renminbi ("RMB")	**36,299**	34,485
Hong Kong dollars ("HK$")	**366**	465
United States dollars ("US$")	**5,443**	5,562
Euro dollars ("Euro")	**106**	111
Japanese Yen ("JPY")	**65**	65
	42,279	40,688

Fund raising activities

The Company has no fund raising activities during the period ended 30 June 2019.

Pledge of Assets

As at 30 June 2019, the following assets were pledged for bank and other facilities granted to the Group:

– property, plant and equipment of RMB24,253 million (31 December 2018: RMB28,529 million);

– bank and other deposits (including deposits placed at a related company) of RMB2,019 million (31 December 2018: RMB2,049 million);

– rights to collect the sales of electricity for certain subsidiaries. As at 30 June 2019, the trade receivables and contract assets of those subsidiaries amounted to RMB4,178 million (31 December 2018: RMB6,568 million); and

– right-of-use assets of RMB14 million (31 December 2018: prepaid lease payments of RMB17 million).

In addition, lease liabilities of RMB1,262 million are recognised in respect of right-of-use assets amounting to RMB1,702 million as at 30 June 2019.

Contingent Liabilities

The Group did not have any other significant contingent liabilities as at 30 June 2019.

Capital Commitments

As at 30 June 2019, the Group's capital commitments in respect of construction commitments related to solar power plants contracted for but not provided amounted to approximately RMB568 million (31 December 2018: construction commitment of RMB1,056 million and commitment to invest in joint ventures of RMB95 million, respectively).

Material acquisitions

For the period ended 30 June 2019, the Group acquired two subsidiaries, which are engaged in solar power plant business in the PRC of approximately 135MW at a total consideration of approximately RMB264 million. The construction of the solar power plant projects has been completed as at the dates of acquisitions. Thus, the acquisitions are classified as business combination.

Material disposals

On 24 October 2018, Suzhou GCL New Energy entered into share transfer agreements with CGN Solar Energy Development Co., Ltd* (中廣核太陽能開發有限公司), an independent third party, to sell 80% equity interests in Linzhou Xinchuang* (林州市新創太陽能有限公司). Besides, On 30 December 2018, the Group entered into share transfer agreements with China Three Gorges New Energy Company Limited* (中國三峽新能源有限公司), an independent third party, to sell 100% equity interest of several wholly-owned subsidiaries. During the period ended 30 June 2019, the disposals of the above subsidiaries are completed.

On 28 March 2019, the Group announced that it has entered into share transfer agreements with 五凌電力有限公司 ("Wuling Power Corporation Ltd."*), a subsidiary of China Power Investment Corporation, for the disposal of 55% equity interest in 汝州協鑫光伏電力有限公司 (Ruzhou GCL Photovoltaic Power Co. Ltd.*) ("Ruzhou"), 江陵縣協鑫光伏電力有限公司 (Jiangling Xian GCL Solar Power Co., Ltd*) ("Jiangling") and 新安縣協鑫光伏電力有限公司 (Xinan Xian GCL Solar Power Co., Ltd*) ("Xinan") for consideration in aggregate of approximately RMB335 million. Ruzhou GCL, Jiangling Xian and Xinan operates a number of solar power plants with a capacity of approximately 280MW in the PRC. The disposals are completed during the period ended 30 June 2019.

Save as disclosed above, there were no other significant investments during the period ended 30 June 2019, or plans for material investments as at the date of this report, nor were there other material acquisitions and disposals of subsidiaries during the period ended 30 June 2019.

EVENTS AFTER THE REPORTING PERIOD

Reference is made to the announcement on 23 May 2019 and the circular dated on 28 June 2019 in relation to the disposal of 70% equity interest in a number of subsidiaries of the Group of which these subsidiaries own 19 operational solar power plants in the PRC with an aggregate installed capacity of approximately 977MW. This transaction was approved by the shareholders of the Company in the special general meetings, and also the shareholders of GCL-Poly in the extraordinary meeting, respectively, on 19 July 2019. The Disposal is expected to be completed in the second half of 2019.

* *English name for identification only*

RISK FACTORS AND RISK MANAGEMENT

The Group's business and financial results of operations are subject to various business risks and uncertainties. The factors set out below are those that the management believes could affect the Group's financial results of operations differing materially from expected or historical results. However, there can be other risks which are immaterial now but could turn out to be material in the future.

1. Policy risk

Policies made by the Government have a pivotal role in the solar power industry. Any alternation in the preferential tax policies, on-grid tariff subsidies, generation dispatch priority, incentives, upcoming issuance of green certificates, laws and regulations would cause substantial impact on the solar power industry. Although the Chinese Government has been supportive in aiding the growth of the renewable industry by carrying out a series of favorable measures, it is possible that these measures will be modified abruptly. In order to minimize risks, the Company will follow rules set out by the government strictly, and will pay close attention to policy makers in order to foresee any disadvantageous movements.

2. Grid curtailment risk

With the growth in power generating capacity outpaced electricity consumption growth, it has led to utilization decline for power generating capacity across the country since 2014. Although solar power has a higher dispatch priority over conventional power generation in China, given electricity generated from areas with rich solar energy resources cannot be fully consumed in the provinces, and the excess electricity cannot be transmitted to other regions with higher power demand given limited power transmission capacity, grid curtailment has become an issue with high degree of concern for solar power. In this regard, the Company mainly focuses on developing solar power projects in regions with well-developed inter-province power transmission network or with strong domestic power demand such as zone 2 and 3, hence, minimizing grid curtailment risk.

3. Risk associated with tariff

Power tariff is one of the key earning drivers for the Company. Any adjustment in tariff might have an impact on the profitability of new solar power projects. Given China's National Development and Reform Commission (NDRC) targets to accelerate the technology development for solar power industry in order to bring down development costs, hence, lowering solar power tariff to the level of coal-fired power by near future, the government subsidy for solar power industry will finally be faded out. To minimise this risk, the Company will continue to fasten technology development and implement cost control measures in order to lower development cost for new projects.

4. Risk related to high gearing ratio

Solar power generating business is a capital intensive industry, which highly relies on external financing in order to fund for the construction of solar power plant while the recovery of capital investment takes a long period of time. To cope with the gearing risk, the Company will pay close attention to the market dynamics, and to avoid any unfavorable changes to the Company. Additionally, the Company is constantly seeking alternative financing tools and pursing asset-light model to optimize our finance structure and lower its gearing ratio below 85%.

5. Risk related to interest rate

Interest risk may result from fluctuations in bank loan rates. Given our Company highly relies on external financing in order to obtain investment capital for new solar power project development, any interest rate changes will have impact on the Company's capital expenditure and finance expenses, hence, affecting our operating results. Transformation into asset-light model is an effective way to reduce debts and interest rate exposure.

6. Foreign currency risk

As most of our solar power plants are located in the PRC, substantial revenues, capital expenditures, assets and liabilities are denominated in RMB. Apart from using RMB loans to finance for project development in the PRC, the Company also uses foreign currencies such as US dollars to inject into projects in the form of equity. As the Company has not purchased any foreign currency derivatives or related hedging instruments to hedge for foreign currencies loans, any changes in foreign currency to RMB will have impact on the Company's operating results.

7. Risk related to disputes with joint venture partners

Our joint ventures may involve risks associated with the possibility that our joint venture partners may have financial difficulties or have disputes with us as to the scope of their responsibilities and obligations. We may encounter problems with respect to our joint venture partners which may have an adverse effect on our business operations, profitability and prospects.

EMPLOYEE AND REMUNERATION POLICIES

We consider our employees to be our most important resource. As at 30 June 2019, the Group had approximately 1,684 employees (31 December 2018: 1,830 employees) in 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. Total staff costs (including Directors' emoluments, retirement benefits schemes contributions and share option expenses) for the period ended 30 June 2019 were approximately RMB235 million (30 June 2018: RMB159 million).

Our Directors

The Board consists of twelve members of which five are independent non-executive Directors, bringing in a sufficient independent voice and enhancing independent judgment. The other members are three executive Directors and four non-executive Directors. In addition, three of the Board members are female Directors, improving the gender diversity in the boardroom.

As at 30 June 2019 and up to the date of this report, the composition of the Board is set out below:

Executive Directors	Non-executive Directors	Independent Non-executive Directors
Mr. ZHU Yufeng *(Chairman)*	Ms. SUN Wei	Mr. WANG Bohua
Mr. SUN Xingping *(President)*	Mr. SHA Hongqiu	Mr. XU Songda
Ms. HU Xiaoyan	Mr. YEUNG Man Chung, Charles	Mr. LEE Conway Kong Wai
	Mr. HE Deyong	Mr. WANG Yanguo
		Dr. CHEN Ying

CHANGES IN DIRECTORS' INFORMATION

1. Mr. TONG Wan Sze resigned as an executive Director, Chief Financial Officer and Company Secretary of the Company with effect from 4 January 2019.

2. Ms. HU Xiaoyan has been functionally responsible for the finance duties of the Company since 4 January 2019. Ms. Hu was appointed as an executive director and senior business partner of Golden Concord on 13 May 2019.

Save as disclosed above, the Company is not aware of any other change in Directors' information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the publication of the Company's 2018 Annual Report.

AUDIT COMMITTEE

The Audit Committee has reviewed, with the management of the Group, the accounting principles and practices adopted by the Group, its internal control and financial reporting matters including a review of the Company's interim report and interim results for the Reporting Period.

The Company's external auditor, Deloitte Touche Tohmatsu, has conducted a review of the interim financial information of the Group for the Reporting Period in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

Interests in Company's Securities and Share Option Scheme

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at 30 June 2019, so far as is known to the Directors, the interests of the Directors and chief executive in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(A) THE COMPANY – LONG POSITION

	Number of Shares				
Directors	**Beneficiary of a Trust**	**Personal interests**	**Number of underlying Shares** *(Note 1)*	**Total**	**Approximate percentage of issued Shares** *(Note 2)*
Mr. ZHU Yufeng	–	–	3,523,100	3,523,100	0.02%
	1,909,978,301 *(Note 3)*	–		1,909,978,301	10.01%
Mr. SUN Xingping	–	–	16,105,600	16,105,600	0.08%
Ms. HU Xiaoyan	–	–	19,125,400	19,125,400	0.10%
Ms. SUN Wei	–	–	27,178,200	27,178,200	0.14%
Mr. SHA Hongqiu	–	3,000,000	8,052,800	11,052,800	0.06%
Mr. YEUNG Man Chung, Charles	–	–	15,099,000	15,099,000	0.08%
Mr. WANG Bohua	–	–	2,617,160	2,617,160	0.01%
Mr. XU Songda	–	–	2,617,160	2,617,160	0.01%
Mr. LEE Conway Kong Wai	–	–	2,617,160	2,617,160	0.01%
Mr. WANG Yanguo	–	–	1,006,600	1,006,600	0.01%
Dr. CHEN Ying	–	–	1,006,600	1,006,600	0.01%

Notes:

1. Adjustments have been made to the number of underlying Shares as a result of the rights issue with effect from 2 February 2016. Details can be referred to the Company's announcement dated 2 February 2016.

2. The percentage is calculated based on 19,073,715,441 Shares in issue as at 30 June 2019.

3. Those Shares were beneficially owned by Dongsheng Photovoltaic Technology (Hong Kong) Limited. For further information of the shareholding structure of Dongsheng Photovoltaic Technology (Hong Kong) Limited, please refer to note 3 under the sub-section headed "Interests of Substantial Shareholders" in this "Corporate Governance" section.

(B) ASSOCIATED CORPORATIONS
GCL-Poly

	Number of ordinary shares in GCL-Poly				
Directors	**Beneficiary of a trust**	**Personal interests**	**Number of underlying shares**	**Total**	**Approximate percentage of issued shares** *(Note 1)*
Mr. ZHU Yufeng	6,370,388,156 *(Note 2)*	–	1,510,755 *(Note 3)*	6,371,898,911	32.11%
Ms. SUN Wei	–	5,723,000	1,712,189 *(Note 3)*	7,435,189	0.04%
Mr. YEUNG Man Chung, Charles	–	–	1,700,000 *(Note 3)*	1,700,000	0.01%

Notes:

1. The percentage is calculated based on 19,841,049,207 shares of GCL-Poly in issue as at 30 June 2019.

2. Mr. Zhu Yufeng is beneficially interested in a trust as to 6,370,388,156 shares in GCL-Poly. Of these interest of 6,370,388,156 shares in GCL-Poly, an aggregate of 6,370,388,156 shares in GCL-Poly are collectively held by Highexcel Investments Limited, Happy Genius Holdings Limited and Get Famous Investments Limited, which are wholly-owned by Golden Concord Group Limited, which in turn is wholly-owned by Asia Pacific Energy Holdings Limited. Asia Pacific Energy Holdings Limited is in turn wholly-owned by Asia Pacific Energy Fund Limited. Asia Pacific Energy Fund Limited is ultimately held under a discretionary trust with Credit Suisse Trust Limited as trustee for Mr. Zhu Gongshan (a director and the chairman of GCL-Poly) and his family (including Mr. Zhu Yufeng, a director of the Company and GCL-Poly respectively, and the son of Mr. Zhu Gongshan) as beneficiaries.

3. These are share options granted by GCL-Poly to the eligible persons, pursuant to the share option scheme of GCL-Poly, adopted by the shareholders of GCL-Poly on 22 October 2007. Such granted share options can be exercised by the eligible persons at various intervals during the period from 15 March 2016 to 28 March 2026 at an exercise price of HK$1.160 or HK$1.324 per share.

Save as disclosed above, as at 30 June 2019, none of the Directors or chief executive of the Company had an interest or short position in any Shares, underlying Shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Save for the Company's share option scheme as mentioned under the subsection headed "Share Option Scheme" in this "Corporate Governance" section, at no time during the Reporting Period was the Company, its subsidiaries, its fellow subsidiaries or its holding company a party to any arrangement to enable the Directors or chief executive of the Company to acquire benefits by means of acquisition of Shares in, or debentures of the Company or any other body corporate.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2019, so far as is known to the Directors, the following persons (other than the Directors and chief executive of the Company as disclosed above) had interests in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company under section 336 of the Part XV of the SFO:

Long Position in the Shares

Name	Nature of interest	Number of Shares	Approximate percentage in issued Shares *(Note 1)*
Elite Time Global Limited[2]	Beneficial owner	11,880,000,000	62.28%
GCL-Poly[2]	Corporate interest	11,880,000,000	62.28%
Asia Pacific Energy Fund Limited[3]	Corporate interest	1,909,978,301	10.01%
Asia Pacific Energy Holdings Limited[3]	Corporate interest	1,909,978,301	10.01%
Credit Suisse Trust Limited[3]	Other interest	1,909,978,301	10.01%
Dongsheng Photovoltaic Technology (Hong Kong) Limited[3]	Corporate interest	1,909,978,301	10.01%
Golden Concord Group Limited[3]	Corporate interest	1,909,978,301	10.01%
Golden Concord Group Management Limited[3]	Corporate interest	1,909,978,301	10.01%
ZHU Gongshan[3]	Beneficial owner	1,909,978,301	10.01%
上海其印投資管理有限公司[3]	Corporate interest	1,909,978,301	10.01%
協鑫新能科技(深圳)有限公司[3]	Corporate interest	1,909,978,301	10.01%
協鑫集團有限公司[3]	Corporate interest	1,909,978,301	10.01%
協鑫集成科技股份有限公司[3]	Corporate interest	1,909,978,301	10.01%
句容協鑫集成科技有限公司[3]	Corporate interest	1,909,978,301	10.01%
江蘇協鑫建設管理有限公司[3]	Corporate interest	1,909,978,301	10.01%

Notes:

1. The percentage is calculated based on 19,073,715,441 Shares in issue as at 30 June 2019.

2. Elite Time Global Limited is wholly-owned by GCL-Poly.

3. Dongsheng Photovoltaic Technology (Hong Kong) Limited is wholly-owned by 句容協鑫集成科技有限公司 (formerly known as "江蘇東昇光伏科技有限公司"), which is in turn wholly-owned by 協鑫集成科技股份有限公司. 協鑫集團有限公司 and 上海其印投資管理有限公司 are controlling shareholders of 協鑫集成科技股份有限公司. 上海其印投資管理有限公司 is a party acting in concert with 協鑫集團有限公司. 協鑫集團有限公司 is 51.14% owned by 江蘇協鑫建設管理有限公司, which in turn wholly-owned by 協鑫新能科技(深圳)有限公司. 協鑫新能科技(深圳)有限公司 is wholly-owned by Golden Concord Group Management Limited which is in turn wholly-owned by Golden Concord Group Limited. Golden Concord Group Limited is in turn wholly-owned by Asia Pacific Energy Holdings Limited which is in turn wholly-owned by Asia Pacific Energy Fund Limited. Asia Pacific Energy Fund Limited is ultimately held under a discretionary trust with Credit Suisse Trust Limited as trustee and Mr. ZHU Yufeng and his family, including Mr. ZHU Yufeng's father, Mr. ZHU Gongshan as beneficiaries.

Save as disclosed above, as at 30 June 2019, no other person (other than the Directors and chief executive of the Company) who had an interest or short position in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

SHARE OPTION SCHEME

The Company adopted the Share Option Scheme on 15 October 2014. The purpose of the Share Option Scheme is to enable the Company to grant options to personnel as incentives or rewards for their contribution or potential contribution to the Group. The Share Option Scheme shall be valid and effective for a period of 10 years from 15 October 2014, after which no further share options will be granted or offered but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any subsisting share options granted prior to the expiry of the 10-year period or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Further details of the Share Option Scheme are set out in the Company's 2018 Annual Report.

During the Reporting Period, a total of 8,052,800 share options were lapsed and no option was granted, exercised or cancelled. A total of 541,782,318 share options were outstanding under the Share Option Scheme as at 30 June 2019. Particulars of the Share Option Scheme are set out in note 28 to the Unaudited Condensed Interim Consolidated Financial Statements.

The movements of the share options under the Share Option Scheme during the Reporting Period are as follows:

Name or category of participants	Date of grant	Exercise period	Exercise price HK$	Adjusted Exercise Price HK$ *(Note 1)*	Number of share options: As at 1.1.2019 *(Note 1)*	Lapsed during the Reporting Period	As at 30.6.2019 *(Note 1)*
Directors:							
Mr. ZHU Yufeng	24.07.2015	24.7.2015 to 23.7.2025	0.61	0.606	3,523,100	–	3,523,100
Mr. SUN Xingping	24.07.2015	24.7.2015 to 23.7.2025	0.61	0.606	16,105,600	–	16,105,600
Ms. HU Xiaoyan	23.10.2014	24.11.2014 to 22.10.2024	1.1875	1.1798	16,105,600	–	16,105,600
	24.07.2015	24.7.2015 to 23.7.2025	0.61	0.606	3,019,800	–	3,019,800
Mr. TONG Wan Sze *(Note 2)*	24.07.2015	24.7.2015 to 23.7.2025	0.61	0.606	8,052,800	(8,052,800)	–
Ms. SUN Wei	23.10.2014	24.11.2014 to 22.10.2024	1.1875	1.1798	24,158,400	–	24,158,400
	24.07.2015	24.7.2015 to 23.7.2025	0.61	0.606	3,019,800	–	3,019,800
Mr. SHA Hongqiu	24.07.2015	24.7.2015 to 23.7.2025	0.61	0.606	8,052,800	–	8,052,800
Mr. YEUNG Man Chung, Charles	23.10.2014	24.11.2014 to 22.10.2024	1.1875	1.1798	12,079,200	–	12,079,200
	24.07.2015	24.7.2015 to 23.7.2025	0.61	0.606	3,019,800	–	3,019,800
Mr. WANG Bohua	23.10.2014	24.11.2014 to 22.10.2024	1.1875	1.1798	2,013,200	–	2,013,200
	24.07.2015	24.7.2015 to 23.7.2025	0.61	0.606	603,960	–	603,960
Mr. XU Songda	23.10.2014	24.11.2014 to 22.10.2024	1.1875	1.1798	2,013,200	–	2,013,200
	24.07.2015	24.7.2015 to 23.7.2025	0.61	0.606	603,960	–	603,960
Mr. LEE Conway Kong Wai	23.10.2014	24.11.2014 to 22.10.2024	1.1875	1.1798	2,013,200	–	2,013,200
	24.07.2015	24.7.2015 to 23.7.2025	0.61	0.606	603,960	–	603,960
Mr. WANG Yanguo	24.07.2015	24.7.2015 to 23.7.2025	0.61	0.606	1,006,600	–	1,006,600
Dr. CHEN Ying	24.07.2015	24.7.2015 to 23.7.2025	0.61	0.606	1,006,600	–	1,006,600
Sub-total					107,001,580	(8,052,800)	98,948,780
Other:							
Eligible persons (in aggregate)	23.10.2014	24.11.2014 to 22.10.2024	1.1875	1.1798	231,075,096	–	231,075,096
	24.07.2015	24.7.2015 to 23.7.2025	0.61	0.606	211,758,442	–	211,758,442
Total					549,835,118	(8,052,800)	541,782,318

Notes:

1. Pursuant to the terms of the Share Option Scheme, adjustments are required to be made to the exercise price and the number of Shares that can be subscribed for under the outstanding share options as a result of the rights issue of the Company with effect from 2 February 2016. The exercise prices per Share were adjusted to HK$1.1798 and HK$0.606 for the grant of share options on 23 October 2014 and 24 July 2015 respectively. Details can be referred to the Company's announcement dated 2 February 2016.

2. Mr. TONG Wan Sze resigned on 4 January 2019.

Corporate Governance and Other Information

CORPORATE GOVERNANCE PRACTICES

The Company is committed to promoting high standards of corporate governance through its continuous effort in improving its corporate governance practices and process. The Board believes that sound and reasonable corporate governance practices are essential for sustainable development and growth, and safeguarding the interests and assets of the Group and enhancement of Shareholders' value.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Throughout the Reporting Period, the Company complied with the code provisions set out in the CG Code, except for code provision E.1.2:

Code provision E.1.2 requires that the chairman of the Board should attend the annual general meeting. Mr. ZHU Yufeng, the Chairman of the Board was unable to attend the annual general meeting of the Company held on 12 June 2019 in person as he had another business engagement. Mr. Zhu attended the meeting by telephone conferencing. Mr. YEUNG Man Chung, Charles, a non-executive Director, attended in person and took the chair of the meeting on behalf of the Chairman of the Board and answered questions from the Shareholders.

COMPLIANCE WITH MODEL CODE

The Board adopted the Model Code with terms no less exacting than the required standard set out in Appendix 10 to the Listing Rules as its own model code of conduct regarding Directors' securities transactions. Having made specific enquiry by the Company, all Directors have confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the Reporting Period.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Each of the companies in the Golden Concord Group (a general reference to the companies in which Mr. ZHU Yufeng and his family have a direct or indirect interest) operates within its own legal, corporate and financial framework. As at 30 June 2019, the Golden Concord Group might have had or developed interests in business similar to those of the Group and there was a chance that such businesses might have competed with the businesses of the Group.

The Directors are fully aware of, and have been discharging, their fiduciary duty to the Company. The Company and the Directors would comply with the relevant requirements of the Bye-laws and the Listing Rules whenever a Director has any conflict of interest in the transaction(s) with the Company. Therefore, the Directors believe that the Company is capable of carrying out its business independently of, and at arm's length from the Golden Concord Group.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company has in practice complied with the requirements under the CG Code relating to risk management and internal control during the Reporting Period. Details of the Group's risk management and internal control systems (the "Systems"), as well as risk management procedures were set out in the Corporate Governance Report of the Company's 2018 Annual Report.

During the Reporting Period, the Group engaged Protiviti for an external review of compliance with the relevant corporate governance requirements as well as the effectiveness of risk management of the Group. Protiviti has prepared a review report and presented the same to the Corporate Governance Committee and the Board. Moreover, the Group has conducted ongoing reviews during the Reporting Period to identify deficiencies in operations and opportunities. All major findings were communicated to senior management of the respective business units to enforce the remediation.

During the Reporting Period, the Internal Control Function of the Group reviewed the effectiveness of the Systems. As considered appropriate and with the approval of the Audit Committee, certain review work has been outsourced due to the need of specialists' assistance and the high volume of work to be undertaken.

Based on the ongoing efforts devoted by the Group, external reviews carried out by Protiviti, the Audit Committee and the Board concluded that the risk management and internal control systems of the Group are basically effective whereas the Company's staff and resources for the internal audit and financial reporting function are adequate. There is neither material irregularities nor areas of material concerns that would have significant adverse impact on the Company's financial positions or results of operations. Management should pay attention to and monitor the important risk indicators, including the gearing ratio and the repayment ability of the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's Shares listed on the Stock Exchange during the Reporting Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING

GCL New Energy has issued standalone annual Environmental, Social and Governance Report since 2015, to report on the performance of the Group in environmental, social and governance issues annually. The Company's Environmental, Social and Governance Report 2018 has been published on the websites of the Stock Exchange and the Company.

LOAN AGREEMENT WITH COVENANTS RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDER

The Company entered into a loan agreement containing covenants relating to specific performance of the controlling shareholder of the Company which was subject to announcement requirement under Rule 13.18 of the Listing Rules and disclosure requirement in this Interim Report under Rule 13.21 of the Listing Rules, the details of which is summarized below and further details can be referred to the Company's announcement dated 30 May 2018.

On 30 May 2018, the Company, as borrower entered into a facility agreement with certain lenders relating to a US$75,000,000 36-month term facility with an accordion option of up to US$175,000,000 ("Facility Agreement"). Under the terms of the Facility Agreement, a "Borrower Change of Control" would occur if:

(a) any person or group of persons acting in concert at any time having total voting powers or beneficially owning a number of total voting shares of the Company that is greater than the total voting power of or number of voting shares beneficially owned by Mr. ZHU Gongshan, his affiliates (including among others, GCL-Poly) and the holding companies which Mr. ZHU Gongshan and his affiliates own more than 80% of the issued share capital (together the "Permitted Holders"), unless the Permitted Holders maintain the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to: (i) appoint and/or remove all, or the majority, of the members of the board of directors of the Company; or (ii) direct or control management and daily operations of the Company; or

(b) the individual persons who on the date of the Facility Agreement constituted the board of directors of the Company, together with any new directors whose election by the board of directors was approved by a vote of at least a majority of the directors then still in office who were either directors or whose election was previously so approved, cease for any reason to constitute a majority of the board of directors of the Company then in office.

A Borrower Change of Control will trigger an obligation of mandatory prepayment under the Facility Agreement and all amounts outstanding under the Facility Agreement would become immediately due and payable in full unless otherwise agreed by the lenders whose commitments aggregate more than 66.67% of the total commitments under the Facility Agreement. As at the date of this report, the Permitted Holders are beneficiaries indirectly through GCL-Poly and GCL System Integration own approximately 72.29% of the Shares.

Communication with Shareholders

GCL New Energy recognises the importance of maintaining on-going communication between the Board and the Shareholders. The Company proactively promotes investor relations and communications with the Shareholders is always given high priority. The aims of the Company are to improve its transparency, gain more understanding and confidence in relation to the Group's business developments and acquire more market recognition and support from the Shareholders. A Shareholders' Communication Policy was adopted by the Board which is available on the Company's website and is regularly reviewed to ensure its effectiveness.

To ensure all the Shareholders have equal and timely access to important information of the Company, we make extensive use of several communication channels, including publication of annual and interim financial reports, announcements, circulars, listing documents, notice of meetings, proxy forms together with other filings as prescribed under the Listing Rules and key news and developments of the Group to our corporate website at **www.gclnewenergy.com**. The "Investor Relations" section offers a level of information disclosure in easily and readily accessible form and provides timely updates to the Shareholders. Corporate Communications will be provided to Shareholders in either or both English and Chinese version(s) to facilitate Shareholders' understanding. Shareholders have the right to choose the language (either or both English and/or Chinese) and means of receipt of the Corporate Communications in hard copy or through electronic means.

In addition to accessing information on the corporate website, enquiries or requests of information, to the extent it is publicly available, from the Shareholders and other report users are welcome by email, telephone or in writing to our Company Secretary at:

Board Secretarial and Investor Relations Department
Telephone: +852 2606 9200
Facsimile: +852 2462 7713
Email: newenergydm@gclnewenergy.com
Address: Unit 1707A, Level 17, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong

Any shareholding matters, such as transfer of Shares, change of name or address, and loss of Share certificates should be addressed in writing to the Hong Kong branch share registrar and transfer office of the Company at:

Tricor Abacus Limited
Address: Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong
Telephone: (852) 2980–1333
Facsimile: (852) 2810–8185

Report on Review of Unaudited Condensed Interim Consolidated Financial Statements

Deloitte. 德勤

TO THE BOARD OF DIRECTORS OF GCL NEW ENERGY HOLDINGS LIMITED
協鑫新能源控股有限公司
(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the unaudited condensed interim consolidated financial statements of GCL New Energy Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 32 to 83, which comprise the unaudited condensed consolidated statement of financial position as of 30 June 2019 and the related unaudited condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these unaudited condensed interim consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these unaudited condensed interim consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these unaudited condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the unaudited condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 1A to the unaudited condensed interim consolidated financial statements, which indicates that as of 30 June 2019, the Group's current liabilities exceeded its current assets by RMB11,296 million, and as at 30 June 2019, the Group has entered into agreements to construct solar power plants which will involve capital commitments of approximately RMB568 million. At 30 June 2019, GCL-Poly Energy Holdings Limited ("GCL-Poly"), its parent company and being the guarantor of certain bank borrowings of the Group, was not able to meet a financial covenant as stipulated in the loan agreement of another bank borrowing. In addition, the inability to respect certain covenant requirements has triggered the cross default clauses in several other bank borrowings of the Group. Subsequent to the end of the reporting period, GCL-Poly has obtained consent from the relevant lender to waive the financial covenant concerned and not to demand for immediate repayment of such bank borrowings. Notwithstanding this, reclassification of long-term borrowings of approximately RMB1,963 million as current liabilities is still required at 30 June 2019 under applicable accounting standard because the bank waiver was obtained subsequent to the end of the reporting period.

The Company is undertaking a number of financing plans and other measures as described in note 1A to the unaudited condensed interim consolidated financial statements in order to ensure it is able to meet its commitments in the next twelve months. The directors of the Company are of the opinion that based on the assumptions that these financing plans and other measures can be successfully executed, the Group will have sufficient working capital to finance its operations and to pay its financial obligations as and when they fall due in the foreseeable future. However, the likelihood of successful implementation of these financing plans and other measures, including the Group's and GCL-Poly's ongoing compliance with their borrowing covenants, and along with other matters as set forth in note 1A to the unaudited condensed interim consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
6 August 2019

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2019

	NOTES	Six months ended 30 June **2019** **RMB'000** **(Unaudited)**	 2018 RMB'000 (Unaudited)
Revenue	3	**3,172,984**	2,704,185
Cost of sales		**(1,031,728)**	(846,887)
Gross profit		**2,141,256**	1,857,298
Other income	4	**150,082**	126,454
Administrative expenses			
– share-based payment expenses	28	**(1,593)**	(6,916)
– other administrative expenses		**(372,702)**	(249,862)
Loss on change in fair value on convertible bonds	24	**–**	(3,888)
Other gains and losses, net	5	**65,733**	(159,380)
Bargain purchase from business combination	29	**73,858**	–
Share of losses of associates		**(1,281)**	–
Share of profits of joint ventures		**1,941**	7,998
Finance costs	6	**(1,418,806)**	(1,062,458)
Profit before tax		**638,488**	509,246
Income tax expense	7	**(67,266)**	(20,667)
Profit for the period	8	**571,222**	488,579
Other comprehensive income:			
Item that will not be reclassified to profit or loss:			
Fair value loss on financial liabilities designated as at fair value through profit or loss ("FVTPL") attributable to changes in credit risk		**–**	(108)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation		**(39)**	15,736
Total comprehensive income for the period		**571,183**	504,207
Profit for the period attributable to:			
Owners of the Company		**410,222**	345,241
Non-controlling interests			
– Owners of perpetual notes		**81,450**	65,700
– Other non-controlling interests		**79,550**	77,638
		571,222	488,579
Total comprehensive income for the period attributable to:			
Owners of the Company		**410,183**	360,869
Non-controlling interests			
– Owners of perpetual notes		**81,450**	65,700
– Other non-controlling interests		**79,550**	77,638
		571,183	504,207
Earnings per share			
– Basic and diluted	11	**2.15**	1.81

Unaudited Condensed Consolidated Statement of Financial Position

At 30 June 2019

	NOTES	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	12	**41,962,363**	42,970,249
Right-of-use assets	12	**1,851,996**	–
Prepaid lease payments		**–**	112,041
Interests in associates	13	**344,557**	36,805
Interests in joint ventures	14	**5,880**	66,079
Amounts due from related companies	15	**–**	45,146
Other investments	19	**100,000**	100,000
Deposits, prepayment and other non-current assets	16	**2,381,261**	3,334,001
Contract assets	17B	**5,175,191**	4,236,405
Pledged bank and other deposits		**888,103**	751,858
Deferred tax assets		**186,909**	194,087
		52,896,260	51,846,671
CURRENT ASSETS			
Trade and other receivables	17A	**6,313,753**	4,930,458
Other loan receivables	18	**15,710**	20,250
Amounts due from related companies	15	**375,889**	342,328
Prepaid lease payments		**–**	2,221
Tax recoverable		**8,435**	8,521
Pledged bank and other deposits		**1,123,345**	1,279,425
Bank balances and cash		**958,963**	1,361,978
		8,796,095	7,945,181
Assets classified as held for sale	10	**–**	1,388,009
		8,796,095	9,333,190
CURRENT LIABILITIES			
Other payables and deferred income	21	**8,197,370**	10,134,246
Amounts due to related companies	15	**525,198**	139,460
Tax payable		**47,838**	11,632
Loans from related companies	22	**778,659**	1,030,590
Bank and other borrowings	23	**9,894,995**	8,323,115
Bonds and senior notes	26	**564,097**	–
Lease liabilities		**84,038**	–
		20,092,195	19,639,043
Liabilities directly associated with assets classified as held for sale	10	**–**	935,463
		20,092,195	20,574,506
NET CURRENT LIABILITIES		**(11,296,100)**	(11,241,316)
TOTAL ASSETS LESS CURRENT LIABILITIES		**41,600,160**	40,605,355

Unaudited Condensed Consolidated Statement of Financial Position

At 30 June 2019

	NOTES	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Loans from related companies	22	**2,680,422**	2,186,433
Bank and other borrowings	23	**23,686,548**	24,340,160
Bonds and senior notes	26	**3,411,688**	3,934,397
Lease liabilities		**1,178,272**	–
Deferred income	21	**393,157**	394,011
Deferred tax liabilities		**60,312**	48,814
		31,410,399	30,903,815
NET ASSETS		**10,189,761**	9,701,540
CAPITAL AND RESERVES			
Share capital	25	**66,674**	66,674
Reserves		**6,480,300**	6,068,524
Equity attributable to owners of the Company		**6,546,974**	6,135,198
Equity attributable to non-controlling interests			
– owners of perpetual notes		**2,082,564**	2,001,114
– other non-controlling interests		**1,560,223**	1,565,228
TOTAL EQUITY		**10,189,761**	9,701,540

The unaudited condensed interim consolidated financial statements on pages 32 to 83 were approved and authorised for issue by the Board of Directors on 6 August 2019 and are signed on its behalf by:

Zhu Yufeng
DIRECTOR

Sun Xingping
DIRECTOR

Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2019

	Attributable to owners of the Company										Non-controlling interests		
	Share capital RMB'000	Share premium RMB'000	Contributed surplus RMB'000 (note a)	Legal reserves RMB'000 (note b)	Translation reserve RMB'000	Special reserve RMB'000 (note c)	Financial liabilities at FVTPL credit risk reserve RMB'000 (note d)	Share options reserve RMB'000	Retained earnings RMB'000	Sub-total RMB'000	Perpetual notes RMB'000	Other non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2018	66,674	4,265,230	15,918	340,762	(105,604)	491,218	(10,445)	209,766	347,351	5,620,870	1,866,085	1,308,987	8,795,942
Profit for the period	–	–	–	–	–	–	–	–	345,241	345,241	65,700	77,638	488,579
Other comprehensive income for the period	–	–	–	–	15,736	–	(108)	–	–	15,628	–	–	15,628
Total comprehensive income for the period	–	–	–	–	15,736	–	(108)	–	345,241	360,869	65,700	77,638	504,207
Redemption of convertible bonds	–	–	–	–	–	–	10,898	–	(10,898)	–	–	–	–
Transfer to legal reserves	–	–	–	31,105	–	–	–	–	(31,105)	–	–	–	–
Recognition of equity-settled share-based payments (note 28)	–	–	–	–	–	–	–	6,916	–	6,916	–	–	6,916
Forfeitures of share options (note 28)	–	–	–	–	–	–	–	(7,933)	7,933	–	–	–	–
Non-controlling interest arising on acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	20	20
Deferred disposal of partial interest in subsidiaries	–	–	–	–	–	–	–	–	–	–	–	16,090	16,090
Distribution paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	(41,435)	(41,435)
At 30 June 2018 (Unaudited)	66,674	4,265,230	15,918	371,867	(89,868)	491,218	345	208,749	658,522	5,988,655	1,931,785	1,361,300	9,281,740
At 1 January 2019 (Audited)	66,674	4,265,230	15,918	727,683	(59,321)	491,218	–	214,824	412,972	6,135,198	2,001,114	1,565,228	9,701,540
Profit for the period	–	–	–	–	–	–	–	–	410,222	410,222	81,450	79,550	571,222
Other comprehensive income for the period	–	–	–	–	(39)	–	–	–	–	(39)	–	–	(39)
Total comprehensive income for the period	–	–	–	–	(39)	–	–	–	410,222	410,183	81,450	79,550	571,183
Transfer to legal reserves	–	–	–	227,484	–	–	–	–	(227,484)	–	–	–	–
Recognition of equity settled share-based payments (note 28)	–	–	–	–	–	–	–	1,593	–	1,593	–	–	1,593
Forfeitures of share options (note 28)	–	–	–	–	–	–	–	(2,395)	2,395	–	–	–	–
Distribution paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	(84,555)	(84,555)
At 30 June 2019 (Unaudited)	66,674	4,265,230	15,918	955,167	(59,360)	491,218	–	214,022	598,105	6,546,974	2,082,564	1,560,223	10,189,761

Notes:

(a) Contributed surplus represents (i) the amount of RMB16,924,000 (equivalent to HK$15,941,000) credited to the contributed surplus as a result of the capital reduction and consolidation of shares of the Company on 16 September 2003; and (ii) the Company made a distribution in respect of 2008 final dividend amounting to RMB1,006,000 (equivalent to HK$1,138,000) out of the contributed surplus during the year ended 31 March 2009.

(b) Legal reserves represent the amounts set aside from the retained earnings by certain subsidiaries established in the People's Republic of China ("PRC") and is not distributable as dividend. In accordance with the relevant regulations and their articles of association, the Company's subsidiaries established in the PRC are required to allocate at least 10% of their after-tax profit according to the PRC accounting standards and regulations to legal reserves until such reserves have reached 50% of registered capital. These reserves can only be used for specific purposes and are not distributable or transferable to the loans, advances, cash dividends.

(c) Special reserve represents the difference between (i) the consideration to acquire additional interest in subsidiaries and the respective share of the carrying amounts of net assets acquired; and (ii) the consideration to dispose of partial interest in subsidiaries without losing controls and the carrying amounts of the attributable net assets disposal of.

(d) Financial liabilities at FVTPL credit risk reserve represents the amount of change in fair value of the convertible bonds issued by the Company, which is classified as financial liabilities designated as at FVTPL, that is attributable to changes in credit risk of the convertible bonds and transfer to retained earnings on redemption.

Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2019

	NOTES	Six months ended 30 June 2019 RMB'000 (Unaudited)	 2018 RMB'000 (Unaudited)
NET CASH FROM OPERATING ACTIVITIES		**1,008,848**	321,042
INVESTING ACTIVITIES			
Interest received		**11,820**	11,924
Payments for construction and purchase of property, plant and equipment		**(2,551,910)**	(3,955,076)
Payments of right-for-use assets		**(12,967)**	–
Acquisitions of subsidiaries	29	**29,669**	10,988
Settlement of consideration payables for acquisition of subsidiaries with solar power plant projects		**(110,299)**	(8,165)
Settlement of consideration receivables from disposal of subsidiaries with solar power plant projects		**5,192**	–
Capital injection to joint ventures		**–**	(3,630)
Withdrawal of pledged bank and other deposits		**571,629**	1,435,448
Placement of pledged bank and other deposits		**(551,794)**	(637,798)
Proceeds from redemption of other investments		**–**	256,830
Repayment from a borrower of other loan receivables		**4,540**	–
Advance to related companies		**(4,538)**	(262)
Repayment from related companies		**155,204**	318
Proceeds from disposal of joint ventures		**53,780**	–
Proceeds from disposal of subsidiaries with solar power plant projects	30	**242,990**	38,802
NET CASH USED IN INVESTING ACTIVITIES		**(2,156,684)**	(2,850,621)
FINANCING ACTIVITIES			
Interest paid		**(1,350,764)**	(1,224,552)
Proceeds from bank and other borrowings		**4,227,226**	4,182,672
Repayment of bank and other borrowings		**(2,660,570)**	(4,381,251)
Repayments of lease liabilities		**(69,049)**	–
Proceeds of loans from related parties		**604,403**	–
Repayment of loans from related parties		**(10,000)**	–
Proceeds from loans from an associate of ultimate holding company		**193,489**	215,000
Repayment of loans from an associate of ultimate holding company		**(271,975)**	(268,815)
Repayment of loan from a fellow subsidiary		**–**	(1,071,876)
Proceeds from loan from ultimate holding company		**–**	691,691
Repayment to ultimate holding company		**(270,528)**	–
Proceeds from issuance of senior notes		**–**	3,166,950
Transaction costs paid for the issuance of senior notes		**–**	(47,681)
Payment for repurchase of bonds issued		**–**	(250,000)
Payment for redemption of convertible bonds		**–**	(701,348)
Repayment to related parties		**(5,583)**	(4,646)
Advance from related parties		**46,859**	149,740
Proceeds from re-sell of bonds issued		**299,900**	–
Capital contribution by non-controlling interests		**–**	16,090
Dividend paid to non-controlling interests		**(32,966)**	(38,389)
NET CASH FROM FINANCING ACTIVITIES		**700,442**	433,585

For the six months ended 30 June 2019

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(447,394)**	(2,095,994)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		
Represented by		
– bank balances and cash	**1,361,978**	4,196,596
– bank balances and cash classified as held for sale	**44,873**	–
	1,406,851	4,196,596
Effect of exchange rate changes on the balance of cash held in foreign currencies	**(494)**	27,551
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
Represented by		
– bank balances and cash	**958,963**	2,128,153

1A. BASIS OF PREPARATION

The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 ("IAS 34") *Interim Financial Reporting* issued by the International Accounting Standards Board ("IASB") as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"). The unaudited condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2018.

As at 30 June 2019, the Group's current liabilities exceeded its current assets by approximately RMB11,296 million. In addition, as at 30 June 2019, the Group has entered into agreements to construct solar power plants which will involve capital commitments of approximately RMB568 million. In the event that the Group is successful in expanding the investments in the existing solar power plants in the coming twelve months from 30 June 2019, additional cash outflows will be required to settle further committed capital expenditure.

As at 30 June 2019, the Group's total borrowings comprising bank and other borrowings, bonds and senior notes, and loans from related companies and lease liabilities amounted to approximately RMB42,279 million. The balance of approximately RMB11,322 million will be due in the coming twelve months from the end of the reporting period, including bank borrowings of approximately RMB1,963 million, which shall be due after twelve months from the end of reporting period in accordance with the scheduled repayment dates as set out in the respective loan agreements but are reclassified to current liabilities as a result of the inability to respect a loan covenant by GCL-Poly, the guarantor of certain bank borrowings and thereby triggered the cross default of certain bank borrowings of the Group; accordingly, these bank borrowings became repayable on demand as at 30 June 2019. Subsequent to the end of the reporting period, GCL-Poly has obtained consent from the relevant lender to waive the financial covenant concerned and not to demand for immediate repayment of the bank borrowings; and accordingly, the cross default on the relevant bank borrowings of the Group are also remedied. Notwithstanding this, reclassification of long-term borrowings of approximately RMB1,963 million as current liabilities is still required at 30 June 2019 under applicable accounting standards because the bank waiver was obtained subsequent to the end of the reporting period.

The Group's pledged bank and other deposits and bank balances and cash amounted to approximately RMB2,019 million (including pledged deposit of RMB8 million placed at an associate of ultimate holding company for its loans advanced to the Group) and RMB959 million as at 30 June 2019, respectively. The financial resources available to the Group as at 30 June 2019 and up to the date of approval of these unaudited condensed interim consolidated financial statements for issuance may not be sufficient to meet its financial obligations, including the above capital expenditure requirements. The Group is pursuing additional financing including, but not limited to, equity and debt financing and bank borrowings.

1A. BASIS OF PREPARATION (Continued)

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore, the directors of the Company (the "Directors") have reviewed the Group's cash flow projections which cover a period of not less than twelve months from 30 June 2019. They are of the opinion that the Group will have sufficient working capital to meet its financial obligations, including those committed capital expenditures relating to the solar power plants, that will be due in the coming twelve months from 30 June 2019, and the on-going covenants compliance upon successful implementation of the following measures which will generate adequate financing and operating cash inflows for the Group:

(i) Subsequent to 30 June 2019, the Group successfully obtained new borrowings of approximately RMB310 million from banks and other financial institutions in the People's Republic of China (the "PRC");

(ii) The Group proposed to issue medium-term notes with an aggregate principal amount of not exceeding RMB3,000 million to institutional investors of the national interbank bond market in the PRC and public offering bonds with an aggregate principal amount of not exceeding RMB3,000 million in Shenzhen Stock Exchange in the PRC before their expiry date in June 2020 and September 2020, respectively. It is expected that the notes and bonds will be issued in one or more tranches and that each tranche of the notes and bonds shall have a maturity of three years. The Group is also negotiating with banks and other financial institutions for credit facilities;

(iii) The Group is implementing business strategies, among others, to transform its heavy asset business model to a light-asset model by (i) divesting certain of its existing wholly-owned power plant projects in exchange for cash proceeds and to improve the Group's indebtedness position; and (ii) striving for providing plant operation and maintenance services to those divested power plants for additional operating cash flow to the Group;

(iv) On 22 May 2019, the Group entered into a series of seven share purchase agreements with 上海榕耀新能源有限公司 Shanghai Rongyao New Energy Co., Ltd*, an independent third party, in which the Group is going to sell 70% equity interest in a number of subsidiaries of the Group of which these subsidiaries own 23 operational solar power plants in the PRC with an aggregate installed capacity of approximately 977MW, for a consideration in aggregate of RMB1,740,616,700 (the "Disposal"). Pursuant to the Listing Rules, this transaction was considered as a major transaction of the Company, and it was subject to the approval by the shareholders of the Company in the special general meeting as well as the shareholders of its ultimate holding company, GCL-Poly, in an extraordinary general meeting, respectively. Subsequent to the current interim period, this transaction was approved by the shareholders of the Company in the special general meeting, and also the shareholders of GCL-Poly in the extraordinary general meeting, respectively, on 19 July 2019. The Disposal is expected to complete in second half of 2019. Further details of the Disposal are set out in the circular of the Company to its shareholders dated 28 June 2019;

(v) On 3 June 2019, Elite Time Global Limited, an intermediate holding company of the Company entered into a non-legal binding cooperation intent agreement with China Hua Neng Group Hong Kong Limited ("China Hua Neng"), a subsidiary of China Huaneng Group Co., Ltd., being a state-owned enterprise in the PRC, regarding the possible sale of 9,727,594,875 ordinary shares in the share capital of the Company, representing approximately 51% of the entire issued share capital of the Company as at the date of approval of the unaudited condensed interim consolidated financial statements for issuance. Upon the completion of the proposed transaction, China Hua Neng will become the controlling shareholder of the Group; and

(vi) The Group still owns 187 solar power plants with an aggregate grid connected capacity of approximately 5.6GW upon completion of the Disposal. Those operational solar power plants are expected to generate operating cash inflows to the Group within the coming twelve months from the date of these unaudited condensed interim consolidated financial statements.

* *English name for identification only*

1A. BASIS OF PREPARATION (Continued)

By taking the above measures, the Directors believe that the Group has sufficient working capital to meet the financial obligations when they fall due in the foreseeable future.

After taking into account the Group's business prospects, internal resources, estimated proceeds from the Disposals, the available committed and uncommitted financing facilities and arrangements, and transformation to light-asset model as mentioned above, the Directors are satisfied that it is appropriate to prepare these unaudited condensed interim consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group can achieve the plans and measures described in (ii) and (iii) above, and the Group's and GCL-Poly's on-going compliance with its borrowing covenants. The sufficiency of the Group's working capital to satisfy its present requirements for at least the next twelve months from the date of approval of these unaudited condensed interim consolidated financial statements for issuance is dependent on the Group's ability to generate adequate financing and operating cash flows through successful renewal of its bank borrowings upon expiry, successful transformation to light-asset model to generate adequate cash inflows as scheduled, successful securing of the financing from banks with repayment terms beyond twelve months from the date of approval of these unaudited condensed interim consolidated financial statements for issuance, and other short-term or long-term financing and compliance with the covenants under the borrowing agreements or to obtain waiver from the relevant banks for any non-compliance with the covenant requirements. Should the Group be unable to operate as a going concern, adjustments would have to be made to reduce the carrying values of the Group's assets to their realisable values, to provide for financial liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these unaudited condensed interim consolidated financial statements.

The functional currency of the Company and the presentation currency of the Group's unaudited condensed interim consolidated financial statements are Renminbi ("RMB").

1B. SIGNIFICANT EVENTS AND TRANSACTIONS

The Group made certain acquisitions and disposals during the current interim period and the details are set out in notes 29 and 30, respectively. In addition, the Group applied IFRS 16 *Leases* for the first time in the current period which resulted in recognition of additional right-of-use assets and lease liabilities as set out in note 2.

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than changes in accounting policies resulting from application of new and amendments to International Financial Reporting Standards ("IFRS Standards"), the accounting policies and methods of computation used in the unaudited condensed interim consolidated financial statements for the six months ended 30 June 2019 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2018.

Application of new and amendments to IFRS Standards

In the current interim period, the Group has applied, for the first time, the following new and amendments to IFRS Standards issued by the IASB which are mandatory effective for the annual period beginning on or after 1 January 2019 for the preparation of the Group's unaudited condensed interim consolidated financial statements:

IFRS 16	Leases
IFRIC 23	Uncertainty over Income Tax Treatments
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to IFRS Standards	Annual Improvements to IFRS Standards 2015–2017 Cycle

Except as described below, the application of the new and amendments to IFRS Standards in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these unaudited condensed interim consolidated financial statements.

2.1 Impacts and changes in accounting policies on application of IFRS 16 Leases

The Group has applied IFRS 16 for the first time in the current interim period. IFRS 16 superseded IAS 17 *Leases* ("IAS 17"), and the related interpretations.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of new and amendments to IFRS Standards (Continued)

2.1 Impacts and changes in accounting policies on application of IFRS 16 Leases (Continued)

2.1.1 Key changes in accounting policies resulting from application of IFRS 16

The Group applied the following accounting policies in accordance with the transition provisions of IFRS 16.

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combination on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception or modification or acquisition date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

As a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the financial statements would not differ materially from individual leases within the portfolio.

The Group also applies practical expedient not to separate non-lease components from lease component for all classes of underlying assets, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets.

Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of new and amendments to IFRS Standards (Continued)

2.1 Impacts and changes in accounting policies on application of IFRS 16 Leases (Continued)

2.1.1 Key changes in accounting policies resulting from application of IFRS 16 (Continued)

As a lessee (Continued)

Right-of-use assets

Except for short-term leases and leases of low value assets, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use asset as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Any adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of new and amendments to IFRS Standards (Continued)

2.1 Impacts and changes in accounting policies on application of IFRS 16 Leases (Continued)

2.1.1 Key changes in accounting policies resulting from application of IFRS 16 (Continued)

As a lessee (Continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of new and amendments to IFRS Standards (Continued)

2.1 Impacts and changes in accounting policies on application of IFRS 16 Leases (Continued)

2.1.1 Key changes in accounting policies resulting from application of IFRS 16 (Continued)

As a lessee (Continued)

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Taxation

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 *Income Taxes* requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease term due to application of initial recognition exemption.

Sales and leaseback transactions

The Group acts as a seller-lessee

The Group applies the requirements of IFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group as a seller-lessee. For a transfer that does not satisfy the requirements as a sale, the Group accounts for the transfer proceeds as other loan within the scope of IFRS 9.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of new and amendments to IFRS Standards (Continued)

2.1 Impacts and changes in accounting policies on application of IFRS 16 Leases (Continued)

2.1.2 Transition and summary of effects arising from initial application of IFRS 16

Definition of a lease

The Group has elected the practical expedient to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 *Determining whether an Arrangement contains a Lease* and not apply this standards to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into modified or arising from business combination on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in IFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied IFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019. Any difference at the date of initial application is recognised in the opening retained earnings and comparative information has not been restated.

When applying the modified retrospective approach under IFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under IAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

i. relied on the assessment of whether leases are onerous by applying IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* as an alternative of impairment review;

ii. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;

iii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of new and amendments to IFRS Standards (Continued)

2.1 Impacts and changes in accounting policies on application of IFRS 16 Leases (Continued)

2.1.2 Transition and summary of effects arising from initial application of IFRS 16 (Continued)

As a lessee (Continued)

On transition, the Group has made the following adjustments upon application of IFRS 16:

The Group recognised additional lease liabilities of RMB1,361,507,000 and right-of-use assets at amounts equal to the related lease liabilities by applying IFRS16.C8(b)(ii) transition. The Group further reclassified prepaid rent of RMB484,227,000 and prepaid lease payments of RMB116,090,000, to right-of-use assets at 1 January 2019.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rate applied is 5.46%.

	At 1 January 2019 RMB'000
Operating lease commitments disclosed as at 31 December 2018	2,252,237
Lease liabilities discounted at relevant incremental borrowing rates	1,384,669
Less: Recognition exemption – short-term leases	(3,321)
Recognition exemption – leases with lease term ends within 12 months of the date of initial application	(19,841)
Lease liabilities relating to operating leases recognised upon application of IFRS 16 as at 1 January 2019	1,361,507
Lease liabilities	
– Current	79,545
– Non-current	1,263,530
Lease liabilities under liabilities associated with assets classified as held for sales	18,432
	1,361,507

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of new and amendments to IFRS Standards (Continued)

2.1 Impacts and changes in accounting policies on application of IFRS 16 Leases (Continued)

2.1.2 Transition and summary of effects arising from initial application of IFRS 16 (Continued)

As a lessee (Continued)

The carrying amount of right-of-use assets as at 1 January 2019 comprises the following:

	Right-of-use assets RMB'000
Right-of-use assets relating to operating leases recognised upon application of IFRS 16	1,361,507
Reclassified from prepaid rent (note a)	484,227
Reclassified from prepaid lease payments (note b)	116,090
	1,961,824
By class:	
Leasehold lands	1,796,990
Rooftops	137,212
Others	27,622
	1,961,824
Represented by:	
Right-of-use assets	1,934,556
Right-of-use assets under assets held for sales	27,268
	1,961,824

Note a: Prepaid rent for parcels of land in the PRC in which the Group leased from third parties under operating leases were classified as prepayments as at 31 December 2018. Upon application of IFRS 16, the current and non-current portion of prepaid rent for parcels of lands and prepaid rent for parcels of lands classified as held for sale amounting to RMB2,826,000 and RMB474,393,000 and RMB7,008,000, respectively, were reclassified to right-of-use assets.

Note b: Upfront payments for leasehold lands in the PRC in which the Group obtained relevant land use right certificate were classified as prepaid lease payments as at 31 December 2018. Upon application of IFRS 16, the current and non-current portion of prepaid lease payments and the prepaid lease payments classified as held for sale amounting to RMB112,041,000 and RMB2,221,000, and RMB1,828,000 respectively, were reclassified to right-of-use assets.

The transition to IFRS 16 has no impact to the Group's retained earnings at 1 January 2019.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Application of new and amendments to IFRS Standards (Continued)

2.1 Impacts and changes in accounting policies on application of IFRS 16 Leases (Continued)

2.1.2 Transition and summary of effects arising from initial application of IFRS 16 (Continued)

Sales and leaseback transactions

The Group acts as a seller-lessee

In accordance with the transition provisions of IFRS 16, sale and leaseback transactions entered into before the date of initial application were not reassessed. Upon application of IFRS 16, the Group applies the requirements of IFRS 15 to assess whether sales and leaseback transaction constitutes a sale. During the period, the Group entered into several sale and leaseback transactions in relation to certain equipment of the Group and the transactions do not satisfy the requirement as a sale in accordance with those contracts, and the Group has right to repurchase the relevant assets. As a result, the buyer-lessors do not obtain control of the assets as the contracts limit its ability to direct the use of and to obtain substantially all of the remaining benefits from the assets. Accordingly, the Group accounts for the related proceeds of RMB1,498,473,000 as other loans within the scope of IFRS 9.

The following adjustments were made to the amounts recognised in the unaudited condensed interim consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 31 December 2018 RMB'000	Adjustments RMB'000	Carrying amounts under IFRS 16 at I January 2019 RMB'000
Non-current Assets			
Prepaid lease payments	112,041	(112,041)	–
Deposits, prepayment and other non-current assets	3,334,001	(474,393)	2,859,608
Right-of-use assets	–	1,934,556	1,934,556
Current Assets			
Prepaid lease payments	2,221	(2,221)	–
Trade and other receivables	4,930,458	(2,826)	4,927,632
Assets classified as held for sale			
– Right of use assets	–	27,268	27,268
– Other non-current assets	97,335	(7,008)	90,327
– Prepaid lease payments	1,828	(1,828)	–
Current Liability			
Lease liabilities	–	79,545	79,545
Liabilities associated with assets classified as held for sale			
– Lease liabilities	–	18,432	18,432
Non-current liability			
Lease liabilities	–	1,263,530	1,263,530

Note: For the purpose of reporting cash flows from operating activities under indirect method for the six months ended 30 June 2019, movements in working capital have been computed based on opening statement of financial position as at 1 January 2019 as disclosed above.

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Impacts and changes in accounting policies of application on Amendments to IFRSs *Annual Improvements to IFRSs 2015 – 2017 Cycle*

2.2 Critical judgements in applying accounting policies

The directors of the Company made the following critical judgement on application of IFRS 16.

Determination on lease term of contracts with renewal options

The Group applies judgment to determine the lease term in connection with certain lease contracts in which it is a lessee that include renewal option. The leases are related to land leases where the solar power plants are erected. The solar power plants have useful life of twenty-five years while the lease agreement for land entered by the Group with the landlord contains a lease term of twenty years plus a renewal option of five to ten years. Accordingly, the management of the Group considered that the Group has a significant economic incentive and it is reasonably certain for the Group to exercise the renewal option, in order to operate the solar power plant until the end of its useful life.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents revenue arising on sales of electricity which is recognised at a point in time. Substantially, all of the revenue is derived from electricity sales to local units of state grid in the PRC for the six months ended 30 June 2019 and 2018.

For sales of electricity, the Group generally entered into power purchase agreements with a term of one to five years which stipulate the price of electricity per watt hour. Revenue is recognised when control of the electricity has transferred, being at the point when electricity has generated and transmitted to the local grid companies and the amount included RMB1,913,087,000 (six months ended 30 June 2018: RMB1,634,353,000) tariff adjustment recognised during the period. The Group generally grants credit period of approximately one month from date of invoice in accordance with the relevant power purchase agreements between the Group and the respective local grid companies.

The financial resource for the tariff adjustment is the national renewable energy fund that accumulated through a special levy on the consumption of electricity of end users. The PRC government is responsible to collect and allocate the fund to the respective state-owned grid companies for settlement to the solar power companies. Effective from March 2012, the application, approval and settlement of the tariff adjustment are subject to certain procedures as promulgated by Caijian [2012] No. 102 Notice on the Interim Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加補助資金管理暫行辦法). Caijian [2013] No. 390 Notice issued in July 2013 further simplified the procedures of settlement of the tariff adjustment. Tariff adjustments are recognised as revenue and due from local grid companies in the PRC in accordance with the relevant power purchase agreements.

For those tariff adjustments that are subject to approval for registration in the Renewable Energy Tariff Subsidy Catalogue (the "Catalogue") by the PRC government, the relevant revenue from these tariff adjustments are considered variable consideration, and are recognised only to the extent that it is highly probable that a significant reversal will not occur and are included in contract assets. Management assessed that all of the Group's operating power plants have qualified and met all the requirements and conditions as required based on the prevailing nationwide government policies on renewable energy for solar power plants. The contract asset is transferred to trade receivables upon the relevant power plant obtained the approval for registration in the Catalogue.

3. REVENUE AND SEGMENT INFORMATION (Continued)

Since certain of the tariff adjustments are yet to obtain approval for registration in the Catalogue by the PRC government, the management considers that it contains a significant financing component over the relevant portion of tariff adjustment until approval was obtained. For the six months ended 30 June 2019, the respective tariff adjustment was adjusted for this financing component based on an effective interest rate ranged from 2.48% to 2.98% per annum (six months ended 30 June 2018: 3.06% to 3.49% per annum) and the adjustment in relation to the revision of expected timing of tariff collection. As such, the Group's revenue was adjusted by approximately RMB89.3 million (six months ended 30 June 2018: RMB75.4 million) and interest income amounting to approximately RMB81.5 million (six months ended 30 June 2018: RMB56.9 million) (note 4) was recognised.

The Group's chief operating decision maker ("CODM"), being the executive directors of the Company, regularly reviews revenue by provinces; however, no other discrete information was provided. In addition, the CODM reviewed the consolidated results when making decisions about allocating resources and assessing performance. Hence, no further segment information other than entity wide information was presented.

Geographical information

Information about the Group's revenue from continuing operations from external customers is presented based on the location of the operations and customers.

	Revenue from external customers Six months ended 30 June	
	2019 **RMB'000**	2018 RMB'000
PRC	**3,129,553**	2,681,855
Other countries	**43,431**	22,330
	3,172,984	2,704,185

The only sources of revenue is from sales of electricity generated by solar power plants in the PRC, United States of America (the "US") and Japan. No further information regarding disaggregation of revenue except for geographical information as disclosed above.

4. OTHER INCOME

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Consultancy income (Note a)	**8,934**	3,052
Compensation income	**–**	3,308
Government grants:		
– Incentive subsidies (Note b)	**3,757**	11,346
– Investment Tax Credit ("ITC") (note 21c)	**6,953**	3,668
– Others	**1,544**	–
Interest arising from contracts containing significant financing component (note 3)	**81,492**	56,907
Interest income of financial assets at amortised costs:		
– Bank interest income	**9,042**	13,764
– Interest income from other loan receivables (note 18)	**55**	3,052
– Interest income from loans to joint ventures and associates (note 34b)	**2,047**	4,542
Management services income from related companies (note 34a)	**27,651**	18,949
Others	**8,607**	7,866
	150,082	126,454

Notes:

(a) Consultancy income represents consultancy fees earned from third parties for design and planning for constructing solar power plants.

(b) Incentive subsidies were received from the relevant PRC government for improvement of working capital and financial assistance to the operating activities. The subsidies were granted on a discretionary basis during the period and the conditions attached thereto were fully complied with.

5. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Exchange losses, net (Note)	**(15,793)**	(209,355)
Gain on disposal of solar power plant projects (note 30)	**46,263**	33,185
Gain on disposal of joint ventures (note 14)	**35,263**	–
Fair value change on other investments (note 19)	**–**	16,790
	65,733	(159,380)

Note: During the six months ended 30 June 2018, exchange losses mainly arose from the exchange losses on loan from ultimate holding company, bank and other borrowings and the senior notes, all are denominated in United States dollars ("US$") which appreciated against RMB.

6. FINANCE COSTS

	Six months ended 30 June	
	2019 **RMB'000** **(Unaudited)**	2018 RMB'000 (Unaudited)
Interest on financial liabilities at amortised cost:		
Bank and other borrowings	**1,153,106**	996,118
Bonds and senior notes	**132,198**	122,815
Loans from related companies (note 34c)	**125,313**	63,870
Lease liabilities	**35,159**	–
Total borrowing costs	**1,445,776**	1,182,803
Less: amounts capitalised in the cost of qualifying assets	**(26,970)**	(120,345)
	1,418,806	1,062,458

Borrowing costs capitalised during the period arose on the general borrowing pool and are calculated by applying a capitalisation rate of 7.39% (six months ended 30 June 2018: 7.20%) per annum to expenditure on qualifying assets.

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2019 **RMB'000** **(Unaudited)**	2018 RMB'000 (Unaudited)
PRC Enterprise Income Tax ("EIT"):		
Current tax	**70,518**	30,824
Deferred tax	**(3,252)**	(10,157)
Total	**67,266**	20,667

The basic tax rate of the Company's PRC subsidiaries is 25%, under the law of the PRC on Enterprise Income Tax (the "EIT Law") and implementation regulations of the EIT law.

Certain subsidiaries of the Group, being enterprises engaged in solar photovoltaic projects, under the EIT Law, are entitled to tax holidays of 3-year full exemption followed by 3-year 50% exemption commencing from their respective years in which their first operating incomes were derived. For the six months ended 30 June 2019, certain subsidiaries of the Company engaged in the solar photovoltaic projects had their first or second year of the 3-year 50% exemption period.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of qualifying corporations is taxed at 8.25%, and profits above HK$2 million is taxed at 16.5%. The two-tiered profits tax rates regime is applicable to the Group. No provision for taxation in Hong Kong Profits Tax was made as there is no assessable profit in Hong Kong for both reporting periods.

7. INCOME TAX EXPENSE (Continued)

The Federal and state income tax rate in the US are calculated at 21% and 8.84% (six months ended 30 June 2018: 21% and 8.84%), respectively for the six months ended 30 June 2019. No provision for taxation in the US was made as these is no significant assessable profit for both reporting periods.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has been provided for in the condensed consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to RMB83,000,000 (six months ended 2018: nil) and no deferred tax has been provided for the remaining RMB2,689,728,000 (31 December 2018: RMB2,341,710,000, including RMB102,051,000 under assets classified as held for sale) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

8. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging:		
Amortisation of prepaid lease payments	**–**	1,092
Depreciation of property, plant and equipment	**858,294**	711,992
Depreciation of right-of-use assets	**44,209**	–
Operating lease rental in respect of properties	**46,026**	61,430
Staff costs (including directors' remuneration but excluding share-based payments)		
– Salaries, wages and other benefits	**195,629**	132,280
– Retirement benefit scheme contributions	**37,610**	19,771
Share-based payment expenses (note 28) (administrative expenses in nature)		
– Directors and staff	**1,513**	5,628
– Consultancy services	**80**	1,288

9. DIVIDENDS

No dividend was paid, declared or proposed for ordinary shareholders of the Company during the six months ended 30 June 2019, nor has any dividend been proposed since the end of the reporting period (six months ended 30 June 2018: Nil).

10. ASSETS CLASSIFIED AS HELD FOR SALE

Disposal of solar power plants

(a) 林州市新創太陽能有限公司 Linzhou City Xinchuang Solar Company Limited ("Linzhou Xinchuang")*

On 24 October 2018, the Group entered into a share transfer agreement with 中廣核太陽能開發有限公司 CGN Solar Energy Development Co., Ltd* ("CGN Solar"), an independent third party, pursuant to which the Group agreed to sell and CGN Solar agreed to purchase 80% equity interest of Linzhou Xinchuang at consideration of RMB93,488,000 and the repayment of corresponding interest in shareholder's loan as at the date of completion of disposal. Linzhou Xinchuang operates solar power plant projects in Linzhou, the PRC ("Linzhou Project").

The Group guaranteed that for the three-year period following the completion under the equity transfer agreement, Linzhou Project shall generate an average on-grid electricity per year of not less than the guaranteed amount, being 73.1 million kWh ("Guaranteed Amount") and is adjusted in accordance with the degradation rate of the solar panels from 30 June 2018 to the completion date. In the event that the Linzhou Project fails to reach the aforesaid target, the Group shall make up the loss suffered by CGN Solar and such guarantee shall extend for a period of three years. As the average annual on-grid electricity generated by the project in the past two years well exceeded 73.1 million kWh, in the opinion of the Directors, the fair value of the guarantee is insignificant as at the completion date on 15 February 2019 and 30 June 2019.

In addition, the Group has granted a put option to CGN Solar, pursuant to which the Group has agreed that if the Linzhou Project fails to generate an average annual on-grid electricity reaching 70% of the Guaranteed Amount during the three-year period, the Group shall repurchase the 80% equity interest in Linzhou Xinchuang from CGN Solar at a repurchase price to be agreed between both parties and replace all advancement from CGN Solar to Linzhou Xinchuang with its loan. As the average annual on-grid electricity generated by the project in the past two years well exceeded the aforesaid 70% requirement, in the opinion of the Directors, the fair value of the option is considered insignificant as at the completion date on 15 February 2019 and 30 June 2019.

Besides, CGN Solar has granted the Group a put option, pursuant to which CGN Solar has agreed to grant the Group the right, but not an obligation, to request CGN Solar to purchase the remaining 20% equity interest in Linzhou Xinchuang upon the aforesaid guarantees being fulfilled. As the purchase price will be referenced to the fair value of Linzhou Project at the date of purchase of the remaining 20% equity interest in Linzhou Xinchuang by CGN Solar, in the opinion of the Directors, the fair value of the option is considered insignificant as at the completion date on 15 February 2019 and 30 June 2019. Details of this transaction are set out in the announcement of the Company dated 24 October 2018. The disposal is completed on 15 February 2019, and the Group recognised a gain on disposal amounting to RMB4.9 million in the current interim period.

* *English name for identification only*

10. ASSETS CLASSIFIED AS HELD FOR SALE (Continued)

Disposal of solar power plants (Continued)

(b) Wholly-owned subsidiaries in Inner Mongolia, the PRC

On 30 December 2018, the Group entered into share transfer agreements with 中國三峽新能源有限公司 China Three Gorges New Energy Company Limited* ("China Three Gorges New Energy"), an independent third party, pursuant to which the Group agreed to sell and China Three Gorges New Energy agreed to purchase 100% equity interest of several wholly-owned subsidiaries of the Group for consideration in aggregate of RMB250,891,000. The wholly-owned subsidiaries of the Group operate a number of solar power plant projects in Inner Mongolia, the PRC. The disposals are completed in May 2019, and a gain on disposal amounting to RMB17.9 million is recognised in current interim period.

As at 31 December 2018, the assets and liabilities attributable to these solar power plant projects have been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position.

As at 31 December 2018, the major classes of assets and liabilities of the disposal group are as follows:

	RMB'000
Property, plant and equipment	1,068,080
Prepaid lease payments	1,828
Other non-current assets	97,335
Trade and other receivables	175,893
Bank balances and cash	44,873
Total assets classified as held for sale	1,388,009
Other payables	(60,781)
Bank and other borrowings – due within one year	(36,344)
Other current liabilities	(1,582)
Bank and other borrowings – due after one year	(836,611)
Other non-current liabilities	(145)
Total liabilities directly associated with assets classified as held for sale	(935,463)
Net assets of solar power plant projects classified as held for sale	452,546
Intragroup balances	(162,864)
Net assets of solar power plant projects	289,682
Remaining net assets of Liuzhou Project held by the Group	(24,259)
Net assets to be disposed of	265,423

* *English name for identification only*

10. ASSETS CLASSIFIED AS HELD FOR SALE (Continued)

Disposal of solar power plants (Continued)

The following is an aged analysis of trade receivables presented based on the invoice date at 31 December 2018, which approximated the respective revenue recognition date:

	RMB'000
0–90 days	82,190
91–180 days	74,631
	156,821

For the electricity sale business, the Group generally granted credit period of approximately one month to local power grid companies in the PRC from the date of invoice in accordance with the relevant electricity sales contract between the Group and the respective local grid companies.

The carrying amounts of the above borrowings are repayable*:

	RMB'000
Within one year	36,344
More than one year, but not exceeding two years	54,375
More than two years, but not exceeding five years	238,125
More than five years	544,111
	872,955
Less: Bank and other borrowings – due within one year	(36,344)
Bank and other borrowings – due after one year	836,611

* The repayable amounts of bank and other borrowings are based on scheduled repayment dates set out in the respective loan agreements.

11. EARNINGS PER SHARE

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

Earnings figures are calculated as follows:

	Six months ended 30 June	
	2019 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)
Profit for the period attributable to owners of the Company	**410,222**	345,241
Effect of dilutive potential ordinary shares:		
Loss on changes in fair value of convertible bonds	**–**	3,888
Profit for the purpose of diluted earnings per share	**410,222**	349,129

	Six months ended 30 June	
	2019 '000 (Unaudited)	2018 '000 (Unaudited)
Number of shares		
Number of ordinary shares for the purpose of basic earnings per share:	**19,073,715**	19,073,715
Effect of dilutive potential ordinary shares:		
Convertible bonds	**–**	265,252
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**19,073,715**	19,338,967

Diluted earnings per share did not assume the exercise of the share options since the exercise price is higher than the average share price for both reporting periods.

12. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

Six months ended 30 June 2019	Property, plant and equipment RMB'000	Right-of-use assets RMB'000
Carrying amount at 1 January 2019 (Audited)		
– Property, plant and equipment	42,970,249	–
– Property, plant and equipment classified as held for sales	1,068,080	–
	44,038,329	–
At 1 January 2019		
– Right-of-use assets	–	1,934,556
– Right-of-use assets classified as held for sales	–	27,268
	44,038,329	1,961,824
Additions	435,716	15,111
Exchange differences	1,415	99
Acquisition of subsidiaries (note 29)	1,000,363	35,733
Disposal of subsidiaries (note 30)	(2,655,166)	(116,394)
Deprecation	(858,294)	(44,209)
Adjustment of early termination of a lease	–	(168)
Carrying amount at 30 June 2019 (Unaudited)	41,962,363	1,851,996

At 30 June 2019, the Group was in the process of obtaining property ownership certificates in respect of property interests held by the Group in the PRC with a carrying amount of approximately RMB1,310,427,000 (31 December 2018: RMB1,271,801,000). In the opinion of the Directors, the absence of the property ownership certificates to these property interests does not impair their carrying value to the Group as the Group paid the full purchase consideration of these property interests and the probability of being evicted on the ground of an absence of property ownership certificates is remote.

Leases are negotiated and rentals are fixed for terms ranging from three to thirty-four years for parcels of land and ranging from one to three years for the office premises and staff quarters for both periods. The lease agreements entered into between the landlords and the Group include renewal options at the discretion of the respective group entities for further five to ten years from the end of the leases with fixed rental.

During the current interim period, the Group entered into several new lease agreements for the use of lands for twenty-four to fifty years. The Group is required to make fixed annually payments, except for full payment of RMB12,967,000 was made for certain leases. On lease commencement, the Group recognised RMB15,111,000 of right-of-use asset and RMB2,144,000 of lease liability.

13. INTERESTS IN ASSOCIATES

Same as disclosed in the Group's 2018 annual report, there is no material change for the six months ended 30 June 2019, except for the additions of associates as a result of the disposal of the Group's 80% equity interest in Linzhou Xinchuang in February 2019, and 55% equity interest in each of 汝州協鑫光伏電力有限公司 Ruzhou GCL Photovoltaic Power Co. Ltd.* ("Ruzhou"), 新安縣協鑫光伏電力有限公司 Xinan Xian GCL Solar Power Co., Ltd.* ("Xinan") and 江陵縣協鑫光伏電力有限公司 Jiangling Xian GCL Solar Power Co., Ltd.* ("Jiangling") in April 2019 to independent third parties. After above-mentioned disposal, the Group retains 20% equity interest in Linzhou Xinchuang and 45% equity interest in Ruzhou, Xinan and Jiangling. The Group retains significant influence on these companies upon completion of the relevant disposals. Details are set out in note 30.

14. INTERESTS IN JOINT VENTURES

Same as disclosed in the Group's 2018 annual report, there is no material change for the six months ended 30 June 2019, except for:

i. During the current interim period, the Group acquired 100% equity interest of 金湖正輝太陽能電力有限公司 Jinhu Zhenghui Photovoltaic Co., Ltd.* ("Jinhu") and 山東萬海電力有限公司 Shandong Wanhai Solar Power Co., Ltd.* ("Wanhai") from 西安中民協鑫新能源有限公司 Xi'an Zhongmin GCL New Energy Company Limited* ("Zhongmin GCL"), a joint venture of the Company. Upon completion of these acquisitions in March 2019, Jinhu and Wanhai become wholly-owned subsidiaries of the Group. Details are set out in note 29. Zhongmin GCL is also disposed of by the Group in March 2019.

ii. In addition, the Group disposed of its 50% joint venture interest in both AD Solar No. 3 Godo Kaisha ("AD3") and Himeji Tohori Taiyo-No-Sato No. 1 Godo Kaisha ("Himeji") to an independent third party in January 2019.

As result of the abovesaid disposal, gain of RMB35,263,000 is recognised during the current interim period.

15. AMOUNTS DUE FROM/TO RELATED COMPANIES

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Amounts due from related companies – non-current		
– Loan to joint ventures (Notes a and b)	**–**	45,146
Amounts due from related companies – current		
– Amounts due from joint ventures (Notes a, b and c)	**8,258**	230,775
– Amounts due from fellow subsidiaries (Note d)	**62,964**	43,131
– Amounts due from the companies controlled by Mr. Zhu Yufeng, the chairman of the Group, and his family (Note e)	**407**	1,214
– Amounts due from an associate of ultimate holding company (Note f)	**8,002**	18,135
– Amounts due from associates (Note g)	**296,258**	49,073
	375,889	342,328

* *English name for identification only*

15. AMOUNTS DUE FROM/TO RELATED COMPANIES (Continued)

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Amounts due to related companies – current		
– Amounts due to joint ventures (Note c)	–	50
– Amounts due to fellow subsidiaries (Note d)	74,818	60,980
– Amounts due to an associate (Note g)	18,841	7,093
– Amount due to ultimate holding company (Note c)	14,116	39,191
– Amounts due to the companies controlled by Zhu Yufeng and his family (Note e)	144,923	32,146
– Bond payable (Note 26)	272,500	–
	525,198	139,460

Notes:

(a) As at 31 December 2018, the Group had an amount due from Jinhu amounting to RMB64,000,000, and a loan to Jinhu of RMB38,815,000 with maturity date on 31 December 2022 and interest bearing at a fixed rate of 6% per annum. During the current interim period, Jinhu became a wholly-owned subsidiary of the Company (note 29).

(b) During the year ended 31 December 2018, the Group entered into a loan agreement with Himeji to finance its operations for JPY102,270,000 (equivalent to approximately RMB6,331,000 as of 31 December 2018). The loan was unsecured and interest-bearing at a fixed rate of 1% per annum. Himeji was disposed of by the Group in January 2019 and this loan is settled by the acquirer as part of the consideration on disposal date.

(c) The amounts due from/to joint ventures and ultimate holding company are non-trade nature, unsecured, non-interest bearing and repayable on demand.

(d) The amounts due from/to fellow subsidiaries are non-trade in nature, unsecured, non-interest bearing and repayable on demand except for the amounts due from fellow subsidiaries of approximately RMB60,455,000 (31 December 2018: RMB42,119,000) which is arising from consultancy and management services rendered to fellow subsidiaries with a credit term of 30 days.

(e) Mr. Zhu Yufeng and his family members hold in aggregate more than 20% of the Company's share capital as at 30 June 2019 and 31 December 2018 and exercise significant influence over the Company. The amounts due from/to companies controlled by Mr. Zhu Yufeng and his family are non-trade in nature, unsecured, non-interest bearing and repayable on demand except for amounts due to companies controlled by Mr. Zhu Yufeng and his family of RMB964,000 (31 December 2018: RMB495,000) which is arising from training services provided by related companies with credit term of 30 days. The balance also included outstanding loan interest due as at reporting period end. The maximum amount outstanding during the six-month ended 30 June 2019 is RMB1,214,000 (31 December 2018: RMB1,214,000) in relation to the non-trade balances for the amounts due from companies in which Mr. Zhu Yufeng and his family have control.

(f) The amount represents pledged deposits placed at 芯鑫融資租賃有限責任公司 Xinxin Finance Leasing Company Limited* ("Xinxin") for loans advanced to the Group. Details of the loans are set out in note 22. The balance is interest-free and unsecured, and will be released upon the maturity of the loan from 2024 through 2026.

(g) The amounts due from/to associates are non-trade nature, unsecured, non-interest bearing and repayable on demand.

* *English name for identification only*

16. DEPOSITS, PREPAYMENT AND OTHER NON-CURRENT ASSETS

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Prepayments paid for EPC contracts and constructions (Note)	308,219	671,189
Refundable value-added tax	2,046,456	2,160,282
Prepaid rent for parcels of land under operating leases	–	474,393
Others	26,586	28,137
	2,381,261	3,334,001

Note: Prepayments for the engineering, procurement and constructions ("EPC") contracts and constructions represent payment in advance to contractors which will be transferred to property, plant and equipment in accordance with the percentage of completion of the constructions.

17A. TRADE AND OTHER RECEIVABLES

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Trade receivables	4,279,368	2,981,150
Prepayment and deposits	189,342	253,795
Other receivables		
– Advance to Borrowers (as defined in note 18)	88,692	16,932
– Consultancy services fee receivables	14,281	14,527
– Consideration receivables from disposal of subsidiaries	363,680	16,141
– Advance to non-controlling interest shareholder	21,546	59,740
– Interest receivables	91	958
– Receivables for modules procurement	66,743	147,576
– Refundable value-added tax	969,883	1,194,357
– Others	320,127	245,282
	6,313,753	4,930,458

For sales of electricity in the PRC, the Group generally grants credit period of approximately one month to local power grid companies in the PRC from the date of invoice in accordance with the relevant electricity sales contracts between the Group and the respective local grid companies.

Trade receivables include bills received amounting to RMB225,133,000 (31 December 2018: RMB141,560,000) held by the Group for future settlement of trade receivables, of which certain bills issued by third parties are further endorsed by the Group with recourse for settlement of payables for purchase of plant and machinery and construction costs, or discounted to banks for cash. The Group continues to recognise their full carrying amount at the end of both reporting periods. All bills received by the Group are with a maturity period of less than 1 year.

17A. TRADE AND OTHER RECEIVABLES (Continued)

The following is an aged analysis of trade receivables (excluded bills held by the Group for future settlement), which is presented based on the invoice date at the end of the reporting period:

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Unbilled (note)	**3,449,503**	2,454,010
0–90 days	**268,970**	177,369
91–180 days	**18,832**	95,101
Over 180 days	**316,930**	113,110
	4,054,235	2,839,590

Note: The amount represents unbilled basic tariff receivables for solar power plants operated by the Group, and tariff adjustment receivables of those solar power plants already registered in the Catalogue. The Directors expect the unbilled tariff adjustments would be billed and settled within 1 year from end of the reporting date.

The aged analysis of the unbilled trade receivables, which is based on revenue recognition date, are as follows:

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
0–90 days	**1,030,938**	346,782
91–180 days	**311,672**	635,985
181–365 days	**687,011**	873,117
Over 365 days	**1,419,882**	598,126
	3,449,503	2,454,010

As at 30 June 2019, included in these trade receivables are debtors with aggregate carrying amount of RMB371,297,000 (31 December 2018: RMB271,387,000) which are past due as at the end of the reporting date. These trade receivables relate to a number of customers represented the local grid companies in the PRC, for whom there is no recent history of default. The Group does not hold any collaterals over these balances.

Advance to Borrowers (defined in note 18) are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

17B. CONTRACT ASSETS

The contract assets primarily relate to the portion of tariff adjustments for the electricity sold to the local state grid companies in the PRC in which the relevant on-grid solar power plants are still pending for registration in the Catalogue. The contract assets are transferred to trade receivable when the Group's respective operating power plants are registered in the Catalogue pursuant to prevailing national government policies on renewable energy for solar power plants. The Group considers the settlement terms contain significant financing component and accordingly the amount of consideration is adjusted for the effects of the time value of money taking into consideration the credit characteristics of the relevant counterparties.

Any amount previously recognised as contract assets is reclassified to trade receivables at the point at which it is registered in the Catalogue. The balances as at 30 June 2019 and 31 December 2018 are classified as non-current as they are expected to be received after twelve months from the reporting date.

18. OTHER LOAN RECEIVABLES

The Group, as lender, entered into loan agreements with independent third parties (the "Borrowers") to provide credit facilities to finance their development and operation of certain solar power plant projects in the PRC (the "Projects"). As at 30 June 2019, the outstanding balance is approximately RMB15,710,000 (31 December 2018: RMB20,250,000). The loans are repayable within twelve months from 30 June 2019, and carry interest ranging from 6% to 12%, (31 December 2018: 6% to 12%) per annum.

19. OTHER INVESTMENTS

The Group invested in asset management plans managed by financial institutions in the PRC. The principal is not guaranteed by the relevant financial institution while the expected return rate as stated in the contract is 7.5% per annum. Such investments are accounted as financial assets measured at FVTPL.

20. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS AND OTHER ITEMS SUBJECT TO EXPECTED CREDIT LOSS ("ECL") MODEL

The basis of determining the inputs and assumptions and the estimation techniques used in the unaudited condensed interim consolidated financial statements for the six months ended 30 June 2019 are the same as those followed in the preparation of the Group's 2018 annual report.

During the current interim period, the Directors are of the opinion that the ECL on financial assets and other items subject to ECL is insignificant.

21. OTHER PAYABLES AND DEFERRED INCOME

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Payables for purchase of plant and machinery and construction costs (Note a)	**6,626,147**	8,754,751
Payables to vendors of solar power plants	**140,778**	98,758
Other tax payables	**29,246**	63,190
Other payables	**572,273**	409,813
Advance from EPC contractors (Note b)	**195,515**	196,001
Deferred income (Note c)	**402,992**	409,365
Dividend payable to non-controlling shareholders	**11,328**	6,296
Accruals		
– Staff costs	**121,129**	112,186
– Legal and professional fees	**13,958**	41,871
– Consultancy fees	**78,834**	206,873
– Others	**398,327**	229,153
	8,590,527	10,528,257
Analysed as		
Current	**8,197,370**	10,134,246
Non-current deferred income	**393,157**	394,011
	8,590,527	10,528,257

The Group has financial risk management policies in place to ensure settlement of payables within the credit time frame.

Notes:

a. Included in payables for purchase of plant and machinery and construction costs and payables to vendors of solar power plants are RMB2,231,645,000 and RMB47,905,000 respectively (31 December 2018: RMB2,126,194,000 and nil) in which the Group presented bills to relevant creditors for settlement and remained outstanding at the end of the reporting period. It also contains obligations arising from endorsing bills with recourse with an aggregate amount of RMB15,940,000 (31 December 2018: RMB4,248,000). All bills presented by the Group is aged within 1 year and not yet due at the end of the reporting period.

b. The advance represents the amounts received from EPC contractors for modules procurement, in which the modules will be used in the construction of the Group's solar power plants.

c. Pursuant to the relevant prevailing federal policies in the US, taxpayers that construct or acquire on or before 31 December 2019 qualified energy property are allowed to claim an energy income tax credit ("ITC") at 30% for the taxable year in which such property is placed in service by the taxpayer. The Directors analysed the facts and circumstances of the ITC and determined that it is of nature of a government grant that is provided to the Group in the form of tax benefits relating to construction or acquisition of qualified energy property.

   Against this, the Group entered into an inverted lease arrangement or other finance arrangement for its qualified solar power plant projects in the US with third party financial institutions effectively utilise its ITC over these financings by passing on the benefit to financial institution as part of the repayments. The details of the arrangements is disclosed in note 28 to the consolidated financial statements in the Group's 2018 annual report. Approximately US$1,027,000 (equivalent to approximately RMB6,953,000 (six months ended 30 June 2018: RMB3,668,000)) of the ITC benefit was recognised in profit or loss for the six months ended 30 June 2019 as a government grant income and included in other income.

22. LOANS FROM RELATED COMPANIES

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Loans from:		
– ultimate holding company (Note a)	**481,229**	754,952
– companies controlled by Mr. Zhu Yufeng and his family (Note b)	**2,572,243**	1,977,840
– an associate of ultimate holding company (Note c)	**405,609**	484,231
	3,459,081	3,217,023
Analysed as:		
Current	**778,659**	1,030,590
Non-current	**2,680,422**	2,186,433
	3,459,081	3,217,023

Notes:

(a) During the year ended 31 December 2018, the Group has obtained a loan from its ultimate holding company, GCL-Poly of US$110,000,000 (equivalent to RMB754,952,000). The loan is unsecured, interest bearing at 7.3% per annum and repayable on 18 February 2019. During the six months ended 30 June 2019, the Group repaid a partial amount of US$40,000,000 (equivalent to RMB270,528,000) and entered into a renewal agreement for the remaining balance of US$70,000,000 (equivalent to RMB481,229,000) to extend its repayment date to 18 November 2019 at an interest rate of 8% per annum.

(b) As at 30 June 2019, loans from 協鑫集團有限公司 GCL Group Limited*, 南京鑫能陽光產業投資基金企業（有限合夥）Nanjing Xinneng Solar Property Investment Fund Enterprise (Limited Partnership)* ("Nanjing Xinneng") and 江蘇協鑫房地產有限公司 Jiangsu GCL Properties Limited* in total amounted to RMB2,572,243,000 (31 December 2018: RMB1,977,840,000). These loans are unsecured, interest bearing at 8% per annum and repayable from 2019 through 2021. Approximately RMB265,000,000 of the outstanding loans are repayable within twelve months from the end of the reporting period.

(c) As at 30 June 2019, loans from Xinxin, an associate of GCL-Poly amounted to approximately RMB405,609,000 (31 December 2018: RMB484,231,000) and out of which, balance of approximately RMB195,416,000 (31 December 2018: RMB271,637,000) is secured by a pledged deposit (note 15(f)), and certain property, plant and equipment held by the Group, interest bearing ranged from 6% to 8.58% (31 December 2018: 6%) per annum and repayable from 2019 through 2026 (31 December 2018: 2019) after the Group entered into renewal agreement with XinXin during the six months ended 30 June 2019. The remaining balance of approximately RMB210,193,000 (31 December 2018: RMB212,594,000) is secured by certain property, plant and equipment held by the Group and interest bearing at 7.81% per annum. Approximately RMB32,430,000 (31 December 2018: RMB4,001,000) of the outstanding loans are repayable within twelve months from the end of the reporting period, with the remainder of approximately RMB373,179,000 (31 December 2018: RMB208,593,000) having a repayment term of eight years.

* *English name for identification only*

23. BANK AND OTHER BORROWINGS

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Bank loans	17,847,853	18,017,204
Other loans	15,733,690	14,646,071
	33,581,543	32,663,275
Secured	29,470,434	28,280,995
Unsecured	4,111,109	4,382,280
	33,581,543	32,663,275
The carrying amount of bank loans that are repayable on demand due to inability to respect loan covenants#	3,524,559	3,075,021
The carrying amount of the remaining bank loans and other loans	30,056,984	29,588,254
	33,581,543	32,663,275
Less: Amounts due within one year or repayable on demand due to inability to respect loan covenants (shown under current liabilities)	(9,894,995)	(8,323,115)
Amounts due after one year	23,686,548	24,340,160

During the six months ended 30 June 2019, GCL-Poly, being the guarantor of certain bank borrowings of the Group, was not able to meet the covenant requirement related to its financial ratios in respect a bank borrowing of GCL-Poly, and thereby triggered the cross default clauses in several bank borrowings of the Group of approximately RMB3,524 million. The directors of GCL-Poly informed the lender and commenced renegotiation of the terms of the bank borrowing with the relevant banker which waiver on strict compliance on the financial ratios by GCL-Poly have been obtained on 1 August 2019. As of 30 June 2019, negotiation had not been concluded.

Since the lender of GCL-Poly has not agreed to waive its right to demand immediate payment as at the end of the reporting period, certain bank borrowings of the Group subject to cross default terms amounting to RMB1,963 million in which will be due and repayable after June 2020 in accordance with the original repayment terms have been reclassified from non-current liabilities to current liabilities as at 30 June 2019.

As at 31 December 2018, GCL-Poly was not able to meet certain of the restrictive financial covenants of certain of its borrowings, and thereby triggered the cross default clauses in several bank borrowings of the Group of approximately RMB3,075 million. The directors of GCL-Poly informed the lenders and commenced renegotiation of the terms of the bank borrowings with the relevant bankers which waivers on strict compliance on the relevant financial covenant requirement by GCL-Poly have been obtained on 22 March 2019 and 27 March 2019. As of 31 December 2018, negotiation had not been concluded.

Since the lenders of GCL-Poly had not agreed to waive their right to demand immediate payment as at 31 December 2018, certain bank borrowings of the Group subject to cross default terms amounting to RMB1,936 million in which would be due and repayable after December 2019 in accordance with the original repayment terms had been reclassified from non-current liabilities to current liabilities as at 31 December 2018.

23. BANK AND OTHER BORROWINGS (Continued)

Included in other loans are RMB13,662 million (31 December 2018: RMB13,810 million) in which the Group entered into financing arrangements with financial institutions, pursuant to which the Group transferred the legal title of certain equipment of the Group to the relevant financial institutions and the Group is obligated to repay by instalments with a lease term ranging from 1.5 years to 14 years (31 December 2018: 2 year to 14.5 years). However, the Group continued to operate and manage the relevant equipment during the lease term without any involvement from the financing institutions. Upon maturity of the lease, the Group is entitled to purchase back the equipment at a minimal consideration, except for one of the financing arrangements with a financial institution that the Group can either exercise the early buyout option granted to the Group, in order to purchase back the relevant equipment at a pre-determined price in accordance with the financing agreement at the end of the seventh year of the lease term, or to purchase back the equipment from this financial institution at fair value upon the end of the lease period. Despite the arrangement involves a legal form of a lease, the transactions do not satisfy the requirement as a sale. Accordingly, the Group accounted for the transferred proceeds as other loans.

The Group is required to comply with certain restrictive financial covenants and undertaking requirements.

Scheduled repayment terms for the bank loans that are repayable on demand due to the inability to respect loan covenant by GCL Poly are as follow:

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Within one year	1,562,048	1,138,853
More than one year, but not exceeding two years	379,311	548,525
More than two years, but not exceeding five years	866,100	832,699
More than five years	717,100	554,944
	3,524,559	3,075,021

24. CONVERTIBLE BONDS

	RMB'000
As at 1 January 2018 (Audited)	925,642
Payment of interests	(36,388)
Change in fair value charged to profit or loss	3,888
Change in fair value charged to other comprehensive income	108
Redemption of Talent Legend Issue	(701,348)
As at 30 June 2018 (Unaudited)	191,902
Payment of interests	(4,684)
Change in fair value charged to profit or loss	1,636
Redemption of Ivyrock Issue (defined below)	(188,854)
As at 31 December 2018 (Audited)	–

On 27 May 2015 and 20 July 2015, the Company issued three-year convertible bonds at a nominal value of HK$775,100,000 (equivalent to approximately RMB611,244,000) ("Talent Legend Issue") and HK$200,000,000 (equivalent to approximately RMB157,720,000) ("Ivyrock Issue"), respectively. Details of the major terms and conditions of the convertible bonds are set out in notes to the consolidated financial statements in the Group's 2017 annual report.

Talent Legend Issue and Ivyrock Issue were redeemed during the year ended 31 December 2018 on their maturities at HK$868,112,000 (equivalent to RMB701,348,000) and HK$224,000,000 (equivalent to RMB188,854,000), respectively.

25. SHARE CAPITAL

	Number of shares	**Amount HK$'000**
Authorised:		
At 1 January 2018, 30 June 2018, 31 December 2018 and 30 June 2019		
– Ordinary shares of $\text{HK}\$0.0041\dot{6}$ each	**36,000,000,000**	**150,000**

	Number of shares	**Amount HK$'000**	**Shown in condensed consolidated financial statements as RMB'000**
Issued and fully paid:			
At 1 January 2018 (audited), 30 June 2018 (unaudited), 31 December 2018 (audited) and 30 June 2019 (unaudited)			
– Ordinary shares of $\text{HK}\$0.0041\dot{6}$ each	**19,073,715,441**	**79,474**	**66,674**

26. BONDS AND SENIOR NOTES

Same as disclosed in the Group's 2018 annual report, there is no material change for the six months ended 30 June 2019. During the current interim period, 江蘇中能硅業科技發展有限公司 Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd.*, fellow subsidiary of the Group, also purchased part of the first tranche and second tranche of the non-public green bonds through secondary market with a face value of RMB99,000,000 and RMB173,500,000, respectively. The related amount was presented as amounts due to related companies in Note 15.

As at 30 June 2019, the first tranche and second tranche of the non-public green bonds repurchased and held by the group entities amounting to RMB1,000,000 and RMB126,500,000 (31 December 2018: RMB100,000,000 and RMB300,000,000), respectively.

In July 2019, RMB275,000,000 out of the first tranche of the non-public green bonds of RMB375,000,000 was redeemed by the Group upon maturity while the holders of the remaining first tranche of the non-public green bonds exercised their option to extend the maturity of the bonds to July 2020.

27. PERPETUAL NOTES

Same as disclosed in the Group's 2018 annual report there is no material change for the six months ended 30 June 2019.

The perpetual notes are classified as equity instruments in the Group's unaudited condensed interim consolidated financial statements as the Group does not have a contractual obligation to deliver cash or other financial assets arising from the issue of the perpetual notes. Any distributions made by 南京協鑫新能源發展有限公司 Nanjing GCL New Energy Development Co., Ltd* ("Nanjing GCL") to the holders are recognised in equity in the unaudited condensed interim consolidated financial statements of the Group. The entire distribution payment of RMB81,450,000 (six months ended 30 June 2018: RMB65,700,000) for the six months ended 30 June 2019 was deferred by the Group.

* *English name for identification only*

28. SHARE-BASED PAYMENT TRANSACTIONS

Equity settled share option scheme

There is no material change relating to the share-based payment transactions for the six months ended 30 June 2019, except for the following:

Movements of share options during the period are as follows:

				Number of share options		
	Exercise Price	Date of grant	Exercise Period	Outstanding at 1 January 2019	During the period Forfeited	Outstanding at 30 June 2019
Directors	HK$1.1798	23.10.2014	24.11.2014–22.10.2024	58,382,800	–	58,382,800
	HK$0.606	24.07.2015	24.07.2015–23.07.2025	48,618,780	(8,052,800)	40,565,980
Employees and others providing similar services	HK$1.1798	23.10.2014	24.11.2014–22.10.2024	231,075,096	–	231,075,096
	HK$0.606	24.07.2015	24.07.2015–23.07.2025	211,758,442	–	211,758,442
				549,835,118	(8,052,800)	541,782,318
Exercisable at the end of the period				274,036,784		289,457,896
Weighted average exercise price (HK$)				0.9255	0.606	0.9126

During the six months ended 30 June 2019, share-based payment expense of RMB1,593,000 (six months ended 30 June 2018: RMB6,916,000) has been recognised in profit or loss. In addition, share options granted to a director of the Company have been forfeited due to his resignation and the respective share options reserve of approximately RMB2,395,000 (six months ended 30 June 2018: certain employees and Directors amounting to RMB7,933,000) is transferred to the Group's retained earnings.

29. ACQUISITIONS OF SUBSIDIARIES

For the six months ended 30 June 2019, the Group had two business acquisitions due to business expansion for a controlling stake of certain companies at a total consideration of approximately RMB264,000,000.

These solar power plant project companies are in on-grid stage with relevant economics resources as at the respective dates of acquisition which are considered as business. Therefore, these acquisitions are considered as business combinations under IFRS 3 *Business Combinations* and accounted for using acquisition method.

On 19 September 2018 and 21 March 2019, 蘇州協鑫新能源投資有限公司 Suzhou GCL New Energy Investment Limited* ("Suzhou GCL") entered into share transfer agreements with Zhongmin GCL. Pursuant to which, the Group agreed to repurchase 100% equity interest of Jinhu and Wanhai from Zhongmin GCL, a joint venture in which 32% of its shareholding is held by the Group at the date of acquisition at consideration of approximately RMB192,000,000 and RMB72,000,000, respectively. Jinhu and Wanhai each operate a solar power plant project with capacity of 110MW and 35MW, respectively.

* *English name for identification only*

29. ACQUISITIONS OF SUBSIDIARIES (Continued)

The acquisitions of Jinhu and Wanhi are completed in March 2019.

	Jinhu RMB'000	Wanhai RMB'000	Total RMB'000
Fair value of assets and liabilities recognised at the date of acquisition:			
Property, plant and equipment (Note 1)	741,478	258,885	1,000,363
Right-of-use assets	15,209	20,524	35,733
Trade receivables	154,526	56,038	210,564
Prepayments and other receivables	30,542	25,525	56,067
Bank balances and cash	23,107	6,562	29,669
Other payables	(166,469)	(71,344)	(237,813)
Deferred tax liabilities	(11,486)	(679)	(12,165)
Lease liabilities	(13,656)	(20,524)	(34,180)
Borrowings	(518,380)	(192,000)	(710,380)
Total fair value of identifiable net assets acquired	254,871	82,987	337,858
Consideration payable to the former owner	(192,000)	(72,000)	(264,000)
Bargain purchase gain recognised (Note 2)	62,871	10,987	73,858
Cash consideration paid	–	–	–
Bank balances and cash acquired	23,107	6,562	29,669
Net cash inflow	23,107	6,562	29,669

Note 1: Fair value of property, plant and equipment includes an amount of RMB58 million which represents fair value of relevant licences to operate the power plants. Licences to operate power plant is an intangible asset that meets the contractual-legal criterion for recognition separately from goodwill, even if the Group cannot sell or transfer the licences separately from the acquired power plants. The Group recognised the fair value of the operating licenses and the power plants as single assets for financial reporting purposes as the useful lives of those assets are similar.

Note 2: The bargain purchase arose because the consideration paid by the Group was less than the fair value of the identifiable net assets of the underlying business acquired as determined by the independent professional valuer, mainly due to the vendor was in financial difficulties and was not able to repay the debt as it falls due.

Impact of acquisition on the results of the Group

Had the acquisition as mentioned above been effected at the beginning of the period, total amounts of revenue and profit for the period of the Group would have been RMB3,206,875,000 and RMB580,832,000, respectively. Such pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the period, nor is it intended to be a projection of future results.

In determining the above pro forma financial information, depreciation of the property, plant and equipment and right-of-use assets were calculated based on their recognised amounts at the date of the acquisition.

29. ACQUISITIONS OF SUBSIDIARIES (Continued)

Impact of acquisition on the results of the Group (Continued)

The revenue and profit contributed by entities acquired during the current interim period are RMB48,287,000 and RMB24,152,000, respectively.

The fair value and gross contractual amount of trade and other receivables at the date of acquisition amounted to RMB234,290,000. The estimate at acquisition date of contractual cash flows not expected to be collected is insignificant.

Same as disclosed in the Group's 2018 annual report relating to the acquisition, the Group completed two asset acquisitions and four business acquisitions during the year ended 31 December 2018.

30. DISPOSAL OF SUBSIDIARIES

(i) Linzhou Xinchuang

On 15 February 2019, the disposal of equity interest in Linzhou Xinchuang is completed. The Group retains 20% equity interest in Linzhou Xinchuang after the disposal. Details of this transaction are set out in note 10(a).

(ii) Wholly-owned subsidiaries in Inner Mongolia, the PRC

During the current interim period, the disposals of wholly-owned subsidiaries in Inner Mongolia, the PRC are completed. Details of this transaction are set out in note 10(b).

(iii) Ruzhou, Xinan and Jiangling

On 28 March 2019, the Group announced that it has entered into share transfer agreements with 五凌電力有限公司 Wuling Power Corporation Ltd.*, a subsidiary of China Power Investment Corporation, for the disposal of 55% equity interest in Ruzhou, Jiangling and Xinan for consideration in aggregate of approximately RMB335 million. Ruzhou, Jiangling and Xinan operates a number of solar power plants with approximately 280MW installed capacity in aggregate in the PRC. The disposals are completed in April 2019. Since the Group retains 45% equity interest in aggregate in Ruzhou, Jiangling and Xinan and has significant influence, these companies are accounted for as associates.

(iv) Shaoxing GCL Photovoltaic Power Co. Ltd. ("Shaoxing")

On 15 February 2019, the Group entered into a share transfer agreement with an independent third party. Pursuant to the agreement, the Group agreed to sell 100% equity interest of Shao Xing at a consideration of RMB500,000. The disposal is completed in April 2019.

* *English name for identification only*

30. DISPOSAL OF SUBSIDIARIES (Continued)

(iv) Shaoxing GCL Photovoltaic Power Co. Ltd. ("Shaoxing") (Continued)

	Linzhou Xinchuang RMB'000	Wholly-owned subsidiaries in Inner Mongolia RMB'000	Ruzhou, Xinan and Jiangling RMB'000	Shaoxing RMB'000	Total RMB'000
Consideration:					
Consideration received	73,488	142,402	110,900	500	327,290
Consideration receivable	20,000	108,489	224,242	–	352,731
	93,488	250,891	335,142	500	680,021
Analysis of assets and liabilities over which control was lost:					
Property, plant and equipment	426,929	672,087	1,552,416	3,734	2,655,166
Right-of-use assets	13,848	13,526	89,020	–	116,394
Other non-current assets	28,802	95,159	98,402	18	222,381
Trade and other receivables	80,088	124,213	410,272	–	614,573
Bank balances and cash	8,116	31,256	44,928	–	84,300
Trade and other payables	(29,545)	(64,433)	(44,517)	(2,272)	(140,767)
Bank and other borrowings	(221,198)	(647,410)	(1,317,785)	–	(2,186,393)
Lease liabilities	(12,608)	(5,938)	(82,915)	–	(101,461)
Intragroup (payables) receivables	(181,978)	14,489	(153,375)	(538)	(321,402)
Net assets disposed of	112,454	232,949	596,446	942	942,791
Gain on disposal of subsidiaries:					
Total consideration	93,488	250,891	335,142	500	680,021
Fair value of residual interest	23,859	–	285,174	–	309,033
Net assets disposed of	(112,454)	(232,949)	(596,446)	(942)	(942,791)
Gain (loss) on disposal	4,893	17,942	23,870	(442)	46,263
Net cash inflow arising on disposal:					
Cash consideration received	73,488	142,402	110,900	500	327,290
Less: bank balances and cash disposed of	(8,116)	(31,256)	(44,928)	–	(84,300)
	65,372	111,146	65,972	500	242,990

Same as disclosed in the Group's 2018 annual report relating to the disposal, the Group completed disposal of four solar power plant projects during the year ended 31 December 2018.

31. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value measurements and valuation processes

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the management of the Group would establish the appropriate valuation techniques and inputs to the model for the purpose to determine the fair value. The management of the Group reports the findings to the Directors every half year to explain the cause of fluctuations in the fair value of the assets.

The fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categories (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted price (unadjusted) in active market for identical assets;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset that are not based on observable market data (unobservable inputs).

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value at 30.6.2019 RMB'000 (Unaudited)	Fair value at 31.12.2018 RMB'000 (Audited)	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
Asset management plan investment measured at financial assets at FVTPL (note)	100,000	100,000	Level 3	Income approach – in this approach, the discounted cash flow method was used to capture the present value of future expected cash flows to be derived from the underlying assets	Discount rate of 7.5% (31 December 2018: 7.5%)

Note: If the estimated discount rate used were multiplied by 95% or 105% while all the other variables were held constant, the fair value of the investments would increase by approximately RMB687,000 (31 December 2018: RMB776,000)/decrease by approximately RMB681,000 (31 December 2018: RMB765,000).

There is no transfer between the different levels of the fair value hierarchy for the period.

The Directors consider that the carrying amounts of other financial assets and financial liabilities recorded at amortised cost in the unaudited condensed interim consolidated financial statements approximate their fair values.

32. COMMITMENTS

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Capital commitments		
Construction commitments in respect of solar power plant projects contracted for but not provided in the unaudited condensed interim consolidated financial statements	568,431	1,055,737
Other commitments		
Commitments to contribute share capital to joint ventures contracted for but not provided	–	94,960
	568,431	1,150,697

33. PLEDGE OF ASSETS/LEASE LIABILITIES WITH RIGHT-OF-USE ASSETS

The Group's borrowings had been secured by the pledge of the Group's assets and the carrying amounts of the respective assets are as follows:

	30 June 2019 RMB'000 (Unaudited)	31 December 2018 RMB'000 (Audited)
Property, plant and equipment	24,253,264	28,529,134
Right-of-use assets	13,525	–
Prepaid lease payments	–	16,910
Pledged bank and other deposits	2,011,448	2,031,283
Trade receivables and contract assets	4,177,979	6,568,048
Amount due from a related company	8,002	18,135
	30,464,218	37,163,510

The Group's secured bank and other borrowings and loans from related companies were secured, individually or in combination, by (i) certain property, plant and equipment of the Group; (ii) certain pledged bank and other deposits of the Group; (iii) certain subsidiaries' trade receivables, contract assets and fee collection rights in relation to the sales of electricity; (iv) certain right-of-use assets (31 December 2018: prepaid lease payments) of the Group; (v) amount due from an associate of ultimate holding company; and (vi) equity interests in some project companies of the Group.

The loans from an associate of ultimate holding company are secured by pledged deposits, which are classified as amount due from a related company.

In addition, lease liabilities of RMB1,262,310,000 are recognised with related right-of-use assets of RMB1,702,351,000 as at 30 June 2019.

Furthermore, bills receivable issued by third parties endorsed with recourse for settlement of payables for purchase of plant and machinery and construction costs is disclosed in note 21.

34. RELATED PARTY DISCLOSURES

Except as disclosed elsewhere in the unaudited condensed interim consolidated financial statements, the Group also entered into the following material transactions or arrangements with related parties:

(a) Management services income from related companies

	Six months ended 30 June	
	2019 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)
Fellow subsidiaries		
蘇州保利協鑫光伏電力投資有限公司 Suzhou GCL-Poly Solar Power Investment Ltd.* ("Suzhou GCL-Poly")	16,651	16,651
GCL Solar Energy Limited	1,695	1,593
Joint ventures		
Jinhu	6,226	371
Wanhai	2,136	334
Associate		
Huarong	943	–
	27,651	18,949

蘇州協鑫新能源運營科技有限公司 Suzhou GCL New Energy Operation and Technology Co., Ltd.* ("Suzhou GCL Operation"), indirect wholly-owned subsidiary of the Company, provides operation and management services to the solar power plants of Suzhou GCL-Poly and its subsidiaries.

GCL New Energy International Limited, an indirect wholly-owned subsidiary of the Company, provided asset management and administrative services to GCL Solar Energy Limited for its overseas operations in the US. GCL Solar Energy Limited is a subsidiary of GCL-Poly.

During the six months ended 30 June 2019, Suzhou GCL Operation also provides operation and management services to the solar power plants of Jinhu and Wanhai. Jinhu and Wanhai were wholly-owned subsidiaries of Zhongmin GCL, a joint venture of the Group. Jinhu and Wanhai became wholly-owned subsidiaries of the Group in March 2019.

During the six months ended 30 June 2019, Suzhou GCL Operation also provides operation and management services to the solar power plants of Huarong, an associate of the Group.

* *English name for identification only*

34. RELATED PARTY DISCLOSURES (Continued)

(b) Interest income from joint ventures and associates

	Six months ended 30 June	
	2019 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)
Joint ventures		
Yili	**–**	3,602
Jinhu	**1,433**	940
	1,433	4,542
Associates		
Linzhou Xinchuang	**139**	–
Jiangling	**21**	–
Xinan	**11**	–
Ruzhou	**443**	–
	614	–
	2,047	4,542

Details of the loans to joint ventures are set out in note 15.

(c) Interest expense on loans from related companies

	Six months ended 30 June	
	2019 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)
Fellow subsidiaries		
保利協鑫(蘇州)新能源有限公司 GCL-Poly (Suzhou) New Energy Company Limited* ("GCL-Poly (Suzhou)")	**–**	22,911
太倉港協鑫發電有限公司 Taicang Harbour Golden Concord Electric-Power Generation Co., Ltd*	**–**	3,889
揚州協鑫光伏科技有限公司 Yangzhou GCL Photovoltaic Technology Co. Ltd*	**–**	3,889
GCL Solar Energy Limited	**–**	1,584
	–	32,273
Ultimate holding company		
GCL-Poly	**21,462**	10,219
Associate of ultimate holding company		
Xinxin	**18,769**	21,378
The companies controlled by Mr. Zhu Yufeng and his family		
GCL Group Limited	**60,833**	–
Nanjing Xinneng	**21,106**	–
Jiangsu GCL Properties Limited	**3,143**	–
	85,082	–
	125,313	63,870

Details of the loans from related companies are set out in note 22.

* *English name for identification only*

34. RELATED PARTY DISCLOSURES (Continued)

(d) Rental expense to a fellow subsidiary

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
蘇州協鑫工業應用研究院有限公司 Suzhou GCL Industrial Applications Research Co., Ltd*	**12,755**	12,483

(e) Profit attributable to perpetual notes

	Six months ended 30 June	
	2019	2018
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
GCL-Poly (Suzhou)	**31,675**	25,550
Suzhou GCL-Poly	**22,625**	18,250
太倉協鑫光伏科技有限公司 Taicang GCL Photovoltaic Technology Co., Ltd*	**9,050**	7,300
江蘇協鑫硅材材料科技發展有限公司 Jiangsu GCL Silicon Material Technology Development Co., Ltd*	**18,100**	14,600
	81,450	65,700

Perpetual notes are unsecured, have a variable distribution rate of 7.3% to 11% which could be deferred indefinitely at the option of the issuer and have no fixed repayment term. The notes are denominated in RMB.

(f) Guarantees granted by related companies and a shareholder

At 30 June 2019, certain bank and other borrowings of the Group amounting to RMB3,383,364,000 (31 December 2018: RMB2,970,917,000) were guaranteed by ultimate holding company and/or fellow subsidiaries.

* *English name for identification only*

34. RELATED PARTY DISCLOSURES (Continued)

(g) Guarantees provided to related companies

As at 31 December 2018, the Group provided guarantee to Huarong and Wanhai for certain of their bank and other borrowings amounting to RMB204,000,000 and RMB493,590,000, respectively. Since these bank and other borrowings are secured by the borrowers' (i) property, plant and equipment, (ii) trade receivables, contract assets and fee collection right in relation to sales of electricity, in the opinion of the Directors, the fair value of the guarantee is considered insignificant at initial recognition and as at 31 December 2018. During the six months ended 30 June 2019, Wanhai became a wholly-owned subsidiary of the Group, the guarantee provided therefore has no financial impact on the Group's unaudited condensed interim consolidated financial statements. Besides, the guarantee provided to Huarong by the Group has been released in the current interim period.

(h) Compensation of key management personnel

The remuneration of senior management personnel, comprising directors' (whether executive or otherwise) remuneration during the period was as follows:

	Six months ended 30 June	
	2019 RMB'000 (Unaudited)	2018 RMB'000 (Unaudited)
Short-term benefits	**5,599**	5,470
Post-employment benefits	**114**	451
Share-based payments expenses	**373**	1,402
	6,086	7,323

The remuneration of the Directors and other key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

35. MAJOR NON-CASH TRANSACTIONS

As disclosed in note 29, the Group acquired 100% equity interest of Jinhu and Wanhai from Zhongmin GCL in March 2019 with aggregate consideration of RMB264,000,000.

Subsequent to the acquisition date, the Group partially settled consideration of RMB204,904,000 to Zhongmin GCL by (i) cash payment of RMB86,999,000, (ii) issuance of bills of RMB47,905,000 and (iii) offset with amount due from Zhongmin GCL by RMB70,000,000.

For the remaining consideration payable of RMB59,096,000, the Group further entered into a multi-party debt settlement agreement with Zhongmin GCL, Jinhu, Wanhai, and 中民新能(上海)投資有限公司 Zhongmin New Energy (Shanghai) Investment Company Limited* on 1 April 2019, and approximately RMB41,682,000 of such remaining consideration has been settled among these parties pursuant to this multi-party debt settlement agreement. The remaining sum of RMB17,414,000 was settled by the Group in cash during the current interim period.

36. EVENTS AFTER REPORTING PERIOD

Other than disclosed elsewhere in the unaudited condensed interim consolidated financial statements, the Group has no significant event after the end of the reporting period.

* *English name for identification only*

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. ZHU Yufeng *(Chairman)*
Mr. SUN Xingping *(President)*
Ms. HU Xiaoyan

Non-executive Directors

Ms. SUN Wei
Mr. SHA Hongqiu
Mr. YEUNG Man Chung, Charles
Mr. HE Deyong

Independent Non-executive Directors

Mr. WANG Bohua
Mr. XU Songda
Mr. LEE Conway Kong Wai
Mr. WANG Yanguo
Dr. CHEN Ying

BOARD COMMITTEES

Audit Committee

Mr. LEE Conway Kong Wai *(Chairman)*
Mr. WANG Bohua
Mr. XU Songda

Remuneration Committee

Mr. LEE Conway Kong Wai *(Chairman)*
Mr. ZHU Yufeng
Ms. SUN Wei
Mr. WANG Bohua
Mr. WANG Yanguo

Nomination Committee

Mr. ZHU Yufeng *(Chairman)*
Mr. WANG Bohua
Mr. XU Songda
Mr. WANG Yanguo

Corporate Governance Committee

Mr. ZHU Yufeng *(Chairman)*
Mr. SUN Xingping
Ms. HU Xiaoyan
Mr. YEUNG Man Chung, Charles
Mr. XU Songda
Mr. LEE Conway Kong Wai

Investment Committee

Mr. ZHU Yufeng *(Chairman)*
Mr. SUN Xingping *(Vice-Chairman)*
Ms. HU Xiaoyan *(Vice-Chairman)*

Strategic Planning Committee

Mr. ZHU Yufeng *(Chairman)*
Mr. SUN Xingping
Ms. HU Xiaoyan
Ms. SUN Wei
Mr. WANG Bohua
Mr. XU Songda

COMPANY SECRETARY

Mr. HO Yuk Hay

AUTHORISED REPRESENTATIVES

Mr. YEUNG Man Chung, Charles
Mr. HO Yuk Hay

REGISTERED OFFICE

Clarendon House, 2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1707A, Level 17
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
35th Floor, One Pacific Place
88 Queensway
Hong Kong

PRINCIPAL BANKERS

Bank of China Limited
China Development Bank
Industrial and Commercial Bank of China Limited
Standard Chartered Bank
The Hongkong and Shanghai Banking Corporation Limited

SHARE REGISTRARS AND TRANSFER OFFICES

Principal Share Registrar and Transfer Agent

Conyers Corporate Services (Bermuda) Limited
Clarendon House, 2 Church Street
Hamilton HM 11
Bermuda

Hong Kong Branch Share Registrar and Transfer Office

Tricor Abacus Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

LEGAL ADVISERS TO THE COMPANY

As to Hong Kong law

King & Wood Mallesons
13/F Gloucester Tower, The Landmark,
15 Queen's Road Central
Hong Kong

As to PRC law

Grandall Law Firm (Beijing)
9th Floor, Taikang Financial Tower
No. 38 North Road East Third Ring
Chaoyang District
Beijing, 100026
PRC

SHARE INFORMATION

Stock Code:	451
Board Lot Size:	2,000
Issued Shares as at 30 June 2019:	19,073,715,441 shares

LINKS TO OFFICIAL WEBSITE/ WECHAT PLATFORM OF THE COMPANY

Website: www.gclnewenergy.com/
WeChat ID: gclnewenergy

Glossary

"Adjusted Exercise Price"	adjusted exercise price due to rights issue
"associate(s)", "controlling shareholder(s)" and "substantial shareholder(s)"	has the meaning ascribed to it in the Listing Rules
"Audit Committee"	the audit committee of the Company
"Board"	the board of Directors
"Bye-laws"	the bye-laws of the Company
"CG Code"	Corporate Governance Code contained in Appendix 14 to the Listing Rules
"Company" or "GCL New Energy"	GCL New Energy Holdings Limited 協鑫新能源控股有限公司
"Company Secretary"	the company secretary of the Company
"Corporate Communications"	including but not limited to: (a) the directors' reports, annual accounts together with a copy of the auditors' report and, where applicable, summary financial reports; (b) interim reports and, where applicable, summary interim reports; (c) notices of meetings; (d) listing documents; (e) circulars; and (f) proxy forms
"Corporate Governance Committee"	the corporate governance committee of the Company
"Director(s)"	the director(s) of the Company from time to time
"EBITDA"	earnings before finance costs, taxation, depreciation and amortization
"GCL-Poly"	GCL-Poly Energy Holdings Limited 保利協鑫能源控股有限公司, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3800). As at the date of this report, GCL-Poly is interested in approximately 62.28% of the issued share capital of Company and is a substantial shareholder of the Company within the meaning of Part XV of the SFO

"GCL System Integration"	GCL System Integration Technology Co., Ltd.*協鑫集成科技股份有限公司, a company incorporated in the PRC with its shares listed on the Small & Medium Enterprises Board of the Shenzhen Stock Exchange (stock code: 002506). As at the date of this report, GCL System Integration is interested in approximately 10.01% of the issued share capital of Company and is a substantial shareholder of the Company within the meaning of Part XV of the SFO
"Golden Concord"	Golden Concord Holdings Limited
"Group"	the Company and its subsidiaries
"GW"	gigawatts
"HK$" or "HKD"	Hong Kong Dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"kWh"	kilowatt hour
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
"MW"	megawatts
"PRC" or "China"	The People's Republic of China
"Protiviti"	Protiviti Consulting (Shanghai) Company Limited
"PV"	photovoltaic
"Reporting Period"	the six months ended 30 June 2019
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

Glossary

"Share(s)"	ordinary share(s) of one-two-hundred-fortieth (1/240) of a Hong Kong dollar each (equivalent to HK$0.00416) in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Share Option Scheme"	the share option scheme adopted by the Company on 15 October 2014
"Solar Energy Business" or "continuing operations"	the sale of electricity, development, construction, operation and management of solar power plants
"State Grid"	State Grid Corporation of China
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Suzhou GCL New Energy"	Suzhou GCL New Energy Investment Co., Ltd.*蘇州協鑫新能源投資有限公司
"Suzhou GCL-Poly"	Suzhou GCL Poly Solar Power Investment Ltd.*蘇州保利協鑫光伏電力投資有限公司
"U.S."	United States of America
"US$" or "USD"	US Dollars, the lawful currency of the United States

* *English name for identification only*

GCL New Energy

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