GOLDPOLY NEW ENERGY HOLDINGS LIMITED
金保利新能源有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 686)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

On behalf of the Board, I would like to extend my sincere gratitude to our shareholders, customers and business partners for their continued support. I would also like to thank my fellow directors and our staff for their dedication and contribution to the Company.

RESULTS AND DIVIDEND

During the year ended 31 December 2011, the Group's consolidated revenue was approximately HK$840.5 million (2010: HK$249.1 million) of which HK$71.5 million was derived from fashioning business and HK$769.0 million was derived from the solar energy business. Gross profit in the reported year was HK$150.5 million (2010: HK$109.3 million). The increase in gross profit was mainly due to contribution from solar energy operation. The net loss from the solar energy business was HK$1,041.2 million, including the noteworthy provision for an impairment of goodwill of HK$1,132.0 million arising from the acquisition of the equity interest of its solar energy business in year 2010; net loss from the retail business was HK$45.4 million whilst net loss from corporate function was HK$62.3 million, including imputed interest of HK$53.3 million from the issuance of convertible notes with notional principal of HK$850.0 million. In aggregate, the consolidated net loss for the year ended 31 December 2011 amounted to HK$1,148.9 million (2010: HK$15.1 million).

The directors do not recommend the payment of any dividend in respect of the year ended 31 December 2011 (2010: Nil).

DISTRIBUTION COSTS

Distribution expenses for the year ended 31 December 2011 was approximately HK$36.4 million (2010: HK$54.9 million). The decrease was mainly due to the change in business model of the Group's fashioning business during the year.

* *For identification purpose only*

ADMINISTRATIVE EXPENSES

Administrative expenses for the year ended 31 December 2011 was approximately HK$99.7 million (2010: HK$59.6 million). The increase was mainly because of an increase in administrative expenses of the solar energy segment. The solar energy business was acquired by the Group on 25 October 2010 and the administrative expenses of the solar energy business, for the period from 25 October 2010 to 31 December 2010, was approximately HK$6.5 million. The administrative expenses of solar energy business for the year under review is HK$52.3 million.

FINANCE COSTS

Net finance costs for the year ended 31 December 2011 was approximately HK$60.5 million (2010: HK$9.5 million) which included imputed interest expenses on convertible notes of approximately HK$53.3 million (2010: HK$9.8 million).

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2011, the Group had net current assets of approximately HK$27.1 million (2010: net current liabilities HK$15.9 million). The current assets mainly comprised inventories of approximately HK$22.3 million (2010: HK$98.6 million), deposits and prepayments of approximately HK$95.1 million (2010: HK$64.4 million), trade receivables of approximately HK$186.4 million (2010: HK$4.4 million) and bank balances and cash of approximately HK$217.9 million (2010: HK159.0 million). The Group had total assets of approximately HK$2,034.9 million (2010: HK$2,664.0 million), current liabilities of approximately HK$494.6 million (2010: HK$342.2 million), non-current liabilities of approximately HK$709.8 million (2010: HK$573.3 million) and shareholders' equity of approximately HK$830.5 million (2010: HK$1,748.5 million).

The overall gearing ratio for the year increased to 7.0% (2010: 3.8%) with total loans of approximately HK$142.3 million (2010: HK$100.1 million) and total assets of approximately HK$2,034.9 million (2010: HK$2,664.0 million) as at 31 December 2011. Overall gearing ratio is defined as total bank borrowings, shareholders' loan and other loans over total assets.

The Group recorded net cash generated from operating activities of approximately HK$156.9 million (2010: net cash outflow HK$11.7 million) for the year ended 31 December 2011. With regard to financing activities, the Group repaid an aggregate of secured bank borrowings of approximately HK$97.5 million (2010: HK$35.1 million),obtained new secured bank borrowings of an aggregate of HK$141.1 million (2010: HK$34.1 million), and issued new shares with the net proceed of approximately HK$180.6 million (2010: HK$195.4 million).

BUSINESS REVIEW AND PROSPECT

The Group is engaged in the following two major businesses, namely:

— Fashioning business

— Manufacturing and distribution of solar cells

Fashioning business

For the year ended 31 December 2011, turnover decreased by 42.5% to HK$71.5 million (2010: HK$124.3 million). The gross profit decreased from HK$80.2 million to HK$23.7 million. Net loss of the fashioning business for the year ended 31 December 2011 amounted to HK$45.4 million (2010: HK$11.1 million) The increase in net loss was mainly due to the long service payments of HK$ 8.9 million, and disposal loss of the Group's inventories of HK$14.8 million, and disposal loss of the Group's fixed assets of HK$0.8 million. As at 31 December 2011, the Group did not operate any retail shops (2010: 13 shops).

In view of the continued severe competition, further aggravated by the substantial increase in the shop rentals and the government's introduction of minimum wages, the Group's retail fashioning business will be subject to a difficult operating environment. The Group therefore changed its business model by entering into a trademark licence agreement to discontinue its retail shop operation on 13 July 2011. Under the licence agreement, in consideration of the grant of the sole and exclusive license to use the trademarks "Gay Giano", "Cour Carré" and "Due G" in Hong Kong and the People's Republic of China for 20 years, the licensee paid the Group an upfront fee in an amount of HK$2.0 million and a further licence fee at 5% of the net profit of the goods manufactured and sold by the licensee under the licence agreement to be paid annually.

The Board believed that by entering into the licence agreement, the operation in relation to the Group's fashion business could be simplified. Moreover, the new business model also financially reduced the Group's exposure to the risks facing retail shop operation. Under the licence agreement, the Group continues to maintain its fashioning business by supplying products to the licensee and to receive licensing income.

Manufacturing and distribution of solar cells

For the year ended 31 December 2011, the solar energy business had approximately HK$769.0 million of revenue and achieved gross profit of approximately HK$126.8 million. The gross profit margin decreased from 23.3% to 16.5%. During the year under review, the Group faced strong headwinds in the average selling price ("ASP") and demand of solar cell in the highly cyclical solar industry. Two major factors were behind the slow end market of the industry for year 2011. In the buoyant 2010 market, cells/modules that were purchased were not all digested instantly therefore we saw a certain amount of inventory that needed to be flushed out before demand could revitalize. The regulatory environment in Europe also contributed uncertainty to the market and end users slowed down their pace of installations until new subsidy programs were confirmed. Due to weak demand from the end market, cell ASP experienced a sharp decline in year 2011. Consequently, the Group has made provision for inventories in the sum of HK$4.0 million and recognized an income of approximately HK$33.0 million due to the forfeiture of deposits from contract with certain customers. In response to these developments, the Group re-negotiated aggressively with its suppliers to reduce manufacturing input costs, especially our largest raw material component — wafer.

In view of the long term benefit for the Group's future business growth in the PRC, in particular, a greater enhancement in the recognition and appreciation and support for the Group's solar energy business in the PRC, the Group has committed to develop a 10.8 megawatt user on-grid photovoltaic power generation demonstration project (the "Demonstration Project"). The Demonstration Project has been selected as one of the Golden Sun Projects by the Ministry of Finance, Minister of Science and Technology and Bureau of Energy of the PRC and the Group will in total receive a subsidy of approximately RMB97.2 million from the PRC government. The Golden Sun Projects are intended to expand the scale of solar power generation application in the PRC while nurturing strategic emerging industries.

FUTURE PROSPECT

The Group is principally engaged in fashioning and solar energy business.

With respect to fashioning business, the Group already changed its business model by appointing a sole licensee to take over the retail business. The Group continues to maintain its fashion business by supplying products to the licensee and receiving licensing income whilst reducing the Group's exposure to the risks facing retail shop operation. Nevertheless, the Group will continue to explore fashioning business opportunities.

With respect to solar energy business, the Group will continue to devote resources to research and development to keep up with customer needs and improve our profit margin. For solar power business in the PRC, we will continue our relationship with key suppliers and customers to form strategic partnerships. The Board believes that by forming strategic partnerships with selective module and end market players in regions on the rise we will be able to better secure future sales. In addition, during the year under review, the Group has teamed with one of its suppliers to build a 300MW wafer plant in Quanzhou. This strategic co-operation with market leading supplier enhanced our future expansion plan of the Group; and further assures our raw material supply. For the industry as a whole, we believe that solar business in the PRC will maintain stable growth in the coming years, although market volatility could be seen because the business activities are closely linked to country policy on government subsidies and feed-in-tariff scheme.

In view of the weak demand in the year 2011, the Group has been cautious in its expansion plan. The management will monitor closely on its expansion plan of increasing production lines to meet the market demand and quickly respond to new opportunities and emerging risks. The Group remain confident that the solar energy business will continue to prosper in years ahead and aims to maximize the returns to its shareholders.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2011, the Group had 17 (2010: 180) full-time employees in Hong Kong and 462 (2010: 770) full-time employees in the PRC. The total number of full-time employees of the Group was 479 (2010: 950). The Group has a share option scheme for the benefits of its directors, consultants and eligible employees.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2011

	Note	2011 HK$'000	2010 HK$'000
Revenue	3	**840,491**	249,078
Cost of sales	6	**(689,994)**	(139,811)
Gross profit		**150,497**	109,267
Other income	5	**40,879**	473
Other (losses)/gains — net	5	**(1,133,567)**	432
Distribution costs	6	**(36,435)**	(54,911)
Administrative expenses	6	**(99,718)**	(59,636)
Operating loss		**(1,078,344)**	(4,375)
Finance income		**996**	1,641
Finance costs		**(61,485)**	(11,098)
Finance costs — net	7	**(60,489)**	(9,457)
Loss before income tax		**(1,138,833)**	(13,832)
Income tax expense	8	**(10,035)**	(1,257)
Loss for the year attributable to shareholders of the Company		**(1,148,868)**	(15,089)
Loss per share for loss attributable to shareholders of the Company			
— basic (HK cents)	9	**(135.82)**	(4.07)
— diluted (HK cents)	9	**(45.15)**	(0.80)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

	2011	2010
	HK$'000	*HK$'000*
Loss for the year	**(1,148,868)**	(15,089)
Other comprehensive income:		
Exchange differences arising on translation of financial statements of subsidiaries	**49,105**	(23)
Total other comprehensive income/(loss) for the year, net of tax	**49,105**	(23)
Total comprehensive loss for the year attributable to shareholders of the Company	**(1,099,763)**	(15,112)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2011

	Note	**2011** *HK$'000*	2010 *HK$'000*
ASSETS			
Non-current assets			
Land use rights		**143,082**	134,620
Property, plant and equipment		**675,570**	371,690
Investment properties		**6,370**	13,364
Intangible assets	*10*	**612,788**	1,753,554
Investments in associates		**5,123**	—
Rental deposits		**2,323**	7,095
Prepayments for the purchase of plant and equipment		**67,972**	57,371
		1,513,228	2,337,694
Current assets			
Inventories		**22,272**	98,563
Trade receivables, deposits and prepayments	*11*	**281,479**	68,762
Pledged bank deposits		**55,180**	41,781
Cash and bank balances		**162,751**	117,208
		521,682	326,314
Total assets		**2,034,910**	2,664,008
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company			
Share capital		**85,878**	73,241
Reserves		**744,660**	1,675,262
Total equity		**830,538**	1,748,503

	Note	2011 HK$'000	2010 HK$'000
LIABILITIES			
Non-current liabilities			
Convertible notes		**594,059**	540,768
Provision for long service payments		**—**	1,913
Deferred tax liabilities		**31,693**	30,593
Deferred government grant		**84,000**	—
		709,752	573,274
Current liabilities			
Trade payables, other payables and accruals	*12*	**342,522**	237,835
Amounts due to shareholders		**5,800**	14,300
Bank borrowings		**136,472**	85,757
Tax payable		**9,826**	4,339
		494,620	342,231
Total liabilities		**1,204,372**	915,505
Total equity and liabilities		**2,034,910**	2,664,008
Net current assets/(liabilities)		**27,062**	(15,917)
Total assets less current liabilities		**1,540,290**	2,321,777

Notes:

1 GENERAL INFORMATION

Goldpoly New Energy Holdings Limited (the "Company") and its subsidiaries (hereafter collectively referred as to the "Group") are principally engaged in fashion apparel and trademark licensing business and manufacturing, sale and provision of subcontracting services of solar energy related products.

The Company is an exempted limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda.

The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in Hong Kong dollars ("HK$"), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 23 March 2012.

2 BASIS OF PRESENTATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property.

(a) New standards, revised standards and amendments and interpretations to standards that are effective for the financial year beginning 1 January 2011 and have been adopted by the Group:

- Amendment to HKFRS 1, limited exemption from comparative HKFRS 7, "Disclosures" for first-time adopters. The amendment is to provide first-time adopters with the same transition provisions as included in the March 2009 amendment to HKFRS 7 in relation to relief from presenting comparative information that ended before 31 December 2009 for new fair value disclosures requirements.

- HKAS 24 (Revised) "Related party disclosures", the amendment introduces an exemption from all of the disclosure requirements of HKAS 24 for transactions among government-related entities and the government. Those disclosures are replaced with a requirement to disclose:

  — the name of the government and the nature of their relationship; and

  — the nature and amount of any individually-significant transactions; and

  — the extent of any collectively-significant transactions qualitatively or quantitatively.

  It also clarifies and simplifies the definition of a related party.

- Third improvements to Hong Kong Financial Reporting Standards (2010) were issued in May 2010 by the Hong Kong Institute of Certified Public Accountants. All relevant improvements are effective in the financial year of 2011 and are adopted by the Group.

(b) New standards, revised standards and amendments and interpretations to existing standards that are not yet effective for the financial year beginning 1 January 2011 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
HKFRS 1 (Amendment)	Severe hyperinflation and removal of fixed dates for first time adopters	1 July 2011
HKFRS 7 (Amendment)	Disclosure — Transfer of financial assets	1 July 2011
HKAS 12 (Amendment)	Deferred tax: Recovery of underlying assets	1 January 2012
HKAS 1 (Amendment)	Presentation of financial statements	1 July 2012
HKAS 19 (Amendment)	Employee benefits	1 January 2013
HKAS 27 (revised 2011)	Separate financial statements	1 January 2013
HKAS 28 (revised 2011)	Associates and joint ventures	1 January 2013
HKFRS 10	Consolidated financial statements	1 January 2013
HKFRS 11	Joint arrangements	1 January 2013
HKFRS 12	Disclosures of interests in other entities	1 January 2013
HKFRS 13	Fair value measurements	1 January 2013
HKFRS 9	Financial instruments	1 January 2015
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory effective date and transition disclosures	1 January 2015

3 REVENUE

The Group is principally engaged in the fashion apparel retail and trademark licensing business and manufacturing, sale and provision of subcontracting services of solar energy related products. Revenue consists of turnover recognised under the following business activities:

	2011	2010
	HK$'000	*HK$'000*
Sales of retail fashion	**69,530**	124,333
Sales of solar energy related products	**765,941**	117,227
Subcontracting services income	**3,020**	7,518
Trademark licensing income	**2,000**	—
	840,491	249,078

4 SEGMENT INFORMATION

The Chief Operation Decision-Maker ("CODM") has been identified as the Board of directors of the Company. CODM reviews the Group's internal reports in order to assess performance, allocate resources and determine the operating segments.

There are two operating segments, namely fashion apparel and solar energy. Other operation includes corporate functions managed by the Group management. The Company is domiciled in Hong Kong. Revenue derived from Hong Kong and other countries is HK$71,530,000 (2010: HK$124,333,000) and HK$768,961,000 (2010: HK$124,745,000) respectively.

As at 31 December 2011, all of the Group's land use rights, property, plant and equipment and investment properties are located in Mainland China. As at 31 December 2010, approximately 98% of the Group's land use rights, property, plant and equipment and investment properties are located in Mainland China while the remaining 2% are located in Hong Kong.

For the year ended 31 December 2011, there were three customers (2010: three customers) in the "solar energy" segment who in aggregate 39% (2010: 23%) of the total revenue. The total revenue contributed by these customers amounted to HK$302,031,000 (2010: HK$40,619,000).

	For the year ended 31 December 2011			
	Fashion apparel	**Solar energy**	**Corporate function**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Revenue	**71,530**	**768,961**	**—**	**840,491**
Gross profit	**23,738**	**126,759**	**—**	**150,497**
Operating loss	**(45,322)**	**(1,024,068)**	**(8,954)**	**(1,078,344)**
Finance costs — net	**(35)**	**(7,163)**	**(53,291)**	**(60,489)**
Income tax expense	**(53)**	**(9,982)**	**—**	**(10,035)**
Loss attributable to shareholders	**(45,410)**	**(1,041,213)**	**(62,245)**	**(1,148,868)**
Other information:				
Depreciation and amortisation	**(3,563)**	**(49,509)**	**—**	**(53,072)**
Impairment charge on goodwill	**—**	**(1,132,000)**	**—**	**(1,132,000)**
Capital expenditure	**(45)**	**(314,161)**	**—**	**(314,206)**

	For the year ended 31 December 2010			
	Fashion apparel	Solar energy	Corporate function	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	124,333	124,745	—	249,078
Gross profit	80,158	29,109	—	109,267
Operating (loss)/profit	(11,126)	21,373	(14,622)	(4,375)
Finance income/(costs) — net	39	422	(9,918)	(9,457)
Income tax expense	(45)	(1,212)	—	(1,257)
(Loss)/profit attributable to shareholders	(11,132)	20,583	(24,540)	(15,089)
Other information:				
Depreciation and amortisation	(2,627)	(6,092)	—	(8,719)
Capital expenditure	(3,259)	(14,485)	—	(17,744)

	As at 31 December 2011			
	Retail fashioning	**Solar energy**	**Corporate function**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Total assets	**11,094**	**2,015,877**	**7,939**	**2,034,910**
Total liabilities	**(6,224)**	**(593,759)**	**(604,389)**	**(1,204,372)**

	As at 31 December 2010			
	Retail fashioning	Solar energy	Corporate function	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Total assets	59,854	2,590,202	13,952	2,664,008
Total liabilities	(15,884)	(357,081)	(542,540)	(915,505)

5 OTHER INCOME AND OTHER (LOSSES)/GAINS, NET

	2011 *HK$'000*	2010 *HK$'000*
Other income		
Sales of scrap materials	**1,069**	—
Rental income	**453**	121
Royalty fee income	**—**	119
Income from forfeiture of customers' deposits	**33,001**	—
Government subsidies	**5,571**	—
Others	**785**	233
	40,879	473
Other (losses)/gains, net		
Fair value gain on investment property	**—**	400
Exchange (losses)/gains	**(1,567)**	32
Impairment charge on goodwill	**(1,132,000)**	—
	(1,133,567)	432

6 EXPENSES BY NATURE

	2011 *HK$'000*	2010 *HK$'000*
Raw materials used and changes in inventories of finished goods and work-in-progress	**563,661**	117,058
(Reversal of)/provision for inventories obsolescence	**(4,855)**	703
Inventories write-down	**4,035**	—
Amortisation of land use rights	**3,173**	494
Amortisation of intangible assets	**9,524**	1,461
Depreciation of property, plant and equipment	**40,375**	6,764
Staff costs (including Directors' emoluments)	**72,755**	52,947
Auditor's remuneration	**1,542**	944
Loss/(gain) on disposals of property, plant and equipment	**845**	(29)
Loss on disposals of investment property	**500**	—
Operating leases rentals in respect of land and buildings		
— Minimum lease payments under operating leases	**15,479**	31,021
— Contingent rental payments	**78**	958
Legal and professional fees	**4,637**	12,711
Rental and building management fee	**3,950**	—
Utilities	**40,738**	4,449
Insurance	**3,565**	113
Transportation	**3,445**	2,192
Repair and maintenance	**1,275**	680
Land use tax	**2,722**	32
Value added tax	**4,795**	—
Other expenses	**53,908**	21,860
Total cost of sales, distribution costs and administrative expenses	**826,147**	254,358

7 FINANCE COSTS, NET

	2011	2010
	HK$'000	*HK$'000*
Finance income:		
Interest income on bank balances and deposits	**950**	170
Exchange gains on bank borrowings	**46**	1,471
	996	1,641
Finance costs:		
Interest expense on bank borrowings — wholly repayable within five years	**(8,136)**	(1,175)
Interest on finance lease	**—**	(5)
Interest on other loan	**(58)**	(125)
Imputed interest expense on convertible notes	**(53,291)**	(9,793)
	(61,485)	(11,098)
Finance cost, net	**(60,489)**	(9,457)

8 INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made in the consolidated financial statements as the Group has no assessable profit derived from Hong Kong for the year (2010: Nil).

The Group's operations in Mainland China are subject to PRC corporate income tax law of the People's Republic of China ("PRC corporate income tax"). The standard PRC corporate income tax rate is 25%. One of the subsidiaries of the Group, namely Goldpoly (Quanzhou) Science & Technology Industry Co., Ltd. was exempted from the PRC corporate income tax in year 2008 and 2009 and followed by a 50% reduction in the PRC corporate income tax from year 2010 to 2012.

The amount of tax charged to the consolidated income statement represents:

	2011	2010
	HK$'000	*HK$'000*
Current income tax		
— Corporate income tax in Mainland China	**9,638**	1,494
— Under-provision in prior year	**1,941**	—
Deferred income tax	**(1,544)**	(237)
	10,035	1,257

9 LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	2011	2010
Loss attributable to shareholders of the Company (HK$'000)	**1,148,868**	15,089
Weighted average number of ordinary shares in issue (thousand shares)	**845,875**	370,427
Basic loss per share (HK cents)	**135.82**	4.07

(b) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: convertible notes and share options. The convertible notes are assumed to have been converted into ordinary shares, and the net loss is adjusted to eliminate the interest expense less the tax effect. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2011	2010
Loss attributable to shareholders of the Company (HK$'000)	**1,148,868**	15,089
Imputed interest expense on convertible notes, net of tax (HK$'000)	**(53,291)**	(9,793)
Loss used to determine diluted loss per share (HK$'000)	**1,095,577**	5,296
Weighted average number of ordinary shares in issue (thousand shares)	**845,875**	370,427
Adjustments for:		
— Assumed conversion of convertible notes (thousand shares)	**1,579,926**	292,823
Share options (thousand shares)	**741**	1,640
	2,426,542	664,890
Diluted loss per share (HK cents)	**45.15**	0.80

10 INTANGIBLE ASSETS

	Goodwill	Unfinished sales contracts	Total
	HK$'000	*HK$'000*	*HK$'000*
Year ended 31 December 2010			
Opening net book amount	—	—	—
Acquisition of subsidiaries	1,744,788	10,227	1,755,015
Amortisation charge	—	(1,461)	(1,461)
Closing net book amount	1,744,788	8,766	1,753,554
At 31 December 2010			
Cost	1,744,788	10,227	1,755,015
Accumulated amortisation	—	(1,461)	(1,461)
Net book amount	1,744,788	8,766	1,753,554
Year ended 31 December 2011			
Opening net book amount	1,744,788	8,766	1,753,554
Amortisation charge	—	(9,524)	(9,524)
Impairment charge	(1,132,000)	—	(1,132,000)
Exchange difference	—	758	758
Closing net book amount	612,788	—	612,788
At 31 December 2011			
Cost	612,788	10,985	623,773
Accumulated amortisation	—	(10,985)	(10,985)
Net book amount	612,788	—	612,788

11 TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2011	2010
	HK$'000	*HK$'000*
Trade and bill receivables	**186,351**	4,411
Prepayment for purchase of plant and equipment	**67,972**	57,371
Rental deposits	**6,307**	8,593
Value-added tax recoverable	**27,969**	16,246
Prepayment for raw materials	**45,925**	33,875
Other deposits and prepayments	**17,250**	12,732
	351,774	133,228
Less: non-current portion	**(70,295)**	(64,466)
Current portion	**281,479**	68,762

All non-current receivables are due within five years from the end of the reporting period.

The Group generally requires customers to pay deposits and settle in full upon delivery of goods. Credit period of one to two months is granted to some of its customers. The Group has set a maximum credit limit for each customer. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management of the Group.

The ageing analysis of trade debtors is as follows:

	2011	2010
	HK$'000	*HK$'000*
Not yet due	**1,808**	828
1–30 days	**154,655**	—
31–60 days	**—**	3,583
Over 60 days	**29,888**	—
	186,351	4,411

As at 31 December 2011, trade receivables of HK$184,543,000 (2010: HK$3,583,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2011	2010
	HK$'000	*HK$'000*
1–30 days	**154,655**	—
31–60 days	**—**	3,583
Over 60 days	**29,888**	—
	184,543	3,583

No provision for impairment of receivables has been made to the consolidated income statement during the year (2010: Nil).

12 TRADE PAYABLE, OTHER PAYABLES AND ACCRUALS

	2011	2010
	HK$'000	*HK$'000*
Trade and bill payables	**259,914**	97,670
Customers' deposits	**42,595**	60,127
Other payables and accruals	**40,013**	80,038
Deferred government grant	**84,000**	—
	426,522	237,835
Less: non-current portion	**(84,000)**	—
Balance at 31 December	**342,522**	237,835

The carrying amounts of payables approximate their fair values. The average credit period from the Group's trade creditors is of 30 to 90 days (2010: 30 to 60 days). The ageing analysis of trade payable is as follows:

	2011	2010
	HK$'000	*HK$'000*
Not yet due	**230,430**	78,979
1–30 days	**11,301**	6,429
31–60 days	**9,963**	1,705
61–90 days	**8,220**	10,557
	259,914	97,670

13 COMMITMENTS

(a) Capital commitments for property, plant and equipment and leasehold land and land use rights:

	2011	2010
	HK$'000	*HK$'000*
Contracted but not provided for		
— Property, plant and equipment	**216,159**	233,168
— Land use rights	**11,093**	10,211
	227,252	243,379

(b) Commitments under operating leases

At 31 December 2011, the Group had future aggregate minimum lease payments under non-cancellable operating leases for leasehold land and property, plant and equipment as follows:

	2011	2010
	HK$'000	*HK$'000*
Within one year	**13,083**	26,069
After one year but within five years	**2,827**	17,814
	15,910	43,883

(c) Future operating lease receivables

At 31 December 2011, the Group had future aggregate lease receivables under non-cancellable operating leases for investment property as follows:

	2011	2010
	HK$'000	*HK$'000*
Within one year	**446**	373
After one year but within five years	**751**	—
	1,197	373

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2011, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICE

The Company has complied with the code provisions as set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 December 2011, save for the following deviation.

Code provision A.2.1 of the CG Code provides that the responsibilities between chairman ("Chairman") and chief executive officer ("CEO") should be divided. The Company's Chairman, Mr Wong Pak Lam, Louis, resigned on 16 February 2011 and our executive director, Mr. Lam Ho Fai, is appointed as acting Chairman. The Company does not have a CEO and the executive board members currently perform the role of CEO. The Board of Directors of the Company (the "Board") believes that vesting the role of Chairman to an executive board member has the benefit of ensuring a more effective and efficient overall strategic planning for the Group. The Board believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by the current Board which comprises experienced and high calibre individuals with sufficient number thereof being Independent Non-executive directors.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a model code as set out in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all directors of the Company, the Company confirmed that all directors have complied with the required standard set out in the Model Code throughout the year ended 31 December 2011.

THE AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the annual report for the year ended 31 December 2011.

PROPOSED ADOPTION OF NEW BYE-LAWS

The existing bye-laws (the "Bye-Laws") of the Company were adopted in 2000 and were amended in 2004 and 2006. The Directors propose to seek approval from the Shareholders by way of special resolutions at the upcoming annual general meeting for the adoption of a new set of bye-laws, in substitution for and to the exclusion of the existing Bye-Laws, to conform to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Code on Corporate Governance Practices set out in Appendix 14 of the Listing Rules, including the recent amendments to the Listing Rules which became effective on 1 January 2012 and other amendments which will become effective on 1 April 2012, and the recent changes to the Companies Act 1981 of Bermuda, as well as to update the Bye-Laws.

A circular containing further information on, among others, in respect of the proposed adoption of the new bye-laws together with a notice of annual general meeting will be dispatched to the Shareholders as soon as possible.

PUBLICATION OF RESULTS ANNOUNCEMENT

This announcement is required to be published on the website of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and at the website of the Goldpoly New Energy Holdings Limited at *http://www.goldpoly.hk*. The annual report containing all the information required under Appendix 16 to the Listing Rules will be published on the Stock Exchange's website in due course.

By order of the Board
Goldpoly New Energy Holdings Limited
Lam Ho Fai
Executive Director

Hong Kong, 23 March 2012

As at the date hereof, the executive directors of the Company are Mr. Lam Ho Fai, Ms. Lin Xia Yang and Mr. Yiu Ka So, the non-executive directors of the Company are Academician Yao Jiannian and Mr. Chiang Chao-Juei, and the independent non-executive directors of the Company are Mr. Kwan Kai Cheong, Mr. Ching Kwok Ho, Samuel, Mr. Ip Shu Kwan Stephen and Mr. Yen Yuen Ho, Tony.