

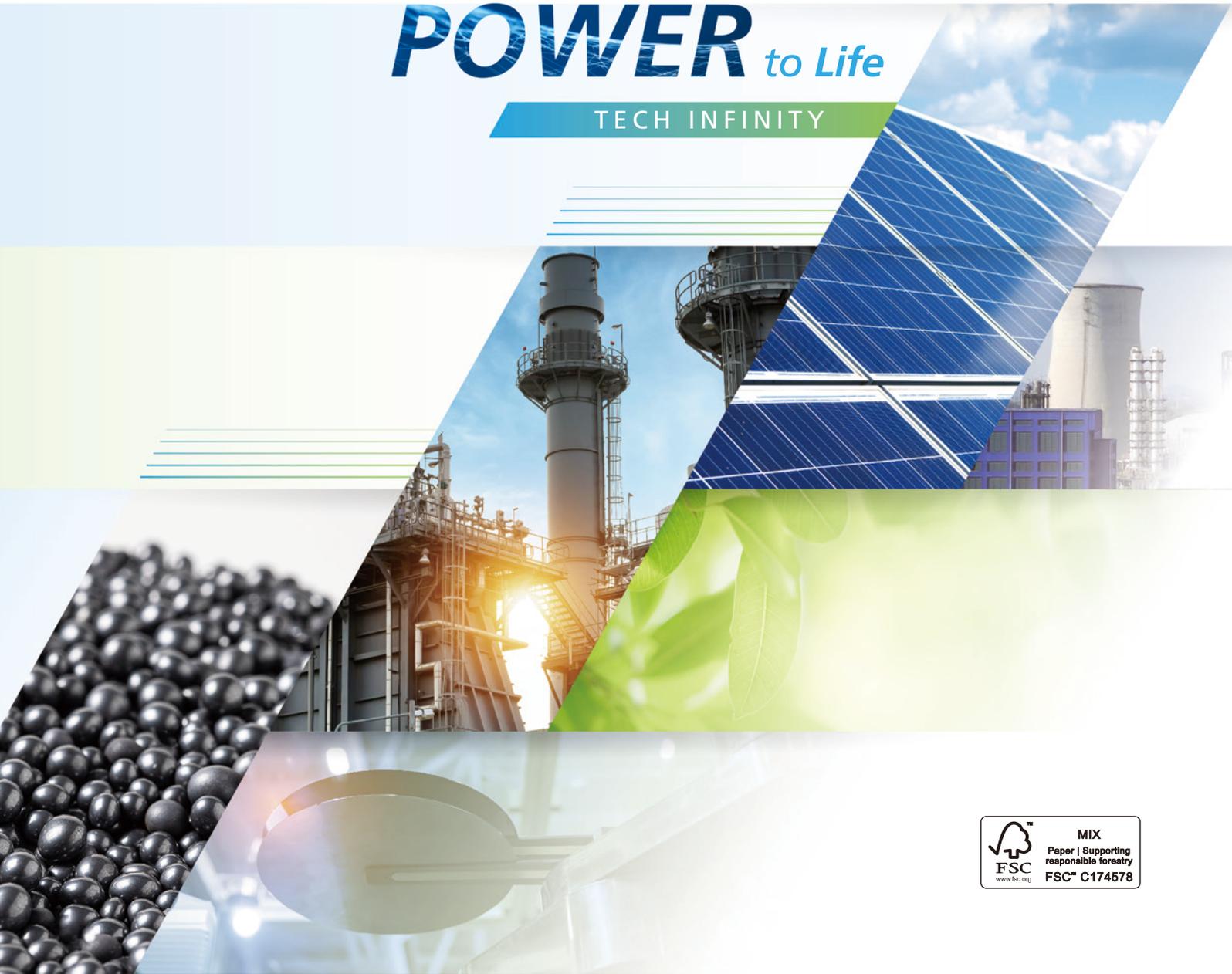


GCL Technology Holdings Limited  
協鑫科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 3800)

**2023**  
INTERIM REPORT

Bringing **GREEN**  
**POWER** to Life  
TECH INFINITY



# CONTENTS

Financial Highlights	2
Chairman’s Statement and CEO Review of Operations and Outlook	3
Management Discussion and Analysis	13
Report on Review of Unaudited Condensed Interim Consolidated Financial Statements	27
Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	29
Unaudited Condensed Consolidated Statement of Financial Position	31
Unaudited Condensed Consolidated Statement of Changes in Equity	34
Unaudited Condensed Consolidated Statement of Cash Flows	37
Notes to the Unaudited Condensed Interim Consolidated Financial Statements	39
Directors’ and Chief Executive’s Interests and Short Positions in Shares, Underlying Shares and Debentures	88
Share Schemes	89
Interests and Short Positions of Substantial Shareholders	97
Corporate Governance and Other Information	98
Corporate Information	101



# Financial Highlights

	Six months ended 30 June		Change RMB'000	% of change
	2023 RMB'000 (unaudited)	2022 RMB'000 (Restated) (unaudited)		
<b>Continuing operations</b>				
<b>Revenue</b>				
Sales of wafer	7,201,320	6,275,113	926,207	14.8%
Sales of electricity	109,593	96,039	13,554	14.1%
Sales of polysilicon	11,118,475	6,883,331	4,235,144	61.5%
Processing fees	908,661	1,012,078	(103,417)	(10.2%)
Others*	1,607,854	508,513	1,099,341	216.2%
	<b>20,945,903</b>	<b>14,775,074</b>	<b>6,170,829</b>	<b>41.8%</b>
<b>Continuing operations</b>				
Profit attributable to owners of the Company	5,518,278	7,062,019	(1,543,741)	(21.9%)
	<b>RMB cents</b>	<b>RMB cents</b>	<b>Change RMB cents</b>	<b>% of change</b>
<b>Continuing operations</b>				
Earnings per share				
— Basic	20.79	26.37	(5.58)	(21.2%)
— Diluted	20.75	26.31	(5.56)	(21.1%)

\* Amount includes the sales of ingots and industrial silicon.

	30 June		Change RMB'000	% of change
	2023 RMB'000 (unaudited)	31 December 2022 RMB'000 (audited)		
<b>Extracts of unaudited condensed consolidated statement of financial position</b>				
Equity attributable to owners of the Company	46,534,023	42,682,274	3,851,749	9.0%
Total assets	97,442,126	85,564,468	11,877,658	13.9%
Bank balances and cash, pledged and restricted bank deposits	12,772,647	10,430,194	2,342,453	22.5%
Indebtedness*	18,134,919	13,670,889	4,464,030	32.7%
<b>Key financial ratios</b>				
Current ratio	1.25	1.09	0.16	14.7%
Quick ratio	1.17	1.02	0.15	14.7%
Net debt to equity attributable to owners of the Company	11.5%	7.6%	3.9%	51.3%

\* Indebtedness includes bank and other borrowings, lease liabilities and other financial liabilities.

## Chairman's Statement and CEO Review of Operations and Outlook

Nowadays, under the context of the highly unpredictable volatility of the international situation, the energy transformation is evolving rapidly. Meanwhile, all kinds of crises and challenges are sweeping in with full-blown uncertainties and turbulences, leading to unstoppable economic recession. However, it is an indisputable fact that the revolutionary era for new energy, represented by photovoltaic power developing in a synchronized and synergistic manner with zero-carbon technology, has already come.

On the new journey towards "carbon neutrality", the global green and low-carbon development is marching towards the same mission with a synchronized pace. Unswervingly promoting the strategic goal of "dual carbon" is the most effective way to deal with turbulence in the world economy. With further progress of the "dual carbon" strategy, economic and social development has increasingly gone green. In order to meet the challenges of global energy reform, the economies of the world have responded quickly and acted decisively, launching a series of major measures including but not limited to research and implementing "green policies", such as the EU Circular Economy Action Plan (CEAP), the Carbon Border Adjustment Mechanism (CBAM), the Inflation Reduction Act (IRA), the Defense Production Act (DPA), the Green Industrial Act, the Special Plan for Renewable Energy Utilization and other scientific feasible action plans, which have formed a set of international "combo punches" to survive all the challenges and develop towards a greener path. Such moves have injected an inexhaustible source of impetus into the acceleration of the technological revolution and green transformation of the photovoltaic industry, boosting sustainable global economic growth.

In 2022, the global photovoltaic power consumption accounted for only 4.5% of the total consumption of power, with more than 70% of electricity consumption still generated from non-renewable sources. Undoubtedly, there is huge potential for the photovoltaic industry. According to the relevant authorities, it is expected that the global newly installed capacity of photovoltaic power will skyrocket, i.e. it will exceed 400GW by 2023, and exceed that of hydroelectricity by 2024<sup>1</sup>, surpass that of natural gas by 2026<sup>1</sup>, and leapfrog that of coal by 2027<sup>1</sup>, becoming the largest power source in the world<sup>1</sup>. By 2050, it will exceed 18.2 TW<sup>1</sup>, continuously breaking the record.

<sup>1</sup> International Energy Agency (IEA)

## Chairman’s Statement and CEO Review of Operations and Outlook (CONTINUED)

The global photovoltaic industry is developing overwhelmingly, bringing infinite vitality and endless vigor to leading companies. Over the years, GCL Tech has always adhered to the main channel of green energy, stayed firm to technology-led and innovation-driven strategies, and led the steady development with a series of green and low-carbon hard core technologies. Facing the highly homogeneous development of the industry, we will never be stuck in the old ways, but unswervingly step on the path of differentiated, complementary and synergistic development, and consistently anchor the established target of “becoming the world’s leading supplier of low-carbon silicon-based materials”. Besides, we forge the Company’s core competitiveness with the “dual carbon” strategy and continue to lead the high-quality development of the industry, so as to proactively contribute green and smart new impetus to the construction of a community with a shared future for mankind.

### Embrace the energy revolution, lead the price rationalization of polysilicon based on the market force, and support the healthy and sustainable development of the photovoltaic industry

As a barometer and wind vane for the development of photovoltaic industry, the development condition of the polysilicon industry plays a dominant role. Guided by the “dual carbon” strategic target, GCL Tech joined hands with its industry peers to actively participate in the energy revolution and accelerated technological and equipment innovation and industrial transformation and upgrading. The existing enterprises and new entrants in the entire industry made investments in lean management, intelligent manufacturing, and quality improvement and production increase to meet the growing demand for downstream production expansion and helped the industry develop steadily.

Stimulated by flourishing market demands, global polysilicon production continued to rise in the first half of 2023, with total production exceeding 600,000 tons, up over 65%<sup>2</sup> year-on-year. With the substantial increase in polysilicon supply, the market supply and demand expectations were reversed, and the prices of mainstream products were quickly rationalized. Currently, polysilicon prices have reached the bottom range, which effectively reduces the costs of solar system and solar power generation, increases the return on investment (“IRR”) of solar power plants, and amplifies its advantage in terms of the levelized cost of energy (“LCOE”). With the continuous emergence of diversified innovative needs and new scenarios application, the continuous reduction of energy storage costs, and the development of smart grid systems, it will continue to drive the enthusiasm of downstream industries and promote the rapid growth of photovoltaic installed capacity. In the first seven months of this year, domestic photovoltaic newly installed capacity was 97.16GW<sup>3</sup>, representing a year-on-year increase of 157.51%<sup>3</sup>. So far, the cumulative total domestic photovoltaic installed capacity is approximately 489.41GW<sup>3</sup>, accounting for 17.88%<sup>3</sup> of the country’s total installed power generation capacity, staying as the country’s second largest power resource<sup>3</sup>.

<sup>2</sup> China Photovoltaic Industry Association

<sup>3</sup> National Energy Administration of China

# Chairman’s Statement and CEO Review of Operations and Outlook (CONTINUED)

## Business Review for the First Half of 2023

In the first half of 2023, the Company produced approximately 111,054 MT of polysilicon and 25,376 MW of silicon wafer, representing growth of 177.1% and 5.0% year-on-year. Among them, in the first half of the year, the output of granular silicon was approximately 82,359 MT and the output of rod silicon was approximately 28,695 MT. For the six months ended 30 June 2023, from the continuing operations, the Company’s revenue was approximately RMB20,946 million, an increase of 41.8% compared with the same period in the first half of 2022; Gross profit was approximately RMB8,778 million, an increase of 23.9% over the same period in the first half of 2022; Profit attributable to owners of the Company was approximately RMB5,518 million and basic earnings per share was approximately RMB20.79 cents.

### **“Modularization” supports the rapid development of granular silicon business, with market share soaring to 15%**

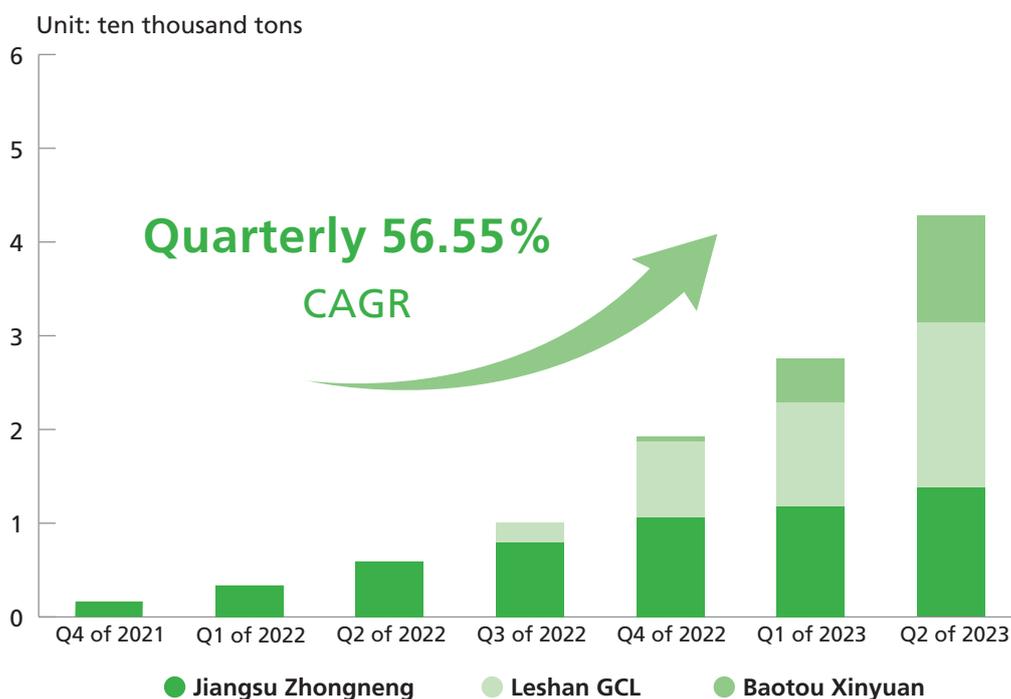
As the saying goes, “ten years for sharpening a sword”, persistence is the key for the growth of granular silicon business, the Company has nurtured strong innovation capabilities, scientific and technological strengths and development resilience. With the “patterns, models, modules, digitization” as the reference book and methodology, the Company fully implements the action learning method, accelerates the modular replication, and continuously eliminates deficiencies and optimizes and improves the process flow. Currently, the total production capacity of the granular silicon projects in operation and under construction amounts to 400,000 MT. While optimizing domestic projects, the Company is actively planning and deploying overseas projects to further enhance its international competitiveness.

The “modularization” is becoming increasingly mature, leading the successful commissioning of new projects. The Hohhot Xinhuan granular silicon project will become a benchmark in the industry for completing the construction of 100,000 MT polysilicon project with a construction period of approximately ten months, the fastest in the world. At the same time, the Company’s R&D team has been stationed in the frontline of construction for a long time, constantly revolutionizing and denying itself, and shouldering the mission of innovation. The production capacity of a single module will be increased from 20,000 MT to 60,000 MT, which will greatly improve the scale of modular replication and result in the decrease of investment in unit granular silicon project by 30% based on the existing investment amounts, strongly increasing the Company’s core competitiveness.

As at date of this report, GCL Tech has achieved an effective production capacity of 280,000 tons of granular silicon across the three major production bases in Xuzhou, Leshan and Baotou. The market share of the Company has increased from 10.3% at the end of the previous year to more than 15%, and it still maintains rapid growth, steadily advancing to the target of more than 30% market share and continuing to lead the high-quality development of the industry.

## Chairman’s Statement and CEO Review of Operations and Outlook (CONTINUED)

### Production Output of Granular Silicon

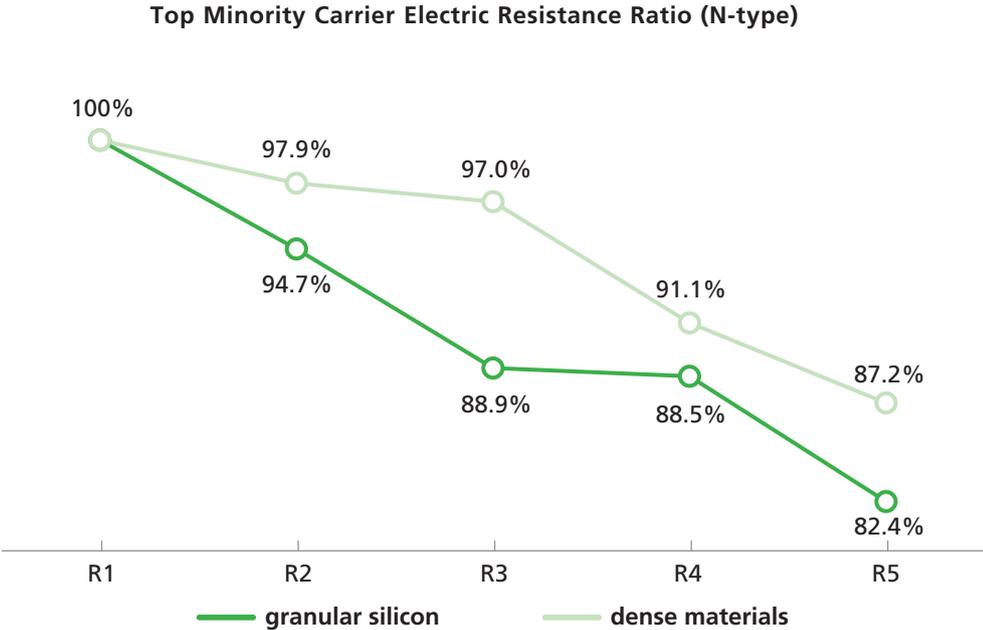


The quality concept of “exquisite craftsmanship, conscience quality” is deeply rooted, and the market demand for granular silicon exceeds expectations

Technology is the “first energy”, and material is the “first cornerstone”. In 2023, the change in the competitive landscape of the polysilicon industry accelerated. The Company further consolidated the development of “customer-centric, market-winning with quality”, and unequivocally put forward the quality concept of “exquisite craftsmanship, conscience quality”. The quality of granular silicon is improving, the customer loyalty continues to rise, and the growth in market share accelerates, helping to promote the industry’s cost reduction and carbon emission reduction remarkably. As the photovoltaic industry has ushered in a new round of technological innovation in high-efficiency cells, TOPCon, HJT and other N-type cell technologies, with their latecomer technology advantages, sprang up with marked profitability premium. Obviously, 2023 was the first year of massive N-type cell production capacity expansion. Facing the high growth of N-type market, the shipment quantity and product quality of granular silicon which is more suitable for N-type applications, are improving, and the indexes such as minority carrier lifetime and unit yield will meet the needs of customers in all aspects.

# Chairman’s Statement and CEO Review of Operations and Outlook (CONTINUED)

Market behavior is the most persuasive. In the past two years, the Company’s granular silicon market recognition has undergone a radical change. Through the dimension of market consideration, its quality improvement in less than two years has created a record surpassing the more than ten years of domestic development history of the rod silicon. At present, the proportion of granular silicon products with a total content of metal impurities below 0.5ppbw<sup>4</sup> has increased to more than 70%, and has been used in mass production of N-type products, accounting for more than 20% of the supply of N-type cells produced by domestic suppliers.



Note: the decline of the minority carrier ratio of the top N-type monocrystalline silicon ingot made from granular silicon is significantly better than that of dense materials in the same period.

<sup>4</sup> In terms of metal impurities, the entry threshold for N-type products is currently 1ppbw, and 0.5ppbw can meet the most demanding customer requirements

## Chairman's Statement and CEO Review of Operations and Outlook (CONTINUED)

The quality of granular silicon is unquestionably leading the industry, but if there are defects in the operation level which will make the powder content of the product fluctuate slightly, and a high proportion of powder input will have some effect on the N-type monocrystalline production, which in turn affects the user experience. Therefore, the Company characterizes the powder content of granular silicon by introducing measurement of turbidity. Through continuous process and system optimization, the Company has significantly improved the turbidity control ability of granular silicon. In July 2023, the Company's granular silicon products with less than 120NTU turbidity improved by nearly 140% compared with that at the beginning of 2023. With the continuous innovation of the technological process, the product turbidity control of the granular silicon will be continuously optimized, which will completely make up for its application shortcomings and ensure the overall advantages of granular silicon in the N-type era.

In the first half of 2023, the granular silicon shipments to the Company's top three customers reached 23,000 tons, 14,500 tons and 7,900 tons, accounting for 63.1% of the total shipments of granular silicon in the first half of the year. So far, granular silicon products of the Company have been applied by more than 90% of monocrystalline customers in the market and have achieved 100% coverage of leading companies.

### **With the acceleration of "dual carbon", the core competitive advantage of granular silicon is increasingly growing, becoming a new engine for green development of the industry**

Technology development and cost reduction are the true essence of the Company's development. The Company has always insisted on leading industry technology iteration and industrial upgrading with hardcore technology, and continuously led the industry to break through the lower limit of cost and the upper limit of research and development level. After ten years of hard work, the Company led the industry to end the situation of the state of "raw materials from outside, market from outside, equipment from outside (三頭在外)", and opened an ice-breaking tour of the two major eras of the silicon material market: firstly, the self-developed "GCL-process rod silicon production method" was the first in the domestic industry realizing large-scale fully closed-loop, zero-emission, and clean production of polysilicon, which had driven the cost of the entire industry chain to drop by 90%, pushing China's photovoltaic industry from a high-price era to a grid parity era; secondly, the independently developed FBR granular silicon was included in the "14th Five-Year Plan for Scientific and Technological Innovation in the Energy Field" by The Ministry of Science and Technology of China and the National Energy Administration of China, laying a solid foundation for it, as a green technology, to continue to lead the photovoltaic industry to a low-price era.

In terms of first principles, compared with rod silicon, granular silicon has insurmountable advantages. For a long time to come, various industries will face the risk of intermittent power supply shortages, which may have a great impact on production stability and new capacity commissioning. Compared with the improved Siemens-based rod silicon, the Company's granular silicon technology relies on the multi-dimensional advantages of lower energy and resource consumption, smaller land area usage, and fewer total labor; and has higher freedom and flexibility in production capacity launch, and more unique strengths in geographical selection, energy supply, and talent security.

## Chairman’s Statement and CEO Review of Operations and Outlook (CONTINUED)

Benefits of the ramp-up of granular silicon production capacity and the continuous optimization and improvement of production processes, cost reduction data continue to be refreshed in various production bases. In July 2023, the production cost of the granular silicon project of Leshan GCL was approximately RMB35.68/kg, far lower than that of the industry. With the continuous iteration of large-scale design of the project, the Company will continue to refresh the polysilicon cost record, which will accelerate the process for China’s photovoltaic industry to move from a grid parity era to a low-price era.

In addition, the Company has broken the traditional perception of high energy consumption of polysilicon with the advantage of low-carbon production of granular silicon and will gain greater advantages in global low-carbon trading system in the future. According to the conservative estimate of “37 kg CO<sub>2</sub> equivalent” certified by the French ADEME (法國環境與能源控制署), granular silicon facilitated the reduction of carbon emission in the whole solar industrial chain by 28%, and the production capacity of the granular silicon of the Company contributed to society with carbon emissions reduction value of more than RMB5 billion. Under the tide of the era that green carbon reduction has become the main development strategy of all countries in the world, the rapid development of carbon emissions reduction technology has brought more profit margins to low-carbon enterprises, and expanded wider development space for their countries, and ultimately empowered the imagination of progress of society of all mankind.

### Always keeping a sense of hunger and crisis for innovation, forcing enterprises to revolutionize themselves and leading the industry to the forefront of technology

Innovation is the eternal theme of an enterprise development. In the future, from technological breakthroughs to mechanism innovations, from the revolution of business models to the reconstruction of industrial forms, green and low carbon will subvert the perception of the whole society. It has been proved that whoever can occupy the commanding heights of science and technology can win the first opportunity, and whoever can build a “moat (護城河)” on science and technology and possess an “ultimate weapon (殺手鐮)” that competitors cannot copy or surpass can fundamentally withstand cold currents, go through cycles, and be the frontrunner of technology. In the first half of 2023, the number of newly applied patents of the Company reached 88 and newly authorized patents were 54, including 13 invention patents. The Company led 2 national standards, of which the new national standard for granular silicon entered the publicity stage on 6 August 2023, and is expected to be implemented on 1 March 2024<sup>5</sup>.

<sup>5</sup> National Standard Network, 20211953-T-469 FBR Granular Silicon

## Chairman's Statement and CEO Review of Operations and Outlook (CONTINUED)

The CCZ technology independently developed by the Company can improve the production efficiency of crystal pulling and reduce the production cost of crystal pulling by reducing the auxiliary time such as melting and increasing the length of the crystal pulling process. At present, the unit output of the Company's single mono-silicon crystal pulling furnace already surpasses 185kg/day and has achieved the pilot production capacity of 200MW. The electric resistivity of N-type monosilicon can be controlled in the range of  $\pm 0.1\Omega \cdot \text{cm}$ . With the continuous optimization of the process and the improvement and substitution of materials used, the CCZ technology will become increasingly mature. In the N-type cell era, the perfect combination of GCL-FBR and CCZ technology will also promote the development of the cell industry along the path of innovation with the advantages of cost, efficiency, quality and carbon footprint.

The new generation of large-scale and high-voltage perovskite solar cells is progressing to achieve more reliable commercial value. At present, the conversion efficiency of perovskite module of 1m x 2m produced by Kunshan GCL Optoelectronic Material Co., Ltd\* (昆山協鑫光電材料有限公司), a subsidiary of the Company, which is the largest in size of its kind in the world, has exceeded 16%, and is expected to exceed 18% within this year and its plan of construction of a GW-level production line of perovskite is confirmed. The Company maintains a global leading position in the research and development of perovskite modules and has obtained the BIPV photovoltaic glass 3C certification from the China Quality Certification Center. At the same time, based on large-area perovskite technology, the Company is also developing module-grade perovskite laminated products, which will greatly improve the conversion efficiency of photovoltaic modules. Against the backdrop of global energy transformation and the increasing challenges of energy technology, the Company has always adhered to the research and development concept of "applying one generation, developing one generation, and reserving one generation (應用一代、開發一代、儲備一代)" to ensure that it will remain resilient and competitive in the wave of technological changes.

### Identifying gaps against benchmark enterprises, emphasizing transformation and innovation, and striving to build enterprises based on digitalization

At present, the Company is implementing an unprecedented in-depth management system reform to meet external challenges and the entropy production of internal organizations. The Company has steadily promoted the digital transformation by fully learning from the rich practical experience and methods of transformation of benchmark companies such as Huawei and expects to achieve a comprehensive upgrade of its management system within 3 to 5 years to support the achievement of its strategic goals. By setting up a streamlined and efficient management and operation system, high-quality growth can be supported, enhancing the resilience and determination of the Company to cross the industry cycle. The Company focused on the standardization of strategic models, modes and modules, boosting the highly standardized operation and management, artificial intelligence digitalization, and built "digital strategy, digital organization, digital culture, digital talents, digital capabilities", ultimately realizing the strategic goal of building the enterprise on the digital soil and maintaining its position as the world's leading developer and manufacturer of high-efficiency photovoltaic materials.

## Chairman’s Statement and CEO Review of Operations and Outlook (CONTINUED)

Entering 2023, based on the principle of “project planning first, construction in stages, and continuous operation,” the Company’s digital transformation will be advanced in depth. At present, the project covers the two major business segments of polysilicon and ingot slicing, involving the Company’s management center, business departments and project companies, including 7 business processes such as strategy, sales, planning, procurement, human resources, finance, and IT. The Company creatively establishes a mechanism to embed digital transformation into business and project management, improves refined management, reduces operating costs, provides more specialized, efficient and intelligent data support for various business management, and realizes the collaborative management and control of core business processes in various internal industry links.

### Continuously implementing Share Awards Scheme to improve productivity, and actively protecting shareholders’ rights and interests externally to expand cohesion

The Company adopted Share Awards Scheme in order to implement medium and long-term stock incentives for core R&D and production staff, of which approximately 295 million Shares have been granted and approximately 241 million Shares are available for grant at the date of this report. In the future, the Company will continue to implement Share Awards Scheme in a bid to stimulate employee endogenous motivation, promote the achievement of organizational goals, and maximize value creation. In view of the fierce market fluctuations, the market value of Company in Hong Kong stock market is seriously undervalued. The Company actively maintains shareholder value through beneficial methods such as share repurchase and cancellation. For the six months ended 30 June 2023, the Company repurchased a total of 84.5 million Shares and cancelled on 6 July 2023. In the future, the Company will closely monitor market dynamics, strengthen market communication, and take effective measures to maximize the protection of shareholders’ rights and interests.

### Building an ESG system upgrade to win an international “passport” for the Company’s green and sustainable development

With the international recognition and practice of the “dual carbon” strategic goal, ESG and green operation performance will become the key measurement of the important value embodiment of enterprise sustainable development. Facing the challenges of global energy transformation and the wave of sustainable economic and social development, the Company always shoulders the mission of “focusing on green development and continuously improving the living environment of mankind”, consolidates and improves internal ESG system construction while thoroughly grasp the development opportunities of photovoltaic industry, and integrate ESG and sustainable development concept into the corporate development strategy, thereby enabling the enterprise to thrive for a long period in a commercial order of globalization.

## Chairman's Statement and CEO Review of Operations and Outlook (CONTINUED)

In the first half of 2023, the Company further promoted the construction of the ESG system and strengthened ESG top level design by improving internal governance structure and setting strategic targets to provide guidance for implementing and moving forward specialized ESG work. In the future, the Company will comprehensively improve the responsibility performance of GCL Tech in climate change transformation and sustainable supply chain management, respond to the concerns of stakeholders, and open up green channel for the Company's global strategic layout with better ESG performance.

At the same time, in order to cooperate with the implementation of the digital transformation strategy, the Company is committed to improving and strengthening ESG data governance capacity. And by monitoring and tracking the Company's ESG performance in a timely manner through digital management system, we realize the monitoring of ESG management around the clock without blind spots, which fully empowers the Company's carbon management and improvement of ESG informatization level, in order to respond to the more stringent regulatory trend and audit requirements for sustainable disclosure.

We will continuously optimize corporate governance, which is a project completed by the headquarters. The Company will continue to adhere to market rules, comply with laws and regulations, continuously improve and upgrade the corporate management system, and adhere to the sustainable development road, realizing the beautiful vision of "becoming a respected global new energy and clean energy enterprise".

Lastly, I would like to express my sincere gratitude to the Board of Directors, management team and all employees of the Company for their hard work and silent dedication in the first half of 2023, and I also deeply thank the Shareholders and partners for their long-term support and care.

Thank you!

# Management Discussion and Analysis

## Overview

In the 2nd quarter 2023, the Group's solar material business experienced a downturn which affected the overall performance for the six months ended 30 June 2023. The supply and demand relationship of polysilicon reversed, and the price of polysilicon quickly reached the bottom in June of 2023, with its price currently fluctuating near the bottom. Due to the rapid drop of polysilicon price, the profit attributable to owners of the Company dropped slightly comparing with the corresponding period in 2022.

Benefited with the continuous increase of the Company's granular silicon production capacity, the Group is able to achieve significant revenue growth due to increase in sales volume of polysilicon comparing with the corresponding period in 2022.

## Results of the Group

Upon the completion of distribution in specie of shares of GNE in the 2nd half year of 2022, GNE has become an associate of the Group and the new energy business has been classified as discontinued operation. The financial figures for the six months ended 30 June 2022 have been restated.

For the period ended 30 June 2023, the revenue and gross profit of the Group from continuing operations were approximately RMB20,946 million and RMB8,778 million respectively, representing an increase of 41.8% and 23.9% respectively as compared with approximately RMB14,775 million and RMB7,083 million in the corresponding period in 2022.

The Group recorded a profit attributable to the owners of the Company from continuing operations of approximately RMB5,518 million as compared to profit attributable to owners of the Company from continuing operations of approximately RMB7,062 million in 2022.

## Segment Information

The Group is principally engaged in manufacturing and the sales of polysilicon and wafer products and developing, owning and operation of solar farm. The Group has identified the following continuing operation reportable segments:

- |                         |   |   |
|-------------------------|---|---|
| Solar material business | – | mainly manufactures and sales of polysilicon and wafer products to companies operating in the solar industry. |
| Solar farm business     | – | manages and operates solar farms located in the USA and the PRC.  |

# Management Discussion and Analysis (CONTINUED)

## Business Review

### Solar Material Business

#### *Production*

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

#### *Polysilicon*

As at 30 June 2023, the Group's annual polysilicon production capacity was 240,000 MT<sup>6</sup>, all of which were granular silicon production capacity. Among which, the annual production capacity of Xuzhou Zhongneng, Leshan GCL and Baotou Xinyuan projects reached 80,000 MT<sup>7</sup>, 100,000 MT and 60,000 MT, respectively. For the half year ended 30 June 2023, the Group's polysilicon output was approximately 111,054 MT, representing an increase of 177.1% as compared to 40,082 MT in the same period in 2022. Among which, granular silicon output was approximately 82,359 MT, representing an increase of 634.3% as compared to the same period in the first half of 2022.

#### *Ingot and Wafer*

As at 30 June 2023, the Group had an annual mono-silicon crystal pulling capacity of 14 GW and an annual wafer production capacity of 55 GW.

For the six months ended 30 June 2023, the Group produced a total of 25,376 MW of wafer (including 11,738 MW of OEM wafer), representing a year-on-year increase of 5.0% from the total output of 24,173 MW (including 15,360 MW of OEM wafer) for the corresponding period in the first half of 2022. The utilization rate of the Company's wafer slicing capacity was 92.3%, which reached a leading level in the industry.

#### *Sales and Revenue*

For the six months ended 30 June 2023, the Group delivered 101,095 MT of polysilicon (including internal sales of 11,514 MT) and 25,701 MW of wafer (including OEM wafer of 12,101 MW), representing an increase of 150.9% and 7.5% from 40,295 MT of polysilicon and 23,915 MW of wafer respectively, as compared to the corresponding period in the first half of 2022.

For the six months ended 30 June 2023, the average external selling prices (excluding tax) of the Company's polysilicon was approximately RMB124.1 (equivalent to US\$17.9) per kilogram.

<sup>6</sup> As at the date of this report, the Group had an effective granular silicon production capacity of 280,000 tons.

<sup>7</sup> The Group has shut down the 45,000 MT rod silicon production line of Xuzhou Zhongneng by 30 June 2023.

## Management Discussion and Analysis (CONTINUED)

For the six months ended 30 June 2023, revenue from external customers of the solar material business amounted to approximately RMB20,836 million, representing an increase of 41.9% from RMB14,679 million for the corresponding period in 2022. The increase was mainly due to the increase in revenue in solar material business as a result of the continuous release of granular silicon production capacity in Leshan and Baotou bases, which contribute a significant portion of current period revenue amount.

### *Cost and Gross Profit*

The gross profit of polysilicon was greatly affected by market fluctuations and other factors. However, leveraging on the granular silicon technology, GCL Tech maintained its profit competitiveness against its peers during the downward cycle of the industry.

In June 2023, the average production cost of granular silicon of the Company decreased by 41% as compared with that at the end of last year, which was the highest level in the industry, and still maintaining a downward trend.

The gross profit margin for the solar material business decreased from 48.0% for the six months ended 30 June 2022 to 41.9% for the six months ended 30 June 2023.

### *Steady Improvement in Quality and Stronger Customer Loyalty*

From 2022 to 2023, the quality of granular silicon produced by the Company continues to explode amid continuous improvement in product quality.

### *Changes in Total Metal Impurity Content of Granular Silicon Products in the First Half of 2023*

	<b>≤ 0.5 ppbw</b>	<b>0.5-1 ppbw</b>	<b>1-3 ppbw</b>	<b>3-5 ppbw</b>	<b>&gt; 5 ppbw</b>
June 2023	67.05%	14.41%	11.00%	3.10%	4.44%
May 2023	56.58%	25.95%	12.27%	1.41%	3.79%
April 2023	53.76%	35.69%	8.09%	1.08%	1.38%
March 2023	29.96%	36.09%	25.01%	3.73%	5.21%
February 2023	11.84%	32.42%	42.13%	5.94%	7.67%
January 2023	10.98%	21.53%	49.90%	8.35%	9.24%

In the first half of 2023, the product shipments of granular silicon to the top three customers of the Company were 22,958 MT, 14,473 MT and 7,945 MT, respectively, totally accounting for 63.1% the total product shipments of granular silicon of the Company in the first half of the year.

## Management Discussion and Analysis (CONTINUED)

### Solar Farm Business

#### Overseas Solar Farms

As at 30 June 2023, the solar farm business includes 18 MW of solar farms in the United States. Besides, 150 MW solar farms in South Africa, which partners with CAD Fund, commenced operation in 2014 with the total effective ownership of 9.7% held by the Group.

#### PRC Solar Farms

As at 30 June 2023, the solar farm business also includes 5 solar farms in the PRC, with both installed capacity and attributable installed capacity at 133.0 MW.

### Sales Volume and Revenue

For the six months ended 30 June 2023, the electricity sales volume of solar farm business overseas and in the PRC were 13,017 MWh and 96,718 MWh respectively (2022: 14,580 MWh and 95,840 MWh, respectively).

For the six months ended 30 June 2023, revenue for solar farm business was approximately RMB110 million (2022: RMB96 million).

### Outlook

The Group's outlook and likely future developments of the Group's business, is set out in the Chairman's Statement and CEO Review of Operations and Outlook of this report.

### Financial Review

#### Continuing Operations

##### Revenue

Revenue for the six months ended 30 June 2023 amounted to approximately RMB20,946 million, representing an increase of 41.8% as compared with approximately RMB14,775 million for the corresponding period in 2022. The increase was mainly due to the increase in revenue in solar material business as a result of the continuous releasement of granular silicon production capacity in Leshan and Baotou base, which contribute a significant portion of current period revenue amount.

## Management Discussion and Analysis (CONTINUED)

### Gross Profit Margin

The Group's overall gross profit margin for the six months ended 30 June 2023 was 41.9%, as compared with 47.9% for the corresponding period in 2022. Gross profit amounted to approximately RMB8,778 million, representing an increase of 23.9% as compared with the same period in 2022.

Gross profit margin for the solar material business decreased from gross profit margin of 48.0% for the six months ended 30 June 2022 to gross profit margin of 41.9% for the six months ended 30 June 2023. The decrease was mainly attributable to the decrease in the average selling price of photovoltaic products.

Solar farm business has a gross profit margin of 48.8% for the period ended 30 June 2023, 5.6% higher than the corresponding period in 2022.

### Other Income

For the six months ended 30 June 2023, other income mainly comprised sales of scrap materials of approximately RMB237.5 million (six months ended 30 June 2022: RMB335 million), bank and other interest income and interest arising from contracts containing significant financing components of approximately RMB125.4 million (six months ended 30 June 2022: RMB44.4 million), government grants of approximately RMB43.4 million (six months ended 30 June 2022: RMB31.2 million).

### Distribution and Selling Expenses

Distribution and selling expenses increased from approximately RMB63 million for the six months ended 30 June 2022 to approximately RMB123 million for the six months ended 30 June 2023. The increase was mainly due to increase in sales volume.

### Administrative Expenses

Administrative expenses amounted to approximately RMB1,138 million for the six months ended 30 June 2023, representing an increase of 54.4% from approximately RMB737 million for the corresponding period in 2022. The increase was mainly due to commencement of production in Leshan and Baotou base and increase of share-based payment expenses in relation to share award scheme during the period.

### Impairment Losses Reversed/(Recognised) under Expected Credit Loss Model, Net

The Group recognised reversal of impairment losses under expected credit loss model of approximately RMB1 million for the six months ended 30 June 2023 (six months ended 30 June 2022: Impairment losses of RMB157 million).

## Management Discussion and Analysis (CONTINUED)

### Other Expenses, Gains and Losses, Net

For the period ended 30 June 2023, net losses of approximately RMB1,429 million in other expenses, gains and losses were recorded as compared to net losses of approximately RMB537 million for the period ended 30 June 2022.

The net losses mainly comprises of:

- (i) research and development costs of approximately RMB902 million (six months ended 30 June 2022: RMB689 million)
- (ii) impairment loss on property, plant and equipment of approximately RMB802 million (six months ended 30 June 2022: RMB nil)
- (iii) exchange gain of approximately RMB15 million (six months ended 30 June 2022: RMB87 million)
- (iv) gain on disposal of subsidiaries of approximately RMB nil (six months ended 30 June 2022: RMB33 million)
- (v) deemed disposal of an associate/a joint venture and gain on partial disposal of an associate/a joint venture of approximately RMB183 million (six months ended 30 June 2022: RMB202 million)
- (vi) gain on fair value change of derivative financial instruments and convertible bonds of RMB38 million (six months ended 30 June 2022: RMB12 million)
- (vii) gain on disposal of property, plant and equipment of approximately RMB5 million (six months ended 30 June 2022: loss of RMB136 million)
- (viii) gain on fair value change of investments at FVTPL approximately RMB35 million (six months ended 30 June 2022: loss of RMB46 million)

### Finance Costs

Finance costs for the six months ended 30 June 2023 were approximately RMB215 million, increased by 131.2% as compared to approximately RMB93 million for the corresponding period in 2022. The increase was mainly due to the increase in interest-bearing debts during the period.

## Management Discussion and Analysis (CONTINUED)

### Share of Profits of Associates

The Group's share of profits of associates for the six-month period ended 30 June 2023 was approximately RMB1,037 million, mainly contributed by the following associates:

- Share of profit of approximately RMB0.77 billion from Xinjiang Goens Energy Technology Co., Ltd.\* ("Xinjiang Goens")(新疆戈恩斯能源科技有限公司);
- Share of profit of approximately RMB54 million from Inner Mongolia Zhonghuan GCL Solar Material Co., Ltd.\* ("Mongolia Zhonghuan GCL")(內蒙古中環協鑫光伏材料有限公司); and
- Share of profit of approximately RMB0.23 billion from Xuzhou Zhongping GCL Industrial Upgrading Equity Investment Fund LLP\* ("Zhongping GCL")(徐州中平協鑫產業升級股權投資基金(有限合夥)).

### Income Tax Expense

Income tax expense for the six-month period ended 30 June 2023 was approximately RMB1,175 million, representing an increase of 22.3% as compared with approximately RMB961 million for the corresponding period in 2022. The increase was mainly due to increase in income tax expenses from solar material business.

### Profit Attributable to Owners of the Company

As a result of the above factors, the profit attributable to owners of the Company from continuing operations amounted to approximately RMB5,518 million for the six-month period ended 30 June 2023 as compared with a profit of approximately RMB7,062 million for the corresponding period in 2022.

### Property, Plant and Equipment

Property, plant and equipment increased from approximately RMB26,531 million as at 31 December 2022 to approximately RMB31,484 million as at 30 June 2023. Increase in property, plant and equipment was mainly attributable to capital investment in granular silicon production base and partially offset by impairment made and depreciation charged during the period.

## Management Discussion and Analysis (CONTINUED)

### Deposits, Prepayments and Other Non-current Assets

Non-current portion for deposits, prepayments and other non-current assets decreased from approximately RMB2,612 million as at 31 December 2022 to approximately RMB2,306 million as at 30 June 2023. It was due to decrease in deposits for acquisitions of property, plant and equipment upon delivery of property, plant and equipment.

### Interests in Associates

Interests in associates increased from approximately RMB15.0 billion as at 31 December 2022 to approximately RMB15.8 billion as at 30 June 2023. The increase was mainly due to share of profits of associates during the period.

Interests in associates as at 30 June 2023 mainly consists of the below:

- The Group's 38.5% equity interest in Xinjiang Goens of approximately RMB8.5 billion;
- The Group's 40.27% equity interest in Zhongping GCL of approximately RMB2.7 billion;
- The Group's 6.42% equity interest in Mongolia Zhonghuan GCL of approximately RMB0.8 billion;
- The Group's equity interest in Leshan Zhongping Polysilicon Photovoltaic Information Industry Investment Fund Partnership (Limited Partnership)\* (樂山市仲平多晶硅光電信息產業基金合夥企業(有限合夥)) and Leshan Zhongping Nengxin Enterprise Management Consultancy Partnership (Limited Partnership)\* (樂山市中平能鑫企業管理諮詢合夥企業(有限合夥)) of approximately RMB74 million and RMB340 million respectively;
- The Group's 49.84% equity interest in Xuzhou Risheng Low Carbon Industry Investment Partnership (Limited Partnership)\* ("Xuzhou Risheng")(徐州日晟低碳產業投資合夥企業(有限合夥)) of approximately RMB0.3 billion;
- The Group's 24.59% equity interest in Jiangsu Xinhua of RMB0.6 billion; and
- The Group's 7.44% equity interests in GNE Group of approximately RMB2.2 billion which include perpetual notes classified as financial assets at fair value through other comprehensive income.

\* *English name for identification only*

## Management Discussion and Analysis (CONTINUED)

### Trade and Other Receivables

Trade and other receivables increased from approximately RMB23,621 million as at 31 December 2022 to approximately RMB27,032 million as at 30 June 2023. The increase was mainly due to increase of revenue and related bill receivable during the period.

### Trade and Other Payables

Trade and other payables increased from approximately RMB19,581 million as at 31 December 2022 to approximately RMB20,321 million as at 30 June 2023. The increase was mainly due to an increase in construction payables during the period.

### Balances with Related Companies

The related companies included associates, joint ventures, other related parties of the group and companies controlled by Mr. Zhu Gongshan and his family members which hold in aggregate approximately 23.65% as at 30 June 2023 of the Company's share capital (31 December 2022: approximately 23.62%) and exercise significant influence over the Company.

Amounts due from related companies increased from approximately RMB789 million as at 31 December 2022 to approximately RMB985 million as at 30 June 2023. The increase was mainly due to increase in advance payments to associates during the period.

Amounts due to related companies decreased from approximately RMB3,496 million as at 31 December 2022 to approximately RMB3,136 million as at 30 June 2023. The decrease was mainly due to repayment of part of the amounts due to associates during the period.

## Management Discussion and Analysis (CONTINUED)

### Liquidity and Financial Resources

As at 30 June 2023, the total assets of the Group were about RMB97.4 billion, of which the aggregate pledged and restricted bank deposits and bank balances and cash amounted to approximately RMB12.8 billion.

For the period ended 30 June 2023, the Group's main source of funding was cash generated from operating and financing activities.

The Group continues to pay close attention in managing the Group's cash position and conducts on-going negotiations with banks to ensure that the existing facilities will be successfully renewed and additional banking facilities are obtained when necessary.

	<b>As at 30 June 2023 RMB Million</b>	As at 31 December 2022 RMB Million
<b>Current liabilities</b>		
Bank and other borrowings – due within one year	9,907	9,419
Other financial liabilities	507	294
Lease liabilities – due within one year	56	105
	<b>10,470</b>	9,818
<b>Non-current liabilities</b>		
Bank and other borrowings – due after one year	7,618	3,806
Lease liabilities – due after one year	47	46
	<b>7,665</b>	3,852
<b>Total indebtedness</b>	<b>18,135</b>	13,670
Less: Bank balances and cash and pledged and restricted bank deposits	<b>(12,773)</b>	(10,430)
Net debt	<b>5,362</b>	3,240

## Management Discussion and Analysis (CONTINUED)

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

	<b>As at 30 June 2023 RMB million</b>	As at 31 December 2022 RMB million
Secured	<b>15,104</b>	8,605
Unsecured	<b>2,421</b>	4,620
	<b>17,525</b>	13,225

As at 30 June 2023, RMB bank and other borrowings carried floating interest rates with reference to the Benchmark Borrowing Rate of The People's Bank of China. USD bank and other borrowings carried interest rates with reference to the London Interbank Offer Rate.

### Key Financial Ratios of the Group

	<b>As at 30 June 2023</b>	As at 31 December 2022
Current ratio	<b>1.25</b>	1.09
Quick ratio	<b>1.17</b>	1.02
Net debt to total equity attributable to owners of the Company	<b>11.5%</b>	7.6%

Current ratio = (Balance of current assets at the end of the period)/balance of current liabilities at the end of the period

Quick ratio = (Balance of current assets at the end of the period – balance of inventories at the end of the period)/balance of current liabilities at the end of the period

Net debt to total equity attributable to owners of the Company = (Balance of total indebtedness at the end of the period – balance of bank balances and cash and pledged and restricted bank deposits at the end of the period)/balance of equity attributable to owners of the Company at the end of the period

## Management Discussion and Analysis (CONTINUED)

### Policy Risk

Policies made by the Government have a pivotal role in the solar power industry. Any alternation such as 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 Group will follow rules set out by the government strictly, and will pay close attention to policy makers in order to foresee any disadvantageous movements.

### Credit Risk

Each major operating business of the Group has a policy of credit control in place under which credit evaluations of customers are performed on all customers requiring credit.

Credit risk on sales of polysilicon and wafer products is not significant as the major customers are listed entities with good repayment history. In order to minimize the credit risk, the Group reviews the recoverable amount of each individual trade receivables periodically to ensure that adequate expected credit losses are made. Credit risk of sales of electricity is also not significant as most of the revenue is obtained from the subsidiaries of State Grid Corporation of China (the "State Grid"). The State Grid is a state-owned enterprise in China, which possesses low default risk.

### Risk Related to Interest Rate

Interest risk may result from fluctuations in bank loan rates. Given that the Group highly relies on external financing in order to obtain investment capital for new solar power project development and plant and equipment, any interest rate changes will have an impact on the capital expenditure and finance expenses of the Group, which in turn affect our operating results.

### Foreign Currency Risk

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

The Group continues to adopt a conservative approach on foreign exchange exposure management and ensure that its exposure to fluctuations in foreign exchange rates is minimised. The majority of the Group's borrowings are denominated in RMB. Foreign currency forward contracts will be utilised when it is considered as appropriate to hedge against foreign currency risk exposure.

## Management Discussion and Analysis (CONTINUED)

### Risk Related to Disputes with Joint Venture Partners

The joint ventures of the Group 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.

### Risk Related to Supplier Concentration

The wafer business of the Group are exposed to concentration risk of reliance on our major suppliers for the supply of the semi solar products, and any shortage of, or delay in, the supply may significantly impact our business and results of operation. However, the largest supplier was the associate of the Group, the Group was able to exercise significant influence on the operation of the associate, this enable the Group to monitor the above risks continually.

### Pledge of or Restrictions on Assets

As at 30 June 2023, the following assets were pledged or restricted for certain bank and other borrowings, lease liabilities, issuance of bills, short-term letters of credit for settlement of trade and other payables granted to the Group:

- Property, plant and equipment of RMB1.7 billion (31 December 2022: RMB3.2 billion)
- Right-of-use assets of approximately RMB0.5 billion (31 December 2022: RMB0.5 billion)
- Investment properties of approximately RMB0.4 billion (31 December 2022: RMB0.4 billion)
- Trade and bill receivables of approximately RMB8.8 billion (31 December 2022: RMB8.2 billion)
- Pledged and restricted bank deposits of approximately RMB4.8 billion (31 December 2022: RMB3.8 billion)

In addition, lease liabilities of approximately RMB0.1 billion are recognised with related right-of-use assets of approximately RMB0.1 billion as at 30 June 2023 (31 December 2022: lease liabilities of approximately RMB0.15 billion are recognised with related right-of-use assets of approximately RMB0.14 billion).

### Capital and Other Commitments

As at 30 June 2023, the Group's capital commitments in respect of purchase of property, plant and equipment contracted for but not provided amounted to approximately RMB5,735 million (31 December 2022: RMB10,225 million) and other commitments to contribute share capital to interest in an associate and other investment of approximately RMB166 million (31 December 2022: RMB166 million) and RMB60 million (31 December 2022: RMB60 million), respectively.

## Management Discussion and Analysis (CONTINUED)

### Financial Guarantees Contracts

As at 30 June 2023 and 31 December 2022, the Group provided guarantees to its investments at fair value through profit or loss for certain of their bank and other borrowings in proportional to the Group's interest in those investments with amount of approximately RMB71 million.

As at 30 June 2023 and 31 December 2022, the Group provided a total guarantee with maximum amount of approximately RMB2,500 million (31 December 2022: RMB2,500 million) to several banks and financial institutions in respect of banking and other facilities of Xinjiang Goens, associate of the Group. As at 30 June 2023 and 31 December 2022, Xinjiang Goens loan balances were RMB1,057 million and RMB1,328 million, respectively.

### Contingent Liability

As at 30 June 2023 and 31 December 2023, the Group and the Company did not have any significant contingent liabilities.

### Material Acquisitions and Disposals

Save as disclosed elsewhere in this interim report, there were no other significant acquisitions during the six-months period ended 30 June 2023, or plans for material acquisitions as at the date of this report, nor were there other material acquisitions and disposals of subsidiaries during the six-months period ended 30 June 2023.

### Significant Events and Business Development after Reporting Period

On 21 July 2023, the Board has resolved to award an aggregate of 4,296,000 Award Shares (the "2023 Award Shares") at the grant price of HK\$0.86 per Award Share to four Eligible Persons pursuant to the Share Award Scheme dated 16 January 2017 in relation to the adoption of the terms and conditions thereof. The 2023 Award Shares represent approximately 0.02% of the Company's total number of issued Shares as at the date of the announcement made by the Company on 21 July 2023.

Save as disclosed above, there were no other significant events and business development after reporting period.

### Employees

We consider our employees to be our most important resource. 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 including but not limited to discretionary bonuses, with share options or share awards granted to eligible employees.

### Dividend

The Board did not recommend an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: nil).

# Report on Review of Unaudited Condensed Interim Consolidated Financial Statements



國富浩華（香港）會計師事務所有限公司  
**Crowe (HK) CPA Limited**  
香港 銅鑼灣 禮頓道77號 禮頓中心9樓  
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77 Leighton Road,  
Causeway Bay, Hong Kong

## TO THE BOARD OF DIRECTORS OF GCL TECHNOLOGY HOLDINGS LIMITED

協鑫科技控股有限公司

*(incorporated in the Cayman Islands with limited liability)*

## INTRODUCTION

We have reviewed the unaudited condensed interim consolidated financial statements of GCL Technology Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 29 to 87, which comprise the unaudited condensed consolidated statement of financial position as of 30 June 2023 and the related unaudited condensed consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated 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 are responsible for the preparation and presentation of these unaudited condensed interim consolidated financial statements in accordance with IAS 34.

Our responsibility is to form a conclusion, based on our review on these unaudited condensed interim consolidated financial statements, 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 (“HKICPA”). 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 as at 30 June 2023 are not prepared, in all material respects, in accordance with IAS 34.

**Crowe (HK) CPA Limited**

*Certified Public Accountants*

Hong Kong, 29 August 2023

**Chan Wai Dune, Charles**

Practising Certificate Number P00712

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

For the six months ended 30 June 2023

		<b>Six months ended 30 June</b>	
	NOTES	<b>2023</b> <b>RMB'000</b> <b>(Unaudited)</b>	2022 RMB'000 (Restated) (Unaudited)
<b>Continuing operations</b>			
Revenue	4	<b>20,945,903</b>	14,775,074
Cost of sales and services rendered		<b>(12,167,969)</b>	(7,691,756)
Gross profit		<b>8,777,934</b>	7,083,318
Other income	5	<b>507,313</b>	453,743
Distribution and selling expenses		<b>(122,545)</b>	(62,716)
Administrative expenses		<b>(1,138,476)</b>	(737,469)
Finance costs	6	<b>(215,283)</b>	(92,564)
Impairment losses reversed (recognised) under expected credit loss model, net	17	<b>979</b>	(156,610)
Other expenses, gains and losses, net	7	<b>(1,428,880)</b>	(536,883)
Share of profits of associates		<b>1,037,046</b>	2,105,591
Share of profits of joint ventures		<b>2,182</b>	3,015
Profit before tax		<b>7,420,270</b>	8,059,425
Income tax expense	8	<b>(1,175,135)</b>	(960,564)
Profit for the period from continuing operations	9	<b>6,245,135</b>	7,098,861
<b>Discontinued operation</b>			
Loss for the period from discontinued operation	32	–	(410,401)
Profit for the period		<b>6,245,135</b>	6,688,460
<b>Other comprehensive income/(expense) for the period:</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Fair value loss on investments in equity instruments at fair value through other comprehensive income		<b>(146,229)</b>	(10,665)
Share of other comprehensive income of associates		<b>26,177</b>	49,639
		<b>(120,052)</b>	38,974
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of foreign operations		<b>16,590</b>	34,779
Share of other comprehensive income of an associate		<b>1,067</b>	–
		<b>17,657</b>	34,779
Other comprehensive (expense)/income for the period		<b>(102,395)</b>	73,753
Total comprehensive income for the period		<b>6,142,740</b>	6,762,213

## Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (CONTINUED)

For the six months ended 30 June 2023

	NOTES	Six months ended 30 June	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
<b>Profit/(loss) for the period attributable to:</b>			
Owners of the Company			
– from continuing operations		5,518,278	7,062,019
– from discontinued operation		–	(153,431)
		5,518,278	6,908,588
Non-controlling interests			
– from continuing operations		726,857	36,842
– from discontinued operation		–	(256,970)
		726,857	(220,128)
		6,245,135	6,688,460
<b>Total comprehensive income/(expense) for the period attributable to:</b>			
Owners of the Company		5,415,883	6,967,846
Non-controlling interests		726,857	(205,633)
		6,142,740	6,762,213
		RMB cents (Unaudited)	RMB cents (Unaudited)
<b>Earnings per share</b>			
	11		
From continuing and discontinued operations			
– Basic		20.79	25.80
– Diluted		20.75	25.74
From continuing operations			
– Basic		20.79	26.37
– Diluted		20.75	26.31

# Unaudited Condensed Consolidated Statement of Financial Position

At 30 June 2023

	<i>NOTES</i>	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	12	<b>31,483,733</b>	26,530,692
Right-of-use assets	12	<b>1,504,536</b>	1,570,978
Investment properties		<b>369,186</b>	378,493
Intangible assets		<b>133,931</b>	150,944
Interests in associates	13	<b>15,785,390</b>	14,985,018
Interests in joint ventures	14	<b>203,870</b>	201,383
Investments at fair value through profit or loss	15	<b>792,119</b>	707,027
Equity instruments at fair value through other comprehensive income	15	<b>33,711</b>	30,309
Deferred tax assets		<b>390,609</b>	575,871
Deposits, prepayments and other non-current assets	16	<b>2,305,992</b>	2,611,651
Pledged and restricted bank deposits		<b>36,039</b>	251,206
		<b>53,039,116</b>	47,993,572
<b>CURRENT ASSETS</b>			
Inventories	20	<b>2,792,262</b>	2,587,348
Trade and other receivables	16	<b>27,032,236</b>	23,621,398
Amounts due from related companies – trade related	18	<b>292,866</b>	221,067
Amounts due from related companies – non trade related	18	<b>691,935</b>	567,682
Investments at fair value through profit or loss	15	<b>708,246</b>	253,845
Held for trading investments		<b>1,888</b>	3,035
Tax recoverable		<b>146,969</b>	137,533
Pledged and restricted bank deposits		<b>4,829,878</b>	3,543,342
Bank balances and cash		<b>7,906,730</b>	6,635,646
		<b>44,403,010</b>	37,570,896

## Unaudited Condensed Consolidated Statement of Financial Position (CONTINUED)

At 30 June 2023

	<i>NOTES</i>	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
<b>CURRENT LIABILITIES</b>			
Trade and other payables	21	20,320,671	19,580,904
Amounts due to related companies – trade related	19	331,362	219,923
Amounts due to related companies – non-trade related	19	2,804,532	3,276,441
Contract liabilities		1,015,891	1,113,281
Bank and other borrowings – due within one year	22	9,906,575	9,419,358
Lease liabilities – due within one year		56,290	104,904
Other financial liabilities	23	506,607	293,952
Derivative financial instruments	23	64,394	98,340
Deferred income		29,672	29,479
Tax payables		403,181	181,888
		<b>35,439,175</b>	34,318,470
<b>NET CURRENT ASSETS</b>			
		<b>8,963,835</b>	3,252,426
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<b>62,002,951</b>	51,245,998
<b>NON-CURRENT LIABILITIES</b>			
Contract liabilities		247,137	136,200
Bank and other borrowings – due after one year	22	7,618,259	3,806,496
Lease liabilities – due after one year		47,189	46,179
Deferred income		64,177	85,515
Deferred tax liabilities		1,862,295	1,616,697
		<b>9,839,057</b>	5,691,087
<b>NET ASSETS</b>			
		<b>52,163,894</b>	45,554,911

## Unaudited Condensed Consolidated Statement of Financial Position (CONTINUED)

At 30 June 2023

	<i>NOTES</i>	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
<b>CAPITAL AND RESERVES</b>			
Share capital	24	<b>2,356,946</b>	2,359,838
Reserves		<b>44,177,077</b>	40,322,436
Equity attributable to owners of the Company		<b>46,534,023</b>	42,682,274
Non-controlling interests		<b>5,629,871</b>	2,872,637
<b>TOTAL EQUITY</b>		<b>52,163,894</b>	45,554,911

The unaudited condensed interim consolidated financial statements on pages 29 to 87 were approved and authorised for issue by the board of directors on 29 August 2023 and are signed on its behalf by:

**Zhu Gongshan**  
DIRECTOR

**Yeung Man Chung, Charles**  
DIRECTOR

# Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023

	(Unaudited)															
	Attributable to owners of the Company															
	Share capital RMB'000	Share premium RMB'000	Share award reserve RMB'000 (Note ii)	Shares held for share award scheme RMB'000 (Note iii)	Capital redemption reserve RMB'000	Investments revaluation reserve RMB'000	Other reserve RMB'000 (Note iv)	Capital reserve RMB'000 (Note v)	Statutory reserve funds RMB'000 (Note vi)	Special reserves RMB'000 (Note vii)	Share options reserve RMB'000 (Note i)	Translation reserve RMB'000	Accumulated profits RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2022	2,359,030	17,504,873	-	(236,629)	22,202	(62,135)	(955,200)	67,251	3,782,275	(2,198,821)	72,334	(36,204)	8,707,037	29,026,013	3,275,592	32,301,605
Exchange differences arising from translation of financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-	-	20,284	-	20,284	14,495	34,779
Fair value loss on investments in equity instruments at FVOCI	-	-	-	-	-	(10,665)	-	-	-	-	-	-	-	(10,665)	-	(10,665)
Share of other comprehensive income of associates	-	-	-	-	-	49,639	-	-	-	-	-	-	-	49,639	-	49,639
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	6,908,588	6,908,588	(220,128)	6,688,460
Total comprehensive income/(expense) for the period	-	-	-	-	-	38,974	-	-	-	-	20,284	-	6,908,588	6,967,846	(205,633)	6,762,213
Equity-settled share-based payments (note 26)	-	-	55,975	-	-	-	-	-	-	-	-	-	-	55,975	-	55,975
Equity-settled share-based payment recognised by GME	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,560	8,560
Exercise of share options	429	11,689	-	-	-	-	-	-	-	(6,966)	-	-	-	5,152	-	5,152
Contribution from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,113,580	1,113,580
Deemed disposal of partial interest in a subsidiary through newly-increased registered capital	-	-	-	-	-	-	-	-	-	-	-	-	-	44,767	635,233	680,000
Recognition of derivative financial instruments arising from deemed disposal of partial interest of subsidiaries	-	-	-	-	-	-	(3,169)	-	-	-	-	-	-	(3,169)	(9,167)	(12,336)
Acquisition of additional interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(65,867)	61,867	(4,000)
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(19,725)	-	-	-	19,725	-	(18,473)	(18,473)
Transfer to reserves	-	-	-	-	-	-	-	-	522,881	-	-	-	(522,881)	-	-	-
At 30 June 2022	2,359,459	17,516,562	55,975	(236,629)	22,202	(23,161)	(958,369)	67,251	4,285,431	(2,219,921)	65,368	(15,920)	15,112,469	36,030,717	4,861,559	40,892,276

# Unaudited Condensed Consolidated Statement of Changes in Equity (CONTINUED)

For the six months ended 30 June 2023

	(Unaudited)																
	Attributable to owners of the Company												Total RMB'000				
	Shares held			Other reserves			Statutory reserves			Share options		Accumulated profits		Non-controlling interests			
Share capital RMB'000	Share premium RMB'000	Treasury share RMB'000	Share award reserve RMB'000	Share for share award scheme RMB'000	Capital redemption reserve RMB'000	Investment revaluation reserve RMB'000	Other reserve RMB'000	Capital reserve RMB'000	Statutory funds RMB'000	Special reserves RMB'000	Share options reserve RMB'000	Translation reserve RMB'000	Accumulated profits RMB'000	Sub-total RMB'000			
At 1 January 2023	2,359,838	15,544,401	(57,971)	185,068	(676,107)	22,202	69,610	(1,133,192)	67,251	3,476,041	(2,333,893)	57,986	4,540	25,096,500	42,682,274	2,872,637	45,554,911
Exchange differences arising from translation of financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-	-	16,590	-	16,590	-	-	16,590
Fair value loss on investments in equity instruments at FVTOCI	-	-	-	-	-	(146,229)	(146,229)	-	-	-	-	-	-	-	(146,229)	-	(146,229)
Share of other comprehensive income of associates	-	-	-	-	-	26,177	26,177	-	-	-	-	1,067	-	27,244	27,244	-	27,244
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	5,518,278	5,518,278	726,857	6,245,135	6,245,135
Total comprehensive income/(expense) for the period	-	-	-	-	-	(120,052)	(120,052)	-	-	-	-	17,657	5,518,278	5,415,883	726,857	6,142,740	6,142,740
Equity settled share-based payments (note 26)	-	-	-	84,127	-	-	-	-	-	-	-	-	-	84,127	84,127	-	84,127
Exercise of share options	14	362	-	-	-	-	-	-	-	-	(218)	-	-	158	158	-	158
Forfeitures of share options	-	-	-	-	-	-	-	-	-	-	(726)	-	-	726	-	-	726
Forfeitures of share options of an associate	-	-	-	-	-	-	-	-	-	-	-	-	-	684	684	-	684
Cancellation of shares	(2,906)	(55,065)	57,971	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vesting of shares of share award scheme	-	-	-	(57,279)	51,332	-	-	-	-	-	-	-	38,880	32,933	32,933	-	32,933
Repurchase of shares	-	-	(118,838)	-	-	-	-	-	-	-	-	-	-	(118,838)	(118,838)	-	(118,838)
Dividends paid (note 10)	-	-	-	-	-	-	-	-	-	-	-	-	(1,439,723)	(1,439,723)	-	(1,439,723)	
Increase in the Group's interest in a subsidiary upon change in capital structure of a subsidiary (note 28)	-	-	-	-	-	-	-	(100,260)	-	-	-	-	-	(114,216)	(114,216)	114,216	-
Deemed disposal of partial interests in subsidiaries through newly-increased registered capital (note 29)	-	-	-	-	-	-	-	-	-	-	-	-	-	(9,259)	(9,259)	1,916,161	1,906,902
Transfer to reserves	-	-	-	-	-	-	-	-	529,129	-	-	-	(529,129)	-	-	-	-
At 30 June 2023	2,356,946	15,489,698	(118,838)	211,916	(624,775)	22,202	(50,442)	(1,233,452)	67,251	4,005,170	(2,337,108)	57,042	22,197	28,686,216	46,534,023	5,629,871	52,163,894

## Unaudited Condensed Consolidated Statement of Changes in Equity (CONTINUED)

For the six months ended 30 June 2023

### Notes:

- (i) Treasury shares represent the amounts paid by the Group for repurchases of the equity instruments of the Company. During the year ended 31 December 2022 and six months ended 30 June 2023, 31,625,000 and 84,500,000, respectively, ordinary shares of the Company were repurchased by the Group from open market at an aggregate consideration of approximately RMB57,971,000 and RMB118,838,000, respectively which were recognised in equity as treasury shares. During the six months ended 30 June 2023, 31,625,000 ordinary shares have been cancelled.
- (ii) Share options reserve and share award reserve comprise the portion of the grant date fair value of unexercised share options and unvested award shares granted to employees of the Group and others providing similar services that have been recognised in accordance with the accounting policy adopted for share-based compensation benefits.
- (iii) During 2017, 2018 and 2022, the Company paid in total of approximately RMB676,107,000 to a trustee ("Trustee") to purchase 524,498,888 shares of the Company in the market pursuant to the Share Award Scheme (the "Scheme") established on 16 January 2017 ("Adoption Date") by the board of directors of the Company (the "Directors"). During the six months ended 30 June 2023, 39,820,000 shares were vested to the Eligible Persons (as defined in note 26(II)). As at 30 June 2023, all the remaining 484,678,888 shares were held by the Trustee. More details are set out in note 26(II).
- (iv) Other reserve represents the equity (other than share capital) attributable to owners of the Company prior to the reverse acquisition, including share premium, capital reserve, contribution from a shareholder, other reserve, share options reserve, revaluation reserve and deficit. As the Company was accounted for as reverse acquisition by Universe Solar Energy Holdings Inc., formerly named GCL Solar Energy Technology Holdings Inc. ("Solar Energy") in 2009, such reserves attributable to owners of the Company were reclassified to other reserve upon the completion of the reverse acquisition.
- Upon disposal of the non-solar power business in 2015, portion of the amount was realised and transferred to the share premium, share options reserve and accumulated profits of the Group.
- Moreover, other reserve includes the initial recognition of put options granted to non-controlling interests by subsidiaries.
- (v) Capital reserve represents the amount of contribution from former immediate holding company of Solar Energy of United States dollars ("US\$") 15,009,000 (equivalent to RMB126,029,000) net of the 500,000 ordinary shares of Solar Energy repurchased for a consideration of US\$7,000,000 (equivalent to RMB58,778,000) and cancelled prior to 2009.
- (vi) Pursuant to the relevant laws in the People's Republic of China (the "PRC"), each of the subsidiaries established in the PRC is required to transfer 5%-10% of its profit after tax as per statutory financial statements (as determined by the management of the subsidiary) to the reserve funds (including the general reserve fund and enterprise development fund where appropriate). The general reserve fund is discretionary when the fund balance reaches 50% of the registered capital of the respective company and can be used to make up for previous years' losses or, expand the existing operations or can be converted into additional capital of the subsidiary. The enterprise development fund can only be used for development and is not available for distribution to shareholder.
- (vii) Special reserves represent (i) the difference between the consideration to acquire additional interests in subsidiaries and the respective share of the carrying amounts of the net assets acquired; (ii) the difference by which the non-controlling interests were adjusted and the fair value of consideration received in relation to the disposal of partial interest of a subsidiary and (iii) change of interests in existing subsidiaries arising from restructuring.

# Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2023

	2023 RMB'000	2022 RMB'000
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>3,022,820</b>	2,747,122
<b>INVESTING ACTIVITIES</b>		
Interest received	190,663	113,056
Proceeds from disposal of property, plant and equipment	6,848	123,725
Payments and deposits for construction and purchase of property, plant and equipment	(4,402,376)	(5,712,683)
Payments for right-of-use assets	–	(198,553)
Addition of other intangible assets	–	(20)
Investments in associates	(315,000)	(385,553)
Dividend received from associates	451,121	42,240
Dividend received from joint ventures	11,357	16,796
Proceeds from disposal of an associate	–	471,600
Addition of investments at fair value through profit or loss (“FVTPL”)	(504,661)	(62,500)
Proceeds from redemption of other financial assets at FVTPL	–	82,080
Withdrawal of pledged and restricted bank deposits	3,808,659	3,147,035
Placement of pledged and restricted bank deposits	(4,880,028)	(1,844,634)
Advances to related companies	(135,610)	(28,065)
Short-term loan to a third party	(1,600,000)	–
Repayment of short-term loan from a third party	1,600,000	–
Notes deposit to a third party	(167,263)	–
Acquisition of additional equity interests in non-wholly owned subsidiaries	–	(4,000)
Settlement of consideration receivables from disposal of an associate	–	10,057
Settlement of consideration receivables from disposal of subsidiaries with solar power plant projects	–	601
Proceeds from disposal of subsidiaries with solar power plant projects	–	243,434
Proceeds from disposal of subsidiaries	–	10,358
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(5,936,290)</b>	(3,975,026)

## Unaudited Condensed Consolidated Statement of Cash Flows (CONTINUED)

For the six months ended 30 June 2023

	2023 RMB'000	2022 RMB'000
<b>FINANCING ACTIVITIES</b>		
Interest paid	(304,906)	(565,506)
New bank and other borrowings raised	12,536,940	4,615,463
Repayment of bank and other borrowings	(8,246,998)	(5,146,901)
Payment of lease liabilities	(76,036)	(328,850)
Repayment of notes payables	–	(618,647)
Repayment of loans from related companies	–	(17,514)
Advances from related companies	13,393	400,570
Repayment to related companies	(485,503)	(68,071)
Contribution from non-controlling interests	2,257,000	1,793,580
Dividends paid to the owners of the Company	(1,439,723)	–
Dividends paid to non-controlling interests	–	(5,063)
Proceeds from exercise of share options	158	5,152
Proceeds from vesting of shares of share award scheme	32,933	–
Repurchase of shares of the Company	(118,838)	–
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>4,168,420</b>	64,213
Net increase/(decrease) in cash and cash equivalents	1,254,950	(1,163,691)
Cash and cash equivalents at 1 January, represents		
Bank balances and cash	6,635,646	6,702,316
Bank balances and cash classified as held for sale	–	23,351
	6,635,646	6,725,667
Effect of exchange rate changes on balances of bank balances and cash held in foreign currencies	16,134	87,443
Cash and cash equivalents at 30 June, represents		
Bank balances and cash	7,906,730	5,630,943
Bank balances and cash classified as held for sale	–	18,476
	7,906,730	5,649,419

# Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

## IA. BASIS OF PREPARATION

The unaudited condensed interim consolidated financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited, including compliance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (the "IASB"). 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 2022.

The condensed interim financial statements are unaudited, but have been reviewed by Crowe (HK) CPA Limited in accordance with Hong Kong Standard on Review Engagements 2410, Review of interim financial information performed by the independent auditor of the Group, issued by the Hong Kong Institute of Certified Public Accountants.

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

The operation of GCL New Energy Holdings Limited ("GNE") was presented as a discontinued operation in the consolidated financial statements for the year ended 31 December 2022 and the comparative figures in the unaudited condensed interim consolidated financial statements have been restated accordingly. For detailed information, please refer to note 32 to the unaudited condensed interim consolidated financial statements.

## IB. SIGNIFICANT EVENTS AND TRANSACTIONS IN THE REPORTING PERIOD

The Group made certain acquisition of additional interests and deemed disposals of partial interests in subsidiaries during the reporting period and the details are set out in note 28 and note 29 respectively.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

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.

Except as described in note 3, the accounting policies and methods of computation used in the unaudited condensed interim consolidated financial statements for the six months ended 30 June 2023 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 3. APPLICATION OF AMENDMENTS TO IFRS STANDARDS

The IASB has issued the following amendments to IFRSs that are first effective for the current accounting period of the Group:

IFRS 17 and the Related Amendments	Insurance Contracts
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax Related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules

Except as described below, the application of the new and amendments to IFRSs has had no material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in these condensed interim consolidated financial statements.

#### Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the initial recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of IAS 12 such that it does not apply to transactions that give rise to equal and offsetting temporary differences on initial recognition.

Prior to the adoption of Amendments to IAS 12, for leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group previously applied IAS 12 requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis.

Upon the application of the amendments, the Group recognises a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities.

Based on the management's assessment, the application of the amendments has had no material impact on the Group's financial position and performance because the deferred tax assets and the deferred tax liabilities as a result of the adoption of Amendments to IAS 12 qualify for offset under paragraph 74 of IAS 12. There was also no material impact on the opening balances as at 1 January 2022 as a result of the change.

### 3. APPLICATION OF AMENDMENTS TO IFRS STANDARDS (continued)

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet mandatorily effective for the current accounting period.

Amendments to IAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 21	Lack of Exchangeability
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

### 4. REVENUE AND SEGMENT INFORMATION

Information reported to the Executive Directors of the Company, being collectively the chief operating decision maker (“CODM”), for the purposes of resources allocation and assessment of segment performance focuses on types of goods delivered or services provided, except for the business operations of GNE, which is assessed by the CODM as a separate operating segment.

No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The Group’s reportable and operating segments under IFRS 8 Operating Segments are as follows:

#### Continuing operations

- Solar material business – mainly manufactures and sales of polysilicon and wafer products to companies operating in the solar industry.
- Solar farm business – manages and operates solar farms, located in the United States of America (the “USA”) and PRC. These solar farms were constructed or acquired by the Group prior to obtaining a controlling stake in GNE.

#### Discontinued operation

- New energy business – represents the business operations of GNE, which is principally engaged in the development, construction, operation and management of solar farms. Upon the completion of distribution in specie of shares of GNE during the year ended 31 December 2022, GNE has become an associate of the Group and the new energy business segment has been classified as discontinued operation.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 4. REVENUE AND SEGMENT INFORMATION (continued)

#### Segment revenue and results

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

#### Six months ended 30 June 2023

	Continuing operations		
	Solar material business RMB'000 (Unaudited)	Solar farm business RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue from external customers	20,836,310	109,593	20,945,903
Segment profit	6,230,194	26,566	6,256,760
Unallocated income			19,987
Unallocated expenses			(29,493)
Gain on fair value change of investments at fair value through profit or loss ("FVTPL")			12,971
Loss on fair value change of held for trading investments			(1,193)
Share of losses of an associate			(16,079)
Share of profits of joint ventures			2,182
Profit for the period			6,245,135

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 4. REVENUE AND SEGMENT INFORMATION (continued)

#### Segment revenue and results (continued)

Six months ended 30 June 2022

	Continuing operations			Discontinued operation	Total RMB'000 (Unaudited)
	Solar material business RMB'000 (Unaudited)	Solar farm business RMB'000 (Unaudited)	Sub-total RMB'000 (Unaudited)	New energy business RMB'000 (Unaudited)	
Segment revenue	14,679,035	96,039	14,775,074	558,036	15,333,110
Elimination of inter-segment revenue	–	–	–	(7,122)	(7,122)
Revenue from external customers	14,679,035	96,039	14,775,074	550,914	15,325,988
Segment profit (loss)	7,134,842	43,091	7,177,933	(420,188)	6,757,745
Unallocated income			80,777	–	80,777
Unallocated expenses			(12,309)	–	(12,309)
Loss on fair value change of investments at FVTPL			(1,360)	–	(1,360)
Gain on fair value change of held for trading investments			280	–	280
Impairment losses under expected credit loss model			(141,152)	–	(141,152)
Share of profits of joint ventures			4,479	–	4,479
Operation expenses allocation for segment reporting purpose (Note)			(9,787)	9,787	–
Profit (loss) for the period			7,098,861	(410,401)	6,688,460

Note: The operating results of new energy business included allocated corporate expenses.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit (loss) represents the profit (loss) of each respective segment excluding unallocated income, unallocated expenses, change in fair value of certain investments at FVTPL, change in fair value of held for trading investments, certain impairment losses under expected credit loss model, share of profits (losses) of interests in certain joint ventures and GNE. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 4. REVENUE AND SEGMENT INFORMATION (continued)

#### Segment assets and liabilities

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

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
<b>Segment assets</b>		
Solar material business	<b>93,344,567</b>	81,800,878
Solar farm business	<b>1,943,248</b>	1,911,745
<hr/>		
Total segment assets	<b>95,287,815</b>	83,712,623
Investments at FVTPL	<b>430,910</b>	418,457
Equity instrument at fair value through other comprehensive income ("FVTOCI")	<b>33,711</b>	30,309
Held for trading investments	<b>1,888</b>	3,035
Interest in an associate	<b>217,427</b>	231,753
Interests in joint ventures	<b>191,299</b>	189,222
Unallocated bank balances and cash	<b>786,190</b>	685,554
Unallocated corporate assets	<b>492,886</b>	293,515
<hr/>		
Consolidated assets	<b>97,442,126</b>	85,564,468
<hr/>		
<b>Segment liabilities</b>		
Solar material business	<b>44,582,854</b>	39,299,711
Solar farm business	<b>659,034</b>	668,363
<hr/>		
Total segment liabilities	<b>45,241,888</b>	39,968,074
Unallocated corporate liabilities	<b>36,344</b>	41,483
<hr/>		
Consolidated liabilities	<b>45,278,232</b>	40,009,557

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

- All assets are allocated to operating segments, other than unallocated corporate assets, corporate bank balances and cash and other assets (including certain investments at FVTPL, equity instruments at FVTOCI, held for trading investments and interests in certain joint ventures and GNE) of the management companies and investment holding companies;

#### 4. REVENUE AND SEGMENT INFORMATION (continued)

##### Segment assets and liabilities (continued)

- All liabilities are allocated to operating segments, other than unallocated corporate liabilities of the management companies and investment holding companies; and
- Upon the completion of distribution in specie of shares of GNE (see note 32) during the year ended 31 December 2022, GNE has become an associate of the Group and interest in GNE accounted for using equity method has been classified as the “unallocated assets” and the perpetual notes classified as financial assets at fair value through other comprehensive income has been included in the segment assets of solar material segment.

##### Disaggregation of revenue

##### Six months ended 30 June 2023

Segments	Continuing operations		
	Solar material business RMB'000 (Unaudited)	Solar farm business RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
<b>Types of goods or services</b>			
Sales of wafer	7,201,320	–	7,201,320
Sales of electricity	–	109,593	109,593
Sales of polysilicon	11,118,475	–	11,118,475
Processing fees	908,661	–	908,661
Others (comprising the sales of ingots and industrial silicon)	1,607,854	–	1,607,854
<b>Total</b>	<b>20,836,310</b>	<b>109,593</b>	<b>20,945,903</b>
<b>Geographic markets</b>			
The PRC	20,418,728	90,199	20,508,927
Others	417,582	19,394	436,976
<b>Total</b>	<b>20,836,310</b>	<b>109,593</b>	<b>20,945,903</b>
<b>Timing of revenue recognition</b>			
A point in time	19,927,649	109,593	20,037,242
Over time	908,661	–	908,661
<b>Total</b>	<b>20,836,310</b>	<b>109,593</b>	<b>20,945,903</b>

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 4. REVENUE AND SEGMENT INFORMATION (continued)

#### Disaggregation of revenue (continued)

Six months ended 30 June 2022

Segments	Continuing operations			Discontinued operation	Total
	Solar material business	Solar farm business	Sub-total	New energy business	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Types of goods or services</b>					
Sales of wafer	6,275,113	–	6,275,113	–	6,275,113
Sales of electricity (Note)	–	96,039	96,039	410,224	506,263
Sales of polysilicon	6,883,331	–	6,883,331	–	6,883,331
Processing fees	1,012,078	–	1,012,078	–	1,012,078
Operation and management services income and solar related supporting services incomes	–	–	–	140,690	140,690
Others (comprising the sales of ingots)	508,513	–	508,513	–	508,513
<b>Total</b>	<b>14,679,035</b>	<b>96,039</b>	<b>14,775,074</b>	<b>550,914</b>	<b>15,325,988</b>
<b>Geographic markets</b>					
The PRC	14,456,899	75,312	14,532,211	514,336	15,046,547
Others	222,136	20,727	242,863	36,578	279,441
<b>Total</b>	<b>14,679,035</b>	<b>96,039</b>	<b>14,775,074</b>	<b>550,914</b>	<b>15,325,988</b>
<b>Timing of revenue recognition</b>					
A point in time	13,666,957	96,039	13,762,996	410,224	14,173,220
Over time	1,012,078	–	1,012,078	140,690	1,152,768
<b>Total</b>	<b>14,679,035</b>	<b>96,039</b>	<b>14,775,074</b>	<b>550,914</b>	<b>15,325,988</b>

Note: Sales of electricity included approximately RMB281,596,000 tariff adjustments received and receivable from the local grid companies in the PRC based on the prevailing nationwide government policies on renewable energy for solar farms.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 5. OTHER INCOME

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Restated) (Unaudited)
<b>Continuing operations</b>		
Government grants (Note)	43,408	31,244
Bank and other interest income	125,399	44,396
Sales of scrap materials	237,538	334,947
Management and consultancy fee income	7,110	3,306
Rental and rental related income	66,937	27,558
Write-back of other payables	4,492	3,257
Compensation income	8,528	1,231
Recovery of bad debt written off	–	5,424
Guarantee fee income (Note 31)	8,850	–
Others	5,051	2,380
	<b>507,313</b>	<b>453,743</b>

Notes:

The government grants mainly represent incentive subsidies 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 reporting period and the conditions attached thereto were fully complied with.

### 6. FINANCE COSTS

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Restated) (Unaudited)
<b>Continuing operations</b>		
Interest on financial liabilities at amortised cost		
– bank and other borrowings	186,614	77,318
– loans from related companies	35,519	3,861
– other financial liabilities	23,655	–
Interest on lease liabilities	4,220	11,385
Total borrowing costs	250,008	92,564
Less: interest capitalised	(34,725)	–
	<b>215,283</b>	<b>92,564</b>

There is no borrowing costs capitalised for the six months ended 30 June 2022 from the general borrowing pool.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 7. OTHER EXPENSES, GAINS AND LOSSES, NET

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Restated) (Unaudited)
<b>Continuing Operations</b>		
Research and development costs	901,984	688,808
Exchange gain, net	(14,999)	(86,691)
Gain on fair value change of convertible bond payable (note 21(b))	(4,204)	(7,711)
(Gain)/loss on fair value change of investments at FVTPL	(35,350)	45,791
Loss/(gain) on fair value change of held for trading investments	1,193	(280)
Gain on fair value change of derivative financial instruments (note 23)	(33,946)	(4,604)
Impairment loss on property, plant and equipment (note 12)	801,906	–
(Gain)/loss on disposal of property, plant and equipment	(4,735)	136,280
Gain on disposal of subsidiaries	–	(33,173)
Gain on deemed disposal of an associate/a joint venture and gain on partial disposal of an associate/a joint venture (note 13)	(182,969)	(201,537)
	<b>1,428,880</b>	<b>536,883</b>

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 8. INCOME TAX EXPENSE

	<b>Six months ended 30 June</b>	
	<b>2023</b> <b>RMB'000</b> <b>(Unaudited)</b>	2022 RMB'000 (Restated) (Unaudited)
<b>Continuing operations</b>		
PRC Enterprise Income Tax ("EIT")		
Current tax	<b>795,958</b>	667,199
Overprovision in prior periods	<b>(52,018)</b>	(46,224)
PRC dividend withholding tax	<b>30,000</b>	–
	<b>773,940</b>	620,975
USA Federal and State Income Tax		
Current tax	–	90
Overprovision in prior periods	<b>(6)</b>	–
	<b>(6)</b>	90
Deferred tax	<b>401,201</b>	339,499
	<b>1,175,135</b>	960,564

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

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of PRC subsidiaries is 25%, except for those subsidiaries described below. The over provision of EIT in prior periods arose mainly as a result of completion of tax clearance procedures by certain PRC subsidiaries with the respective tax authorities.

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

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 8. INCOME TAX EXPENSE (continued)

Federal and state income tax rate in the USA are calculated at 21% and 8.84%, respectively, for both periods.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduced 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 the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million is taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The Directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

The Group's subsidiaries, associates and joint ventures that are tax residents in the PRC are subject to the PRC dividend withholding tax of 5% or 10% for those non-PRC resident immediate holding companies registered in Hong Kong and the British Virgin Islands, respectively, when and if undistributed earnings are declared to be paid as dividends out of profits that arose on or after 1 January 2008. Net deferred tax expense of approximately RMB260,446,000 (six months ended 30 June 2022: RMB268,809,000) in respect of withholding tax on undistributed profits has been charged to profit or loss during the reporting period.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 9. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Restated) (Unaudited)
<b>Continuing operations</b>		
Profit for the period has been arrived at after charging the following items:		
Depreciation of property, plant and equipment	1,690,861	667,558
Depreciation of right-of-use assets	88,240	86,268
Depreciation of investment properties	9,307	9,999
Amortisation of other intangible assets	17,013	16,816
Total depreciation and amortisation	1,805,421	780,641
Add: amounts absorbed in opening and closing inventories, net	17,746	13,062
	<b>1,823,167</b>	793,703

### 10. DIVIDENDS

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Dividends attributable to the previous year, approved and paid during the period of HK6.0 cents per ordinary share	1,439,723	–

The board of directors of the Company (the "Board") did not recommend an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: RMB Nil).

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### II. EARNINGS PER SHARE

#### (a) From continuing and discontinued operations

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

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
<b>Earnings</b>		
Earnings for the purpose of basic and diluted earnings per share (Profit for the period attributable to owners of the Company)	<b>5,518,278</b>	6,908,588
	Six months ended 30 June	
	2023 '000 (Unaudited)	2022 '000 (Unaudited)
<b>Weighted average number of ordinary shares</b>		
Issued ordinary shares at 1 January	<b>27,108,498</b>	27,099,010
Effect of shares held by the Group under the Scheme (as defined in note 26(II))	<b>(520,319)</b>	(322,999)
Effect of treasury shares	<b>(42,804)</b>	–
Effect of share options exercised	<b>2</b>	346
<b>Weighted average number of ordinary shares at 30 June</b>	<b>26,545,377</b>	26,776,357
	Six months ended 30 June	
	2023 '000 (Unaudited)	2022 '000 (Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>26,545,377</b>	26,776,357
Effect of dilutive potential ordinary shares		
– Share options	<b>14,989</b>	28,299
– Share awards scheme	<b>32,441</b>	33,867
<b>Weighted average number of ordinary shares for the purpose of diluted earnings per share</b>	<b>26,592,807</b>	26,838,523

**II. EARNINGS PER SHARE (continued)****(a) From continuing and discontinued operations (continued)**

For the six months ended 30 June 2023 and 2022, the weighted average number of ordinary shares for the purpose of calculation of basic earnings per share had been adjusted for (i) the effect of the ordinary shares held by the Trustee pursuant to the Scheme, (ii) the effects of the treasury shares purchased by the Group from market and (iii) the effect of share options exercised.

Diluted earnings per share for the six months ended 30 June 2023 and 2022 is calculated by adjusting the weighted average number of ordinary shares in issue during the period with the weighted average number of ordinary shares deemed to be issued or transferred assuming the dilutive impact of certain share options and award shares granted. In addition, certain share options and award shares granted were not assumed to be exercised as they would have an anti-dilutive impact on the earnings per share.

Diluted earnings per share for the six months ended 30 June 2023 and 2022 did not assume the exercise of share options granted by GNE since the exercise would result in increase in earnings per share for the six months ended 30 June 2023 and 2022. In addition, the convertible bond issued and put options granted by a subsidiary to non-controlling shareholders of this subsidiary have either anti-dilutive effect or insignificant dilutive effect on the earnings per share for the six months ended 30 June 2023 and 2022.

**(b) From continuing operations**

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

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Restated) (Unaudited)
Earnings figures are calculated as follows:		
Profit for the period attributable to owners of the Company	<b>5,518,278</b>	6,908,588
Add: Loss for the period from discontinued operation attributable to owners of the company	-	153,431
Earnings for the purpose of basic and diluted earnings per share (Profit for the period from continuing operations attributable to owners of the Company)	<b>5,518,278</b>	7,062,019

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 11. EARNINGS PER SHARE (continued)

#### (c) For discontinued operation

##### For the six months ended 30 June 2022

Basic loss per share from discontinued operation is RMB0.57 cents per share based on the loss for the period from the discontinued operation attributable to owners of the Company of RMB153,431,000 and the denominator set out above for basic earnings per share.

Diluted loss per share from discontinued operation is RMB0.57 cents per share based on the loss for the year from discontinued operation attributable to owners of the Company of RMB153,431,000 and the denominator set out above for diluted earnings per share.

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

During the six months ended 30 June 2023, the addition on improvement and construction of production facilities to enhance the wafer and polysilicon production efficiency amounted to approximately RMB6,923 million (six months ended 30 June 2022: RMB5,806 million).

In addition, during the reporting period, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of approximately RMB38 million (six months ended 30 June 2022: RMB236 million) for proceeds received and receivable of approximately RMB7 million and RMB36 million (six months ended 30 June 2022: RMB100 million and RMB Nil), respectively, resulting in a gain of approximately RMB5 million (six months ended 30 June 2022: loss of approximately RMB136 million).

During the reporting period, the Group entered into several new lease agreements with lease terms ranged from 1 to 5 years. On lease commencement, the Group recognised right-of-use assets of approximately RMB24 million (six months ended 30 June 2022: RMB56 million) and lease liabilities of approximately RMB24 million (six months ended 30 June 2022: RMB37 million).

In face of the new energy changes and market challenges, the Director resolved that the Group will comprehensively withdraw from the production of rod silicon with high cost and shift the limited production capacity to granular silicon with high profit margin so as to maximize the Group's profit with limited production capacity. During the period ended 30 June 2023, the Directors resolved that the production of rod silicon would be completely suspended by the end of period ended 30 June 2023. The Directors conducted a review of the recoverable amount of the property, plant and equipment belonged to rod silicon business based on the scrape value as at 30 June 2023. Accordingly, an impairment provision of approximately RMB802 million was made in respect of the relevant machinery and equipment of the solar material business segment for the period ended 30 June 2023.

### 13. INTERESTS IN ASSOCIATES

Same as disclosed in the Company's 2022 annual report, there was no material change for the six months ended 30 June 2023, except for:

During the six months ended 30 June 2023, pursuant to shareholder agreements signed by the Group and the shareholders of Jiangsu Xinhua Semiconductor Material Technology Co., Ltd.\* ("Jiangsu Xinhua") (江蘇鑫華半導體材料科技有限公司), two existing shareholders and certain new independent third parties investors subscribed for newly-increased registered capital of Jiangsu Xinhua of RMB186 million, representing 12.5% of equity interest of Jiangsu Xinhua for a consideration of RMB1,000 million during the period ended 30 June 2023. As a result, the Group's equity interest was diluted from 28.05% to 24.55% and relevant gain on deemed disposal recognised in the Group's profit or loss was RMB182,969,000.

During the six months ended 30 June 2023, the Group entered into a limited partnership agreement with certain independent third parties for the establishment of an investment fund, 徐州日晟低碳產業投資合夥企業(有限合夥)("Xuzhou Risheng"). The Group contributed RMB310,000,000 and was entitled to 49.84% equity interest of Xuzhou Risheng during the six months ended 30 June 2023.

Pursuant to the limited partnership agreement, the investment and operating activities of Xuzhou Risheng are solely controlled by the investment manager appointed under the limited partnership agreement, and the Group was given one-fifth of the voting right in the partnership meeting of Xuzhou Risheng to amend the partnership agreement. The Directors considered that the Group can exercise significant influence over Xuzhou Risheng and it is therefore classified as an associate of the Group.

\* English name for identification only

### 14. INTERESTS IN JOINT VENTURES

Same as disclosed in the Company's 2022 annual report, there was no material change for the six months ended 30 June 2023.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 15. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS/EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
<b>Current assets</b>		
Other financial assets at FVTPL:		
Unlisted investments ( <i>Note a</i> )	708,246	253,845
<b>Non-current assets</b>		
Other financial assets at FVTPL:		
Unlisted investments ( <i>Note b</i> )	199,065	193,829
Unlisted equity investments ( <i>Note c</i> )	593,054	513,198
	792,119	707,027
Equity instruments at FVTOCI:		
Listed and unlisted equity investments ( <i>Note d</i> )	33,711	30,309

Notes:

- (a) The unlisted investments represent the financial products issued by financial institutions and banks in Hong Kong and the PRC. The Directors consider the fair values of the unlisted investments, which are based on the prices provided by the financial institutions and banks, that is the prices they would pay to redeem the financial products at the end of the reporting period, approximate to their carrying value.
- (b) The Group invested in the form of interests as limited partners in certain private entities, which held a portfolio of unlisted investments. The primary objective of the investments is to earn income for capital gain. Pursuant to investment agreements, the beneficial interests held by the Group in these unlisted investments are in the form of participating shares or interests which primarily provide the Group with the share of returns from the unlisted investments but not any decision making power nor any voting right to involve in and control the daily operation. The unlisted investments are made up of private entities incorporated in the PRC and liquid financial assets (including cash and cash equivalents).
- (c) The unlisted equity investment mainly represents the investments in unlisted equity instruments issued by private entities established in the PRC and Hong Kong.
- (d) As at 30 June 2023 and 31 December 2022, the amount mainly represents the equity interests in Lithium America Corp ("Lithium America"), whose shares are listed on TSX Venture Exchange in Canada, and Lamtex Holdings Limited ("Lamtex"), whose shares were listed on the Stock Exchange and delisted on 22 April 2022.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 16. DEPOSITS, PREPAYMENTS AND OTHER NON-CURRENT ASSETS/ TRADE AND OTHER RECEIVABLES

#### Deposits, prepayments and other non-current assets

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Deposits for acquisitions of property, plant and equipment	<b>2,286,048</b>	2,591,707
Consideration receivables	<b>19,944</b>	19,944
	<b>2,305,992</b>	2,611,651

#### Trade and other receivables

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Trade and bill receivables ( <i>Note a</i> )		
– Bill receivables	<b>20,596,718</b>	17,853,765
– Trade receivables	<b>1,079,206</b>	979,834
	<b>21,675,924</b>	18,833,599
Other receivables:		
– Refundable value-added tax	<b>1,506,432</b>	1,463,673
– Consideration receivables	<b>381,149</b>	441,525
– Prepayments	<b>1,386,025</b>	1,099,199
– Amounts due from former subsidiaries ( <i>Note b</i> )	<b>42,490</b>	42,490
– Short-term loan to a third party ( <i>Note c</i> )	<b>1,600,000</b>	1,617,362
– Others	<b>926,116</b>	610,429
	<b>27,518,136</b>	24,108,277
Less: allowance for credit loss		
– Trade	<b>(78,957)</b>	(79,509)
– Non Trade	<b>(406,943)</b>	(407,370)
	<b>27,032,236</b>	23,621,398

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 16. DEPOSITS, PREPAYMENTS AND OTHER NON-CURRENT ASSETS/ TRADE AND OTHER RECEIVABLES (continued)

#### Trade and other receivables (continued)

Notes:

- (a) The Group allows a credit period of approximately one month from the invoice date for trade receivables (excluding sales of electricity) and may further extend it for 3 to 6 months for settlement through bills issued by banks and financial institutions obtained from trade customers.

The following is an aging analysis of trade receivables (excluding sales of electricity and bills held by the Group for future settlement), net of allowances for credit losses, presented based on the invoice date at the end of the reporting period:

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Within 3 months	477,857	478,009
3 to 6 months	5,183	5,521
Over 6 months	32,584	17,929
	<b>515,624</b>	501,459

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

The following is an aging analysis of trade receivables arising from sales of electricity (excluding bills held by the Group for future settlement), net of allowance for credit losses, presented based on the invoice date at the end of the reporting period:

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Unbilled (Note)	475,431	396,464
Within 3 months	4,956	1,856
3 to 6 months	2,027	546
Over 6 months	2,211	–
	<b>484,625</b>	398,866

As at 30 June 2023, trade receivables include bills received amounting to approximately RMB20,596,718,000 (31 December 2022: RMB17,853,765,000) were held by the Group for future settlement of trade receivables, of which certain bills were further discounted/endorsed by Group. The Group continued to recognise their full carrying amount at the end of the reporting periods. All bills received by the Group are with a maturity period of less than one year.

The Directors closely monitor the credit quality of trade and other receivables and considered the trade and other receivables, which are not impaired and are of a good credit quality in view of the good historical repayment record.

As at 30 June 2023, included in these trade receivables arising from sales of electricity were debtors with aggregate carrying amount of approximately RMB4,238,000 (31 December 2022: RMB2,402,000) which was past due as at the end of the reporting period. These trade receivables relate to a number of customers for whom there is no recent history of default. The Group does not hold any collaterals over all balances.

Note: 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 Renewable Energy Tariff Subsidy List (可再生能源發電補助項目清單) announced by the state-owned grid companies (the "List"). The Directors expect the unbilled tariff adjustments would be generally billed and settled within one year from the end of the reporting period.

## 16. DEPOSITS, PREPAYMENTS AND OTHER NON-CURRENT ASSETS/ TRADE AND OTHER RECEIVABLES (continued)

### Trade and other receivables (continued)

Notes: (continued)

- (b) The amount mainly represents amounts due from former subsidiaries of which the Group disposed the entire interests in prior periods. The amounts are non-trade in nature, unsecured, non-interest bearing and have no fixed term of repayment.
- (c) During the year ended 31 December 2022, the Group, the PRC banks and a government related entity (“the Borrower”) entered into entrusted loan agreements pursuant to which the Group agreed to issue short-term loan through the PRC banks to the Borrower for an aggregate amount of RMB1.6 billion (“2022 Loan”). The amounts are non-trade in nature, secured by a state-owned company and interest bearing of 5.88% per annum.

During the six months ended 30 June 2023, the Borrower has fully repaid the 2022 Loan to the Group. The Group, the PRC banks and the Borrower entered into a new entrusted loan agreements pursuant to which the Group agreed to issue short-term loan through the PRC banks to the Borrower for an aggregate amount of RMB1.6 billion. The amounts are non-trade in nature, secured by a state-owned company, interest bearing of 5.88% per annum, and to be repaid on 29 December 2023.

## 17. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL (“ECL”), NET OF REVERSAL

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 2023 for assessment of ECL are the same as those followed in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2022.

	Note	Six months ended 30 June	
		2023 RMB’000 (Unaudited)	2022 RMB’000 (Restated) (Unaudited)
<b>Continuing operations</b>			
Impairment losses (reversed)/recognised, net in respect of			
– trade receivables – goods and services	16	(552)	15,759
– other receivables	16	(427)	140,851
		<b>(979)</b>	156,610

During the reporting period, except for the above, the Directors are of the opinion that the ECL on other financial assets subject to ECL is insignificant.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 18. AMOUNTS DUE FROM RELATED COMPANIES

The related companies included associates and joint ventures of the Group and companies controlled by Mr. Zhu Gongshan, the chairman of the Group, and his family members which hold in aggregate approximately 23.65% (31 December 2022: 23.62%) of the Company's share capital as at 30 June 2023 and exercises significant influence over the Company.

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Amounts due from related companies		
– Trade related (Note a)	88,952	33,331
– Non-trade related (Note b)	7,797	6,610
	<b>96,749</b>	39,941
Amounts due from associates		
– Trade related (Note a)	199,550	150,509
– Non-trade related (Note c)	663,968	529,715
	<b>863,518</b>	680,224
Amounts due from joint ventures		
– Trade related (Note a)	–	14
– Non-trade related (Note b)	–	11,357
	–	11,371
Amounts due from other related parties		
– Trade related (Note a)	15,894	48,743
– Non-trade related (Note d)	20,170	20,000
	<b>36,064</b>	68,743
	<b>996,331</b>	800,279
Less: allowance for credit losses	<b>(11,530)</b>	(11,530)
	<b>984,801</b>	788,749
Analysed for reporting purposes as:		
– Current assets	<b>984,801</b>	788,749
– Non-current assets	–	–
	<b>984,801</b>	788,749
Analysed for reporting purposes as:		
– Trade related	<b>292,866</b>	221,067
– Non-trade related	<b>691,935</b>	567,682
	<b>984,801</b>	788,749

**18. AMOUNTS DUE FROM RELATED COMPANIES (continued)**

Notes:

- (a) The amounts are unsecured, non-interest bearing and the credit period is normally within 30 days (31 December 2022: 30 days).

The following is an aging analysis of amounts due from related companies, associates and joint ventures (trade related), net of allowance of expected credit losses, at the end of the reporting period, presented based on the invoice date which approximated the respective revenue recognition dates:

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Within 3 months	<b>133,918</b>	127,935
3 to 6 months	<b>4,693</b>	4,659
More than 6 months	<b>154,255</b>	88,473
	<b>292,866</b>	221,067

- (b) The amounts are unsecured, non-interest bearing and with no fixed repayment term.
- (c) As at 30 June 2023, the amounts are unsecured, non-interest-bearing and have no fixed term of repayment, except for an amount of approximately RMB528,400,000 (31 December 2022: RMB528,400,000) which was a consideration receivable and will be repayable if the Group has fully settled the agreed capital contribution to an associate.
- (d) The other related parties represent the non-controlling interest shareholders of subsidiaries of the Group. The amounts are unsecured, non-interest-bearing and have no fixed term of repayment.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 19. AMOUNTS DUE TO RELATED COMPANIES

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Amounts due to related companies		
– Trade related ( <i>Note a</i> )	<b>15,284</b>	7,686
– Non-trade related ( <i>Note b</i> )	<b>26,830</b>	33,983
	<b>42,114</b>	41,669
Amounts due to associates		
– Trade related ( <i>Note a</i> )	<b>126,596</b>	201,022
– Non-trade related ( <i>Note b</i> )	<b>2,777,702</b>	3,226,435
	<b>2,904,298</b>	3,427,457
Amounts due to other related parties		
– Trade related ( <i>Note a</i> )	<b>189,482</b>	11,215
– Non-trade related ( <i>Note c</i> )	–	16,023
	<b>189,482</b>	27,238
	<b>3,135,894</b>	3,496,364
Analysed for reporting purposes as:		
– Trade related	<b>331,362</b>	219,923
– Non-trade related	<b>2,804,532</b>	3,276,441
	<b>3,135,894</b>	3,496,364

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 19. AMOUNTS DUE TO RELATED COMPANIES (continued)

Notes:

- (a) The amounts are unsecured, non-interest bearing and the credit period is normally within 30 days (31 December 2022: 30 days).

The following is an aging analysis of amounts due to related companies, associates and other related parties (trade related) at the end of the reporting period, presented based on the invoice date:

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Within 3 months	<b>220,773</b>	117,865
3 to 6 months	<b>41,430</b>	32
More than 6 months	<b>69,159</b>	102,026
	<b>331,362</b>	219,923

- (b) The amounts are unsecured and have no fixed terms of repayment. Except for an amount of approximately RMB2,516,841,000 (31 December 2022: RMB Nil) which is interest bearing at 2.8% per annum, the amounts are non-interest bearing.

- (c) The other related parties represent the non-controlling interest shareholders of subsidiaries of the Group. The amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

### 20. INVENTORIES

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Raw materials	<b>1,074,362</b>	1,217,870
Work in progress	<b>345,332</b>	182,437
Semi-finished goods (Note)	<b>1,259,674</b>	1,060,872
Finished goods	<b>112,894</b>	126,169
	<b>2,792,262</b>	2,587,348

Note: Semi-finished goods mainly represented polysilicon.

During the six months ended 30 June 2023, cost of inventories of approximately RMB12,111,839,000 (six months ended 30 June 2022: RMB7,638,853,000) recognised as cost of sales including write-down of inventories of approximately RMB144,678,000 from which the cost of certain inventories were higher than their net realisable values (six months ended 30 June 2022: reversal of write-down of inventories of approximately RMB3,854,000).

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 21. TRADE AND OTHER PAYABLES

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Trade payables (Note a)	<b>10,297,420</b>	11,558,952
Construction payables (Note a)	<b>8,418,435</b>	5,681,954
Other payables	<b>270,545</b>	483,961
Convertible bond to a non-controlling shareholders of a subsidiary (Note b)	<b>68,203</b>	72,407
Salaries and bonus payable	<b>448,905</b>	748,875
Other tax payables	<b>300,318</b>	424,178
Interest payables	<b>12,761</b>	95,735
Accruals	<b>504,084</b>	514,842
	<b>20,320,671</b>	19,580,904

Notes:

- (a) Included in the trade payables and construction payables are (i) RMB1,374,086,000 (31 December 2022: RMB3,525,418,000) and RMB3,277,950,000 (31 December 2022: RMB252,442,000), respectively, against which the Group issued bills to relevant creditors for settlement, and (ii) an aggregate amount of approximately RMB7,909,872,000 (31 December 2022: RMB8,866,248,000) being bills received endorsed to creditors with recourse. All these bills are with a maturity period of less than one year.
- (b) In September 2020, the Group entered into an investment agreement with a non-controlling shareholder, pursuant that (i) Kunshan GCL Optoelectronic Material Co., Ltd\* 昆山協鑫光電材料有限公司 (“Kunshan GCL”) agreed to allot and the non-controlling shareholder agreed to subscribe RMB92,000 new registered capital of Kunshan GCL at a consideration of RMB1 million, representing 0.15% of the registered capital of Kunshan GCL; and (ii) the non-controlling shareholder agreed to subscribe a convertible bond with principal amount of RMB49 million to be issued by Kunshan GCL.

Pursuant to the investment agreement in relation to the convertible bond, the non-controlling shareholder was given the right, under certain condition, to request Kunshan GCL to convert the loan to equity interest of Kunshan GCL at the date of conversion by reference to the amount of the accrued interest plus the business valuation at the date of the investment agreement and the business valuation of subsequent new capital injection into Kunshan GCL.

The Group designated the convertible bond to a non-controlling shareholder of a subsidiary of amount approximately RMB68,203,000 (31 December 2022: RMB72,407,000) as financial liability at fair value through profit or loss taking reference to valuation report issued by valuer and the gain on fair value change of RMB4,204,000 (six months ended 30 June 2022: RMB7,711,000) was recognised in profit or loss during the six months ended 30 June 2023.

\* English name for identification only

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 21. TRADE AND OTHER PAYABLES (continued)

The credit period for trade payables is within 3 to 6 months (31 December 2022: 3 to 6 months).

The following is an aging analysis of trade payables (excluding bills presented by the Group for settlement) presented based on the invoice date at the end of the reporting period:

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Within 3 months	<b>4,081,924</b>	3,345,033
3 to 6 months	<b>4,562,116</b>	4,605,580
More than 6 months	<b>279,294</b>	82,921
	<b>8,923,334</b>	8,033,534

### 22. BANK AND OTHER BORROWINGS

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Bank loans	<b>17,301,923</b>	12,954,326
Other loans	<b>222,911</b>	271,528
	<b>17,524,834</b>	13,225,854
Representing:		
Secured	<b>15,103,465</b>	8,605,397
Unsecured	<b>2,421,369</b>	4,620,457
The carrying amount of above borrowings	<b>17,524,834</b>	13,225,854
Less: amounts due within one year shown under current liabilities	<b>(9,906,575)</b>	(9,419,358)
Amounts due after one year	<b>7,618,259</b>	3,806,496

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 22. BANK AND OTHER BORROWINGS (continued)

Included in other loans is RMB135 million (31 December 2022: RMB149 million) representing financing arrangements with financial institutions for leases on assets with lease terms ranging from 1 year to 12 years (31 December 2022: 1 year to 12 years), with legal title of the respective equipment transferred to the financial institutions. The Group continues to operate and manage the relevant equipment during the lease term without any involvement by the financial institution. The Group is entitled to purchase back the equipment at a minimal consideration upon maturity of the respective leases, 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 to purchase back the relevant equipment at a pre-determined price 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, it does not constitute a sale and leaseback transaction in accordance with the substance of the arrangement.

During the six months ended 30 June 2023, the Group discounted bills arising from future settlement of trade receivables with recourse of approximately RMB8,192,722,000 (six months ended 30 June 2022: RMB1,568,048,000) to banks for short-term financing. As at 30 June 2023, the associated borrowings amounted to approximately RMB8,117,722,000 (31 December 2022: RMB7,414,485,000).

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

The bank and other borrowings carry effective interest rates ranging from 1.2% to 6.5% (31 December 2022: 1.2% to 6.5%) per annum.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 23. DERIVATIVE FINANCIAL INSTRUMENTS AND OTHER FINANCIAL LIABILITIES

	As at 30 June 2023 RMB'000 (Unaudited)	As at 31 December 2022 RMB'000 (Audited)
Derivative financial instruments:		
Written put options of interests in associates		
– Jiangsu Xinhua (Note a)	10,057	12,014
– Mongolia Zhonghuan GCL (Note b)	54,337	86,326
	<b>64,394</b>	98,340
Other financial liabilities:		
Written put options to non-controlling interests		
– Kunshan GCL (Note c)	506,607	293,952

Notes:

(a) In April 2016, the Group entered into the Investment Agreement with an independent investor (“Partner”), pursuant to which the Partner is given a right to request the Group to repurchase the equity interest in Jiangsu Xinhua at the cost of investment of the Partner plus interest at applicable rate under the following circumstances:

- (i) If Jiangsu Xinhua fails to complete a qualified initial public offering (“IPO”) at a mutually-agreed stock exchange within a specified time frame;
- (ii) If Jiangsu Xinhua meets the listing requirements of the specified stock exchanges but fails to complete a qualified IPO due to external factors such as a change in government policy or other factors out of Jiangsu Xinhua’s control;
- (iii) If Jiangsu Xinhua fails to produce polysilicon to the level of quality and specification stipulated under the Investment Agreement within a specified time frame; or
- (iv) If there is a significant breach by the Group on the relevant terms of the Investment Agreement or actions brought by the Group resulting in a significant adverse impact to the associate and the Group fails to remediate such breach within the period required by the Partner.

In December 2020, the Group entered into a supplementary agreement with the Partner to replace the circumstance (c) by the following circumstance:

- (v) If Jiangsu Xinhua fails to meet any of the annual operational or strategic requirements by 2021, 2022 and 2023 as set out in the supplementary agreement.

The Directors have recognised the put option of interest in Jiangsu Xinhua as a derivative financial instrument and initially recognised it at fair value with subsequent changes in fair value recognised in profit or loss. During the reporting period, the Group remeasured the fair value and a gain on fair value change of the derivative financial instrument of approximately RMB1,957,000 (six months ended 30 June 2022: RMB1,727,000) was recognised in profit or loss.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 23. DERIVATIVE FINANCIAL INSTRUMENTS AND OTHER FINANCIAL LIABILITIES (continued)

Notes: (continued)

(b) In February 2021, the Group entered into an equity transfer agreement with an associate, 樂山市仲平多晶硅光電信息產業基金合夥企業(有限合夥) Leshan Zhongping Polysilicon Photovoltaic Information Industry Investment Fund Partnership (Limited Partnership)\* (“Leshan Fund”) pursuant to which the Group agreed to sell and Leshan Fund agreed to purchase 3.848% equity interest in 內蒙古中環協鑫光伏材料有限公司 Inner Mongolia Zhonghuan – GCL Solar Material Co., Ltd.\* (“Mongolia Zhonghuan GCL”) at a consideration of RMB600 million. The Group agreed to grant a put option to Leshan Fund to request the Group to repurchase their equity interest in Mongolia Zhonghuan GCL held by Leshan Fund at the cost of investment of Leshan Fund plus interest at applicable rate under the following circumstances:

- If Mongolia Zhonghuan GCL fails to be involved in merge and acquisition with independent third parties given that Mongolia Zhonghuan GCL has completely executed the given clause under the agreement entered between Leshan Fund and the Group at the equity transfer date.

The Directors have recognised the put option of interest in Mongolia Zhonghuan GCL as derivative financial instrument and initially recognised it at fair value with subsequent changes in fair value recognised in the profit or loss. During the six months ended 30 June 2023, the Group remeasured the fair value and a gain on fair value change of derivative financial instrument of approximately RMB31,989,000 (six months ended 30 June 2022: a loss of RMB1,961,000) was recognised in profit or loss.

Details of the inputs and assumption adopted in the fair value measurement are described in note 30.

(c) In 2020 and 2021, the Group entered into investment agreements (“2020/21 Kunshan Investment Agreements”) with certain investors pursuant to which the investors were given the rights to request the Group to repurchase the 20.24% equity interest in Kunshan GCL Optoelectronic Material Co., Ltd.\* (“昆山協鑫光電材料有限公司”) (“Kunshan GCL”), a subsidiary of the Company, at a premium under certain conditions. On 18 March 2022, the Group entered into a new shareholder agreement (“2022 Kunshan Shareholder Agreement”) with Kunshan GCL, a new investor and the then existing non-controlling shareholders of Kunshan GCL, pursuant to which the Group agreed to subscribe for RMB6.6 million new registered capital and the new investor agreed to subscribe for RMB4.4 million new registered capital of Kunshan GCL at a cash consideration of RMB150 million and RMB100 million respectively, representing 8.96% and 5.97% of the enlarged registered capital of Kunshan GCL respectively. As a result of the transactions, the Group’s equity interest in Kunshan GCL changed from 50.03% to 51.52%. On 30 November 2022, the Group entered into a new shareholder agreement (“2022 Kunshan Shareholder Agreement II”) with Kunshan GCL, certain new investors of Kunshan GCL and one new investor of Kunshan GCL mentioned in 2022 Kunshan Shareholder Agreement, pursuant to which the Group agreed to subscribe for RMB9.1 million new registered capital and the certain new investors and the existing non-controlling shareholder agreed to subscribe for RMB7.2 million new registered capital of Kunshan GCL at a cash consideration of RMB240 million and RMB189 million respectively, representing 10.16% and 8.0% of the enlarged registered capital of Kunshan GCL respectively. The subscription was completed during the reporting period. As a result of the transactions, the Group’s equity interest in Kunshan GCL changed from 51.52% to 52.33%.

Pursuant to the 2022 Kunshan Shareholder Agreement and the 2022 Kunshan Shareholder Agreement II, those new investors were given the right to request the Group to repurchase the total 12.89% equity interest in Kunshan GCL at a redemption price equal to the sum of (i) investment cost made by the new investors; (ii) 10% required annual rate of return on the investment cost; and (iii) the share of accumulated unpaid dividends of Kunshan GCL during the investment period, under the following circumstances:

- a) If Kunshan GCL fails to complete a qualified initial public offering (“IPO”) at a mutually agreed stock exchange on or before 31 December 2025;
- b) If there is a significant breach by the Group on the relevant terms of the 2022 Kunshan Shareholder Agreement or actions brought by the Group resulting in significant adverse impact to Kunshan GCL and the Group fails to remediate such breach within the period required by the new investors;
- c) If Kunshan GCL fails to meet operation target as set out in the previous agreements signed with the shareholders of Kunshan GCL within a specified time frame.

In addition, certain terms in the 2020/21 Kunshan Investment Agreements in relation to the written put options are revised to the same terms of put option granted to the new investor under 2022 Kunshan Shareholder Agreement II.

As a result, during the six months ended 30 June 2023, the Group further recognised the financial liability of approximately RMB189 million (31 December 2022: RMB278 million) in relation to the put options granted to the non-controlling interests of Kunshan GCL with a corresponding entry of the same amount recognised in equity, which was based on the present value of the exercise price required to pay plus 10% interest per annum, by applying a discount rate of 10% and on the assumption that the put option will be redeemable on the date of redemption. This liability is subsequently stated at amortise cost with finance cost accrued up to the redemption amount that is payable at the date at which the option becomes exercisable.

As at 30 June 2023, the Group has recognised the financial liability of approximately RMB506,607,000 (31 December 2022: RMB293,952,000) in relation to the put options granted to the non-controlling interest of Kunshan GCL.

- English name for identification purpose only

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 24. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Ordinary shares of HK\$0.1 each		
<b>Authorised</b>		
At 1 January 2022 (Unaudited), 31 December 2022 (Audited) and 30 June 2023 (Unaudited)	50,000,000	5,000,000
<b>Issued and fully paid</b>		
At 1 January 2022 (Unaudited)	27,099,010	2,709,901
Exercise of share options (Note a)	9,488	949
At 31 December 2022 (Audited)	27,108,498	2,710,850
Exercise of share options (Note a)	151	15
Cancellation of shares (Note b)	(31,625)	(3,163)
At 30 June 2023	27,077,024	2,707,702
	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
Shown in the financial statements	<b>2,356,946</b>	2,359,838

Notes:

- (a) During the six months ended 30 June 2023, share option holders exercised their rights to subscribe for 151,000 (For the year ended 31 December 2022: 8,359,849, 604,302 and 523,374) ordinary shares in the Company at HK\$1.16 (For the year ended 31 December 2022: HK\$1.16, HK\$1.32 and HK\$1.63) per share, respectively, with the net proceeds of approximately RMB158,000 (For the year ended 31 December 2022: RMB9,668,000).
- (b) During the six months ended 30 June 2023, 31,625,000 ordinary shares of the Company, which were repurchased from open market during the year ended 31 December 2022 were cancelled.

During the six months ended 30 June 2023, 84,500,000 ordinary shares of the Company were repurchased by the Group from open market at an aggregate consideration of approximately RMB118,830,000 which were recognised in equity as treasury shares. Subsequent to 30 June 2023, all of the treasury shares have been cancelled.

All shares issued during the six months ended 30 June 2023 and the year ended 31 December 2022 rank pari passu in all respects with the then existing shares of the Company.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 25. PLEDGE OF OR RESTRICTIONS ON ASSETS

#### Pledge of assets

At the end of the reporting period, the Group has pledged the following assets to secure credit facilities of the Group:

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
<b>Bank and other borrowings secured by:</b>		
Pledged and restricted bank deposits	<b>311,744</b>	339,074
Right-of-use assets	<b>537,104</b>	523,870
Investment properties	<b>369,186</b>	378,493
Property, plant and equipment	<b>1,728,329</b>	3,172,688
Trade and bill receivables	<b>8,094,686</b>	7,713,924
<b>Total</b>	<b>11,041,049</b>	12,128,049

Certain subsidiaries pledged their fee collection rights in relation to the sales of electricity. As at 30 June 2023, trade receivables in respect of such fee collection rights pledged amounted to approximately RMB350,099,000 (31 December 2022: RMB299,439,000).

In addition to the pledged assets above, there are restricted bank deposits of approximately RMB4,554,173,000 (31 December 2022: RMB3,455,535,000) and trade and bill receivables of approximately RMB754,200,000 (31 December 2022: RMB465,163,000) which have been pledged to secure issuance of bills and short-term letters of credit for settlement of trade and other payables.

#### Restriction on assets

In addition, lease liabilities of approximately RMB103,479,000 (31 December 2022: RMB151,083,000) were recognised against related right-of-use assets of approximately RMB96,364,000 (31 December 2022: RMB142,274,000) as at 30 June 2023. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessors. Leased assets may not be used as security for borrowing purposes.

## 26. SHARE-BASED PAYMENT TRANSACTIONS

There is no material change relating to the share-based payment transactions for the six months ended 30 June 2023, except for the following:

### (I) Equity-settled share option scheme

#### (i) Share option scheme of the Company

Movements of share options outstanding during the period are as follows:

#### 30 June 2023

	Exercise price	Date of grant (Note)	Exercise period	Number of share options		
				Outstanding at 1 January 2023	Exercised	Outstanding at 30 June 2023
Directors	HK\$1.160	19.2.2016	15.3.2016 to 18.2.2026	1,712,189	-	1,712,189
	HK\$1.324	29.3.2016	18.4.2016 to 28.3.2026	7,944,454	-	7,944,454
Employees and others	HK\$1.630	05.07.2013	16.09.2013 to 04.07.2023	4,501,956	-	4,501,956
	HK\$2.867	24.03.2014	26.05.2014 to 23.03.2024	2,618,642	-	2,618,642
	HK\$1.160	19.02.2016	15.03.2016 to 18.02.2026	24,631,144	(151,000)	23,976,559
	HK\$1.324	29.03.2016	18.04.2016 to 28.03.2026	3,424,378	-	3,424,378
				<b>44,832,763</b>	<b>(151,000)</b>	<b>44,178,178</b>

#### 30 June 2022

	Exercise price	Date of grant (Note)	Exercise period	Number of share options		
				Outstanding at 1 January 2022	Exercised	Outstanding at 30 June 2022
Directors	HK\$1.16	19.2.2016	15.3.2016 to 18.2.2026	4,230,113	-	4,230,113
	HK\$1.324	29.3.2016	18.4.2016 to 28.3.2026	7,944,454	(250,000)	7,694,454
Employees and others	HK\$1.63	05.07.2013	16.09.2013 to 04.07.2023	5,025,330	(342,374)	4,682,956
	HK\$2.867	24.03.2014	26.05.2014 to 23.03.2024	2,618,642	-	2,618,642
	HK\$1.16	19.02.2016	15.03.2016 to 18.02.2026	31,279,239	(4,113,962)	27,165,277
	HK\$1.324	29.03.2016	18.04.2016 to 28.03.2026	4,028,680	(354,302)	3,674,378
				<b>55,126,458</b>	<b>(5,060,638)</b>	<b>50,065,820</b>

Note:

The vesting period of share options is 20% of the share options granted on the year of grant, the first, second, third and fourth anniversary of the date of grant, respectively.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 26. SHARE-BASED PAYMENT TRANSACTIONS (continued)

#### (I) Equity-settled share option scheme (continued)

##### (ii) Share option scheme of GNE

#### 30 June 2022 (before adjustment of share consolidation of GNE)

	Exercise price	Date of grant (Note)	Exercise period	Number of share options			Outstanding at 30 June 2022
				Outstanding at 1 January 2022	Granted	Forfeited	
Directors	HK\$0.606	24.07.2015	24.07.2015 to 23.07.2025	8,052,800	-	-	8,052,800
	HK\$0.357	3.11.2021	3.11.2021 to 2.11.2031	60,500,000	-	-	60,500,000
Employees and others providing similar services	HK\$1.1798	23.10.2014	24.11.2014 to 22.10.2024	52,343,200	-	-	52,343,200
	HK\$0.606	24.07.2015	24.07.2015 to 23.07.2025	73,511,998	-	-	73,511,998
	HK\$0.384	26.02.2021	26.02.2021 to 25.02.2031	350,913,750	-	(24,660,000)	326,253,750
				545,321,748	-	(24,660,000)	520,661,748

*Note:*

The vesting period of share options is 20% of the share options granted on the year of grant, the first, second, third and fourth anniversary of the date of grant, respectively.

During the six months ended 30 June 2022, share-based payment expenses of RMB64,535,000 have been recognised in profit or loss in discontinued operation in respect of equity-settled share option scheme.

## 26. SHARE-BASED PAYMENT TRANSACTIONS (continued)

### (II) Equity-settled share award scheme

#### Share award scheme

The Company adopted a share award scheme (the "Scheme") on the Adoption Date for a duration of the later of (i) the 10th anniversary of the Adoption Date, and (ii) such date that all awards outstanding are fully vested, settled, lapsed, forfeited or cancelled. The purpose of the Scheme is, through the grant of the share awards to certain of the Directors and employees ("Eligible Persons") of the Group, to effectively attract, retain and incentivise core employees of the Group and align their interests and growth with the Group as a whole.

The Company has entered into a trust deed with the Trustee for the purpose of facilitating the purchase, holding and sale of shares in the Group for the benefit of the Eligible Persons of the Group. The maximum number of shares that can be held by the Trustee under the Scheme is limited to 2% of the issued share capital of the Company from time to time. All the shares purchased by the Group through the Trustee on the Stock Exchange are recorded as shares held for the share award scheme in the Group's reserves and are for the Scheme only.

The board of the directors of the Company (the "Board") may, from time to time, at its absolute discretion, select any Eligible Persons to participate in the Scheme as grantees ("Award Grantees"), subject to the terms and conditions set out in the rule of the Scheme. In determining the Award Grantees, the Board shall take into consideration matters including, but without limitation, the present and expected contribution of the relevant Award Grantees to the Group. An Award Grantee may be granted an award by the Company during the award period which will vest over a period of time and on such other conditions to be determined by the Board in its absolute discretion.

During the year ended 31 December 2022, board of directors of the Company has resolved to award an aggregate of 290,830,000 award shares (the "2022 Award Shares") at a grant price of HK\$0.86 per award share to directors and employees of the Group pursuant to the terms and conditions of the Scheme. During the six months ended 30 June 2023, no Award Shares were granted under the Share Award Scheme.

Subject to the satisfaction of the vesting conditions of the 2022 Award Shares, the Trustee will transfer the 2022 Award Shares to the grantees within one month from the date of vesting notice.

The vesting of the 2022 Award Shares is subject to the satisfaction of the vesting conditions including certain corporate and personal performance and other service conditions.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 26. SHARE-BASED PAYMENT TRANSACTIONS (continued)

#### (II) Equity-settled share award scheme (continued)

##### Share award scheme (continued)

Under certain circumstances, all unvested 2022 Award Shares and all vested 2022 Award Shares (but not yet transferred to the grantees) shall lapse immediately, and the grantees shall also, at the request of the Company, return the equivalent cash of the difference (or part of the difference) between (i) the share price of the Company at the date of exercise of the 2022 Award Shares vested and transferred to the grantees under the rules of the Scheme and (ii) the exercise price, within a certain period of time.

The Board may from time to time while the Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the award to be vested thereunder. Details of the Scheme are set out in the announcement of the Company dated 16 January 2017. For the purpose of the Scheme, the Company purchased its own ordinary shares through the Trustee from the open market. Movements in the number of treasury shares held through the Trustee are as follows:

	<b>Number of ordinary shares</b>	<b>Aggregate consideration paid</b> HK\$'000	<b>Equivalent aggregate consideration paid</b> RMB'000
At 1 January 2022	322,998,888	277,372	236,629
Purchase of shares during the year	201,500,000	500,500	439,478
At 31 December 2022	524,498,888	777,872	676,107
Vesting of shares during the period	(39,820,000)	(59,057)	(51,332)
At 30 June 2023	484,678,888	718,815	624,775

## 26. SHARE-BASED PAYMENT TRANSACTIONS (continued)

## (II) Equity-settled share award scheme (continued)

## Share award scheme (continued)

Movements in the number of award shares granted under the Share Award Scheme during the year and their related weighted average fair values are as follows:

## Six months ended 30 June 2023

	Exercise price	Date of grant	Fair value per award share as at the grant date	Vesting period	Number of Award Shares			
					Unvested as at 1 January 2023	Vested	Forfeited	Unvested as at 30 June 2023
Directors	HK\$0.86	16.02.2022	HK\$1.76	16.02.2022 to 15.02.2023	1,878,000	(1,878,000)	-	-
			HK\$1.92	16.02.2022 to 15.02.2024	1,878,000	-	-	1,878,000
			HK\$1.97	16.02.2022 to 15.02.2025	1,878,000	-	-	1,878,000
			HK\$2.00	16.02.2022 to 15.02.2026	1,878,000	-	-	1,878,000
			HK\$2.02	16.02.2022 to 15.02.2027	1,878,000	-	-	1,878,000
	HK\$0.86	06.07.2022	HK\$2.98	06.07.2022 to 05.07.2023	4,180,000	-	-	4,180,000
			HK\$3.13	06.07.2022 to 05.07.2024	4,180,000	-	-	4,180,000
			HK\$3.19	06.07.2022 to 05.07.2025	4,180,000	-	-	4,180,000
			HK\$3.23	06.07.2022 to 05.07.2026	4,180,000	-	-	4,180,000
			HK\$3.27	06.07.2022 to 05.07.2027	4,180,000	-	-	4,180,000
Employee and others	HK\$0.86	16.02.2022	HK\$1.76	16.02.2022 to 15.02.2023	40,982,000	(37,942,000)	(3,040,000)	-
			HK\$1.92	16.02.2022 to 15.02.2024	40,982,000	-	(2,230,000)	38,752,000
			HK\$1.97	16.02.2022 to 15.02.2025	40,982,000	-	(2,230,000)	38,752,000
			HK\$2.00	16.02.2022 to 15.02.2026	40,982,000	-	(2,230,000)	38,752,000
			HK\$2.02	16.02.2022 to 15.02.2027	40,982,000	-	(2,230,000)	38,752,000
	HK\$0.86	06.07.2022	HK\$2.98	06.07.2022 to 05.07.2023	11,126,000	-	-	11,126,000
			HK\$3.13	06.07.2022 to 05.07.2024	11,126,000	-	-	11,126,000
			HK\$3.19	06.07.2022 to 05.07.2025	11,126,000	-	-	11,126,000
			HK\$3.23	06.07.2022 to 05.07.2026	11,126,000	-	-	11,126,000
			HK\$3.27	06.07.2022 to 05.07.2027	11,126,000	-	-	11,126,000
					290,830,000	(39,820,000)	(11,960,000)	239,050,000

The weighted average grant date fair value per unit for unvested award shares at 30 June 2023 was RMB1.96 (31 December 2022: RMB1.87).

For unvested award shares at the end of the reporting period, the exercise price was HK\$0.86 per share.

During the six months ended 30 June 2023, share-based payment expenses in respect of the 2022 Award Shares of RMB84,127,000 (six months ended 30 June 2022: RMB55,975,000) have been recognised in profit or loss. The unvested award shares outstanding at 30 June 2023 had a weighted average remaining contractual life of 2.16 years (31 December 2022: 2.29 years).

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 27. COMMITMENTS AND CONTINGENT LIABILITIES

#### (i) Commitments

	<b>As at 30 June 2023 RMB'000 (Unaudited)</b>	As at 31 December 2022 RMB'000 (Audited)
<b>Capital commitments</b>		
Capital expenditure in respect of acquisitions of property, plant and equipment contracted for but not provided	<b>5,735,004</b>	10,224,751
<b>Other commitments</b>		
Commitment to contribute share capital to investments in associates contracted for but not provided	<b>166,000</b>	166,000
Commitment to contribute share capital to financial assets at FVTPL contracted for but not provided	<b>60,000</b>	60,000
	<b>5,961,004</b>	10,450,751

#### (ii) Contingent liabilities

Except for the financial guarantee contracts provided by the Group as disclosed in note 31 and a guarantee provided to third party of approximately RMB71,150,000 (31 December 2022: RMB71,150,000) was given to its investments at fair values through profit or loss for certain of their bank and other borrowings in proportional to the Group's interest in those investment, the Group had no any other material contingent liability as at 30 June 2023 and 31 December 2022.

## 28. ACQUISITION OF ADDITIONAL INTEREST IN SUBSIDIARIES

During the six months ended 30 June 2023, pursuant to the 2022 Kunshan Shareholder agreement II (note 23), the Group agreed to subscribe for RMB9.1 million new registered capital and the certain new investors and the existing non-controlling shareholder agreed to subscribe for RMB7.2 million new registered capital of Kunshan GCL at a cash consideration of RMB240 million and RMB189 million respectively, representing 10.16% and 8.0% of the enlarged registered capital of Kunshan GCL respectively. In addition, those investors under 2022 Kunshan Shareholder agreement II were given the right to request the Group to repurchase its 8% equity interest in Kunshan GCL at a redemption price under certain circumstances (see note 23(c)). The difference between the consideration received from those investors and the relevant carrying amount of non-controlling interest is recognised in special reserve in consolidated statement of changes in equity.

After the completion of the change in capital structure of Kunshan GCL, the Group's equity interest in Kunshan GCL changed from 51.52% to 52.33%.

## 29. DEEMED DISPOSAL OF PARTIAL INTERESTS IN SUBSIDIARIES OF THE GROUP

- A. During the six months ended 30 June 2023, the Group entered into a capital injection agreement with an non-controlling shareholder of 蒙古鑫環硅能科技有限公司, pursuant to which the non-controlling shareholder and the Group agreed to subscribe for RMB1,668 million and RMB1,702 million newly-increased registered and paid-up capital of 蒙古鑫環硅能科技有限公司 with a cash consideration of RMB1,668 million and RMB1,702 million respectively. After completion of the capital injection and as at 30 June 2023, the Group's interest in 蒙古鑫環硅能科技有限公司 decreased from 88.3% to 60.0%. The difference between the consideration received from the non-controlling shareholder and the relevant carrying amount of non-controlling interest is recognised in special reserve in consolidated statement of changes in equity.
- B. During the six months ended 30 June 2023, the Group and Xuzhou Zhongping GCL Industrial Upgrading Equity Investment Fund LLP\* ("Zhongping GCL") 徐州中平協鑫產業升級股權投資基金(有限合夥)(being an associate of the Group), agreed to subscribe for RMB400 million and RMB400 million new registered capital of Leshan GCL New Energy Technology Co., Ltd.\* ("Leshan GCL") 樂山協鑫新能源科技有限公司, a subsidiary of the Group. After completion of the capital injection and as at 30 June 2023, the Group's effective interest (including those interest held indirectly through associates) in Leshan GCL decreased from 76.4% to 74.1%. The difference between the consideration received from non-controlling interests and the relevant carrying amount of non-controlling interest is recognised in special reserve in consolidated statement of changes in equity.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

#### Fair value measurements and valuation processes

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent they are available. Where Level 1 inputs are not available, the Group adopts valuation techniques or engages third party qualified valuers to perform the valuation of the put options classified as derivative financial instruments, unlisted investments measured at FVTPL, unlisted equity investments measured at FVTPL, convertible bond to a non-controlling shareholder of a subsidiary and the perpetual notes classified as financial assets at FVTOCI. The Directors work closely with the qualified valuers to establish the appropriate valuation techniques and inputs to the model. 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 and liabilities.

The fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (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 prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, 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 or liability that are not based on observable market data (unobservable inputs).

### 30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

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

Some of the Group's financial assets and financial liabilities 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 and financial liabilities are determined (in particular, the valuation techniques and inputs used).

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	30.06.2023 RMB'000 (Unaudited)	31.12.2022 RMB'000 (Audited)				
1) Listed equity securities classified as held for trading investments	1,888	3,035	Level 1	Quoted bid price in an active market.	N/A	N/A
2) Listed equity investments measured at FVTOCI	33,711	30,309	Level 1	Quoted bid price in an active market.	N/A	N/A
3) Unlisted equity investments measured at FVTPL	–	466,909	Level 3	Market comparison approach and fair value was determined with reference to recent transaction price.	Adjusted market price between comparables and the underlying property held by the unlisted equity investments.	An increase in the price per square meter used would result in an increase in fair value measurement of the underlying property, and vice versa
	593,054	46,289	Level 3	Adjusted net assets value	Net assets value	An increase in the net assets value would result in an increase in fair value and vice versa
4) Unlisted investments measured at financial assets at FVTPL	199,065	193,829	Level 3	Adjusted net asset value	Net assets value	An increase in the net assets value would result in an increase in fair value and vice versa
	708,246	253,845	Level 2	Quoted price from third party financial institutions and determined with reference to the value of underlying investments which mainly comprised of listed share and bonds.	N/A	N/A

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	30.06.2023	31.12.2022				
	RMB'000 (Unaudited)	RMB'000 (Audited)				
5) Put option of interest in Jiangsu Xinhua classified as derivative financial instruments (Note a)	10,057	12,014	Level 3	Binomial Option Pricing Mode.	Expected volatility of 30.66% (31 December 2022: 44.3%).  Risk free rate 1.94% (31 December 2022: 2.21%)  Probability to exercise of 20% (31 December 2022: 20%)	The higher the expected volatility, the higher the fair value.  The higher the risk free rate, the lower the fair value.  The higher the probability to exercise, the higher the fair value.
6) Put option of interest in Mongolia Zhonghuan GCL classified as derivative financial instrument (Note b)	54,337	86,326	Level 3	Binomial Option Pricing Model.	Expected volatility of 43.42% – 54.68% (31 December 2022: 54.96% – 55.87%)  Risk free rate: 2.05% to 2.35% (31 December 2022: 2.09% to 2.32%)  Probability to exercise of 20% (31 December 2022: 20%)	The higher of expected volatility, the higher of fair value.  The higher of risk free rate, the lower of fair value.  The higher the probability to exercise, the higher of fair value.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	30.06.2023 RMB'000 (Unaudited)	31.12.2022 RMB'000 (Audited)				
7) Convertible bond to a non-controlling shareholder of subsidiary (Note c)	68,203	72,407	Level 3	Binomial Option Pricing Model.	Expected volatility of 38.6% (31 December 2022: 55.43%).  Risk free rate of 1.87% (31 December 2022: 2%).  Probability to exercise of 100% (31 December 2022: 100%)	The higher of expected volatility, the higher of fair value.  The higher of risk free rate, the lower of fair value.  The higher the probability to exercise, the higher of fair value.
8) Perpetual note classified as financial assets at FVTOCI included in interests in associates (note d)	1,950,115	2,100,467	Level 3	Modified discounted cash flow method, the key inputs are equity volatility, and discount rate.	Equity volatility of 48.3%, risk free rate of 3.15% and discount rate 14.65% (31 December 2022: 48.4%, 3.32% and 12.33%, respectively)	The higher the equity volatility, the lower fair value.  The higher of discount rate, the lower of fair value.

*Notes:*

- (a) If the expected volatility of the underlying shares was 5% higher/lower while all the other variables were held constant, the gain on change in fair value of the derivative financial instruments would decrease by approximately RMB1,800,000/increase by approximately RMB1,802,000 for the six months ended 30 June 2023.

If the risk free rate used was multiplied by 5% higher/lower while all the other variables were held constant, the gain on change in fair value of the derivative financial instruments would increase by approximately RMB32,000/decrease by approximately RMB31,000 for the six months ended 30 June 2023.

If the probability used was 30% higher/10% lower while all the other variables were held constant, the gain on change in fair value of the derivative financial instruments would decrease by approximately RMB15,085,000/increase by approximately RMB5,029,000 for the six months ended 30 June 2023.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

#### Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

Notes: (continued)

- (b) If the expected volatility of the underlying shares was 5% higher/lower while all the other variables were held constant, the gain on change in fair value of the derivative financial instrument would decrease by approximately RMB13,837,000/increase by approximately RMB11,948,000 for the six months ended 30 June 2023.

If the risk free rate used was multiplied by 5% higher/lower while all the other variables were held constant, the gain on change in fair value of the derivative financial instrument would increase by approximately RMB344,000/decrease by approximately RMB346,000 for the six months ended 30 June 2023.

If the probability used was 30% higher/20% lower while all the other variables were held constant, the gain on change in fair value of the derivative financial instruments would decrease by approximately RMB44,143,000/increase by approximately RMB29,429,000 for the six months ended 30 June 2023.

- (c) If the expected volatility of the underlying shares was 5% higher/lower while all the other variables were held constant, the gain on change in fair value of the convertible bonds payables would decrease by approximately RMB381,000/increase by approximately RMB409,000 for the six months ended 30 June 2023.

If the risk free rate used was multiplied by 5% higher/lower while all the other variables were held constant, the gain on change in fair value of the convertible bonds payables would increase by approximately RMB Nil/decrease by approximately RMB Nil for the six months ended 30 June 2023.

- (d) If the equity volatility of the underlying shares was multiplied by 10% higher/lower while all the other variables were held constant, the loss on change in fair value of the investments in equity instruments at FVTOCI would increase by approximately RMB47,400,000/decrease by approximately RMB43,382,000 for the six months ended 30 June 2023.

If the discount rate used was multiplied by 10% higher/lower while all the other variables were held constant, the loss on change in fair value of the investments in equity instruments at FVTOCI would increase by approximately RMB99,727,000/decrease by approximately RMB121,334,000 for the six months ended 30 June 2023.

### 30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

#### Reconciliation of Level 3 fair value measurements

30 June 2023

	Put options classified as derivative financial instruments RMB'000 (Unaudited)	Unlisted investments/ equity instruments measured at FVTPL RMB'000 (Unaudited)	Convertible bond to a non-controlling shareholder of a subsidiary RMB'000 (Unaudited)	Perpetual note as financial assets at FVTOCI (included in interests in associates) RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
At 1 January 2023	(98,340)	707,027	(72,407)	2,100,467	2,636,747
Initial recognition	-	54,661	-	-	54,661
Gain in profit or loss	33,946	30,431	4,204	-	68,581
Loss in other comprehensive income	-	-	-	(150,352)	(150,352)
At 30 June 2023	(64,394)	792,119	(68,203)	1,950,115	2,609,637

30 June 2022

	Put options classified as derivative financial instruments RMB'000 (Unaudited)	Unlisted investments/ equity instruments measured at FVTPL RMB'000 (Unaudited)	Convertible bonds to a non-controlling shareholder of a subsidiary RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
At 1 January 2022	(94,736)	252,696	(84,180)	73,780
Initial recognition	-	62,500	-	62,500
Gain (loss) in profit or loss	(234)	(4,275)	7,711	3,202
At 30 June 2022	(94,970)	310,921	(76,469)	139,482

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

#### Fair value measurements and valuation processes

Of the total gain for the period included in profit or loss, RMB68,581,000 (for the period ended 30 June 2022: gain for the period included in profit or loss, RMB3,202,000) related to put options classified as derivative financial instruments, unlisted investments/equity instruments measured at FVTPL and convertible bond to a non-controlling shareholder of a subsidiary held at the end of the reporting period which fair value gains or losses were included in other expenses, gains and losses, net.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed above.

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

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 31. MATERIAL RELATED PARTY TRANSACTIONS

Other than those disclosed elsewhere in the unaudited condensed interim consolidated financial statements, the Group has also entered into the following material transactions with related parties during the reporting period:

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Transactions with companies in which Mr. Zhu Gongshan and his family have control:		
Sales of wafer	173,787	–
Interest expense	(282)	(2,310)
Rental expenses	(3,613)	–
Service fee expense	(3,294)	(3,667)
Management fee income	4,927	3,462
Purchase of coal	(57,801)	(19,963)
Purchase of energy service	–	(662)
Acquisition of property, plant and equipment	(712)	(183)
Purchase of research and development material	(389)	–
Rental income	14,621	9,196
Rental related income	33,736	–
Sewage expense	–	(180)
Processing fee income	4,746	–
Electricity fee income	7,409	–
Sales income of natural gas	1,754	–
Utilities fees income	4,108	–
Transactions with joint ventures and associates:		
Sales of raw materials	118,769	211,199
Processing fee income	1,926	–
Rental expenses	–	(8,804)
Rental income	5,276	1,356
Management fee and related utility service fee income	89,240	83,369
Service fee income	31,631	–
Interest income	–	244
Guarantee fee income (Note 5)	8,850	–
Interest expense	(35,237)	(1,970)
Purchase of silicon rods	(2,047,292)	(1,781,350)
Purchase of polysilicon and other raw materials	(55,298)	(489,068)
Purchase of industrial silicon powder	(299,149)	–
Purchase of water	–	(117)
Acquisition of property, plant and equipment	–	(92,943)
Sales of land, property and equipment	37,157	–
Purchase of research and development material	(42)	–
Service fee expenses	(4,780)	–
Fund management fee expenses	(13,535)	–
Electricity fee expenses	(1,537)	–
Transactions with other related parties:		
Sales of polysilicon	1,752,784	1,120,232
Sales of raw materials	–	574
Processing fee income	55,297	270,780
Acquisition of property, plant and equipment	(190)	(1,270)
Purchase of steam	(3,386)	(2,049)
Purchase of polysilicon and other raw materials	–	(45)

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 31. MATERIAL RELATED PARTY TRANSACTIONS (continued)

As at 30 June 2023, the Group provided a total guarantees of approximately RMB2,500,000,000 (31 December 2022: RMB2,500,000,000) to several banks and financial institutions in respect of banking and other facilities of the Group's associate Xinjiang GCL. The Directors consider that the fair value of the guarantees at the date of inception, and the ECL as at 30 June 2023 and 31 December 2022 was insignificant.

As at 30 June 2023, the companies in which Mr. Zhu Gongshan and his family have control provided guarantee to the banks and other lenders for certain of the Group's bank and other borrowings with maximum amount of RMB nil (31 December 2022: RMB250,000,000).

### 32. DISCONTINUED OPERATION

On 30 August 2022, a conditional special interim dividend was declared by the Board of the Company through a distribution in specie of 8,639,024,713 ordinary shares of GNE ("DIS shares") (approximately 31% of the issued capital of GNE) on the basis of 318 GNE shares for every 1,000 shares of the Company held by the shareholders of the Company ("Distribution in Specie"). The resolutions in relation to Distribution in Specie were passed by shareholders of the Company at the extraordinary general meeting held on 22 September 2022 and the DIS shares were distributed to the shareholders of the Company during the year ended 31 December 2022. Upon the completion of Distribution in Specie, the Group's effective interest in GNE was changed from 44.44% to 7.44%. The principal activities of GNE are the development, construction, operation and management of solar farms, which represent a separate line of major business and the Distribution in Specie constitutes the classification of GNE's operation as discontinued operation. Accordingly, the results of new energy business are presented as a discontinued operation in the consolidated financial statements.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements (CONTINUED)

For the six months ended 30 June 2023

### 32. DISCONTINUED OPERATION (continued)

The loss for the period from the discontinued operation is analysed as follows:

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Revenue <sup>#</sup>	–	550,914
Cost of sales <sup>#</sup>	–	(298,779)
Gross profit	–	252,135
Other income <sup>#</sup>	–	70,136
Other gains and losses, net	–	(162,757)
Impairment loss on expected credit loss model, net	–	(53,720)
Administrative expenses <sup>#</sup>	–	(248,751)
Share of profits of associates	–	67,962
Share of losses of joint ventures	–	(288)
Finance costs	–	(319,322)
Loss before tax	–	(394,605)
Income tax expense	–	(15,796)
<b>Loss after tax and Loss from discontinued operation</b>	<b>–</b>	<b>(410,401)</b>
<b>Cash flow from discontinued operation</b>		
Net cash generated from operating activities	–	1,722,496
Net cash generated from investing activities	–	44,256
Net cash used in financing activities	–	(1,921,842)
<b>Net cash outflow</b>	<b>–</b>	<b>(155,090)</b>

<sup>#</sup> The inter-company transactions between continuing operations of the Group and GNE before Distribution in Specie have been eliminated against the revenue, cost of sales, other income and administrative expenses of discontinued operation.

### 33. EVENTS AFTER THE END OF THE REPORTING PERIOD

Other than those disclosed elsewhere in this report, there were no significant events after the end of the reporting period that are required to be disclosed in these unaudited condensed consolidated financial statements.

### 34. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the reporting period's presentation.

## Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2023, the Directors and chief executive of the Company had the following interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), which were required (a) to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) to be and were entered into in the register required to be kept by the Company pursuant to Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") adopted by the Company:

### I) Long position/short position in the Shares and Underlying Shares of the Company

Name of director/ chief executive	Long/short position	Number of ordinary shares held				Number of underlying shares held	Total	Approximate percentage of issued share capital (note 5)
		Beneficiary of a trust	Corporate interests	Personal interests				
Zhu Gongshan	Long position	6,405,332,156 (note 1)	-	-	6,300,000 (note 2)	6,411,632,156	23.67%	
	Short position	240,000,000 (note 3)	-	-	-			0.88%
Zhu Yufeng	Long position	6,405,332,156 (note 1)	-	-	5,010,755 (notes 2 & 4)	6,410,342,911	23.67%	
	Short position	240,000,000 (note 3)	-	-	-			0.88%
Zhu Zhanjun	Long position	-	-	3,400,000	6,019,359 (notes 2 & 4)	9,419,359	0.03%	
Lan Tianshi	Long position	-	-	2,497,415	7,512,000 (note 4)	10,009,415	0.03%	
Sun Wei	Long position	-	-	5,723,000	5,012,189 (notes 2 & 4)	10,735,189	0.03%	
Yeung Man Chung, Charles	Long position	-	-	-	4,700,000 (notes 2 & 4)	4,700,000	0.01%	
Ho Chung Tai, Raymond	Long position	-	-	-	1,507,170 (notes 2 & 4)	1,507,170	0.00%	
Yip Tai Him	Long position	-	-	-	1,507,170 (notes 2 & 4)	1,507,170	0.00%	
Shen Wenzheng	Long position	-	-	-	500,000 (note 4)	500,000	0.00%	

#### Notes:

- An aggregate of 6,405,332,156 shares of the Company 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 and Mr. Zhu Gongshan and his family (including Mr. Zhu Yufeng, a Director and the son of Mr. Zhu Gongshan) as beneficiaries.
- These are share options granted by the Company to the Directors, pursuant to the share option scheme adopted by the shareholders of the Company on 22 October 2007, which can be exercised by the Directors at various intervals during the period from 15 March 2016 to 28 March 2026 at an exercise price of HK\$1.324 or HK\$1.160.
- The short position was held as a result of an equity of derivative agreement entered by Happy Genius Holdings Limited.
- These are award shares granted by the Company to the Directors, pursuant to the share award scheme adopted by the Company on 16 January 2017.
- The total number of ordinary shares of the Company in issue as at 30 June 2023 is 27,077,023,973.

# Share Schemes

## Share Option Scheme

### 2007 Share Option Scheme

The Company adopted a share option scheme (the “2007 Share Option Scheme”) on 22 October 2007 which became effective on 13 November 2007. The purpose of the 2007 Share Option Scheme is to motivate personnel to optimize their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such personnel who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of executives of the Company, to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions. The 2007 Share Option Scheme shall be valid and effective for a period of 10 years from 22 October 2007, after which no further options will be granted or offered but the provisions of the 2007 Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any subsisting options granted prior to the expiry of the 10-year period or otherwise as may be required in accordance with the provisions of the 2007 Share Option Scheme. Since no further options could be granted or offered under the 2007 Share Option Scheme after it expiring in 2017, the number of shares available for issue under the 2007 Share Option Scheme as at the date of this report are the same as the number of outstanding options, i.e. 39,269,071 options, representing approximately 0.15% of the number of issued shares as of the date of this report. The eligible participants of the 2007 Share Option Scheme cover directors and the management of the Group.

At an extraordinary general meeting of the Company held on 26 November 2015, the shareholders of the Company approved the refreshment of the existing limit to an aggregate number of shares of the Company which may be allotted and issued pursuant to the exercise of options granted under the 2007 Share Option Scheme and any other share option scheme of the Company not exceeding 200,000,000 shares of the Company.

Upon expiry of the 2007 Share Option Scheme, no further options could be granted or offered but the provisions of this scheme shall remain in full force for the granted share options and remained outstanding. The total number of shares in respect of which options may be granted under the 2007 Share Option Scheme are not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company’s shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company’s shareholders.

During the period from 1 January 2023 to 30 June 2023 (the “Period”), no share options was granted, a total of 503,585 share options were lapsed and a total of 151,000 share options were exercised. The outstanding share options under the 2007 Scheme Option Scheme as at 30 June 2023 are 44,178,178 share options.

## Share Schemes (CONTINUED)

Details of the share options outstanding and movements under the 2007 Share Option Scheme of the Company during the Period are as follows:

Name or category of participant	Date of grant (note 1)	Exercise period	Exercise Price per share (HK\$)	Outstanding as at 1 January 2023	Granted during the Period	Lapsed or forfeited or cancelled during the Period	Exercised during the Period	Outstanding as at 30 June 2023
<b>Directors/chief executive and their associates</b>								
Zhu Yufeng	29.3.2016	18.4.2016 to 28.3.2026	1.324	1,510,755	-	-	-	1,510,755
Zhu Zhanjun	29.3.2016	18.4.2016 to 28.3.2026	1.324	2,719,359	-	-	-	2,719,359
Sun Wei	19.2.2016	15.3.2016 to 18.2.2026	1.16	1,712,189	-	-	-	1,712,189
Yeung Man Chung, Charles	29.3.2016	18.4.2016 to 28.3.2026	1.324	1,700,000	-	-	-	1,700,000
Yip Tai Him	29.3.2016	18.4.2016 to 28.3.2026	1.324	1,007,170	-	-	-	1,007,170
Ho Chung Tai, Raymond	29.3.2016	18.4.2016 to 28.3.2026	1.324	1,007,170	-	-	-	1,007,170
Successor of Zhu Qingsong (note 2)	29.3.2016	18.4.2016 to 28.3.2026	1.324	1,007,170	-	-	-	1,007,170
<b>Employees and others</b>								
	5.7.2013	16.9.2013 to 4.7.2023	1.630	4,501,956	-	-	-	4,501,956
	24.3.2014	26.5.2014 to 23.3.2024	2.867	2,618,642	-	-	-	2,618,642
	19.2.2016	15.3.2016 to 18.2.2026	1.16	24,631,144	-	(503,585)	(151,000)	23,976,559
	29.3.2016	18.4.2016 to 28.3.2026	1.324	2,417,208	-	-	-	2,417,208
<b>Total</b>				<b>44,832,763</b>		<b>(503,585)</b>	<b>(151,000)</b> (note 3)	<b>44,178,178</b>

Notes:

- The vesting period under the 2007 Share Option Scheme is 20% of the share options granted on the year of grant, the first, second, third and fourth anniversary of the date of grant, respectively. All share options granted have been fully vested on the fourth anniversary of the date of grant.
- Mr. Zhu Qingsong passed away in 2021.
- The weighted average closing price of the shares immediately before the dates on which the share options were exercised is HKD1.73.

### 2022 Share Option Scheme

The Company adopted a new share option scheme (the "2022 Share Option Scheme") on 1 April 2022. The purpose of 2022 Share Option Scheme is to replace 2007 Share Option Scheme and to motivate personnel to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such personnel who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of directors (including independent non-executive directors) and executive of the Company, to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions. The maximum number of shares in respect of which options which may be issued upon exercise of all options to be granted under the 2022 Share Option Scheme and any other schemes of the Company shall not exceed 10% of the Company's issued share capital on the date of the approval of the 2022 Share Option Scheme. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the shareholders of the Company.

## Share Schemes (CONTINUED)

As of the date this report, (i) no share options was granted under 2022 Share Option Scheme; and (ii) the total number of shares available for issue under 2022 Share Option Scheme is 2,709,901,044 Shares, representing approximately 10% of the Company's number of issued shares as of the date of this report. As at 1 January 2023 and 30 June 2023, the numbers of options available for grant under the 2022 Share Option Scheme are 2,709,901,044 and 2,709,901,044 respectively. No share options were outstanding under 2022 Share Option Scheme as at 30 June 2023.

Under the 2022 Share Option Scheme, the exercise price shall be determined by the Board and notified to a proposed beneficiary at the time of offer of the option and shall be not less than whichever is the highest for (a) the nominal value of a share; (b) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of grant; and (c) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheet for the five business days immediately preceding the date of grant.

Under the 2022 Share Option Scheme, an option granted can only be exercised according to the following vesting schedule:

<b>Vesting date</b>	<b>Cumulative percentage of Share a Grantee is entitled to subscribe under Options granted to him/her</b>
1st anniversary of the Commencement Date	20%
2nd anniversary of the Commencement Date	40%
3rd anniversary of the Commencement Date	60%
4th anniversary of the Commencement Date	80%
5th anniversary of the Commencement Date	100%

Under the 2022 Share Option Schemes, the Company may grant options to directors, employees of the Company and its subsidiaries and qualifying grantees to subscribe for shares of the Company. There is no service provider sublimit under the 2022 Share Option Scheme.

Unless otherwise terminated by the Board or the shareholders in general meeting in accordance with the terms of the 2022 Share Option Scheme, the 2022 Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption date. The remaining life of the 2022 Share Option Scheme is around 9 years.

### Share Award Scheme

The Company has adopted a share award scheme (the "Share Award Scheme") on 16 January 2017, in which Eligible Persons will be entitled to participate and pursuant to which ordinary shares of the Company (the "Shares") may be purchased by the Trustee from the market out of cash contributed by the Group and/or the Company may allot and issue new Shares to the Trustee pursuant to a specific mandate and such Shares would be held upon trust for the relevant Grantees until such Award Shares are vested in accordance with the rules of the Scheme (the "Scheme Rules").

## Share Schemes (CONTINUED)

### Purpose

The purpose of the Share Award Scheme is, through the grant of award(s) ("Award(s)") of award Share(s) ("Award Share(s)") to certain Eligible Persons, to effectively attract, retain and incentivise core employees of the Group and align their interests and growth with the Group as a whole.

### Eligible Persons

The Eligible Person under the Share Award Scheme is any individual who is an employee of any Group Company, (including any director holding a salaried employment or office in any Group Company); however, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Share Award Scheme and such individual shall therefore be excluded from the term Eligible Person.

### Shares Available for Issue

As at the date of this report, the Directors have not been authorized under any specific mandate granted by the Shareholders to allot and issue any Shares for the purpose of the Share Award Scheme. Accordingly, as at the date of this report, no new Share was available for issue under the Share Award Scheme.

### Maximum Limit

The maximum number of Shares that can be held by the Trustee under the Share Award Scheme is limited to 2 per cent. of the total number of issued Shares from time to time.

The maximum number of Award Shares which may be granted to a Grantee who is not a Director but unvested under the Share Award Scheme shall not exceed 0.1 per cent. of the total number of issued Shares from time to time.

The maximum number of Award Shares which may be granted to a Grantee who is a Director shall not, in aggregate, exceed 0.5 per cent. of the total number of issued Shares in any 12-month period.

### Duration

Subject to any early termination as may be determined by the Board pursuant to the terms of the Scheme Rules, the Share Award Scheme shall be valid and effective for the period commencing on the Adoption Date until the later of (i) the 10th anniversary of the Adoption Date, and (ii) such date that all Awards outstanding are fully vested, settled, lapsed, forfeited or cancelled (as the case may be).

The remaining life of the Share Award Scheme is around 4 years.

### Administration

The Share Award Scheme shall be subject to the administration of the Board, the Committee and the Trustee in accordance with the Scheme Rules and the Trust Deed.

### Operation

#### Grant of Awards

The Board may, from time to time, at its absolute discretion, select any Eligible Persons to participate in the Share Award Scheme as Grantees, subject to the terms and conditions set out in the Scheme Rules. In determining the Grantees, the Board shall take into consideration matters including, but without limitation, the present and expected contribution of the relevant Grantees to the Group. A Grantee may be granted an Award by the Company during the Award Period which will vest over a period of time and on such other conditions to be determined by the Board in its absolute discretion.

Subject to the restrictions set out in the section headed "Restrictions" below, the Company shall:

- (i) pay to the Trustee monies and may give directions or a recommendation to the Trustee to apply such monies and/or such other net amount of cash derived from Shares held as part of the Trust Fund to acquire Shares or instruct the Trustee to reallocate any Returned Shares; and/or
- (ii) allot and issue new Shares to the Trustee pursuant to a Specific Mandate and in accordance with all applicable laws and regulations, including but not limited to the requirements of the Listing Rules and the Takeovers Code, to satisfy any Award made or any expected or potential Award to be made under the Share Award Scheme.

#### Vesting and Lapse

The Board may from time to time while the Share Award Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the Award to be vested thereunder. Pursuant to the provisions of the Scheme Rules and for the purpose of vesting the Award to the Grantees, the Board may at its absolute discretion to direct and procure the Trustee to either:

- (i) release the Award Shares to the Grantees by transferring the number of Award Shares to the Grantees in such manner as determined by the Board in its absolute discretion from time to time; or
- (ii) sell the number of Award Shares within a stipulated time in accordance with the Scheme Rules and pay the Grantee the Actual Selling Price of the Shares in cash, in each case as set out in a vesting notice sent to the relevant Grantee.

In the event that a Grantee ceases to be an Eligible Person at any time prior to the relevant vesting date by reason of: (i) resignation of the Grantee's employment, or (ii) retirement of the Grantee which is earlier than his/her normal retirement age as specified in his/her terms of employment with the Group, or (iii) termination of the Grantee's employment or contractual engagement with the Group by reason of redundancy, all unvested Awards made to the Grantee shall lapse and be forfeited immediately and all Award Shares vested (but not yet transferred to the Grantee) under the Award shall become immediately transferable to the Grantee.

## Share Schemes (CONTINUED)

In the event that a Grantee ceases to be an Eligible Person at any time prior to the relevant vesting date by reason of termination of the Grantee's employment or early termination of the contractual engagement with the Group by reasons of culpable termination or otherwise pursuant to law or employment or engagement contract, all unvested Awards made to the Grantee shall lapse and be forfeited immediately and all Award Shares vested (but not yet transferred to the Grantee) under the Award shall become Returned Shares.

In the event that a Grantee ceases to be an Eligible Person at any time prior to the relevant vesting date by reason of: (i) retirement of the Grantee at his/her normal retirement age as specified in his/her terms of employment with the Group, or (ii) winding-up of any member of the Group in which the Grantee is employed or is contractually engaged, or (iii) completion of the term of the Grantee's contract for provision of services, goods or otherwise with the Group pursuant to such contract terms, or (iv) completion of the term of the contract of the Grantee's engagement with the Group as contractual staff, all unvested Awards shall vest and become immediately transferable to the Grantee.

In the event that a Grantee ceases to be an Eligible Person at any time prior to the relevant vesting date by reason of death or loss of capacity of the Grantee, all unvested Awards shall vest immediately and be transferable to the legal personal representative of the Grantee.

If there occurs an event of change in control (as specified in the Takeovers Code from time to time) of the Company by way of merger or a privatisation of the Company by way of a scheme, or by way of offer to purchase the entire issued share capital of the Company, the Committee shall determine at its discretion whether the outstanding Award Shares shall vest in the relevant Grantee(s) and the time at which such outstanding Award Shares shall vest.

### *Restrictions*

No Award shall be made to Grantees and no payments shall be made to the Trustees to purchase Shares and no directions or recommendations to acquire Shares shall be given to the Trustees under the Share Award Scheme and no new Shares shall be allotted and issued to the Trustee pursuant to a Specific Mandate, where any Director is in possession of unpublished inside information in relation to the Company or where dealings in the Shares by Directors are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time.

### *Voting Rights*

For so long as the Trustee holds any of the Award Shares for the purpose of the Share Award Scheme under the Trust, the Trustee shall not exercise the voting rights in respect of any Shares held under the Trust (including but not limited to the Award Shares, any Returned Shares, any bonus Shares and any scrip Shares). Upon the Award Shares being transferred and released to the Grantee in accordance with the Scheme Rules, the Grantee shall be entitled to exercise all voting rights in respect of such Award Shares.

## Share Schemes (CONTINUED)

### *Dividends*

A Grantee shall have no right to any dividend derived from the Award Shares which shall be retained by the Trustee for the benefit of the Share Award Scheme unless such Award Shares have been transferred and released to him/her in accordance with the Scheme Rules.

### *Transferability and other rights*

Any Award granted under the Share Award Scheme but not yet vested shall be personal to the Grantee to whom it is made and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Award, or enter into any agreement to do so.

### *Termination*

The Share Award Scheme shall terminate on:

- (i) such date after the expiry of the Award Period that all Awards outstanding are fully vested, settled, lapsed, forfeited or cancelled (as the case may be) in accordance with the terms and conditions set out in the Share Award Scheme; or
- (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Grantee thereunder.

Following the settlement, lapse, forfeiture or cancellation (as the case may be) of the last outstanding Award made or which can be made under the Share Award Scheme (whichever is later), the Trustee shall sell all the Shares remaining in the Trust within a reasonable time period as agreed between the Trustee and the Company after receiving notice of the settlement, lapse, forfeiture or cancellation (as the case may be) of such last outstanding Award (or such longer period as the Company may otherwise determine), and remit all cash and net proceeds of such sale referred herein and such other funds remaining in the Trust (after making appropriate deductions in respect of all disposal costs, expenses and other existing and future liabilities in accordance with the Trust Deed) to the Company. For the avoidance of doubt, the Trustee shall not transfer any Shares to the Company nor may the Company otherwise hold any Shares whatsoever (other than the proceeds in the sale of such Shares pursuant to this paragraph).

During the Period, no Award Shares were granted under the Share Award Scheme.

## Share Schemes (CONTINUED)

The Share Award Scheme does not expressly stipulate the number of Award Shares that may be granted thereunder. In the event where any Award is to be satisfied by the allotment and issue of new Shares, the Board shall obtain a specific mandate from the shareholders of the Company at a general meeting. The numbers of awards available for grant under the Share Award Scheme as at 1 January 2023 and 30 June 2023 are 251,339,959 and 302,490,479 respectively. There is no service provider sublimit under the Share Award Scheme. Since the Board has not been authorized by the shareholders of the Company to allot and issue Shares under the Share Award Scheme pursuant to any specific mandate, the number of Award Shares to be satisfied by allotment and issue of new Shares of the Company available for grant as at 30 June 2023 was nil. Details of the Award Shares granted under the Share Award Scheme and the movements during the Period are as follows:

Name	Date of Grant (note 1)	Vesting Period	Number of Award Shares				
			Unvested as at 1 January 2023	Granted during the Period	Vested during the Period	Lapsed or cancelled during the Period	Unvested as at 30 June 2023
Zhu Gongshan	6 July 2022	6.07.2022 to 5.07.2027	6,300,000 (note 1)	–	–	–	6,300,000
Zhu Yufeng	6 July 2022	6.07.2022 to 5.07.2027	3,500,000 (note 1)	–	–	–	3,500,000
Zhu Zhanjun	6 July 2022	6.07.2022 to 5.07.2027	3,300,000 (note 1)	–	–	–	3,300,000
Lan Tianshi	16 February 2022	16.02.2022 to 15.02.2027	9,390,000 (note 2)	–	(1,878,000) (notes 2&3)	–	7,512,000
Sun Wei	6 July 2022	6.07.2022 to 5.07.2027	3,300,000 (note 1)	–	–	–	3,300,000
Yeung Man Chung, Charles	6 July 2022	26.07.2022 to 5.07.2027	3,000,000 (note 1)	–	–	–	3,000,000
Ho Chung Tai, Raymond (note 4)	6 July 2022	6.07.2022 to 5.07.2027	500,000 (note 1)	–	–	–	500,000
Yip Tai Him (note 4)	6 July 2022	6.07.2022 to 5.07.2027	500,000 (note 1)	–	–	–	500,000
Shen Wenzhong (note 4)	6 July 2022	6.07.2022 to 5.07.2027	500,000 (note 1)	–	–	–	500,000
Other Employees	16 February 2022	16.02.2022 to 15.02.2027	204,910,000 (note 2)	–	(37,942,000) (notes 2&3)	(11,960,000)	155,008,000
	6 July 2022	6.07.2022 to 5.07.2027	55,630,000 (note 1)	–	–	–	55,630,000
<b>Total</b>			<b>290,830,000</b>	<b>–</b>	<b>(39,820,000)</b> (note 5)	<b>(11,960,000)</b>	<b>239,050,000</b>

### Notes

- Based on the closing price of HK\$3.83 per Share quoted on the Stock Exchange on 6 July 2022, the market value of the granting Award Shares (at grant price of HK\$0.86 per Award Share) is approximately HK\$293,109,900. The details of accounting standard adopted is set out in note 26.
- Based on the closing price of HK\$2.52 per Share quoted on the Stock Exchange on 16 February 2022, the market value of the granting Award Shares (at grant price of HK\$0.86 per Award Share) is approximately HK\$540,036,000. The details of accounting standard adopted is set out in note 26.
- The vesting is conditional upon the achievement or attainment of certain performance targets by the Company. Please refer to the announcement of the Company dated 16 February 2022 for details.
- Granting Award Share to the Independent Non-Executive Directors was approved by the board of the company and all Independent Non-Executive Directors was abstain from voting for the relevant resolution.
- The weighted average closing price of the shares immediately before the dates on which the Awards were vested is HKD1.49.

The number of shares that may be issued in respect of options and awards granted under all schemes of the Company during the financial year divided by the weighted average number of shares in issue for the Period is approximately 0.17%.

## Interests and Short Positions of Substantial Shareholders

As at 30 June 2023, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had an interest or short position in the shares or underlying shares of the Company as record in the register kept pursuant to Section 336 of the SFO:

### Long Position in the Shares and Underlying Shares of the Company

Name	Capacity/nature of interest	Number of shares/ underlying shares	Approximate percentage of issued share capital of the Company <i>(note 2)</i>
Asia Pacific Energy Fund Limited	Interest in a controlled corporation <i>(note 1)</i>	6,405,332,156	23.65%

Notes:

1. An aggregate of 6,405,332,156 Shares 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 and his family (including Mr. Zhu Yufeng, a Director and the son of Mr. Zhu Gongshan) as beneficiaries.
2. The total number of ordinary shares of the Company in issue as at 30 June 2023 is 27,077,023,973.

Save as disclosed aforesaid, so far as is known to any Directors or chief executive of the Company, as at 30 June 2023, no other persons (other than a Director or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register kept pursuant to Section 336 of the SFO.

# Corporate Governance and Other Information

## Corporate Governance Code

The corporate governance report of the Company has been set out in the Company's 2022 Annual Report. During the Period, the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules.

## Risk Management and Internal Control

Assisted by the Corporate Governance Committee and the Audit Committee, the Board is responsible for monitoring and reviewing the effectiveness of the risk management and internal control systems of the Company and its subsidiaries on an ongoing basis. The risk management and internal control systems (the "Systems") implemented by the Board, management and relevant parties aim to manage rather than eliminate the risk of failure to achieve the following objectives, and to only provide reasonable, but not absolute, assurance against material misstatement or loss:

- Efficiency and effectiveness of operation
- Reliability of financial reporting
- Compliance with applicable laws and regulations
- Effectiveness of risk management

In order to comply with the applicable code provision D.2 set out in the CG Code, the members of the Board review the effectiveness of risk management and the internal control systems of the Group covering material controls, including financial, operational and compliance controls and risk management functions. The management of the Company actively engages in the risk assessment, the review of responses measures and the discussion with respect to major issues.

The Company has established an internal audit department which is responsible for the implementation of risk management and internal control policies. In performing its responsibilities, the internal audit department has organized and coordinated the Company to identify and assess the risk exposed to the Group for the Board's consideration and motivate the management to design, implement and manage suitable internal control and risk management system to facilitate policies adopted by the Board. In addition to the internal audit department, all employees are accountable for the implementation of risk management and internal control under each of scopes of their responsibilities.

The Company has engaged an independent professional consultant (the "External Consultant") to assist the Audit Committee and the Board in conducting an independent review of the risk management and internal control systems of the Company by reviewing the risk assessment and internal audit projects conducted by the internal audit department, and performing follow-up reviews with a view to facilitating the evaluation on the effectiveness of the Group's risk management and internal control systems by the Audit Committee and the Board.

## Corporate Governance and Other Information (CONTINUED)

1 meeting and 2 meetings have been held by the Corporate Governance Committee and Audit Committee respectively for the Period, mainly reviewing of and discussing on work report on risk control, risk management, internal control review report, follow-up on internal control review.

In view of the efforts of the Group and external reviews conducted by the External Consultant, the Audit Committee and the management of the Company have concluded that there are no irregularities or areas requiring special concern that the risk management and internal control systems are adequate and effective and the Company's allocation of manpower and resources to the accounting, internal audit and financial reporting functions is adequate. The above conclusion has been reported and confirmed to the Board, and the Board is of the view that the risk management and internal control systems of the Group are effective for the Period.

### Model Code for Securities Transactions

The Board has adopted the model code for securities transactions by Directors (the "Model Code") as set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all Directors, apart from Mr. Lan Tianshi ("Mr. Lan"), each of the Directors confirmed that he/she has complied with the required standard of dealings as set out in the Model Code throughout the Period and up to the date of this report.

On 12 June 2023, Mr. Lan, being an executive director of the Company, disposed his award shares granted under share award scheme adopted by the Company on 16 January 2017 (the "Transaction") without notifying the Board prior to the Transaction, which was non-complying with paragraphs A.1 and B.8 of the Model Code.

The Company has taken or will take the following measures to avoid the similar case and to strengthen the Company's corporate governance regarding the Directors' dealings in the Company's securities:

1. the Company has put in place an existing internal approval procedure, which is set out in the Director's Handbook provided by the Company to all Directors, that the Directors shall submit a written notification form to the Board and receive clearance by the Board prior to their dealings in the securities of the Company. In addition, in July 2023, the Company has adopted an additional internal approval procedure applicable for the Company's executive Directors and senior management in respect of their shareholding changes in the Company, pursuant to which, in the event that any executive Director or senior management intends to purchase or sell any of the Company's shares, he/she is required to submit an online application to obtain the approval from the Compliance and Company Secretarial Department of the Company and Mr. Zhu Gongshan (as the chairman of the Company) or Mr. Zhu Yufeng (as the vice chairman of the Company);
2. the management of the Company has discussed the incident with Mr. Lan to ensure that he is aware of and understands the requirements and his obligations under the Model Code; and
3. the Company will arrange its legal advisors to highlight the provisions in the Model Code in the next regular director training to be conducted by legal advisors to the Directors.

## Corporate Governance and Other Information (CONTINUED)

The Board considers that the implementation of the above measures would minimize the chance of breach of Model Code by the Directors in future.

### Purchase, Sale or Redemption of the Company's Listed Securities

During the Period, the Company repurchased a total of 84,500,000 shares of the Company (the "Repurchased Shares") on the Stock Exchange respectively on 2 June, 5 June, 6 June, 7 June, 8 June, 12 June and 14 June 2023 at an aggregate consideration (including transaction cost) of approximately HK\$131 million. The Repurchased Shares were subsequently cancelled on 6 July 2023.

Other than disclosed above, during the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

### Auditor's and Audit Committee's Review

The financial information set out in this report represents the unaudited condensed interim consolidated financial statements of the Group for the Period, which have been reviewed by the Group's external auditor, in accordance with Hong Kong Standard on Review Engagements 2410 issued by the Hong Kong Institute of Certified Public Accountants and by the Audit Committee of the Company which consists of three independent non-executive Directors, namely Mr. Yip Tai Him, Ir. Dr. Raymond Ho Chung Tai and Dr. Shen Wenzhong. The Group's external auditor and Audit Committee expressed no disagreement with the accounting policies and principles adopted by the Group.

### Changes in Information on Directors

Changes in information since the date of publication of the 2022 Annual Report which are required to be disclosed by the Directors pursuant to Rule 13.51B(1) of the Listing Rules are set out as below:

Name of Director	Details of Change	Effective date
Dr. Shen Wenzhong	<ul style="list-style-type: none"><li>Appointed as an independent non-executive director of Zhejiang Bangjie Holding Group Co., Ltd. (浙江棒傑控股集團有限公司) (Shenzhen Stock Exchange Code: 002634)</li></ul>	June 2023
Ir. Dr. Raymond Ho Chung Tai	<ul style="list-style-type: none"><li>Ceased to serve as an independent non-executive director and a member of the audit committee and remuneration committee of Superland Group Holdings Limited (德合集團控股有限公司) (HKEx Stock Code: 368)</li></ul>	July 2023

Other than the disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules as at the date of this report.

# Corporate Information

## Chairman

Zhu Gongshan

## Executive Directors

Zhu Gongshan

Zhu Yufeng (*Vice Chairman*)

Zhu Zhanjun (*Vice Chairman & Joint CEO*)

Lan Tianshi (*Joint CEO*)

Sun Wei

Yeung Man Chung, Charles

(*CFO and Company Secretary*)

## Independent Non-executive Directors

Ho Chung Tai, Raymond

Yip Tai Him

Shen Wenzhong

## Composition of Board Committees

### Audit Committee

Yip Tai Him (*Chairman*)

Ho Chung Tai, Raymond

Shen Wenzhong

### Remuneration Committee

Ho Chung Tai, Raymond (*Chairman*)

Yip Tai Him

Zhu Yufeng

### Nomination Committee

Yip Tai Him (*Chairman*)

Ho Chung Tai, Raymond

Yeung Man Chung, Charles

## Corporate Governance Committee

Ho Chung Tai, Raymond (*Chairman*)

Yip Tai Him

Yeung Man Chung, Charles

## Strategy & Investment Committee

Ho Chung Tai, Raymond (*Chairman*)

Zhu Gongshan

Yip Tai Him

Shen Wenzhong

Zhu Zhanjun

Yeung Man Chung, Charles

## Environmental, Social and Governance Committee

Shen Wenzhong (*Chairman*)

Ho Chung Tai, Raymond

Yip Tai Him

Yeung Man Chung, Charles

## Company Secretary

Yeung Man Chung, Charles

## Authorized Representatives

Zhu Zhanjun

Yeung Man Chung, Charles

## Auditor

Crowe (HK) CPA Limited

9/F Leighton Centre

77 Leighton Road

Causeway Bay

Hong Kong

## Corporate Information (CONTINUED)

### Registered Office

Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

### Principal Place of Business in Hong Kong

Unit 1703–1706, Level 17  
International Commerce Centre  
1 Austin Road West  
Kowloon, Hong Kong

### Cayman Islands Principal Share Registrar and Transfer Office

Suntera (Cayman) Limited  
Suite 3204, Unit 2A  
Block 3, Building D  
P.O. Box 1586  
Gardenia Court  
Camana Bay  
Grand Cayman, KY-1100  
Cayman Islands

### Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### Legal Adviser to the Company As to Hong Kong law

Freshfields Bruckhaus Deringer  
55th Floor  
One Island East  
Taikoo Place, Quarry Bay  
Hong Kong

Morgan, Lewis & Bockius  
Suite 1902-09, 19th Floor  
Edinburgh Tower, The Landmark  
15 Queen's Road Central  
Hong Kong

MinterEllison LLP  
Level 32, Wu Chung House  
213 Queen's Road East  
Hong Kong

### As to Cayman Islands law

Conyers Dill & Pearman  
Cricket Square, Hutchins Drive  
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Grand Cayman, KY1-1111  
Cayman Islands

### Company's Website

[www.gcltech.com](http://www.gcltech.com)

