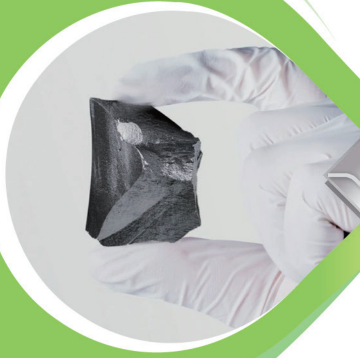
GCL Technology Holdings Limited
協鑫科技控股有限公司

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

2024 ANNUAL REPORT

Bringing **Green Power** to Life
TECH INFINITY




GCL

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FIVE-YEAR FINANCIAL SUMMARY

	For the year ended 31 December				
	2020	2021	2022	2023	**2024**
	RMB'000	RMB'000	RMB'000	RMB'000	**RMB'000**
	(Restated)	(Restated)	(Restated)		
Continuing operations					
Revenue	9,685,547	16,868,378	35,930,485	33,700,479	**15,097,560**
Profit (loss) before tax	(5,099,238)	5,782,613	18,302,602	4,301,910	**(6,192,948)**
Income tax (expense) credit	45,866	(543,992)	(1,880,020)	(974,806)	**544,996**
Profit (loss) for the year from continuing operations	(5,053,372)	5,238,621	16,422,582	3,327,104	**(5,647,952)**
Profit (loss) for the year from discontinued operations	(1,217,879)	(537,614)	(942,631)	—	**—**
Profit (loss) for the year from continuing and discontinued operations	(6,271,251)	4,701,007	15,479,951	3,327,104	**(5,647,952)**
Profit (loss) for the year from continuing and discontinued operations attributable to:					
Owners of the Company	(5,667,864)	5,083,952	16,030,307	2,510,076	**(4,750,396)**
Non-controlling interests	(603,387)	(382,945)	(550,356)	817,028	**(897,556)**
	(6,271,251)	4,701,007	15,479,951	3,327,104	**(5,647,952)**

	At 31 December				
	2020	2021	2022	2023	**2024**
	RMB'000	RMB'000	RMB'000	RMB'000	**RMB'000**
Total assets	80,502,897	64,097,914	85,564,468	82,768,172	**74,874,157**
Total liabilities	60,111,692	31,796,309	40,009,557	34,450,463	**32,581,219**
	20,391,205	32,301,605	45,554,911	48,317,709	**42,292,938**
Equity attributable to owners of the Company	16,589,119	29,026,013	42,682,274	42,587,016	**37,177,048**
Non-controlling interests	3,802,086	3,275,592	2,872,637	5,730,693	**5,115,890**
	20,391,205	32,301,605	45,554,911	48,317,709	**42,292,938**

PERFORMANCE HIGHLIGHTS

	For the year ended 31 December			
	2024 RMB'000	2023 RMB'000	Change RMB'000	% of change
Revenue				
Sales of polysilicon	**8,673,317**	17,435,147	(8,761,830)	(50.3)%
Sales of wafer	**3,347,318**	11,637,962	(8,290,644)	(71.2)%
Sales of electricity	**140,402**	213,987	(73,585)	(34.4)%
Sales of industrial Silicon	**1,571,035**	1,530,327	40,708	2.7%
Processing fees	**387,909**	1,389,369	(1,001,460)	(72.1)%
Others	**977,579**	1,493,687	(516,108)	(34.6)%
	15,097,560	33,700,479	(18,602,919)	(55.2)%
(Loss) profit for the year attributable to owners of the Company	**(4,750,396)**	2,510,076	(7,260,472)	(289.3)%
	RMB Cents	RMB Cents	Change RMB Cents	% of change
(Loss) Earnings per share				
— Basic	**(17.97)**	9.47	(27.44)	(289.8)%
— Diluted	**(17.97)**	9.46	(27.43)	(290.0)%
	RMB million	RMB million	Change RMB million	% of change
Adjusted (loss) earnings before interest expense, tax, depreciation and amortization*	**(1,401)**	12,660	(14,061)	(111.1)%

* Definition of adjusted EBITDA is disclosed in the "Management Discussion and Analysis" Section.

	As at 31 December			
	2024 RMB'000	2023 RMB'000	Change RMB'000	% of change
Extracts of consolidated statement of financial position				
Equity attributable to owners of the Company	**37,177,048**	42,587,016	(5,409,968)	(12.7)%
Total assets	**74,874,157**	82,768,172	(7,894,015)	(9.5)%
Bank balances and cash, pledged and restricted bank deposits	**9,926,379**	9,174,433	751,946	(8.2)%
Indebtedness#	**19,095,320**	15,939,071	3,156,249	19.8%
Key financial ratios				
Current ratio	**1.17**	1.57	(0.40)	(25.5)%
Quick ratio	**1.08**	1.44	(0.36)	(25.0)%
Net debt to equity attributable to owners of the Company	**24.7%**	15.9%	0.09	56.6%

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

GCL Technology Holdings Limited was established in 2006 and listed on the Main Board of the Hong Kong Stock Exchange in 2007 (stock code: 3800. HK), is a constituent stock of the Hang Seng Composite Index, a constituent stock of the Hang Seng China (Hong Kong-listed) 100 Index, and a constituent stock of the MSCI China All-Stock Index of MSCI, an international authoritative index agency. The Company has operations mainly in the United States, Hong Kong, Suzhou, Xuzhou, Leshan, Baotou, Zhongwei.

Shouldering the mission of "focusing on green development and continuously improving human living environment" and as the leading R&D and manufacturer of high-efficiency solar materials in world, the Company continues to break through the key technologies of the industry, promote the progress of the industry with technologies, lead the development direction of high-efficiency solar material technology, and has maintained a technology driver position in the polysilicon industry. The fluidized bed reactor (FBR)-based granular silicon technology with independent intellectual property rights developed by the Company after ten years of hard work has multiple advantages such as low cost, high quality and low carbon footprint, setting a record for the lowest silicon carbon footprint at home and abroad, and has become a green energy to promote deep carbon control and emission reduction in the photovoltaic industry.

COMPANY PROFILE

MAJOR EVENTS 2024

JANUARY

January 8th, GCL Technology received a reply from the Jiangsu Provincial Archives Bureau and the Provincial Archives on the Results of the Inspection and Evaluation of Archives Work in Government Agencies, Enterprises and Institutions in 2023. The archives of Jiangsu GCL Silicon Material Technology Development Co., Ltd. and Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd., subsidiaries of the Company, were both awarded the title of "Jiangsu Provincial Demonstration Archives". These were the only two private enterprises in Xuzhou that have received this honor.

January 18th, GCL Technology's 2024 " GCL Voyage" plan and mid- and senior-level talent reserve training camp were launched in Xuzhou, Jiangsu. At the event, GCL Technology's " GCL Voyage" training program was officially released.

January 19th, the "New Momentum, New Workplace" 2023 China Best Employer of the Year Award Ceremony initiated by Zhaopin.com was held in Wuxi. GCL Technology won the title of "China Best Employer of the Year" in 2023 for its advanced talent concept, strong talent attraction and other outstanding performances.

January 29th, People's Daily published an article in the Key News Edition titled "How the Upstream Photovoltaic Industry Can Strengthen the Industry's Foundation (光伏上游如何夯實產業根基)", focusing in depth on the vivid practice of GCL Technology in continuing to lead the photovoltaic field through technological innovation and quality improvement.

FEBRUARY

February 2nd, China Electronics News published an article in the front page titled "" New Trio" Accelerates the Formation of New Quality Productivity (「新三樣」加快形成新質生產力)" focusing on the innovative practice of GCL's game-changing technology of granular silicon, which relies on technological innovation to drive low cost, high quality, low emission reduction, and rising market share, helping China's "New Trio" to climb higher. February 4th, the official WeChat platform of the Ministry of Industry and Information Technology specially forwarded the original article, once again affirming the game-changing technology of leading enterprises including GCL granular silicon for the scientific and technological support and R&D explosion of China's " New Trio".

MARCH

March 5th, GCL Technology held its first carbon inventory launch conference. The carbon inventory work initiated by GCL Technology is the starting point for the Company to prepare a Carbon White Paper in the future. At the same time, it can empower GCL Technology's customers and upstream and downstream partners to become a leader in promoting carbon emission reduction in the industry, promote greenhouse gas emission reduction within the value chain of both parties, improve transparency and implement relevant responsibilities.

March 8th, CCTV Finance's "Zhengdian Finance (正點財經)" column aired two column special reports on the technological R&D, quality improvement, booming production and sales, and rising market share of Leshan granular silicon base of GCL Technology, which caused a strong response in the industry and the capital market.

March 18th, GCL Technology's 2023 annual results presentation was held in Suzhou, Jiangsu.

March 23rd, from 20:30 to 21:30, the "Building a Carbon Neutral Future Together - 2024 GCL Earth Hour" event planned by GCL Technology was fully launched at the headquarter and each base of GCL Technology. Hundreds of employees participated in various forms in Earth Hour, a global energy-saving event proposed by the WWF to respond to global climate change.

March 29th, five departments including the National Energy Administration jointly announced the list of the fourth batch of smart photovoltaic pilot demonstration enterprises and projects, and Henan GCL Photovoltaic Technology Co., Ltd., a subsidiary of GCL Technology, was on the list.

APRIL

April 3rd, GCL Technology announced that Jiangsu Zhongneng, an indirect wholly-owned subsidiary of the Company as seller, has recently entered into a long-term procurement agreement with LONGI Green Energy, as purchaser, in relation to the procurement of 425,000 tons of polysilicon materials (granular silicon).

MAY

May 9th, on the eve of the 8th "China Brand Day", the 2024 8th China Listed Companies Brand Value List Presentation was held in Shenzhen, Guangdong. After being ranked in the TOP100 of the 7th China Listed Companies Brand Value Vitality List in 2023, GCL Technology was on the list again this year, and ranked 12th with a brand value of RMB31.565 billion, a significant jump of 38 places, and a brand value increase of nearly 50%.

May 16th, during the "Centennial Corporate Culture Brand Innovation and Development Experience Exchange Meeting", the Enterprise Party Building and Corporate Culture Working Committee of the China Cultural Administration Association released the first batch of characteristic cultural brand achievements. After review and approval by the expert group of the China Cultural Administration Association, the "GCL Earth Hour Brand Project " was awarded the first prize for characteristic cultural brand achievements.

JUNE

June 3rd, GCL Technology announced that the Company will explore potential collaboration opportunities with Mubadala Investment Company PJSC to localise an integrated silicon ecosystem in the UAE that is of a significant global and local importance.

June 5th, GCL Technology held a quality integration policy presentation and "Quality Pioneer" award ceremony in Xuzhou, Jiangsu, the birthplace of granular silicon, to discuss how to break through from the path of "quality casting the market " under the challenges of the "four ups and three downs" cycle.

June 5th, at the opening ceremony of the 2024 Shanghai International Carbon Neutrality Technology, Products and Achievements Expo, five subsidiaries of GCL Technology were awarded the Organization Carbon Verification Statement Certification issued by TÜV SÜD. The awarding ceremony was held at the Carbon Expo.

June 13th, the first day of the opening of the 17th (2024) International Photovoltaic Solar Energy and Smart Energy (Shanghai) Exhibition, GCL System Integration and GCL Technology, subsidiaries of Gloden Concord Group, together with Ant Digital Technology and TÜV Rheinland, promoted the full implementation of the upgraded version of the GCL carbon chain project, in order to build GCL carbon chain 2.0 and promote the sustainable development of the domestic carbon footprint management system.

JULY

Starting from July 1st, Inner Mongolia Xin Huan Silicon Energy Technology Co., Ltd., a subsidiary of GCL Technology, officially started trading at the "strategic emerging industry" electricity price, laying a solid foundation for the Company to overcome industry cycles and expand its cost advantages.

AUGUST

August 1st, the Xuzhou Municipal Bureau of Industry and Information Technology brought a good news that Jiangsu GCL Silicon Material Technology Development Co., Ltd., a subsidiary of GCL Technology, was successfully selected as the "Jiangsu Enterprise-level Industrial Internet Platform" awarded by the Jiangsu Provincial Department of Industry and Information Technology through public announcement, achieving a zero breakthrough for GCL in this field! At the same time, the Jiangsu Provincial Department of Industry and Information Technology announced the List of Provincial Industrial Internet Benchmark Factories in 2024, and Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd., a subsidiary of GCL Technology, was on the list.

August 2nd, the granular silicon produced at the Leshan base of GCL Technology obtained the carbon footprint certification from the French Environment and Energy Management Agency (ADEME), with carbon emissions of only 24.913 kilograms of carbon dioxide equivalent per kilogram of granular silicon. This figure is a significant reduction of 33% compared to the carbon footprint of 37.000 kilograms of carbon dioxide equivalent of the granular silicon produced at the Xuzhou base in 2021, once again setting a new global industry record.

August 29th, GCL Technology released its 2024 interim financial report. In the first half of the year, GCL Technology's R&D investment reached RMB718 million, accounting for more than 8% of its revenue and representing a year-on-year increase of 3.8 percentage points, which marks the highest ratio in its history. This has built a robust technological foundation for the Company to navigate market headwinds and achieve breakthroughs in challenging conditions.

SEPTEMBER

September 25th, the 2024 Ningxia Top 100 Private Enterprises Presentation and the Ningxia Excellent and Strong Private Enterprises Assisting Zhongwei's High-Quality Development Conference were held in Zhongwei. The conference released the "2024 Ningxia Top 100 Private Enterprises List" and the "2024 Ningxia Top 100 Manufacturing Enterprises List", and Ningxia GCL Photovoltaic Technology Co., Ltd., a subsidiary of GCL Technology, was on both lists.

September 26th, the silicon metal laboratory of Inner Mongolia Xin Yuan Silicon Material Technology Co., Ltd., a subsidiary of GCL Technology, obtained CNAS accreditation. As the only laboratory in a domestic industrial silicon plant accredited by CNAS, it indicates that the laboratory's testing hardware facilities and equipment, testing technology and management level have reached international standards, and the test results can be globally recognized multilaterally among the 128 member countries of IAF.

OCTOBER

October 11th, the 3rd Jiangsu Enterprise Chief Quality Officer Vocational Skills Competition jointly sponsored by the Jiangsu Provincial Market Regulation Bureau, the Provincial Party Committee and Provincial Organ Working Committee, the Provincial Department of Human Resources and Social Security, the Provincial Federation of Trade Unions and the Provincial Youth League Committee, and hosted by the Provincial Enterprise Chief Quality Officer Association, concluded successfully. Qi Lili (戚莉莉), the professional manager of system management at Jiangsu GCL Silicon Material Technology Development Co., Ltd., a subsidiary of GCL Technology, advanced through preliminary and selection rounds to reach the finals. Standing out among over 4,000 participants, she secured first place with exceptional performance, earning the first prize of the competition.

October 15th, the new device of Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd., a subsidiary of GCL Technology, successfully produced qualified silane gas products, which not only marked the successful operation of the world's largest silane reaction tower, but also marked that Zhongneng Polysilicon has taken solid steps in increasing the volume and reducing the cost of granular silicon products.

October 25th, GCL Technology released a business update announcement for the third quarter of 2024. The granular silicon achieved new industry low in cash cost at only RMB33.18/kg, which gave it sufficient initiative for subsequent performance reversal.

NOVEMBER

November 12th, GCL Technology successfully passed the first supervisory audit of the SA8000 social responsibility system.

November 20th, the 2024 National Semiconductor Materials Standards Annual Conference was held in Leshan, Sichuan. Two industry standards presided over and participated in the revision and formulation of Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd., a subsidiary of GCL Technology, won the 2024 "National Semiconductor Equipment and Materials Standardization Technical Committee Materials Sub-Technical Committee Technical Standards Excellence Award", and Wang Chunming (王春明) of GCL Testing Technology Center of Zhongneng Polysilicon won the honorary title of 2024 "National Advanced Worker in Semiconductor Materials Standardization".

November 21st, GCL Technology was awarded the 2024 "Best Corporate Governance and ESG Awards" by The Hong Kong Institute of Certified Public Accountants in recognition of the Company's unremitting efforts in upholding a high level of corporate governance.

DECEMBER

December 4th, People's Daily published an article in the special column "Reform Adds Power and Development Adds Vitality (改革增動力發展添活力)" in the Key News Edition, to report the new achievements made by the photovoltaic industry driven by both mechanism innovation and technological innovation with the title of "Improve the System and Mechanism to Promote High-quality Economic Development (健全推動經濟高質量發展體制機制)". As a representative of the industry's game-changing technology, GCL Technology's granular silicon and "vital national instrument " such as drones were once again widely concerned and highly praised, fully demonstrating its continued deep cultivation in the field of technological innovation, reflecting the core competitiveness of China's photovoltaic industry in the global market.

December 13th, GCL Technology issued a voluntary announcement. In view of the fact that the current photovoltaic industry is still in a severe state of excessive competition, in order to take the initiative to win the expected dividends, safeguard the continuity of the Company's current R&D and the stability of operations, and cope with the uncertainties in the future, the Company has prudently decided not expect to conduct any Share Buy-back and Cancellation in 2024.

December 19th, GCL Technology announced a lightning placement of 1.56 billion shares at the placing price of HK$1 per share. At the same time, the Company will issue convertible bonds of US$500 million. Overall, GCL Technology will receive more than US$700 million in funding this time.

CHAIRMAN'S STATEMENT AND CEO'S REVIEW OF OPERATIONS AND OUTLOOK

Zhu Gongshan
Chairman

The photovoltaic industry is currently at a critical juncture in the global energy landscape restructuring. Amid market volatility and technological transformation, a new ecosystem and future are rapidly approaching.

GCL Tech has prioritized technological innovation, successfully charting a path focused on efficiency improvement, cost reduction, and quality enhancement. Since the second quarter of 2024, the Group has consistently reduced its losses on a quarterly basis, and its overall operational fundamentals have stabilized and improved, positioning itself to tackle the intense competition in the industry.

Technology comes first, especially original innovations, which are the foundation of China's leading position in the photovoltaic sector and its resilience through sectoral cycles. As one of the core materials in the green and low-carbon era, GCL Tech's proprietary FBR (Fluidized Bed Reactor) granular polysilicon technology has seen its cash manufacturing costs drop to as low as RMB27.14/kg, with the proportion of high-quality products exceeding 95%. Moreover, granular polysilicon's market share has surpassed 25%, with the lowest inventory level in the industry and over 40% of applications among leading downstream customers, gradually transforming itself as a market mainstream, demonstrating immense resilience against cyclical challenges.

Following 14 years of R&D, GCL Tech perovskite project achieved major breakthroughs in efficiency, size, and stability. The 1m×2m single-junction and silicon cell tandem modules reached conversion efficiencies of 19.04% and 26.36%, respectively, ranking first globally. Production costs are 50% lower compared to crystalline silicon cells. The Group has also received TÜV Rheinland's first-ever reliability certification for large-sized perovskite modules, further cementing its leadership position globally.

Driven by the AI wave, GCL Tech is integrating AI+ in R&D and manufacturing, deploying AI-driven high-throughput equipment to automate production and perform analysis, significantly accelerating perovskite's development. By late 2025, the 2.88m^2 tandem modules are projected to achieve 27% efficiency, setting the stage for a new era of PV performance revolution. In the next decade, the FBR granular polysilicon + CCz, BC, and perovskite will form a "golden combination," driving material and application revolutions to unlock new momentum for PV and to begin a new chapter.

From "price competition" to "low-carbon competition," carbon footprint has become a key indicator for measuring the competitiveness in the photovoltaic industry. The shift from high-carbon to low-carbon solutions is inevitable. FBR (Fluidized Bed Reactor) granular polysilicon, being inherently low carbon, recently set a new world record with an ultra-low carbon footprint of 14.441 kg CO_2e/kg. All GCL Tech bases have now achieved 100% coverage of sustainable supply chains, with carbon footprint certifications from TÜV Rheinland across all key segments, including industrial silicon, granular polysilicon, crystal pulling, and wafer slicing.

As for granular polysilicon, the latest "cradle-to-gate" carbon footprint certification is 41kg CO_2e/kg, which, when converted to "gate-to-gate," is 16 kg 16kg CO_2e/kg, generating nearly one billion RMB in carbon premiums annually. On January 6th of this year, the Ministry of Commerce released the "Low Carbon Evaluation Requirements for Photovoltaic Module Exports," stating that photovoltaic modules with a cradle-to-gate carbon footprint below 415kg CO_2/kWp can be classified as low-carbon products. PV modules using GCL Tech's granular polysilicon far outperform this standard and will continue to its reduce carbon values from time to time, transmitting low-carbon benefits across the supply chain, thereby empowering Chinese photovoltaic modules to smoothly embark on their overseas journey.

The further development of photovoltaics is accelerating the integration of energy storage, promoting collaborative development across power sources, grids, loads, and storage, and creating new application scenarios. This fosters the emergence of a new industrial cluster defined by "green polysilicon, green electricity, green hydrogen, and green manufacturing," breaking through the current energy development bottlenecks. Looking ahead, GCL Tech is committed to stepping out of the comfort zone of traditional business models, advancing both the upgrade of existing businesses and the expansion of innovative ones simultaneously, and implementing a "dual-wheel drive" strategy that integrates industrial and financial investments. Leveraging its existing research and development system, GCL Tech will increase investments in granular polysilicon, silane gas, and silicon-carbon anodes, while enhancing technological innovation for electronic-grade polysilicon and perovskite.

GCL Tech has over 600,000 tons of silane gas production capacity, maintaining its position as the world's largest supplier. Its applications are expanding from PV's TOPCon and BC cells to display panels and semiconductors, and now to silicon-carbon anodes and other new energy materials. The current silane gas quality has reached electronic-grade levels, with approximately 25% domestic market share in terms of sales. Due to its unique adjustability and expansion capabilities, GCL Tech's silane gas is poised to flexibly adjust the proportion of self-use and external sales depending on market conditions. The silane gas is evolving to become a significant growth driver for the Group.

CVD method silicon-carbon anodes represent an important technological pathway for next-generation anode materials. GCL Tech fully capitalizes on its self-produced silane gas, CVD process, and fluidized bed reaction production technology team to develop high-purity and high value silicon-based derivatives – the silicon-carbon anodes. The new technology's comprehensive production costs are expected to be reduced by over 25% compared to peers, driving breakthroughs in both performance and cost, and effectively facilitating the AI-driven transition in consumer electronics and the accelerated deployment of solid-state batteries. This marks GCL Tech new foray into the new energy materials sector and a pivotal leap in defining new energy materials group through differentiation.

In addition, GCL Tech new developments, including carbon nanotubes and graphite electrodes, have completed customer validation, while other material projects such as silicon carbide and silicon nitride are advancing rapidly. The incubated XinHua Semiconductor has added 10,000 tons of electronic-grade polysilicon production capacity, with over 50% of the domestic market share. XinHua Semiconductor is the only enterprise that comprehensively masters the large scale production technology for electronic-grade polysilicon, achieving a stable raw material supply for large-sized semi wafers and securing its position as a top-three electronic-grade polysilicon supplier globally. GCL Tech is striving to create a closed-loop value that integrates "research and development, scenario validation, and standard setting," promoting a transition towards energy revolution and the smart era characterized by high efficiency and low costs.

The Group has established a comprehensive intellectual property (IP) protection system, integrating patents + trade secrets + non-compete agreements to build a robust IP moat and continuously raise the entry barriers for granular polysilicon production technology. Concurrently, we have assembled a strong IP enforcement team that will resolutely combat any infringement to safeguard the Group's legitimate rights and interests.

Technology defines application scenarios, and application scenarios reconstruct ecosystems. Expanding applications — such as desert renewable bases, BIPV, smart transportation, AI data centers, and zero-carbon industrial parks — will drive demand for silicon-carbon materials, tandem perovskite, energy storage materials, electronic materials, etc. This round of energy revolution will significantly benefit mankind in all aspects of life and boost overall productivity. Looking towards a vast market, GCL Tech will adhere to long-termism, focusing on material science supported by AI technologies and digital platforms. The Group will actively embrace the industrial and ecological chains while continuously expanding application scenarios and creating a whole new energy materials group. The Group will accelerate its internationalization efforts, using a global mindset to enhance brand, research and development, technology, and operational management outreach. Additionally, GCL Tech will strengthen its intellectual property protection, optimize talent compensation, increase corporate governance levels, enhance ESG potential values and long-term returns, fulfill social responsibilities, and provide comprehensive returns to shareholders, thereby enhancing the long-term value of the Group.

In closing, I would like to express my utmost respect to the board of directors, the management, and all the staff for their diligence, progressiveness, and selfless dedication in the year of 2024. I sincerely appreciate the consistent trust and strong support from our shareholders and partners. In 2025, we will fully incorporate valuable suggestions from all areas of society regarding GCL Tech, establish sustainable external communication channels, and collaborate with global strategic partners to achieve value enhancement, sharing new opportunities in energy transformation while striving for a green and low-carbon future.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

In 2024, the photovoltaic industry chain plunged into its comprehensive overcapacity crisis, marked by severe supply-demand imbalances and a rapidly deteriorating market environment. Nearly all companies found themselves mired in survival mode, with operational performance collapsing and losses snowballing. The industry's reshuffle accelerated, forcing many photovoltaic players to bow out under relentless pressure.

Amid this turbulence, our granular silicon technology carved a path of resilience through its core technical differentiation. Looking at 2025, we aim to spearhead a new wave of breakthroughs, not only fortifying our own sustainable growth but also propelling the revival and transformation of the entire photovoltaic sector. As a trailblazer, we are poised to redefine the industry's next chapter of innovation and resilience.

RESULTS OF THE GROUP

For the year ended 31 December 2024, the revenue and gross loss of the Group were approximately RMB 15,098 million and RMB 2,510 million, respectively, as compared with the revenue and gross profit of approximately RMB33,700 million and RMB11,692 million for the year ended 31 December 2023, respectively.

The Group recorded a loss attributable to the owners of the Company of approximately RMB 4,750 million in 2024, as compared to the profit attributable to owners of the Company of approximately RMB2,510 million in 2023.

PLACING OF NEW SHARES SUBSEQUENT TO REPORTING DATE

On 18 December 2024 (after trading hours), the Company entered into a placing agreement (the "Placing Agreement") with the Platinum Broking Company Limited (the "Placing Agent"). Under this agreement, the Placing Agent agreed to procure, on a best effort basis, placees to subscribe a maximum of 1,560,000,000 ordinary Shares at the placing price of HK$1.0 per Share (the "Placing"). Subsequent to the year ended 31 December 2024, on 3 January 2025, the Company successfully placed 1,560,000,000 Shares at a price of HK$1.0 per Share. The net proceeds from the Placing, after taking into account all related costs, fees, expenses and commission of the Placing, were approximately HK$1.53 billion. The net proceeds from the Placing will be used mainly as follows:

(i) Approximately 60% (i.e., approximately HK$0.92 billion) will be dedicated to the Group's capital expenditure through development and expansion of the Group's solar related business; and

(ii) Approximately 40% (i.e., approximately HK$0.61 billion) will be reserved for general working capital purposes to facilitate the Group's operational activities.

The Company intends to utilise the net proceeds from the Placing for the above intended uses in the coming three to four years.

As at the date of this report, approximately RMB300 million (approximately HK$320 million) has been utilised for the Group's capital expenditure in respect of solar related business and remaining amount of approximately HK$1,210 million has been deposited into the bank accounts of the Group pending application.

SIGNIFICANT BUSINESS DEVELOPMENTS OF THE GROUP

In 2024, GCL Tech's wholly-owned subsidiary, Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd. * (江蘇中能硅業科技發展有限公司) ("Jiangsu Zhongneng"), withdrew from Xuzhou Zhongping GCL Industrial Upgrading Equity Investment Fund LLP* (徐州中平協鑫產業升級股權投資基金 (有限合夥)) ("Xuzhou Fund"). The industrial and commercial registration was formally completed in January 2025, marking Jiangsu Zhongneng's full exit from the indirect investment in Xinjiang Goens Energy Technology Co., Ltd.* (新疆戈恩斯能源科技有限公司) ("Xinjiang Goens").

Following the finalization of both direct and indirect divestment procedures, GCL Tech has severed all legal and operational ties with Xinjiang Goens. The Group has achieved a complete operational separation from Xinjiang Goens, with no residual business engagements. This concludes GCL Tech's total exit from rod silicon operations, enabling an exclusive strategic focus on high-efficiency, low-carbon granular silicon production.

- In June 2023, GCL Tech permanently shut down rod silicon capacity at its Xuzhou production base, laying the groundwork for its phased exit from the rod silicon business;

- On 29 December 2023, the Company announced that its associate, Xinjiang Goens, would declare dividends to shareholder Jiangsu Zhongneng and repurchase 100% of its equity (and upon completion of the disposal, GCL Tech only retained indirect investment in Xinjiang Goens);

- On 20 January 2025, Jiangsu Zhongneng, a wholly-owned subsidiary of GCL Tech, has completed the change of business registration and withdrawn from the list of indirect shareholdings of Xinjiang Goens (Xuzhou Fund), which implies that GCL Tech's direct and indirect holdings of Simens method polysilicon have all been cleared.

SEGMENT INFORMATION

The Group is principally engaged in manufacturing and the sales of polysilicon and wafers 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 product to companies operating in the solar industry.
Solar farm business	—	manages and operates solar farms located in the USA and the PRC.

BUSINESS REVIEW

Solar Material Business

The Group's solar material business is rooted in the upstream of the industrial chain, focusing on the supply of polysilicon and wafers, which provides key support for the steady development of the entire solar industry. Polysilicon is the primary raw material used in solar wafer production in the solar industry chain. Wafers are further processed by downstream manufacturers to produce solar cells and modules.

Polysilicon Segment

For the year ended 31 December 2024,

Capacity - The Group's polysilicon production capacity amounted to 480,000 MT.

Production - The Group produced a total of 269,199MT of polysilicon, representing an increase of 15.9% in polysilicon production as compared to 232,256 MT in the same period of 2023, of which 203,561 MT were granular silicon. Granular silicon production increased by 32.2% year-on-year.

Sales - The Group delivered 281,915 MT of polysilicon (including internal sales of 15,554 MT), representing an increase of 24.7% from 226,123 MT of polysilicon (including internal sales of 18,450 MT) delivered during the same period in 2023.

Selling price - The average external selling price (excluding tax) of granular silicon was approximately RMB34.2 per kilogram. The average external selling price (excluding tax) of granular silicon from January to March 2025 was approximately RMB32.0 per kilogram.

Cost - The average cash manufacturing cost (including research and development) of granular silicon in 2024 was RMB33.52 per kilogram, representing a decrease of 10% as compared with that of the fourth quarter of 2023. Average cash manufacturing cost (including research and development) of granular silicon from January to February 2025 was RMB 27.14 per kilogram, which is in the leading position in the industry.

Ingot & Wafer Slicing Segment

As of 31 December 2024,

Capacity - the Group had an annual mono-silicon crystal pulling capacity of 10 GW and an annual wafer production capacity of 35 GW.

Production - The Group produced a total of 32,243 MW of wafers (including 11,700 MW of OEM wafers), representing a year-on-year decrease of 36.9% from the total production of 51,077 MW of wafers (including 22,294 MW of OEM wafers) in 2023.

Sales - The Group sold 33,525 MW of wafers (including sales of 12,268 MW of OEM wafers), representing a decrease of 35.4% from 51,892 MW of wafers (including 23,224 MW of OEM sales) sold in the same period of 2023.

Revenue from solar materials business

For the year ended 31 December 2024, revenue from external customers for the solar materials business amounted to approximately RMB14,957 million, representing a decrease of 55.3% as compared to RMB33,486 million in 2023 . The decrease was mainly due to the significant decrease in sales price of polysilicon, partially offset by the increase in sales volume during the year.

Steady Increase in Product Quality Led to the Conversion Efficiency Leap in the Industry

In 2024, granular silicon quality stabilized, and client stickiness strengthened

Through persistent efforts and long-term commitment, the quality of the Company's granular silicon products has demonstrated a steady improvement. With consistently stable purity and reliable performance, customer reliance on our granular silicon has grown significantly, fostering increasingly close and robust collaborative partnerships between both parties. By February 2025, the Company's production market share surged to 25.76%, a dramatic rise from 12.14% in January 2024.

In 2024, the sales volume of granular silicon to the top five customers are 79,700 MT, 39,100 MT, 35,300 MT, 24,000 MT and 22,700 MT, respectively, accounting for 71.2% of total sales volume of granular silicon.

Changes in total metal impurity content of granular silicon products in 2024

In 2024, the Company's product quality improved constantly. At present, the Company still maintains an industry-leading level in the control of metal impurities.

The overall proportion of the Company's granular silicon products with a total metal impurity content of 5 elements less than 1ppbw has been basically realized in full, and the overall proportion of the Company's products with a total metal impurities content of 5 elements ≤0.5ppbw is projected to reach 100%. Under the rigorous "total metal impurities of 18 elements of ≤1ppbw" measurement standard, the proportion of the products increased from 55.8% in the first quarter of 2024 to 85.4% in the fourth quarter of 2024, increasing by nearly 53%.

	2024 Q1	2024 Q2	2024 Q3	2024 Q4	January 2025	February 2025
Metal 5 elements≤0.5ppbw	84.7%	90.6%	95.6%	93.3%	95.5%	95.0%
Metal 18 elements≤1ppbw	55.8%	64.3%	81.6%	85.4%	89.9%	91.5%

Changes in turbidity levels of granular silicon products in 2024

Continuous improvements in turbidity have been achieved. Following the full implementation of granular silicon with turbidity ≤120 NTU, the proportion of granular silicon products with turbidity ≤100 NTU has now reached nearly 85%. Simultaneously, the proportion of products with turbidity ≤70 NTU has risen significantly, increasing from 25% in September 2024 to 46.5% by the end of 2024, representing an increase of 86%.

	2024 Q1	2024 Q2	2024 Q3	October 2024	November 2024	December 2024	January 2025	February 2025
Turbidity≤70NTU	/	/	25.0%	38.1%	49.2%	46.5%	38.8%	41.1%
Turbidity≤100NTU	75.0%	84.8%	93.5%	91.2%	98.7%	98.3%	97.6%	97.1%

Progress in Granular Silicon Particle Size and Application Performance in 2024

Unlike rod silicon produced via the modified Siemens method, granular silicon exists in small particle form, resulting in a larger specific surface area. This inherently increases the risk of contamination during application. To address this, the Company successfully increased the particle size of granular silicon in the second half of 2024, with the proportion of such products steadily rising. Currently, large-particle granular silicon maintains an average particle size exceeding 2 mm, while particles below 1 mm of particle size are nearly eliminated.

The larger particle size has also improved performance in crystal pulling applications. The increased size reduces contamination risks during client-side usage. Compared to conventional granular silicon, large-particle granular silicon demonstrated over 10% improvement in the R1-R9 average of head minority carrier resistivity during N-type 18X furnace crystal pulling. Additionally, wire breakage rates of larger particle granular silicon decreased by 4.7 percentage points and finished product output increased by approximately 4 kg/day.

CCz R&D Advancements and Outcomes in 2024

The Company's independently developed CCz (Continuous Czochralski) technology is more perfectly suited for the preparation of monocrystalline silicon using granular silicon as raw material. This innovation helps reduce costs and improve efficiency in the photovoltaic industry. The process is characterized by the ability to simultaneously carry out feeding, melting, and rod pulling within a single crystal furnace, thereby saving time in the cooling and feeding stages.

In 2024, GCL's CCz technology achieved breakthrough progress in reducing interstitial oxygen impurity levels. By optimizing the thermal field structure and refining the process, the oxygen impurity content has reached levels comparable to RCz (Regular Czochralski). Currently, wafers produced using CCz technology have been sent to downstream manufacturers for sample testing.

Current CCz focuses on mitigating minority carrier lifetime degradation while extending crystal pulling durations and ingot lengths to further reduce crystal pulling costs.

Intellectual Property Rights and Patent Protection are the Eternal Engine for High Quality Development of the Company

In the process of photovoltaic industry moving towards high-efficiency technology iteration, patent contention and maintenance has evolved into a strategic high ground for enterprises to construct core competitiveness. In recent years, domestic and foreign photovoltaic leading enterprises around TOPCon, HJT, BC and other high-efficiency battery technology staged patent supply side, litigation battlefield across China, Japan and the United States, the number of lawsuits and the number of technology patents synchronized surge. Behind this battle for technical barriers is the inevitable pain of the transformation of the photovoltaic industry from "manufacturing-driven" to "innovation-driven".

GCL Tech, has been using scientific and technological innovation as the engine, constantly making more efforts and breakthroughs, and amid photovoltaic industry cycle fluctuations, we continue to strengthen the core competitiveness, and become a typical representative of the development of new quality productivity. By the end of 2024, the Group has applied for a total of 1,657 patents, of which a total of 1,282 patents have been authorized. Among them, in 2024, the Group applied for 259 new patents and was authorized 207 new patents, showing continuous growth.

Carbon Footprint Advantage Emerges, Green Low Carbon Driving Whole Chain Carbon Reduction

Against the backdrop of accelerated transformation of the global photovoltaic industry towards low-carbonization, GCL Tech has reshaped the industry pattern through subversive technological breakthroughs. The Company's self-developed FBR granular silicon once again obtained the French carbon footprint certification in February 2025, and once again set a new carbon footprint record in the polysilicon industry with the data of 14.441kg CO2e/kg-Si. Based on GCL Technology's 480,000 tons of granular silicon production capacity, the Company's granular silicon saves about 19.5 billion kWh of electricity and reduces 10.48 million tons of carbon dioxide emissions annually compared with the improved Siemens method, while contributing more than RMB939 million of potential carbon reduction value for China. GCL Technology has successfully promoted the coordinate system transformation of polysilicon industry from "high consumption and high carbon" to "low consumption and low carbon" value coordinate system, which makes the value of 41kgCO2e/kg Si is equivalent to 16kgCO2e/kg-Si from "cradle to gate" to "gate to gate", effectively driving the whole industrial chain to reduce carbon and accelerating the process of a zero-carbon world.

Solar farm business

Overseas Solar Farms

As at 31 December 2024, the solar farm business includes 18 MW of solar farms in the USA. Besides, there were 150 MW solar farms in South Africa, which was partnered with CAD Fund and with the total effective ownership of 9.7% owned by the Group.

PRC Solar Farms

As at 31 December 2024, the Solar Farm business also includes 5 solar farms in the PRC, with both installed capacity and attributable installed capacity at 133 MW.

Sales Volume and Revenue

For the year ended 31 December 2024, the electricity sales volume of the solar farm business overseas and in the PRC were 25,004 MWh and 162,419 MWh, respectively (2023: 25,212 MWh and 183,742 MWh, respectively).

For the year ended 31 December 2024, revenue for the solar farm business was approximately RMB140 million (2023: RMB214 million).

Group's Outlook

The Group's outlook and likely future developments of the Group's business are set out in the "Chairman's Statement and CEO's Reviews of Operations and Outlook" section of this annual report.

FINANCIAL REVIEW

Revenue

Revenue for the year ended 31 December 2024 amounted to approximately RMB15,098 million, representing a decrease of 55.2% as compared with approximately RMB33,700 million for the corresponding period in 2023. The decrease was mainly due to the significant decrease in selling price of polysilicon, partially offset by the increase of sales volume during the year.

Gross Profit Margin

The Group's overall gross profit margin turned to negative gross profit margin 16.6% for the year ended 31 December 2024. For the year ended 31 December 2023, gross profit margin was 34.7%. Gross loss amounted to approximately RMB2,510 million for the year ended 31 December 2024, while gross profit amounted to approximately RMB11,692 million for the year ended 31 December 2023.

For the year ended 31 December 2024, negative gross profit margin of solar material business was 16.9%. For the year ended 31 December 2023, gross profit margin of solar material business was 34.6%. The change was mainly attributable to the decrease in the average selling price of photovoltaic products.

The gross profit margin for the solar farm business decreased from 46.7% for the year ended 31 December 2023 to 16.9% for the year ended 31 December 2024.

Distribution and Selling Expenses

Distribution and selling expenses increased from approximately RMB251 million for the year ended 31 December 2023 to approximately RMB290 million for the year ended 31 December 2024. The increase was mainly due to increase in sales volume of our polysilicon products during the year.

Administrative Expenses

Administrative expenses amounted to approximately RMB1,855 million for the year ended 31 December 2024, representing a decrease of 18.5% from approximately RMB2,274 million for the corresponding year in 2023. The decrease was mainly due to reduction of salary and wage expenses and cost control policies implemented during the year.

Finance Costs

Finance costs amounted to approximately RMB618 million for the year ended 31 December 2024, representing an increase of 47.8% from approximately RMB418 million for the corresponding year in 2023. The increase was mainly due to the increase in average interest-bearing debts during the year.

Impairment Losses (recognised) reversed on financial assets

The Group recognised impairment losses on financial assets of approximately RMB989 million for the year ended 31 December 2024. (2023: Reversal gain on financial assets of approximately RMB137 million).

The impairment losses under expected credit loss model, net for the year ended 31 December 2024 mainly comprised of impairment losses of trade related receivables of approximately RMB140 million (2023: Reversal gain of approximately RMB9 million) and impairment loss on non-trade related receivables of approximately RMB850 million (2023: Reversal gain of approximately RMB 128 million).

Other Gains (Losses), Net

For the year ended 31 December 2024, net gains of approximately RMB1,417 million in other gains (losses), net were recorded as compared to net losses of approximately RMB3,987 million for the year ended 31 December 2023.

The net gains mainly comprises of:

(i) deemed disposal gain of a subsidiary Kunshan GCL Optoelectronic Material Co., Ltd* 昆山協鑫光電材料有限公司 ("Kunshan GCL") of approximately RMB1,952 million (2023: nil)

(ii) loss on disposal of interest in an associate (the Group's 40.29% equity interest in Xuzhou Fund) of approximately RMB185 million (2023: loss on disposal of and impairment loss on interest in an associate of approximately RMB3,190 million (the Group's 38.5% equity interest in Xinjiang Goens))

(iii) impairment loss on property, plant and equipment of approximately RMB401 million, for details please refer to financial statements Note 17 (2023: RMB1,128 million)

(iv) deemed disposal loss of an associate of approximately RMB19 million (2023: gain of approximately RMB202 million)

(v) gain on fair value change of investments at FVTPL of approximately RMB37 million (2023: RMB54 million)

(vi) loss on fair value change of derivative financial instruments of approximately RMB2 million (2023: gain on fair value change of derivative financial instruments and loss on fair value change of convertible bonds to a non-controlling shareholder of subsidiary of approximately RMB71 million)

(vii) gain on disposal of property, plant and equipment of approximately RMB23 million (2023: RMB31 million).

Share of Loss of Associates

The Group's share of loss of associates for the year ended 31 December 2024 was approximately RMB1,282 million, mainly contributed by following associates:

– Share of loss of approximately RMB813 million from Xuzhou Fund;

– Share of loss of approximately RMB292 million from Xuzhou Risheng Low Carbon Industry Investment Partnership (Limited Partnership)* (徐州日晟低碳產業投資合夥企業 (有限合夥)) ("Xuzhou Risheng");

– Share of loss of approximately RMB126 million from Inner Mongolia Zhonghuan GCL Solar Material Co., Ltd.* (內蒙古中環協鑫光伏材料有限公司) ("Mongolia Zhonghuan GCL"); and

– Share of loss of approximately RMB42 million from GCL New Energy Holdings Ltd ("GNE") GNE Group.

* *English name for identification purpose only*

Income Tax (Credit)/Expense

Income tax credit for the year ended 31 December 2024 was approximately RMB545 million as compared with approximately RMB975 million of income tax expense for the year ended 31 December 2023. The changes were mainly due to recognition of deferred tax asset from loss during the period, reversal of withholding tax recorded in previous year and decrease in income tax expenses from solar material business.

Loss Attributable to Owners of the Company

As a result of the above factors, loss attributable to owners of the Company amounted to approximately RMB4,750 million for the year ended 31 December 2024 as compared with a profit of approximately RMB2,510 million for the corresponding period in 2023.

NON-IFRS FINANCIAL MEASURES — ADJUSTED EBITDA

Adjusted EBITDA is earnings before finance costs, income taxes, depreciation and amortization, adjusted by major non-cash items, non-operating or non-recurring items and other one-off expenses. Adjusted EBITDA is not a measure of performance under International Financial Reporting Standards (IFRS).

To supplement the consolidated results of the Group prepared in accordance with IFRS, certain additional non-IFRS financial measures such as adjusted EBITDA have been presented in this report. These unaudited non-IFRS financial measures should be considered in addition to, not as a substitute for, measures of the Group's financial performance prepared in accordance with IFRS. In addition, these non-IFRS financial measures may be defined differently from similar terms used by other companies. The Company believes that these non-IFRS measures provide useful information to help investors and others understand and evaluate the Group's consolidated results of operations in the same manner as management and in comparing financial results across accounting periods and to those of our peer companies by excluding certain non-cash, non-operating or non-recurring items and other one-off expenses.

The following table sets forth a quantitative reconciliation of adjusted EBITDA for the years ended 31 December 2024 and 2023 to its most directly comparable IFRS measurement and profit before tax:

	2024 RMB'million	2023 RMB'million
For the year ended 31 December:		
(Loss)/profit for the year	(5,648)	3,327
Adjust: non-operating or non-recurring items:		
— Impairment loss of property, plant and equipment (Note a)	401	1,128
— Gain on fair value of derivative financial instruments and held for trading investments, net (Note b)	(1)	(82)
— Gain on disposal of subsidiaries, net (Note c)	(1,952)	—
— Loss on fair value of convertible bonds to a non-controlling shareholder of a subsidiary (Note b)	—	12
— Loss/(gain) on deemed disposal or partial disposal of associates (Note c)	19	(202)
— Gain on fair value of investments at FVTPL (Note b)	(37)	(54)
— Exchange (gain) losses, net (Note b)	(8)	25
— Impairment losses recognised/(reversed) on other receivables (Note b)	850	(128)
— Loss on disposal of and impairment loss on interest in associates (Xinjiang Goens and Xuzhou Fund) (Note c)	885	3,892
	(5,491)	7,918
Add:		
Finance costs	618	418
Income tax (credit) expense	(545)	975
Depreciation and amortisation	4,017	3,349
Adjusted (loss) earnings before interest expense, tax, depreciation and amortization	(1,401)	12,660

Note a:

Impairment loss of property, plant and equipment recognised for the year ended 31 December 2024 was considered as non-cash items. We consistently presented the comparative amount for the year ended 31 December 2023.

Note b:

These items were considered as non-operating in nature. All fair value changes related to derivative financial instruments, held for trading investments, convertible bonds to a non- controlling shareholder of a subsidiary, investments at FVTPL and exchange losses were considered as not related to principal business and core operation of the Group, therefore all these changes were considered as non-operating.

For impairment losses recognised/(reversed) on other receivables, as they are not related to normal business of the Company, we consider treating it as non-operating in nature.

Note c:

These items were considered as non-recurring in nature, therefore when assessing company financial performance, non-recurring items were excluded.

For disposal or deemed disposal of subsidiaries, associate or joint venture, are one-off transactions and we consider them as non-recurring items.

Property, Plant and Equipment

Property, plant and equipment decreased from approximately RMB34,784 million as at 31 December 2023 to approximately RMB34,761 million as at 31 December 2024. Slight decrease in property, plant and equipment was mainly attributable to combined effect of capital investment in granular silicon production base and depreciation charged during the year.

Interests in Associates

Interests in associates decreased from approximately RMB5,787 million as at 31 December 2023 to approximately RMB5,578 million as at 31 December 2024. The decrease was mainly due to combined effect of new investment made, disposal during the year and share of loss of associates during the year.

Interests in associates as at 31 December 2024 mainly consist of the below:

- The Group's 44.23% equity interests in Kunshan GCL of approximately RMB1,882 million (as at the date of this report, the Group held approximately 43.65% equity interest in Kunshan GCL);
- The Group's 6.2% equity interests in GNE Group of approximately RMB460 million which include perpetual notes measured at fair value through other comprehensive income;
- The Group's 47.4% equity interest in Xuzhou Jincai Equity Investment Partnership (Limited Partnership)* (徐州金材股權投資合夥企業 (有限合夥)) ("**Xuzhou Jincai**") of approximately RMB1,091 million;
- The Group's 6.42% equity interest in Inner Mongolia Zhonghuan GCL of approximately RMB753 million;
- The Group's 49.88% equity interest in Xuzhou Risheng of approximately RMB428 million; and
- The Group's 24.55% equity interest in Jiangsu Xinhua Semiconductor Material Technology Co., Ltd* ("**Jiangsu Xinhua**") (江蘇鑫華半導體材料科技有限公司) of approximately RMB654 million.

* *English name for identification purpose only*

Trade and Other Receivables

Trade and other receivables decreased from approximately RMB17,901 million as at 31 December 2023 to approximately RMB11,556 million as at 31 December 2024. The decrease was mainly due to decrease of trade and bill receivables during the year.

Trade and Other Payables

Trade and other payables decreased from approximately RMB14,246 million as at 31 December 2023 to approximately RMB10,967 million as at 31 December 2024. The decrease was mainly due to decrease in trade and construction payables, salaries and bonus payables and other payable during the year.

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 23.81% as at 31 December 2024 of the Company's issued share capital (31 December 2023: approximately 23.80%) and exercise significant influence over the Company.

Amounts due from related companies decreased from approximately RMB5,045 million as at 31 December 2023 to approximately RMB791 million as at 31 December 2024. The decrease was mainly due to receipt of dividend receivable from an associate during the year and disposal of an associate during the year, which such related balance was reclassified to other receivable.

Amounts due to related companies decreased from approximately RMB1,361 million as at 31 December 2023 to approximately RMB312 million as at 31 December 2024. The decrease was mainly due to repayment of part of the amounts due to associates during the year.

Liquidity and Financial Resources

As at 31 December 2024, the total assets of the Group were approximately RMB74.9 billion, of which bank balances and cash amounted to approximately RMB5.2 billion and pledged and restricted bank deposits amounted to approximately RMB4.8 billion.

For the year ended 31 December 2024, the Group's main source of funding was cash generated from operating activities and financing activities.

Indebtedness

Details of the Group's indebtedness are as follows:

	As at 31 December 2024 RMB million	As at 31 December 2023 RMB million
Current liabilities		
Bank and other borrowings — due within one year	**10,636**	5,316
Other financial liabilities	**—**	525
Lease liabilities — due within one year	**55**	70
	10,691	5,911
Non-current liabilities		
Bank and other borrowings — due after one year	**8,353**	9,951
Lease liabilities — due after one year	**52**	76
	8,405	10,027
Total indebtedness	**19,096**	15,938
Less: Bank balances and cash and pledged and restricted bank deposits	**(9,926)**	(9,174)
Net debt	**9,170**	6,764

Below is a table showing the total indebtedness structure and maturity profile of the Group.

	2024 RMB million	2023 RMB million
Secured	**11,206**	10,795
Unsecured	**7,890**	5,143
	19,096	15,938
Maturity profile of the total indebtedness		
On demand or within one year	**10,691**	5,911
After one year but within two years	**3,996**	1,144
After two years but within five years	**4,379**	7,284
After five years	**30**	1,599
Group's total indebtedness	**19,096**	15,938

As at 31 December 2024, 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 Secured Overnight Financing Rate.

Key Financial Ratios of the Group

	As at 31 December 2024	As at 31 December 2023
Current ratio	**1.17**	1.57
Quick ratio	**1.08**	1.44
Net debt to equity attributable to owners of the Company	**24.7%**	15.9%

Current ratio	=	Balance of current assets at the end of the year/balance of current liabilities at the end of the year
Quick ratio	=	(Balance of current assets at the end of the year — balance of inventories at the end of the year)/balance of current liabilities at the end of the year
Net debt to total equity attributable to owners of the Company	=	(Balance of total indebtedness at the end of the year — balance of bank balances and cash and pledged and restricted bank deposits at the end of the year)/balance of equity attributable to owners of the Company at the end of the year

Policy risk

Policies made by the Chinese Government have a pivotal role in the solar power industry. Any alternation in the preferential tax policies, on-grid tariff subsidies, generation dispatch priority, incentives, upcoming issuance of green certificates, laws and regulations would cause substantial impact on the solar power industry. Although the Chinese Government has been supportive in aiding the growth of the renewable industry by carrying out a series of favourable measures, it is possible that any material adverse adjustment of such measures may have an impact on the Group's operating condition and profitability. 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 reduce the adverse impact of policy changes on the Group.

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.

In order to minimize the credit risk on sales of polysilicon and wafer products, 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 not significant as most of the revenue is due from the local grid companies in various provinces in PRC.

Risk related to interest rate

Interest risk may result from fluctuations in bank loan rates. Given the Group highly relies on external financing in order to obtain investment capital for new project development and plants and equipment, any interest rate changes will have impact on the capital expenditure and finance costs 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 Group 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.

Risk related to disputes with joint venture partners

The Group's joint venture partners 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.

Pledge of or restrictions on assets

As at 31 December 2024, the following assets were pledged for certain bank and other borrowings, lease liabilities, or restrictions on assets, issuance of bills, short-term letters of credit for trade and other payables granted to the Group:

— Property, plant and equipment of RMB8.0 billion (31 December 2023: RMB1.4 billion)

— Right-of-use assets of approximately RMB0.3 billion (31 December 2023: RMB0.2 billion)

— Investment properties of approximately RMB0.3 billion (31 December 2023: RMB0.4 billion)

— Trade receivables and other receivables of approximately RMB3.9 billion (31 December 2023: RMB3.6 billion)

— Pledged and restricted bank deposits of approximately RMB4.7 billion (31 December 2023: RMB2.2 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 31 December 2024 (31 December 2023: lease liabilities of approximately RMB0.1 billion are recognised with related right-of-use assets of approximately RMB0.1 billion).

Capital and other Commitments

As at 31 December 2024, the Group's capital commitments in respect of purchase of property, plant and equipment contracted for but not provided amounted to approximately RMB1,889 million respectively (2023: RMB3,667 million) and other commitments for investments in the form of equity contributions of approximately RMB568 million (2023: RMB473 million).

Contingencies

Financial guarantees contracts

As at 31 December 2024, the Group did not provide any financial guarantee to its investments at fair value through profit or loss (2023: provided guarantees with amount of approximately RMB71 million).

As at 31 December 2024, the Group provided a total guarantee with maximum amount of approximately RMB510 million to several banks and financial institutions in respect of banking and other facilities of an associate, of which the loan balances were approximately RMB7 million. As at 31 December 2023, the Group provided a total guarantee with maximum amount of approximately RMB2,500 million, of which the loan balances amounted to approximately RMB846 million (the loan was fully repaid by 2024) to several banks and financial institutions in respect of banking and other facilities of a subsidiary of an associate.

Contingent liability

Save as disclosed in above, the Group did not have other significant contingent liabilities as at 31 December 2024 and 2023.

Material acquisitions and disposals

(1) On 16 November 2024, the Group entered into a new shareholder agreement with Kunshan GCL, certain new and existing investors of Kunshan GCL, pursuant to which the certain new and existing investors agreed to subscribe for approximately RMB9 million new registered capital of Kunshan GCL at a cash consideration of RMB344 million, representing approximately 8.41% of the enlarged paid-up registered capital of Kunshan GCL. As a result of the transactions, the Group's equity interest (calculated base on paid-up registered capital) in Kunshan GCL changed from approximately 47.65% to approximately 43.65%. As at 31 December 2024, cash consideration of RMB290 million was injected into Kunshan GCL, the Group's equity interest in Kunshan GCL decreased from 47.65% to 44.23%, the Group lost control over Kunshan GCL but remain significant influence over Kunshan GCL. Kunshan GCL ceased to be a subsidiary of the Group and has became an associate of the Group since the completion of the transaction. A deemed disposal gain of approximately RMB1.95 billion was recorded by the Group upon completion of such transaction.

(2) During year ended 31 December 2024, the Group entered into an agreement to dispose the 40.29% equity interest of Xuzhou Fund, an associated company of the Group, to another independent third party at a consideration of RMB1,500 million. The transaction was completed during the year 2024 and a loss of approximately RMB185 million was recorded by the Group upon completion of such transaction. In addition, the transaction resulted in the Group's recording share of impairment loss of approximately RMB700 million on the assets of Xuzhou Fund, which was included in the sharing of loss from associate in the line item of "Share of (losses) profits of associates" in the Group's consolidated statement of profit or loss and other comprehensive income.

Following completion of the above transaction, the Company has completely divested its direct and indirect investments in relation to the Siemens method polysilicon, to fully focus on the industrial development of the granular silicon.

Save as disclosed above, there were no other significant acquisitions during the year ended 31 December 2024, or plans for material acquisitions as at the date of this report, nor were there other material acquisitions and disposals of subsidiaries during the year ended 31 December 2024.

SIGNIFICANT EVENTS AND BUSINESS DEVELOPMENT AFTER REPORTING PERIOD

On 3 January 2025, the Company completed the Placing of 1,560,000,000 Shares at a price of HK$1.0 per Share. The net proceeds of the Placing, after taking into account all related costs, fees, expenses and commission of the Placing, were approximately HK$1.53 billion. Please refer to the Company's announcement dated 6 January 2025 for the details.

Apart from the above, there were no significant event after the year ended 31 December 2024 and up to the date of this report.

EMPLOYEES

We consider our employees to be our most important resource. As at 31 December 2024, the Group had approximately 9,305 employees (31 December 2023: 12,446 employees), in the PRC and overseas. Employees are remunerated with reference to individual performance, working experience, qualification and the prevailing industry practice. Apart from basic remuneration and the statutory retirement benefit scheme, employee benefits include but are not limited to discretionary bonuses, with share options granted to eligible employee.

MAJOR INVESTOR RELATIONS ACTIVITIES

2024

The Company's management has always firmly believed that establishing a sincere, transparent, and two-way interactive investor relations management system serves as a cornerstone for driving long-term sustainable corporate development. We fully recognize that investors are not only sharers of the Company's value but also partners in its growth—by regularly communicating operating updates, strategic plans, and risk challenges, we aim to enhance market understanding of our business logic and core value in a professional, timely, and accessible manner. More importantly, we consistently prioritize creating long-term shareholder value in decision-making, fostering a healthy interactive ecosystem between management and the capital market to continuously promote a dynamic balance between the Company's intrinsic value and market value.

In 2024, we conducted over 900 online and offline roadshows for domestic and international brokerages and investors, engaging with over 1,500 participants across regions including the Chinese mainland, Hong Kong, Europe, the United States, Singapore, Japan and South Korea, the Middle East, and Latin America. We emphasized multi-channel communication with the capital market by actively participating in 169 strategic conferences globally, hosting 8 investor open days, and organizing 23 on-site research sessions for investors throughout the year, all of which received positive feedback from participants.

In 2024, driven by the team's continuous communication and efforts, renowned domestic and overseas brokerages published 93 research reports on GCL Technology. It is notable that the Company received its first-time coverage reports on GCL Technology initiated by four top-tier foreign institutions, Goldman Sachs, Deutsche Bank, Daiwa Securities, and CLSA. To date, the Company maintains research coverage from 15 overseas brokerages, and holds a sound relationships with all major and influential foreign investment banks, and provide real-time updates on corporate and industry developments through regular meeting and teleconferencing.

In 2024, we continued to produce in-depth industry research and benchmarking analysis reports, delivering analytical reports to management from time to time, including post-trading reviews, weekly summaries, and monthly recaps to enhance understanding of institutional investment strategies and capital market dynamics. We systematically tracked and improved investor communication records, implemented IRM system tools such as Comein Finance and roadshow platforms for communication management and event coordination, and established a more robust and comprehensive investor relations ecosystem to fully embrace the capital market.

2023

The management of the Company firmly believes that effective investor relations enhance investors' understanding of the Company, elevate corporate governance standards, and create shareholder value.

In 2023, we organized and conducted 50 investor research sessions across production bases in Suzhou, Xuzhou, Leshan, Baotou, and Hohhot; Participated in more than 50 well-known securities research institutes' strategy meetings, including 129 small-scale exchange meetings, 28 one-to-one meetings, 54 teleconferences and online exchanges, with total online interactions involving 3,171 participants in-person exchanges with 2,253 individuals. Throughout the year, we executed 486 investor engagement and roadshow activities, reaching a total of 5,424 participants.

In 2023, the output of industry research and benchmarking analysis reports was strengthened on the basis of investment relations exchanges and various kinds of investment relations activities, with analysis reports and trading day retrospective tracking titled *Trading Day Resumption Report*, weekly retrospective and monthly retrospective titled *Weekly Report and Monthly Report* sent to the management of the Company from time to time, as well as the strengthening of research on the investment strategies of market institutions and the analysis of investors. During the year, a total of 22 reports were published by brokerage firms' research institutes, and a total of 31 software on industry analysis and research were exported. We established a comprehensive investor communication account and introduced the IRM system tool for Comein Finance and roadshow management for communication management and meeting organization, so as to build up a perfect and more comprehensive investor relations ecosystem.

In addition, we actively participate in social platform interactions and establish communication with a wide range of investors through various new mediums, so that investors can be the first to understand the latest developments of the Company.

CORPORATE ENVIRONMENTAL POLICIES AND PERFORMANCE

Corporate Environmental Policies and Performance

In the era of accelerating global energy system transformation and deepening green development, GCL Technology resolutely upholds the philosophy of long-termism, closely aligned with its four strategic directions of "Technology, Green, Talent, Value". The Company continuously deepens and amplifies the core advantages of material science and technology to seize the developmental first-mover advantage in the green transition raceway.

In 2024, the Company formally established "Infinity" as its ESG development philosophy, adhering to its mission of "dedicating to green development and continuously improving the human living environment". Guided by technological innovation as the priority, and green and low carbon-orientation, and grounded in talent cultivation, and targeting value creation as its goal, the Company strives to build a " GCL Zero-Carbon World" for humanity's sustainable future.

In 2024, GCL Technology comprehensively established an ESG indicator management system to further enhance ESG governance efficiency, precisely defining responsible entities for each indicator. The Company officially released the GCL Technology ESG Indicator System Management Measures to build a closed-loop ESG management mechanism. In addition, during the reporting period, the Company completed multiple system construction initiatives and successfully obtained ISO 20400 Sustainable Supply Chain System certification. Four companies, namely the Group Management Center, Jiangsu Zhongneng, Xuzhou GCL Photovoltaic, Ningxia GCL Photovoltaic, all attained SA8000 Social Accountability Management System certification, comprehensively enhancing the Company's sustainable development capabilities.

GCL Technology drives industrial transformation through "Technology Infinity", extending from core operations to boundless ecosystems. The Company has implemented full-chain upgrades within its green manufacturing system. The inherently low-carbon FBR granular polysilicon achieved a new global industry record in February this year, with the Inner Mongolia Xin Yuan base obtaining an ultra-low French carbon footprint certification of 14.441 kgCO2e/kg. To amplify the low-carbon advantages of granular polysilicon across the industrial chain, the Company launched the industry-first "GCL Carbon Chain" platform—a full lifecycle carbon footprint dynamic tracking and management system. This innovation establishes a complete product carbon footprint pathway from "raw materials" to "end applications", strongly promoting the establishment of low-carbon factor standards for China's photovoltaic industry.

GCL Technology advances green development through "Green Infinity", extending from ecological protection to an infinite future. Green and low-carbon practices remain the Company's consistent commitment, with the adoption of FBR granular polysilicon widely recognized as the most effective pathway for achieving Scope 3 carbon emission reductions across the industry. In 2024, the Company formulated and disclosed quantitative environmental targets encompassing greenhouse gases, water resources, and hazardous emissions, while continuing to deepen its green development strategy and establishing a comprehensive environmental management system. During the year, the Company achieved electricity savings of approximately 223.74 million kWh and water conservation of approximately 1.4114 million metric tons. Five key production bases completed verification processes covering Scope 1, 2, and 3 emissions, encompassing all core business categories.

GCL Technology unlocks "Talent Infinity", progressing from talent aggregation to potential transformation by collaborating with employees to achieve mutual success. In 2024, the Company continues to promote the construction of a diverse and inclusive workplace, formulating and releasing employee diversity targets to safeguard workforce rights. It continuously refined talent attraction and retention mechanisms, optimized training systems, and empowered employee development through multiple channels. Concurrently, the Company enhanced safety and health management standards and capabilities, fostering a secure, inclusive, and progressive working environment.

GCL Technology advances "Value Infinity", constructing a value-sharing ecosystem that extends from its own operations to the industry and broader society. In 2024, the Company strengthened the professional leadership capabilities of its ESG Governance Committee and build ESG management systems including indicator system and target management system at the managerial level to empower new quality productive forces. It conducted supply chain due diligence and completed its first-ever Sustainable Supply Chain White Paper, empowering value chain partners to establish green and sustainable supply chains. Furthermore, GCL Technology collaborated with industry partners to jointly advance industry development, participated in carbon footprint research and standard pilot calculations for granular polysilicon products upon invitation by the Chinese Research Academy of Environmental Sciences, and successfully joined the United Nations Global Compact (UNGC).

Looking ahead, GCL Technology will leverage technology as its core driver to continuously extend and broaden its industrial chain. By enhancing synergies across its competitive sectors through chain extension, optimization, cluster formation, and cluster-driven growth, the Company will partner with all sectors of society to foster industry prosperity, cementing green technology as a pivotal force for sustainable development.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For details, please refer to the Environmental, Social and Governance Report published separately by the Company.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

ZHU Gongshan (Chairman and Joint CEO), aged 67, is the founder of the Company. He has been an Executive Director and the Chairman of the Company since July 2006. Mr. Zhu Gongshan is also a member of the Strategy and Investment Committee of the Company and a director of several subsidiaries of the Company. He has been appointed as the Joint CEO of the Company since February 2025. He is also the chairman of Golden Concord Group Limited* (協鑫集團有限公司), a director of GCL System Integration Technology Co., Ltd. (協鑫集成科技股份有限公司), a company with its shares listed on the Shenzhen Stock Exchange (Stock Code: 002506) and GCL Energy Technology Co., Ltd. (協鑫能源科技股份有限公司), a company with its shares listed on the Shenzhen Stock Exchange (Stock Code: 002015). Mr. Zhu Gongshan is also an executive director and the chairman of GCL New Energy Holdings Limited, a company with its shares listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 00451). Mr. Zhu Gongshan is the father of Mr. Zhu Yufeng. Mr. Zhu Gongshan acted as a member of the 12th National Committee of the Chinese People's Political Consultative Conference (the "CPPCC"), a member of the 12th Jiangsu Province Committee of the CPPCC, the chairman of Global Green Energy Industry Council, the chairman of Asian Photovoltaic Industry Association, the deputy director of the Green and Low Carbon Development Promotion Committee of China Enterprise Confederation, the executive vice president of the Energy Storage and Electric Vehicle Branch of China Electricity Council. He concurrently serves as the executive chairman of ICC China Environment and Energy Committee, the vice chairman of China Overseas Chinese Entrepreneurs Association, the vice chairman of China Fortune Foundation Limited, the vice chairman of China Industrial Overseas Development & Planning Association, the honorary chairman of Jiangsu Residents Association in Hong Kong, the honorary chairman of the Federation of HK Jiangsu Community Organisations, the honorary chairman of Suzhou Federation of Industry and Commerce and the chairman of SNEC Hydrogen Energy Industry Alliance Council. Mr. Zhu Gongshan has been given the "New China 70th New Energy Industry 10 Outstanding Contributors" award and the medals of "Chinese Enterprise Reform, Figure of Energy Revolution and Leading Energy Entrepreneur of 40 Years Reform and Opening". Mr. Zhu Gongshan graduated from Nanjing Electric Power College* (南京電力專科學校) in July 1981 and obtained a diploma in electrical automation.

ZHU Yufeng (Vice Chairman), aged 43, has been an Executive Director of the Company since September 2009 and is a member of the Remuneration Committee of the Company. Mr. Zhu Yufeng has been appointed as a Vice Chairman of the Board since September 2022. Mr. Zhu Yufeng is also a director of several subsidiaries of the Company. Mr. Zhu Yufeng is the son of Mr. Zhu Gongshan. Mr. Zhu Yufeng joined a subsidiary of the Company in 2006. He is responsible for human resources, administration and project tender of the Company. Mr. Zhu Yufeng currently is also the vice chairman of Golden Concord Group Limited* (協鑫集團有限公司), the chairman of GCL System Integration Technology Co., Ltd. (協鑫集成科技股份有限公司), a company with its shares listed on the Shenzhen Stock Exchange (Stock code: 002506) and GCL Energy Technology Co., Ltd. (協鑫能源科技股份有限公司), a company with its shares listed on the Shenzhen Stock Exchange (Stock code: 002015), an executive director and the vice chairman of GCL New Energy Holdings Ltd. (協鑫新能源控股有限公司), a company with its shares listed on the Main Board of the Hong Kong Stock Exchange (Stock code: 00451). Mr. Zhu Yufeng is the committee secretary of CPC GCL Group Limited (中共協鑫集團有限公司),the vice chairman and the president of Golden Concord Holdings Limited (協鑫(集團)控股有限公司), a member of the Standing Committee of All-China Youth Federation, the vice president of Chinese Young Entrepreneurs' Association, the vice chairman of China Electricity Council, the vice president of General Chamber of Commerce of Jiangsu Province, the president of Jiangsu Youth Chamber of Commerce and a member of the 14th and 15th committees of CPPCC in Suzhou City etc. In addition, Mr. Zhu Yufeng was honored as "2017 Top Ten People of the Year for China New Energy (2017中國新能源十大年度人物)", "2017 Virtuous Leadership Award (2017年度臻善領袖獎)", "2021 China Energy Industry Leader (2021年度中國能源行業領軍人物)" and "2023 Jiangsu Financial Figures (2023江蘇財經人物)". Mr. Zhu Yufeng graduated from George Brown College (Business Administration Faculty).

ZHU Zhanjun (Vice Chairman), aged 55, has been an Executive Director of the Company since January 2015. He has been appointed as the Vice Chairman since February 2022. Mr. Zhu Zhanjun is a member of the Strategy and Investment Committee of the Company and also a director of several subsidiaries of the Company. Mr. Zhu Zhanjun has vast experience in the polysilicon and wafer business. He joined in 2004 as a plant manager of one of the power plants of the Group and was promoted as the general manager in 2006. He was transferred to Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd.* (江蘇中能硅業發展有限公司), a subsidiary of the Company which manufactures polysilicon and acted as the deputy director-infrastructure in 2008. Mr. Zhu Zhanjun was promoted as the general manager of Jiangsu GCL Silicon Material Technology Development Co., Ltd.* (江蘇協鑫硅材料科技發展有限公司), a subsidiary of the Company in 2009 and was appointed as the Vice President of the Company in 2013, overseeing the Company's ingot business and wafer business. Mr. Zhu Zhanjun is an engineer and obtained a master degree in business administration from China Europe International Business School* (中歐國際工商學院) in 2013. Mr. Zhu Zhanjun is currently the vice chairman of Golden Concord Group Limited* (協鑫集團有限公司), a director of both GCL System Integration Technology Co., Ltd. (協鑫集成科技股份有限公司), a company with its shares listed on the Shenzhen Stock Exchange (Stock Code: 002506) and GCL Energy Technology Co., Ltd. (協鑫能源科技股份有限公司), a company with its shares listed on the Shenzhen Stock Exchange (Stock code: 002015).

SUN Wei (Vice Chairman), aged 53, has been an Executive Director of the Company since September 2016 and a director of several subsidiaries of the Company. Prior to the appointment, Ms. Sun was an Executive Director of the Company for the periods from November 2006 to July 2007 and from October 2007 to January 2015, and served the Company as the Honorary Chairlady of Finance and Strategy Function. Ms. Sun has been appointed as Vice Chairman of the Company since February 2025. Ms. Sun currently is responsible for the corporate finance, financial strategy and management of the Group. Ms. Sun currently is the vice chairman of Golden Concord Group Limited* (協鑫集團有限公司), a non-executive director of GCL New Energy Holdings Limited, a company with its shares listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 00451), a director of GCL System Integration Technology Co., Ltd. (協鑫集成科技股份有限公司), a company with its shares listed on the Shenzhen Stock Exchange (Stock Code: 002506), and the joint president of China Hong Kong Economic Trading International Association. Ms. Sun was awarded a doctorate degree in business administration in 2005, and has over 25 years' experience in corporate finance, financial strategy and management experience.

LAN Tianshi (Joint CEO), aged 44, has been appointed as an Executive Director and a Joint CEO since February 2022. He is also a member of the Environmental, Social and Governance Committee of the Company. He joined the Group in July 2007 and served as a professional technician, the deputy factory manager, the factory manager, the assistant deputy general manager, the deputy general manager, the executive deputy general manager and the general manager of Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd.* (江蘇中能硅業科技發展有限公司), a wholly-owned subsidiary of the Company. Mr. Lan currently is also a director of several subsidiaries of the Company and an executive director of Golden Concord Group Limited* (協鑫集團有限公司). Mr. Lan holds a bachelor degree in chemical engineering and technology from Harbin Engineering University, a master degree from Sichuan University and a petrochemical engineering senior engineer with a certificate issued by the Jiangsu Petrochemical Engineering Advanced Professional Technical Qualification Evaluation Committee. Mr. Lan has nearly 20 years of experience in chemical manufacturing and management.

YEUNG Man Chung, Charles (CFO and Company Secretary), aged 57, has been an Executive Director of the Company since September 2014. He is also a member of the Nomination Committee, Corporate Governance Committee, Strategy and Investment Committee, Environmental, Social and Governance Committee of the Company. Mr. Yeung was appointed as the Chief Financial Officer ("CFO") of the Company on 30 April 2014 and Company Secretary of the Company on 20 March 2017. He is also a director of several subsidiaries of the Company and the vice president of Golden Concord Holdings Limited* (協鑫 (集團) 控股有限公司). Prior to joining the Company in April 2014, he served as partner of Deloitte and was a part-time member of the Central Policy Unit of the Government of Hong Kong Special Administrative Region. When he left Deloitte in March 2014, he was the Head of Corporate Finance Advisory Services, Southern China. Mr. Yeung has a bachelor of business degree with a major in accounting and he is also a member of The Hong Kong Institute of Certified Public Accountants and The Australian Society of Certified Practising Accountants and a Certified ESG Planner CEP ®. Mr. Yeung has over 30 years of experience in accounting, auditing and financial management. Mr. Yeung is responsible for the financial control and reporting, corporate finance, tax and risk management of the Company and its subsidiaries. Mr. Yeung is also a non-executive director of GCL New Energy Holdings Limited, a company with its shares listed on the Main Board of the Hong Kong Stock Exchange (Stock Exchange: 00451), and an independent non-executive director of ZXZN Qi-House Holdings Limited, a company with its shares listed on the Hong Kong Stock Exchange GEM Board (Stock code: 08395).

INDEPENDENT NON-EXECUTIVE DIRECTORS

HO Chung Tai, Raymond, ***SBS, MBE, S.B.St.J., JP***, aged 86, has been an Independent Non-Executive Director of the Company since September 2007. Dr. Ho is the Chairman of the Remuneration Committee, the Strategy and Investment Committee and the Corporate Governance Committee of the Company, and also a member of the Audit Committee, the Nomination Committee and the Environmental, Social and Governance Committee of the Company. Dr. Ho has over 60 years of experience in the fields of civil, structural, environmental and geotechnical engineering and direct project management of mega size engineering projects including over 50 years in Hong Kong and 10 years in the United Kingdom. As project director, he had direct management responsibility for the HK$3.0 billion (cost at the time) project of Electrification and Modernisation of Kowloon-Canton Railway (East Rail line) from the mid-70's till early 80's; and also as project director for all the government-funded infrastructure works for Shatin New Town and Tseung Kwan O New Town from early 1982 till the end of 1993, as well as professionally responsible experience in the construction of tunnels, bridges, flyovers, roads, dockyards, wharves, jetties, hospitals, hotels, incinerators, high-rise commercial/residential buildings, slopes, reclamation, environmental studies and environmental protection projects. Dr. Ho is currently the honorary chairman and past chairman of Guangdong Daya Bay Nuclear Power Station and Ling Ao Nuclear Power Station Nuclear Safety Consultative Committee and former professional advisor to The Ombudsman of Hong Kong (Architecture, Engineering and Surveying). He also participates in the promotion of innovation and technology such as Graphene. Dr. Ho also is currently an independent non-executive director of the following listed companies in Hong Kong, namely, Deson Development International Holdings Limited, a company with its shares listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 00262), Chinlink International Holdings Limited, a company with its shares listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 00997) and AP Rentals Holdings Limited, a company with its shares listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 01496).

SHEN Wenzhong, aged 56, Dr. Shen has been an Independent Non-Executive Director of the Company since July 2015. He is the chairman of the Environmental, Social and Governance Committee and a member of the Audit Committee and the Strategy and Investment Committee of the Company. Dr. Shen has been a Professor and PhD supervisor in the School of Physics and Astronomy, Shanghai Jiao Tong University since 1999 as well as a Changjiang Chair Professor of Shanghai Jiao Tong University since 2000. He became the director of the Institute of Solar Energy at Shanghai Jiao Tong University since 2007. Dr. Shen has participated in various science and technology research programmes in the PRC, published scientific papers in international journals and books on photovoltaic subjects. He graduated from the Shanghai Institute of Technical Physics, Chinese Academy of Sciences with a doctorate degree in 1995. During the period from 1996-1999, he joined Georgia State University in the U.S. as a postdoctoral fellow. Dr. Shen is currently the honorary chairman of the Committee of Shanghai Solar Energy Society. He is currently a director of Shanghai Optech Science And Technology Co., Ltd. (上海歐普泰科技創業股份有限公司), a company with its shares listed on the Beijing Stock Exchange (Stock Code: 836414), an independent director of Zhejiang Bangjie Holding Group Co., Ltd (浙江棒傑控股集團股份有限公司), a company with its shares listed on the Shenzhen Stock Exchange (Stock Code: 002634) and Hainan Drinda New Energy Co., Ltd. (海南鈞達新能源科技股份有限公司), a company with its shares listed on the Shenzhen Stock Exchange (Stock Code: 002865).

LI Junfeng, aged 68, has been appointed an independent non-executive director of the Company since November 2024. He is also a member of the Corporate Governance Committee, the Strategy & Investment Committee, the Environmental, Social and Governance Committee of the Company. Mr. Li has been committed to the research of energy economics and the theory of energy and environment. From 1982 to 2011, Mr. Li successively served as an intern researcher, associate researcher, deputy researcher and researcher of the Energy Research Institute under the National Development and Reform Commission (國家發展和改革委員會能源研究所). From 2011 to 2017, Mr. Li served as the director of the National Center for Climate Change Strategy and International Cooperation (國家應對氣候變化戰略研究和國際合作中心). Since 2021, Mr. Li has served as a standing director of the China Energy Research Society (中國能源研究會). Mr. Li is currently also a doctoral supervisor of Renmin University of China (中國人民大學). Mr. Li won the Zayed Future Energy Prize Lifetime Achievement Award in 2017. Mr. Li graduated from the Shandong Institute of Mining and Technology (山東礦業學院) in 1982 with a bachelor's degree in engineering.

YIP Tai Him, aged 54, has been an Independent Non-Executive Director of the Company since March 2009. He is the chairman of the Audit Committee and the Nomination Committee and is also a member of the Remuneration Committee, the Strategy and Investment Committee, the Corporate Governance Committee and the Environmental, Social and Governance Committee of the Company. Mr. Yip is a practising accountant in Hong Kong. He is also a member of the Institute of Chartered Accountants in England and Wales and the Association of Chartered Certified Accountants in the United Kingdom. He has over 25 years of experience in accounting, auditing and financial management. Mr. Yip is currently an independent non-executive director of the following listed companies in Hong Kong, namely, Shentong Robot Education Group Company Limited, a company with its shares listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 08206), Redco Properties Group Limited, a company with its shares listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 01622), Zhongchang International Holdings Group Limited, a company with its shares listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 00859) and Dongguan Rural Commercial Bank Co., Ltd., a company with its shares listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 09889) (the "Bank"). Mr. Yip submitted his resignation to the board of directors of the Bank on 21 March 2025 to resign from, among other things, the position of the independent non-executive director of the Bank due to his term of office reaching the prescribed limit. However, in accordance with the relevant laws and regulations, and the provisions of the articles of association of the Bank, Mr. Yip will continue to perform his duties until the date when the qualification of the newly appointed independent non-executive director of the Bank is approved. For details, please refer to the announcement of the Bank dated 21 March 2025.

* English name for identification only.

SENIOR MANAGEMENT

At the date of this report, the senior management of the Group is the above executive Directors, namely, Mr. Zhu Gongshan, Mr. Zhu Yufeng, Mr. Zhu Zhanjun, Ms. Sun Wei , Mr. Lan Tianshi and Mr. Yeung Man Chung, Charles.

CORPORATE GOVERNANCE REPORT

The Company is dedicated to achieve and maintain a high standard of corporate governance to maximize the Company's and the stakeholders' value, with continuous review and evaluation of the various systems and procedures are carried out to ensure their effectiveness. During 2024, the Company had organised an in-house Directors' training in corporate governance for the Directors and senior management of the Company. The Strategy and Investment Committee has reviewed and assessed its responsibility to cover evaluation of significant investment and disposal proposals. Other work done in relation to corporate governance during 2024 is delineated in this report.

During the year ended 31 December 2024, the Company has complied with the code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 of the Listing Rules.

Subsequent to the year ended 31 December 2024, due to business development and operational needs of the Group, Mr. Zhu Gongshan, an executive Director and the Chairman of the Board, has been appointed as a Joint CEO in replacement of Mr. Zhu Zhanjun with effect from 19 February 2025. The Board considers that vesting the roles of both the Chairman of the Board and the Joint CEO in Mr. Zhu Gongshan ensures that the Group has consistent leadership and can make and implement the business strategies of the Group more effectively. Therefore, the Board considers that the deviation from code provision C.2.1 of the Code is not inappropriate. In addition, under the supervision of the Board which, apart from Mr. Zhu Gongshan being the executive Director, comprises five other executive Directors and four independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and the shareholders of the Company.

CORPORATE CULTURE AND STRATEGY

GCL Technology endeavours to seize clean technology opportunities and consistently implements our mission of "dedicating to green growth and keep improving the human living environment". The Company is committed to building a "zero-carbon world" for a better human life.

The Group promotes its corporate culture in alignment with its core values and vision, which enables the Group to implement its long-term strategies and create sustainable value for its shareholders and other stakeholders.

More information about the Group's core vision, core value, mission and corporate dream is set out in the 2024 ESG Report.

THE BOARD

Board Composition

As at the date of this report, there are ten Board members comprising, six Executive Directors and four INEDs, with different gender, culture, professional background and/or extensive expertise and experience in the Group's business related industries.

Biographical details of the Directors are set out under the section headed "Biographical details of Directors and Senior Management" of this annual report on pages 36 to 40.

Mr. Zhu Gongshan and Mr. Zhu Yufeng are beneficiaries of the Zhu Family Trust which is a controlling shareholder of the Company. Mr. Zhu Yufeng is the son of Mr. Zhu Gongshan. Each of Mr. Zhu Zhanjun, Ms. Sun Wei, Mr. Lan Tianshi and Mr. Yeung Man Chung, Charles holds management positions in the companies controlled by the Zhu Family Trust.

Save for the above and to the best knowledge of the Company, there is no financial, business, family or other material or relevant relationships among members of the Board and the substantial shareholders of the Company.

Each of the four INEDs has made a written confirmation to the Company of his independence with reference to the criteria and guidelines as set out in Rule 3.13 of the Listing Rules. Each Director has declared to the Company of his/her interests in any material contracts or other interest in the business of the Group or in any competing business with the Group. During the year ended 31 December 2024, the Company complied with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules which require the minimum number of INEDs and at least one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise.

Mr. Li Junfeng, who has been appointed as an independent non-executive Director during the year ended 31 December 2024, has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 30 October 2024, and he confirmed that he understood his obligations as a Director.

Appropriate insurance to cover against liability of the Directors and officers of the Company has been arranged and renewed annually.

BOARD PROCESS AND EFFECTIVENESS

The Board is responsible for leading the Group's activities by determining strategic directions and business plan, exercising a number of reserved powers to oversee the operations and monitor the financial performance of the Group by determination of the annual budget, approving significant capital investment, ensuring the integrity of the Group's accounting and financial reporting system and to oversee management in the design, implementation and monitoring of the risk management and internal control systems of the Group and subject to the Listing Rules.

The management is responsible to implement the Board's decision within the delegated authority, to make investment proposal, report their performance regularly to the Board and ensure by continuous monitoring that the Group's risk management and internal control systems are effective. Key features of Board process:

- at least 4 regular Board meetings will be held each year, with additional meetings to be held as and when required. In 2024, there were four regular meetings and 15 non-regular meetings held by the Board;
- in respect of regular meetings, at least 14 days' notice is given to all Directors to give them an opportunity to attend. For all other meetings, reasonable notice is given;
- proposed agenda has been given to all Directors at least 14 days prior to the regular meetings to give them an opportunity to include matters in the agenda and the board papers were sent to all Directors at least 3 days before the meetings;
- all Directors are able to access to the advice and services of the Company Secretary, management and external professionals with a view to ensuring that board procedures, all applicable rules and regulations, are followed;

- minutes of all board meetings and committee meetings have been sent to all Directors for their comments and records respectively, within a reasonable time after the meetings are held; and
- a procedure has been adopted by the Company to enable the Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expense.

BOARD INDEPENDENCE EVALUATION

The Company has established a Board Independence Evaluation Mechanism which sets out the processes and procedures to ensure a strong independent element on the Board, which allows the Board effectively exercises independent judgment to better safeguard Shareholders' interests.

The objectives of the evaluation are to improve Board effectiveness, maximize strengths, and identify the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

Pursuant to the Board Independence Evaluation Mechanism, the Board will conduct annual review on its independence.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The INEDs are appointed for a specific term of office for three years. All Directors, including the INEDs, are subject to retirement by rotation and eligible for re-election at annual general meetings in accordance with the Company's Articles of Association, provided that every Director shall be retired at least once every three years. At the annual general meeting held on 31 May 2024. Mr. Zhu Gongshan, Mr. Lan Tianshi and Ir. Dr. Ho Chung Tai, Raymond had been retired and re-elected as Directors at such meeting.

NOMINATION OF DIRECTOR

Where vacancies arise at the Board or whenever any qualified professionals or individuals with relevant expertise and experience is likely to be invited to join the Board, the age, cultural background, gender, qualifications, experience and awards (if any) of the proposed candidate(s) will be put forward to the Nomination Committee for its consideration and decision whether to make recommendation to the Board. A nomination policy has been adopted by the Company.

RESPONSIBILITIES OF DIRECTORS

During the year, the Directors had performed their responsibilities by attending and participating in various committees meetings, board meetings and general meetings. In order to encourage the Director's active participation in the meetings, meeting materials will be and had been dispatched to the Directors in advance of the meetings (for all regular meetings, at least three days in advance) to allow them to have the chance to read and understand the issues to be discussed at the meetings. The Company will also circulate a monthly report to the Directors to keep them up-to-date of the status and position of the Group.

There were 19 Board meetings held during the year and 1 annual general meeting. The attendance of such meetings is shown in the table below:

Members of the Board	Number of Board meetings attended/held	Number of general meetings attended/held
Executive Directors		
Zhu Gongshan *(Chairman and Joint CEO)*	19/19	1/1
Zhu Yufeng *(Vice Chairman)*	19/19	1/1
Zhu Zhanjun *(Vice Chairman)*	19/19	1/1
Sun Wei *(Vice Chairman)*	19/19	1/1
Lan Tianshi *(Joint CEO)*	19/19	1/1
Yeung Man Chung, Charles *(Chief Financial Officer and Company Secretary)*	19/19	1/1
Independent Non-executive Directors		
Ho Chung Tai, Raymond	19/19	1/1
Shen Wenzhong	19/19	1/1
Li Junfeng	4/4	N/A
Yip Tai Him	19/19	1/1

DIRECTORS' INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Upon the appointment of new Directors, a comprehensive directors' handbook, which sets out the Company's business and a summary of the applicable laws, rules and regulations and key governance issues, will be and had been provided to each newly appointed Directors. A training regarding the rules and regulations applicable to directors of listed companies to observe during their services on Board will also be provided to each of the newly appointed Directors. During the year, the Company had organised an in-house Directors' training for the Directors and the senior management of the Company to attend.

Ongoing updating the Directors and senior management of the Company on further developments and requirements of any applicable rules, regulations and laws or refreshing their knowledge and skills by providing briefings or arrangement of seminars had been adopted by the Company during the year. In addition, understanding the business and operations of the Group is also important for the Directors to discharge their responsibilities.

The Directors acknowledged the importance of updating their professional development and refreshing their knowledge and skills. The Company encouraged the Directors to participate in any seminar or forum organised by professional bodies, independent auditors, solicitors, chambers and business organisations as well as reading relevant articles. Below is a table in accordance with the records maintained by the Company indicating the Directors had received the following training in compliance with code provision C.1.4 of Appendix C1 of the Listing Rules during the year:

	Corporate Governance/Updates on Laws, Rules & Regulations/ Accounting/Financial/Management or Other Professional Skills	
Directors	**Read Materials**	**Attend Seminars/ Briefings**
Executive Directors		
Zhu Gongshan *(Chairman and Joint CEO)*	√	√
Zhu Yufeng *(Vice Chairman)*	√	√
Zhu Zhanjun *(Vice Chairman and Joint CEO)*	√	√
Sun Wei *(Vice Chairman)*	√	√
Lan Tianshi *(Joint CEO)*	√	√
Yeung Man Chung, Charles *(Chief Finance Officer and Company Secretary)*	√	√
Independent Non-executive Directors		
Ho Chung Tai, Raymond	√	√
Shen Wenzhong	√	√
Li Junfeng	√	√
Yip Tai Him	√	√

CHAIRMAN AND JOINT CHIEF EXECUTIVE OFFICER

Mr. Zhu Gongshan had been the Chairman of the Board since September 2009, and since February 2025, Mr. Zhu Gongshan was appointed as Joint Chief Executive Officer ("Joint CEO") of the Company. Mr. Zhu Zhanjun has been appointed as the Vice Chairman of the Board and Mr. Lan Tianshi has been appointed as an executive Director and a Joint CEO since February 2022. Mr. Zhu Yufeng and Ms. Sun Wei had been appointed as the Vice Chairman of the Board since September 2022 and February 2025 respectively. The primary responsibilities of the Chairman are to provide leadership to the Board in setting corporate goals of the Company, overseeing the performance and effectiveness of the Board, ensuring the compliance of rules and regulations and taking a lead to ensure that the Board acts in the best interest of the Company and shareholders as a whole. In particular, the Chairman should ensure that Board meetings are effectively conducted, including all Directors to receive timely, adequate, accurate, complete and reliable information. The Chairman also takes the primary responsibility for ensuring that good corporate governance practices and procedures are established. The Vice Chairman is responsible for assisting the Chairman in daily management of the Board.

The Joint CEO is responsible for strategic planning and management of the Company's daily operation, including financial management, technology and brand development.

The Chairman will meet with the non-executive Directors to discuss with them of any issues concerning the Company, without the presence of the executive Directors. During the year, a meeting had been held among the Chairman and the INEDs.

DELEGATION BY THE BOARD

The Board delegates certain responsibilities to various committees which are discussed below. Each of these committees has its respective terms of reference, all of them are posted on the Stock Exchange's and the Company's websites.

The Board considers that vesting the roles of both the Chairman and the Joint CEO in Mr. Zhu Gongshan ensures that the Group has consistent leadership and can make and implement the business strategies of the Group more effectively. Therefore, the Board considers that the deviation from code provision C.2.1 of the Code is not inappropriate. In addition, under the supervision of the Board which, apart from Mr. Zhu Gongshan being the executive Director, comprises five other executive Directors and four independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and the Shareholders.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the financial statements for each financial year, which give a true and fair view of the state of affairs of the Group and of the profits and cash flows of the Group in accordance with International Financial Reporting Standards, disclosure requirements of the Hong Kong Companies Ordinance and the Listing Rules. In preparing the financial statements for the year ended 31 December 2024, the Directors have selected suitable accounting policies and applied them consistently; made judgements and estimates which are reasonable and have prepared the financial statements on a going concern basis. The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position, results of operations, cash flows and changes in equity of the Group. The Independent Auditor's Report relating to their reporting responsibilities on the financial statements of the Company is set out from pages 91 to 92 of this annual report.

AUDIT COMMITTEE

The Audit Committee comprises three INEDs, namely Mr. Yip Tai Him, Ir. Dr. Ho Chung Tai, Raymond and Dr. Shen Wenzhong. Mr. Yip Tai Him, who is a practicing accountant in Hong Kong and a member of the Institute of Chartered Accountants in England and Wales and the Association of Chartered Certified Accountants in the United Kingdom, possesses extensive accounting experience and serves as the chairman of the committee.

The terms of reference of the Audit Committee, which has been updated on 4 January 2016, setting out the operation, authorities and responsibilities of the committee is available on the websites of the Company and the Stock Exchange. The major responsibilities of the Audit Committee includes:

- monitoring integrity of the financial statements, annual report and interim report;
- monitoring and assessing the risk management and internal control systems (including the adequacy of resources, qualifications and experience of accounting and financial reporting staff);
- discussing the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems;

- considering any major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
- monitoring the independence of an external auditor;
- monitoring and assessing the performance of the external auditor, proposing to the Board the appointment or removal of the external auditor, and facilitating the communication between external auditor and internal audit function;
- reviewing any material queries raised by the external auditor to management about accounting records, financial accounts or systems of control, management's response and the Board's timely response; and
- acting as key representative body for overseeing the Company's relations with the external auditor.

Four Audit Committee meetings were held in 2024 and the attendance is set out in the following table:

Members of Audit Committee	**Number of meetings attended/eligible to attend**
Yip Tai Him *(Chairman)*	4/4
Ho Chung Tai, Raymond	4/4
Shen Wenzhong	4/4

The following work was performed by the Audit Committee during the year ended 31 December 2024 and up to the date of this report:

i. reviewed and approved the audit fees;
ii. assessed the independence of the external auditors;
iii. approved the scope of audit for the year ended 31 December 2024;
iv. reviewed the reports from the Auditor for the interim and year end;
v. reviewed the 2024 audited financial statements and the results announcement;
vi. reviewed the report on the continuing connected transactions for the financial year ended 31 December 2024 and six months ended 30 June 2024;
vii. reviewed the interim and year end internal audit reports and concluded that the Group has effective risk management and internal control systems and the qualifications and experience of the Company's accounting staff and resources for financial reporting function are adequate;
viii. reviewed the corporate governance review report (including the compliance status of provisions in relation to risk management and internal audit under Appendix C1 of the Listing Rules) prepared by Internal Controls Consultant and reported to the Board of its conclusion and recommendation;
ix. recommended the election of the proposed external auditors at the forthcoming annual general meeting; and
x. reviewed and approved certain non-audit services provided by the auditor.

The Audit Committee monitors the audit and non-audit services rendered to the Group by its external auditors and ensures that their engagement in other non-audit services will not impair their audit independence.

For the year ended 31 December 2024, the total remuneration paid to the Crowe (HK) CPA Limited is analysed as follows:

Nature of Service	Fees (RMB'000)
Audit services	
— 2024 Annual audit	9,800
Non-audit services	
— 2024 Interim review	1,800

Risk Management and Internal Control

With assistance of the Corporate Governance Committee and the Audit Committee, the Board of the Company is responsible for monitoring and reviewing the effectiveness of the risk management and internal control systems of the Group (the "Systems") on an ongoing basis. The Systems implemented by the management and relevant parties of the Group aims to manage rather than eliminate risks of failure to achieve the following business 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

Members of the Board and the management of the Company actively engage in the risk assessment, the review of response measures and the discussion with respect to major issues.

The Company has an internal audit department in place to be 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 risks exposed to the Group for the Board's consideration and motivate the management to design, implement and manage suitable internal control and risk management systems 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 scope of their responsibilities.

Systems Overview

Each business unit of the Group adopts the Systems during the ordinary course of business. The risk management portion within the Systems aims to provide clear and effective management procedures for each business units to identify, review and prioritize risks for the purpose of efficient resource allocation in conducting corresponding risk management. The management can also have an understanding of the significant risks exposed to the Group through the Systems, make and implement decisions on risk mitigation accordingly, in which enable its business to achieve a better performance. Further, the internal control portion within the Systems aims to offer a clear guidelines for each business unit to clarify the internal control objectives of each key business process and conduct regular review of the effectiveness of control activities adopted to achieve the control objectives.

Systems Structure and Communication Mechanism

The Board of the Company has been establishing the Audit Committee, which is currently comprised of 3 independent non-executive directors. Members of the Audit Committee have extensive experiences in the industry and ensure their full independence. The Company has also established and published the Terms of Reference for the Audit Committee, which expressly specifies the authorities and responsibilities of the Audit Committee, in accordance with the Listing Rules.

The Company has been adopting risk management and internal control systems at different levels of the Board, the senior management, the management center and its subsidiaries. The internal audit department is responsible for the overall planning and arrangement to carry out appraisal of the adequacy and effectiveness of internal control and risk management systems performed by the management center and the subsidiaries. Positions in relation to risk management and internal control are in place in some subsidiaries, which are responsible for organizing and carrying out specific work in risk management and internal control.

For the purpose of continuous monitoring of risk management and internal control by the Board and the management, the Company has established various communication channels, ensuring that relevant information is circulated in a timely and accurate manner among the Board and the management, and providing the Board with confirmation of implementation status on the Systems from the management:

- The internal audit department conducts risk assessment semi-annually. A comprehensive risk assessment questionnaire is completed by senior personnel of major business units respectively. Each risk assessment questionnaire is submitted to the internal audit department for consolidation, analysis and preparation of a risk assessment report. Major risk items are reported to the Board and management on a regular basis for oversight of the risk management; and

- The internal audit department reports regularly to the management, the Audit Committee and the Board with respect to risk management and internal control, ensuring the Board having known sufficient information for the fulfillment of its continuous responsibility for supervision.

Review Procedure for Systems Effectiveness

The Audit Committee of the Company, on behalf of the Board, makes a comprehensive assessment of the effectiveness of risk management and internal control systems at least semi-annually. The Audit Committee has strictly implemented the supervision function of risk management and internal control during the year ended 31 December 2024 (the "Year") in the following specific procedures:

- reviewed financial controls, internal control and risk management systems of the Company;
- discussed the risk management and internal control systems with the management to ensure that the management has performed its duty to have effective internal control and risk management systems. The discussion included whether the resources, staff qualification and experience, training and relevant budget of the Company in accounting, internal audit, and financial reporting functions, as to whether their relevant employee is sufficient or not;
- considered major investigation findings on risk management and internal control matters on its own initiative or as delegated by the Board and research on the management's response to these findings;
- ensured coordination between the internal and external auditors, and also ensure the internal audit function is sufficiently resourced and properly in place inside the Company, and review and supervise its effectiveness; and
- reported to the Board in relation to matters regarding code provision D.3 of the Corporate Governance Code.

The management of the Company takes responsibilities for implementing risk management and internal control systems on an on-going basis and reporting the implementation position to the Audit Committee and the Board at least semi-annually. The management has primarily conducted the following works in relation to risk management and internal control during the Year:

- The Company has been establishing an internal audit policy to clearly define the scope, duties and responsibilities, as well as reporting protocol of its internal audit function;
- The Company has established a unified risk framework and completed risk pool, and carried out internal risk examination and risk assessments on a regular basis;
- The Company has carried out relevant activities to analyze and monitor the major risks, in terms of strategic, operational, financial, marketing, technological and compliance aspects, in responses to the recent changes in the policies of the photovoltaic industry in mainland China;
- The Company has carried out quantitative risk management regularly with the aim of optimising quantitative risk measurement indexes to support the risk assessment and risk monitoring procedures;
- The Company has conducted review of internal control system through combination of quantitative self-assessment by the business units and qualitative evaluation by the internal audit department, so as to continuously monitored the operation of the internal control system;

- The Company has established risk-oriented internal audit work, effectively carried out the annual internal audit in accordance with the approved internal audit plan, regularly communicated with, and reported to, the management and the Audit Committee about significant findings from the annual internal audit and followed up the rectification matters; and

- The Company has appointed 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 Group for the Year.

The Audit Committee and the Board performed analysis and appraisal of the effectiveness and adequacy of the risk management and internal control systems of the Group through the outcome of the abovementioned review performed by the internal audit department and the External Consultant, considered and were of the opinion that the Group has maintained adequate and effective risk management and internal control systems for the Year.

Significant Risks and Management Program

During the Year, the Company has performed overall risk assessment, updated risk register and analyzed changes in risk result in previous year. Significant risks including overcapacity and insufficient demand were identified below which need constant attention. Part of the mitigation measures adopted by the Group in relation to significant risks are set forth below:

- Accelerate the implementation of investment agreements and construction work for overseas granular silicon projects, further improve the overseas industrial layout, and build core competitive advantages in the global photovoltaic industry chain;

- Enhance collaboration across the industrial chain by sharing resources and complementing strengths to reduce costs. The Company will establish close cooperative relationships with upstream and downstream industrial chain partners to jointly address market changes.

Internal Controls for Handling Inside Information

An inside information committee has been set up since November 2012, which is currently comprises all executive Directors. The committee's principal function is to determine whether any confidential information arises from time to time is inside information or not. If the committee recognises that the information constitutes inside information, it will report to the Board and recommend timely disclosure of such information pursuant to the relevant provisions under the Securities and Futures Ordinance and the Listing Rules. A monthly report of potential inside information, where appropriate, will be provided to the committee for continuous monitoring. A policy of inside information has been provided to the senior management of the Group for implementation. The senior management are encouraged to report to their superiors or the committee directly, in case of any incidents or information that constitutes as potential inside information when performing their duties.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

REMUNERATION COMMITTEE

The Remuneration Committee comprises two INEDs and one executive Director, namely Ir. Dr. Ho Chung Tai, Raymond (chairman of the committee), Mr. Yip Tai Him and Mr. Zhu Yufeng. The Board resolved to adopt that the Remuneration Committee has the duty to determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management. A copy of the terms of reference setting out the operation, authorities and responsibilities of the Remuneration Committee is available at the Company's and the Stock Exchange's websites.

The primary responsibilities of the Remuneration Committee include:

- determining, with delegated responsibility, the remuneration packages of individual executive Directors and senior management;
- making remuneration recommendations of non-executive Directors to the Board;
- recommending the remuneration policy and structure for all Directors and senior management to the Board for approval;
- reviewing and approving the compensation arrangement to executive Directors and senior management for any loss or termination of officer appointment to ensure that it is consistent with contractual terms and is fair and not excessive; and
- reviewing and approving matters relating to share schemes under chapter 17 of the Listing Rules.

Two meetings were held by the Remuneration Committee during the year 2024 and the attendance is set out in the following table:

Members of Remuneration Committee	Number of meetings attended/held
Ho Chung Tai, Raymond *(Chairman)*	2/2
Yip Tai Him	2/2
Zhu Yufeng	2/2

The Remuneration Committee had performed the following work during the year ended 31 December 2024 and up to the date of this report:

i. reviewed and recommended the Board on the remuneration policy of the executive Directors and senior management of the Company;
ii. assessed the performance of the executive Directors;
iii. making remuneration recommendations of non-executive Directors of the Board;
iv. reviewed, considered and approved the remuneration package of the existing executive Directors and senior management;
v. approved the adjustment of remuneration of the executive Directors; and
vi. reviewed and made recommendation to the Board on the granting of share awards to the senior management.

NOMINATION COMMITTEE

The Nomination Committee comprises two INEDs, namely Mr. Yip Tai Him (chairman of the committee) and Ir. Dr. Ho Chung Tai, Raymond, and an executive Director, namely Mr. Yeung Man Chung, Charles. A copy of the terms of reference setting out the operation, authorities and responsibilities of the Nomination Committee is available at the Company's and the Stock Exchange's websites.

The duties of the Nomination Committee include reviewing the structure, size and composition of the Board at least annually and make recommendations on any proposed changes to the Board, identifying and making recommendations to the Board on the selection of individual nominated for directorships, assessing the independence of INEDs, and making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors.

Three meetings were held by the Nomination Committee during the year 2024, the attendance is set out in the following table:

Members of Nomination Committee	**Number of meetings attended/held**
Yip Tai Him *(Chairman)*	3/3
Ho Chung Tai, Raymond	3/3
Yeung Man Chung, Charles	3/3

During the meeting, the committee had reviewed, assessed or made recommendations to the Board (where suitable) on (i) the independence of the INEDs against the criteria and guidelines as set out in Rule 3.13 of the Listing Rules and concluded that all INEDs had complied with the criteria; (ii) the composition of the existing Board members with reference to their age, sex, experience, qualification and expertise against the business scope of the Company and (iii) succession plan.

NOMINATION POLICY

The Company adopted a nomination policy (the "Nomination Policy") and board diversity policy ("Board Diversity Policy"), with effect from 1 January 2019. A summary of the Nomination Policy is set out as follows:

1. Selection Criteria

The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate:

- Reputation for integrity
- Accomplishment and experience relevant in the principal activities of the group or photovoltaic and related industry
- Commitment in respect of available time and relevant interest
- Diversity in all its aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service

These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

2. Nomination Procedures

1 The Secretary of the Nomination Committee shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also put forward candidates who are not nominated by Board members.

2 For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval.

3 Until the issue of the Members' circular, the nominated persons shall not assume that they have been proposed by the Board to stand for election at the general meeting.

BOARD DIVERSITY POLICY

With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

A summary of the Board Diversity Policy is set out as follows:

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board, having due regard to the benefits of diversity on the Board and also the needs of the Board without focusing, on a single diversity aspect. The Company will not consider diversity to be achieved for a single gender board.

- The Board would ensure that appropriate balance of gender diversity is achieved with the ultimate goal of bringing the Board to gender parity. The Board shall include at least one female director. The Board's composition (including but not limited to gender, ethnicity, cultural, age, educational background, professional experience, or length of service) will be disclosed in the Corporate Governance Report annually.
- The Board focuses on the capability of operation judgment, operation management and crisis management, so more than two-thirds of the Board be capable of the ability of relevant core businesses.
- The Company should arrange continuing diversified development for directors so as to improve their decision-making quality, fulfill their supervisory responsibilities, and strengthen the functions of the Board.
- In addition to the Board level, the Company also advocates gender diversity across the workforce (including senior management) by establishing plans or measurable goals to achieve an appropriate balance between the composition of men and women.

The Company considers that the current composition of the Board, one out of its ten members being female, is characterised by diversity, whether considered in terms of gender, cultural, professional background and skills. The current Directors have extensive experience and skills relevant to the business of the Company.

The Board targets to maintain at least one female member, with the ultimate goal of achieving a diversity gender senior management. The Board will continue to seek opportunities to increase the proportion of female members over time as and when suitable candidates are identified.

The Company will continue to take, steps to promote diversity at all levels of its workforce. Opportunities for employment, training and career development are equally opened to all eligible employees without discrimination. Employees of all genders in each department have the opportunity to participate in decision-making and reinforce gender equality awareness through training, publicity and other activities and eliminate gender stereotypes and prejudices in the workplace to ensure that all employees are provided with equal opportunities for career development based on their abilities and performance. Further details of gender ratio and labour force, please refer to "Environmental, Social and Governance Report" of the Company.

The Nomination Committee will review this Policy annually, to ensure the effectiveness of this Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

The Nomination Committee will monitor the implementation of this Policy by conducting review of the Board's composition at least once annually taking into account the benefits of all relevant diversity aspects, and adhering to this Policy when making recommendation on any Board appointments. The Nomination Committee will also ensure that Board diversity is considered as part of the evaluation of the Board's effectiveness.

OTHER COMMITTEE

Strategy and Investment Committee

During the year, the Strategic and Investment Committee comprised seven members, four INEDs (Ir. Dr. Ho Chung Tai, Raymond (who is also the chairman of the committee), Dr. Shen Wenzhong, Mr. Li Junfeng and Mr. Yip Tai Him) and three executive Directors (Mr. Zhu Gongshan, Mr. Zhu Zhanjun and Mr. Yeung Man Chung, Charles). A copy of the terms of reference setting out the operation, authorities and responsibilities of such committee is available at the Company's and the Stock Exchange's websites.

The primary responsibilities of the Strategy and Investment Committee include:

- reviewing long-term strategic development plans;
- reviewing the annual performance of the Company and assessing implementation and progress of the long term strategic development plans;
- reviewing and recommending to the Board on opportunities of upgrading the facilities, expansion, mergers and acquisitions;
- reviewing and recommending to the Board with regard to the political, social and economic development in the PRC affecting or potentially affecting the business activities of the Group;
- reviewing and monitoring the relationship of the Company with its key strategic joint-venture partners or the relationship building with these partners; and
- reviewing, evaluation and recommendation to the Board of any significant investment and disposal proposals.

During the year, the Strategy and Investment Committee (i) reported to the Board and reviewed the long-term strategic development plan of the Group; and (ii) reviewed certain investment proposals and reported to the Board of its conclusion at the Board meeting from time to time.

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee comprises three INEDs, namely Ir. Dr. Ho Chung Tai, Raymond (chairman of the committee), Mr. Li Junfeng, Mr. Yip Tai Him and an executive Director, namely Mr. Yeung Man Chung, Charles. A copy of the terms of reference setting out the operation, authorities and responsibilities of the Corporate Governance Committee is available at the Company's website.

The duties of the Corporate Governance Committee includes:

- developing and reviewing the Company's policies and practices on corporate governance and make recommendations to the Board;
- reviewing and monitoring the training and continuous professional development of Directors and senior management;
- reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct applicable to employees and Directors; and
- reviewing the Company's compliance with the Code and disclosure in the Corporate Governance Report.

Four meetings were held by the committee during the year 2024, the attendance is set out in the following table:

Members of Corporate Governance Committee	**Number of meetings attended/held**
Ho Chung Tai, Raymond *(Chairman)*	4/4
Li Junfeng	N/A
Yip Tai Him	4/4
Yeung Man Chung, Charles	4/4

The committee had reviewed and evaluated the effectiveness of (i) the performance of certain policies and practices adopted by the Company, including the whistle-blowing policy, the inside information policy and discloseable transaction policy and connected transaction policy; (ii) the Board committees, including the Audit Committee, Remuneration Committee, Nomination Committee, Strategy and Investment Committee and Environmental, Social and Governance Committee; (iii) the policy in relation to the training and continuous professional development of Directors and senior management; (iv) the constitution, authority and responsibilities of the Strategy and Investment Committee which mainly deals with the investment proposals and make recommendations to the Board; and (v) the report on whistle-blowing policy. The committee concluded the adopted policies are effective.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Environmental, Social and Governance Committee comprises four INEDs, namely Dr. Shen Wenzhong (chairman of the committee), Ir. Dr. Ho Chung Tai, Raymond, and Mr. Li Junfeng, Mr. Yip Tai Him and two executive Directors namely Mr. Lan Tianshi, Mr. Yeung Man Chung, Charles. A copy of the terms of reference setting out the operation, authorities and responsibilities of Environmental, Social and Governance Committee is available at the Company's and the Stock Exchange's websites.

The duties of the Environmental, Social and Governance Committee includes:

- recommending and reviewing the Group's ESG management policies, vision, strategies and goals for the Board's approval;
- determining the criteria of selecting material ESG factors, identifying and continuously reviewing the list of material ESG factors, and determining the risks and opportunities that material ESG factors will bring to the Group (the "Materiality Assessment") with the assistance of the ESG Working Group. When conducting the Materiality Assessment, the Committee shall fully consider the Group's strategies and current market conditions;
- monitoring the ESG Working Group to develop and implement external stakeholder engagement plans, as well as review and conduct the Materiality Assessment on the basis of investors' and stakeholders' opinions;
- approving ESG-related policies and practices drafted by the Company;
- reviewing and monitoring the Group's policies and practices in relation to material ESG topics and ensure that they are appropriate in the context of the size, business nature and scope of the Group; and
- evaluating and reviewing the applicability of policies related to material ESG topics of the Group once a year or as and when required, report to and provide amendment suggestions for the Board to ensure that they remain relevant and fit for purpose and compliant with the applicable legal and regulatory requirements and international standards.

Four meetings were held by the Environmental, Social and Governance Committee during the year 2024, the attendance is set out in the following table:

Members of Environmental, Social and Governance Committee	**Number of meetings attended/held**
Shen Wenzhong *(Chairman)*	4/4
Ho Chung Tai, Raymond	4/4
Li Junfeng	1/1
Yip Tai Him	4/4
Lan Tianshi	1/1
Yeung Man Chung, Charles	4/4

The committee had reviewed and evaluated the effectiveness of (i) the Group's ESG management policies, vision, strategies and goals with the assistance of management; (ii) provided advice on the actions to be taken to enhance the effectiveness of ESG management; and (iii) reviewed the annual ESG Report (the "ESG Report") to ensure that the ESG Report has properly disclosed ESG risks faced by the Group, the measures taken and the progress of goals achieved in compliance with the Listing Rules, and make recommendation to the Board for the approval of the ESG Report.

DIVIDEND POLICY

The Company has adopted a dividend policy (the "Dividend Policy"). The Board would consider the following factors before declaring or recommending dividend to the Shareholders from time to time:

(a) financial results of the Company;
(b) Shareholders' interests;
(c) general business conditions, strategies and future expansion needs;
(d) the Company's capital requirements;
(e) the payment of cash dividends to the Company from its subsidiaries;
(f) possible effects on liquidity and financial position of the Company; and
(g) the amount of profit can be distributed under applicable accounting standards and other factors that the Board may deem relevant and appropriate.

Any dividend declared by the Company shall be conducted in accordance with the Cayman Islands Companies Law, the Memorandum and Articles of the Company and other applicable laws and regulations, and shall not affect the normal operation of the Company and its subsidiaries.

The Board will review the Dividend Policy, as appropriate, which will include an assessment of the effectiveness of the Dividend Policy and approve any amendments thereto if necessary.

The Board has approved the Share Buy-back and Cancellation or Dividend Payment Plan to conduct share buy-back and cancellation or dividend payment through (i) buy-back and cancellation by the Company of its ordinary shares from the open market, over the three years ending 31 December 2024, 31 December 2025 and 31 December 2026 and/or (ii) declaration and payment of dividends by the Company to Shareholders. Due to the fluctuation in the market conditions of the silicon material and in view of the excessive competition in the photovoltaic industry, during the year ended 31 December 2024, the Company only repurchased a total of 18,112,000 Shares (the "Repurchased Shares") on the Stock Exchange on 26 March 2024 at an aggregate consideration (including transaction cost) of approximately HK$24 million (as opposed to the target of RMB680 million for the year ended 31 December 2024). The Repurchased Shares were not held as treasury shares and were subsequently cancelled on 20 May 2024.

The implementation of Share Buy-back and Cancellation or Dividend Payment Plan is subject to prevailing market conditions and final approval of the Board at the relevant time. For details, please refer to the announcements of the Company dated 15 March 2024 and 13 December 2024, respectively.

COMPLIANCE WITH MODEL CODE

MODEL CODE FOR SECURITIES TRANSACTIONS

The Board has adopted the model code with terms no less exacting than the required standard as set out in Appendix C3 of the Listing Rules as its own model code of conduct regarding Directors' securities transactions (the "Model Code"). Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the year ended 31 December 2024.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Board recognises the importance of communication with shareholders and has adhered to its established communication policy. The general communication policy includes timely dispatch full and accurate information to shareholders and investment public by announcement, financial reports and circulars through the website of the Stock Exchange and the Company's website; maintain dialogue with shareholders by disclosing the way of communication to the Board and in relation to share registration matters, the contact of the share registrar in Hong Kong; and by convening the general meetings (if any) and annual general meeting. On 31 May 2024, the Company convened an annual general meeting. At the meeting, the Directors, members and/or chairman of the Board committees had attended and answer questions raised by the shareholders.

Directors and our Investor Relations team also communicated from time to time with analysts, fund managers, institutional shareholders and media while keeping the stringent standard of not disclosing inside information to any selective group. The Directors, executives together with our Investor Relations team held/participated in meetings, presentations and conference with them. Details of investor relations activities were further described under the section headed "Major Investor Relations Activities" of this report.

The Company has also implemented a number of new measures to further improve and expand communication channels for shareholders, including but not limited to the creation of a Q&A board on the Company's website for investors to submit questions directly in future and where other shareholders can see questions and responses publicly, and organised training for the Company's Investor Relations team to ensure timely and effective communication with shareholders through different channels including the Company's website, social media accounts and email address of the Company's Investor Relations team.

The Company considers that the implementation of the communication policy can facilitate effective communication with shareholders.

SHAREHOLDERS' RIGHTS

Procedures for members to convene extraordinary general meeting ("EGM") and putting forward proposals

The following procedures are subject to the Company's Articles of Association and applicable legislation and regulation.

1. Pursuant to Article 58 of the Articles of Association of the Company, any one or more members of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition.

2. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

3. The requisitionist(s) shall deposit his/their requisition together with the proposals to be considered at such meeting at the principal place of business of the Company at Unit 1703B–1706, Level 17, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong or at any address notified by the Company from time to time and for the attention of the Chairman of the Board and the Company Secretary.

4. If the requisition is in order, the Company Secretary will ask the Board to convene an EGM by serving sufficient notice in accordance with the requirements under the Articles of Association to all the registered members. On the contrary, if the requisition is invalid, the members concerned will be advised of this outcome and accordingly, an EGM will not be convened as requested.

5. The notice period to be given to all the registered members for consideration of the proposal raised by the member(s) concerned at an EGM varies according to the nature of the proposal, as follows:

   — at least twenty-one (21) clear days' notice in writing if the proposal constitutes a special resolution of the Company, which cannot be amended other than to a mere clerical amendment to correct a patent error; and

   — at least fourteen (14) clear days' and not less than ten (10) clear business days' notice in writing if the proposal constitutes an ordinary resolution of the Company.

Members who have enquiries about the above procedures may write to the Company Secretary at Unit 1703B–1706, Level 17, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong or at any address notified by the Company from time to time.

Procedures for a Member to Propose a Person for Election as a Director

The following procedures are subject to the Company's Articles of Association and applicable legislation and regulation.

1. If a member, who is duly qualified to attend and vote at the general meeting convened to deal with appointment/election of director(s), wishes to propose a person (other than the member himself/herself) for election as a director at that meeting, he/she can deposit a written notice at the Company's principal office at Unit 1703B–1706, Level 17, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong, or at any address notified by the Company from time to time for the attention of the Company Secretary of the Company.

2. In order for the Company to inform all members of that proposal, the written notice must state the full name of the person proposed for election as a director, his/her biographical details as required by Rule 13.51(2) of the Listing Rules, and be signed by the member concerned and that person indicating his/her willingness to be elected.

3. The period for lodgment of such a written notice will commence on the day after the despatch of the notice of the general meeting and end no later than seven (7) clear days prior to the date of such general meeting. If the notice is received less than fifteen (15) business days prior to that general meeting (twenty (20) business days in case of annual general meeting), the Company will need to consider adjournment of the general meeting in order to (i) assess the suitability of the proposed candidate; and (ii) publish an announcement or circulate a supplementary circular in relation to the proposal to the members at least fourteen (14) clear days and not less than ten (10) business days prior to the general meeting (twenty (20) business days in case of annual general meeting).

Members who have enquiries about the above procedures may write to the Company Secretary at Unit 1703B–1706, Level 17, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong or at any address notified by the Company from time to time.

ENQUIRIES TO THE BOARD

No procedure set in the Articles of Association of the Company is available for any member to put forward an enquiry to the Board. A member may, of course, at any time write to the board of directors of the Company at the Company's principal office at Unit 1703B–1706, Level 17, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong or at any address notified by the Company from time to time. In relation to share registration matters in Hong Kong, a member shall contact the branch share registrar in Hong Kong, namely Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

REPORT OF THE DIRECTORS

The directors of the Company (the "Directors" or the "Board") submit their report together with the audited consolidated financial statements of GCL Technology Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year 2024 are principally engaged in the manufacturing and sale of polysilicon and wafers products, and developing, owning and operation of solar farms.

The particulars of the Group's principal subsidiaries, interests in associates and interests in joint ventures are set out in notes 50, 21 and 22 of the consolidated financial statements, respectively.

BUSINESS REVIEW

The Group's revenue is derived principally from the sales of polysilicon, wafer and electricity, which is primarily conducted in the PRC. An analysis of the Group's performance for the year by operating segment is set out in note 6 to the consolidated financial statements.

A reasonable review of the Group's business, including the important events affecting the Group that have occurred since the end of 2024 and the likely future developments of the Group's business, is set out in the Chairman's Statement, CEO's Review of Operations and Outlook, and the Management Discussion and Analysis sections on pages 11 to 31 of this report. Potential risks and uncertainties faced by the Group are set out in the Management Discussion and Analysis section on pages 28 to 29 of this report, reviewed and assessed by the Board, which was set out in the Corporate Governance Report under the Risk Management and Internal Controls section on pages 48 to 51. Details about the Group's financial risk management are set out in note 41 to the consolidated financial statements.

There was no incidence of non-compliance with the relevant laws and regulations in relation to the operations that have a significant impact on the Group's business.

COMPLIANCE WITH LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the reporting period, there was no material breach of or non-compliance with the applicable of relevant laws and regulations by the Group.

The Company's environmental policies and performance are set out in the Corporate Environmental Policies and Performance section on pages 34 to 35 of this report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2024 are set out in the consolidated statement of profit or loss and other comprehensive income from pages 93 to 94. The Directors do not recommend the payment of final dividend for the year ended 31 December 2024 (2023: Nil).

FINANCIAL SUMMARY

A summary of the consolidated results and of the assets and liabilities of the Group for the last five financial years is set out on page 2.

PROPERTY, PLANT AND EQUIPMENT

Movements in the property, plant and equipment of the Group during the year are set out in note 17 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the issued share capital of the Company during the year are set out in note 37 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

The distributable reserves of the Company as at 31 December 2024 amounted to approximately RMB35,052 million (2023: approximately RMB39,881 million).

BANK AND OTHER BORROWINGS

Particulars of the Group's bank and other borrowings are set out in note 33 to the consolidated financial statements.

DONATIONS

Donations by the Group for charitable and other purposes as at 31 December 2024 amounted to approximately RMB2.3 million (2023: approximately RMB2.4 million).

EQUITY-LINKED AGREEMENTS

Save for the share option schemes and the share award scheme described below with details of movements set out in note 46 to the consolidated financial statements, no equity–linked agreements were entered into by the Group during the year ended 31 December 2024, or subsisted at the end of the year 2024.

DIRECTORS

The directors of the Company during the year and up to the date of this report are:

Executive Directors

Mr. Zhu Gongshan *(Chairman and Joint CEO)*
Mr. Zhu Yufeng *(Vice Chairman)*
Mr. Zhu Zhanjun *(Vice Chairman)*
Ms. Sun Wei *(Vice Chairman)*
Mr. Lan Tianshi *(Joint CEO)*
Mr. Yeung Man Chung, Charles *(Chief Financial Officer and Company Secretary)*

Independent Non-executive Directors

Ir. Dr. Ho Chung Tai, Raymond
Dr. Shen Wenzhong
Mr. Li Junfeng
Mr. Yip Tai Him

In accordance with Articles 86(3) of the Articles of Association of the Company, Mr. Li Junfeng, a newly appointed independent non-executive director (as an additional director appointed by the Board, effective 1 November 2024), will retire at the forthcoming annual general meeting and, being eligible, offer himself for re-election.

In accordance with Articles 87(1) and (2) of the Articles of Association of the Company, Ms. Sun Wei, Mr. Yeung Man Chung, Charles and Mr. Yip Tai Him will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

The Company has received from each of its independent non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company has assessed their independence and considers that all the independent non-executive directors are independent in accordance with guidelines set out in the Listing Rules.

DIRECTORS' SERVICES CONTRACTS

Each of the independent non-executive directors has entered into a service contract with the Company for a fixed term of three years and will be terminated by not less than three months' notice in writing served by either party on the other. Upon the expiry of the notice period, the appointment will be terminated.

No Director proposed for re-election at the forthcoming annual general meeting has entered into any service agreements with any member of the Group which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTEREST IN CONTRACTS

Save as disclosed under the section headed "Continuing Connected Transactions" in this report of the Directors, no Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party, and which subsisted at the end of the year or at any time during the year.

PERMITTED INDEMNITY PROVISION

Subject to the applicable laws, the Directors, Company Secretary and other officers of the Company shall be indemnified out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses incurred by him or her in the execution of his or her duties or in relation thereto pursuant to the Company's Articles of Associations, provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons. Such provisions were in force during the course of the financial year ended 31 December 2024 and remained in force as of the date of this report.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED COMPANY

As at 31 December 2024, 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 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 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 Listing Rules:

Long position/short position in the shares and underlying shares of the Company:

		Number of ordinary shares held					
Name of Director/ chief executive	**Long/Short position**	**Beneficiary of a trust**	**Corporate interests**	**Personal/ Family interests**	**Number of underlying Shares held**	**Total**	**Approximate percentage of issued share capital (note 5)**
Zhu Gongshan	Long position	6,405,332,156 (note 1)	—	—	6,300,000 (note 2)	6,411,632,156	23.81%
	Short position	240,000,000 (note 3)	—	—	—	—	0.89%
Zhu Yufeng	Long position	6,405,332,156 (note 1)	—	—	5,010,755 (notes 2 & 4)	6,410,342,911	23.81%
	Short position	240,000,000 (note 3)	—	—	—	—	0.89%
Zhu Zhanjun	Long position	—	—	—	6,019,359 (notes 2 & 4)	6,019,359	0.02%
Sun Wei	Long position	—	—	5,723,000	5,012,189 (notes 2 & 4)	10,735,189	0.03%
Lan Tianshi	Long position	—	—	2,497,415	7,512,000 (note 4)	10,009,415	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 Wenzhong	Long position	—	—	—	500,000 (note 4)	500,000	0.00%

Notes:

(1) 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 of the Company and the son of Mr. Zhu Gongshan) as beneficiaries.

(2) 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. Such granted share options 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$1.160 or HK$1.324.

(3) The short position was held as a result of an equity of derivative agreement entered by Happy Genius Holdings Limited.

(4) 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.

(5) The total number of ordinary shares of the Company in issue as at 31 December 2024 is 26,920,818,973.

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 under the 2007 Share Option Scheme after its expiry in 2017, the number of shares available for issue under the 2007 Share Option Scheme are the same as the number of outstanding options, i.e. 36,646,844, representing approximately 0.13% of the number of issued shares as of the date of this annual report.

The eligible participants of the 2007 Share Option Scheme cover directors and management of the Group.

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.

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 not exceeding 200,000,000 shares of the Company. During the year, no share options was granted, a total of 2,618,642 share options were lapsed or forfeited or cancelled and a total of 558,000 share options were exercised. The outstanding share options under the 2007 Scheme Option Scheme as at 31 December 2024 are 36,646,844 share options. Particular of the 2007 Share Option Scheme, including the fair value of the share option at the date of grant, weight average closing price of the shares on the exercise date and the accounting standard adopted are set out in note 46 and 2 to the consolidated financial statements.

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

				Number of options					
Name or category of participant	**Date of grant (note 1)**	**Exercise period**	**Exercise Price per share (HK$)**	**Outstanding as at 1.1.2024**	**Granted during the year**	**Lapsed or forfeited during the year**	**Cancelled during the year**	**Exercised during the year**	**Outstanding as at 31.12.2024**
Directors/chief executive and their associates									
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
Ho Chung Tai, Raymond	29.3.2016	18.4.2016 to 28.3.2026	1.324	1,007,170	—	—	—	—	1,007,170
Yip Tai Him	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
Employees and others	24.3.2014	26.5.2014 to 23.3.2024	2.867	2,618,642	—	(2,618,642)	—	—	0
	19.2.2016	15.3.2016 to 18.2.2026	1.16	23,565,823	—	—	—	—	23,565,823
	29.3.2016	18.4.2016 to 28.3.2026	1.324	2,417,208	—	—	—	—	2,417,208
Total				**39,265,486**	**—**	**(2,618,642)**	**—**	**—**	**36,646,844**

Notes:

1 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 will be fully vested on the fourth anniversary of the date of grant.

2 Mr. Zhu Qingsong passed away in 2021.

2022 Share Option Scheme

The Company adopted a new share option scheme (the "2022 Share Option Scheme") on 9 March 2022 which became effective on 1 April 2022. The purpose of 2022 Share Option Scheme is to replace 2007 Share Option Scheme and to is 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 Company's shareholders.

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 annual report. No share options were outstanding under 2022 Share Option Scheme as at 31 December 2024.

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:

Vesting date	Cumulative percentage of Share a Grantee is entitled to subscribe under Options granted to him/her
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 Scheme, the Company may grant options to directors, employees of the Company and its subsidiaries and qualifying grantees to subscribe for shares of the Company.

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 7 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").

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 this 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 this 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 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 2 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.

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.

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 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 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.

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 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 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 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 year, no Award Share was granted under the Share Award Scheme.

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. Accordingly, there is no upper limit of the number of Award Shares to be satisfied by existing Shares of the Company available for grant as at 1 January 2024 and 31 December 2024, whereas 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 1 January 2024 and 31 December 2024 was nil. Particular of the Share Award Scheme, including the fair value of Award Shares of the date grant, weight average closing price of the share immediately, before the dates on which the Award Shares were vasted are set out in notes 46 and the accounting standard adopted. Details of the Award Shares granted under the Share Award Scheme and the movements during the year are as follows:

			Number of Award Shares					
Name	Date of Grant	Vesting Period	as at 1 January 2024	granted during the year	vested during the year	Cancelled during the year	lapsed during the year	Outstanding as 31 December 2024
Directors								
Zhu Gongshan	6 July 2022	6.07.2022 to 5.07.2027	6,300,000 (note1)	—	—	—	—	6,300,000
Zhu Yufeng	6 July 2022	6.07.2022 to 5.07.2027	3,500,000 (note1)	—	—	—	—	3,500,000
Zhu Zhanjun	6 July 2022	6.07.2022 to 5.07.2027	3,300,000 (note1)	—	—	—	—	3,300,000
Sun Wei	6 July 2022	6.07.2022 to 5.07.2027	3,300,000 (note1)	—	—	—	—	3,300,000
Lan Tianshi	16 February 2022	16.02.2022 to 15.02.2027	7,512,000 (note2)	—	—	—	—	7,512,000
Yeung Man Chung, Charles	6 July 2022	6.07.2022 to 5.07.2027	3,000,000 (note1)	—	—	—	—	3,000,000
Ho Chung Tai, Raymond (note6)	6 July 2022	6.07.2022 to 5.07.2027	500,000 (note1)	—	—	—	—	500,000
Yip Tai Him (note6)	6 July 2022	6.07.2022 to 5.07.2027	500,000 (note1)	—	—	—	—	500,000
Shen Wenzhong (note6)	6 July 2022	6.07.2022 to 5.07.2027	500,000 (note1)	—	—	—	—	500,000
Other Employees	16 February 2022	16.02.2022 to 15.02.2027	155,008,000 (note2)	—	—	—	—	155,008,000
	6 July 2022	6.07.2022 to 5.07.2027	55,230,000 (note1)	—	—	—	—	55,230,000
	21 July 2023	21.07.2023 to 20.07.2027	4,296,000 (note3)	—	—	—	—	4,296,000
Total			242,946,000	—	—	—	—	242,946,000

Notes

1. 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.

2. 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.

3. Based on the closing price of HK$1.59 per Share quoted on the Stock Exchange on 21 July 2023, the market value of the granting Award Shares (at grant price of HK$0.86 per Award Share) is approximately HK$6,830,640.

4. 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.

6. 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 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 year is approximately 0.14%.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2024, 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 recorded in the register kept pursuant to Section 336 of the SFO:

(i) 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** (Note 2)
Asia Pacific Energy Fund Limited	Interest in a controlled corporation (Note 1)	6,405,332,156	23.79%

Notes:

1. 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 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 31 December 2024 is 26,920,818,973.

Save as disclosed aforesaid, so far as is known to any Directors or chief executive of the Company, as at 31 December 2024, 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.

DIRECTOR'S INTEREST IN SIGNIFICANT CONTRACTS

Save as disclosed in the heading "Continuing Connected Transactions", there is no transaction, arrangement or contract of significance subsisting during or at the end of the year in which a director of the Company is or was materially interested, either directly or indirectly.

CONTINUING CONNECTED TRANSACTIONS

The INEDs of the Company, have reviewed and considered the report from internal auditors in respect of the internal audit procedures taken and findings on the continuing connected transactions, confirmed that the continuing connected transactions for the year ended 31 December 2024 and that they were entered into:

i. in the ordinary course of the business of the Group;

ii. on normal commercial terms or better; and

iii. in accordance with the relevant written agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Company has engaged the auditor of the Company to conduct certain procedures in respect of the continuing connected transactions of the Group in accordance with the Hong Kong Standard on Assurance Engagement 3000 (Revised) "Assurance Engagement Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

The auditor has confirmed to the Board in writing that for the year ended 31 December 2024, the continuing connected transactions, which were entered into:

a. have received the approval of the Board;

b. have been in accordance with the pricing policies of the Company for transactions involving the provision of goods or services;

c. have been in accordance with the relevant agreement governing such transactions; and

d. have not exceeded the relevant announced cap amounts for the financial year ended 31 December 2024.

Details of the continuing connected transactions of the Company for the year ended 31 December 2024 that are subject to reporting and annual review requirements under the Listing Rules are as follows:

(1) Perpetual Notes Agreement with GNE

Reference is made to the Company's announcement dated 30 August 2022 and circular dated 6 September 2022 regarding, among other things, the continuation of existing perpetual notes agreement with GNE (the "***Perpetual Notes Agreement***").

On 18 November 2016, certain wholly-owned subsidiaries of the Company, including GCL Technology (Suzhou) Co., Ltd. (協鑫科技(蘇州)有限公司), Jiangsu GCL Silicon Material Technology Development Co., Ltd. (江蘇協鑫硅材料科技發展有限公司), Suzhou GCL Photovoltaic Technology Co., Ltd. (蘇州協鑫光伏科技有限公司), and Taicang GCL Photovoltaic Technology Co., Ltd. (太倉協鑫光伏科技有限公司) (as lenders) and Nanjing GCL New Energy Development Co., Ltd, an indirect wholly-owned subsidiary of GNE (as borrower), entered into the Perpetual Notes Agreement in the principal amount of RMB1,800,000,000. Following the completion of the distribution in specie of shares of GNE by the Company on 29 September 2022, Golden Concord Group, a substantial shareholder and a connected person of the Company, consolidated the financial results of GNE as its subsidiary pursuant to applicable accounting standards. Pursuant to Rule 14A.07(4) of the Listing Rules, GNE became an associate of Golden Concord Group as a connected person of the Company. Accordingly, the Perpetual Notes Agreement constitutes continuing connected transaction of the Company for the purposes of the Listing Rules.

Under the terms of the Perpetual Notes Agreement, the interest rate for the principal amount is 7.3% per annum for the first two years, 9% per annum for the third to fourth year and is capped at 11% per annum starting from the fifth year. Therefore, the maximum interest payment in the year ended 31 December 2024 is RMB210,000,000.00.

Further details on the principal terms of the Perpetual Notes Agreement are set out in the Company's announcement dated 30 August 2022 and circular dated 6 September 2022.

Save as disclosed above, no other related party transactions set out in the note 49 of the consolidated financial statements constitute connected transactions or continuing connected transactions that are required to be disclosed under Chapter 14A of the Listing Rules.

(2) Coal Supply Framework Agreement

Reference is made to the announcement dated 30 December 2022, in relation to:

On 30 December 2022, Jiangsu Zhongneng (as customer) and Suzhou GCL (as supplier) entered into the Coal Supply Framework Agreement, pursuant to which Suzhou GCL agreed to supply coal to Jiangsu Zhongneng for a period of three years commencing from 1 January 2023 and ending on 31 December 2025 ("Coal Supply Framework Agreement").

On 30 December 2022, the Zhu Family Trust is a substantial shareholder of the Company, and therefore is a connected person of the Company. As Suzhou GCL is ultimately held by the Zhu Family Trust, Suzhou GCL is an associate of the Zhu Family Trust and a connected person of the Company under Chapter 14A of the Listing Rules.

The transaction amounts and the annual cap for the years ended 31 December 2024 under Coal Supply Framework Agreement was as follow:

Agreement	**Transaction amount for the year ended 31 December 2024** (RMB)	**Annual Cap for the year ended 31 December 2024** (RMB)
Coal Supply Framework Agreement	60,456,823	810,000,000

An announcement dated on 30 December 2022 setting out details of the above transactions was issued by the Company.

(3) Procurement Framework Agreement

(i) **Reference is made to the announcements dated 18 November 2021, 3 April 2023 and 19 May 2023, in relation to:**

Jiangsu Zhongneng, a wholly-owned subsidiary of the Company (as seller), agreed to sell a total of not less than 97,500 metric tonnes of polysilicon materials and granular silicon to Wuxi Shangji and Hongyuan New Materials (as purchasers) for a term of five years commencing from 1 January 2022 and ending on 31 December 2026. On 19 May 2023, due to the increased minimum order quantity of polysilicon materials and granular silicon under the Procurement Framework Agreement, the seller and the buyer entered into the Supplemental Agreement to increase the Annual Caps for the year ending 31 December 2023, whereas all other terms and conditions of the Procurement Framework Agreement remained unchanged ("Hoyuang Procurement Framework Agreement").

On 3 April 2023, Wuxi Shangji is a substantial shareholder of Inner Mongolia Xin Yuan, a non-wholly-owned subsidiary of the Company established on 2 April 2021, and Hongyuan New Materials is a subsidiary of Wuxi Shangji. As the relevant percentage ratios (as defined under Rule 14A.09 of the Listing Rules) in respect of Inner Mongolia Xin Yuan were less than 10% for the period from 2 April 2021 (date of incorporation) to 31 December 2021, Inner Mongolia Xin Yuan was an insignificant subsidiary of the Company under Rule 14A.09 of the Listing Rules. Therefore, Wuxi Shangji and Hongyuan New Materials were not connected persons of the Company under the Listing Rules. Based on the annual results announcement of the Company for the financial year ended 31 December 2022, which was published by the Company on 30 March 2023, the relevant percentage ratios (as defined under Rule 14A.09 of the Listing Rules) in respect of Inner Mongolia Xin Yuan exceeded 10% for the financial year ended 31 December 2022, and Inner Mongolia Xin Yuan has ceased to be an insignificant subsidiary of the Company under Rule 14A.09 of the Listing Rules. Therefore, each of Wuxi Shangji and Hongyuan New Materials has become a connected person of the Company at the subsidiary level under the Listing Rules.

The transaction amounts and the annual cap for the years ended 31 December 2024 under the Hoyuang Procurement Framework Agreement was as follow:

Agreement	**Transaction amount for the year ended 31 December 2024** (RMB)	**Annual Cap for the year ended 31 December 2024** (RMB)
Hoyuang Procurement Framework Agreement	144,129,600	3,520,000,000

Announcements dated on 18 November 2021, 3 April 2023 and 19 May 2023 setting out details of the above transactions were issued by the Company.

(ii) **Reference is made to the announcement dated 15 March 2024, in relation to:**

The Group had entered into various recurring transactions with Tianjin Huanrui and Inner Mongolia Zhonghuan, respectively, pursuant to the Relevant Agreements, and the Group expects to continue such recurring transactions contemplated under the Relevant Agreements:

(a) on 29 January 2021, the Company entered into the Cooperative Framework Agreement with Tianjin Huanrui (as supplemented by the Supplemental Agreement on 17 October 2022), pursuant to which the Company (by itself or through its subsidiaries) (as seller), agreed to sell a total of 350,000 metric tonnes of polysilicon to Tianjin Huanrui (as purchaser) for a term of five years commencing from 1 January 2022 and ending on 31 December 2026;

(b) on 2 January 2024, Konca Solar, an indirect non-wholly-owned subsidiary of the Company, entered into the First Procurement Framework Agreement with Inner Mongolia Zhonghuan, pursuant to which Konca Solar (as purchaser) agreed to purchase a proposed annual order quantity of 12,000 metric tonnes of monocrystalline silicon ingots from Inner Mongolia Zhonghuan (as seller) for the term commencing from the date of the First Procurement Framework Agreement and ending on 31 December 2024; and

(c) on 31 January 2024, Konca Solar, entered into the Second Procurement Framework Agreement and the Third Procurement Framework Agreement with Inner Mongolia Zhonghuan, pursuant to which Konca Solar (as purchaser) agreed to purchase a further proposed aggregate annual order quantity of 19,948 metric tonnes of monocrystalline silicon ingots from Inner Mongolia Zhonghuan (as seller) for the term commencing from the date of the Second Procurement Framework Agreement and the date of the Third Procurement Framework Agreement, respectively, and ending on 31 December 2024.

On 15 March 2024, Tianjin Huanrui is a direct wholly-owned subsidiary of TCL and Inner Mongolia Zhonghuan is an indirect non-wholly-owned subsidiary of TCL. TCL is a subsidiary of TCL Technology. TCL Technology indirectly holds 40% equity interest in Inner Mongolia Xinhuan, an indirect subsidiary of the Company established on 15 July 2022. As such, TCL Technology is a substantial shareholder of Inner Mongolia Xinhuan, and each of Tianjin Huanrui and Inner Mongolia Zhonghuan is an associate of TCL Technology. As the relevant percentage ratios (as defined under Rule 14A.09 of the Listing Rules) in respect of Inner Mongolia Xinhuan were less than 10% for the period from 15 July 2022 (date of establishment) to 31 December 2022, Inner Mongolia Xinhuan was an insignificant subsidiary of the Company under Rule 14A.09 of the Listing Rules. Therefore, each of Tianjin Huanrui and Inner Mongolia Zhonghuan was not a connected person of the Company under the Listing Rules.

Based on the annual results announcement of the Company for the financial year ended 31 December 2023, which was published by the Company on 15 March 2024, the relevant percentage ratios (as defined under Rule 14A.09 of the Listing Rules) in respect of Inner Mongolia Xinhuan exceeded 10% for the financial year ended 31 December 2023, and Inner Mongolia Xinhuan has ceased to be an insignificant subsidiary of the Company under Rule 14A.09 of the Listing Rules. Therefore, each of Tianjin Huanrui and Inner Mongolia Zhonghuan has become a connected person of the Company at the subsidiary level under the Listing Rules.

Based on the annual results announcement of the Company for the financial year ended 31 December 2023, which was published by the Company on 15 March 2024, the relevant percentage ratios (as defined under Rule 14A.09 of the Listing Rules) in respect of Inner Mongolia Xinhuan exceeded 10% for the financial year ended 31 December 2023, and Inner Mongolia Zhonghuan has ceased to be an insignificant subsidiary of the Company under Rule 14A.09 of the Listing Rules. Therefore, each of Tianjin Huanrui and Inner Mongolia Zhonghuan has become a connected person of the Company at the subsidiary level under the Listing Rules.

The transaction amounts and the annual cap for the years ended 31 December 2024 under above agreements were as follow:

Agreement(s)	**Transaction amount for the year ended 31 December 2024** (RMB)	**Annual Cap for the year ended 31 December 2024** (RMB)
• Cooperative Framework Agreement (as supplemented by the Supplemental Agreement)	1,389,573,185	4,550,000,000
• The First Procurement Framework Agreement	734,322,008	900,000,000
• the Second Procurement Framework Agreement and the Third Procurement Framework Agreement	0	1,497,000,000

An announcement dated 15 March 2024 setting out details of the above-mentioned transaction was issued by the Company.

(4) Wafer Sale Agreement

Reference is made to the announcement dated 1 December 2023, in relation to:

On 1 December 2023, GCL Technology Suzhou, a wholly-owned subsidiary of the Company, (as the seller), and GCL System Integration (as the buyer) entered into the Wafer Sale Agreement, pursuant to which the Seller shall sell and the Buyer shall purchase certain quantities of wafers during the period from 1 December 2024 to 31 December 2024 ("Wafer Sale Agreement").

On 1 December 2023, the Zhu Family Trust is a substantial shareholder and a connected person of the Company. GCL System Integration is ultimately controlled by Mr. Zhu. Accordingly, GCL System Integration is a connected person of the Company and the transactions contemplated under the Wafer Sale Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The transaction amounts and the annual cap for the years ended 31 December 2024 under Wafer Sale Agreement was as follow:

Agreement	Transaction amount for the year ended 31 December 2024 (RMB)	Annual Cap for the year ended 31 December 2024 (RMB)
Wafer Sale Agreement	275,878,829	1,000,000,000

An announcement dated on 1 December 2023 setting out details of the above transactions was issued by the Company.

(5) Guarantee Agreement

Reference is made to the announcements dated 15 March 2024 and 21 March 2024, in relation to:

On 15 December 2019, Jiangsu Zhongneng entered into the Guarantee Agreement with Xinjiang Goens, pursuant to which Jiangsu Zhongneng shall provide guarantee for the financing activities of Xinjiang Goens. As at the financial year ended 2023, the outstanding indebtedness of Xinjiang Goens which is guaranteed by Jiangsu Zhongneng is approximately RMB846 million, comprising the principal amount and interest payable by Xinjiang Goens pursuant to the Syndicated Loan Facility. The Syndicated Loan Facility will mature on 14 December 2025. Other than the Syndicated Loan Facility, there is no other outstanding indebtedness of Xinjiang Goens which is guaranteed by Jiangsu Zhongneng pursuant to the Guarantee Agreement. The term of the Guarantee Agreement shall end on the date which all outstanding indebtedness of Xinjiang Goens guaranteed under the Guarantee Agreement is repaid in full, being 14 December 2025, the maturity date of the Syndicated Loan Facility.

According to publicly available information, on 15 March 2024, Xinjiang Goens is held directly as to 34.5% equity interest by Xuzhou Fund. Xuzhou Fund directly holds 10.14% equity interest in Leshan GCL, an indirect subsidiary of the Company. As such, Xuzhou Fund is a substantial shareholder of Leshan GCL, and Xinjiang Goens is an associate of Xuzhou Fund. As the relevant percentage ratios (as defined under Rule 14A.09 of the Listing Rules) in respect of Leshan GCL were less than 10% for each of the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022, Leshan GCL was an insignificant subsidiary of the Company under Rule 14A.09 of the Listing Rules. Therefore, Xinjiang Goens was not a connected person of the Company under the Listing Rules.

Based on the annual results announcement of the Company for the financial year ended 31 December 2023, which was published by the Company on 15 March 2024, the relevant percentage ratios (as defined under Rule 14A.09 of the Listing Rules) in respect of Leshan GCL exceeded 10% for the financial year ended 31 December 2023, and Leshan GCL has ceased to be an insignificant subsidiary of the Company under Rule 14A.09 of the Listing Rules. Therefore, Xinjiang Goens has become a connected person of the Company at the subsidiary level under the Listing Rules.

The remaining loan amounts and the annual cap for the years ended 31 December 2024 under the Guarantee Agreement were as follow:

Agreement	The remaining loan amount amount for the year ended 31 December 2024 (RMB)	Annual Cap for the year ended 31 December 2024 (RMB)
The outstanding guaranteed amount under the Guarantee Agreement	0	860,000,000

Announcements dated 15 March 2024 and 21 March 2024 setting out details of the above-mentioned guarantee agreement were issued by the Company.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, the following Director is considered to have interest in the business which competes or is likely compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules:

Names of Director	Name of company in which the relevant Director has interest	Principal activities of the competing company	% interest in competing company
Mr. Zhu Yufeng	錫林郭勒中能硅業有限公司 Xilingol Zhongneng Silicon Co., Ltd.* (Dormant and inactive)	Intend to produce polysilicon ingot upon completion of construction	Mr. Zhu Yufeng, through companies controlled by him, holds 70% interest

Note: * English name for identification only

EMOLUMENT POLICY

The emolument policy of the Group to reward its employees is based on their performance, qualifications, competence and market comparables. Remuneration package generally comprises salary, contribution to pension schemes and bonuses relating to the profit of the relevant company and individual's performance. The remuneration package of the executive Directors and the senior management are also linked to the performance of the Group and the return to its shareholders. The remuneration policy of the executive Directors is reviewed by the Remuneration Committee of the Company.

The Group has adopted share option schemes and share award scheme as incentives to Directors, employees and eligible participants, details of the schemes are set out under the section headed "Option Schemes" and "Share Award Scheme" in this report and in notes 46a(i) and 46a(ii) respectively to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or relevant laws of the Cayman Islands which would oblige the Company offer new Shares on a pro rata basis to the existing shareholders.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group's largest supplier accounted for approximately 13.45% of total purchases. The five largest suppliers accounted for approximately 40.34% of the Group's total purchases.

One of the five largest suppliers of the Company was Inner Mongolia Zhonghuan Crystal Material Co., Ltd.* (內蒙古中環晶體材料有限公司) ("Inner Mongolia Zhonghuan Crystal"). As at 31 December 2024, (i) a non-wholly-owned subsidiary of the Company holds 6.41% interest in Inner Mongolia Zhonghuan Crystal and (ii) an associate company of the Company holds 9.62% interests in Inner Mongolia Zhonghuan Crystal.

During the year, the Group's largest customer accounted for approximately 18.67% of the Group's total sales. The five largest customers accounted for approximately 45.78% of the Group's total sales.

As at 31 December 2024, Mr. Zhou Gongshan and Mr. Zhu Yufeng had interest in the Company as disclosed under the section of "Director's and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Associated Company".

Save as disclosed above, to the best knowledge of the Directors, no other Director or any of their associates or any shareholder who holds more than 5% of the ordinary shares of the Company has any interests in the suppliers or customers disclosed above.

* English name for identification only.

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

On 15 March 2024, the Board approved a plan (the "Share Buy-back and Cancellation or Dividend Payment Plan") to conduct (i) buy-back and cancellation (the "Share Buy-back and Cancellation") by the Company of its Shares from the open market over the three years ending 31 December 2026 (the "Share Buy-back and Cancellation or Dividend Period"); and/or (ii) declaration and payment of dividends by the Company to Shareholders ("Dividend Payment"). Under the Share Buy-back and Cancellation or Dividend Payment Plan, subject to prevailing market conditions and final approval of the Board at the relevant time, among other things, the Company has targeted to conduct Share Buy-back and Cancellation with a total consideration of no less than RMB680 million during the year ended 31 December 2024.

Due to the fluctuation in the market conditions of the silicon material and in view of the excessive competition in the photovoltaic industry, during the year ended 31 December 2024, the Company only repurchased a total of 18,112,000 Shares (the "Repurchased Shares") on the Stock Exchange on 26 March 2024 at an aggregate consideration (including transaction cost) of approximately HK$24 million (as opposed to the target of RMB680 million for the year ended 31 December 2024). The Repurchased Shares were not held as treasury shares and were subsequently cancelled on 20 May 2024.

The implementation of Share Buy-back and Cancellation or Dividend Payment Plan is subject to prevailing market conditions and final approval of the Board at the relevant time. For details, please refer to the announcements of the Company dated 15 March 2024 and 13 December 2024, respectively.

In addition, on 18 December 2024, the Company entered into the Placing Agreement with the Placing Agent, and the Placing of 1,560,000,000 Shares was completed subsequent to the reporting period on 3 January 2025. For details, please refer to the announcements of the Company dated 19 December 2024 and 6 January 2025, respectively.

During the year ended 31 December 2024 and as at the date of this report, there were no treasury shares held by the Company (including any treasury shares held or deposited with Central Clearing and Settlement System).

Further detail of the above Repurchased Shares are set out in note 37 of the consolidated financial statements.

Other than disclosed above, during the year ended 31 December 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken in normal course of business are set out in note 49 to the consolidated financial statements. Details of the connected transactions/continuing connected transactions are set out under section of "Continuing Connected Transactions"

PUBLIC FLOAT

As at the date of this report, based on the information that is publicly available to the Company and within the knowledge of the Directors, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

CHANGES IN INFORMATION ON DIRECTORS

Other than as otherwise disclosed in this report, as at the date of this report, the changes in information required to be disclosed by the Director(s) of the Company pursuant to Rule 13.51(B) of the Listing Rules since the published of 2024 Interim Report are set out below:

Name of Director	Details of Change	Effective Date
Mr. Lan Tianshi	• appointed as a member of the Environmental, Social and Governance Committee of the Company	September 2024
Mr. Zhu Gongshan	• appointed as the Joint CEO of the Company	February 2025
Mr. Zhu Zhanjun	• ceased to be the Joint CEO of the Company	February 2025
Ms. Sun Wei	• appointed as the Vice Chairman of the Company	February 2025

AUDITOR

The consolidated financial statements have been audited by Crowe (HK) CPA Limited, who retires and, being eligible, offers itself for re-appointment at the annual general meeting. A resolution will be proposed at the annual general meeting to re-appoint Crowe (HK) CPA Limited as auditor of the Company.

EVENTS AFTER REPORTING PERIOD

Details of the events after reporting period are set out in note 52 to the consolidated financial statements.

On behalf of the Board
Zhu Gongshan
Chairman

Hong Kong, 28 March 2025

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
9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

TO THE SHAREHOLDERS OF GCL TECHNOLOGY HOLDINGS LIMITED
協鑫科技控股有限公司
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of GCL Technology Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 93 to 267, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of property, plant and equipment	
Refer to notes 4, 5 and 17 to the consolidated financial statements. As at 31 December 2024, the Group's carrying amount of property, plant and equipment was RMB34,761 million. Management assesses related assets for potential impairment whenever there are indications that the carrying amount of an asset or a group of assets may not be recoverable. Management performed impairment assessment accordingly by determining the recoverable amount of the relevant cash-generating unit ("CGU") based on the higher of the value-in-use calculation and the fair value less cost of disposal.	Our procedures in relation to the impairment assessment of property, plant and equipment included: • Obtaining an understanding of process of the Group's impairment assessment and the relevant key controls over the assessment of impairment of property, plant and equipment; • Obtaining the recoverable amount calculation of the CGUs prepared by the management and checking its mathematical accuracy; • Assessing the appropriateness of the key estimations and assumptions adopted in the discounted cash flows model for impairment assessments, including revenue growth rates, gross margin and discount rate applied;

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of property, plant and equipment (Continued)	
The estimate of recoverable amount based on a value in use calculation and fair value less cost of disposal requires management to estimate the future cash flows expected to arise from the cash-generating unit, using discount cash flow model to calculate the present value. Key assumptions used in the calculation included the estimated growth rates and discount rate. Based on the impairment test, an impairment loss of RMB401 million was recognised on property, plant and equipment for the year ended 31 December 2024. In view of the significance of these balances to the consolidated financial statements, and the significant management judgement and estimation uncertainty associated with the recoverable amount assessment of the CGUs, this is considered as a key audit matter.	• Evaluating the reasonableness of source data, on a sample basis, to supporting evidence, such as selling prices; • Performing sensitivity analysis on the assumptions made by the management in determining the value in use of the CGUs; and • Assessing the reasonableness of the disclosures in the consolidated financial statements in respect of the impairment assessment with reference to the requirements of the prevailing accounting standards.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Crowe (HK) CPA Limited
Certified Public Accountants
Hong Kong, 28 March 2025

Chan Wai Dune, Charles
Practising Certificate Number P00712

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	NOTES	**2024** **RMB'000**	2023 RMB'000
Revenue	6	**15,097,560**	33,700,479
Cost of sales and services rendered		**(17,607,660)**	(22,008,306)
Gross (loss) profit		**(2,510,100)**	11,692,173
Other income	7	**1,009,392**	1,084,131
Other gains (losses), net	8	**1,416,661**	(3,986,660)
Distribution and selling expenses		**(289,667)**	(250,908)
Administrative expenses		**(1,854,569)**	(2,274,035)
Research and development costs		**(1,102,444)**	(1,872,796)
Impairment losses (recognised) reversed on financial assets	9	**(989,434)**	136,971
Finance costs	10	**(618,384)**	(417,837)
Share of (losses) profits of associates	21	**(1,281,509)**	203,192
Share of profits (losses) of joint ventures	22	**27,106**	(12,321)
(Loss) profit before tax		**(6,192,948)**	4,301,910
Income tax credit (expense)	11	**544,996**	(974,806)
(Loss) profit for the year	12	**(5,647,952)**	3,327,104
Other comprehensive (expense) income			
Items that will not be reclassified to profit or loss:			
Fair value loss on investments in equity instruments at fair value through other comprehensive income		**(634,915)**	(1,111,993)
Share of other comprehensive (expense) income of associates		**(198,124)**	64,806
		(833,039)	(1,047,187)

For the year ended 31 December 2024

	NOTES	2024 RMB'000	2023 RMB'000
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**2,914**	6,136
Share of other comprehensive (expense) income of an associate		**(113)**	538
Reclassification adjustment of cumulative exchange reserve upon			
– deemed partial disposal of an associate		**6**	—
– deemed disposal of a subsidiary		**27**	—
		2,834	6,674
Other comprehensive expense for the year, net of tax		**(830,205)**	(1,040,513)
Total comprehensive (expense) income for the year		**(6,478,157)**	2,286,591
(Loss) profit for the year attributable to:			
Owners of the Company		**(4,750,396)**	2,510,076
Non-controlling interests		**(897,556)**	817,028
		(5,647,952)	3,327,104
Total comprehensive (expense) income for the year attributable to:			
Owners of the Company		**(5,580,601)**	1,469,563
Non-controlling interests		**(897,556)**	817,028
		(6,478,157)	2,286,591
(Loss) earnings per share	16		
— Basic		**(17.97)**	9.47
— Diluted		**(17.97)**	9.46

The notes on pages 104 to 267 form part of these consolidated financial statements.

Details of dividends distributed and proposed to owners of the Company are set out in note 15.

Consolidated Statement of Financial Position

At 31 December 2024

	NOTES	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	17	**34,761,153**	34,783,732
Right-of-use assets	18	**1,456,052**	1,541,452
Investment properties	19	**348,518**	365,352
Intangible assets	20	**63,019**	116,432
Interests in associates	21	**5,577,784**	5,786,822
Interests in joint ventures	22	**143,986**	149,234
Investments at fair value through profit or loss	23	**946,869**	844,203
Equity instruments at fair value through other comprehensive income	23	**445,376**	441,347
Deferred tax assets	24	**1,111,441**	597,888
Deposits and other receivables	26(a)	**3,824,465**	1,250,104
Amount due from a related company-non-trade related	27	**—**	2,169,172
Pledged and restricted bank deposits	29	**50,503**	31,154
		48,729,166	48,076,892
CURRENT ASSETS			
Inventories	25	**2,014,044**	2,884,246
Trade and other receivables	26(b)	**11,556,094**	17,901,265
Amounts due from related companies – trade related	27	**256,458**	314,296
Amounts due from related companies – non-trade related	27	**535,033**	2,561,670
Investments at fair value through profit or loss	23	**1,823,927**	1,693,521
Held for trading investments	28	**416**	2,686
Tax recoverable		**83,143**	190,317
Pledged and restricted bank deposits	29	**4,701,688**	2,321,951
Bank balances and cash	29	**5,174,188**	6,821,328
		26,144,991	34,691,280

Consolidated Statement of Financial Position (CONTINUED)

At 31 December 2024

	NOTES	2024 RMB'000	2023 RMB'000
CURRENT LIABILITIES			
Trade and other payables	30	**10,966,912**	14,246,371
Amounts due to related companies – trade related	31	**295,639**	682,140
Amounts due to related companies – non-trade related	31	**16,103**	679,094
Contract liabilities	32	**256,807**	525,528
Bank and other borrowings – due within one year	33	**10,635,721**	5,315,936
Lease liabilities – due within one year	34	**54,843**	70,493
Other financial liabilities	35	**—**	525,695
Derivative financial instruments	35	**136,565**	15,972
Deferred income	36	**18,581**	28,557
Tax payables		**50,145**	49,140
		22,431,316	22,138,926
NET CURRENT ASSETS		**3,713,675**	12,552,354
TOTAL ASSETS LESS CURRENT LIABILITIES		**52,442,841**	60,629,246
NON-CURRENT LIABILITIES			
Contract liabilities	32	**35,339**	221,237
Bank and other borrowings – due after one year	33	**8,352,509**	9,951,069
Lease liabilities – due after one year	34	**52,247**	75,878
Deferred income	36	**29,216**	51,382
Deferred tax liabilities	24	**1,680,592**	2,011,971
		10,149,903	12,311,537
NET ASSETS		**42,292,938**	48,317,709

At 31 December 2024

	NOTES	2024 RMB'000	2023 RMB'000
CAPITAL AND RESERVES			
Share capital	37	**2,342,638**	2,344,280
Reserves		**34,834,410**	40,242,736
Equity attributable to owners of the Company		**37,177,048**	42,587,016
Non-controlling interests		**5,115,890**	5,730,693
TOTAL EQUITY		**42,292,938**	48,317,709

The consolidated financial statements on pages 104 to 267 were approved and authorised for issue by the board of directors on 28 March 2025 and are signed on its behalf by:

Zhu Gongshan
DIRECTOR

Yeung Man Chung, Charles
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to owners of the Company																
	Share capital RMB'000	Share premium RMB'000	Treasury share RMB'000 (Note i)	Share award reserve RMB'000 (Note ii)	Shares held for share award scheme RMB'000 (Note iii)	Capital redemption reserve RMB'000 (Note iv)	Investments revaluation reserve RMB'000	Other reserve RMB'000 (Note v)	Capital reserve RMB'000 (Note vi)	Statutory reserve funds RMB'000 (Note vii)	Special reserves RMB'000 (Note viii)	Share options reserve RMB'000 (Note ii)	Translation reserve RMB'000	Accumulated profits RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2024	2,344,280	15,321,376	—	280,590	(624,775)	37,811	(977,577)	(1,222,352)	67,251	4,106,813	(2,373,201)	53,651	11,214	25,561,935	42,587,016	5,730,693	48,317,709
Exchange differences on translation of financial statements of foreign operations	—	—	—	—	—	—	—	—	—	—	—	—	2,914	—	2,914	—	2,914
Reclassification of exchange differences upon:																	
– deemed partial disposal of an associate	—	—	—	—	—	—	—	—	—	—	—	—	6	—	6	—	6
– deemed disposal of a subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	27	—	27	—	27
Fair value loss on investments in equity instruments at FVTOCI	—	—	—	—	—	—	(634,915)	—	—	—	—	—	—	—	(634,915)	—	(634,915)
Share of other comprehensive expense of associates	—	—	—	—	—	—	(198,124)	—	—	—	—	—	(113)	—	(198,237)	—	(198,237)
Loss for the year	—	—	—	—	—	—	—	—	—	—	—	—	—	(4,750,396)	(4,750,396)	(897,556)	(5,647,952)
Total comprehensive income/(expenses) for the year	—	—	—	—	—	—	(833,039)	—	—	—	—	—	2,834	(4,750,396)	(5,580,601)	(897,556)	(6,478,157)
Equity-settled share-based payment	—	—	—	98,588	—	—	—	—	—	—	—	—	—	—	98,588	—	98,588
Equity-settled share-based payment recognised by a subsidiary (note 46(b))	—	—	—	—	—	—	—	25,974	—	—	—	—	—	—	25,974	22,861	48,835
Forfeitures of share options	—	—	—	—	—	—	—	—	—	—	—	(3,298)	—	3,298	—	—	—
Forfeitures of share options of an associate	—	—	—	—	—	—	—	—	—	—	—	—	—	1,657	1,657	—	1,657
Repurchase of shares	—	—	(21,679)	—	—	—	—	—	—	—	—	—	—	—	(21,679)	—	(21,679)
Cancellation of shares	(1,642)	(20,037)	21,679	—	—	1,642	—	—	—	—	—	—	—	(1,642)	—	—	—
Deemed disposal of partial interest in a subsidiary through disposal of an associate	—	—	—	—	—	—	—	—	—	—	56,964	—	—	—	56,964	230,079	287,043
Conversion of convertible bond to a non-controlling shareholder of a subsidiary (note 30(b))	—	—	—	—	—	—	—	5,652	—	—	8,621	—	—	—	14,273	24,669	38,942
Deemed disposal of a subsidiary (note 39)	—	—	—	—	—	—	—	305,719	—	—	(4,696)	—	—	(306,167)	(5,144)	5,144	—
Transfer to reserves	—	—	—	—	—	—	—	—	—	23,285	—	—	—	(23,285)	—	—	—
At 31 December 2024	2,342,638	15,301,339	—	379,178	(624,775)	39,453	(1,810,616)	(885,007)	67,251	4,130,098	(2,312,312)	50,353	14,048	20,485,400	37,177,048	5,115,890	42,292,938

	Attributable to owners of the Company																
	Share capital RMB'000	Share premium RMB'000	Treasury share RMB'000 (Note i)	Share award reserve RMB'000 (Note ii)	Shares held for share award scheme RMB'000 (Note iii)	Capital redemption reserve RMB'000 (Note iv)	Investments revaluation reserve RMB'000	Other reserve RMB'000 (Note v)	Capital reserve RMB'000 (Note vi)	Statutory reserve funds RMB'000 (Note vii)	Special reserves RMB'000 (Note viii)	Share options reserve RMB'000 (Note ii)	Translation reserve RMB'000	Accumulated profits RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	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 on translation of financial statements of foreign operations	–	–	–	–	–	–	–	–	–	–	–	–	6,136	–	6,136	–	6,136
Fair value loss on investments in equity instruments at FVTOCI	–	–	–	–	–	–	(1,111,993)	–	–	–	–	–	–	–	(1,111,993)	–	(1,111,993)
Share of other comprehensive income of associates	–	–	–	–	–	–	64,806	–	–	–	–	–	538	–	65,344	–	65,344
Profit for the year	–	–	–	–	–	–	–	–	–	–	–	–	–	2,510,076	2,510,076	817,028	3,327,104
Total comprehensive income (expense) for the year	–	–	–	–	–	–	(1,047,187)	–	–	–	–	–	6,674	2,510,076	1,469,563	817,028	2,286,591
Exercise of share options	51	1,347	–	–	–	–	–	–	–	–	–	(805)	–	–	593	–	593
Forfeitures of share options	–	–	–	–	–	–	–	–	–	–	–	(3,530)	–	3,530	–	–	–
Forfeitures of share options of an associate	–	–	–	–	–	–	–	–	–	–	–	–	–	1,039	1,039	–	1,039
Equity-settled share-based payment	–	–	–	152,801	–	–	–	–	–	–	–	–	–	–	152,801	–	152,801
Exercise of share award	–	–	–	(57,279)	51,332	–	–	–	–	–	–	–	–	36,894	30,947	–	30,947
Repurchase of shares	–	–	(182,010)	–	–	–	–	–	–	–	–	–	–	–	(182,010)	–	(182,010)
Cancellation of shares	(15,609)	(224,372)	239,981	–	–	15,609	–	–	–	–	–	–	–	(15,609)	–	–	–
Dividend paid	–	–	–	–	–	–	–	–	–	–	–	–	–	(1,439,723)	(1,439,723)	–	(1,439,723)
Transfer to reserves	–	–	–	–	–	–	–	–	–	630,772	–	–	–	(630,772)	–	–	–
Change in capital structure of a subsidiary (note 38)	–	–	–	–	–	–	–	(89,160)	–	–	(30,484)	–	–	–	(119,644)	125,302	5,658
Deemed disposal of partial interests in subsidiaries through newly-increased registered capital (note 38)	–	–	–	–	–	–	–	–	–	–	(8,824)	–	–	–	(8,824)	1,915,726	1,906,902
At 31 December 2023	2,344,280	15,321,376	–	280,590	(624,775)	37,811	(977,577)	(1,222,352)	67,251	4,106,813	(2,373,201)	53,651	11,214	25,561,935	42,587,016	5,730,693	48,317,709

Consolidated Statement of Changes in Equity (CONTINUED)

For the year ended 31 December 2024

Notes:

(i) Treasury shares represent the amounts paid by the Group for repurchases of the equity instruments of the Company. During the years ended 31 December 2023 and 2024, 138,500,000 and 18,112,000 ordinary shares of the Company were repurchased by the Group at an aggregate consideration of approximately RMB182,010,000 and RMB21,679,000, respectively, which were recognised in equity as treasury shares. During the years ended 31 December 2023 and 2024, 170,125,000 and 18,112,000, respectively, 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 award shares granted to directors of the Company and 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"). Up to 31 December 2023, 39,820,000 shares were vested and transferred to the Award Grantees (as defined in note 46a(II)) under the Scheme. As at 31 December 2024, all the remaining 484,678,888 shares were held by the Trustee. More details are set out in note 46a(II).

(iv) Capital redemption reserve represents the par value of shares repurchased by the Company pursuant to section 37 of the Cayman Islands Companies Law.

(v) 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 Technology Inc (formerly known as GCL Solar Energy Technology Holding 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 (i) the initial recognition of put options granted to non-controlling interests by subsidiaries and (ii) the portion attributable to the owners of the Company in relation to the equity settled share-based payments recoginsed by a subsidiary.

(vi) 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.

(vii) 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.

(viii) 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.

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	2024 RMB'000	2023 RMB'000
OPERATING ACTIVITIES		
(Loss) profit before tax	**(6,192,948)**	4,301,910
Adjustments for:		
Finance costs	**618,384**	417,837
Interest income	**(222,893)**	(240,213)
Foreign exchange loss, net	**(11,004)**	18,353
Depreciation of property, plant and equipment	**3,814,377**	3,108,897
Depreciation of right-of-use assets	**148,204**	184,979
Depreciation of investment properties	**20,834**	20,318
Amortisation of intangible assets	**33,771**	34,512
Amortisation of deferred income	**(28,881)**	(33,263)
Gain on disposal of property, plant and equipment	**(22,829)**	(30,685)
Share of (profits) losses of joint ventures	**(27,106)**	12,321
Share of losses (profits) of associates	**1,281,509**	(203,192)
Loss (gain) on deemed partial disposal of associates and gain on disposal of an associate	**18,901**	(201,596)
Gain on deemed disposal of a subsidiary	**(1,952,207)**	—
Loss on disposal of and impairment loss on interest in an associate	**184,755**	3,189,789
Share-based payment expenses	**147,423**	152,801
(Gain) loss on fair value change of held for trading investments	**(2,895)**	390
Gain on fair value change of investments at fair value through profit or loss ("FVTPL")	**(36,830)**	(53,914)
Loss (gain) on fair value change of derivative financial instruments	**1,722**	(82,368)
Loss on fair value change of convertible bond payable	**—**	11,805
Impairment losses recognised (reversed) on financial assets	**989,434**	(136,971)
Write-down of inventories	**107,870**	156,756
Impairment loss on property, plant and equipment	**401,111**	1,128,134
Write-back of other payables	**(9,762)**	(7,652)
Operating cash flows before movements in working capital	**(739,060)**	11,748,948

Consolidated Statement of Cash Flows (CONTINUED)

For the year ended 31 December 2024

	2024 RMB'000	2023 RMB'000
OPERATING ACTIVITIES (Continued)		
Decrease (increase) in inventories	**695,895**	(360,821)
Increase in trade and other receivables	**(3,030,865)**	(13,045,550)
Decrease (increase) in amounts due from related companies	**13,000**	(107,276)
Increase (decrease) in trade and other payables	**790,078**	(1,255,439)
(Decrease) increase in amounts due to related companies	**(386,501)**	462,217
Decrease in contract liabilities	**(454,619)**	(502,716)
Cash used in operations	**(3,112,072)**	(3,060,637)
Income taxes paid	**(191,757)**	(787,081)
NET CASH USED IN OPERATING ACTIVITIES	**(3,303,829)**	(3,847,718)
INVESTING ACTIVITIES		
Interest received	**175,935**	305,161
Proceeds from disposal of property, plant and equipment	**62,917**	178,050
Proceeds from disposal of right-of-use assets	**27,972**	37,415
Payments for construction and purchase of property, plant and equipment	**(4,229,601)**	(12,177,037)
Payments for right-of-use assets	**(13,187)**	(47,378)
Investments in associates	**(1,239,903)**	(606,000)
Dividend received from joint ventures	**16,559**	45,050
Dividend received from associates	**1,096,910**	450,603
Proceeds from disposal of associates	**10,000**	1,208,475
Net cash outflow from deemed disposal of a subsidiary	**(184,919)**	—
Addition of investments at FVTPL	**(5,691,250)**	(5,593,857)
Addition of investments at FVTOCI	**—**	(420,566)
Proceeds from disposal of investments at FVTPL	**5,479,073**	4,047,013
Proceeds from disposal of held for trading investments	**5,165**	—
Withdrawal of pledged and restricted bank	**8,110,631**	8,832,255
Placement of pledged and restricted bank	**(10,530,809)**	(7,390,812)
Short-term loans to third parties	**(746,308)**	(3,200,000)
Repayment of short-term loan from a third party	**1,600,000**	3,200,000
Addition of note receivables	**—**	(163,407)
Proceeds received on maturity of note receivables	**14,520**	—
Settlement of consideration receivables from disposal of associates	**—**	381,149
NET CASH USED IN INVESTING ACTIVITIES	**(6,036,295)**	(10,913,886)

Consolidated Statement of Cash Flows (CONTINUED)

For the year ended 31 December 2024

	2024 RMB'000	2023 RMB'000
FINANCING ACTIVITIES		
Interest paid	**(841,005)**	(577,420)
New bank and other borrowings raised	**8,289,949**	7,754,227
New bank borrowings raised from discounted bills	**5,694,686**	11,585,687
Repayment of bank and other borrowings	**(4,869,275)**	(1,712,349)
Repayment of lease liabilities	**(126,340)**	(160,298)
Advances from related companies	**—**	186,669
Repayment to related companies	**(436,881)**	(2,784,016)
Contribution from non-controlling interests	**—**	2,262,658
Dividend paid to the owners of the Company	**—**	(1,439,723)
Proceeds from exercise of share options	**—**	593
Proceeds from vesting of shares of share award scheme	**—**	30,947
Repurchase of shares of the Company	**(21,679)**	(182,010)
NET CASH FROM FINANCING ACTIVITIES	**7,689,455**	14,964,965
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(1,650,669)**	203,361
CASH AND CASH EQUIVALENTS AT 1 JANUARY, represented by		
— Bank balances and cash	**6,821,328**	6,635,646
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF BANK BALANCES AND CASH HELD IN FOREIGN CURRENCIES	**3,529**	(17,679)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, represented by		
— Bank balances and cash	**5,174,188**	6,821,328

Note:

(i) Major non-cash transaction

During the year ended 31 December 2024, short-term bank borrowings drawn on discounted bills with recourse of approximately RMB5,394,135,000 (2023: RMB15,584,970,000) have been settled through bills discounted to the relevant financial institutions.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

1. GENERAL INFORMATION

GCL Technology Holdings Limited (the"Company") is an exempted company with limited liability incorporated in the Cayman Islands on 12 July 2006 under the Companies Law, Cap 22 of the Cayman Islands. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 13 November 2007. The address of the registered office of the Company is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business is at Units 1703B–1706, Level 17, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries (together with the Company collectively referred to as the "Group"), associates and joint ventures are principally engaged in (1) the manufacturing and sales of polysilicon and wafers for the solar industry; and (2) the sales of electricity, development, investment, management and operation of solar projects.

The functional and presentation currency of the Company is Renminbi ("RMB").

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

Statement of compliance

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

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Statement of compliance (Continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment,* leasing transactions that are accounted for in accordance with IFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

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

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

Except as described below, the application of the new and amendments to IFRS Accounting Standards 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 consolidated financial statements.

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (Continued)

Amendments to IAS 1 Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

The amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that:

  (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and

  (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date; covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying IAS 32 *Financial Instruments: Presentation ("IAS 32")*.

The amendments also specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if the entity classify liabilities arising from loan arrangements as non-current when the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period.

Based on the Group's outstanding liabilities as at 31 December 2023 and 2024 and the related terms and conditions stipulated in the agreements between the Group and the relevant lenders, the application of the amendments does not result in a reclassification of the Group's liabilities.

Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The application of the amendments has no impact on the consolidated financial statements for the current year.

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (Continued)

Amendments to IFRS 16 Lease Liability in a Sale and Leaseback

The amendments add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements of IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require a seller-lessee to determine "lease payments" or "revised lease payments" such that the seller-lessee would not recognise a gain or loss that relates to the right of use retained by the seller-lessee. The amendments also clarify that applying the requirements does not prevent the seller-lessee from recognising in profit or loss any gain or loss relating to subsequent partial or full termination of a lease.

The application of the amendments has no significant impact on the financial position and performance of the Group.

New and amendments to IFRS Accounting Standards in issue but not yet effective

Up to the date of approval for issue of these consolidated financial statements, the IASB has issued a number of new and amendments to IFRS Accounting Standards which are not yet effective for the year ended 31 December 2024 and which have not been adopted in these consolidated financial statements, as follows:

Amendments to IAS 21	Lack of Exchangeability[1]
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Annual Improvements to IFRS Accounting Standards 2024	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[2]
IFRS 18 and consequential amendments to other IFRSs	Presentation and Disclosure in Financial Statements[3]
IFRS 19	Subsidiaries without Public Accountability: Disclosures[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual periods beginning on or after 1 January 2027
4 Effective for annual periods beginning on or after a date to be determined

Except for the new and amendments to IFRS Accounting Standards mentioned below, the Directors anticipate that the application of other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (Continued)

Amendments to IAS 21 Lack of Exchangeability

The amendments specify a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose. When a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing.

When a currency is not exchangeable, an entity discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with early application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments

The amendments include:

(a) clarification and further guidance for assessing whether the contractual cash flows of a financial asset meet the solely payments of principal and interest criterion;

(b) clarification of the date of recognition and derecognition of some financial assets and liabilities, with an accounting policy option to allow an entity to derecognise a financial liability before the settlement date if it is settled in cash using an electronic payment system if specified criteria are met;

(c) new disclosure requirements for investments in equity instruments designated at FVOCI; and

(d) new disclosure requirements for financial instruments with contractual terms that could change the amount of contractual cash flows based on the occurrence (or non-occurrence) of a contingent event.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The Group is in the process of evaluating the impact of the amendments on the consolidated financial statements for the forthcoming years.

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (Continued)

Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity

The amendments include:

(a) clarifying the application of the "own-use" requirements to power purchase agreements for nature-dependent electricity;

(b) permitting hedge accounting if these contracts are used as hedging instruments; and

(c) adding new disclosure requirements to enable investors to understand the effect of these contracts on an entity's financial performance and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The Group is in the process of evaluating the impact of the amendments on the consolidated financial statements for the forthcoming years.

IFRS 18 Presentation and Disclosure in Financial Statements and consequential amendments to other IFRSs

IFRS 18 replaces IAS 1 *Presentation of Financial Statements* ("IAS 1"). It carries forward many requirements from IAS 1 unchanged. IFRS 18 brings major changes to the statement of profit or loss and notes to the financial statements as follows:

(a) IFRS 18 requires an entity:

(i) to classify income and expenses into operating, investing and financing categories in the statement of profit or loss, plus income taxes and discontinued operations;

(ii) to present two new defined subtotals, namely, operating profit or loss and profit or loss before financing and income taxes.

(b) It requires an entity to disclose management-defined performance measures ("MPM") and reconciliations between MPM and subtotals listed in IFRS 18 or totals or subtotals required by IFRSs.

(c) It sets out requirements to help an entity determine whether information about items should be in the primary financial statements or in the notes and provides principles for determining the level of detail needed for the information.

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (Continued)

IFRS 18 Presentation and Disclosure in Financial Statements and consequential amendments to other IFRSs (Continued)

IFRS 18 also set out classification requirements for foreign exchange differences, the gain or loss on the net monetary position, and gains and losses on derivatives and designated hedging instruments.

In addition, some paragraphs in IAS 1 have been moved to IAS 8 *Basis of Preparation of Financial Statements* and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18 and consequential amendments to other IFRSs are effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the consolidated statement of profit or loss and disclosures in the future consolidated financial statements. The Group is in the process of assessing the detailed impact on the consolidated financial statements.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates* and Joint Ventures deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

4. MATERIAL ACCOUNTING POLICY INFORMATION

Material accounting policy information adopted by the Group is disclosed below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income ("OCI") are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Basis of consolidation (Continued)

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non–controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interest (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in OCI in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments ("IFRS 9") or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Business combinations

Operation concentration test

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash equivalents, deferred tax assets, and goodwill resulting from the effect of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Asset acquisitions

When the Group acquires a subsidiary or group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Acquisitions of businesses

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition–related costs are generally recognised in profit or loss as incurred.

For business combinations in which the acquisition date is on or after 1 January 2022, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Conceptual Framework for Financial Reporting* issued by International Accounting Standards Board in March 2018 (the "Conceptual Framework") except for transactions and events within the scope of IAS 37 or IFRIC 21, in which the Group applies IAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Business combinations (Continued)

Acquisitions of businesses (Continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share–based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date (see the accounting policy below);

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms. Right-of-use assets relating to leasehold lands in which the relevant acquires are the registered owners with full upfront lease payments measured at fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non–controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after reassessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non–controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and OCI of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Investments in associates and joint ventures (Continued)

When the Group ceases to have significant influence over an associate or a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in OCI in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in OCI by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in OCI relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e., when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers (Continued)

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

Revenue from sales of electricity is recognised at a point in time when the control of the electricity transferred, being at the point when electricity has generated and transmitted to the customer.

Operation and management service income, consultancy fee income and solar related supporting services income are recognised over time when services are rendered.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e., only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

As a practical expedient, if the Group has a right to consideration in an amount that corresponds directly with the value of the Group's performance completed to date, the Group recognises revenue in the amount to which the Group has the right to invoice.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers (Continued)

Variable consideration

For contracts that contain variable consideration in relation to sales of electricity to the grid companies which contain tariff adjustments related to solar power plants yet to be enlisted in the List (as defined in note 6) by the PRC government, the Group estimates the amount of consideration to which it will be entitled using the most likely amount.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases

Definition of a lease

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

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

The Group as a lessee

Allocation of consideration to components of a contract

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

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

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low– value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

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

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (Continued)

The Group as a lessee (Continued)

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

When the group obtains ownership of the underlying leased assets at the end of the lease term, upon exercising purchase options, the carrying amount of the relevant right-of-asset is transferred to property, plant and equipment.

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

Refundable rental deposits

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

Lease liabilities

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

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

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

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate used to determine those payments, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, by discounting the revised lease payments using an unchanged discount rate, unless the change in lease payments results from a change in floating interest rates. In that case, the lessee shall use a revised discount rate that reflects changes in the interest rate. When there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option, the lease liability is remeasured by discounting the revised lease payments using a revised discount rate, being the interest rate implicit in the lease for the remainder of the lease term, or the Group's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined. When the lease liability is remeasured in either of these ways, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents lease liabilities as a separate line item in the consolidated statement of financial position. The current portion of long-term lease liabilities is determined as the principal portion of contractual payments that are due to be settled within twelve months after the reporting period.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease modifications

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications.

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

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification. When the modified contract contains one or more additional lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component. The associated non-lease components are included in the respective lease components.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (Continued)

The Group as a lessor (Continued)

Allocation of consideration to components of a contract

When a contract includes both lease and non-lease components, the Group applies IFRS 15 "Revenue from Contracts with Customers"("IFRS 15") to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under IFRS 9 and initially measured at fair value.

Sale and leaseback transactions

The Group applies the requirements of IFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group.

The Group as a seller-lessee

For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee continues to recognise the assets and accounts for the transfer proceeds as other loans within the scope of IFRS 9.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e., RMB) using exchange rate prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in OCI and accumulated in equity under the heading of translation reserve (attributed to non–controlling interests as appropriate).

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Foreign currencies (Continued)

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non–controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e., partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remains outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Government grants relating to compensation of expenses are deducted from the related expenses, other government grants are presented under "other income".

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Retirement benefit costs

Payments to defined contribution retirement benefit plans including state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Shares held for share award schemes

The consideration paid by the Trustee for purchasing the Company's shares from the market, including any directly attributable incremental cost, is presented as "Shares held for share award schemes" and the amount is deducted from total equity.

Share-based compensation benefits

The Group operates a number of share-based compensation plans (including share option schemes and share award schemes), under which the Group receives services from employees and other qualifying participants as consideration for equity instruments (including share options and award shares) of the Group. The fair value of the employee services and other qualifying participants' services received in exchange for the grant of equity instruments of the Group is recognised as an expense over the vesting period, i.e. the period over which all of the specified vesting conditions are to be satisfied and credited to equity.

For grant of share options and award shares under the Scheme to employees and others providing similar services, the total amount to be expensed is determined by reference to the fair value of the options and award shares under the Scheme granted by using option-pricing model, which includes the impact of market performance conditions but excludes the impact of service condition and non-market performance conditions.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Share-based compensation benefits (Continued)

Non-market performance and service conditions are included in assumptions about the number of options that are expected to become vested.

From the perspective of the Company, the grants of its equity instruments to employees of its subsidiaries are made in exchange for their services related to the subsidiaries. Accordingly, the share-based compensation expenses are treated as part of the "Amounts due from subsidiaries" in the Company's statement of financial position.

At the end of each reporting period, the Group revises the estimates of the number of options and award shares that are expected to ultimately vest. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement of the Group, with a corresponding adjustment to share options reserve and share award reserve respectively.

When the options are exercised, the proceeds received net of any directly attributable transaction costs and the amount previously recognised in share options reserve are credited to share capital (nominal value) and share premium. When the vested equity instruments are later forfeited prior to expiry date, the amount previously recognised in share options reserve will be transferred to accumulated profits.

When the share awards are exercised, the difference between the amount of the cost of shares purchased in open market recognised in "Shares held for share award scheme", and the proceeds received net of any directly attributable transaction costs and the amount previously recognised in share award reserve are credited to "accumulated profits".

If the terms of an equity-settled award are modified, at a minimum an expense for the services received is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employees and other qualifying participants, as measured at the date of modification.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit/loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax is not recognised for:

– temporary differences arising from goodwill not deductible for tax purposes,

– temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination) and do not give rise to equal taxable and deductible temporary differences;

– temporary differences related to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Taxation (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in OCI or directly in equity, in which case, the current and deferred tax are also recognised in OCI or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment used or planned to be used in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administration purposes (other than construction in progress as described below). Property, plant and equipment (other than construction in progress) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which include both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Intangible assets (Continued)

Internally-generated intangible assets – research and development expenditure (Continued)

- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gain or loss arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (Continued)

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs.

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or the CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU or a group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Treasury shares

Own equity instruments which are held by the Group (treasury shares) for cancellation are recognised directly in equity at cost. No gain or loss is recognised in the consolidated statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application of IFRS 9/initial recognition of a financial asset, the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in OCI if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 *Business Combinations* applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that is required to be measured at amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the investments revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, but will be transferred to accumulated profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other expenses, gains and losses, net" line item, unless the dividends clearly represent a recovery of part of the cost of the investment.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and financial guarantee contracts

The Group performs impairment assessment under expected credit losses ("ECL") model on financial assets measured at amortised cost (including trade and other receivables, amounts due from related companies, pledged and restricted bank deposits and bank balances) and financial guarantee which are subject to impairment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and amounts due from related companies (trade related), including those with significant financing component.

For all other instruments, the Group measures the loss allowance equals to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and financial guarantee contracts (Continued)

(i) Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g., a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast changes in technological, market, economic or legal environment that has a significant adverse effect on the debtor's ability to meet its obligation to the Group;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations;
- failure to make payments of principal or interest on their contractually due dates;
- significant increases in credit risk on other financial instruments of the same debtor;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements, which are expected to reduce the debtor's economic incentive to make scheduled contractual payments or to otherwise have an effect on the probability of a default occurring; and
- significant adverse changes in the expected performance and behaviour of the debtor.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and financial guarantee contracts (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the debtor;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

(e) significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or

(f) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over three years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised as reversal of impairment in profit or loss in the period in which the recovery occurs.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and financial guarantee contracts (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The historical loss rates are adjusted to reflect current and forward-looking information.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instruments that is guaranteed. Accordingly, the expected loss is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For ECL on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

For financial guarantee contracts, the loss allowances are recognised at the higher of the amount of the loss allowance determined in accordance with IFRS 9; and the amount initially recognised less, where appropriate, cumulative amount of income recognised over the guarantee period.

Except for financial guarantee contracts, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and amounts due from related companies (trade related) where the corresponding adjustment is recognised through a loss allowance account.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to accumulated profits.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading or (ii) it is designated as at FVTPL.

A financial liability is held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, amounts due to related companies, bank and other borrowings are subsequently measured at amortised cost, using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. They are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial lability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The gain or loss on remeasurement to fair value is recognised in profit or loss unless the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which event the timing of the recognition in profit or loss depends on the nature of the item being hedged.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL in accordance with the policy set out above.

Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of Group or Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services of the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

Current tax and deferred tax

The Group is subject to income taxes mainly in the mainland of China. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

For temporary differences which give rise to deferred tax assets, the Group assesses the likelihood that the deferred tax assets could be recovered. Deferred tax assets are recognized based on the Group's estimates and assumptions that they will be recovered from taxable income arising from continuing operations in the foreseeable future.

As at 31 December 2024, the deferred tax assets and deferred tax liabilities were RMB1,111,441,000 (2023: RMB597,888,000) and RMB1,680,592,000 (2023: RMB2,011,971,000), respectively and the current tax recoverable and current tax payable were RMB83,143,000 (2023: RMB190,317,000) and RMB50,145,000 (2023: RMB49,140,000), respectively.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

b) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Useful lives and estimated impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based on the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of CGUs, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or revenue growth rates in the cash flow projections, could materially affect the recoverable amounts. Furthermore, the growth rates and discount rates in the cash flow projections are subject to greater uncertainties in the current year due to volatility in financial markets and solar industry, including potential disruptions in the Group's solar material business segment.

The Group has made substantial investment in property, plant and equipment. The machineries and equipment are vulnerable to changes in market conditions and vulnerable to changes in government policies.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

b) Key sources of estimation uncertainty (Continued)

i) Useful lives and estimated impairment of property, plant and equipment and right-of-use assets (Continued)

With the impairment indicators identified, the carrying amounts of the relevant CGUs may be higher than the recoverable amount which involves estimation uncertainty on assumptions of such recoverable amount.

Additionally, the Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment and right-of-use assets. These estimates are based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The management will increase the depreciation charge where useful lives are expected to be shorter than previously estimated. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable lives and therefore depreciation expense in future periods.

As at 31 December 2024, the carrying amounts of property, plant and equipment and right-of-use assets, were approximately RMB34,761 million (2023: RMB34,784 million) and RMB1,456 million (2023: RMB1,541 million) respectively. During the year ended 31 December 2024, the Group recognised an impairment loss on property, plant and equipment amounting to approximately RMB401 million (2023: RMB1,128 million) (see note 17).

ii) Expected credit loss for financial assets measured at amortised cost

The management of the Group performs impairment assessment and estimates the amount of ECL for the financial assets measured at amortised cost based on internal and external credit ratings, ageing, repayment history and/or past due status of respective debtors. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and forward-looking information that is reasonable and supportable available without undue costs or effort. At the end of each reporting period, the internal credit ratings and historical observed default rates are reassessed and changes in the forward-looking information are considered. The provision of ECL is sensitive to changes in estimates. The information about the ECL is disclosed in note 41(b).

iii) Fair value measurement of financial instruments

Certain of the Group's financial assets and financial liabilities as described in note 42 are measured at fair values with fair values being determined based on unobserved inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could affect the reported fair values of these instruments. See note 42 for further disclosures.

6. 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 performance assessment, focuses on types of goods delivered or services provided. No operating segments have been aggregated in arriving at the reportable segments of the Group.

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

— Solar material business – mainly manufacture and sales of polysilicon and wafer products to companies operating in the solar industry.

— Solar farm business – operates solar farms located in the United States of America (the "USA") and the PRC.

Segment revenue and results

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

Year ended 31 December 2024

	Solar material business RMB'000	Solar farm business RMB'000	Total RMB'000
Revenue from external customers	**14,957,158**	**140,402**	**15,097,560**
Segment loss	**(5,346,555)**	**(267,032)**	**(5,613,587)**
Unallocated income			**49,614**
Unallocated expenses			**(94,367)**
Gain on fair value change of investments at FVTPL			**55,986**
Gain on fair value change of held for trading investments (note 8)			**2,895**
Impairment losses recognised on financial assets			**(7,848)**
Share of loss of an associate			**(42,444)**
Share of profits of joint ventures			**20,700**
Loss on deemed partial disposal of an associate			**(18,901)**
Loss for the year			**(5,647,952)**

6. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

Year ended 31 December 2023

	Solar material business RMB'000	Solar farm business RMB'000	Total RMB'000
Revenue from external customers	33,486,492	213,987	33,700,479
Segment profit	3,237,566	55,832	3,293,398
Unallocated income			33,014
Unallocated expenses			(119,236)
Gain on fair value change of investments at FVTPL			4,116
Loss on fair value change of held for trading investments (note 8)			(390)
Impairment losses reversed on financial assets			221,271
Share of loss of an associate			(72,823)
Share of losses of joint ventures			(32,246)
Profit for the year			3,327,104

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 4. Segment profit (loss) represents the profit (loss) of each segment excluding unallocated income, unallocated expenses, certain impairment losses on financial assets, change in fair value of certain investments at FVTPL, change in fair value of held for trading investments, share of profits (losses) of interests in certain joint ventures and an associate, and loss on deemed partial disposal of an associate. This is the measure reported to the CODM for the purpose of resources allocation and performance assessment.

6. 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:

	2024 RMB'000	2023 RMB'000
Segment assets		
Solar material business	71,222,444	78,875,420
Solar farm business	1,544,996	1,873,437
Total segment assets	72,767,440	80,748,857
Investments at FVTPL	1,115,502	692,442
Equity instruments at FVTOCI	9,376	20,781
Held for trading investments	416	2,686
Interest in an associate	100,712	160,507
Interests in joint ventures	143,986	123,285
Unallocated bank balances and cash	428,621	694,737
Unallocated corporate assets	308,104	324,877
Consolidated assets	74,874,157	82,768,172
Segment liabilities		
Solar material business	32,052,378	33,766,895
Solar farm business	522,899	598,304
Total segment liabilities	32,575,277	34,365,199
Unallocated corporate liabilities	5,942	85,264
Consolidated liabilities	32,581,219	34,450,463

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, certain equity instruments at FVTOCI, held for trading investments and certain interests in joint ventures and an associate) of the management companies and investment holding companies; and

- All liabilities are allocated to operating segments, other than unallocated corporate liabilities of the management companies and investment holding companies.

6. REVENUE AND SEGMENT INFORMATION (Continued)

Other segment information (included in the segment profit or loss or segment assets or regularly provided to the CODM)

Year ended 31 December 2024

	Solar material business RMB'000	Solar farm business RMB'000	Unallocated RMB'000	Total RMB'000
Amount included in the measure of segment profit or loss or segment assets:				
Interests in joint ventures	—	—	143,986	143,986
Interests in associates	5,477,072	—	100,712	5,577,784
Share of profits of joint ventures	—	6,406	20,700	27,106
Share of losses of associates	(1,239,065)	—	(42,444)	(1,281,509)
Addition to property, plant and equipment, and right-of-use assets	4,711,426	220	1,962	4,713,608
Addition to investment properties	4,000	—	—	4,000
Depreciation of property, plant and equipment	(3,785,936)	(85,073)	(25,026)	(3,896,035)
Depreciation of right-of-use assets	(134,973)	(1,309)	(11,922)	(148,204)
Depreciation of investment properties	(20,834)	—	—	(20,834)
Amortisation of intangible assets	(33,771)	—	—	(33,771)
Finance costs	(596,374)	(21,664)	(346)	(618,384)
Bank and other interest income	186,137	126	36,630	222,893
Gain (loss) on fair value change of financial instruments	(27,568)	6,690	58,881	38,003
Gain on disposal of property, plant and equipment	22,829	—	—	22,829
Write-down of inventories, net	(107,870)	—	—	(107,870)
Impairment losses on financial assets	(853,798)	(127,788)	(7,848)	(989,434)
Impairment loss on property, plant and equipment	(312,318)	(88,793)	—	(401,111)
Gain on deemed disposal of a subsidiary	1,952,207	—	—	1,952,207
Loss on deemed disposal of an associate	—	—	(18,901)	(18,901)
Loss on disposal of and impairment loss on interest in an associate	(184,755)	—	—	(184,755)
Research and development costs	(1,102,444)	—	—	(1,102,444)
Income tax credit (expense)	557,956	(12,960)	—	544,996

6. REVENUE AND SEGMENT INFORMATION (Continued)

Other segment information (included in the segment profit or loss or segment assets or regularly provided to the CODM) (Continued)

Year ended 31 December 2023

	Solar material business RMB'000	Solar farm business RMB'000	Unallocated RMB'000	Total RMB'000
Amount included in the measure of segment profit or loss or segment assets:				
Interests in joint ventures	—	25,949	123,285	149,234
Interests in associates	5,626,315	—	160,507	5,786,822
Share of profits (losses) of joint ventures	—	19,925	(32,246)	(12,321)
Share of profits (losses) of associates	276,015	—	(72,823)	203,192
Addition to property, plant and equipment, and right-of-use assets	12,923,383	1,949	—	12,925,332
Addition to investment properties	7,177	—	—	7,177
Depreciation of property, plant and equipment	(2,999,406)	(84,684)	(24,807)	(3,108,897)
Depreciation of right-of-use assets	(171,748)	(1,309)	(11,922)	(184,979)
Depreciation of investment properties	(20,318)	—	—	(20,318)
Amortisation of intangible assets	(34,512)	—	—	(34,512)
Finance costs	(391,236)	(25,637)	(964)	(417,837)
Bank and other interest income	200,400	1,073	24,853	226,326
Gain on fair value change of financial instruments	112,463	7,898	3,726	124,087
Gain on disposal of property, plant and equipment	30,685	—	—	30,685
Write-down of inventories, net	156,756	—	—	156,756
Reversal of impairment (losses) on financial assets	(66,745)	(17,555)	221,271	136,971
Impairment loss on property, plant and equipment	(1,128,134)	—	—	(1,128,134)
Gain on partial disposal/deemed disposal of associates	201,596	—	—	201,596
Research and development costs	(1,872,796)	—	—	(1,872,796)
Income tax expense	(956,044)	(18,762)	—	(974,806)
Loss on disposal of and impairment loss on interest in an associate	(3,189,789)	—	—	(3,189,789)

6. REVENUE AND SEGMENT INFORMATION (Continued)

Revenue

(i) Disaggregation of revenue from contracts with external customers

Year ended 31 December 2024

Segments	Solar material business RMB'000	Solar farm business RMB'000	Total RMB'000
Types of goods or services			
Sales of polysilicon	8,673,317	—	8,673,317
Sales of wafer	3,347,318	—	3,347,318
Sales of industrial silicon	1,571,035	—	1,571,035
Sales of electricity	—	140,402	140,402
Processing fees	387,909	—	387,909
Other (comprising the sales of ingots)	977,579	—	977,579
Total	14,957,158	140,402	15,097,560
Geographic markets			
The PRC	14,940,548	99,803	15,040,351
Others	16,610	40,599	57,209
Total	14,957,158	140,402	15,097,560
Timing of revenue recognition			
A point in time	14,569,249	140,402	14,709,651
Over time	387,909	—	387,909
Total	14,957,158	140,402	15,097,560

6. REVENUE AND SEGMENT INFORMATION (Continued)

Revenue (Continued)

(i) Disaggregation of revenue from contracts with external customers (Continued)

Year ended 31 December 2023

Segments	Solar material business RMB'000	Solar farm business RMB'000	Total RMB'000
Types of goods or services			
Sales of polysilicon	17,435,147	—	17,435,147
Sales of wafer	11,637,962	—	11,637,962
Sales of industrial silicon	1,530,327	—	1,530,327
Sales of electricity	—	213,987	213,987
Processing fees	1,389,369	—	1,389,369
Other (comprising the sales of ingots)	1,493,687	—	1,493,687
Total	33,486,492	213,987	33,700,479
Geographic markets			
The PRC	32,836,910	175,104	33,012,014
Others	649,582	38,883	688,465
Total	33,486,492	213,987	33,700,479
Timing of revenue recognition			
A point in time	32,097,123	213,987	32,311,110
Over time	1,389,369	—	1,389,369
Total	33,486,492	213,987	33,700,479

6. REVENUE AND SEGMENT INFORMATION (Continued)

Revenue (Continued)

(ii) Performance obligations from contracts with customers

Revenue from the manufactures and sales of polysilicon, wafer, ingots and industrial silicon are recognised at a point in time upon goods are delivered and titles have passed. The Group generally grants credit period of approximately one month to customers from the invoice date. For those customers with continuous business relationships, the Group generally would enter into supply framework contracts and receive certain percentage of deposits as advance payments from these customers. Advances from customers are recognised as revenue upon orders are fulfilled. Sales agreements typically do not contain product warranties except for return and replacement of defective products within 30 days from delivery.

Processing income are recognised over time and measured based on output method upon sawing and cutting services are rendered to customers. The Group generally grants credit period of approximately one month to customers from the invoice date.

Revenue from sales of electricity is recognised at a point in time when electricity is generated and transferred to local power grid companies in the PRC and customer in the USA.

For sales of electricity substantially all of the revenue is derived from electricity sales to local grid companies in the PRC. The Group generally entered into power purchase agreements with local power grid companies with a term of one to five years which stipulate the price of electricity per watt hour. Revenue is recognised when control of the electricity has been transferred, being at the point when electricity has been generated and transmitted to the customer and the amount included tariff adjustments of approximately RMB70,894,000 recognised during the year ended 31 December 2024 (2023: RMB135,288,000). Except for trade receivables relating to tariff adjustment, the Group generally grants credit period of approximately one month to customers from the date of invoice in accordance with the relevant power purchase agreements between the Group and the respective local grid companies or oversea customers. The Group will complete the remaining performance obligations in accordance with the relevant terms as stipulated in the power purchase agreements and the remaining aggregated transaction price will be equal to the quantity of electricity that can be generated and transmitted to the customers times the stipulated price per watt hour.

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

6. REVENUE AND SEGMENT INFORMATION (Continued)

Revenue (Continued)

(ii) Performance obligations from contracts with customers (Continued)

In January 2020, the Several Opinions on Promoting the Healthy Development of Non-Hydro Renewable Energy Power Generation (Caijian 2020 No. 4)*《關於促進非水可再生能源發電健康發展的若干意見》(財建20204號) and the Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (Caijian 2020 No. 5)*《財政部國家發展改革委國家能源局關於印發〈可再生能源電價附加資金管理辦法〉的通知》(財建20205號) (the" 2020 Measures") were jointly announced by the Ministry of Finance, National Development and Reform Commission and National Energy Administration. In accordance with the new government policy as stipulated in the 2020 Measures, the PRC government has simplified the application and approval process regarding the registration of tariff adjustments for non-hydro renewable energy power plant projects into the Renewable Energy Tariff Subsidy List (可再生能源發電補助項目清單, the" List"). The state-owned grid companies will regularly announce the list based on the project type, time of grid connection and technical level of the solar power projects. For those on-grid solar power projects which have already started operation but yet to register into the List, these on-grid solar power projects are entitled to enlist into the List once they have met the conditions as stipulated on the Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加資金管理辦法) and completed the submission and application in the Platform.

Tariff adjustments are recognised as revenue and due from grid companies in the PRC in accordance with the relevant power purchase agreements.

* English name for identification only

6. REVENUE AND SEGMENT INFORMATION (Continued)

Revenue (Continued)

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

All revenue contracts with customers are for a period of one year or less, as permitted by practical expedient under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Geographical information

The Group's revenue from external customers by customer's location and information about its non-current assets by location of the assets are detailed below:

	Revenue from external customers		Non-current assets*	
	2024	2023	**2024**	2023
	RMB'000	RMB'000	**RMB'000**	RMB'000
The PRC (Country of domicile)	**15,040,351**	33,012,014	**41,956,479**	42,503,679
Taiwan	**—**	13,619	**—**	—
Korea	**—**	38,214	**—**	—
India	**379**	255,737	**—**	—
Vietnam	**16,231**	171,638	**—**	—
The USA	**40,599**	38,883	**249,503**	273,023
Cambodia	**—**	170,374	**—**	—
South Africa	**—**	—	**—**	25,949
Others	**—**	—	**100,799**	172,531
	57,209	688,465	**350,302**	471,503
	15,097,560	33,700,479	**42,306,781**	42,975,182

* Non-current assets excluded deferred tax assets and financial instruments.

6. REVENUE AND SEGMENT INFORMATION (Continued)

Information about major customers

Revenue from the major customers which amounted to 10% or more of the Group's revenue is set out below:

	2024 RMB'000	2023 RMB'000
Customer A	**2,818,674**	5,318,193
Customer B	**N/A**	3,874,243

The revenue is derived from solar material business segment.

7. OTHER INCOME

	2024 RMB'000	2023 RMB'000
Government grants (note a)	**243,191**	312,368
Bank and other interest income (note b)	**222,893**	226,326
Sales of scrap materials	**390,668**	396,272
Management and consultancy fee income	**20,082**	15,046
Rental and rental related income	**57,034**	89,641
Write-back of other payables	**9,762**	7,652
Compensation income	**54,365**	18,701
Guarantee fee income (note 49)	**6,005**	13,887
Others	**5,392**	4,238
	1,009,392	1,084,131

Note:

(a) Government grants

	2024 RMB'000	2023 RMB'000
Incentive subsidies (note (i))	**214,310**	279,105
Subsidies related to property, plant and equipment	**23,524**	27,327
Value-added tax refunds related to depreciable assets	**5,357**	5,936
	243,191	312,368

note (i) Incentive subsidies were received from the relevant PRC government for improvement of working capital and financial assistance to the operating activities to enhance the competitiveness in the industry. The amount also includes grants for relevant expenses incurred such as those for research and development activities and interest subsidies. The subsidies were granted on a discretionary basis to the Group during the year.

(b) These represent interest income on financial assets measured at amortised cost including an imputed interest income on dividend receivable from a former associate of RMB73,752,000 (2023: Nil)

8. OTHER GAINS (LOSSES), NET

	2024 RMB'000	2023 RMB'000
Exchange gains (losses), net	**8,389**	(25,105)
Gain on fair value change of investments at FVTPL	**36,830**	53,914
Gain (loss) on fair value change of held for trading investments	**2,895**	(390)
(Loss) gain on fair value change of derivative financial instruments (note 35)	**(1,722)**	82,368
Loss on fair value change of convertible bond payable	**—**	(11,805)
Impairment loss on property, plant and equipment (note 17)	**(401,111)**	(1,128,134)
Gain on disposal of property, plant and equipment	**22,829**	30,685
(Loss) gain on deemed partial disposal of associates and gain on disposal of an associate	**(18,901)**	201,596
Gain on deemed disposal of a subsidiary (note 39)	**1,952,207**	—
Loss on disposal of and impairment loss on interest in an associate (note 21(g) and (h))	**(184,755)**	(3,189,789)
	1,416,661	(3,986,660)

9. IMPAIRMENT LOSSES (RECOGNISED) REVERSED ON FINANCIAL ASSETS

	2024 RMB'000	2023 RMB'000
Impairment losses (recognised) reversed, on		
— trade receivables	**(139,845)**	8,855
— other receivables	**(849,589)**	128,116
	(989,434)	136,971

Details of impairment assessment are set out in note 41(b).

10. FINANCE COSTS

	2024 RMB'000	2023 RMB'000
Interest on financial liabilities not at fair value through right or loss		
— bank and other borrowings	**585,519**	482,391
— loans from related companies	**163**	45,107
— other financial liabilities	**40,752**	42,743
— Interest on lease liabilities	**9,856**	10,380
Total borrowing costs	**636,290**	580,621
Less: interest capitalised	**(17,906)**	(162,784)
	618,384	417,837

Interest expenses capitalised on qualifying assets represent the amount of interest bearing debts which is directly attributable to the acquisition of property, plant and equipment and was capitalised as the cost of property, plant and equipment at a rate of 3.05% - 4.1% per annum (2023: 3.4% - 4.2%).

11. INCOME TAX (CREDIT) EXPENSE

	2024 RMB'000	2023 RMB'000
Current tax		
PRC Enterprise Income Tax ("EIT")		
Provision for the year	**287,869**	663,585
Underprovision (overprovision) in prior years	**12,067**	(92,024)
PRC dividend withholding tax	**—**	30,000
	299,936	601,561
USA Federal and State Income Tax		
Overprovision in prior years	**—**	(12)
	—	(12)
Deferred tax (note 24)	**(844,932)**	373,257
	(544,996)	974,806

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

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

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. The qualification as a High and New Technology Enterprise will be subject to annual review by the relevant tax authorities in the PRC.

Federal and state income tax rates in the USA are 21% and 8.84%, respectively, for both years. No provision for Federal and state income tax in the USA has been made for as the Group did not have estimated assessable profits arising in the USA for both years.

11. INCOME TAX (CREDIT) EXPENSE (Continued)

Hong Kong Profits Tax is 16.5% for both years. No provision for Hong Kong Profits Tax has been made as the Group did not have assessable profits arising in Hong Kong for both years.

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 tax resident immediate holding companies registered in Hong Kong and the British Virgin Islands ("BVI"), 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 expenses of approximately RMB139,674,000 (2023: RMB187,834,000) in respect of withholding tax on undistributed profits was credited (2023: debited) to profit or loss during the current year.

The tax charge for the year can be reconciled to the (loss)/profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2024 **RMB'000**	2023 RMB'000
(Loss) profit before tax	**(6,192,948)**	4,301,910
Tax at PRC EIT rate of 25% (Note)	**(1,548,237)**	1,075,477
Lower tax rates for specific provinces or enacted by local authorities	**580,682**	(334,631)
Effect of different tax rates in different jurisdictions	**3,716**	(3,970)
Tax effect of expenses not deductible for tax purpose	**580,556**	565,082
Tax effect of income not taxable for tax purpose	**(556,972)**	(95,878)
Tax effect of share of results of associates	**316,770**	(56,988)
Tax effect of share of results of joint ventures	**(6,520)**	525
Tax effect temporary difference not recognised	**114,235**	(155,907)
Tax effect of tax losses not recognised	**191,889**	302,471
Utilisation of tax losses previously not recognised	**(60,978)**	(299,826)
Effect of tax exemption and tax concessions granted to certain subsidiaries in the PRC	**(32,530)**	(117,347)
Withholding tax on undistributed profits	**(139,674)**	187,834
Underprovision (overprovision) in prior years, net	**12,067**	(92,036)
Income tax (credit) expense for the year	**(544,996)**	974,806

Note: The PRC EIT rate is used as it is the domestic tax in the jurisdiction where the operation of the Group is substantially based.

12. (LOSS) PROFIT FOR THE YEAR

	2024 RMB'000	2023 RMB'000
(Loss) profit for the year has been arrived at after charging (crediting) the following items:		
Staff costs, including directors' remuneration		
Salaries, wages and other benefits	**1,572,430**	2,185,412
Share-based payments*	**147,423**	152,801
Retirement benefits scheme contributions	**182,602**	175,054
	1,902,455	2,513,267
Depreciation of property, plant and equipment (Note 17)	**3,896,035**	3,201,730
Depreciation of right-of-use assets (Note 18)	**148,204**	184,979
Depreciation of investment properties (Note 19)	**20,834**	20,318
Amortisation of intangible assets (Note 20)	**33,771**	34,512
Total depreciation and amortisation	**4,098,844**	3,441,539
Less: amounts absorbed in opening and closing inventories, net	**(81,658)**	(92,833)
	4,017,186	3,348,706
Write-down of inventories, net (note 25)	**107,870**	156,756
Auditors' remuneration		
– audit services	**9,800**	9,800
– other services	**1,900**	2,100
	11,700	11,900

* It was included share-based payment expenses of the Company of approximately RMB98,588,000 (2023: RMB152,801,000)

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and Chief Executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, is as follows:

Year ended 31 December 2024

Name of Director	Directors' fee RMB'000	Salaries and other benefits RMB'000	Performance-related bonuses RMB'000	Retirement benefits scheme contributions RMB'000	Share-based payments-share award (Note c) RMB'000	Total RMB'000
Executive Directors (note a)						
Mr. ZHU Gongshan	—	3,286	—	—	3,424	6,710
Mr. ZHU Yufeng	—	1,830	—	84	1,902	3,816
Mr. ZHU Zhanjun	—	2,600	—	200	1,794	4,594
Mr. LAN Tianshi	—	2,500	—	200	2,574	5,274
Ms. SUN Wei	—	2,700	—	355	1,794	4,849
Mr. YEUNG Man Chung, Charles	—	2,500	—	126	1,630	4,256
Independent Non-executive Directors (note b)						
Dr. HO Raymond Chung Tai	460	—	—	—	272	732
Mr. YIP Tai Him	364	—	—	—	272	636
Dr. SHEN Wenzhong	214	—	—	—	272	486
Mr. LI Junfeng	77	—	—	—	—	77
	1,115	15,416	—	965	13,934	31,430

Note: On 20 March 2025, all executive directors have taken the initiative to implement a voluntary reduction of their respective annual remuneration for the year ended 31 December 2024 and year ending 31 December 2025 (the "**Remuneration Adjustment**"). After the Remuneration Adjustment, the total annual remuneration of all executive directors for the year ended 31 December 2024 would be approximately RMB16.4 million (including the retirement benefits scheme contributions but not share-based payments-share award) (2023: approximately RMB188.0 million) and the total annual remuneration of all executive directors for the year ending 31 December 2025 is expected to be approximately RMB16.3 million (including the retirement benefits scheme contributions). The Board (including the members of the remuneration committee of the Company) approved the Remuneration Adjustment on 20 March 2025.

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

Year ended 31 December 2023

Name of Director	Directors' fee RMB'000	Salaries and other benefits RMB'000	Performance-related bonuses RMB'000	Retirement benefits scheme contributions RMB'000	Share-based payments-share award (note c) RMB'000	Total RMB'000
Executive Directors (note a)						
Mr. ZHU Gongshan	—	6,842	50,000	14	5,745	62,601
Mr. ZHU Yufeng	—	1,800	25,000	83	3,192	30,075
Mr. ZHU Zhanjun	—	4,013	19,200	181	3,009	26,403
Mr. LAN Tianshi	—	4,008	40,000	166	4,201	48,375
Ms. SUN Wei	—	4,513	19,000	315	3,009	26,837
Mr. YEUNG Man Chung, Charles	—	4,501	8,283	125	2,736	15,645
Independent Non-executive Directors (note b)						
Dr. HO Raymond Chung Tai	804	—	—	—	456	1,260
Mr. YIP Tai Him	600	—	—	—	456	1,056
Dr. SHEN Wenzhong	391	—	—	—	456	847
	1,795	25,677	161,483	884	23,260	213,099

Notes:

(a) The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

(b) The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

(c) Details of movements of the share award scheme is set out in note 46(a)(II).

Bonuses are discretionary and are based on the performance of the Group or its subsidiaries for the year.

There was no arrangement under which a director or the Chief Executive waived or agreed to waive any remuneration during the year ended 31 December 2023.

14. FIVE HIGHEST PAID EMPLOYEES AND COMPENSATION OF KEY MANAGEMENT PERSONNEL

(a) Five highest paid employees

The five highest paid employees of the Group during the year included five directors (2023: five directors), details of whose remuneration are set out in note 13.

(b) Compensation of key management personnel

The remuneration of senior management personnel, comprising Directors' and Chief Executive's remuneration during the year was as follows:

	2024 **RMB'000**	2023 RMB'000
Short-term benefits	**16,531**	188,955
Post-employment benefits	**965**	884
Share-based payments	**13,934**	23,260
	31,430	213,099

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

15. DIVIDEND

	2024 **RMB'000**	2023 RMB'000
Dividends payable to owners of the Company attributable to previous financial year, approved and paid during the year:		
Final dividend in respect of the previous financial year, approved and paid during the year of HK$6.0 cents per ordinary share	**—**	1,439,723

The Board of the Company did not recommend the payment of any dividend for the years ended 31 December 2023 and 2024.

16. (LOSS) EARNINGS PER SHARE

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

	2024 RMB'000	2023 RMB'000
(Loss) profit		
(Loss) profit for the year attributable to owners of the Company for the purpose of calculation of basic and diluted (loss) earnings per share	**(4,750,396)**	2,510,076

	2024 '000	2023 '000
Weighted average number of ordinary shares		
Issued ordinary shares at 1 January	**26,938,931**	27,108,498
Effect of shares held by the Group under the Scheme (as defined in note 46(a)(II))	**(484,679)**	(502,352)
Effect of treasury shares	**(13,906)**	(92,911)
Effect of share options exercised	**—**	272
Weighted average number of ordinary shares at 31 December	**26,440,346**	26,513,507

	2024 '000	2023 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	**26,440,346**	26,513,507
Effect of dilutive potential ordinary shares		
— Share options	**—**	10,295
— Share awards scheme	**—**	18,649
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share	**26,440,346**	26,542,451

16. (LOSS) EARNINGS PER SHARE (Continued)

The weighted average number of ordinary shares for the purpose of calculation of basic (loss) earnings per share had been adjusted for (i) the effect of the ordinary shares held by the trustee pursuant to the share award scheme and (ii) the effect of the treasury shares purchased by the Group from market. For the year ended 31 December 2023, the calculation had also been adjusted for the effect of share options exercised.

The calculation of diluted loss per share for the year ended 31 December 2024 did not assume the exercise of share options and award shares granted by the Company and share options granted by GCL New Energy Holdings Limited ("**GNE**"), since their exercise would result in a decrease in the loss per share.

Diluted earnings per share for the year ended 31 December 2023 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 by the Company and the share options granted by GNE were not assumed to be exercised because the exercise prices of the share options and award shares were higher than the average market price of shares or would result in an increase in the earnings per share.

In addition, the convertible bond issued and put options granted by a subsidiary of the Company to non-controlling shareholders of this subsidiary have insignificant dilutive effect on the (loss) earnings per share for the years ended 31 December 2024 and 2023.

17. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Plant and machinery	Aircraft	Office equipment	Motor vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
COST							
At 1 January 2023	8,131,483	33,878,639	176,135	600,028	205,781	6,057,826	49,049,892
Additions	—	102,476	—	40,873	79,467	12,509,764	12,732,580
Transfers	2,362,198	12,495,256	—	120,253	17,914	(14,995,621)	—
Disposal	(468,358)	(5,683,271)	—	(314,621)	(8,430)	(3,306)	(6,477,986)
Transfer to investment properties (note 19)	(7,727)	—	—	—	—	—	(7,727)
Exchange differences	—	9,998	—	—	—	—	9,998
At 31 December 2023	10,017,596	40,803,098	176,135	446,533	294,732	3,568,663	55,306,757
Additions	129,312	338,598	—	17,785	8,594	4,121,968	4,616,257
Transfers	1,123,247	4,737,390	—	75,241	6,322	(5,942,200)	—
Disposal	(136,714)	(632,383)	—	(68,516)	(21,728)	(2,911)	(862,252)
Deemed disposal of a subsidiary (note 39)	—	(219,480)	—	(11,653)	(578)	(83,088)	(314,799)
Transfer to investment properties (note 19)	(4,000)	—	—	—	—	—	(4,000)
Exchange differences	—	9,060	—	4	—	—	9,064
At 31 December 2024	11,129,441	45,036,283	176,135	459,394	287,342	1,662,432	58,751,027
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES							
At 1 January 2023	2,572,806	19,157,401	63,491	317,466	97,871	310,165	22,519,200
Depreciation expense	602,062	2,328,664	24,576	193,292	53,136	—	3,201,730
Eliminated on disposals	(452,046)	(5,680,268)	—	(187,472)	(7,529)	(3,306)	(6,330,621)
Impairment losses	156,753	952,760	—	17,510	1,111	—	1,128,134
Transfer to investment properties (note 19)	(550)	—	—	—	—	—	(550)
Exchange differences	—	5,132	—	—	—	—	5,132
At 31 December 2023	2,879,025	16,763,689	88,067	340,796	144,589	306,859	20,523,025
Depreciation expense	658,286	3,030,654	24,577	122,517	60,001	—	3,896,035
Eliminated on disposals	(72,417)	(637,725)	—	(51,917)	(13,753)	—	(775,812)
Impairment losses	—	364,701	—	35,347	1,063	—	401,111
Deemed disposal of a subsidiary (note 39)	—	(59,100)	—	(160)	(424)	—	(59,684)
Exchange differences	—	5,199	—	—	—	—	5,199
At 31 December 2024	3,464,894	19,467,418	112,644	446,583	191,476	306,859	23,989,874
CARRYING AMOUNTS							
At 31 December 2024	7,664,547	25,568,865	63,491	12,811	95,866	1,355,573	34,761,153
At 31 December 2023	7,138,571	24,039,409	88,068	105,737	150,143	3,261,804	34,783,732

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment, except for construction in progress, are depreciated on a straight-line basis at the following rates per annum:

Buildings	Over the shorter of lease terms or 2%–8.33%
Plant and machinery	4%–25% or % calculated based on license period
Aircraft	$6^{2}/_{3}$%
Office equipment	20%–33%
Motor vehicles	20%–30%

Impairment loss

Year ended 31 December 2024

In light of evolving energy market conditions and challenges, certain asset groups of the Group were in the status of shutdown, temporary idleness or under-capacity. The Group considered that there were indicators of impairment in these asset groups and conducted impairment tests. As a result, an impairment loss of RMB401,111,000 was recognised for property, plant and equipment during the year ended 31 December 2024.

Management performed impairment assessment by determining the recoverable amount of the relevant cash-generating unit ("CGU") based on the higher of the value-in-use calculation and the fair value less cost of disposal. The key assumptions for fair value less cost of disposal method include market price of the relevant assets. The key assumptions for future cash flow method include product prices (as well as revenue growth rates) and discount rates. For relevant CGUs engaged in the solar material and solar farm business with indicators of impairment, the Group determines their recoverable amounts based on the future cash flow method and an impairment loss of RMB219,714,000 was made in the consolidated financial statements. The Group estimates the annual growth rate of revenue during the five-year forecast period ranged from 0% to 105% which is based on historical experience and market development. The long-term growth rate ranged from 0% to 2%. The pre-tax discount rates of 10.7% to 11.4% reflect specific risks related to the relevant CGUs. The recoverable amount of these relevant CGUs for the relevant assets are approximately RMB178,933,000.

In addition to the above, the directors made an impairment loss of RMB181,397,000 on the property, plant and equipment of relevant CGUs engaged in the wafer and solar material business by reference to the scrap value of the relevant machinery which under Level 2 of the fair value hierarchy. The impairment loss is made based on the management's historical experience and the average scrap value is estimated to be 4% of the carrying amount of the machinery. The recoverable amount of these relevant CGUs for the relevant assets are approximately RMB7,517,000.

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

Impairment loss (Continued)

Year ended 31 December 2023

In face of the new energy changes and market challenges, the Directors resolved that the Group would discontinue the production of rod silicon due to its high cost and reallocate the limited production capacity towards granular silicon which offers a higher profit margin so as to maximize the Group's profit with limited production capacity. During the year ended 31 December 2023, the Directors resolved to cease the production of rod silicon will be completely by June 2023. Following this resolution, a review was conducted to assess the recoverable amount of the property, plant and equipment associated with the rod silicon business based on scrap value. Additionally certain property, plant and equipment became obsolete. Consequently, an impairment loss of approximately RMB1,128 million was recognised in respect of the relevant property, plant and equipment of the solar material business segment for the year ended 31 December 2023.

18. RIGHT-OF-USE ASSETS

	2024 **RMB'000**	2023 RMB'000
Leasehold lands	**1,402,847**	1,478,179
Properties	**47,818**	53,418
Others	**5,387**	9,855
	1,456,052	1,541,452

	2024 **RMB'000**	2023 RMB'000
Depreciation		
– Leasehold lands	**63,025**	52,010
– Properties	**76,432**	93,683
– Others	**8,747**	39,286
	148,204	184,979
Expenses relating to short-term leases	**49,903**	32,424
Total cash outflow for leases	**176,243**	192,722
Additions to right-of-use assets	**97,351**	192,752
Effect of foreign currency exchange differences	**(240)**	116
Disposal of leasehold land	**34,307**	37,415

18. RIGHT-OF-USE ASSETS (Continued)

For both years, the Group leased lands, properties and other equipment for its operations. Lease contracts were entered into for terms ranging from 2 to 50 years. Lease terms were negotiated on an individual basis and contained a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applied the definition of a contract and determined the period for which each contract was enforceable.

In addition, the Group owns several leasehold lands where its manufacturing facilities, solar farms and office buildings are primarily located. The Group is the registered owner of these property interests.

The Group regularly enters into short-term leases for offices, motor vehicles and staff quarters. As at 31 December 2024 and 2023, the portfolio of short-term leases is similar to the portfolio of short-term leases for which the short-term lease expense is as disclosed above.

Details of the lease maturity analysis of lease liabilities are set out in notes 34 and 41(b).

Sale and leaseback transactions – seller-lessee

To better manage the Group's capital structure and financing needs, the Group sometimes enters into sale and leaseback arrangements in relation to machinery leases. The transfer of legal title to the solar farms, plant and equipment does not satisfy the requirements of IFRS standards to be accounted for as a sale of the solar farms, plant and equipment. During the years ended 31 December 2024 and 2023, there were no new borrowings in respect of such sale and leaseback arrangements. More details are set out in note 33.

19. INVESTMENT PROPERTIES

	RMB'000
COST	
As at 1 January 2023	454,793
Transfer from property, plant and equipment (note 17)	7,727
As at 31 December 2023	462,520
Transfer from property, plant and equipment (note 17)	4,000
As at 31 December 2024	466,520
ACCUMULATED DEPRECIATION	
As at 1 January 2023	76,300
Transfer from property, plant and equipment (note 17)	550
Provided for the year	20,318
As at 31 December 2023	97,168
Provided for the year	20,834
As at 31 December 2024	118,002
CARRYING AMOUNTS	
As at 31 December 2024	348,518
As at 31 December 2023	365,352

The investment properties are depreciated on a straight-line basis over the shorter of the lease terms of the leasehold land or 5% per annum.

The fair value of the Group's investment properties at 31 December 2024 and 2023 was approximately RMB397,031,000 and RMB426,592,000, respectively. The fair value was valued by direct comparison approach and was determined by the Directors with reference to recent market evidence of transaction prices for similar properties in similar locations and conditions and the fair value of the properties is categorised as level 2 measurement.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

20. INTANGIBLE ASSETS

	Technical know-how RMB'000
COST	
At 1 January 2023, 31 December 2023	1,073,177
Disposal	(42,795)
Deemed disposal of a subsidiary (note 39)	(25,957)
At 31 December 2024	1,004,425
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSS	
At 1 January 2023	922,233
Amortisation	34,512
At 31 December 2023	956,745
Amortisation	33,771
Disposal	(36,242)
Deemed disposal of a subsidiary (note 39)	(12,868)
At 31 December 2024	941,406
CARRYING AMOUNTS	
At 31 December 2024	63,019
At 31 December 2023	116,432

Technical know-how are mainly acquired by solar material business from third parties in relation to technical know-how of hydrochlorination production techniques and hydrochlorination recycling system, fluidised bed reactor techniques, Continuous Czochralski monosilicon techniques, perovskite solar cells techniques and technical know-how on production of polysilicon and wafer products.

Technical know-how have definite useful lives and are amortised on a straight-line basis over 10 years.

The amortisation charge for the year is included in administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

21. INTERESTS IN ASSOCIATES

	2024 RMB'000	2023 RMB'000
Cost of investments in associates	**5,177,618**	3,198,806
Share of post-acquisition profits and OCI, net of dividends received	**41,108**	1,590,014
Perpetual notes classified as financial assets at fair value through other comprehensive income	**359,058**	998,002
	5,577,784	5,786,822

Details of the Group's principal associates at the end of the reporting period are as follows:

Name of company	Country of incorporation/ operation	Proportion of ownership interest				Principal activities
		2024		2023		
		Group's effective interest	Held by a subsidiary	Group's effective interest	Held by a subsidiary	
GNE (note a)	Bermuda/Hong Kong	**6.2%**	**6.2%**	7.44%	7.44%	New energy business
昆山協鑫光電材料有限公司 Kunshan GCL Optoelectronic Material Co., Ltd. ("Kunshan GCL") (note b)	PRC	**44.23%**	**44.23%**	—	—	Production and sales of perovskite solar alls
徐州金材股權投資合夥企業 Xuzhou Jincai Equity Investment Partnership (Limited Partnership)* ("Xuzhou Jincai") (note c)	PRC	**47.37%**	**47.37%**	—	—	Investment and asset management
內蒙古中環晶體材料有限公司 Inner Mongolia Zhonghuan-Crystal Material Co., Ltd.* ("Inner Mongolia Zhonghuan Crystal") (note d)	PRC	**4.5%**	**6.42%**	4.50%	6.42%	Production of silicon rods
徐州日晟低碳產業投資合夥企業(有限合夥) Xuzhou Risheng Low Carbon Industry Investment Partnership (Limited Partnership)* ("Xuzhou Risheng") (note e)	PRC	**49.88%**	**49.88%**	49.92%	49.92%	Investment and asset management
江蘇鑫華半導體材料科技有限公司 Jiangsu Xinhua Semiconductor Material Technology Co., Ltd* ("Jiangsu Xinhua") (note f)	PRC	**24.55%**	**24.55%**	24.55%	24.55%	Production and trading of semiconductor polysilicon

21. INTERESTS IN ASSOCIATES (Continued)

Name of company	Country of incorporation/ operation	Proportion of ownership interest				Principal activities
		2024		2023		
		Group's effective interest	Held by a subsidiary	Group's effective interest	Held by a subsidiary	
徐州中平協鑫產業升級股權投資基金(有限合夥) Xuzhou Zhongping GCL Industrial Upgrading Equity Investment Fund LLP* ("Xuzhou Fund") (note g)	PRC	—	—	40.27%	40.27%	Investment and asset management
新疆戈恩斯能源材料科技有限公司 Xinjiang Goens Energy Technology Co., Limited* ("Xinjiang Goens") (note h)	PRC	—	—	—	—	Production and sale of polysilicon
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") (note i)	PRC	14.78%	14.78%	14.78%	14.78%	Investment and asset management
樂山市中平能鑫企業管理諮詢合夥企業(有限合夥) Leshan Zhongping Nengxin Enterprise Management Consultancy Partnership (Limited Partnership)* ("Zhongping Nengxin") (note j)	PRC	66.65%	66.65%	66.65%	66.65%	Investment and asset management

* English name for identification only

21. INTERESTS IN ASSOCIATES (Continued)

MATERIAL ASSOCIATES

Summarised financial information of material associates

(a) GNE

	2024 **RMB'000**	2023 RMB'000
Current assets	**2,278,334**	2,526,343
Non-current assets	**3,815,256**	3,979,921
Current liabilities	**(710,109)**	(765,875)
Non-current liabilities	**(554,717)**	(745,735)
Net assets	**4,828,764**	4,994,654

	2024 **RMB'000**	2023 RMB'000
Revenue	**1,107,755**	831,520
Loss for the year	**(222,740)**	(964,010)
Other comprehensive (expense) income for the year	**(1,526)**	7,223
Total comprehensive expense for the year	**(224,266)**	(956,787)
Dividend received by the Group during the year	**—**	—

21. INTERESTS IN ASSOCIATES (Continued)

MATERIAL ASSOCIATES (Continued)

Summarised financial information of material associates (Continued)

(a) GNE (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in GNE recognised in the consolidated financial statements is set out below:

	2024 **RMB'000**	2023 RMB'000
Net assets of GNE	**4,828,764**	4,994,654
Less: Non-controlling interests of GNE	**(3,140,522)**	(2,939,222)
Share options reserve of GNE	**(62,499)**	(84,919)
Equity attributable to owners of GNE	**1,625,743**	1,970,513
Proportion of the Group's ownership interest in GNE	**6.2%**	7.44%
The Group's share of net assets of GNE	**100,712**	160,507
Perpetual notes classified as financial assets at fair value through other comprehensive income (Note ii)	**359,058**	998,002
Carrying amount of the Group's interest in GNE	**459,770**	1,158,509
Fair value (quote market price)	**39,018**	29,130

Note:

(i) During the year ended 31 December 2022, a special interim dividend by way of distribution of shares of GCL New Energy Holdings Limited ("GNE") was declared by the board of directors of the Company. Upon the completion of distribution in specie, the Group's effective interest in GNE were decreased from 44.44% to 7.44%. During the year ended 31 December 2024, GNE completed a placing of an aggregate of 233,487,154 shares at HK$0.26 per share, raising net proceeds of HK$59.7 million. After completion of the shares placement, the Group's interest in GNE decreased from 7.44% to 6.2%. A loss on deemed partial disposal of RMB18,901,000 was recognised in the profit or loss (Note 8). The Directors consider the Group can exercise significant influence over GNE and GNE therefore becomes an associate of the Group after Distribution in Specie due to the following reasons:

(a) Upon the completion of Distribution in Specie, the Group became the third largest shareholder of GNE, and the first and the second largest shareholders of GNE are the Company's controlling shareholder and its subsidiary, respectively;

(b) The remaining shareholdings of GNE are widely dispersed;

(c) Under the Bermuda Companies Act, shareholder of GNE holding not less than 5% of paid-up share capital of GNE, or not less than one hundred shareholders, may submit a written request to move a resolution at the annual general meeting. After the Distribution in Specie, the Group is one of the three shareholders that individually holds not less than 5% of paid-up share capital of GNE.

21. INTERESTS IN ASSOCIATES (Continued)

MATERIAL ASSOCIATES (Continued)

Summarised financial information of material associates (Continued)

(a) GNE (Continued)

Notes:

(ii) On 18 November 2016, 南京協鑫新能源發展有限公司 Nanjing GCL New Energy Development Co. Ltd* ("Nanjing GCL New Energy"), an indirect wholly-owned subsidiary of GNE, entered into a perpetual notes agreement with certain wholly-owned subsidiaries of the Company (the "Lenders"). Nanjing GCL New Energy issued perpetual notes of RMB800,000,000 and RMB1,000,000,000 in November and December 2016, respectively and key terms are as follows:

Interest rate

Interest rate is 7.3% per annum for the first two years, 9% per annum for the third to fourth years and 11% per annum starting from the fifth year.

Maturity date

There is no maturity date.

Repayment terms

The distribution shall be paid on the 21st day of the last month of each quarter (the "Distribution Payment Date"). Nanjing GCL New Energy shall have the right to defer any distribution due and payable indefinitely by notifying the Lenders five working days before the Distribution Payment Date, and there is no compound interest on the deferred distribution payment. If Nanjing GCL New Energy chooses to defer distribution payment, for as long as there is any deferred distribution payment not yet paid in full, Nanjing GCL New Energy is not permitted to declare and pay dividends to its shareholders. The Lenders shall have no right at any time to request repayment of the perpetual notes from Nanjing GCL New Energy, but Nanjing GCL New Energy shall have the right, but not the obligations, to repay the perpetual notes amount by notifying the Lenders in writing five working days before the repayment of the perpetual notes at par value.

Classification of perpetual notes

The perpetual notes are classified as equity instruments in the GNE's consolidated financial statements as GNE does not have a contractual obligation to deliver cash or other financial assets arising from the issue of the perpetual notes. Any distributions made by Nanjing GCL New Energy to the holders are recognised in equity in the consolidated financial statements of GNE. The perpetual notes are classified as financial assets at fair value through other comprehensive income by the Group. Before Distribution in Specie, the perpetual notes were fully eliminated in the consolidated financial statements of the Group. Upon completion of distribution in specie of the shares of GNE during the year ended 31 December 2022, GNE becomes an associate of the Group and the perpetual notes are included in the Group's interest in GNE.

(b) Kunshan GCL

	2024 **RMB'000**	2023 RMB'000
Current assets	**492,064**	N/A
Non-current assets	**470,261**	N/A
Current liabilities	**(798,067)**	N/A
Non-current liabilities	**(34,195)**	N/A
Net assets	**130,063**	N/A

21. INTERESTS IN ASSOCIATES (Continued)

MATERIAL ASSOCIATES (Continued)

Summarised financial information of material associates (Continued)

(b) Kunshan GCL (Continued)

	From 16 November 2024 (the date of completion of deemed acquisition of Kunshan GCL as an associate) to 31 December 2024 RMB'000	2023 RMB'000
Revenue	**149**	N/A
Loss and total comprehensive expense for the year	**101,329**	N/A
Dividend received by the Group during the period	**—**	N/A

Reconciliation of the above summarised financial information to the carrying amount of the interest in Kunshan GCL recognised in the consolidated financial statements is set out below:

	2024 RMB'000	2023 RMB'000
Net assets of Kunshan GCL	**130,063**	N/A
Proportion of the Group's ownership interest in Kunshan GCL	**44.23%**	N/A
The Group's share of net assets of Kunshan GCL	**57,526**	N/A
Goodwill	**1,824,107**	N/A
Carrying amount of the Group's interest in Kunshan GCL	**1,881,633**	N/A

For details, please refer Note 39.

21. INTERESTS IN ASSOCIATES (Continued)

MATERIAL ASSOCIATES (Continued)

Summarised financial information of material associates (Continued)

(c) Xuzhou Jincai

	2024 RMB'000	2023 RMB'000
Current assets	**9,957**	N/A
Non-current assets	**2,293,298**	N/A
Current liabilities	**—**	N/A
Non-current liabilities	**—**	N/A
Net assets	**2,303,255**	N/A

	From 21 February 2024 (the date of acquisition) to 31 December 2024 RMB'000	2023 RMB'000
Revenue	**—**	N/A
Profit and total comprehensive income for the period	**—**	N/A
Dividend received by the Group during the year	**—**	N/A

21. INTERESTS IN ASSOCIATES (Continued)

MATERIAL ASSOCIATES (Continued)

Summarised financial information of material associates (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Xuzhou Jincai recognised in the consolidated financial statements is set out below:

	2024 **RMB'000**	2023 RMB'000
Net assets of Xuzhou Jincai	**2,303,255**	N/A
Proportion of the Group's ownership interest in Xuzhou Jincai	**47.37%**	N/A
The Group's share of net assets of Xuzhou Jincai	**1,091,052**	N/A
Carrying amount of the Group's interest in Xuzhou Jincai	**1,091,052**	N/A

Note:

During the year ended 31 December 2024, the Group entered into agreements with two independent third parties to acquire their 47.37% equity interest in Xuzhou Jincai for a total consideration of RMB1,091,052,000. In accordance with the provisions of the limited partnership agreement, the authority over the investment and operational activities of Xuzhou Jincai is vested solely in the investment committee and the executive partner appointed under the limited partnership agreement. The Group's voting rights in partnership meetings are proportionate to its equity interest. Based on these arrangements, the Directors considered that the Group has significant influence over Xuzhou Jincai, and accordingly, the investment has been classified as an associate of the Group.

(d) Inner Mongolia Zhonghuan Crystal

	2024 **RMB'000**	2023 RMB'000
Current assets	**2,782,733**	5,684,899
Non-current assets	**6,874,652**	5,139,788
Current liabilities	**(1,282,523)**	(2,281,355)
Non-current liabilities	**(2,097,465)**	(1,214,132)
Net assets	**6,277,397**	7,329,200

21. INTERESTS IN ASSOCIATES (Continued)

MATERIAL ASSOCIATES (Continued)

Summarised financial information of material associates (Continued)

(d) Inner Mongolia Zhonghuan Crystal (Continued)

	2024 **RMB'000**	2023 RMB'000
Revenue	**5,175,734**	13,822,273
(Loss) profit and total comprehensive (expenses)/income for the year	**(1,079,679)**	800,183
Dividend received by the Group during the year	**—**	—

Reconciliation of the above summarised financial information to the carrying amount of the interest in the Production Line Inner Mongolia Zhonghuan Crystal recognised in the consolidated financial statements is set out below:

	2024 **RMB'000**	2023 RMB'000
Net assets of the Production Line of Inner Mongolia Zhonghuan Crystal	**6,277,397**	7,329,200
Proportion of the Group's ownership interest in the Production Line of Inner Mongolia Zhonghuan Crystal	**12%**	12%
The Group's share of net assets of the Production Line of Inner Mongolia Zhonghuan Crystal	**753,288**	879,504
Carrying amount of the Group's interest in Inner Mongolia Zhonghuan Crystal	**753,288**	879,504

Note:

According to an agreement signed between the shareholders, a non-wholly owned subsidiary 高佳太陽能股份有限公司 holds approximately 6.2% registered capital in Inner Mongolia Zhonghuan Crystal which shares 12% equity interest in a production line of Inner Mongolia Zhonghuan Crystal (the "Production Line").

As at 31 December 2024 and 2023, the Group retained the right to appoint two out of seven directors to the board of Inner Mongolia Zhonghuan Crystal. Based on the board structure, the Directors considered that the Group possesses significant influence over Inner Mongolia Zhonghuan Crystal. Accordingly, the investment in Inner Mongolia Zhonghuan Crystal continues to be classified as an associate of the Group.

21. INTERESTS IN ASSOCIATES (Continued)

MATERIAL ASSOCIATES (Continued)

Summarised financial information of material associates (Continued)

(e) Xuzhou Risheng

	2024 RMB'000	2023 RMB'000
Current assets	**13,352**	19,369
Non-current assets	**856,923**	1,180,000
Current liabilities	**—**	—
Non-current liabilities	**—**	—
Net assets	**870,275**	1,199,369

	2024 RMB'000	2023 RMB'000
Revenue	**—**	—
Loss and total comprehensive expense for the year	**(569,092)**	(2,631)
Dividend received by the Group during the year	**—**	—

Reconciliation of the above summarised financial information to the carrying amount of the interest in Xuzhou Risheng recognised in the consolidated financial statements is set out below:

	2024 RMB'000	2023 RMB'000
Net assets of Xuzhou Risheng	**870,275**	1,199,369
Proportion of the Group's ownership interest in Xuzhou Risheng	**49.88%**	49.88%
The Group's share of net assets of Xuzhou Risheng	**427,861**	600,000
Carrying amount of the Group's interest in Xuzhou Risheng	**427,861**	600,000

21. INTERESTS IN ASSOCIATES (Continued)

MATERIAL ASSOCIATES (Continued)

Summarised financial information of material associates (Continued)

(e) Xuzhou Risheng (Continued)

Note:

During the year ended 31 December 2023, the Group entered into a limited partnership agreement with independent third parties to establish an investment fund, 徐州日晟低碳產業投資合夥企業(有限合夥) ("Xuzhou Risheng"). As at 31 December 2024, the Group had contributed RMB721,000,000 (2023: RMB600,000,000), representing 49.88% equity interest in Xuzhou Risheng.

Pursuant to the limited partnership agreement, the authority over the investment and operational decisions of Xuzhou Risheng is vested solely in the investment committee established and an executive partner appointed under the limited partnership agreement, respectively. The Group holds one-fifth of the voting rights in the investment committee meeting of Xuzhou Risheng according to the limited partnership agreement. Based on the arrangement, the Directors considered that the Group has significant influence over Xuzhou Risheng. Accordingly, the investment in Xuzhou Risheng is classified as an associate of the Group.

(f) Jiangsu Xinhua

	2024 **RMB'000**	2023 RMB'000
Current assets	**1,885,176**	1,909,890
Non-current assets	**3,884,454**	3,694,339
Current liabilities	**(1,435,208)**	(1,578,127)
Non-current liabilities	**(1,064,232)**	(876,937)
Net assets	**3,270,190**	3,149,165

	2024 **RMB'000**	2023 RMB'000
Revenue	**1,107,940**	947,545
Profit and total comprehensive income for the year	**64,484**	43,920
Dividend received by the Group during the year	**7,145**	—

21. INTERESTS IN ASSOCIATES (Continued)

MATERIAL ASSOCIATES (Continued)

Summarised financial information of material associates (Continued)

(f) Jiangsu Xinhua (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Jiangsu Xinhua recognised in the consolidated financial statements is set out below:

	2024 **RMB'000**	2023 RMB'000
Net assets of Jiangsu Xinhua	**3,270,190**	3,149,165
Less: Non-controlling interest of Jiangsu Xinhua	**(584,684)**	(547,623)
Equity attributable to owners of Jiangsu Xinhua	**2,685,506**	2,601,542
Proportion of the Group's ownership interest in Jiangsu Xinhua	**24.55%**	24.55%
The Group's share of net assets of Jiangsu Xinhua	**654,050**	631,544
Carrying amount of the Group's interest in Jiangsu Xinhua	**654,050**	631,544

Note:

In April 2016, the Group entered into an investment agreement ("Investment Agreement") with an independent investor ("Partner").

Pursuant to the Investment Agreement, the Partner has the right to request the Group to repurchase the equity interest in Jiangsu Xinhua held by the Partner at the cost of investment of the Partner plus interest at applicable rate if Jiangsu Xinhua fails to fulfil certain conditions. Further details of the put options are set out in note 35(a).

According to the articles of association of Jiangsu Xinhua, the relevant activities were no longer required unanimous consent of the parties sharing control and the Group was given the right to appoint two out of nine directors of the board of directors of Jiangsu Xinhua. The Directors considered that the Group can exercise significant influence over Jiangsu Xinhua after the revised article and association and Jiangsu Xinhua is therefore reclassified as an associate since 2022.

During the year ended 31 December 2023, pursuant to shareholder agreements signed by the Group and the shareholders of Jiangsu Xinhua, 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 year ended 31 December 2023. As a result, the Group's equity interest was diluted from 28.05% to 24.55% and relevant gain on deemed partial disposal of an associate of RMB182,969,000 was recognised in the Group's profit or loss in 2023.

21. INTERESTS IN ASSOCIATES (Continued)

MATERIAL ASSOCIATES (Continued)

Summarised financial information of material associates (Continued)

(g) Xuzhou Fund

	2024 RMB'000	2023 RMB'000
Current assets	**N/A**	12,080,763
Non-current assets	**N/A**	5,285,769
Current liabilities	**N/A**	(6,008,700)
Non-current liabilities	**N/A**	(5,465,258)
Net assets	**N/A**	5,892,574

	1 January 2024 to 30 December 2024 (the date of disposal) RMB'000	2023 RMB'000
Revenue	**1,855,700**	—
Loss and total comprehensive expense for the year	**(2,439,992)**	(1,460,953)
Dividend received by the Group during the year	**—**	(142,603)

21. INTERESTS IN ASSOCIATES (Continued)

MATERIAL ASSOCIATES (Continued)

Summarised financial information of material associates (Continued)

(g) Xuzhou Fund (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Xuzhou Fund recognised in the consolidated financial statements is set out below:

	2024 **RMB'000**	2023 RMB'000
Net assets of Xuzhou Fund	**N/A**	5,892,574
Proportion of the Group's ownership interest in Xuzhou Fund	**N/A**	40.27%
The Group's share of net assets of Xuzhou Fund	**N/A**	2,372,940
Others*	**N/A**	(327,361)
Carrying amount of the Group's interest in Xuzhou Fund	**N/A**	2,045,579

* Other adjustments represent the adjustments of the Group's share of net assets pursuant to profit sharing terms under the partnership agreement of Xuzhou Fund.

Note:

Pursuant to the partnership agreement of Xuzhou Fund, decisions regarding the direction of its relevant activities require a two-third majority vote of the investment committee. The Group holds two out of eight voting rights within the investment committee. Based on these board structures, the Directors consider that the Group has significant influence over Xuzhou Fund, and accordingly, the investment is classified as an associate of the Group.

During the year ended 31 December 2023, Xuzhou Fund originally held 34.5% equity interests in Xinjiang Goens. Referring to note 21(h), after the completion of Capital Reduction on 29 December 2023, Xinjiang Goens became a subsidiary of Xuzhou Fund.

Upon the completion of Capital Reduction of Xinjiang Goens, the Group shared a loss of RMB703 million from the interests in associate, which was recorded in the line item of "Share of profits of associates" in the Group's consolidated statement of profit or loss and other comprehensive income during the year ended 31 December 2023.

During the year ended 31 December 2024, the Group entered into a share transfer agreement with 蘇州合輝創能科技發展有限公司, an independent third party to dispose of its entirely 40.27% interest in Xuzhou Fund for an aggregate consideration of RMB1,500,000,000. The first tranche of consideration amounting to RMB10,000,000 has been settled by 蘇州合輝創能科技發展有限公司 and the remaining consideration of RMB1,490,000,000 is required to be settled in full within three years following the completion of the industrial and commercial change registration. The outstanding consideration of RMB1,490,000,000 is secured by collaterals comprising a 40.27% interest in Xuzhou Fund and a 99.99% equity interest in 蘇州合輝創能科技發展有限公司.

Prior to the disposal of Xuzhou Fund, Xuzhou Fund recorded an impairment loss of the carrying amount of interest in Xinjiang Goens of approximately RMB1,711,644,000 (the Group shared a loss of RMB700,000,000 from the interest in an associate), which was recorded in the line item of "Share of losses of associates" in the Group's consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024, by reference to a valuation report prepared by an independent professional valuer with the valuation of the entire equity interests of Xuzhou Fund as of 31 October 2024 being approximately RMB3,716,938,000.

21. INTERESTS IN ASSOCIATES (Continued)

MATERIAL ASSOCIATES (Continued)

Summarised financial information of material associates (Continued)

(g) Xuzhou Fund (Continued)

This transaction has resulted in the Group recognising a loss on disposal of RMB184,755,000 in profit or loss, calculated as follows:

	RMB'000
Fair value of consideration of RMB1,500,000,000	1,334,605
Carrying amount of the entire interest on the date of loss of significant influence over Xuzhou Fund	(1,519,360)
Loss on disposal of interest in an associate included in other gains (losses), net (note 8)	(184,755)

(h) Xinjiang Goens

	From 1 January 2023 to 29 December 2023 (the date of disposal) RMB'000
Revenue	6,914,854
Profit and total comprehensive income for the period	1,717,243
Dividend received by the Group during the period	(308,000)

Note:

On 29 December 2023, Xinjiang Goens resolved to distribute dividends ("Dividend Distribution") to some shareholders, including Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd. ("Jiangsu Zhongneng"), an indirect wholly-owned subsidiary of the Company, and reduce the registered capital ("Capital Reduction") held by some shareholders, including Jiangsu Zhongneng, details of which are set out below.

Xinjiang Goens approved the Dividend Distribution which involves declaration of dividends of approximately RMB4,473,334,000 to Jiangsu Zhongneng, of which (1) the first tranche of approximately RMB1,993,765,000 shall be payable by Xinjiang Goens within 5 business days of (a) completion of the Capital Reduction, (b) Xinjiang Goens obtaining an updated business license, and (c) satisfaction of all the conditions of the payment of the consideration under the Capital Reduction; and (2) the second tranche of approximately RMB2,479,569,000 shall be payable to Jiangsu Zhongneng within 4 years after the completion of the Capital Reduction. The fair value of such dividend receivable of RMB4,162,937,000 as at 31 December 2023 was included in "amounts due from related companies" which represented the present value of the expected future cash flows discounted at 3.4% per annum.

Pursuant to the Capital Reduction Agreement entered among Jiangsu Zhongneng, Xinjiang Goens, Xuzhou Fund and other shareholder, the registered capital of Xinjiang Goens will be reduced by RMB1,126,600,000 at consideration of RMB1.5 for each RMB1 registered capital, of which RMB662,200,000 was reduced from the registered capital owned by Jiangsu Zhongneng and RMB464,400,000 was reduced from the registered capital owned by other shareholder. As a result of the Capital Reduction, RMB993,300,000 was paid by Xinjiang Goens to Jiangsu Zhongneng on 29 December 2023 and the completion of Capital Reduction took place on the same date. Accordingly, Jiangsu Zhongneng cease to hold any direct equity interest in Xinjiang Goens, which is considered to be disposal of equity interest in Xinjiang Goens by the Group.

21. INTERESTS IN ASSOCIATES (Continued)

MATERIAL ASSOCIATES (Continued)

Summarised financial information of material associates (Continued)

(h) Xinjiang Goens (Continued)

Prior to the disposal of Xinjiang Goens, the Group recorded an impairment loss on interest in Xinjiang Goens of approximately RMB2,877,868,000, including an impairment loss of goodwill included in the carrying amount of interest in Xinjiang Goens of approximately RMB2,416,798,000, by reference to a valuation report prepared by an independent professional valuer dated 11 December 2023 using an income approach with the valuation of the entire equity interests of Xinjiang Goens as of 30 September 2023 being approximately RMB14,199,761,000.

During the year ended 31 December 2023, the Group recorded a loss on disposal of and impairment loss of RMB3,189,789,000 on interest in Xinjiang Goens, which consists of an impairment loss of RMB2,877,868,000 and loss on disposal of equity interest in Xinjiang Goens of RMB311,921,000. Prior to the disposal of interest in Xinjiang Goens, the carrying amount of the interest in Xinjiang Goens held by the Group amounted to RMB1,305,221,000, which is calculated using the equity method after the impairment of approximately RMB2,877,868,000 and after deduction of fair value of dividend receivable of approximately RMB4,162,937,000 arising from Dividend Distribution. Loss on disposal of equity interest in Xinjiang Goens of approximately RMB311,921,000 is recognised which is determined by the proceeds received of RMB993,300,000 arising from the Capital Reduction and the carrying amount of RMB1,305,221,000 immediately before the completion of disposal.

INDIVIDUALLY IMMATERIAL ASSOCIATES

Aggregate information of individually immaterial associates that are accounted for using equity method is as follows:

	2024 RMB'000	2023 RMB'000
Aggregate amounts of the Group's share of		
– Profit (loss) for the year	**7,719**	(25,533)
– Other comprehensive (expense) income	**(198,124)**	64,806
Total comprehensive (expense) income	**(190,405)**	39,273
Aggregate carrying amount of individually immaterial associates	**310,130**	471,686
Dividend received by the Group during the year	**—**	—

(i) Leshan Fund

The Group holds a 14.78% equity interest in Leshan Fund. Under the terms of the limited partnership agreement, the Group has the right to appoint two out of seven members on the investment committee, which is responsible for directing the investment activities of Leshan Fund.

The Group's ability to participate in key decision-making through its representation on the investment committee provides it with significant influence over Leshan Fund. Therefore, Leshan Fund is accounted for as an associate in the Group's financial statements, and its results are recognized under the equity method of accounting.

21. INTERESTS IN ASSOCIATES (Continued)

MATERIAL ASSOCIATES (Continued)

Summarised financial information of material associates (Continued)

(j) Zhongping Nengxin

Although the Group holds 66.7% equity interest in Zhongping Nengxin. The principal activities of Zhongping Nengxin are to invest in Leshan Fund and silicon production related projects.

Although the Group holds a 66.7% equity interest in Zhongping Nengxin, it does not have control over the entity. Under the terms of the limited partnership agreement, all investment and operational decisions are exclusively managed by the appointed investment manager, limiting the Group's ability to direct relevant activities. Additionally, the Group's voting rights in partnership meetings are restricted to one-third when it comes to amending the agreement.

Given these factors, the Directors have determined that the Group does not meet the criteria for control as defined under applicable accounting standards. Instead, the Group has the ability to exercise significant influence over Zhongping Nengxin, which is sufficient to classify it as an associate. Accordingly, Zhongping Nengxin is accounted for under the equity method in the Group's financial statements.

* English name for identification only

All of the associates are accounted for using the equity method in these consolidated financial statements.

22. INTERESTS IN JOINT VENTURES

Details of the Group's interests in joint ventures are as follows:

	2024 **RMB'000**	2023 RMB'000
Cost of unlisted investment in joint ventures	**324,553**	324,553
Share of post-acquisition loss and OCI, net of dividends received	**(180,567)**	(175,319)
	143,986	149,234

22. INTERESTS IN JOINT VENTURES (Continued)

Details of each of the Group's major ventures at the end of the reporting period are as follows:

Name of company	Country of incorporation/ operation	Proportion of ownership interest				Principal activities
		2024		2023		
		Group's effective interest	held by a subsidiary	Group's effective interest	held by a subsidiary	
SA Equity Holdco S.a.r.l ("SA Equity") (note a)	Luxembourg/ South Africa	**51%**	**51%**	51%	51%	Investment holding of photovoltaic power generation projects in South Africa
蘇州協鑫景世豐股權投資管理有限公司 Suzhou GCL Jingshifeng Investment Management Co., Ltd.* ("Jingshifeng") (note b)	PRC	**63%**	**63%**	63%	63%	Investment and asset management
江蘇疌泉景世豐投資基金 (有限合夥) Jiangsu Jiequan Jingshifeng Investment Fund (Limited Partnership)* ("Jiequan Jingshifeng") (note c)	PRC	**55.32%**	**55.32%**	55.32%	55.32%	Investment and asset management
MIT GCL Investment Limited	Cayman Islands/ Hong Kong	**50%**	**50%**	50%	50%	Investment holding
GHC Investment Management Limited	Cayman Islands/ Hong Kong	**50%**	**50%**	50%	50%	Investment holding

* English name for identification only

Notes:

(a) As at 31 December 2024 and 2023, the Group held a 51% equity interest in SA Equity, an investment holding company. SA Equity, in turn, holds a 76% equity interest in Solar Reserve GCL Soutdrift PV1 Proprietary Limited and Solar Reserve GCL Humansrus PV1 Proprietary Limited. Collectively, these entities indirectly own a 25% equity interest in a 150MW photovoltaic power plant located in South Africa. In accordance with the terms of the subscription agreement between the Group and the other shareholder, all decisions regarding the relevant activities of SA Equity require unanimous consent from both parties that share control. Therefore, SA Equity is classified and accounted for as a joint venture of the Group.

(b) As at 31 December 2024 and 2023, the Group held a 63% equity interest in Jingshifeng. In accordance with the terms of the agreement with other shareholders, directing the relevant activities of Jingshifeng requires a two-thirds majority vote. Based on this requirement, the Directors have assessed that the Group can only exercise joint control over Jingshifeng. Therefore, Jingshifeng is accounted for as a joint venture within the Group's financial statements.

(c) As of 31 December 2024 and 2023, the Group held a 55.32% equity interest in Jiequan Jingshifeng. According to the partnership agreement governing Jiequan Jingshifeng, decisions regarding the relevant activities require a two-thirds majority vote. Based on this requirement, the Directors have assessed that the Group can only exercise joint control over Jiequan Jingshifeng. Consequently, the investment is classified as a joint venture in the Group's financial statements.

* English name for identification only

22. INTERESTS IN JOINT VENTURES (Continued)

All joint ventures have been accounted for using the equity method in these consolidated financial statements. In the opinion of Directors of the Company, none of the joint ventures were considered individually material for the years ended 31 December 2024 and 2023. The aggregate information of joint ventures is as follows:

Aggregate information of joint ventures that are not individually material

	2024 RMB'000	2023 RMB'000
Aggregate amounts of the Group's share of		
— Profits (losses) for the year	27,106	(12,321)
— Other comprehensive income	—	—
— Total comprehensive income/(expense)	27,106	(12,321)

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

	2024 RMB'000	2023 RMB'000
Non-current assets		
Investments at fair value through profit or loss:		
Unlisted investments (note a)	161,212	176,079
Unlisted equity investments (note b)	785,657	668,124
	946,869	844,203
Equity instruments at fair value through other comprehensive income:		
Listed equity investments (note c)	9,376	20,781
— Lithium Argentina AG (formerly known as Lithium America (Argentina) Corp.) and Lithium America Corp. ("Lithium America")		
Unlisted equity investments		
— 芯鑫融資租賃有限責任公司	436,000	420,566
	445,376	441,347
Current assets		
Investments at fair value through profit or loss:		
Unlisted investments (note d)	1,823,927	1,693,521

23. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS/EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

Notes:

(a) 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 and 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 mainly made up of private entities incorporated in the PRC and liquid financial assets.

(b) The unlisted equity investments mainly represents the investments in unlisted equity instruments issued by private entities established in the PRC, Hong Kong and Singapore.

(c) As at 31 December 2024, the shares of Lithium America are listed on TSX Venture Exchange in Canada.

These investments are not held for trading; instead, they are held for long-term strategic purpose. The Directors have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long– term purposes and realising their performance potential in the long run.

(d) 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, approximated their carrying value.

24. DEFERRED TAXATION

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2024 **RMB'000**	2023 RMB'000
Deferred tax assets	**1,111,441**	597,888
Deferred tax liabilities	**(1,680,592)**	(2,011,971)
	(569,151)	(1,414,083)

24. DEFERRED TAXATION (Continued)

The following are the deferred tax assets (liabilities) recognised and movements thereon during the year:

	Right-of-use assets RMB'000	Lease liabilities RMB'000	Property, plant and equipment RMB'000	Withholding tax on undistributed profits RMB'000	Unrealised profits on inventories RMB'000	Fair value uplift of interest in an associate RMB'000	Tax losses RMB'000	Others RMB'000	Total RMB'000
At 1 January 2023	(21,701)	21,701	(254,189)	(821,267)	26,610	(357,326)	354,258	11,088	(1,040,826)
Credit (charge) to profit or loss	2,136	(2,136)	(596,477)	(187,834)	(24,003)	357,326	52,405	25,326	(373,257)
At 31 December 2023	(19,565)	19,565	(850,666)	(1,009,101)	2,607	—	406,663	36,414	(1,414,083)
Credit (charge) to profit or loss	18,000	(18,102)	315,788	139,674	(2,607)	—	378,080	14,099	844,932
At 31 December 2024	(1,565)	1,463	(534,878)	(869,427)	—	—	784,743	50,513	(569,151)

Under the tax law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards.

At the end of the reporting period, the Group had unused tax losses of approximately RMB12,692,191,000 (2023: RMB8,851,569,000) available for offset against future profits. Deferred tax asset of approximately RMB784,743,000 (2023: RMB406,663,000) had been recognised due to certain deferred tax liability relating to tax concession for property, plant and equipment has been recognised. The remaining tax loss had not been recognised as deferred tax asset due to the unpredictability of future profit steams. Unrecognised tax losses of approximately RMB7,400,461,000 (2023: RMB6,140,483,000) will expire from 2025 to 2034 (2023: 2024 to 2033) and other losses may be carried forward indefinitely.

At the end of the reporting period, the Group had deductible temporary differences mainly in respect of impairment of certain assets in aggregate of approximately RMB9,319,786,000 (2023: RMB8,918,675,000). A deferred tax asset had been recognised in respect of approximately RMB878,302,000 (2023: RMB878,302,000) of such deductible temporary differences. No deferred tax asset had been recognised in relation to the remaining deductible temporary differences of approximately RMB8,441,484,000 (2023: RMB8,040,373,000) as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

25. INVENTORIES

	2024 RMB'000	2023 RMB'000
Raw materials	**852,738**	1,256,770
Work in progress/Semi-finished goods	**730,569**	424,838
Finished goods	**430,737**	1,202,638
	2,014,044	2,884,246

25. INVENTORIES (Continued)

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2024 RMB'000	2023 RMB'000
Carrying amount of inventories sold	**17,383,067**	21,737,500
Write-down of inventories	**107,870**	156,756
	17,490,937	21,894,256

26. DEPOSITS AND OTHER RECEIVABLES/TRADE AND OTHER RECEIVABLES

(a) Deposits and other receivables

	2024 RMB'000	2023 RMB'000
Deposits for acquisitions of property, plant and equipment	**315,327**	1,230,160
Dividend receivable from a former associate (note (i))	**2,242,924**	—
Consideration receivables		
— Disposal of an associate (note (ii))	**1,324,605**	—
— Disposal of subsidiaries	**19,944**	19,944
Other receivable (note (iii))	**447,940**	—
	4,350,740	1,250,104
Less: allowance for expected credit loss	**(526,275)**	—
	3,824,465	1,250,104

Notes:

(i) On 29 December 2023, Xinjiang Goens approved a dividend distribution totalling RMB4,473,334,000 to Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd., an indirect wholly-owned subsidiary of the Company, in conjunction with a reduction of registered capital. The dividend distribution is structured into two tranches. The first tranche of RMB1,993,765,000 is payable within five business days following the completion of the capital reduction, issuance of an updated business license by Xinjiang Goens, and fulfillment of all conditions related to the payment of consideration under the capital reduction. The second tranche of RMB2,479,569,000 is scheduled for payment within four years upon completion of the capital reduction. As at 1 January 2024, the carrying amount of dividend receivable from a former associate was RMB4,162,937,000. During the year ended 31 December 2024, an imputed interest income of RMB73,752,000 has been recognised on the dividend receivable due from a former associate and Xinjiang Goens paid RMB1,089,765,000 from the first tranche, leaving an outstanding balance of approximately RMB3,146,924,000 of which RMB2,242,924,000 is included in non-current assets (note 26(b)).

(ii) The amount of RMB1,324,605,000 represents the present value of remaining balance of consideration receivable of RMB1,490,000,000 from the disposal of an associate, namely Xuzhou Fund during the year ended 31 December 2024 which shall be settled within three years following the completion of the industrial and commercial change registration (note 21(g)). The outstanding amount is secured by collaterals comprising a 40.27% interest in Xuzhou Fund and a 99.99% equity interest in 蘇州合輝創能科技發展有限公司。

26. DEPOSITS AND OTHER RECEIVABLES/TRADE AND OTHER RECEIVABLES (Continued)

(a) Deposits and other receivables (Continued)

Notes: (Continued)

(iii) The Group entered into a contractual agreement with a third-party entity to advance a sum of RMB447,940,000 for the construction of a power plant which to be owned by that third-party entity. Upon completion of the power plant, it will supply electricity to the Group and the advanced amount will be used to offset against future electricity fees payable to the power plant operator.

(b) Trade and other receivables

	2024	2023
	RMB'000	RMB'000
Trade and bill receivables		
— Bill receivables	**6,127,822**	10,463,808
— Trade receivables (note i)	**1,190,125**	1,337,025
Less: allowance for expected credit loss	**(195,134)**	(60,977)
	994,991	1,276,048
	7,122,813	11,739,856
Deposits, other receivables and prepayments:		
— Refundable value-added tax	**988,928**	2,038,106
— Prepayments	**1,270,578**	1,758,794
— Amounts due from former subsidiaries (note (ii))	**42,490**	42,490
— Short-term loans to third parties (note (iii))	**746,308**	1,600,000
— Note receivables (note (iv))	**167,143**	176,345
— Dividend receivable from a former associate (note 26(a)(i))	**904,000**	—
— Deposits in the Trustee	**84,060**	83,105
— Other deposits	**249,461**	249,461
— Others	**504,820**	492,362
	4,957,788	6,440,663
Less: allowance for expected credit loss	**(524,507)**	(279,254)
	4,433,281	6,161,409
	11,556,094	17,901,265

26. DEPOSITS AND OTHER RECEIVABLES/TRADE AND OTHER RECEIVABLES (Continued)

(b) Trade and other receivables (Continued)

Notes:

(i) Trade receivables

The Group allows a credit period of approximately one month from the invoice to solar material customers and may further extend it for 3 to 6 months for settlement through bills issued by banks and financial institutions obtained from these customers.

For sales of electricity, the Group generally grants credit period of approximately one week and one month to oversea 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, net of allowance for expected credit losses, presented based on the invoice date at the ended of the reporting period.

	Solar farm business		Solar material business		Total	
	2024	2023	**2024**	2023	**2024**	2023
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Unbilled (Note)	**455,834**	517,847	**—**	—	**455,834**	517,847
Within 3 months	**2,287**	2,355	**137,535**	683,150	**139,822**	685,505
3 to 6 months	**—**	—	**44,014**	72,281	**44,014**	72,281
Over 6 months	**—**	—	**355,321**	415	**355,321**	415
	458,121	520,202	**536,870**	755,846	**994,991**	1,276,048

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 announced by the state-owned grid companies.

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

	2024	2023
	RMB'000	RMB'000
0–90 days	**18,430**	32,428
91–180 days	**28,015**	41,434
181–365 days	**33,175**	92,049
Over 365 days	**376,214**	351,936
	455,834	517,847

As at 31 December 2024, certain bills receivable were discounted/endorsed by the Group. The Group continued to recognise their full carrying amount at the end of the reporting period and details are disclosed in note 43. All bills received by the Group were with a maturity period of less than one year.

26. DEPOSITS AND OTHER RECEIVABLES/TRADE AND OTHER RECEIVABLES (Continued)

(b) Trade and other receivables (Continued)

Notes: (Continued)

(i) Trade receivables

The Directors closely monitor the credit quality of trade and other receivables and considered the trade and other receivables, which are of a good credit quality in view of the good historical repayment record.

As at 31 December 2024, included in the Group's trade receivables balance (excluding sales of electricity and bills held by the Group for future settlement) were debtors with aggregate carrying amount of approximately RMB419,519,000 (2023: RMB337,957,000) which were past due as at the reporting date. Out of the past due balances, approximately RMB398,123,000 (2023: RMB30,974,000) had been past due 121 days or more but was not considered as in default as part of such receivables was either supported by letters of credit issued by banks or offset by advances from customers or substantially settled subsequent to the end of the reporting period.

As at 31 December 2024, included in these trade receivables arising from sales of electricity were debtors with aggregate carrying amount of RMB2,287,000 (2023: RMB2,355,000) which was past due as at the end of the reporting date. These trade receivables related to a number of customers for whom there was no recent history of default.

The Group did not hold any collaterals over all balances.

(ii) Amounts due from former subsidiaries

The amounts are non-trade in nature, unsecured, non-interest bearing and without fixed terms of repayment.

(iii) Short term loans to third parties

Year ended 31 December 2024

In July 2024, the Group and a third party entered into a loan agreement pursuant to which the Group agreed to lend a short term loan for an aggregate amount of RMB90 million. The amount is non-trade in nature, unsecured, bearing interest at the PRC LRP plus 5% per annum and to be repaid on 30 June 2025.

In September 2024, the Group and a government-related entity entered into a loan agreement pursuant to which the Group agreed to lend a short-term loan for an aggregate amount of RMB80 million. The amount is non-trade in nature, unsecured, bearing interest at the PRC LPR per annum and to be repaid on 12 September 2025.

In December 2024, the Group, a PRC bank and a government-related entity entered into an entrusted loan agreement pursuant to which the Group agreed to lend a short-term loan through the PRC bank for an aggregate amount of RMB576.3 million. The amount is non-trade in nature, guaranteed by a state-owned enterprise, bearing interest at the PRC LPR plus 0.9% per annum and to be repaid on 27 December 2025.

Year ended 31 December 2023

In December 2023, the Group, the PRC banks and two government related entities (the "Borrowers") entered into two entrusted loan agreements pursuant to which the Group agreed to lend short-term loans through the PRC banks to the Borrowers for an aggregate amount of RMB1.6 billion. The amounts were non-trade in nature, secured by the equity-interest in a state-owned company, interest bearing at 5.88% per annum, and the amounts were fully repaid during the year ended 31 December 2024.

(iv) Note receivables

The amount represents the notes issued by a borrower. The amount is non-trade in nature, unsecured, bearing interest at 8% per annum, and to be matured within one year from the dates of subscription.

* English name for identification only

Details of impairment assessment of the trade and other receivables are set out in note 41.

27. AMOUNTS DUE FROM RELATED COMPANIES

	2024			2023		
	Trade related RMB'000 (Note a)	**Non-trade related RMB'000**	**Total RMB'000**	Trade related RMB'000 (Note a)	Non-trade related RMB'000	Total RMB'000
Amounts due from companies controlled by Mr. Zhu and his family (Note b)	**94,258**	**8,410**	**102,668**	165,766	7,797	173,563
Less: allowance for credit losses	**(25,424)**	**—**	**(25,424)**	(19,644)	—	(19,644)
	68,834	**8,410**	**77,244**	146,122	7,797	153,919
Amounts due from associates (Note c)	**237,038**	**528,400**	**765,438**	165,819	4,693,752	4,859,571
Less: allowance for credit losses	**(49,858)**	**(18,987)**	**(68,845)**	(1,563)	—	(1,563)
	187,180	**509,413**	**696,593**	164,256	4,693,752	4,858,008
Amounts due from joint ventures (Note d)	**25**	**17,210**	**17,235**	—	9,293	9,293
Amounts due from other related parties (Note e)	**419**	**—**	**419**	3,918	20,000	23,918
	256,458	**535,033**	**791,491**	314,296	4,730,842	5,045,138
Analysed for reporting purposes as:						
— Current assets	**256,458**	**535,033**	**791,491**	314,296	2,561,670	2,875,966
— Non-current assets	**—**	**—**	**—**	—	2,169,172	2,169,172
	256,458	**535,033**	**791,491**	314,296	4,730,842	5,045,138

Notes:

(a) The trade balances with the related companies are unsecured, non-interest-bearing and with a normal credit period of 30 days (2023: 30 days).

The aging analysis of trade balances due from companies controlled by Mr. Zhu and his family, associates and joint ventures and other related parties, net of allowance for expected credit losses, at the end of the reporting period, presented based on the invoice date which approximated the respective revenue recognition dates is as follows:

	2024 RMB'000	2023 RMB'000
Within 3 months	**146,884**	164,708
3 to 6 months	**7,911**	6,593
More than 6 months	**101,663**	142,995
	256,458	314,296

27. AMOUNTS DUE FROM RELATED COMPANIES (Continued)

Notes: (Continued)

(b) The amounts of non-trade balances due from companies controlled by Mr. Zhu and his family are unsecured, non-interest-bearing and without fixed terms of repayment. The maximum outstanding debit balances during 2024 is approximately RMB8,410,000 (2023: RMB7,797,000).

(c) Non-trade related balances due from associates

	2024 **RMB'000**	2023 RMB'000
Consideration receivable (i)	**528,400**	528,400
Dividend receivable due from Xinjiang Goens		
– Current (ii)	**—**	1,993,765
– Non-current (ii)	**—**	2,169,172
	—	4,162,937
Other (iii)	**—**	2,415
	528,400	4,693,752

(i) The amount represents consideration receivable from the partial disposal of an associate, namely Inner Mongolia Zhonghuan Crystal in the prior year. The amount would be settled by the buyer upon the Group's full contribution of the agreed capital to the associate.

(ii) On 29 December 2023, Xinjiang Goens, the then associate declared a dividend of RMB4,473,334,000 to the Group payable by two installments in four years. The present value of the dividend receivable was RMB4,162,937,000. The unsettled balances have been reclassified as other receivable under the line items dividend receivable from a former associate in note 26(a) and 26(b) respectively in 2024.

(iii) The amount was unsecured, interest free and without fixed terms of repayment.

(d) The non-trade related balances due from joint ventures are unsecured, interest free and without fixed terms of repayment.

(e) The other related parties represent the non-controlling interest shareholders of subsidiaries of the Group. The amounts are unsecured, non-interest-bearing and without fixed terms of repayment.

Details of impairment assessment of amounts due from related companies are set out in note 41.

28. HELD FOR TRADING INVESTMENTS

	2024 RMB'000	2023 RMB'000
Equity securities listed in Hong Kong at fair value	**416**	2,686

29. PLEDGED AND RESTRICTED BANK DEPOSITS AND BANK BALANCES

	2024			2023		
	Current RMB'000	Non-current RMB'000	Total RMB'000	Current RMB'000	Non-current RMB'000	Total RMB'000
Pledged bank deposits	**2,489,623**	**5,600**	**2,495,223**	270,000	5,600	275,600
Restricted bank deposits	**2,212,065**	**44,903**	**2,256,968**	2,051,951	25,554	2,077,505
	4,701,688	**50,503**	**4,752,191**	2,321,951	31,154	2,353,105

Pledged bank deposits

Pledged bank deposits are used to secure banking facilities granted to the Group, including RMB2,489,623,000 (2023: RMB270,000,000) securing short-term borrowings classified as current assets and RMB5,600,000 (2023: RMB5,600,000) securing long-term borrowings classified as non-current assets.

These pledged bank deposits carried fixed interest rates ranging from 0.2% to 2% (2023: 2.3% to 4.18) per annum.

Restricted bank deposits

Restricted bank deposits are used to secure bills and letters of credit for trade and other payables, carried floating interest rates ranging from 0.2% to 3.4% (2023: 0.2% to 3.4%) per annum or fixed rates ranging from 1.75% to 2.8% (2023: 0.05% to 4.2%) per annum. These restricted bank deposits were classified as current assets, except for RMB44,903,000 (2023: RMB25,554,000) utilized to secure long-term borrowings classified as non-current assets.

Bank balances

Bank balances carry interest at floating rates which range from 0.1% to 4.7% (2023: 0.03% to 4.7%) per annum or fixed rates which range from 2.3% to 5% (2023: 0.2% to 5.42%) per annum.

30. TRADE AND OTHER PAYABLES

	2024 RMB'000	2023 RMB'000
Trade and bills payables (note a)	**4,335,759**	6,713,529
Construction payables (note a)	**5,395,521**	5,618,914
Other payables	**310,002**	299,440
Convertible bond to a non-controlling shareholder of a subsidiary (note b)	**—**	84,212
Salaries and bonus payable	**360,921**	808,904
Other tax payables	**59,082**	95,950
Interest payables	**16,600**	45,813
Accruals	**489,027**	579,609
	10,966,912	14,246,371

Note:

(a) The trade payables includes bills payable of RMB2,492,955,000 (2023: RMB1,461,327,000) and the construction payable includes bills payable of RMB67,388,000 (2023: RMB514,234,000), respectively. The Group endorsed certain bills to creditors, details of which are set out in note 43.

All these bills were 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 to which (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 for 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 in 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.

As at 31 December 2023, the Group designated the convertible bond to a non-controlling shareholder of a subsidiary of amount approximately RMB84,212,000 as financial liability at fair value through profit or loss taking reference to valuation report issued by valuer and the loss on fair value change of RMB11,805,000 was recognised in profit or loss during the year ended 31 December 2023. The convertible bond was converted into equity interest of Kunshan GCL during the year ended 31 December 2024. After the conversion of convertible bond, the Group's equity interest in Kunshan GCL changed from 49.23% to 47.65%. The difference between the carrying amount of convertible bond and the relevant carrying amount of non-controlling interest is recognised in special reserve and other reserve in consolidated statement of change in equity.

* English name for identification only

30. TRADE AND OTHER PAYABLES (Continued)

The credit period for trade payables is within 3 to 6 months (2023: 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:

	2024 **RMB'000**	2023 RMB'000
Within 3 months	**827,351**	2,121,216
3 to 6 months	**664,120**	2,725,010
More than 6 months	**351,333**	405,976
	1,842,804	5,252,202

31. AMOUNTS DUE TO RELATED COMPANIES

	2024			2023		
	Trade related RMB'000 (Note a)	**Non-trade related RMB'000**	**Total RMB'000**	Trade related RMB'000 (Note a)	Non-trade related RMB'000	Total RMB'000
Amounts due to companies controlled by Mr. Zhu and his family (Note b)	**10,777**	**8,590**	**19,367**	14,458	24,373	38,831
Amounts due to associates (Note c)	**262,577**	**7,513**	**270,090**	618,364	654,721	1,273,085
Amounts due to other related parties (Note d)	**22,285**	**—**	**22,285**	49,318	—	49,318
	295,639	**16,103**	**311,742**	682,140	679,094	1,361,234

31. AMOUNTS DUE TO RELATED COMPANIES (Continued)

Notes:

(a) The amounts are unsecured, non-interest-bearing and with a normal credit period of 30 days (2023: 30 days).

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

	2024 **RMB'000**	2023 RMB'000
Within 3 months	**212,704**	253,086
3 to 6 months	**31,334**	161,749
More than 6 months	**51,601**	267,305
	295,639	682,140

(b) The non-trade related balances due to companies controlled by Mr. Zhu and his family were unsecured, interest free and without fixed terms of repayment.

(c) The non-trade related balances due to associates are unsecured and without fixed terms of repayment. Except for a balance of RMB423,202,000 as at 31 December 2023 which bore interest at 2.8% per annum, the remaining amounts are interest free.

(d) The other related parties represent the non-controlling interest shareholders of subsidiaries of the Group. The non-trade balances due to other related parties are unsecured, interest free and without fixed terms of repayment.

32. CONTRACT LIABILITIES

	2024 **RMB'000**	2023 RMB'000
Sales of polysilicon and wafer		
Current	**256,807**	525,528
Non-current	**35,339**	221,237
	292,146	746,765

The Group entered into supply framework contracts with customers with continuous business relationships and received advance payments from these customers. When the Group receives certain percentage of deposits as an advance payment upon signing the supply framework contract, this will give rise to contract liabilities at the start of a contract, until revenue is recognised upon the order is fulfilled.

Contract liabilities are classified as current liabilities and non-current liabilities based on the agreed portion of advance payments to be utilised for the estimated amounts of purchase of goods as stated in the respective supply framework contracts within one year and after one year, respectively.

32. CONTRACT LIABILITIES (Continued)

Movements in contract liabilities:

	2024 **RMB'000**	2023 RMB'000
At 1 January	**746,765**	1,249,481
Decrease in contract liabilities as a result of recognising revenue during the year was included in contract liabilities at the beginning of the year	**(525,528)**	(1,113,281)
Increase in contract liabilities as a result of billing in advance	**70,909**	610,565
At 31 December	**292,146**	746,765

The following table shows how much of the revenue recognised relates to brought-forward contract liabilities and how much relates to performance obligations that were satisfied in prior periods:

	2024 **RMB'000**	2023 RMB'000
Revenue recognised that was included in the contract liabilities at the beginning of the year	**525,528**	1,113,281

The decrease in contract liabilities in the both years 2024 and 2023 mainly due to decrease in average selling price of solar materials under stable supply in the market.

33. BANK AND OTHER BORROWINGS

The bank and other borrowings are repayable as follows:

	Bank loans		Other loans		Total	
	2024	2023	**2024**	2023	**2024**	2023
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Within one year	**10,618,724**	5,261,367	**16,997**	54,569	**10,635,721**	5,315,936
More than one year, but not exceeding two years	**3,959,751**	1,084,570	**10,360**	16,997	**3,970,111**	1,101,567
More than two years, but not exceeding five years	**4,352,468**	7,234,549	**12,130**	22,364	**4,364,598**	7,256,913
More than five years	**17,800**	1,592,589	**—**	—	**17,800**	1,592,589
	8,330,019	9,911,708	**22,490**	39,361	**8,352,509**	9,951,069
	18,948,743	15,173,075	**39,487**	93,930	**18,988,230**	15,267,005

	2024	2023
	RMB'000	RMB'000
Representing:		
Secured	**11,901,980**	10,795,480
Unsecured	**7,086,250**	4,471,525
	18,988,230	15,267,005

The secured bank and other loans are secured by assets disclosed in note 45.

33. BANK AND OTHER BORROWINGS (Continued)

The other loans include approximately RMB39 million (2023: RMB78 million), representing financing arrangements with financial institutions for leases on assets with lease terms ranging from 1 to 4 years (2023: 1 to 4 years). Under these arrangements, legal title of the respective equipment was transferred to the financial institutions, while the Group continued to operate and manage the equipment without involvement from the financial institutions during the lease term. The Group retains the right to repurchase the equipment at minimal consideration upon the maturity of the respective leases, except for one arrangement where the Group may either exercise an early buyout option to repurchase the equipment at a pre-determined price at the end of the seventh year of the lease term or to repurchase it at fair value upon the expiration of the lease period. Despite the legal form of a lease, these arrangements do not constitute a sale and leaseback transaction based on their substantive nature.

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are analysed as follows:

	2024	2023
Fixed-rate borrowings	**2.5% to 3.45%**	2.7% to 6.5%
Variable-rate borrowings	**LPR -1.00% to +1.80%**	LPR -0.95% to +1.80%/ 100% to 105% of Benchmark Rate

The Group discounted certain bills arising from future settlement of trade receivable with recourse to banks for short-term financing. At 31 December 2024, the associated borrowings amounted to approximately RMB3,385,339,000 (2023: RMB3,591,203,000). Further details please refer to note 43.

As at 31 December 2024, none of the covenants relating to drawn down facilities had been breached (2023: RMB nil).

34. LEASE LIABILITIES

	2024 RMB'000	2023 RMB'000
Lease liabilities payable:		
Within one year	**54,843**	70,493
Within a period of more than one year but not exceeding two years	**26,081**	41,924
Within a period of more than two years but not exceeding five years	**13,795**	26,830
Within a period of more than five years	**12,371**	7,124
	107,090	146,371
Less: amount due for settlement with 12 months shown under current liabilities	**(54,843)**	(70,493)
Amount due for settlement after 12 months shown under non–current liabilities	**52,247**	75,878

The weighted average incremental borrowing rates applied to lease liabilities is approximately 5% to 6% (2023: 5.0% to 6.0%).

35. DERIVATIVE FINANCIAL INSTRUMENTS AND OTHER FINANCIAL LIABILITIES

	2024 RMB'000	2023 RMB'000
Derivative financial instruments: (Note a)		
Written put options of interests in associates		
— Jiangsu Xinhua	**17,694**	15,972
— Kunshan GCL	**118,871**	—
	136,565	15,972
Other financial labilities: (Note b)		
Written put options over non-controlling interests		
— Kunshan GCL	**—**	525,695

35. DERIVATIVE FINANCIAL INSTRUMENTS AND OTHER FINANCIAL LIABILITIES (Continued)

(a) Derivative financial instruments

Written put option of interest in an associate, Jiangsu Xinhua

In April 2016, the Group entered into an Investment Agreement with the Partner, as defined in note 21(f). Under this agreement, the Partner was granted the right to request the Group to repurchase its equity interest in Jiangsu Xinhua held at the cost of the Partner's investment plus interest at applicable rate under the following circumstances:

(i) If Jiangsu Xinhua fails to complete a qualified initial public offering ("IPO") on a mutually-agreed stock exchange within the specified timeframe;

(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 changes in government policy or other uncontrollable circumstances;

(iii) If Jiangsu Xinhua fails to produce polysilicon to the level of quality and specification stipulated under the Investment Agreement within a specified timeframe (replaced in a late agreement, as noted below); or

(iv) If there is a significant breach the relevant terms of the Investment Agreement by the Group, or actions by the Group that have a significant adverse impact on the joint venture, where the Group fails to remedy such breach within the required period.

In December 2020, a supplementary agreement was signed to amend condition (iii). The revised condition stipulates that the Partner may request the repurchase if Jiangsu Xinhua fails to meet any annual operational or strategic requirements for 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 year ended 31 December 2024, the Group remeasured the fair value and a loss on fair value change of the derivative financial instrument of approximately RMB1,722,000 (2023: RMB3,958,000) was recognised in profit or loss.

35. DERIVATIVE FINANCIAL INSTRUMENTS AND OTHER FINANCIAL LIABILITIES (Continued)

(a) Derivative financial instruments (Continued)

Written put options of interest in an associate, Kunshan GCL

On 16 November 2024, the Group entered into a new shareholder agreement ("2024 Kunshan Shareholder Agreement") with Kunshan GCL, certain new and existing investors of Kunshan GCL mentioned in 2024 Kunshan Shareholder Agreement, pursuant to which the certain new and existing investors agreed to subscribe for approximately RMB9 million new registered capital of Kunshan GCL at a cash consideration of RMB344 million, representing 8.41% of the enlarged registered capital of Kunshan GCL. As at 31 December 2024, cash consideration of RMB290 million was injected in Kunshan GCL, the Group's equity interest in Kunshan GCL decreased from 47.65% to 44.23%. Upon completion of the 2024 Kunshan Shareholder Agreement, the Group lost control over Kunshan GCL but retained significant influence. For details, please refer to Note 39.

New put options have been granted to certain new and existing investors of Kunshan GCL under 2024 Kunshan Shareholder Agreement alongside previously issued put options, bringing the total accumulated equity interest subject to repurchase by the Group to 13.95%. Under the 2024 Kunshan Shareholder Agreement, the redemption price is equal to the sum of (i) investment cost made by the new and existing investor; (ii) 8% to 10% required annual rate of return on the investment cost from the date of investment; and (iii) the share of accumulated unpaid dividends of Kunshan GCL during the investment period, under the certain circumstances including:

i) If Kunshan GCL fails to submit an application for a qualified initial public offering ("IPO") by 31 December 2028, or fails to complete an IPO at a mutually agreed stock exchange by 30 June 2029;

ii) If there is a significant breach by Kunshan GCL on the relevant terms of the 2024 Kunshan Shareholder Agreement or actions brought by the Kunshan GCL resulting in significant adverse impact to Kunshan GCL and the Kunshan GCL fails to remediate such breach within the period required by the new investor;

iii) 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 timeframe.

The fair value of written put options of interest in an associate of RMB118,871,000 comprised of fair value of written put options of RMB12,435,000 issued in previous years and the fair value of the written put options of RMB106,436,000 granted to the new shareholders of Kunshan GCL under 2024 Kunshan Shareholder Agreement by Kunshan GCL's holding company.

Details of the inputs and assumptions adopted in the fair value measurement are described in note 42(a).

35. DERIVATIVE FINANCIAL INSTRUMENTS AND OTHER FINANCIAL LIABILITIES (Continued)

(b) other financial liabilities

Written put options over non-controlling interest of Kunshan GCL

In 2020 and 2021, the Group entered into investment agreements ("2020/21 Kunshan Investment Agreements") with certain investors pursuant to which the investors were granted the rights to require the Group to repurchase a 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 specified 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. Under the terms of this agreement, the Group subscribed to RMB6.6 million of new registered capital, and the new investor subscribed to RMB4.4 million of new registered capital in Kunshan GCL for cash consideration of RMB150 million and RMB100 million, respectively. These contributions represented 8.96% and 5.97% of the enlarged registered capital of Kunshan GCL, respectively. Following these transactions, the Group's equity interest in Kunshan GCL increased from 50.03% to 51.52%.

On 30 November 2022, the Group entered into another shareholder agreement ("2022 Kunshan Shareholder Agreement II") with Kunshan GCL, certain new investors and one of the new investors from the 2022 Kunshan Shareholder Agreement, pursuant to which the Group subscribed to RMB9.1 million of new registered capital, while certain new investors and an existing non-controlling shareholder subscribed to RMB7.2 million of new registered capital for cash consideration of RMB240 million and RMB189 million, respectively. These contributions represented 10.16% and 8.0% of the enlarged registered capital of Kunshan GCL, respectively. The subscription was completed during the year ended 31 December 2023. As a result, the Group's equity interest in Kunshan GCL increased from 51.52% to 52.33%.

Pursuant to the 2022 Kunshan Shareholder Agreement and the 2022 Kunshan Shareholder Agreement II, the new investors were granted the right to require the Group to repurchase a total 12.89% equity interest in Kunshan GCL at a redemption price equal to the sum of (i) the investment cost contributed by the new investor; (ii) a required annual rate of return of 10% 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") on a mutually agreed stock exchange by 31 December 2025;

b) If there is a significant breach by Kunshan GCL on the relevant terms in the 2022 Kunshan Shareholder Agreement or actions brought by the Kunshan GCL resulting in significant adverse impacts to Kunshan GCL, and the Group fails to remedy the breach within the specified period;

c) If Kunshan GCL fails to achieve operation target specified in prior agreements with its shareholders within the agreed timeframe.

* English name for identification purpose only

35. DERIVATIVE FINANCIAL INSTRUMENTS AND OTHER FINANCIAL LIABILITIES (Continued)

(b) other financial liabilities (Continued)

Written put options over non-controlling interest of Kunshan GCL (Continued)

Accordingly, the 2020/21 Kunshan Investment Agreements were amended to align the terms of the written put options with the terms granted to the new investor under 2022 Kunshan Shareholder Agreement.

As a result of these additional put options over non-controlling interests, the Group recognised a financial liability of approximately RMB189,000,000 during the year ended 31 December 2023, with a corresponding entry in equity, which was measured based on the present value of the redemption price. The redemption price included 10% interest per annum, discounted at a rate of 10%, and was calculated under the assumption that the put option would be exercised on date of redemption.

The financial liability is subsequently measured at amortised cost, with interests (note 10) accrued to reflect the redemption amount payable at the exercise date of the put options.

As at 31 December 2023, the Group recognised a financial liability of approximately RMB525,695,000 in relation to the put options over the non-controlling interests of Kunshan GCL.

During the year ended 31 December 2024, the written put options over non-controlling interests of Kunshan GCL issued by Kunshan GCL with a carrying amount of RMB483,530,000 were disposed of upon the deemed disposal of Kunshan GCL on 16 November 2024 (note 39). The written put options over non-controlling interests of Kunshan GCL issued by Kunshan GCL's holding company with a carrying amount of RMB132,917,000 as at 16 November 2024 were remeasured at a fair value amounting to RMB12,435,000. The gain on remeasurement of these written put options of RMB120,482,000 was included in the calculation of the gain on deemed disposal of a subsidary (note 39). After the deemed disposal, Kunshan GCL became an associate of the Group, these written put options with a fair value of RMB12,435,000 were classified as derivative financial instruments in note 35(a) and measured at fair value instead of amortised cost.

36. DEFERRED INCOME

	2024 RMB'000	2023 RMB'000
Deferred income related to government grants:		
Subsidies related to property, plant and equipment (note a)	**47,533**	74,318
Value-added tax refunds related to depreciable assets (note b)	**264**	5,621
Total	**47,797**	79,939
Less: current portion	**(18,581)**	(28,557)
Non-current portion	**29,216**	51,382

Notes:

(a) The Group received government subsidies for capital expenditure incurred for the plant and machinery. The amounts are deferred and amortised over the estimated useful lives of the respective assets.

(b) The Group received value-added tax refunds on purchases of domestic manufactured plant and machinery. The amounts are deferred and amortised over the estimated useful lives of the respective plant and machinery.

37. SHARE CAPITAL

	Number of shares '000	Amount HK$'000
Ordinary shares of HK$0.1 each		
Authorised		
At 1 January 2023, 31 December 2023 and 31 December 2024	50,000,000	5,000,000
Issued and fully paid		
At 1 January 2023	27,108,498	2,710,850
Exercise of share options (note a)	558	56
Cancellation of shares (note b)	(170,125)	(17,013)
At 31 December 2023	26,938,931	2,693,893
Cancellation of shares (note b)	(18,112)	(1,811)
At 31 December 2024	26,920,819	2,692,082

	2024 RMB'000	2023 RMB'000
Shown in the financial statements as	**2,342,638**	2,344,280

37. SHARE CAPITAL (Continued)

Notes:

(a) During the year ended 31 December 2023, share option holders exercised their rights to subscribe for 558,000 ordinary shares in the Company at HK$1.16 per share, with the net proceeds of approximately RMB593,000.

(b) Purchase of own shares:

During the year ended 31 December 2024, the Company repurchased and cancelled its own 18,112,000 (2023: 138,500,000 ordinary shares) ordinary shares on the Stock Exchange of Hong Kong Limited at an aggregate consideration of HK$23,827,000 (equivalent to approximately RMB21,679,000) (2023: HK$200,158,000 equivalent to approximately RMB182,010,000).

Month of repurchase	**Number of shares repurchased**	**Price paid per share**		**Aggregate consideration paid**
		Highest	**Lowest**	
		HK$	HK$	HK$'000
Jun 2023	84,500,000	1.64	1.48	130,992
Sept 2023	30,000,000	1.38	1.30	40,396
Oct 2023	24,000,000	1.23	1.15	28,770
	138,500,000			200,158
March 2024	18,112,000	1.32	1.31	23,827

Accordingly the issued share capital of the Company was reduced by the nominal value of these shares. The premium payable on repurchase was charged against the share premium. An amount equivalent to the nominal value of the shares cancelled was transferred from retained profits to the capital redemption reserve.

All shares issued during the years ended 31 December 2024 and 2023 rank *pari passu* in all respects with the then existing shares of the Company.

38. CHANGES IN INTERESTS IN SUBSIDIARIES WITHOUT A LOSS OF CONTROL

a) Kunshan GCL

During the year ended 31 December 2023, pursuant to the 2022 Kunshan Shareholder Agreement II (note 35), 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 paid-up 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 35(b)). 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.

During the year ended 31 December 2023, two companies owned by certain individuals subscribed for approximately RMB5,658,000 new registered capital of Kunshan GCL at a cash consideration of approximately RMB5,658,000, representing 5.92% of the enlarged registered paid-up capital of Kunshan GCL. 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 abovementioned, the Group's equity interest in Kunshan GCL changed from 51.52% to 49.23%.

b) 內蒙古鑫環硅能科技有限公司

During the year ended 31 December 2023, the Group entered into a capital injection agreement with a non-controlling shareholder of 內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 new registered capital of RMB1,668 million and RMB1,702 million of 內蒙古鑫環硅能科技有限公司 at a cash consideration of RMB1,668 million and RMB1,702 million respectively. After completion of the capital injection and as at 31 December 2023, the Group's interest in 內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.

38. CHANGES IN INTERESTS IN SUBSIDIARIES WITHOUT A LOSS OF CONTROL (Continued)

c) Leshan GCL

During the year ended 31 December 2023, the Group and Xuzhou Zhongping GCL Industrial Upgrading Equity Investment Fund LLP* ("**Xuzhou Fund**") 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 31 December 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.

During the year ended 31 December 2024, after the completion of disposal of Xuzhou Fund (being an associate of the Group) (note 21(g)) who is holding 10% of 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, the Group's effective interest (including those interest held indirectly through associates) in Leshan GCL decreased from 74.1% to 65.7% as at 31 December 2024. The relevant carrying amount of non-controlling interest is recognised in special reserve in consolidated statement of changes in equity.

39. DEEMED DISPOSAL OF A SUBSIDIARY

On 16 November 2024, the Group entered into a new shareholder agreement with Kunshan GCL Optoelectronic Material Co., Ltd.* 昆山協鑫光電材料有限公司 ("**Kunshan GCL**"), along with certain new and existing investors of Kunshan GCL under the agreement, these investors subscribed to approximately RMB9 million in new registered capital of Kunshan GCL for a cash consideration of RMB344 million, representing approximately 8.41% of the enlarged paid-up registered capital of Kunshan GCL.

As at 31 December 2024, cash consideration of RMB290 million was injected into Kunshan GCL, the Group's equity interest in Kunshan GCL (based on paid-up registered capital) decreased from approximately 47.65% to approximately 44.23%. The Group lost control over Kunshan GCL but retained significant influence. Kunshan GCL ceased to be a subsidiary of the Company and was reclassified as an associate upon completion of the transaction, the Group recognised a gain on deemed disposal of a subsidiary of approximately RMB1,952 million.

39. DEEMED DISPOSAL OF A SUBSIDIARY (Continued)

Details of the net liabilities of Kunshan GCL at the date of deemed disposal were as follows:

	RMB'000
Property, plant and equipment	255,115
Right-of-use assets	6,335
Intangible assets	13,089
Inventories	7,289
Trade and other receivables	79,322
Prepayment	15,556
Pledged and restricted bank deposit	21,092
Bank balances and cash	184,919
Trade and other payables	(80,043)
Bills payables	(842)
Deferred income	(28,372)
Lease liabilities	(6,812)
Other financial liabilities	(483,530)
Net liabilities of Kunshan GCL disposed of	(16,882)
Fair value of the remaining interest in Kunshan GCL	1,926,450
Less: A newly issued written put option over an equity interest in an associate recognised as derivative financial liabilities (Note 35(a)) as a result of the deemed disposal	(106,436)
Fair value of total consideration	1,820,014
Add: Net liabilities of Kunshan GCL disposed of	16,882
Less: Exchange reserve	(27)
Less: Non-controlling interests	(5,144)
Add: Gain on remeasurement of written put option over non-controlling interests upon deemed disposal	120,482
Gain on deemed disposal of a subsidiary	1,952,207
An analysis of the net cash outflow in respect of the deemed disposal is as follows	
Consideration received	—
Less: Cash and cash equivalents disposed of	(184,919)
	(184,919)

40. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2023.

The capital structure of the Group consists of net debt, which mainly includes loans from related companies, bank and other borrowings, lease liabilities, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising issued share capital and reserves.

The Directors review the capital structure on a regular basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debts or the redemption of existing debt.

The Group monitors capital using gearing ratio, which is total interest-bearing debts, less cash and cash equivalents divided by total equity. The Group's policy is to maintain the gearing ratio at an appropriate level.

	2024 **RMB'000**	2023 RMB'000
Total interest-bearing debts		
Bank and other borrowings	**18,988,230**	15,267,005
Lease liabilities	**107,090**	146,371
	19,095,320	15,413,376
Pledged and restricted bank deposits	**(4,752,191)**	(2,353,105)
Bank balances and cash	**(5,174,188)**	(6,821,328)
Net debt	**9,168,941**	6,238,943
Total equity	**42,292,938**	48,317,709
Net debt to equity ratio	**21.7%**	12.9%

41. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2024 RMB'000	2023 RMB'000
Financial assets		
Financial assets at amortised cost		
Deposits and other receivables	**3,509,138**	19,944
Amounts due from related companies	**791,491**	5,045,138
Trade and other receivables	**9,296,588**	14,104,365
Pledged and restricted bank deposits	**4,752,191**	2,353,105
Bank balances and cash	**5,174,188**	6,821,328
	23,523,596	28,343,880
Financial assets at fair value		
Held for trading investments	**416**	2,686
Investments in FVTPL	**2,770,796**	2,537,724
Equity instruments at FVTOCI	**445,376**	441,347
Perpetual notes classified as financial assets at FVTOCI	**359,058**	998,002
	3,575,646	3,979,759
	27,099,242	32,323,639
Financial liabilities		
Financial liabilities at amortised cost		
Bank and other borrowings	**18,988,230**	15,267,005
Trade and other payables	**10,907,830**	14,066,209
Amounts due to related companies	**311,742**	1,361,234
Lease liabilities	**107,090**	146,371
Other financial liabilities	**—**	525,695
	30,314,892	31,366,514
Financial liabilities at fair value		
Derivative financial instruments	**136,565**	15,972
Convertible bond payable to a non-controlling shareholder of a subsidiary	**—**	84,212
	136,565	100,184
	30,451,457	31,466,698

41. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Management provides services to the Group's business units, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

Management reports periodically to the Directors who monitor risks and implemented policies to mitigate exposures.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it measures and manages the risks.

Market risk

Foreign currency risk management

The Group's exposure to foreign currency risk arose from certain pledged and restricted bank deposits and bank balances, bank and other borrowings, lease liabilities, trade and other receivables and trade and other payables, amounts due from/to related companies, that are denominated in foreign currencies. The Group currently does not have a currency risk hedging policy. However, the management monitors foreign currency risk exposure by closely monitoring the movement of foreign currency rates and considers hedging against it should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Assets		Liabilities	
	2024	2023	**2024**	2023
	RMB'000	RMB'000	**RMB'000**	RMB'000
The Group				
EUR	**17,889**	61,163	**—**	—
HK$	**571,580**	884,539	**14,912**	25,613
US$	**152,337**	218,755	**33,558**	1,813
JPY	**8**	33,574	**33,161**	87,740
Inter-company balances				
RMB	**1,262**	—	**1,544,987**	—
US$	**26,597**	—	**—**	—

The foreign currency assets in 2024 and 2023 mainly related to the HK$, US$, JPY and EUR denominated pledged and restricted bank deposits, bank balances, trade and other receivables and amounts due from related companies, as set out in notes 26, 27 and 29.

41. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Foreign currency risk management (Continued)

The foreign currency liabilities in 2024 and 2023 mainly related to the HK$, US$ and JPY denominated trade and other payables, bank and other borrowing and lease liabilities as set out in notes 30, 33, and 34, respectively.

The Directors considered that the foreign currency risk arose from the inter-company balances that are denominated in foreign currencies as at 31 December 2023 are insignificant.

Foreign currency sensitivity analysis

The following sensitivity analysis details the Group's sensitivity to a 5% (2023: 5%) increase or decrease in the functional currency of the respective entities against the relevant foreign currencies. 5% (2023: 5%) is the sensitivity rate used when reporting foreign currency risk internally to management and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2023: 5%) change in foreign currency rates. The sensitivity analysis also includes inter-company balances where the denomination of the balance is in a currency other than the functional currency of the lender or the borrower. Where the functional currency of the respective entities had strengthened 5% (2023: 5%) against the relevant foreign currencies, profit or loss of the respective year would be affected as follows. For a 5% (2023: 5%) weakening of the functional currency of the respective entities against the relevant foreign currency, there would be an equal and opposite impact on profit or loss for the respective year.

The Group

	JPY RMB'000	EUR RMB'000	HK$ RMB'000	US$ RMB'000
2024				
(Increase)/decrease in loss for the year	**1,243**	**(671)**	**(20,875)**	**(4,454)**
2023				
Increase/(decrease) in profit for the year	2,031	(2,294)	(32,210)	(617)

Inter-company balances

	HK$ RMB'000	US$ RMB'000
2024		
(Increase)/decrease in loss for the year	**57,890**	**(997)**
2023		
(Decrease)/increase in profit for the year	—	—

41. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Interest rate risk management

The Group is exposed to fair value interest rate risk in relation to fixed-rate amounts due from (to) related companies, pledged and restricted bank deposits and bank and other borrowings (see notes 27, 31, 29 and 33 for details of the above financial instruments, respectively). The Group currently has not entered into interest rate swaps to hedge against its exposure to changes in fair values of such financial assets and financial liabilities.

The Group is also exposed to cash flow interest rate risk in relation to variable-rate restricted bank deposits and bank balances and variable-rate bank borrowings (see notes 29 and 33).

The management has considered the Group's exposure to cash flow interest rate risk in relation to variable-rate pledged and restricted bank deposits and bank balances (see note 29) to be limited because the current market interest rates on general deposits are relatively low and stable.

It is the Group's policy to maintain an appropriate level between its fixed-rate and variable-rate borrowings so as to minimise the fair value and cash flow interest rate risk.

41. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the Group's exposure to interest rates for non-derivative instruments. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. The following sensitivity analysis is used when reporting interest rate risk internally to management and represents management's assessment of the reasonably possible change in interest rates.

Variable-rate borrowings

If interest rates had been 50 basis points higher/lower on the lending benchmark interest rate stipulated by Benchmark Rate and all other variables were held constant, the Group's loss for the year ended 31 December 2024 would have increased/decreased by approximately RMB43,952,000 (2023: profit for the year would have decreased/increased by approximately RMB42,085,000). This is mainly attributable to the Group's exposure to interest rates on its variable– rate borrowings. The Group's exposure to cash flow interest rate risk has increased during the current year mainly due to the increase in variable-rate borrowings. On the other hand, the Group's exposure to fair value interest rate risk has decreased during the year mainly due to the decrease in fixed-rate borrowings.

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("IBORs") with alternative nearly risk-free rates. As at 31 December 2024 and 2023, the Group has no LIBOR bank loans that may be subject to the interest rate benchmark reform. The Group is closely monitoring the transition to new benchmark interest rates.

Other price risk

The Group is exposed to price risk through its quoted and unquoted investments measured at FVTPL and measured at FVTOCI. The Group's equity price risk is mainly concentrated on equity instruments of entities operating in solar, and securities and financial service industries sector quoted on the Stock Exchange. In addition, the Group has monitored the price risk and will consider hedging the risk exposure should the need arise.

Other price risk sensitivity analysis

Other than sensitivity analysis of certain investments as disclosed in note 42(a), sensitivity on other investments is not provided as the amount is considered insignificant.

41. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's credit risk is primarily attributable to deposits, trade and other receivables, amounts due from related companies, pledged and restricted bank deposits and bank balances.

Except for the financial guarantees given by the Group as set out below and in note 49, the Group does not provide any other guarantees which expose the Group to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the end of the reporting period is disclosed below and in note 49.

The Group does not hold any collateral or other credit enhancements to cover its credit risk associated with its financial assets and financial guarantee contracts.

Trade receivables and amounts due from related companies (trade related)

In order to minimise the credit risk, each major operating business has a policy of credit control in place under which credit evaluations of customers are performed on all customers requiring credit.

Credit terms are granted to customers which are either secured by bills or with letters of credit issued by banks or good credit quality customers. The management also has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regard, the Directors consider that the Group's credit risk is significantly reduced. In addition, the Group performs impairment assessment under ECL model on trade balances individually or collectively.

Credit risk on sales of polysilicon and wafer products is not significant as the major customers are listed entities with good repayment history, and significant portion of trade receivables are either secured by bills or with letters of credit issued by banks or advance payments from customers.

Trade receivables arising from sales of electricity are mainly due from the local grid companies in various provinces in the PRC. The management considers the probability of default of trade receivables is low by taking into the account the past default experience of the debtors, adjusted for general economic conditions of the solar industry and an assessment of both current as well as forecast direction of market conditions at the reporting date. Accordingly, the management is of the opinion that the credit risk of trade receivables is limited.

41. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Trade receivables and amounts due from related companies (trade related) (Continued)

In relation to tariff adjustment receivables, the management performs impairment assessment on a periodic basis. Based on the assessment, the management is of the opinion that the probability of default of the relevant counterparties are insignificant since the solar industry is well supported by the PRC government. In addition, management is confident that all of the Group's operating solar farms are able to be enlisted in the List in due course and the accrued revenue on tariff subsidy is fully recoverable but only subject to the timing of allocation of funds. Accordingly, the credit risk regarding tariff adjustment receivables is limited.

For sales of polysilicon and wafer, the Group's concentration of credit risk by geographical location is mainly the PRC, which accounted for approximately 100% of the trade receivables arising from sales of polysilicon and wafer as at 31 December 2024 and 2023.

For sales of electricity, the Group's concentration of credit risk by geographical location is mainly the PRC, which accounted for over 99% (2023: 99%) of the trade receivables arising from sales of electricity as at 31 December 2024.

As at 31 December 2024 and 2023, the Group had concentration of credit risk mainly on related companies which are under common control and known to the Group. The gross carrying amount of amounts due from the aforesaid related companies (trade related) was approximately RMB94,258,000 (2023: RMB165,766,000).

Other receivables and amounts due from related companies (non-trade related)

The credit quality of other receivables and amounts due from related companies (non-trade related) excluding prepayments has been assessed with reference to historical information about the counterparties' past payment histories and financial position. The Directors closely monitor the credit quality of other receivables and amounts due from related companies (non-trade related) and consider those amounts, which are neither past due nor impaired, are of good credit quality in view of the good historical repayment record of such parties.

In addition, the Group performs impairment assessment under ECL model on these balances individually.

For the purpose of impairment assessment of other receivables, dividend receivables from a former associate, loan receivables, note receivables, consideration receivables, amounts due from former subsidiaries and related companies (non-trade related), the loss allowance is measured at an amount equals to 12-month ECL. In determining the ECL for these assets, the Directors have taken into account the financial position of the counterparties, the industries they operate, as well as their latest available operating results, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

41. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Other receivables and amounts due from related companies (non-trade related) (Continued)

As at 31 December 2024 and 2023, the Group had concentration of credit risk on other receivables and amount due from related companies (non-trade related) as the gross carrying amount of consideration receivable and dividend receivable from a former associate/an associate as at 31 December 2024 were approximately RMB1,325 million (2023: short-term loan to a third party of approximately RMB1,600 million) and RMB3,147 million (2023: dividend receivable from an associate of approximately RMB4,163 million). As at 31 December 2024 and 2023, the Group has no other significant concentration of credit risk on other receivables and the amounts due from related companies (non-trade nature).

Pledged and restricted bank deposits and bank balances

The Group's exposure to credit risk arising from pledged and restricted bank deposits and bank balances is limited because the counterparties are reputable banks and other financial institutions with high credit ratings assigned by international credit rating agencies in the PRC, Hong Kong and the USA.

The Group assessed 12-month ECL for bank balances and pledged and restricted bank deposits by reference to information relating to the probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the ECL on bank balances and pledged and restricted bank deposits is considered to be insignificant.

Financial guarantee contracts

For financial guarantee contracts, the maximum amount that the Group has guaranteed under the respective contracts was RMB510,000,000 (2023: RMB2,571,150,000 provided to third parties and related party) if the guarantees were called upon in their entirely. As at 31 December 2024, the Group provided a total guarantee with maximum amount of approximately RMB 510,000,000 to several banks and financial institutions in respect of banking and other facilities of an associate. As at 31 December 2023, the guarantees provided to third parties of approximately 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 investments. In addition, total guarantees up to a maximum amount of approximately RMB2,500,000,000 were provided to certain banks and financial institutions in respect of banking and other facilities granted to a former associate, Xinjiang Gones. The details of the financial guarantees provided to the related parties are set out in note 49. The credit risks on financial guarantee contracts is limited as either the underlying borrowings are adequately secured by assets of the relevant borrowers or the relevant borrowers are with good historical repayment record.

41. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

At the end of the reporting period, the Directors performed impairment assessments on these financial guarantee contracts, and concluded that there has been no significant increase in credit risk since their initial recognition. Loss allowance is measured at 12-month ECL. In the opinion of the Directors, the fair value of the guarantees was considered insignificant at initial recognition, and the ECLs as at 31 December 2024 and 2023 were insignificant.

The Group's internal credit risk grading assessment comprising the following categories:

Internal credit rating	**Description**	**Trade receivables/ amounts due from related companies (trade related)**	**Other financial assets**
Low risk	The counterparty has a low risk of default	Lifetime ECL (not credit-impaired)	12-month ECL
Medium risk	Debtor frequently repays after due dates but usually settles in full	Lifetime ECL (not credit-impaired)	12-month ECL
High risk	There has been significant increase in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL (not credit-impaired)	Lifetime ECL (not credit-impaired)
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL (credit-impaired)	Lifetime ECL (credit-impaired)
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

41. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets and financial guarantee contracts, which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12-month ECL or lifetime ECL	Gross carrying amount 2024 RMB'000	Gross carrying amount 2023 RMB'000
Financial assets at amortised costs						
Trade receivables						
— goods and services (excluding sales of electricity)	26(b)	Baa2–Aaa (2023: Baa2–Aaa)*	Low risk (Note a,b)	Lifetime ECL (not credit-impaired)	6,127,822	10,463,808
		N/A	(Note a,c)	Lifetime ECL (not credit-impaired)	610,249	757,026
		N/A	Loss (Note a,c)	Lifetime ECL (credit-impaired)	51,136	56,242
Trade receivables						
— sales of electricity	26(b)	N/A	(Note a,c)	Lifetime ECL (not credit-impaired)	528,740	523,757
					7,317,947	11,800,833
Amounts due from related companies (trade related)	27	N/A	Low risk (Note a,d)	Lifetime ECL (not credit-impaired)	216,519	305,134
		N/A	High risk (Note a,d)	Lifetime ECL (not credit-impaired)	80,527	—
		N/A	Loss (Note a,d)	Lifetime ECL (credit-impaired)	34,694	30,369
					331,740	335,503
Amounts due from related companies (non-trade related)	27	N/A	Low risk (Note d)	12-month ECL	554,020	4,730,842
Other receivables						
— Dividend receivable from a former associate	26(a), 26(b)	N/A	High risk (Note e,f)	Lifetime ECL (not credit-impaired)	3,146,924	—
— Consideration receivable from						
— Disposal of an associate	26(a)	N/A	Low risk (Note e)	12-month ECL	1,324,605	—
— Disposal of subsidiaries	26(a)	N/A	High risk (Note e)	Lifetime ECL (not credit-impaired)	19,944	19,944
— Other receivable	26(a)	N/A	Low risk (Note e)	12-month ECL	447,940	—
— Amounts due from former subsidiaries	26(b)	N/A	Low risk (Note f)	12-month ECL	42,490	42,490
— Short-term loans to third parties	26(b)	N/A	Low risk (Note f,h)	12-month ECL	746,308	1,600,000
— Note receivables	26(b)	N/A	Low risk (Note f,j)	12-month ECL	167,143	176,345
— Deposits in the Trustee	26(b)	N/A	Low risk	12-month ECL	84,060	83,105
— Other deposits	26(b)	N/A	Low risk	12-month ECL	99,461	99,461
	26(b)	N/A	Loss (Note f)	Lifetime ECL (credit-impaired)	150,000	150,000
					249,461	249,461
— Others	26(b)	N/A	Low risk	12-month ECL	304,959	295,544
	26(b)	N/A	Loss (Note f)	Lifetime ECL (credit-impaired)	199,861	196,818
					504,820	492,362
Pledged and restricted bank deposits	29	N/A or Ba1–Aaa (2023: N/A or Ba1–Aaa)	Low risk (Note g)	12-month ECL	4,752,191	2,353,105
Bank balances	29	Ba3–Aaa (2023: Ba3–Aaa)	Low risk	12-month ECL	5,174,188	6,821,328
Financial guarantee contracts	44, 49	N/A	Low risk (Note i)	12-month ECL	510,000	2,571,150

* These represent credit rating grades of the relevant banks which issued the bills.

The amounts represent the maximum amount of the Group has guaranteed under the respective contracts.

41. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Notes:

(a) For trade receivables and amounts due from related companies (trade related), the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances, credit-impaired or to be settled by bills, the Group determines the ECL on these items collectively for debtors, grouped by internal credit rating.

(b) Trade receivables with bills received from trade customers amounted to approximately RMB6,127,822,000 (2023: RMB10,463,808,000) as at 31 December 2024. The Directors consider the ECL for these trade receivables is insignificant because the bills are issued by reputable banks with high credit ratings assigned by international credit rating agencies in the PRC.

(c) The following table provides information about the exposure to credit risk for trade receivables.

Solar material business

	2024			2023		
	Gross carrying amount RMB'000	**Range of loss rate**	**Loss allowance RMB'000**	Gross carrying amount RMB'000	Range of loss rate	Loss allowance RMB'000
Collectively assessed						
Internal credit rating						
Low risk	**182,456**	**0.5%-2.5%**	**1,723**	756,444	0.5%-2.5%	10,497
Medium risk	**235,286**	**10%**	**23,529**	40	10%	4
High risk	**192,507**	**25%**	**48,127**	542	25%	136
	610,249		**73,379**	757,026		10,637
Individually assessed						
Internal credit rating						
Loss	**51,136**	**100%**	**51,136**	56,242	83.2%	46,785
	51,136		**51,136**	56,242		46,785
Subtotal	**661,385**		**124,515**	813,268		57,422

Solar farm business

	2024			2023		
	Gross carrying amount RMB'000	**Average loss rate**	**Loss allowance RMB'000**	Gross carrying amount RMB'000	Average loss rate	Loss allowance RMB'000
Individually assessed						
Internal credit rating						
Low risk	**422,817**	**4.24%**	**17,916**	523,757	0.68%	3,555
High risk	**105,923**	**49.8%**	**52,703**	—	—	—
Subtotal	**528,740**		**70,619**	523,757		3,555
Total	**1,190,125**		**195,134**	1,337,025		60,977

41. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Notes:

(c) (Continued)

The estimated loss rates are based on any historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information (for example, the current and forecasted economic growth rates in the PRC, which reflect the general economic conditions of the industry in which the debtors operate) that is available without undue cost or effort. Such forward-looking information is used by the management of the Group to assess both the current as well as the forecast direction of conditions at the reporting date. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

The Group always measures the loss allowance for trade receivables for sales of electricity, including those with significant financing component at an amount equal to lifetime ECL. The estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under simplified approach:

Trade receivables

	Solar material business			Solar farm business		
	Lifetime ECL (not credit-impaired)	**Lifetime ECL (credit-impaired)**	**Subtotal**	**Lifetime ECL (not credit-impaired)**	**Subtotal**	**Total**
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	20,551	58,958	79,509	—	—	79,509
Transfer to credit-impaired	(1,415)	1,415	—	—	—	—
Impairment loss recognised	1,043	4	1,047	3,555	3,555	4,602
Impairment loss reversed	(9,542)	(13,592)	(23,134)	—	—	(23,134)
At 31 December 2023	10,637	46,785	57,422	3,555	3,555	60,977
Transfer to credit-impaired	—	—	—	—	—	—
Impairment loss recognised	62,742	10,039	72,781	67,064	67,064	139,845
Written off	—	(5,688)	(5,688)	—	—	(5,688)
At 31 December 2024	73,379	51,136	124,515	70,619	70,619	195,134

During the year ended 31 December 2023, impairment allowance for trade receivables of approximately RMB23,134,000 was reversed as a result of subsequent settlement from the debtors.

41. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Notes:

(d) For amounts due from related companies (trade related), debtors with significant balances with gross carrying amounts of approximately RMB300,913,000 (2023: RMB335,503,000) as at 31 December 2024 were assessed individually, in which the Directors considered the receivables of gross carrying amount of approximately RMB34,694,000 (2023: RMB30,369,000) from related companies were credit-impaired because there was a default of payment from the counterparty. An accumulated impairment loss of RMB25,186,000 (2023: RMB21,207,000) was recognised as at 31 December 2024 for such receivables. During the year ended 31 December 2024, the Group has recognised impairment loss of RMB54,075,000 on amounts due from related companies (trade related) (2023: RMB9,677,000). Credit risk of the remaining amounts due from related companies (trade related) is considered not significant because the related companies either has good repayment history or is well established.

Amounts due from related companies (trade related)

	Lifetime ECL -Low risk (not credit-impaired)	Lifetime ECL -High risk (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	—	—	11,530	11,530
Impairment loss recognised	—	—	9,677	9,677
At 31 December 2023	—	—	21,207	21,207
Impairment loss recognised	11,847	38,249	3,979	54,075
At 31 December 2024	11,847	38,249	25,186	75,282

41. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Notes:

(d) (Continued)

For amounts due from related companies (non-trade related), debtors with significant balances with gross carrying amounts of approximately RMB528,400,000 as at 31 December 2024 were assessed individually. An accumulated impairment loss of RMB18,987,000 was recognised as at 31 December 2024 for such receivables. During the year ended 31 December 2024, the Group has recognised impairment loss of RMB18,987,000 on amounts due from related companies (non-trade related). Credit risk of the remaining amounts due from related companies (non-trade related) is considered as limited because the related companies are with good repayment history and with positive operating results/cashflows.

As at 31 December 2023, amounts due from related companies (non-trade related) mainly represents amounts due from associates of approximately RMB4,693,752,000 and were not past due. The Directors assessed and considered the ECL by reference to the historical payment pattern, financial position of the related parties and aging period of the balances. The ECL of these balances was considered to be insignificant.

Amounts due from related companies (non-trade related)

	12-month ECL amount due from an associate (non-trade related) RMB'000
At 1 January 2024	—
Impairment loss recognised	18,987
At 31 December 2024	18,987

41. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Notes:

(e) The following table shows movement in ECL that has been recognised for deposit and other receivables in note 26(a).

	Lifetime ECL-High risk (not credit-impaired)		**12-month ECL**		
	Dividend receivable from a former associate (Note i)	**Consideration receivables from disposal of subsidiaries**	**Consideration receivables from disposal of an associate (Note ii)**	**Other receivable**	**Total**
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	—	—	—	—	—
Impairment loss recognised	465,926	6,789	20,059	33,501	526,275
At 31 December 2024	465,926	6,789	20,059	33,501	526,275

(i) The dividend receivable from a former associate of RMB3,146,924,000 (2023: RMB 4,162,937,000 under amount due from related companies (non-trade related)) as at 31 December 2024 was assessed individually. During the year ended 31 December 2024, the Group identified the credit risk for this receivable has increased significantly due to the evolving energy market conditions and challenges resulting in deterioration in the operating results of the former associate and certain outstanding balance has been past due at the end of the reporting period. Accordingly, the Directors assessed that such balance is of high credit risk and measured the lifetime ECL (not credit-impaired). During the year ended 31 December 2024, the Group has recognised an impairment loss of RMB635,793,000 (for non–current and current portions of RMB465,926,000 and RMB169,867,000 (note 41(b)(f)) respectively) for such receivable.

(ii) The consideration receivable for disposal of an associate of RMB1,324,605,000 (2023: nil) as at 31 December 2024 was assessed individually. The receivable was not past due and the Directors assessed the counterparty has a low risk of default by reference to the background of the debtor and aging period of the balance. The Group measured the 12-month ECL for such receivable. Taking into consideration of the value of the collateral supporting the obligation payable to the Group, the Group has recognised an impairment loss of RMB20,059,000 for the year ended 31 December 2024.

41. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Notes: (Continued)

(f) The following table shows movement in ECL that has been recognised for other receivables in note 26(b).

	12-month ECL				Lifetime ECL -High risk (not credit-impaired)	Lifetime ECL-Loss (credit-impaired)			
	Amounts due from former subsidiaries	Short term loans to third parties	Note receivables	Other receivables	Dividend receivable from a former associate (Note 41 (b)(e)(i))	Consideration receivables (Note i)	Other deposits	Other receivables	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	—	—	—	—	—	237,304	—	170,066	407,370
Impairment loss recognised	—	—	—	—	—	—	89,669	19,519	109,188
Reversal of impairment loss	—	—	—	—	—	(237,304)	—	—	(237,304)
At 31 December 2023	—	—	—	—	—	—	89,669	189,585	279,254
Impairment loss recognised	1,938	213	1,059	1,569	169,867	—	60,331	15,275	250,252
Written off	—	—	—	—	—	—	—	(4,999)	(4,999)
At 31 December 2024	1,938	213	1,059	1,569	169,867	—	150,000	199,861	524,507

(i) In prior years, the Group disposed of its entire equity interest in an associate to an independent third party at a consideration of approximately RMB727,879,000 and received the consideration of RMB346,730,000 up to 31 December 2022. The Directors consider the consideration receivables from the disposal of a former associate with a gross carrying amount of RMB381,149,000 as at 31 December 2022 was credit-impaired because there were defaults of payments from the counterparty. Such consideration receivables was assessed for ECL individually. Further impairment loss of approximately RMB141,152,000 was recognised for the year ended 31 December 2022 and the accumulated impairment loss on this consideration receivables was RMB237,304,000 as at 31 December 2022. During the year ended 31 December 2023, the Group fully received the consideration of RMB381,149,000. Impairment loss of RMB237,304,000 was reversed.

(ii) During the year ended 31 December 2024, changes in the loss allowance for other receivables of the Group are mainly due to the increase in credit risk of the dividend receivable from a former associate with gross carrying amounts of RMB3,146,924,000. During the year ended 31 December 2023, changes in the loss allowance for other receivables of the Group are mainly due to the increase in credit risk of other deposits with gross carrying amounts of RMB150,000,000.

41. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Notes: (Continued)

(g) For purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

As at 31 December 2024 and 2023, the balance of other receivables and pledged deposits was not past due and the internal credit rating was considered as low risk. These are measured at 12-month ECL (not credit-impaired). Therefore, the ECL of balances of other receivables and pledged deposits was considered to be insignificant.

(h) In relation to the short-term loans to third parties of RMB656,300,000 (2023: RMB1,600,000,000), the management is of the opinion that the probability of default of the relevant counterparties is insignificant since the ultimate controlling party of the third parties is the PRC government. The Directors assessed the probability of default of the short-term loan by taking into the account the financial position of the borrowers and perform assessment of both current as well as forecast direction of market conditions at the reporting date. The Directors closely monitor the credit quality of the short-term loans and consider those amounts, which are neither past due nor impaired. Accordingly, the management is of the opinion that the credit risk of the short term loans is limited and the ECL of the balance was considered insignificant.

(i) For financial guarantee contracts, the gross carrying amount represents the maximum amount that the Group has guaranteed under the relevant contracts. The Directors assessed and considered the ECL for the financial guarantee contracts is insignificant.

(j) In relation to the note receivables, the Directors assessed and considered the ECL for the note receivables is insignificant.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings to ensure unutilised banking facilities are adequate and ensures compliance with loan covenants or to obtain waiver from the relevant banks if the Group is not able to satisfy any of the covenant requirements.

The Group's current assets exceeded its current liabilities by approximately RMB3,714 million as at 31 December 2024 (2023: 12,552 million). Further, the Group had cash and cash equivalents of RMB5,174 million (2023: RMB6,821 million) with total borrowings due within one year amounted to RMB10,691 million (2023: RMB5,386 million).

The Group finances its capital intensive operations by short-term and long-term bank and other borrowings and shareholders' equity.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities and the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest dates on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the contractual repayment dates.

41. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The tables include both interest and principal cash flows. To the extent that interest are at floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

Liquidity and interest risk tables

	Weighted average interest rate %	On demand or within 1 year RMB'000	1–2 years RMB'000	2–5 years RMB'000	Over 5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
At 31 December 2024							
Non-derivative financial liabilities							
Trade and other payables	—	10,907,830	—	—	—	10,907,830	10,907,830
Amounts due to related companies	—	311,742	—	—	—	311,742	311,742
Bank and other borrowings							
— fixed-rate	0.71%	6,592,408	496,605	231,035	—	7,320,048	7,267,634
— variable-rate	3.40%	4,441,017	3,700,344	4,305,785	18,401	12,465,547	11,720,596
Lease liabilities	5.91%	58,602	25,755	15,521	13,433	113,311	107,090
Sub-total		22,311,599	4,222,704	4,552,341	31,834	31,118,478	30,314,892
Derivative financial instrument							
Put options classified as derivative financial instruments (note 35)	9.50%-10.00%	1,033,987	—	—	—	1,033,987	136,565
Financial guarantee contracts (Note below)	—	510,000	—	—	—	510,000	—

41. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity and interest risk tables (Continued)

	Weighted average interest rate %	On demand or within 1 year RMB'000	1–2 years RMB'000	2–5 years RMB'000	Over 5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
At 31 December 2023							
Non-derivative financial liabilities							
Trade and other payables	—	14,066,209	—	—	—	14,066,209	14,066,209
Amounts due to related companies	0.87%	1,361,234	—	—	—	1,361,234	1,361,234
Bank and other borrowings							
— fixed-rate	0.36%	3,816,227	48,855	196,174	—	4,061,256	4,044,433
— variable-rate	3.75%	1,897,785	1,379,536	7,638,282	1,592,589	12,508,192	11,222,572
Written put options over non-controlling interests	10.00%	525,695	—	—	—	525,695	525,695
Lease liabilities	5.91%	76,895	43,483	29,128	8,298	157,804	146,371
Sub-total		21,744,045	1,471,874	7,863,584	1,600,887	32,680,390	31,366,514
Derivative financial instrument							
Put options classified as derivative financial instruments (note 35)	9.50%	647,665	—	—	—	647,665	15,972
Convertible bond to a non-controlling shareholder of a subsidiary	—	84,212	—	—	—	84,212	84,212
		22,475,922	1,471,874	7,863,584	1,600,887	33,412,267	31,466,698
Financial guarantee contracts (Note below)	—	2,571,150	—	—	—	2,571,150	—

The amounts included above for variable-rate borrowings are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

As at 31 December 2024 and 2023, the Group has no bank and other borrowings that are repayable on demand due to breach of loan covenants.

Note:

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangements for the full guaranteed amounts if that amounts are claimed by the counterparties to the guarantees. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangements. However, this estimate is subject to change depending on the probability of the counterparties claiming under the guarantees which is the likelihood that the financial receivables held by the counterparties which are guaranteed suffer credit losses.

42. FAIR VALUE MEASUREMENTS

(a) 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 2024 RMB'000	Fair value as at 2023 RMB'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of significant unobservable inputs to fair value
Financial assets						
1) Listed equity securities classified as held for trading investments	**416**	2,686	Level 1	Quoted bid price in an active market.	N/A	N/A
2) Listed equity investments measured at FVTOCI	**9,376**	20,781	Level 1	Quoted bid price in an active market.	N/A	N/A
3) Unlisted equity investments measured at FVTOCI	**436,000**	420,566	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
	445,376	441,347				
4) Unlisted equity investments measured at FVTPL	**398,886**	250,058	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
	386,771	418,066	Level 3	Income approach	Long-term revenue growth rates, taking into account management's experience and knowledge of market conditions of the specific industries at 0% (2023: 0%). Discount rate, taking into account of weighted average cost of capital (WACC) determined using a Capital Asset Pricing Model at 9.64% (2023: 10.16%).	The higher the long term growth rate, the higher the fair value, vice versa. The higher the discount rate, the lower the fair value, vice versa.
	785,657	668,124				
5) Unlisted investments measured at financial assets at FVTPL	**161,212**	176,079	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
	891,751	516,363	Level 2	Quoted price from third party financial institutions and determined with reference to the value of underlying investments which mainly composed of listed shares and bonds.	N/A	N/A
	932,176	1,177,158	Level 2	Quoted price from third party financial institutions	N/A	N/A
	1,823,927	1,693,521				

42. FAIR VALUE MEASUREMENTS (Continued)

(a) 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 2024 RMB'000	Fair value as at 2023 RMB'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of significant unobservable inputs to fair value
Financial assets						
6) Perpetual note classified as financial assets at FVTOCI included in interests in associates (note a)	**359,058**	998,002	Level 3	Modified discounted cash flow method, the key inputs is discount rate.	Discount rate 15.54% (2023: 23.02%)	The higher the discount rate, the lower of fair value.
Financial liabilities						
7) Put option of interest in Jiangsu Xinhua classified as derivative financial instruments (note b)	**17,694**	15,972	Level 3	Binomial Option Pricing Model.	Expected volatility of 40.2% - 44.16% (2023: 36.96% - 48.41%)	The higher the expected volatility, the higher the fair value.
					Risk free rate 1.37% to 1.45% (2023: 2.32% to 2.51%)	The higher the risk free rate, the lower the fair value.
					Probability to exercise of 30% (2023:20%)	The higher the probability to exercise, the higher the fair value.
8) Put option of interest in Kunshan GCL classified as derivative financial instruments (note c)	**118,871**	—	Level 3	Binomial Option Pricing Model.	Expected volatility of 48.81% - 49.35%	The higher the expected volatility, the higher the fair value.
					Risk free rate 1.88% to 1.90%	The higher the risk free rate, the lower the fair value.
					Probability to exercise of 40%	The higher the probability to exercise, the higher the fair value.
9) Convertible bond to a non-controlling shareholder of a subsidiary	**—**	84,212	Level 3	Binomial Option Pricing Model	Expected volatility of 38.6%	The higher of expected volatility, the higher of fair value.
					Risk free rate of 1.87%	The higher of risk free rate, the lower of fair value.
					Probability to exercise of 100%	The higher the probability to exercise, the higher of fair value.

Notes:

(a) 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 financial assets at FVTOCI would increase by approximately RMB51,965,000/increase by approximately RMB66,806,000 for the year ended 31 December 2024 (2023: the loss on change in fair value of the financial assets at FVTOCI would increase by approximately RMB16,488,000/decrease by approximately RMB20,147,000).

42. FAIR VALUE MEASUREMENTS (Continued)

(a) 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 loss on change in fair value of the derivative financial instruments would increase by approximately RMB5,425,000/decrease by approximately RMB4,702,000 for the year ended 31 December 2024 (2023: the gain on change in fair value of the derivative financial instruments would decrease by approximately RMB3,300,000/increase by approximately RMB3,300,000).

If the risk free rate used was multiplied by 5% higher/lower while all the other variables were held constant, the loss on change in fair value of the derivative financial instruments would decrease by approximately RMB90,000/increase by approximately RMB90,000 for the year ended 31 December 2024 (2023: the gain on change in fair value of the derivative financial instruments would increase by approximately RMB110,000/decrease by approximately RMB110,000).

If the probability used was 30% higher/10% lower while all the other variables were held constant, the loss on change in fair value of the derivative financial instruments would increase by approximately RMB17,808,000/decrease by approximately RMB5,936,000 for the year ended 31 December 2024 (2023: the gain on change in fair value of the derivative financial instruments would decrease by approximately RMB23,960,000/increase by approximately RMB7,990,000).

(c) If the expected volatility of the underlying shares was 5% higher/lower while all the other variables were held constant, the loss on change in fair value of the derivative financial instruments would increase by approximately RMB8,866,000/decrease by approximately RMB8,859,000 for the year ended 31 December 2024.

If the risk free rate used was multiplied by 5% higher/lower while all the other variables were held constant, the loss on change in fair value of the derivative financial instruments would decrease by approximately RMB1,185,000/increase by approximately RMB1,174,000 for the year ended 31 December 2024.

If the probability used was 30% higher/10% lower while all the other variables were held constant, the loss on change in fair value of the derivative financial instruments would increase by approximately RMB79,161,000/decrease by approximately RMB 26,387,000 for the year ended 31 December 2024.

There is no transfer among the different levels of the fair value hierarchy for the years ended 31 December 2024 and 2023.

42. FAIR VALUE MEASUREMENTS (Continued)

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

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

Included in other expenses, gains and losses set out in note 10, a net gain of RMB37,875,000 is related to financial assets and financial liabilities measured at FVTPL held during 31 December 2024 (2023: a net gain of RMB124,087,000).

Fair value hierarchy as at 31 December 2024

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at FVTPL				
Listed equity securities classified as held for trading investments	416	—	—	416
Investments at FVTPL	—	1,823,927	946,869	2,770,796
Equity investments at FVTOCI	9,376	—	436,000	445,376
Perpetual notes classified as equity instrument at FVTOCI included in interests in associates	—	—	359,058	359,058
Total	9,792	1,823,927	1,741,927	3,575,646
Financial liabilities				
Put options classified as derivative financial instruments	—	—	136,565	136,565

42. FAIR VALUE MEASUREMENTS (Continued)

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

Fair value hierarchy as at 31 December 2023

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Financial assets at FVTPL				
Listed equity securities classified as held for trading investments	2,686	—	—	2,686
Investments at FVTPL	—	1,693,521	844,203	2,537,724
Equity investments at FVTOCI	20,781	—	420,566	441,347
Perpetual notes classified as equity instrument at FVTOCI included in interests in associates	—	—	998,002	998,002
Total	23,467	1,693,521	2,262,771	3,979,759
Financial liabilities				
Put options classified as derivative financial instruments	—	—	15,972	15,972
Convertible bond to a non-controlling shareholder of a subsidiary	—	—	84,212	84,212
Total	—	—	100,184	100,184

(b) Reconciliation of Level 3 fair value measurements

	Financial liabilities			Financial assets			
	Put options classified as derivative financial instruments RMB'000	Convertible bond to a non-controlling shareholder of a subsidiary RMB'000	Total RMB'000	Unlisted investments/ equity investments measured at FVTPL RMB'000	Unlisted equity investments measured at FVTOCI RMB'000	Perpetual note classified as financial assets at FVTOCI (included in Interests in associates) RMB'000	Total RMB'000
At 1 January 2024	(15,972)	(84,212)	(100,184)	844,203	420,566	998,002	2,262,771
Loss recognised in profit or loss	(1,722)	—	(1,722)	(39,471)	—	—	(39,471)
Gain (loss) recognised in other comprehensive income	—	—	—	—	15,434	(638,944)	(623,510)
Initial recognition	(106,436)	—	(106,436)	142,137	—	—	142,137
Reclassified from other financial liabilities	(12,435)	—	(12,435)	—	—	—	—
Derecognised upon conversion	—	84,212	84,212	—	—	—	—
At 31 December 2024	(136,565)	—	(136,565)	946,869	436,000	359,058	1,741,927

42. FAIR VALUE MEASUREMENTS (Continued)

(b) Reconciliation of Level 3 fair value measurements (Continued)

	Financial liabilities			Financial assets			
	Put options classified as derivative financial instruments RMB'000	Convertible bond to a non-controlling shareholder of a subsidiary RMB'000	Total RMB'000	Unlisted investments/ equity instruments measured at FVTPL RMB'000	Unlisted equity investments measured at FVTOCI RMB'000	Perpetual note classified as financial assets at FVTOCI (included in Interests in associates) RMB'000	Total RMB'000
At 1 January 2023	(98,340)	(72,407)	(170,747)	707,027	—	2,100,467	2,807,494
(Loss) gain in profit or loss	82,368	(11,805)	70,563	25,015	—	—	25,015
Loss in other comprehensive income	—	—	—	—	—	(1,102,465)	(1,102,465)
Initial recognition	—	—	—	112,161	420,566	—	532,727
At 31 December 2023	(15,972)	(84,212)	(100,184)	844,203	420,566	998,002	2,262,771

	2024 RMB'000	2023 RMB'000
Total gains or (losses) for the period included in profit or loss for assets and liabilities held at the end of the reporting period which were included in other gains (losses), net (Note 8)	**(41,193)**	95,578

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 disclosed in note 42(a) 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 and 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 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.

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

43. TRANSFERS OF FINANCIAL ASSETS

During the current year, the Group endorsed certain bills received from customers for the settlement of payables for the purchase of plant and machinery, construction costs and trade and other payables; and discounted certain bills received by the Group to banks for financing.

The following were bills received by the Group as at 31 December 2024 and 2023 that were discounted to banks or endorsed to creditors, respectively, on a full recourse basis. As the Group has not transferred the significant risks and rewards relating to these bills, it continues to recognise the full carrying amount of trade receivables and recognised the cash received on the transfer as secured borrowings or the amounts outstanding with the creditors remain to be recognised as trade and other payables. These financial assets are carried at amortised cost in the Group's consolidated statement of financial position.

At 31 December 2024

	Bills discounted to banks with full recourse RMB'000	**Bills endorsed to creditors with full recourse RMB'000**	**Total RMB'000**
Carrying amount of transferred assets	**3,385,339**	**1,207,162**	**4,592,501**
Carrying amount of associated liabilities	**(3,385,339)**	**(1,207,162)**	**(4,592,501)**
Net position	**—**	**—**	**—**

At 31 December 2023

	Bills discounted to banks with full recourse RMB'000	Bills endorsed to creditors with full recourse RMB'000	Total RMB'000
Carrying amount of transferred assets	3,591,203	4,318,120	7,909,323
Carrying amount of associated liabilities	(3,591,203)	(4,318,120)	(7,909,323)
Net position	—	—	—

The Directors consider that the carrying amounts of the endorsed and discounted bills approximate their fair values.

The finance costs recognised for bills discounted to banks were included in interest on bank and other borrowings (note 10).

44. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Commitments

	2024 RMB'000	2023 RMB'000
Capital commitments		
Capital expenditure in respect of acquisitions of property, plant and equipment contracted for but not provided for	**1,889,000**	3,666,965
Other commitments		
Commitment to contribute share capital to investments in associates contracted for but not provided for	**568,000**	413,000
Commitment to contribute share capital to investments at FVTPL contracted for but not provided for	**—**	60,000
	2,457,000	4,139,965

(b) Contingent liabilities

From time to time, the Group may be subject to claims in the normal course of business. After a thorough assessment of the claims, the Directors with the reference to the legal opinions obtained, considered that the possibility of any significant economic outflow in setting such claims is remote. Accordingly, no provision for contingent liabilities is necessary.

Except for the financial guarantee contracts disclosed in note 49, the Group did not have any other material contingent liabilities as at 31 December 2024. As at 31 December 2023, a guarantee of RMB71,150,000 was provided to third party in relation to the Group's investments measured at fair value through profit or loss, specifically for certain bank and other borrowings proportional to the Group's interest in those investments.

45. PLEDGE OF OR RESTRICTIONS ON ASSETS

Pledge of assets

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

	2024 RMB'000	2023 RMB'000
Bank and other borrowings secured by:		
Pledged and restricted bank deposits	**2,540,126**	301,154
Right-of-use assets	**266,959**	224,051
Investment properties	**348,518**	365,352
Property, plant and equipment	**7,950,538**	1,373,278
Trade receivables and other receivables	**3,791,405**	2,726,871
Total	**14,897,546**	4,990,706

Certain subsidiaries have pledged their rights to collect fees from the sales of electricity. As at 31 December 2024, the trade receivables associated with these pledged fee collection rights amounted to approximately RMB380,605,000 (2023: RMB380,151,000).

In addition to the pledged assets above, there are restricted bank deposits of approximately RMB2,212,065,000 (2023: RMB1,879,411,000) and trade receivables of approximately RMB102,603,000 (2023: RMB885,535,000) which had been pledged to secure the issuance of bills and short-term letters of credit for trade and other payables.

Restrictions on assets

In addition, lease liabilities of approximately RMB107,090,000 (2023: RMB146,371,000) were recognised against related right-of-use assets of approximately RMB102,407,000 (2023: RMB140,267,000) as at 31 December 2024. 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.

46. SHARE-BASED PAYMENT TRANSACTIONS

(a) The Company

(I) Equity-settled share option scheme

On 22 October 2007, a Share Option Scheme ("2007 Share Option Scheme") was adopted by the Company pursuant to the resolution of the sole shareholder. Under the 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. Options granted are exercisable during the period after the respective vesting date to the last day of the ten-year period after the grant date. 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.

The exercise price is determined by the Directors and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the shares of the Company for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

Pursuant to the terms of the Share Option Scheme, the exercise price and number of share options were being adjusted as a result of the determination of entitlements to a rights issue of the Company on 26 January 2016. Details of the adjustments are disclosed in the announcement of the Company on 26 January 2016.

At 31 December 2024, the number of shares in respect of which options had been granted, exercisable and remained outstanding under the 2007 Share Option Scheme was 36,646,844 (2023: 39,265,486) shares, representing 0.14% (2023: 0.15%) of the issued share capital of the Company at that date.

46. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) The Company (Continued)

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

On 1 April 2022, a new share option scheme ("2022 Share Option Scheme") was adopted by the Company pursuant to the resolution of the shareholders of the Company and the 2022 Share Option Scheme shall be valid and effective for a period of 10 years commencing on 1 April 2022. Under the 2022 Share Option Scheme, the Company may grant options to directors, employees of the Company and its subsidiaries and qualifying grantees to subscribe for shares of the Company. Options granted under 2022 Share Option Scheme can only be exercised according to the following vesting schedule upon the following anniversaries of the grant dates of the options: up to 20% of the shares issuable under the option upon the first anniversary; 40% upon the second anniversary; 60% upon the third anniversary; 80% upon the fourth anniversary and 100% upon the fifth anniversary.

The total number of shares in respect of which options may be granted under the 2022 Share Option Scheme and any other share option schemes of the Company are not permitted to exceed 10% of the shares of the Company as at the date on which the 2022 Share Option Scheme is adopted. 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.

The exercise price is determined by the Directors and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the shares of the Company for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

As 31 December 2024 and 2023, no shares in respect of which options has been granted, exercisable and remained outstanding under 2022 Share Option Scheme.

46. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) The Company (Continued)

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

Movements of share options granted during the year are as follows:

(i) 2007 Share Option Scheme

2024

				Number of shares issuable under options					
					During the year				
	Exercise price	Date of grant	Exercisable period	Outstanding at 1 January 2024	Granted	Exercised	Lapsed or forfeited	Cancelled	Outstanding at 31 December 2024
Directors	HK$1.160	19.02.2016	15.03.2016 to 18.02.2026	1,712,189	—	—	—	—	1,712,189
	HK$1.324	29.03.2016	18.04.2016 to 28.03.2026	7,944,454	—	—	—	—	7,944,454
Employees and others	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	23,565,823	—	—	—	—	23,565,823
	HK$1.324	29.03.2016	18.04.2016 to 28.03.2026	3,424,378	—	—	—	—	3,424,378
				39,265,486	—	—	(2,618,642)	—	36,646,844
Exercisable at 1 January 2024/ 31 December 2024				39,265,486					36,646,844
Weighted average exercise price (HK$)				1.32			2.867		1.21

46. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) The Company (Continued)

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

(i) 2007 Share Option Scheme (Continued)

2023

	Exercise price	Date of grant	Exercisable period	Number of shares issuable under options: Outstanding at 1 January 2023	During the year: Granted	During the year: Exercised (Note 1)	During the year: Lapsed or forfeited	During the year: Cancelled	Outstanding at 31 December 2023
Directors	HK$1.160	19.02.2016	15.03.2016 to 18.02.2026	1,712,189	—	—	—	—	1,712,189
	HK$1.324	29.03.2016	18.04.2016 to 28.03.2026	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	—	(558,000)	(507,321)	—	23,565,823
	HK$1.324	29.03.2016	18.04.2016 to 28.03.2026	3,424,378	—	—	—	—	3,424,378
				44,832,763	—	(558,000)	(5,009,277)	—	39,265,486
Exercisable at 1 January 2023/ 31 December 2023				44,832,763					39,265,486
Weighted average exercise price (HK$)				1.35		1.16	1.58		1.32

Notes:

1. In respect of the share options exercised during the year end 31 December 2023, the weighted average closing price of the Company's shares immediately before the dates of exercise was HK$1.67.

2. The share options outstanding at 31 December 2024 had a weighted average remaining contractual life of 1.17 years (2023: 2.04 years).

46. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) The Company (Continued)

(II) Equity-settled share award scheme

Share award scheme

The Company adopted a share award scheme (the "Scheme") on the 16 January 2017 (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 Company 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 years ended 31 December 2023 and 2022, board of directors of the Company has resolved to award an aggregate of 4,296,000 and 290,830,000 award shares, respectively, (the "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.

46. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) The Company (Continued)

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

Share award scheme (Continued)

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

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

Under certain circumstances, all unvested Award Shares and all vested 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 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:

Month of purchase	**Number of ordinary shares**	**Aggregate consideration paid**	**Equivalent aggregate consideration paid**
		HK$'000	RMB'000
At 1 January 2023	524,498,888	777,872	676,107
Vesting of share during the year	(39,820,000)	(59,057)	(51,332)
At 31 December 2023 and 31 December 2024	484,678,888	718,815	624,775

46. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) The Company (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:

2024

					Number of Award shares					
	Exercise price	Date of grant	Vesting period	Fair value per award share at the grant date	Unvested at 1 January 2024	During the year Granted	Vested	Lapsed	Cancelled	Unvested at 31 December 2024
Directors	HK$0.86	16.02.2022	16.02.2022 to 15.02.2024 (note)	HK$1.92	1,878,000	–	–	–	–	1,878,000
			16.02.2022 to 15.02.2025	HK$1.97	1,878,000	–	–	–	–	1,878,000
			16.02.2022 to 15.02.2026	HK$2.00	1,878,000	–	–	–	–	1,878,000
			16.02.2022 to 15.02.2027	HK$2.02	1,878,000	–	–	–	–	1,878,000
	HK$0.86	06.07.2022	06.07.2022 to 05.07.2023 (note)	HK$2.98	4,180,000	–	–	–	–	4,180,000
			06.07.2022 to 05.07.2024 (note)	HK$3.13	4,180,000	–	–	–	–	4,180,000
			06.07.2022 to 05.07.2025	HK$3.19	4,180,000	–	–	–	–	4,180,000
			06.07.2022 to 05.07.2026	HK$3.23	4,180,000	–	–	–	–	4,180,000
			06.07.2022 to 05.07.2027	HK$3.27	4,180,000	–	–	–	–	4,180,000
Employee and others	HK$0.86	16.02.2022	16.02.2022 to 15.02.2024 (note)	HK$1.92	38,752,000	–	–	–	–	38,752,000
			16.02.2022 to 15.02.2025	HK$1.97	38,752,000	–	–	–	–	38,752,000
			16.02.2022 to 15.02.2026	HK$2.00	38,752,000	–	–	–	–	38,752,000
			16.02.2022 to 15.02.2027	HK$2.02	38,752,000	–	–	–	–	38,752,000
	HK$0.86	06.07.2022	06.07.2022 to 05.07.2023 (note)	HK$2.98	11,046,000	–	–	–	–	11,046,000
			06.07.2022 to 05.07.2024 (note)	HK$3.13	11,046,000	–	–	–	–	11,046,000
			06.07.2022 to 05.07.2025	HK$3.19	11,046,000	–	–	–	–	11,046,000
			06.07.2022 to 05.07.2026	HK$3.23	11,046,000	–	–	–	–	11,046,000
			06.07.2022 to 05.07.2027	HK$3.27	11,046,000	–	–	–	–	11,046,000
	HK$0.86	21.07.2023	21.07.2023 to 20.07.2024 (note)	HK$0.79	1,074,000	–	–	–	–	1,074,000
			21.07.2023 to 20.07.2025	HK$0.94	1,074,000	–	–	–	–	1,074,000
			21.07.2023 to 20.07.2026	HK$1.12	1,074,000	–	–	–	–	1,074,000
			21.07.2023 to 20.07.2027	HK$1.17	1,074,000	–	–	–	–	1,074,000
					242,946,000	–	–	–	–	242,946,000
Exercisable at 1 January 2024/ 31 December 2024					–					–
Weighted average exercise price (HK$)					0.86					0.86

Note: Given the current business environment, in view of uncertainty as to whether such vesting conditions (including the Company's business targets) can be achieved, the Share Award Committee recommended to the Board and the Board approved that the vesting of the Relevant Award Shares be postponed to April 2025 after the publication of the annual results of the Company for the financial year ended 31 December 2024 where upon the Board will re-evaluate and determine the revised vesting proposal of the Relevant Award Shares based on the level of achievement of the Company's business targets. In the opinion of the directors of the Company, the financial impact of the modification of terms of these Award Shares was insignificant.

46. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) The Company (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:

2023

	Exercise price	Date of grant	Vesting period	Fair value per award share at the grant date	Number of Award shares Unvested at 1 January 2024	During the year Granted	Vested	Lapsed	Cancelled	Unvested at 31 December 2024
Directors	HK$0.86	16.02.2022	16.02.2022 to 15.02.2023	HK$1.76	1,878,000	–	(1,878,000)	–	–	–
			16.02.2022 to 15.02.2024	HK$1.92	1,878,000	–	–	–	–	1,878,000
			16.02.2022 to 15.02.2025	HK$1.97	1,878,000	–	–	–	–	1,878,000
			16.02.2022 to 15.02.2026	HK$2.00	1,878,000	–	–	–	–	1,878,000
			16.02.2022 to 15.02.2027	HK$2.02	1,878,000	–	–	–	–	1,878,000
	HK$0.86	06.07.2022	06.07.2022 to 05.07.2023 (note)	HK$2.98	4,180,000	–	–	–	–	4,180,000
			06.07.2022 to 05.07.2024	HK$3.13	4,180,000	–	–	–	–	4,180,000
			06.07.2022 to 05.07.2025	HK$3.19	4,180,000	–	–	–	–	4,180,000
			06.07.2022 to 05.07.2026	HK$3.23	4,180,000	–	–	–	–	4,180,000
			06.07.2022 to 05.07.2027	HK$3.27	4,180,000	–	–	–	–	4,180,000
Employee and others	HK$0.86	16.02.2022	16.02.2022 to 15.02.2023	HK$1.76	40,982,000	–	(37,942,000)	(3,040,000)	–	–
			16.02.2022 to 15.02.2024	HK$1.92	40,982,000	–	–	(2,230,000)	–	38,752,000
			16.02.2022 to 15.02.2025	HK$1.97	40,982,000	–	–	(2,230,000)	–	38,752,000
			16.02.2022 to 15.02.2026	HK$2.00	40,982,000	–	–	(2,230,000)	–	38,752,000
			16.02.2022 to 15.02.2027	HK$2.02	40,982,000	–	–	(2,230,000)	–	38,752,000
	HK$0.86	06.07.2022	06.07.2022 to 05.07.2023 (note)	HK$2.98	11,126,000	–	–	(80,000)	–	11,046,000
			06.07.2022 to 05.07.2024	HK$3.13	11,126,000	–	–	(80,000)	–	11,046,000
			06.07.2022 to 05.07.2025	HK$3.19	11,126,000	–	–	(80,000)	–	11,046,000
			06.07.2022 to 05.07.2026	HK$3.23	11,126,000	–	–	(80,000)	–	11,046,000
			06.07.2022 to 05.07.2027	HK$3.27	11,126,000	–	–	(80,000)	–	11,046,000
	HK$0.86	21.07.2023	21.07.2023 to 20.07.2024	HK$0.79	–	1,074,000	–	–	–	1,074,000
			21.07.2023 to 20.07.2025	HK$0.94	–	1,074,000	–	–	–	1,074,000
			21.07.2023 to 20.07.2026	HK$1.12	–	1,074,000	–	–	–	1,074,000
			21.07.2023 to 20.07.2027	HK$1.17	–	1,074,000	–	–	–	1,074,000
					290,830,000	4,296,000	(39,820,000)	(12,360,000)	–	242,946,000
Exercisable at 1 January 2023/ 31 December 2023					–					–
Weighted average exercise price (HK$)					0.86	0.86	0.86	0.86	–	0.86

Note: The Board approved the extension of the vesting date and maturity date of 15,226,000 Award Shares granted on 6 July 2022 for one more year. In the opinion of the directors of the Company, the financial impact of the modification of terms of these Award Shares was insignificant.

46. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) The Company (Continued)

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

Share award scheme (Continued)

The weighted average grant date fair value per unit for unvested award shares at 31 December 2024 was RMB1.94 (2023:RMB1.94).

For unvested award shares at the end of the reporting period, the exercise price was HK$0.86 (2023: HK$0.86) per share.

The fair value of award shares granted during the years ended 31 December 2023 and 2022 was estimated as at the date of grant, using a binomial model, taking into account the terms and conditions upon which the award shares were granted. The following table lists the inputs to the model used:

	Award shares granted on 21 July 2023				Award shares granted on 16 February 2022					Award shares granted on 6 July 2022				
	Tranche 1	**Tranche 2**	**Tranche 3**	**Tranche 4**	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Maturity date	**11 August 2024**	**11 August 2025**	**11 August 2026**	**11 August 2027**	9 March 2023	9 March 2024	9 March 2025	9 March 2026	9 March 2027	27 July 2023	27 July 2024	27 July 2025	27 July 2026	27 July 2027
Fair value per award share as at the grant date	**HK$0.79**	**HK$0.94**	**HK$1.12**	**HK$1.17**	HK$1.76	HK$1.92	HK$1.97	HK$2.00	HK$2.02	HK$2.98	HK$3.13	HK$3.19	HK$3.23	HK$3.27
Expected volatility	**48.77%**	**68.92%**	**86.18%**	**82.45%**	97.38%	102.87%	90.39%	82.50%	76.52%	82.77%	99.10%	90.54%	83.54%	78.08%
Expected dividend yield	**0%**	**0%**	**0%**	**0%**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Share price (grant date)	**HK$1.59**	**HK$1.59**	**HK$1.59**	**HK$1.59**	HK$2.52	HK$2.52	HK$2.52	HK$2.52	HK$2.52	HK$3.8	HK$3.8	HK$3.8	HK$3.8	HK$3.8
Exercise price	**HK$0.86**	**HK$0.86**	**HK$0.86**	**HK$0.86**	HK$0.86	HK$0.86	HK$0.86	HK$0.86	HK$0.86	HK$0.86	HK$0.86	HK$0.86	HK$0.86	HK$0.86
Risk-free interest rate	**4.38%**	**4.10%**	**3.83%**	**3.66%**	0.47%	0.86%	1.25%	1.42%	1.60%	2.08%	2.18%	2.29%	2.33%	2.38%
Award share life	**1**	**2**	**3**	**4**	1	2	3	4	5	1	2	3	4	5

The expected volatilities were based on the historic volatility (calculated based on the expected life of the award share), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends were based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate. Risk-free interest rates were based on Generic Hong Kong Government Bond's yield.

The closing prices of the Company's shares immediately before the grant date of the award shares granted on 16 February 2022, 6 July 2022 and 21 July 2023 were HK$2.42, HK$3.83 and HK$1.58, respectively.

During the year ended 31 December 2024, share-based payment expenses in respect of the Award Shares of RMB98,588,000 (2023: 152,801,000) have been recognised in profit or loss. The unvested award shares outstanding at 31 December 2024 had a weighted average remaining contractual life of 0.97 year (2023: 1.74 years). In respect of the share award exercised during the year ended 31 December 2023, the weighted average closing price of the Company's shares immediately before the dates of exercise was HK$1.49.

46. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(b) Equity incentive management scheme of Kunshan GCL

Kunshan GCL adopted an equity incentive scheme in May 2023 for the purpose of providing incentives to eligible directors, senior management and employees of Kunshan GCL (the "Eligible Persons of Kunshan GCL") (the "Kunshan GCL Equity Incentive Management Scheme").

The board of directors of Kunshan GCL may, from time to time, at its absolute discretion, select any Eligible Persons of Kunshan GCL to participate in the Kunshan GCL Equity Incentive Management Scheme, subject to the terms and conditions set out in the rule of the Kunshan GCL Equity Incentive Management Scheme.

Under the Kunshan GCL Equity Incentive Management Scheme, capital of RMB10,466,664 which represents up to 10% of the fully diluted equity of Kunshan GCL may be issued to three limited partnerships incorporated in the PRC as shareholding platforms (the "Shareholding Platforms") at a price equal to RMB 1 for every RMB 1 capital of Kunshan GCL (the "**Subscription Price**"). The Eligible Persons of Kunshan GCL become limited partners of the Shareholding Platforms and hold equity interest in Kunshan GCL indirectly through the Shareholding Platforms.

During the year ended 31 December 2023, capital of RMB947,924, RMB947,924 and RMB3,762,075, total of RMB5,657,923 (the "**Kunshan GCL Incentive Equity**") which represents up to 5.41% of the fully diluted equity of Kunshan GCL had been issued to the Shareholding Platforms for a director of the Company, a director of Kunshan GCL and employees of Kunshan GCL, respectively, pursuant to the terms and conditions of the Kunshan GCL Equity Incentive Management Scheme.

The fair value of RMB25.26 for every RMB1 of the Kunshan GCL Incentive Equity granted during the year ended 31 December 2023 was estimated at the date of grant by making reference to the price of latest capital injection by investors into Kunshan GCL, less the Subscription Price.

The vesting of the Kunshan GCL Incentive Equity is subject to the satisfaction of the vesting conditions including certain corporate and personal performance and other service conditions.

Subject to the satisfaction of the vesting conditions of the Kunshan GCL Incentive Equity, the Eligible Persons of Kunshan GCL shall be entitled to transfer their interest in the Shareholding Platforms to the executive partner or other specified limited partners of the Shareholding Platforms, or other persons who meet the conditions of the Kunshan GCL Equity Incentive Management Scheme, or to dispose of the equity interest in Kunshan GCL in market through the Shareholding Platforms.

In case the Eligible Persons of Kunshan GCL fail to meet the vesting condition, the board of directors of Kunshan GCL has a right to callback partially or wholly equity interest held by the Eligible Persons of Kunshan GCL in the Shareholding Platforms by transferring their interest in the Shareholding Platforms to the executive partner or other specified limited partners of the Shareholding Platforms, or other persons who meet the conditions of the Kunshan GCL Equity Incentive Management Scheme, at a price of the paid-up capital of Shareholding Platforms contributed by the Eligible Persons of Kunshan GCL, plus dividend and distribution (if any) paid by Kunshan GCL to the Shareholding Platforms.

46. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(b) Equity incentive management scheme of Kunshan GCL (Continued)

During the year ended 31 December 2024, share-based payment expenses in respect of the Kunshan GCL Equity Incentive Management Scheme of RMB48,835,000 have been recognised in profit or loss.

47. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flow were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Interest payables RMB'000 (note 30)	Amounts due to related companies (non-trade) RMB'000 (note 31)	Bank and other borrowings RMB'000 (note 33)	Lease liabilities RMB'000 (notes 34)	Other financial liabilities RMB'000 (note 35)	Total RMB'000
At 1 January 2023	95,735	3,276,441	13,225,854	151,083	293,952	17,043,065
Financing cash flows	(49,922)	(2,642,454)	17,145,174	(160,298)	—	14,292,500
Exchange realignment	—	—	(1,444)	(168)	—	(1,612)
Finance costs (note 10)	—	45,107	319,607	10,380	42,743	417,837
Interest capitalised (note 10)	—	—	162,784	—	—	162,784
Initial recognition	—	—	—	—	189,000	189,000
New leases entered	—	—	—	145,374	—	145,374
Non-cash settlement of discounted bills	—	—	(15,584,970)	—	—	(15,584,970)
At 31 December 2023	45,813	679,094	15,267,005	146,371	525,695	16,663,978
Financing cash flows	**(29,213)**	**(663,154)**	**8,529,841**	**(126,340)**	**—**	**7,711,134**
Exchange realignment	**—**	**—**	**—**	**(149)**	**—**	**(149)**
Finance costs (note 10)	**—**	**163**	**567,613**	**9,856**	**40,752**	**618,384**
Interest capitalised (note 10)	**—**	**—**	**17,906**	**—**	**—**	**17,906**
Initial recognition	**—**	**—**	**—**	**—**	**50,000**	**50,000**
New leases entered	**—**	**—**	**—**	**84,164**	**—**	**84,164**
Non-cash settlement of discounted bills	**—**	**—**	**(5,394,135)**	**—**	**—**	**(5,394,135)**
Deemed disposal of a subsidiary	**—**	**—**	**—**	**(6,812)**	**(604,012)**	**(610,824)**
Reclassified to derivative financial instruments	**—**	**—**	**—**	**—**	**(12,435)**	**(12,435)**
At 31 December 2024	**16,600**	**16,103**	**18,988,230**	**107,090**	**—**	**19,128,023**

48. RETIREMENT BENEFITS SCHEMES

(a) The PRC

The Group's full-time employees in the PRC are covered by a government sponsored defined contribution pension scheme, and are entitled to a monthly pension from their retirement dates. The PRC Government is responsible for the pension liability to these retired employees. The Group is required to make annual contributions to the retirement plan at a rate of 20% (2023: 20%) of employees' salaries, which are charged to profit or loss as an expense when the contributions are due.

(b) Hong Kong

The Group participates in a pension scheme, which was registered under the Mandatory Provident Fund Schemes Ordinance (the "MPF Ordinance"), for all its employees in Hong Kong. The scheme is a defined contribution scheme and is funded by contributions from employers and employees according to the provisions of the MPF Ordinance.

Pursuant to the Hong Kong Employment Ordinance, the Group has the obligation to pay long service payment ("LSP") to qualifying employees in Hong Kong upon retirement, subject to a minimum of 5 years' employment period, based on the formula of "last monthly wages (before termination of employment) × 2/3 × years of service". Last monthly wage is capped at $22,500 while the amount of long service payment shall not exceed $390,000. This obligation is accounted for as a post -employment defined benefit plan. The Mandatory Provident Fund Schemes Ordinance permits the withdrawal of accrued benefits derived from an employer's MPF contributions for the purpose of offsetting LSP payable to an employee under the Employment Ordinance. The LSP obligation, if any, is presented on a net basis.

The Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance") was gazetted in June 2022 and will take effect on 1 May 2025 (the "Transition Date"). Under the Amended Ordinance, accrued benefits derived from an employer's mandatory MPF contributions after the Transition Date can only be applied to offset the pre-Transition Date LSP obligation but no longer eligible to offset the post-Transition Date LSP obligation. Furthermore, the LSP obligation before the Transition Date will be calculated based on the last monthly wages immediately preceding the Transition Date.

As at 31 December 2024 and 2023, the amount of provision for long service payment obligation is insignificant.

48. RETIREMENT BENEFITS SCHEMES (Continued)

During the year ended 31 December 2024, total amounts contributed by the Group to the schemes in the PRC and Hong Kong, and charged to profit or loss for continuing operations, which represent contributions payable to the schemes by the Group at rates specified in the rules of the schemes, are approximately RMB182,602,000 (2023: RMB175,054,000).

49. RELATED PARTY DISCLOSURES

Other than as disclosed elsewhere in the consolidated financial statements, the Group entered into the following material transactions with related parties during the year:

	2024	2023
	RMB'000	RMB'000
Transactions with companies in which Mr. Zhu Gongshan and his family have control:		
Sales of wafer and other materials	**246,024**	627,517
Rental and rental related income	**32,375**	66,343
Management fee income	**7,522**	8,640
Processing fee income	**—**	65,574
Related utility service fee income	**5,866**	19,426
Service fee income	**61**	—
Service fee expense	**(19,657)**	(12,922)
Interest expense	**(163)**	(568)
Acquisitions of property, plant of equipment	**(2,552)**	(892)
Rental expense	**(7,699)**	(7,783)
Purchase of coal	**(53,502)**	(106,195)
Electricity fee expense	**(1,637)**	(2,145)
Purchase of water	**(197)**	—
Purchase of other raw materials	**(23)**	—

49. RELATED PARTY DISCLOSURES (Continued)

	2024 RMB'000	2023 RMB'000
Transactions with joint ventures and associates:		
Sales of polysilicon and other raw materials	**315,612**	208,584
Management fee and related utility service fee income	**141,443**	155,033
Rental income	**10,840**	10,528
Service fee income	**17,996**	50,528
Processing fee income	**5,293**	8,175
Guarantee fee income	**6,005**	13,887
Sales of land, property and equipment	**—**	37,157
Interest expense	**—**	(58,426)
Purchase of polysilicon	**(146,176)**	(153,607)
Purchase of silicon rods	**(681,807)**	(3,369,685)
Acquisitions of property, plant of equipment	**(118,844)**	(203,376)
Electricity fee expenses	**(935)**	(3,298)
Consultancy service fee expense	**(8,346)**	(9,526)
Fund management expense	**(12,863)**	(16,988)
Purchase of industrial silicon powder	**(518,700)**	(684,592)
Purchase of steam	**(92)**	(63)
Purchase of other raw materials	**(260)**	—
Transactions with other related parties (note a):		
Sales of polysilicon and other raw materials	**1,357,259**	6,072,119
Processing fee income	**1,388**	79,606
Acquisitions of property, plant of equipment	**(17)**	(10,092)
Purchase of polysilicon and other raw materials	**—**	(64)
Purchase of steam	**(3,690)**	(5,666)
Service fee expense	**(4,091)**	(1,516)

Note a: The other related parties represent the non-controlling shareholders and the fellow subsidiaries of non-controlling shareholders of subsidiaries of the Company.

As at 31 December 2024, the Group provided a total guarantee with maximum amount of approximately RMB510 million to several banks and financial institutions in respect of banking and other facilities of an associate, of which the loan balances were approximately RMB7 million. As at 31 December 2023, the Group provided a total guarantee with maximum amount of approximately RMB2,500 million, of which the loan balances amounted to approximately RMB846 million (the loan was fully repaid by 2024) to several banks and financial institutions in respect of banking and other facilities of a subsidiary of an associate. The Directors considered that the fair value of these guarantees at their date of inception, and the ECL as at 31 December 2024 and 2023, were insignificant.

Details regarding balances and other arrangements with related parties are presented in the consolidated statement of financial position and further elaborated in notes 27 and 31.

* English name for identification only

50. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(a) General information of subsidiaries

Details of the Group's principal subsidiaries at the end of the reporting period are set out below.

Name of subsidiary	Place of establishment/ operations	Particulars of issued share capital/ paid-up capital	Attributable effective interest held by the Company		Principal activities
			2024 %	2023 %	
Directly held:					
Incorporated in the Cayman Islands					
Universe Solar Energy Holdings Inc. 環宇光伏電力控股有限公司	Cayman Islands/ Hong Kong	US$10,500	**100**	100	Investment holding
Incorporated in the BVI					
Elite Time 傑泰環球有限公司	BVI/Hong Kong	US$1	**100**	100	Investment holding
Indirectly held:					
Solar material business ***Established in the PRC***					
江蘇中能硅業科技發展有限公司 Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd.*	PRC	RMB10,493,623,834	**100**	100	Manufacture and sale of polysilicon
江蘇協鑫硅材料科技發展有限公司 Jiangsu GCL Silicon Material Technology Development Co., Ltd.*	PRC	RMB3,099,650,000	**100**	100	Manufacture and sale of ingot and wafer
高佳太陽能股份有限公司 Konca Solar Cell Co., Ltd.*	PRC	RMB1,184,570,000	**70.19**	70.19	Manufacture and sale of ingot and wafer
蘇州協鑫光伏科技有限公司 Suzhou GCL Photovoltaic Technology Co., Ltd.*	PRC	RMB990,298,120	**100**	100	Manufacture and sale of wafer
協鑫科技 (蘇州)有限公司 GCL-Poly (Suzhou) New Energy Co., Ltd.*	PRC	RMB4,940,000,000	**100**	100	Investment holding and trading of wafer
河南協鑫光伏科技有限公司 Henan GCL Photo voltaic Technology Co., Ltd.*	PRC	RMB373,500,000	**100**	100	Manufacture and sale of ingot

50. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Name of subsidiary	Place of establishment/ operations	Particulars of issued share capital/ paid-up capital	Attributable effective interest held by the Company 2024 %	2023 %	Principal activities
Indirectly held: (Continued)					
Solar material business (Continued) ***Established in the PRC (Continued)***					
阜寧協鑫光伏科技有限公司 Funing GCL Photovoltaic Technology Co., Ltd.*	PRC	RMB312,621,612	100	100	Manufacture and sale of solar products
寧夏協鑫晶體科技發展有限公司 Ningxia GCL Monocrystalline Silicon Technology Development Co., Ltd.	PRC	RMB301,000,000	100	100	Manufacture and sale of solar products
Kunshan GCL Optoelectronic Material Co., Ltd* ("Kunshan GCL")(ii). 昆山協鑫光電材料有限公司	PRC	RMB95,569,291	N/A	49.23	Research and development, manufacture and sale of perovskite solar cells technology
內蒙古鑫元硅材料科技有限公司 Inner Mongolia Xin Yuan Silicon Material Technology Co., Ltd.* ("Inner Mongolia Xin Yuan")	PRC	RMB3,767,500,000	56.77	56.77	Manufacture and sale of polysilicon
內蒙古鑫環硅能科技有限公司 Inner Mongolia Xin Huan Silicon Energy Technology Co., Ltd.* ("Inner Mongolia Xin Huan")	PRC	RMB4,500,000,000	60	60	Manufacture and sale of polysilicon
樂山協鑫新能源科技有限公司 Leshan GCL New Energy Technology Co., Ltd.* ("Leshan GCL")(Note i)	PRC	RMB3,050,000,000	45.90	45.90	Manufacture and sale of polysilicon
江蘇蘇能光伏科技發展有限公司 Jiangsu Suneng Photovoltaic Technology Development Co., Ltd*	PRC	RMB1,342,000,000	100	100	Investment holding
徐州協鑫低碳產業投資合夥企業 (有限合夥) Xuzhou GCL Low Carbon Industry Investment Partnership (Limited Partnership)*	PRC	RMB621,000,000	100	100	Equity investment, investment management, asset management
蘇州協鑫工業應用研究院有限公司 GCL Applied Industrial Research Institute (Suzhou) Ltd.*	PRC	RMB240,000,000	100	100	Research and development and sales of solar related products
蘇州協鑫商業管理有限公司 Suzhou GCL Business Management Co., Ltd.*	PRC	RMB130,000,000	100	100	Business management, real estate development and real estate consulting service

50. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Name of subsidiary	Place of establishment/ operations	Particulars of issued share capital/ paid-up capital	Attributable effective interest held by the Company 2024 %	2023 %	Principal activities
Indirectly held: (Continued)					
寧夏協鑫光伏科技有限公司 Ningxia GCL Photovoltaic Technology Co., Ltd.*	PRC	RMB310,000,000	100	100	Manufacture and sale of polysilicon
四川協鑫新能源科技發展有限公司 Sichuan GCL New Energy Technology Development Co., Ltd.*	PRC	RMB155,000,000	100	100	Research and development and sales of electronic special materials
Incorporated in Hong Kong					
GCL Solar Energy Technology Holdings Limited 協鑫光伏電力科技控股有限公司	Hong Kong	HK$1	100	100	Investment holding
Richmore International Development Limited 富多國際發展有限公司	Hong Kong	HK$1	100	100	Investment holding
Corner Star Limited 各星有限公司	Hong Kong	HK$1	100	100	Own a technical know-how
Solar farm business ***Established in the PRC***					
桑日協鑫光伏科技有限公司 Sangri GCL Photovoltaic Technology Co., Ltd.*	PRC	RMB62,000,000	100	100	Operation of solar farm
徐州協鑫光伏電力有限公司 Xuzhou GCL Solar Energy Co., Ltd.*	PRC	RMB84,000,000	100	100	Operation of solar farm
江蘇國能新能源科技有限公司 Jiangsu Guoneng Solar Technology Co., Ltd.*	PRC	RMB10,000,000	100	100	Operation of solar farm
蘇州協鑫光伏電力科技有限公司 Suzhou GCL Photovoltaic Technology Co., Ltd.*	PRC	RMB422,000,000	100	100	Investment holding
大同縣協鑫光伏電力有限公司 Datong Xian GCL Solar Energy Co., Ltd.*	PRC	RMB144,600,000	100	100	Operation of solar farm
大同縣鑫能光伏電力有限公司 Datong Xian Xinneng Solar Energy Co., Ltd.*	PRC	RMB32,600,000	100	100	Operation of solar farm
Incorporated in Hong Kong					
GCL Solar Energy Limited	Hong Kong	HK$1	100	100	Investment holding
Incorporated in the USA					
GCL Solar Energy. Inc.	USA	US$200	100	100	Construction and sale of solar farm projects
Incorporated in Luxembourg					
Berimor Investments S.a.r.l.	Luxembourg/ Hong Kong	EUR12,500	100	100	Investment holding

* English name for identification only

50. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

(i) Despite the Group indirectly holds less than 50% of the effective equity interest of Leshan GCL, the Group is able to exercise control over the Leshan GCL by having entered into an acting in concert agreement with the non-controlling shareholders ("Leshan Acting in Concert Agreement"). Pursuant to the Leshan Acting in Concert Agreement, when dealing with affairs related to Leshan GCL requiring consideration and approval by shareholders at general meetings, the non-controlling shareholders shall vote in accordance with the instruction of the Group, except: (i) any connected transactions between the Group and Leshan GCL; or (ii) any matter that obviously harms the interest of Leshan GCL or the non-controlling shareholders.

(ii) Despite the Group indirectly holds less than 50% of the effective equity interest of Kunshan GCL, the Group was able to control over Kunshan GCL by having entered into an acting in concert agreement with the non-controlling shareholders ("Kunshan Acting in Concert Agreement"). Pursuant to the Kunshan Acting in Concert Agreement, when dealing with affairs related to Kunshan GCL requiring consideration and approval by shareholders at general meetings, the non-controlling shareholders shall vote in accordance with the instruction of the Group.

The above table lists the subsidiaries of the Group which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

Except for the convertible bond issued to a non-controlling shareholder of a subsidiary as disclosed in note 30, none of the subsidiaries had issued any debt securities as at 31 December 2024 and 2023.

(b) Details of non-wholly-owned subsidiaries that have material non-controlling interests

The table below of provides information on the Group's subsidiaries with material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests of non-controlling interests		(Loss) profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2024	2023	**2024**	2023	**2024**	2023
				RMB'000	RMB'000	**RMB'000**	RMB'000
Inner Mongolia Xin Yuan	PRC	**43.23%**	43.23%	**(213,529)**	315,451	**1,510,998**	1,724,528
Inner Mongolia Xin Huan	PRC	**40%**	40%	**(339,272)**	(58,916)	**1,397,660**	1,736,931
Leshan GCL	PRC	**54.1%**	54.1%	**(128,185)**	622,990	**1,668,675**	1,566,780
				(680,986)	879,525	**4,577,333**	5,028,239
Individually immaterial subsidiaries of the Group with non–controlling interests				**(216,570)**	(62,497)	**538,557**	702,454
				(897,556)	817,028	**5,115,890**	5,730,693

50. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(b) Details of non-wholly-owned subsidiaries that have material non-controlling interests (Continued)

As at 31 December 2024 and 2023, Inner Mongolia Xin Yuan, Inner Mongolia Xin Huan and Leshan GCL were subsidiaries of the Group with material non-controlling interests. The summarised financial information below represents amounts before inter-company elimination.

i) Summarised financial information of Inner Mongolia Xin Yuan

	2024 RMB'000	2023 RMB'000
Current assets	**3,060,077**	3,225,358
Non-current assets	**8,404,394**	8,873,084
Current liabilities	**(5,826,543)**	(4,385,935)
Non-current liabilities	**(2,069,531)**	(3,656,916)
Net assets	**3,568,397**	4,055,591
Non-controlling interests of Inner Mongolia Xin Yuan	**1,510,998**	1,724,528
Revenue	**5,986,036**	6,085,992
(Loss) profit and total comprehensive (loss) income for the year	**(487,194)**	729,786
(Loss) profit and total comprehensive (loss) income attributable to non-controlling interests	**(213,529)**	315,451
Cash inflow/(outflow) from operating activities	**776,022**	(1,938,104)
Cash outflow from investing activities	**(891,197)**	(492,859)
Cash (outflow)/inflow from financing activities	**(369,489)**	2,563,541
Net cash (outflow)/inflow	**(484,664)**	132,578

50. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(b) Details of non-wholly-owned subsidiaries that have material non-controlling interests (Continued)

ii) Summarised financial information of Inner Mongolia Xin Huan

	2024 RMB'000	2023 RMB'000
Current assets	2,204,289	2,076,526
Non-current assets	7,557,927	7,412,699
Current liabilities	(2,351,075)	(1,626,745)
Non-current liabilities	(3,894,962)	(3,498,122)
Net assets	3,516,179	4,364,358
Non-controlling interests of Inner Mongolia Xin Huan	1,397,660	1,736,931
Revenue	2,468,474	166,316
Loss and total comprehensive loss for the year	(848,179)	(125,261)
Loss and total comprehensive loss attributable to non-controlling interests	(339,272)	(58,916)
Cash inflow (outflow) from operating activities	1,312,708	(443,267)
Cash outflow from investing activities	(1,781,739)	(6,015,605)
Cash inflow from financing activities	604,063	6,664,959
Net cash inflow	135,032	206,087

50. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(b) Details of non-wholly-owned subsidiaries that have material non-controlling interests (Continued)

(iii) Summarised financial information of Leshan GCL

	2024 RMB'000	2023 RMB'000
Current assets	**2.041,296**	6,584,025
Non-current assets	**6,293,871**	2,560,839
Current liabilities	**(1,093,164)**	(1,271,288)
Non-current liabilities	**(2,246,198)**	(2,013,676)
Net assets	**4,995,805**	5,859,900
Non-controlling interests of Leshan GCL (Note a)	**1,668,675**	1,566,780
Revenue	**2,493,056**	6,756,930
(Loss) profit and total comprehensive (expense) income for the year	**(864,095)**	2,021,466
(Loss) profit and total comprehensive income attributable to non-controlling interests	**(128,185)**	622,990
Cash (outflow) inflow from operating activities	**(265,415)**	1,816,511
Cash (inflow) outflow from investing activities	**81,289**	(1,712,656)
Cash inflow from financing activities	**232,399**	483,487
Net cash inflow	**48,273**	587,342

Note (a): The remaining 54.1% interests in Leshan GCL is held by Leshan Fund as to 41.0%, an associate of the Group, and Xuzhou Fund as to 13.1%.

The non-controlling interests of Leshan GCL represented the sharing of net assets not attributable to the Group, either directly or indirectly through the interest held by Leshan Fund. The non-controlling interest is allocated based on the sharing policy under terms of limited partnership agreements of Leshan Fund and Zhongping Nengxin, which the net assets of Leshan GCL is allocated to different shareholders according to the priority and respective required rate of return on their investments in Leshan Fund and Zhongping Nengxin.

51. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

Statement of financial position

	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS		
Interest in subsidiaries	**18,438,769**	23,167,854
Amounts due from subsidiaries (Note)	**6,860,157**	6,860,157
	25,298,926	30,028,011
CURRENT ASSETS		
Prepayments and deposits	**85,911**	85,811
Amounts due from subsidiaries (Note)	**11,497,195**	11,384,665
Investments at fair value through profit or loss	**—**	72,442
Bank balances and cash	**356,943**	468,019
	11,940,049	12,010,937
CURRENT LIABILITIES		
Other payables	**—**	66,459
NET CURRENT ASSETS	**11,940,060**	11,944,478
TOTAL ASSETS LESS CURRENT LIABILITIES	**37,238,975**	41,972,489
NET ASSETS	**37,238,975**	41,972,489
CAPITAL AND RESERVES		
Share capital (note 37)	**2,342,638**	2,344,280
Reserves	**34,896,337**	39,628,209
TOTAL EQUITY	**37,238,975**	41,972,489

Note: As at 31 December 2024, the non-current portion of amounts due from subsidiaries included the amount of RMB6,860,157,000 (2023: RMB6,860,157,000) that are non-interest bearing and are not expected to be realised within twelve months from the end of the reporting period and are considered to be quasi-equity loan. ECL for amounts due from subsidiaries and bank balances are assessed on a 12-month ECL basis as there had been no significant increase in credit risk since initial recognition and impairment allowance is considered to be insignificant.

51. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

Movement in the Company's reserves

	Share premium RMB'000	Shares held for share award scheme RMB'000	Capital redemption reserve RMB'000	Investments revaluation reserve RMB'000	Treasury shares RMB'000	Share award reserve RMB'000	Capital reserve RMB'000	Share options reserve RMB'000	(Accumulated losses)/ Retained earnings RMB'000	Total RMB'000
At 1 January 2023	36,486,318	(676,107)	22,202	(93,157)	(57,971)	185,068	19,206	57,986	3,869,637	39,813,182
Profit for the year	—	—	—	—	—	—	—	—	1,236,861	1,236,861
Profit and total comprehensive expense for the year	—	—	—	—	—	—	—	—	1,236,861	1,236,861
Exercise of share options	1,347	—	—	—	—	—	—	(805)	—	542
Forfeitures of share options	—	—	—	—	—	—	—	(3,530)	3,530	—
Repurchase of share	—	—	—	—	(182,010)	—	—	—	—	(182,010)
Cancellation of shares	(224,372)	—	15,609	—	239,981	—	—	—	(15,609)	15,609
Dividend paid	—	—	—	—	—	—	—	—	(1,439,723)	(1,439,723)
Equity-settled share-based payment	—	—	—	—	—	152,801	—	—	—	152,801
Exercise of share award	—	51,332	—	—	—	(57,279)	—	—	36,894	30,947
At 31 December 2023	36,263,293	(624,775)	37,811	(93,157)	—	280,590	19,206	53,651	3,691,590	39,628,209
Loss for the year	—	—	—	—	—	—	—	—	(4,810,423)	(4,810,423)
Loss and total comprehensive expense for the year	—	—	—	—	—	—	—	—	(4,810,423)	(4,810,423)
Exercise of share options	—	—	—	—	—	—	—	—	—	—
Forfeitures of share options	—	—	—	—	—	—	—	(3,298)	3,298	—
Repurchase of share	—	—	—	—	(21,679)	—	—	—	—	(21,679)
Cancellation of shares	(20,037)	—	1,642	—	21,679	—	—	—	(1,642)	1,642
Equity-settled share-based payment	—	—	—	—	—	98,588	—	—	—	98,588
At 31 December 2024	36,243,256	(624,775)	39,453	(93,157)	—	379,178	19,206	50,353	(1,117,177)	34,896,337

Note: Differences between the reserves of the Company and of the Group, as disclosed in the consolidated statement of changes in equity, represented the consolidation adjustments arising from the reverse acquisition by GCL Solar in 2009. For more details, please refer to 2009 annual report of the Group.

52. EVENTS AFTER REPORTING PERIOD

Subsequent to the end of the reporting period, the Company completed a placing of 1,560,000,000 shares at a price of HK$1.0 per share. The net proceeds of the placing after deducting the placing commission and other relevant costs and expenses amounted to approximately HK$1.53 billion was received by the Company.

Except as disclosed above, no significant events occurred subsequent to the reporting period and up to the date of approval of these consolidated financial statements.

CORPORATE INFORMATION

Chairman

Zhu Gongshan

Executive Directors

Zhu Gongshan *(Chairman & Joint CEO)*
Zhu Yufeng *(Vice Chairman)*
Zhu Zhanjun *(Vice Chairman)*
Sun Wei *(Vice Chairman)*
Lan Tianshi *(Joint CEO)*
Yeung Man Chung, Charles *(CFO and Company Secretary)*

Independent Non-executive Directors

Ho Chung Tai, Raymond
Shen Wenzhong
Yip Tai Him
Li Junfeng

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)*
Li Junfeng
Yip Tai Him
Yeung Man Chung, Charles

Strategy & Investment Committee

Ho Chung Tai, Raymond *(Chairman)*
Zhu Gongshan
Shen Wenzhong
Li Junfeng
Yip Tai Him
Zhu Zhanjun
Yeung Man Chung, Charles

Environmental, Social and Governance Committee

Shen Wenzhong *(Chairman)*
Ho Chung Tai, Raymond
Li Junfeng
Yip Tai Him
Lan Tianshi
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

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, KY1-1100
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 Advisers to the Company

As to Hong Kong law

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

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15 Queen's Road Central
Hong Kong

Minter Ellison LLP
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213 Queen's Road East
Hong Kong

As to Cayman Islands law

Conyers Dill & Pearman
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P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Company's Website

www.gcltech.com

INFORMATION FOR INVESTORS

Listing Information

Listing: Main Board of the Hong Kong Stock Exchange Limited
Stock Code: 3800

Share Information

Board Lot Size: 1,000 shares
Issued Shares as at 31 December 2024: 26,920,818,973 shares

Enquiries Contact

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GLOSSARY OF TERMS

In this report, the following expressions have the meanings set out below unless defined in the context of this report:

"Board" or "Board of Directors"	board of Directors
"China" or "PRC"	the People's Republic of China, for the purposes of this report, excludes Hong Kong and Macau Special Administrative Region of the PRC
"Company" or "GCL Technology" or "GCL Tech"	GCL Technology Holdings Limited (協鑫科技控股有限公司) (formerly known as GCL-Poly Energy Holdings Limited (保利協鑫能源控股有限公司)), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3800)
"Director(s)"	director(s) of the Company or any one of them
"GCL Solar Energy"	GCL Solar Energy Limited, a company incorporated in Hong Kong with limited liability, which is a subsidiary of the Company
"GCL System Integration"	GCL System Integration Technology Co., Ltd (協鑫集成科技股份有限公司) (a company incorporated in the PRC with its shares listed on the SME Board of the Shenzhen Stock Exchange) (stock code: 002506)
"GNE"	GCL New Energy Holdings Limited (協鑫新能源控股有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 451), which is an associate company of the Company.
"Group"	GCL Tech and its subsidiaries
"GW"	gigawatts
"Jiangsu Zhongneng"	Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd.* (江蘇中能硅業科技發展有限公司), a company incorporated in the PRC and a subsidiary of the Company
"Kunshan GCL"	Kunshan GCL Optoelectronic Material Co. Ltd* (昆山協鑫光電材料有限公司)
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Mr. Zhu"	Mr. Zhu Gongshan, the Chairman and an executive Director
"Mr. Zhu Yufeng"	son of Mr. Zhu and an executive Director

"MT"	metric tonnes
"MW"	megawatts
"MWh"	megawatt hour
"PRC"	the People's Republic of China
"PV"	photovoltaic
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Suzhou GCL Research"	Suzhou GCL Industrial Applications Research Co., Ltd.* (蘇州協鑫工業應用研究院有限公司), a subsidiary of the Company and a company established in the PRC
"U.S."	United States of America
"W"	watts
"Xinjiang Goens"	Xinjiang Goens Energy Technology Co., Limited* (新疆戈恩斯能源材料科技有限公司), a company incorporated in the PRC and an associate of the Company
"Zhu Family Trust"	the discretionary trust known as "Asia Pacific Energy Fund", of which Mr. Zhu and his family (including Mr. Zhu Yufeng, an executive Director and son of Mr. Zhu) are beneficiaries

* English name for identification only

GCL