



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

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



2025 ANNUAL REPORT

About GCL New Energy

- A well-known privately-operated solar power energy services company listed on the Main Board of The Stock Exchange of Hong Kong Limited.
- Successfully implemented the strategic transformation to create the business of “Energy Digital Intelligence + Computing Power Drive” and committed to sustainable development.
- Equipped with strong development, research and development capabilities and intelligent operation and management technologies, to build the most professional, innovative and competitive “data + management” integrated intelligent energy service provider in the integrated energy field.

Forward-looking statements contained in this Annual Report relating to the forecast business plans, prospects, financial forecasting, and growth strategies of the Group. These forward-looking statements are based on current beliefs, expectations, assumptions and premises regarding the industry and market in which it operates, some of which are subjective or beyond our control. Underlying these forward-looking statements is a large number of risks and uncertainties and may not be realised in future. In light of the risks and uncertainties, the inclusion of forward-looking statements in this Annual Report should not be regarded as representations by the Board or the Company that the plans and objectives will be achieved, and investors should not place undue reliance on such forward-looking statements.

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GLOSSARY

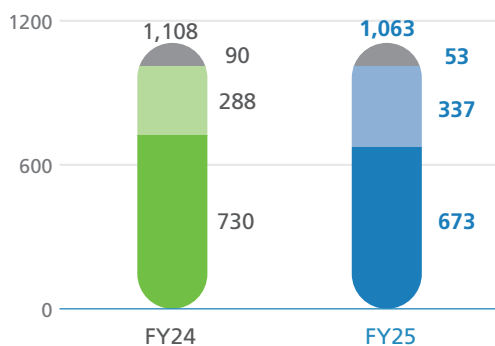
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2025 Performance Summary

Revenue

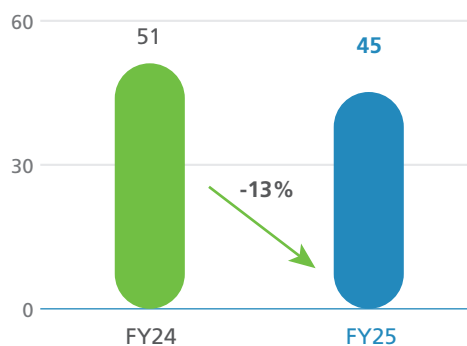
Rmb mn



- LNG Business Related
- Operation and Management Services, and Related Supporting Services
- Sales of Electricity

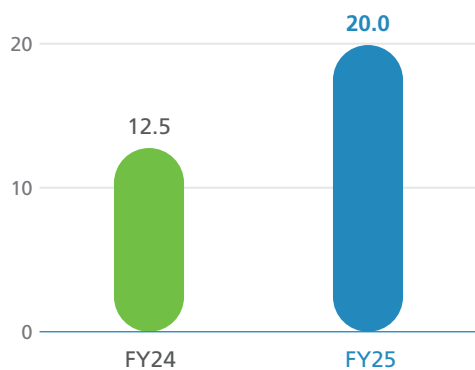
Finance Costs

Rmb mn



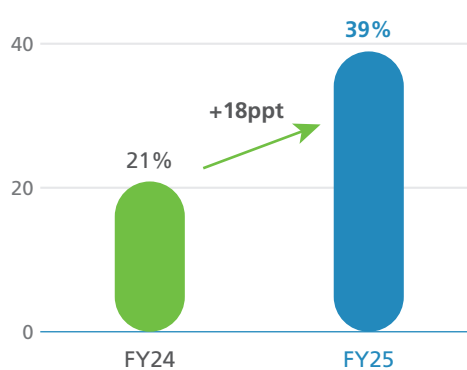
Installed Capacity of Operation and Management Services

GW



Gearing Ratio

%



Chairman's Statement

Journeying with Resolve, Embracing a New Future

Looking back on the past year, it was a year of profound reshaping of the global energy landscape, and also a critical year in which GCL New Energy completed its strategic transformation and consolidated the foundation for its development. Against the grand blueprint of the “dual carbon” goals and in the surging tide of the energy transition, we have remained strategically focused, not only withstanding the tests of a complex external environment, but also accumulating upward momentum through change, formally stepping into a new stage of high quality development.

In 2025, the photovoltaic industry bid farewell to the traditional boom and bust cycle and entered a new phase of spiral shaped growth; power market reforms continued to deepen, and new energy shifted from a single power source to an integrated energy hub of generation, grid, load and storage; digital and intelligent technologies became deeply integrated with the energy industry, injecting brand new momentum into sector development. Facing the opportunities and challenges of industrial restructuring, GCL New Energy firmly grasped the momentum of transformation. Anchored by its core strategy of “Energy Digital Intelligence + Computing Power Drive”, the Company accelerated its evolution into a global digital and intelligent energy service provider. By leveraging digital intelligence and AI to reconstruct the entire energy service chain, GCL New Energy maintained steady operations, enhanced quality and efficiency, strengthened its foundation amid challenges, and broke new ground through transformation, which achieved dual breakthroughs in “technology empowerment” and “service value enhancement”. In 2025, the Company achieved operating revenue of RMB1.06 billion, with its financial structure continuing to improve, laying a solid foundation for long-term development.



ZHU Gongshan
(Chairman)

Strategic Focus: Reshaping Core Competitiveness with “Energy Digital Intelligence + Computing Power Drive”

At present, new energy is moving from being a “main energy source” to a “dominant energy source”, and the underlying logic of long term growth has never changed; at the same time, the continuous iteration of AI technologies is bringing disruptive transformation to the energy service industry. For GCL New Energy, we are keenly aware that only by going with the tide can we achieve great success. We no longer simply pursue linear growth in scale but instead have shifted to pursuing leapfrog enhancement in value. We have deeply recognized that the photovoltaic industry has moved from the era of “he who holds the resources holds the power” and land grabbing expansion into a refined management era of “strong digital intelligence and fine services”.

As a global leading energy asset service operator, we rely on nearly 20 GW of accumulated power plant management experience, are rooted in the broad scenarios of China’s energy transition and are seizing the golden window of overseas green energy. By using AI and data as the link and integrating “large models + big data”, we are accelerating the digital and intelligent upgrade of operations and maintenance, building systematic energy solutions that are replicable and scalable, completing our identity shift from a single power plant operator to a full value chain energy ecosystem builder, and providing “GCL solutions” for the global energy transition.

Chairman's Statement

GCL New Energy Operation Technology Company (協鑫新能源運營科技公司), a subsidiary of the Company, has independently developed the "Xin Yi Lian (鑫翼連)" integrated energy management platform, which incorporates cutting edge technologies such as AI algorithms, drone inspection, and big data analysis to achieve refined, full life cycle management of power station assets. The system covers 8 major functional modules and 178 models, with each module seamlessly connected and resources shared, spanning every link of integrated energy management and forming a complete management platform for "wind, solar, storage and charging". By driving a qualitative shift in data from "static assets" to "factors of production" and embedding data deeply into business chains to drive efficiency improvement, we are building a sustainable commercial moat in the market oriented competition of the new energy industry through data driven productivity. Going forward, the Company plans to deeply integrate AI large models with Web 3.0 technologies to construct a full stack digital intelligent ecosystem for energy operations and maintenance, and to use data to redefine the future of new energy asset management.

Deepening Integration of LNG Terminals and Trading to Expand Value Boundaries with Clean Energy

2025 marked a pivotal year for the Company's natural gas business, transitioning from strategic positioning to value realization. Aligning with the global trend toward low-carbon energy transformation and leveraging Golden Concord Group's upstream oil and gas resource synergies, the Company resolutely advanced its "integration of LNG terminals and trading" strategy, which established a dual-engine business system driven by "international and domestic resources" and "domestic trade and international trade".

At the infrastructure level, the Company's core asset, GCL Huidong LNG Rudong Co., Ltd. (協鑫匯東液化天然氣如東有限公司) ("Rudong LNG receiving terminal") achieved milestone progress in its construction during the year. As a major energy infrastructure project of Jiangsu Province, this receiving terminal is located in the core area of East China, one of the best regions nationwide for natural gas consumption. With China's first "large ship to small vessel (大船轉小船)" and "liquid natural gas comes and goes as it is (液來液走)" supply model and interconnection with the national pipeline network, it will form a strong regional radiation capability. In the future, this project is planned to form a north south coordinated layout together with the Maoming receiving terminal, thereby providing the Company's natural gas business with solid support and stable gas source assurance.

Relying on the Rudong LNG receiving terminal as a core hub, the Company's trading business has achieved rapid growth. Through the global resource integration of the Singapore trading platform, the Company has not only secured high quality international gas sources but has also successfully carried out international re-export trade, enhancing its capability for global resource allocation. In 2025, the Company actively explored downstream application scenarios and, through deep cooperation with strategic partners such as Hersen Energy, entered the LNG vehicle fuel market, opening up the entire LNG industry chain from international resource procurement and receiving terminal unloading to logistics refueling stations and ultimately to end user heavy truck customers. A virtuous cycle of "promoting trading through terminals and supporting terminals through trading" has basically taken shape. The natural gas business has not only become an important support for the Company's revenue growth, but also, by virtue of its sound profitability, has become a core engine driving the overall improvement of performance.

Building an Ecosystem: Pooling Synergies with Technology Empowerment

Today, the digital economy has become the core driver of global economic growth, and computing power, as the core factor of production in the digital economy, is destined to deeply integrate with energy. GCL New Energy is currently at a critical juncture in its transformation from a "traditional power operator" to a "digital energy asset management service provider". Meanwhile, Web 3.0 is reshaping the development model of the digital economy, bringing unprecedented opportunities for the integration of industry and finance in the energy sector.

On 8 January 2026 and 12 March 2026, GCL New Energy announced that it had reached a strategic cooperation with Pharos Network Technology Limited ("Pharos"), pursuant to which it planned to issue 183.48 million new shares of the Company at a subscription price of HK\$1.05 per share. This cooperation aimed to accelerate the deep integration of Web 3 and the new energy industry and to promote a sustainable future.

Looking ahead, we will achieve a fundamental shift from "fighting alone" to "ecosystem based win win" by bringing in strategic partners. By introducing strategic partners such as Pharos, we will break through the traditional boundaries between industry and finance. Relying on Web 3.0 technologies, we will explore the digital application of energy and computing power assets, converting energy assets into marketable and transferable digital assets and lowering financial thresholds. On the asset side, we will use new technologies to broaden distribution channels, enhance asset circulation efficiency, and, through blockchain technology, precisely anchor industrial assets to global capital, opening up new financing channels characterized by low cost and high liquidity. On the operations side, we will connect with leading global AI research institutions and technology enterprises to help enhance the AI capabilities of our existing platforms, strengthen predictive maintenance and real time dispatch accuracy of energy assets, and promote the Company's transformation towards "intelligent driven" operations.

Practicing Responsibility, Jointly Creating a Net Zero Future

While pursuing commercial value, GCL New Energy has always integrated the philosophy of Environmental, Social and Governance (ESG) into its corporate development gene. We are committed to providing clean, safe and efficient green energy, while caring for employee development and actively giving back to society, and we safeguard the Company's long term prosperity with high standard, compliant governance.

Over the past year, we continued to optimize the structure of the Board of Directors, enhancing diversity to ensure that decisions are both scientific and forward looking. We strengthened the functions of the ESG Committee and embedded the concept of sustainable development into every aspect of the Company's strategic decision making, risk management and performance appraisal, ensuring that ESG is no longer just a slogan, but a set of quantifiable and executable action guidelines.

Chairman's Statement

We adhere to high standards of business ethics and maintain “zero tolerance” for corruption, continuously improving our anti-fraud mechanisms to foster a clean and upright business environment. In terms of information disclosure, we uphold the principles of truthfulness, accuracy, completeness and timeliness, and strengthen communication with investors, regulators and stakeholders to earn trust through transparency. In particular, when faced with emerging governance topics such as climate risk, we have proactively carried out scenario analysis and established risk early warning mechanisms to ensure that the Company can continue to operate steadily even under extreme weather events and policy changes.

At the same time, we have further improved our talent development system and are committed to building a diverse, inclusive and safe working environment. We advocate a “striver oriented” culture, enabling every employee to realize alignment between personal value and corporate vision on GCL's platform. In terms of supply chain management, we have tightened control over the entire process and are dedicated to building a green and ethical supply chain system. We require our partners not only to meet quality standards, but also to comply with ESG standards in areas such as labor rights and environmental protection, so that together with upstream and downstream partners we can foster a healthy industrial ecosystem.

From deepening our roots in China's energy landscape to pioneering new frontiers in overseas markets, the grand vision of “rebuilding GCL overseas” ultimately hinges on action and is achieved through hard work. GCL New Energy will continue to leverage data as a new driver of productivity and harness full-industry-chain synergy as our competitive moat. Amidst the global energy transformation, we remain committed to long-termism, striving to deliver sustainable and exceptional value returns for our shareholders.

Finally, on behalf of the Board of Directors, I extend our sincere appreciation to all employees for their dedicated efforts over the past year. We also express our heartfelt gratitude to our shareholders, customers, partners, and the broader community for their enduring trust and support of GCL New Energy. We will continue to strive relentlessly, committed to delivering sustainable and exceptional value returns for you.

Management Discussion and Analysis

Overview

For the year ended 31 December 2025, loss attributable to owners of the Company for the year was RMB1,340 million, as compared to RMB424 million in the last year. The increase in the loss was mainly due to the combined effect of the followings:

1. During the year ended 31 December 2025, the Group continued to expand the business of operation and management services for solar power plants. The customer base comprised solar power plants newly engaged during the year as well as solar power plants previously owned by the Group. As at 31 December 2025, the Group had entered into contracts to provide operation and management services for solar power plants with total capacity of approximately 20GW, representing a 60% increase compared with approximately 12.5GW as at 31 December 2024. Revenue from solar power plants operation and management service increased from RMB287.7 million to RMB337.4 million for the year ended 31 December 2025. The increase in both revenue and sales volume reinforce the Group's strategic direction and transition toward an asset-light business model;

The grid connected capacity of solar power plants operated by the Group remained at 50MW as at 31 December 2025. The sales volume of electricity and the revenue from electricity generation decreased by 52.3% and 41.8%, respectively. Revenue from electricity sales and tariff adjustment decreased by RMB37.7 million, from RMB90.1 million to RMB52.4 million for the year ended 31 December 2025, following the Group's disposal of subsidiaries in North Carolina, US which owned solar photovoltaic facilities of 83MW in December 2024;

During the year ended 31 December 2025, the Group also continued its trading business of LNG and related products, generating sales income of RMB672.8 million (2024: RMB730 million);

2. Other gains and losses, net increased from RMB66.6 million for the year ended 31 December 2024 to RMB850.6 million for the year ended 31 December 2025. The amount mainly comprised of one-off accrued compensation arised from disposal of solar power plants in previous years of RMB810.9 million, which included (i) RMB326 million of loss of electricity sales income regarding a disposed solar power plant, (ii) RMB157.3 million of on-grid electricity guarantees, (iii) RMB327.6 million of tax on land use and other indemnification, and (iv) RMB10.4 million of exchange loss (2024: exchange gain of RMB3.8 million) caused by the depreciation of USD against RMB for USD denominated assets of the Group;
3. Administrative expenses (including share-based payment expenses in the nature of administrative expenses) decreased by 21.2%, from RMB269.4 million to RMB212.2 million, was mainly due to decrease in depreciation and general administrative expenses associated with disposed solar power plants during 2023 and 2024 and cost control measures carried out by the Group;
4. The impairment loss under expected credit loss model, net increased from RMB148.4 million for the year ended 31 December 2024 to RMB297.2 million for the year ended 31 December 2025. The amount mainly comprised of (i) provision of tax indemnification clause in previously disposed power plants of approximately RMB253.7 million, (ii) provision of loss allowance of other debtors of approximately RMB43.5 million. The impairment loss under expected credit loss model, net of RMB148.4 million for the year ended 31 December 2024 comprised of (i) RMB87.2 million for on-grid electricity guarantee, (ii) RMB24 million for consideration receivable of disposal of solar power plant projects, and (iii) RMB37.2 million for provision of loss allowance of other debtors; and

Management Discussion and Analysis

5. Finance costs decreased by 13%, from RMB51.4 million for the year ended 31 December 2024 to RMB44.7 million for the year ended 31 December 2025, due to the decrease in business scale of solar power plant electricity generation business.

Business Review

1. Solar Power Plants Operation and Management Service

During the year ended 31 December 2025, the Group provided operation and management services for solar power plant projects and generated management service income. The Group also provided other supporting services such as procurement and technical consultation services. As at 31 December 2025, the Group had entered into contracts to provide operation and management services for solar power plants with total capacity of approximately 20GW (31 December 2024: 12.5GW). Details of operation and management service income for the year ended 31 December 2025 are set out below.

	Revenue RMB'000
Solar power plants operation and management services income	270,636
Solar related supporting services income	66,724
Total	337,360

2. Electricity Generation and Capacity

As at 31 December 2025, the grid-connected capacity of the Group's subsidiary power plants remains at approximately 50MW as compared to 31 December 2024. Details of capacity, electricity sales volume and revenue for the year ended 31 December 2025 are set out below.

Subsidiaries by location	Electricity Sales Volume (thousand kWh)	Average Tariff (Net of Tax) (RMB/kWh)	Revenue (RMB thousand)
China	13,727	0.41	5,688
US	84,150	0.56	46,749
Total of Subsidiaries	97,877	0.54	52,437

Note: As at 31 December 2025, the assets and liabilities attributable to the solar power plant project of Dengkou GCL located at Inner Mongolia, China have been classified as a disposal group held for sale.

Please refer to the consolidated financial statements for details of segment revenues and results.

3. LNG and Related Business

During the year ended 31 December 2025, the Group continued its trading business of LNG and related products and generated sales income of RMB672.8 million (31 December 2024: RMB730 million).

During the year ended 31 December 2025, the Group's total trading volume of the LNG trading business was approximately 743,000 tonne (2024: approximately 445,000 tonne).

The Group entered into trading contracts with a total income of approximately RMB2,950 million (2024: RMB1,750 million), whereas the Group recognised revenue from contracts with external customers, acting as a principal, amounting to approximately RMB670.3 million (2024: RMB728.3 million), related to trading of LNG and related products. The Group recognised revenue from contracts with external customers, acting as an agent, amounting to approximately RMB2.5 million (2024: RMB1.7 million), related to trading of LNG and related products.

Financial Review

Revenue and Gross Profit

For the year ended 31 December 2025, the Group's revenue comprised (i) service income from the provision of the solar power plants operation, management and related supporting services; (ii) solar power electricity generation; and (iii) income from trading of LNG and related products business. The table below sets forth an analysis of the Group's revenue:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue		
– Solar power plants operation, management and related supporting service	337,360	287,727
– Sales of electricity and tariff adjustments	52,437	90,057
– LNG business related income	672,770	729,971
	1,062,567	1,107,755

The slight decrease in revenue was mainly attributable to the combined effect of the drop of sales of electricity and tariff adjustments following the Group's disposal of subsidiary in North Carolina, US which owned solar photovoltaic facilities of 83MW and the increase in solar power plant operation, management and related supporting service income during 2025.

The grid-connected capacity of solar power plants of the Group remains at 50MW as at 31 December 2025 as compared to 31 December 2024. The average tariff (net of tax) for the Group was approximately RMB0.5/kWh (2024: RMB0.44/kWh).

Management Discussion and Analysis

The Group's gross margin for the year ended 31 December 2025 was 13.7%, as compared to 11.5% for the year ended 31 December 2024. The increase in gross margin was due to increase in portion of solar power plant operation, management and supporting service in revenue which has a relatively higher gross profit margin compared to other businesses in the current year. The major part of cost of sales mainly consisted of purchase cost of LNG and related products which accounted for 76.4% of the cost of sales, and remaining costs being depreciation, operation and maintenance costs of solar power plants, etc.

Other Income

During the year ended 31 December 2025, other income mainly included imputed interest arising from receivables containing significant financing component of RMB59.4 million (2024: RMB65.8 million), interest income from related companies of RMB16.1 million (2024: RMB15.6 million) and interest income from former subsidiaries of RMB1.3 million (2024: RMB3.9 million).

Other gains and losses, net

During the year ended 31 December 2025, the net loss was approximately RMB850.6 million (2024: RMB66.6 million). The net loss for 2025 was mainly due to an one-off accrued compensation arised from disposal of solar power plant in previous years of RMB810.9 million, which included (i) RMB326 million of loss of electricity sales income regarding a disposed solar power plant, (ii) RMB157.3 million of on-grid electricity guarantees, (iii) RMB327.6 million of tax on land use and other indemnification, and (iv) RMB10.4 million of exchange loss (2024: exchange gain of RMB3.8 million) caused by the depreciation of USD against RMB for USD denominated assets of the Group.

(i) Loss of electricity sales income regarding a disposed solar power plant of RMB326 million (2024: RMB Nil)

The amount represents compensation for the loss of electricity sales income to the purchaser of a disposed solar power plant located in Inner Mongolia, as stipulated by the contract terms. Local authorities have demanded that the purchaser return this amount due to compliance issues regarding the solar power plant. Although the purchaser's management considered the authorities' allegations to be invalid and without reasonable grounds, the purchaser agreed to return the related amount temporarily to the local authorities to maintain its operation in Inner Mongolia. The potential compensation to the purchaser is subject to further review of the sale and purchase agreement and the progress of allegation between the purchaser and local authorities. The Group will continue to monitor the development and will assist the purchaser in rigorously defending against these allegations to protect the Group's interests.

(ii) On-grid electricity guarantees of RMB157.3 million (2024: RMB Nil)

As part of the terms of the deal to attract the purchasers to acquire the Group's power plants and continue to appoint the Group as an operation and management services provider, if the relevant electricity sale volumes and revenues for the subject solar power plants for each agreed period (ranging from two to five years depending on the agreed terms) are less than the agreed minimum sale volumes and revenues, the purchaser will be entitled to the on-grid electricity guarantee compensation and the balance to be paid to the Group would be adjusted against the balances of the amounts due to the Group accordingly. The prior year amount of RMB87.2 million were recorded as impairment loss on expected credit loss model since the guarantee compensation were provided against the carrying amount of other receivables related to disposal of former subsidiaries.

Management Discussion and Analysis

(iii) Tax on land use indemnification of approximately RMB327.6 million (2024: RMB Nil)

Tax on land use indemnification of total RMB581.3 million were provided, which RMB327.6 million (2024: RMB Nil) were newly accrued and recorded as other gains and losses in the current year and RMB253.7 million were set-off against other receivables from disposed subsidiaries and recorded as impairment loss on expected credit loss model. As the policy of cultivated land occupation tax and land use tax for solar power plants have been unclear and that tax collection methods vary, it takes time for the Group to negotiate with the relevant local tax authorities to agree on the scope and basis for settling the taxes. In accordance with the sale and purchase agreements, the Group has to provide tax indemnity to purchasers for disposals. The obligation arises where the purchaser receives tax payment demands from the local tax authorities after the date of completion of the disposals.

Impairment loss on expected credit loss model, net of reversal

During the year ended 31 December 2025, the impairment loss on expected credit loss model, net amounted to RMB297.2 million (2024: RMB148.4 million), consisted of (i) RMB43.5 million (2024: RMB37.2 million) for provision of loss allowance of other debtors, net of reversal, (ii) RMB Nil (2024: RMB24 million) of consideration receivable of disposal of solar power plant projects, (iii) RMB253.7 million (2024: RMB Nil) for tax on land use indemnification (please refer to section "other gains and losses, net" for details), and (iv) RMB Nil (2024: RMB87.2 million) for on-grid electricity guarantees (the provision for 2025 for recorded in other gains and losses), details of which are set out as follows:–

(i) Provision of loss allowance of other debtors of approximately RMB43.5 million (2024: RMB37.2 million)

The amount represents provision of loss allowance of other debtors with which contact is lost, plus these other receivables were exceedingly long outstanding for over at least three to four years. The management of the Company had carried out actions to recover but were unsuccessful, as a result the management of the Company made the provision of loss allowance after individual assessment on the recoverability of such receivables.

(ii) Consideration receivable of disposal of solar power plant projects of RMB Nil (2024: RMB24 million)

The amount represents consideration receivable from disposal of solar power plant projects since 2018, which are exceedingly long and were outstanding for over at least three to four years. The management of the Company made periodical individual assessment on the recoverability of the receivables by taking into account their past repayment history, financial position and overdue status. The management of the Company conducted actions to recover such receivables but unsuccessful and then considered to provide the expected credit loss on such amount.

Administrative Expenses

Administrative expenses mainly included staff costs, rental expenses and legal and professional fees. Administrative expenses decreased by 21.2% to RMB212.2 million (2024: RMB269.4 million) for the year ended 31 December 2025. The decrease was mainly due to decrease in depreciation and other general administrative expenses associated with the Group's disposal of solar power plants during 2023 and 2024 and cost control measures carried out by the Group.

Management Discussion and Analysis

Share of profits of associates

Share of profits of associates amounted to RMB64.7 million (2024: RMB110.8 million), represents the share of profits from several partly held solar power plants.

Finance Costs

Finance costs decreased by 13% from RMB51.4 million to RMB44.7 million for the year ended 31 December 2025. The decrease was mainly due to decrease in business scale of solar power plant electricity generation business.

Income Tax Expense

Income tax expense for the year ended 31 December 2025 remains stable at RMB4.6 million as compared to RMB4.2 million in the last year.

Final Dividend

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

Property, Plant and Equipment

Property, plant and equipment was RMB530.3 million and RMB548.1 million as at 31 December 2025 and 31 December 2024, respectively. There were no material addition and disposal occurred during the year ended 31 December 2025.

Interests in joint ventures

Interests in joint ventures increased from RMB3.7 million as at 31 December 2024 to RMB1,078.5 million as at 31 December 2025. The increase was due to the Group's successful acquisition of joint venture of GCL Huidong LNG Rudong Co., Ltd.* (協鑫匯東液化天然氣如東有限公司) ("Rudong LNG") which owned the project of LNG receiving station in Jiangsu Province. Please refer to the circular of the Company dated 24 January 2025 for further details.

Amounts Due from Related Companies

As at 31 December 2025, amounts due from related companies (including non-current and current nature) of RMB1,378.9 million (2024: RMB1,268.1 million), mainly arose from the disposals of 36 subsidiaries ("2023 Disposal") that were principally engaged in the operation of solar power plants in the PRC. The amount were mainly consideration receivables arising from 2023 Disposal and liabilities owed by the former subsidiaries to the Group prior the disposal. The management of the Company have considered and factored in these outstanding liabilities when determining the consideration for the 2023 Disposal, and have agreed that the outstanding receivables will be paid by the counterparties based on the agreed payment arrangements as set out in the relevant share purchase agreements. Please refer to the circular of the Company dated 15 November 2023 for further details. The amount increased by RMB110.8 million in the current year, mainly due to the acquisition of joint venture of Rudong LNG.

Trade and Other Receivables

As at 31 December 2025, trade and other receivables (including non-current and current nature) of RMB1,444.7 million (2024: RMB1,892.3 million) mainly included trade and bills receivables of RMB142.4 million (2024: RMB164.4 million) and consideration receivables from disposal of subsidiaries of RMB188.5 million (2024: RMB188.5 million), amounts due from former subsidiaries of RMB1,945.2 million (2024: RMB2,015.4 million), in which a deferred receivables of RMB813.8 million (2024: RMB817.8 million) were reclassified to non-current nature, as they are expected to be received within two years from the end of 2025.

The amounts due from former subsidiaries of RMB1,945.2 million (31 December 2024: RMB2,015.4 million) (“Outstanding Receivables”) are related to the current accounts that have been incurred between the former subsidiaries and the Group prior to their disposals to independent third parties (“2018-2023 Disposal”) between 2018 and 2023. The Outstanding Receivables were liabilities owed by the former subsidiaries to the Company prior to the disposal. The Group has considered and factored in these outstanding liabilities when determining the consideration of the 2018-2023 Disposal, and have agreed that the Outstanding Receivables will be paid by the counterparties based on the agreed payment arrangements as set out in the relevant share purchase agreements.

Trade and other Payables and Deferred Income

Trade and other payables and deferred income (including non-current and current nature) increased from RMB533.3 million as at 31 December 2024 to RMB1,262.2 million as at 31 December 2025. It was mainly due to an one-off payable of RMB326 million for the loss of electricity sales income to the purchaser of a disposed solar power plant located in Inner Mongolia. Please refer to section “other gains and losses, net” for details.

Liquidity and Financial Resources

The Group adopts a prudent treasury management policy to maintain sufficient working capital to cope with daily operations. The funding for all its operations has been centrally reviewed and monitored at the Group level. The indebtedness of the Group mainly comprises bank and other borrowings, lease liabilities and convertible bonds.

As at 31 December 2025, bank balances and cash of the Group were approximately RMB278.8 million (2024: RMB284.9 million). For the year ended 31 December 2025, the Group’s primary source of funding included cash generated from its operating activities and receipts of consideration receivable from disposal of subsidiaries with solar power plant projects.

Indebtedness and Gearing ratio

Starting from 2019 onwards, the Group had adopted assets-light business strategy. The average gearing ratio of the Group became stable and at an acceptable level since then.

The Group had a net current assets position of approximately RMB538 million as at 31 December 2025 (2024: RMB1,568.2 million).

Management Discussion and Analysis

The Group monitors capital based on the gearing ratio calculated by dividing the total liabilities by total assets. The gearing ratio as at 31 December 2025 and 31 December 2024 were calculated as follows:

	31 December 2025	31 December 2024
	RMB million	RMB million
Total liabilities	2,585	1,265
Total assets	6,720	6,094
Total liabilities to total assets	38.5%	20.8%

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

	31 December 2025	31 December 2024
	RMB million	RMB million
Renminbi ("RMB")	574	64
Hong Kong Dollars ("HKD")	42	–
United States dollars ("US\$")	328	388
	944	452

Pledge of Assets

As at 31 December 2025, the following assets were pledged for bank and other facilities (other than those classified as held for sale) granted to the Group:

- property, plant and equipment of RMB501.2 million (2024: RMB518.6 million);
- bank and other deposits of RMB114 million (2024: RMB37 million); and

Besides, lease liabilities (including non-current and current nature) of RMB94.5 million (2024: RMB111.4 million) are recognised in respect of right-of-use assets amounting to RMB39.3 million (2024: RMB49.3 million) as at 31 December 2025.

Guarantees provided by a related party

Except for the borrowing disclosed in note 30, there was no other guarantee provided by a related party as at 31 December 2025 and 31 December 2024.

Management Discussion and Analysis

Capital Commitments

As at 31 December 2025, the Group's capital commitments in respect of capital contribution to joint ventures were RMB88.8 million (2024: RMB24.5 million).

Significant Investment Held, Material Acquisition or Disposal of Subsidiaries and Affiliated Companies and Plans for Material Investment or Capital Assets

Reference is made to the announcements of the Company dated 9 January 2025 and 21 March 2025 (the "Announcements") and the circular of the Company dated 24 January 2025 (the "Circular"). Unless otherwise stated, defined terms shall denote the same meanings in the Announcements and the Circular.

The Acquisition of the Target Company by the Company at the Consideration of RMB325 million (approximately HK\$345.15 million) was approved by the Independent Shareholders at the special general meeting held on 18 February 2025 (the "SGM") of the Company and the transaction was completed on 21 March 2025. The Consideration was satisfied by the Company (i) as to RMB200 million (approximately HK\$212.40 million) by way of cash; (ii) as to RMB65 million (approximately HK\$69.03 million) by way of allotment and issue of Consideration Shares (representing 153,400,000 ordinary shares of the Company) at the issue price of HK\$0.45 per Consideration Share; and (iii) as to HK\$63.72 million (approximately RMB60 million) by way of issue of Convertible Bonds in the principal amount of HK\$63.72 million, which entitles the holder to convert the bonds into a total of 141,600,000 Conversion Shares at the initial Conversion Price of HK\$0.45 per Conversion Share. The Maturity Date of the Convertible Bonds is 36 months from the date of issue of the Convertible Bonds or any such other date as mutually agreed by the Company and the holder of the Convertible Bonds and bears interest at 1.0% per annum and payable in every six calendar months. The Consideration Shares and the Convertible Bonds were issued on 21 March 2025 under the Specific Mandate granted to the Board by the Independent Shareholders at the SGM. As at 31 December 2025, the conversion of the Convertible Bonds did not occur. Please refer to the Announcements and the Circular of the Company for further details. Save as disclosed hereinabove, there were no significant investment held, material acquisition or disposal of subsidiaries and affiliated companies by the Group during the year ended 31 December 2025. The Directors currently do not have any future plans for material investments or capital assets and will continue to monitor the industry and review its business expansion plans regularly, so as to take necessary measures in the Group's interests.

Breach of loan agreement

As at 31 December 2025, the Company had not breached any terms of its loan agreements for loans that are significant to its operations.

Financial assistance and guarantees to affiliated companies by the Company

As at 31 December 2025, the Group provided guarantees to a joint venture, namely GCL Huidong LNG Rudong Co., Ltd., for certain of its bank and other borrowings with maximum amount of RMB1,234 million (31 December 2024: RMB Nil). Since these bank and other borrowings were secured by the borrowers' (i) right-of-use assets; and (ii) equity interest in certain related parties, in the opinion of the Directors, the fair value of the guarantee was considered insignificant at initial recognition and the ECL as at 31 December 2025 were considered insignificant. No fee was charged to those related parties during the current year. Save as disclosed above, as at 31 December 2025, the Company had not provided any financial assistance and guarantees to affiliated companies which is subject to disclosure requirement under Rule 13.22 of the Listing Rules.

Management Discussion and Analysis

Advance to an entity provided by the Company

As at 31 December 2025, the Company had not provided any advance to an entity which is subject to disclosure requirement under Rule 13.20 of the Listing Rules.

Events After the Reporting Period

Please refer to note 48 to the consolidated financial statements for details.

Risk Factors and Risk Management

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

1. Risk of market-based electricity price determination

With the accelerating reform of national renewable power pricing system, this allow market forces to determine renewable power pricing and would establish a pricing and settlement mechanism that supports the long-term sustainability. The Company's solar power plants operation and management service business will face the risk of market-based bidding transaction leading to a decrease in prices. The Company will conduct in-depth study on the business rules of market-based electricity trading, understand and master the relevant operating procedures, and increase the Company's volume of solar power plants operation and management service by actively participating in market-based trading, striving to maximise the interests of the Company.

2. Policy risk associated with tariff

Power tariff is one of the key earning drivers for the Group. The Group's results of operation could be affected by tariff and government subsidies for renewable energy. To minimise this risk, the Group's operation team pays close attention to changes of local and national energy policies, and will continue to implement related cost control measures in order to reduce the related risk exposure.

3. Risk of unpredictability of LNG and related product prices

Prices for natural gas, crude oil, and related products may fluctuate widely in response to relative changes in the supply and demand for such commodities. There are certain factors including macroeconomic conditions, oil policies of OPEC and other major oil-producing countries, geopolitics, etc which cast uncertainty over natural gas market. The predictability of oil and gas prices may impact the Group's business, cash flows and profits. The prolonged slump in oil and gas prices may also impact our long-term business strategies. The Group will perform overall management of related risks and respond to them at different levels, and strive to identify, prevent, handle and report them in a timely manner in order to mitigate the related risk, and will also implement cost control measures to reduce such risk exposure.

4. Risk of increasing difficulty for LNG trading market expansion

The Group face direct competition from major upstream competitors as the major upstream gas source suppliers continue to expand into downstream business, which increased the difficulty for the Group to penetrate into the market in the future. The Group will firmly adhere to the market-oriented philosophy, further optimise its resource mix, formulate sales strategies, continue to broaden market reach, and make full use of its resource and any potential synergy advantages to ensure the continual growth of gas trading volume.

5. Risk related to interest rate

Interest rate risk may result from fluctuations in bank loan rates. Any interest rate changes will have an impact on the Company's future capital expenditure and finance expenses, which in turn affect our operating results. Transformation into asset-light model is an effective way to reduce debts and interest rate exposure.

6. Foreign currency risk

As most of our business are located in the PRC, substantial of our revenues, capital expenditures, assets and liabilities are denominated in RMB. The Company uses US dollars to inject into US projects in the form of equity. As the Company has not purchased any foreign currency derivatives or related hedging instruments for hedging purpose, any changes in the exchange rate of foreign currency to RMB will have an impact on the Company's operating results.

7. Risk related to disputes with joint venture partners

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

Employee and Remuneration Policies

We consider our employees to be our most important resource. As at 31 December 2025, the Group had 1,054 employees (2024: 1,075 employees) in the PRC and overseas following the expansion of operation and management of solar power plants business. Employees are remunerated with reference to individual performance, working experience, qualification and the prevailing industry practice. Apart from basic remuneration and the statutory retirement benefit scheme, employee benefits include discretionary bonuses, with share options granted to eligible employees. Total staff costs (including Directors' emoluments, retirement benefits schemes contributions and share option expenses) for the year ended 31 December 2025 was approximately RMB248.9 million (2024: RMB223 million).

Management Discussion and Analysis

INCREASE IN AUTHORISED SHARE CAPITAL

On 22 May 2025, an ordinary resolution was passed at the Company's annual general meeting to approve the increase in authorised share capital of the Company from HK\$150,000,000 divided into 1,800,000,000 shares of par value one-twelfth (1/12) of a Hong Kong dollar (or HK\$0.083) each to HK\$250,000,000 divided into 3,000,000,000 shares of par value one-twelfth (1/12) of a Hong Kong dollar (or HK\$0.083) each, by creating an additional 1,200,000,000 shares of par value one-twelfth (1/12) of a Hong Kong dollar (or HK\$0.083) each. Please refer to the announcement dated 26 March 2025 and the circular dated 29 April 2025 of the Company for details.

As at the date of this annual report, the biographies of our Directors are as follows:

Executive Directors



ZHU Gongshan
(Chairman)

Aged 68, an executive Director appointed on 9 September 2022. Mr. Zhu is also the Chairman of the Board and chairman of the Nomination Committee and the Risk Assessment Committee of the Company and a director of several subsidiaries of the Company. He is the chairman of Golden Concord Group Limited (PRC). He is also the founder, an executive director, the chairman and a joint chief executive officer of GCL Technology. Mr. Zhu is also a director of GCL System Integration and a director of GCL Energy Technology. Mr. Zhu was an executive Director of the Company from April 2014 to May 2016 and the honorary chairman of the Board of the Company from May 2014 to May 2016. Mr. Zhu Gongshan is the father of Mr. Zhu Yufeng.

Mr. Zhu 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 CPPCC, the vice chairman of the 11th Jiangsu Federation of Industry and Commerce (江蘇省工商聯), the chairman of Global Green Energy Industry Council (全球綠色能源理事會), the chairman of Asian Photovoltaic Industry Association (亞洲光伏產業協會), a deputy director of the Green and Low Carbon Development Promotion Committee of China Enterprise Confederation (中國企業聯合會企業綠色低碳發展推進委員會), an executive vice president of the Electric Vehicle and Energy Storage Branch of China Electricity Council (中國電力企業聯合會電動交通與儲能分會). Mr. Zhu concurrently serves as the chairman of the Global Energy Storage and Battery Council (全球儲能與電池理事會), chairman of the China New Energy Overseas Development Alliance (中國新能源海外發展聯盟), vice chairman of the China Energy Research Society (中國能源研究會), and the executive chairman of the ICC China Environment and Energy Commission (國際商會中國國家委員會環境與能源委員會), the vice chairman of China Federation of Overseas Chinese Entrepreneurs (中國僑商聯合會), the vice chairman of China Fortune Foundation Limited (中國富強基金會), the vice chairman of China Industrial Overseas Development & Planning Association (中國產業海外發展和規劃協會), the honorary chairman of Jiangsu Residents Association in Hong Kong (江蘇旅港同鄉聯合會), the honorary chairman of the Federation of HK Jiangsu Community Organisations (香港江蘇社團總會), the honorary chairman of Suzhou Federation of Industry and Commerce (蘇州市工商聯), the chairman of SNEC Hydrogen Energy Industry Alliance Council (SNEC氫能產業聯盟理事會) and the honorary chairman of the Nanjing University Board of Trustees, etc. Mr. Zhu has been given the "New China 70th New Energy Industry 10 Outstanding Contributors (新中國70周年新能源產業十大傑出貢獻人物)" award, the honours of "Chinese Enterprise Reform of 40 Years Reform and Opening Medal (改革開放四十年中國企業改革獎章)", the "Figure of Energy Revolution of 40 Years Reform and Opening (改革開放四十年能源變革風雲人物)", the "Leading Energy Entrepreneur of 40 Years Reform and Opening (改革開放四十年能源領袖企業家)" and the "25 Most Influential Entrepreneurs (最具影響力的25位企業家)", etc. Mr. Zhu graduated from Nanjing Electric Power College (南京電力專科學校) and obtained a diploma in electrical automation.

Our Directors



ZHU Yufeng
(Vice Chairman)

Aged 44, an executive Director appointed on 11 December 2015. Mr. Zhu is also the Vice Chairman of the Board, the chairman of the Corporate Governance Committee, a member of the Remuneration Committee and the Risk Assessment Committee of the Company and a director of several subsidiaries of the Company. He acted as the Chairman and chairman of the Nomination Committee from December 2015 to September 2022 and the President from December 2020 to September 2022. He also acted as a non-executive Director and the Vice Chairman of the Company from February 2015 to December 2015. Mr. Zhu Yufeng is the son of Mr. Zhu Gongshan.

Mr. Zhu currently serves as an executive director and the vice chairman of GCL Technology, the chairman of GCL Energy Technology and the chairman of GCL System Integration, the vice chairman and president of Golden Concord Group Limited (PRC), the vice chairman of China Electricity Council (中國電力企業聯合會), the vice president of China Electric Power Construction Association (中國電力建設企業協會), the vice president of General Chamber of Commerce of Jiangsu Province (江蘇省總商會), the president of Jiangsu Youth Chamber of Commerce (江蘇省青年商會), the founding president of Suzhou Chamber of Commerce in Hong Kong (香港蘇州商會), vice chairman of the 14th and 15th committees of Suzhou Federation of Industry and Commerce (蘇州市工商聯), and a member of the 14th and 15th committees of CPPCC in Suzhou City. In addition, Mr. Zhu was honored with the “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)”, “Outstanding Entrepreneurs of 2023–2024” as selected by the China Enterprise Confederation and the China Entrepreneurs Association (中國企業聯合會、中國企業家協會2023-2024年度優秀企業家) and “Outstanding Builders of the Cause of Socialism with Chinese Characteristics among Non-Public Sector Entrepreneurs in Jiangsu Province for the Eight Session (第八屆江蘇省非公有制經濟人士優秀中國特色社會主義事業建設者)” etc. Mr. Zhu graduated from George Brown College (Business Administration Faculty).



Aged 43, an executive Director appointed on 2 November 2025. Mr. Huang is also the President, a member of each of the Nomination Committee, the Corporate Governance Committee and the Risk Assessment Committee of the Company and a director of certain subsidiaries of the Company. Mr. Huang is currently the vice president of GCL Group Limited (協鑫集團有限公司), the vice president of GCL Technology, the general manager of GCL Technology's capital operations center (Hong Kong) (資本運營中心 (香港)). He served as the vice president of POLYGCL Petroleum Group Holdings Limited (保利協鑫天然氣集團控股有限公司).

Mr. Huang obtained a master's degree in actuarial science from the Hong Kong Polytechnic University in 2007 and a bachelor's degree in mathematics from Nanjing University in 2005.

Our Directors

Non-Executive Directors



Aged 54, a non-executive Director appointed on 9 May 2014. Ms. Sun is currently an executive director and a vice chairman of GCL Technology, a director of GCL System Integration, the vice chairman of Golden Concord Group Limited (PRC) and the joint president of China Hong Kong Economic Trading International Association. She was an executive director of GCL Technology for the periods from November 2006 to July 2007 and from October 2007 to January 2015, and served as the honorary chairlady of Finance and Strategy Function of GCL Technology. Ms. Sun was a director of GCL Energy Technology from February 2021 to February 2023. Ms. Sun has over 25 years of experience in the Group's investment and management, corporate finance, financial strategy and management experience. Ms. Sun obtained a degree of Doctor of Philosophy in Business Administration in 2005.



Aged 58, a non-executive Director appointed on 18 September 2015. He is currently an executive director, the chief financial officer, the company secretary of GCL Technology, and an independent non-executive director of ZXZN Qi-House Holdings Limited (HKEX stock code: 8395). He is also the vice president of Golden Concord. Mr. Yeung previously served as a partner of Deloitte Touche Tohmatsu. When Mr. Yeung left Deloitte Touche Tohmatsu in March 2014, he served as the Head of Corporate Finance Advisory Services for Southern China. He was a part-time member of the Central Policy Unit of the Government of Hong Kong Special Administrative Region. Mr. Yeung has a Bachelor of Business Administrative degree with major in accounting and he is also a member of The Hong Kong Institute of Certified Public Accountants and CPA Australia, and is also a Certified ESG Planner (CEP®) with over 30 years of experience in accounting, auditing, financial management and risk control.



Aged 46, a non-executive Director appointed on 1 March 2021. Mr. Fang has served as the deputy general manager and chief financial officer of GCL System Integration since February 2021. Furthermore, Mr. Fang has served as the general manager of the finance department of GCL System Integration since 2015. Mr. Fang has served as general manager of the finance department of certain subsidiaries of GCL System Integration and GCL Technology. Prior to joining GCL Technology and GCL System Integration, Mr. Fang worked at Ernst & Young. Mr. Fang graduated from Nanjing Audit University (南京審計大學) (previously known as Nanjing Audit College (南京審計學院)) and obtained a bachelor's degree in audit, and later obtained an EMBA master's degree from the China Europe International Business School (中歐國際工商學院). Mr. Fang has intensive knowledge and experience in financial management.

Independent Non-Executive Directors



NIE Wenhua

Aged 47, an independent non-executive Director appointed on 2 November 2025. Mr. Nie is also the lead independent non-executive Director, chairman of each of the Audit Committee and the Remuneration Committee, a member of each of the Nomination Committee and the Corporate Governance Committee of the Company. Mr. Nie has served as a partner and executive deputy general manager of the Jiangsu branch of Zhonghua Certified Public Accountants since November 2023. Mr. Nie is a senior certified public accountant of the fourth batch of the Chinese Institute of Certified Public Accountants, a member of the CPPCC of Xuanwu District in Nanjing, a member of the Economic Committee of the Jiusan Society in Nanjing, a PRC certified public accountant, a PRC certified asset appraiser, a PRC certified tax agent, a PRC certified real estate valuer, and a PRC certified land valuer. He is a part-time instructor at the MBA Center of Nanjing University, a part-time professor at Nanjing Audit University, a part-time instructor at Nanjing University of Finance & Economics, and a part-time instructor at the College of Finance of Nanjing Agricultural University. With many years of experience in accounting firms, he has been responsible for auditing, appraisal, restructuring, and financing projects for multiple companies. He served as an independent director of Wuxi RL Precision Machinery Co., Ltd. (無錫瑞爾精密機械股份有限公司) from 2010 to 2015, an independent director for Zhejiang Hengda New Material Co., Ltd. (浙江恆達新材料股份有限公司) (a company whose shares are listed on the Shenzhen Stock Exchange (Stock Code: 301469)) from November 2016 to December 2019, and an independent director for Dahan Network Technology Co., Ltd (大漢軟件股份有限公司) from 2019 to date June 2025, and has been an independent director of Jiangsu Asia Electronics Technology Co., Ltd. (江蘇亞電科技股份有限公司) since 2024.

Mr. Nie obtained an EMBA degree from Fudan University and a MBA degree from Nanjing University and a Bachelor of Accounting degree from Nanjing University of Finance & Economics.

Our Directors



Aged 45, an independent non-executive Director appointed on 2 November 2025. Mr. Hu is also a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. Mr. Hu is the brand manager and a co-founder of Long Bridge with over 15 years of cross-disciplinary experience covering industrial design, the Internet of Things (IoT), financial technology (FinTech), and digital assets. He has a proven track record in scaling startup operations, driving user growth, and creating award-winning products. He excels at integrating technology, design, and business strategy, launching industry-leading innovative solutions in the Asia-Pacific and global markets. Since 2019, Mr. Hu is the co-founder, director and chief operating officer of Long Bridge HK Limited. He served as the product director for IoT at Alibaba from 2014 to 2017. He was responsible for reference design solutions at Intel's Asia-Pacific R&D Center from 2010 to 2013 and worked as a senior product designer at Alcatel Mobile from 2009 to 2010. Mr. Hu was a senior product designer at ASUS's design center from 2007 to 2009.

Mr. Hu obtained a master's degree in industrial design (design commercialization) from East China University of Science and Technology in 2007.



Aged 49, an independent non-executive Director appointed on 2 November 2025. Ms. Zhao is also a member of each of the Audit Committee, the Nomination Committee and the Corporate Governance Committee of the Company. Ms. Zhao is admitted to practice law in China and New York State, USA. Ms. Zhao possesses a bachelor's degree in law and a master's degree in law from Fudan University, a master's degree in law from the University of Pennsylvania of USA and an MBA from PBC School of Finance of Tsinghua University, and is currently a PhD candidate in business administration at the Hong Kong University of Science and Technology. She served as a tutor for the master of finance programme at the School of Economics, Huazhong University of Science and Technology, and as a practitioner tutor at Xi'an Jiaotong-Liverpool University.

Ms. Zhao serves as a director of Infinity Group, a managing partner of PV Capital Management, and an executive director of Atta Group. She possesses extensive experience in fund raising management and private equity investment, having collaborated with multiple local governments and industrial partners in China to establish several RMB funds. She spearheaded the creation of China's first batch of Qualified Foreign Limited Partnership (QFLP) funds and led investments and exits across numerous projects in sectors including new energy and artificial intelligence. From July 2020 to February 2022, she served as an independent director of a listed company Shanghai DZH Ltd, a company whose shares are listed on the Shanghai Stock Exchange (Stock Code: 601519). She currently holds social positions including investment decision committee member of the China-Israel Angel Fund (中以天使基金) in Shanghai's Putuo District and expert committee member of the Industrial Guidance Fund in Shanghai's Jing'an District.

Corporate Governance Report

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

Compliance with Corporate Governance Code

Throughout the Reporting Period, the Company complied with the code provisions set out in the CG Code.

The Board

Board Composition

The Board currently consists of nine members of which three are independent non-executive Directors, bringing in a sufficient independent voice and enhancing independent judgment. At least one of the independent non-executive Directors has appropriate professional qualifications or accounting or related financial management expertise throughout the Reporting Period. The other members of the Board comprise three executive Directors and three non-executive Directors.

The Directors during the Reporting Period and up to the date of this report (unless otherwise stated) were:

Executive Directors	Non-executive Directors	Independent Non-executive Directors
Mr. ZHU Gongshan (<i>Chairman</i>)	Ms. SUN Wei	Mr. LEE Conway Kong Wai
Mr. ZHU Yufeng (<i>Vice Chairman</i>)	Mr. YEUNG Man Chung, Charles	(resigned on 2 November 2025)
Mr. WANG Dong (<i>President</i>) (resigned on 2 November 2025)	Mr. FANG Jiancai	Mr. WANG Yanguo (resigned on 2 November 2025)
Mr. HUANG Wei (<i>President</i>) (appointed on 2 November 2025)		Dr. CHEN Ying (resigned on 2 November 2025)
Mr. GU Zengcai (resigned on 2 November 2025)		Mr. CAI Xianhe (resigned on 2 November 2025)
		Mr. NIE Wenhua (appointed on 2 November 2025)
		Mr. HU Guowen (appointed on 2 November 2025)
		Ms. ZHAO Limei (appointed on 2 November 2025)

The Board's composition reflects an appropriate balance of skills, experience and diversity of perspectives among its members that are relevant to the Group's strategy, governance and business and contribute to the Board's effectiveness. In addition, two of the Board members are female directors, improving the gender diversity in the boardroom.

In compliance with Rule 3.09D of the Listing Rules, each of Mr. Huang Wei, Mr. Nie Wenhua, Mr. Hu Guowen and Ms. Zhao Limei has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 31 October 2025, and has confirmed that he/she understood his/her obligations as Director.

The names and biographical details of the Directors are set out in "Our Directors" of this annual report and available on the website of the Company. A list of all the Directors identifying their roles, functions and titles is available on the websites of the Company and the Stock Exchange.

Role and Responsibilities

The overall management of the Company's business is vested in the Board, which assumes the responsibility for leadership and control of the Company and the Directors are collectively responsible for promoting the long term success of the Group by directing and supervising the Company's affairs and overseeing the achievement of strategic plans to enhance shareholders' value. The Directors are aware of their duties to act in good faith and expected to make decisions objectively in the best interests of the Company.

Generally, the Board is responsible for all major aspects of the affairs of the Company, including:

- formulating long and short term strategies and reviewing of its financial performance, results and the effectiveness of the risk management and internal control systems;
- approving and authorising material transactions, including acquisition, investment, disposal of assets or setting dividend policies and capital expenditure;
- performing corporate governance functions in accordance with the CG Code, including formulating corporate governance policies, and reviewing and monitoring the corporate governance practices of the Group; and
- communicating with key stakeholders, including Shareholders and regulatory bodies.

The Board is responsible for maintaining proper accounting records so as to enable the Directors to monitor and disclose with reasonable accuracy the financial position of the Group. The Board updates the Shareholders on the operations and financial position of the Group through interim and annual results announcements as well as the publication of timely reports and announcements or other matters as prescribed by the relevant laws, rules and regulations.

During the Reporting Period, the Board has regularly reviewed the contributions from the Directors and confirmed that they have devoted sufficient time performing their responsibilities.

The non-executive Directors advise the Company on strategic and critical matters. The Board considers that each non-executive Director brings his/her own senior level of experience and expertise to the constructive functioning of the Board. To this end, regular informal meetings are held between the executive Directors and non-executive Directors, to evaluate the functioning of the Board.

Chairman and President

The distinct and separate roles and responsibilities of the Chairman and President are acknowledged with a clear and well established division of responsibilities to ensure a balance of power and authority, and reinforce their independence and accountability.

The Chairman is primarily responsible for providing leaderships to the Board; monitoring effective implementation of the Company's strategies, good corporate governance practices and established procedures; ensuring value creation and maximisation to the Shareholders; and drawing up and approving the agenda for each Board meeting, and taking into account, where appropriate, any matters proposed by the other Directors for inclusion in the agenda. The President is responsible for the day-to-day operations of the Group and to achieve performance targets.

Corporate Governance Report

Appointment, Re-election and Removal of the Directors

Each of the Directors has been appointed for a specific term of not more than 3 years, subject to the provisions on Directors' retirement as set out in the Bye-laws. All Directors appointed by the Board to fill a casual vacancy on or as an addition to the Board shall hold office only until the next annual general meeting of the Company, and every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every 3 years.

In accordance with article 84 of the Bye-laws, at each annual general meeting one-third of the Directors shall retire from office and shall be eligible for re-election. Accordingly, each of Mr. Zhu Gongshan, Mr. Yeung Man Chung, Charles and Mr. Fang Jiancai shall retire by rotation at the AGM and, being eligible, will offer themselves for re-election at the AGM.

Reference is made to the announcement of the Company dated 2 November 2025 regarding the appointment of Mr. Huang Wei, Mr. Nie Wenhua, Mr. Hu Guowen and Ms. Zhao Limei as Directors of the Company. Pursuant to article 83(2) of the Bye-laws and paragraph 4(2) of Appendix A1 of the Listing Rules, each of Mr. Huang Wei, Mr. Nie Wenhua, Mr. Hu Guowen and Ms. Zhao Limei shall hold office only until the following annual general meeting of the Company after his/her appointment and be subject to re-election at the AGM.

Confirmation of Independency

Each independent non-executive Director has made a written annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors meet the independence guidelines as set out in Rule 3.13 of the Listing Rules, and considers all of its independent non-executive Directors to be independent of the management and free of any relationship that could materially interfere with the exercise of their judgment.

Compliance with Model Code

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules as its own model code of conduct regarding securities transactions by the Directors. Having made specific enquiry by the Company, apart from the below, all Directors have confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the year ended 31 December 2025.

Pursuant to the announcement published by the Company on 28 July 2025 (the "2025 July Announcement"), Mr. Zhu Gongshan ("Mr. Zhu"), an executive Director and the chairman of the Board, informed the Company that the aggregate number of voting shares in the Company in which he is interested through Asia Pacific Energy Fund Limited is 552,773,629 shares (inclusive of 141,600,000 shares that may be issued to Golden Concord Group Limited, an indirect wholly-owned subsidiary of Asia Pacific Energy Fund Limited, upon full conversion of the convertible bonds subject to the terms and conditions of such convertible bonds, which provide, among other things, a conversion must not trigger a change of control of the Company or a mandatory offer obligation under Rule 26 of the Code on Takeovers and Mergers, as detailed in the Company's announcements dated 9 January 2025 and 21 March 2025).

The Company understands that Mr. Zhu has retained a legal adviser and Mr. Zhu and Mr. Zhu Yufeng, being an executive Director of the Company and Mr. Zhu's son, have been taking appropriate actions to ensure compliance with the disclosure of interest filing requirements under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") as detailed below.

It has come to the Company's attention that, following the 2025 July Announcement, Mr. Zhu and other relevant parties, filed the disclosure of interests forms under Part XV of the SFO. The Company has accordingly published announcement on 17 September 2025 and further announcement ("Further Announcement") on 30 September 2025 in order to update shareholders and potential investors and to reflect all necessary changes to the Company's previous disclosures in its previous interim report, annual report, announcements and circular published. For details, please refer to the announcement of the Company dated 17 September 2025 and Further Announcement.

The Board takes corporate governance seriously and has put in place a number of steps and measures to ensure that each Director is well informed and aware of their duties and obligations under the Model Code and the SFO.

To prevent recurrence and to further strengthen the Company's corporate governance framework regarding Directors' dealings in the Company's securities and compliance with disclosure of interest filing requirements under the SFO, the Company has taken the following actions:

- (a) the Company has established enhanced notification and internal monitoring procedures (the "Procedures") to support Directors in fulfilling their disclosure obligations under the SFO. The internal code governing dealings in securities by Directors and senior management will be circulated to ensure clear understanding and adherence to the new Procedures;
- (b) the Company's management has discussed the incident with the Directors to reinforce their awareness and understanding of the requirements under the Model Code and the SFO; and
- (c) the Company has, on the recommendation of its legal advisors, arranged for its legal advisors to highlight the provisions in the Model Code and disclosure of interest filing requirements under the SFO in the director training conducted by the Company's legal advisors for the Directors.

Risk Management and Internal Controls

The Board has an overall responsibility to maintain sound and effective risk management and internal control systems (the "Systems"), including financial, operational and compliance controls, for the Group and to review their effectiveness to safeguard the Group's assets, to protect Shareholders' values, and to identify and manage the risks so that they can be understood, reduced, mitigated, transferred or avoided to achieve business objectives. The Systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board has delegated to the management the design, implementation and monitoring of the Systems on an on-going basis. The Board has also entrusted the Audit Committee with the responsibility to review the Systems. The Corporate Governance Committee has been delegated with responsibilities by the Board to oversee the Group's overall risk management framework, including the risk governance structure and risk management process, and to advise the Board on the risk and corporate governance related matters of the Group. The Corporate Governance Committee is also responsible for approving the Group's risk and corporate governance policies and assessing the effectiveness of the Group's risk controls/mitigation tools. The Corporate Governance Committee held a meeting during the Reporting Period to review the Company's policies and practices on risk management, internal control systems and corporate governance for the year of 2024 and its plan.

Corporate Governance Report

With the assistance of the Audit Committee and the Corporate Governance Committee, the Board has conducted reviews of the effectiveness of the Systems and performed necessary and appropriate actions to maintain the Systems for the interests of the Shareholders. The Board's review has considered the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, financial reporting functions, as well as those relating to the Company's ESG performance and reporting.

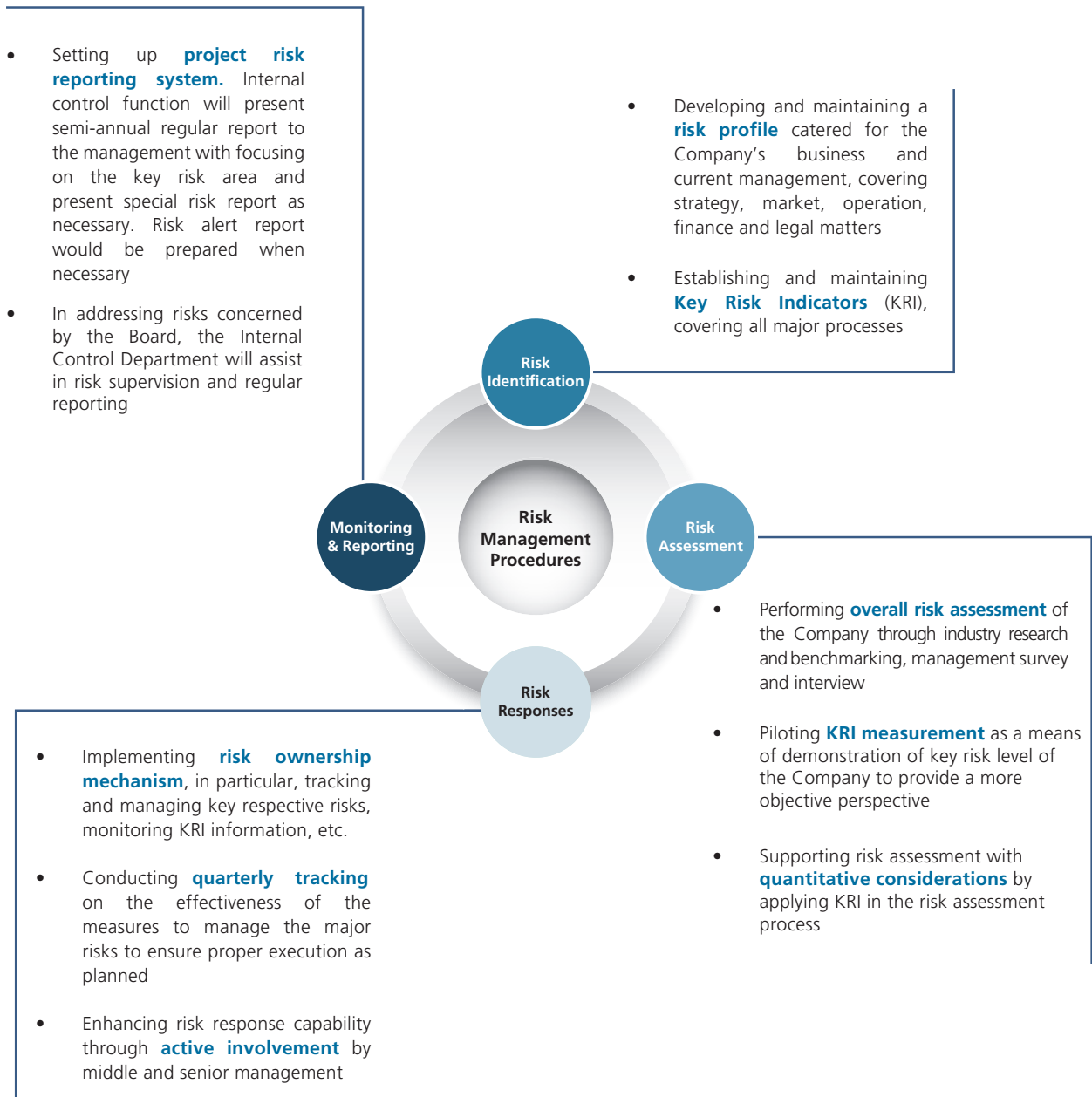


During the Reporting Period, the Group persistently dedicated efforts in enhancing the maturity of the corporate governance infrastructure across various business units and functions. In particular, a group-wide exercise has been launched to rationalise the existing policies and procedures so as to further emphasise the internal control objectives associated with key business processes and mitigate and control unnecessary divergences among different business units. During the Reporting Period, the Internal Control Department has carried out procedures for the review of the compliance with the relevant corporate governance requirements as well as the effectiveness of risk management of the Group. The Group has conducted ongoing reviews during the Reporting Period to identify deficiencies in operations and opportunities. All major findings were communicated to senior management of the respective business units to enforce the remediation.

In view of risk management, the Group has revisited the methodology and approach to further improve the relevancy and effectiveness of the existing risk management process to identify, evaluate, manage and communicate significant risks (including ESG risks). The changes in the nature and extent of significant risks (including ESG risks) and the Group's capabilities and strategies to respond to these changes were better captured and articulated within the organisation.

Risk Management Procedures

Together with the utilisation of IT system tools and regular internal control reviews by management, all these paved the way of enabling ongoing monitoring and overseeing of internal control effectiveness of the Group.



The Internal Control Function is independent of the daily operations of the Group. The person in charge of the Internal Control Function has reported directly to the Corporate Governance Committee. All other Directors are informed of the findings of these internal audit plans and assignments from the report by the chairman of the Corporate Governance Committee. The Internal Control Function is closely involved in the assessment of the quality of risk management of the Group. During the Reporting Period, the Internal Control Function reviewed the effectiveness of the Systems.

Corporate Governance Report

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

Accountability and Audit

The Board acknowledges its responsibility to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group. The interim and annual reports published within 2025 were published within the time limits as required under the Listing Rules after the end of the relevant periods to provide stakeholders with transparent and timely financial information.

The Board also acknowledges its responsibility to present a balanced, clear and understandable assessment in the Company's annual and interim reports, other inside information announcements and other financial disclosures required under the Listing Rules, and reports to the regulators as well as to information required to be disclosed pursuant to statutory requirements. The financial statements, which should be read in conjunction with the independent auditor's report, are made with a view to distinguishing for Shareholders the responsibilities of the Directors from those of the auditor in relation to the financial statements.

Inside Information

The management are encouraged to report any incidence or information they believe as inside information when performing their duties to the executive Directors or the Company Secretary. If the executive Directors or the Company Secretary recognizes that the information constitutes inside information, the executive Directors or the Company Secretary will report to the Board and recommend timely disclosure of such information pursuant to the relevant provisions under the SFO and the Listing Rules.

Measures to further enhance corporate governance practices

The Group has attached importance to the promotion of anti-corruption and integrity promotion system. Anti-fraud management structure is established through internal business ethics guidelines such as the Anti-Corruption Regulations (反腐敗條例), the Anti-Fraud and Whistleblowing Management Standards (反舞弊與舉報管理標準) and Ten Prohibitions at GCL (協鑫十戒), which sets out the code of conduct for employees when performing their duty in the course of business operations.

Whistle-blowing policy and procedures are also in place to allow direct reporting to the Audit Committee. The Audit Committee is responsible for reviewing the relevant policy and system regularly.

As regards corporate culture, the employee handbook of the Company and GCL Basic Law (協鑫基本法) of the Group have strengthened strategic management and promoted the Company's purpose, values and strategy which satisfies itself that these and the Company's culture are aligned.

Further details are set out in the Company's 2025 ESG Report.

The Board Committees

(1) Remuneration Committee

The Remuneration Committee was established on 15 September 2005 to oversee the remuneration policy and structure for all Directors and senior management of the Company. The Remuneration Committee currently comprises two independent non-executive Directors and one executive Director, namely, Mr. Nie Wenhua (appointed as an independent non-executive Director and the chairman of the Remuneration Committee on 2 November 2025), Mr. Zhu Yufeng and Mr. Hu Guowen (appointed as an independent non-executive Director and a member of the Remuneration Committee on 2 November 2025). Ms. Sun Wei ceased to act as a member of Remuneration Committee on 2 November 2025. Mr. Lee Conway Kong Wai, Mr. Wang Yanguo and Dr. Chen Ying resigned as independent non-executive Directors and the chairman or members of the Remuneration Committee on 2 November 2025. The Company Secretary acts as the secretary to the Remuneration Committee.

Provided with sufficient resources by the Company to discharge its duties, the roles and functions of the Remuneration Committee are:

- to make recommendations to the Board on the policy and structure for the remuneration of all Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy
- to review and approve the remuneration proposals of the President and senior management with reference to the goals and objectives of the Company
- to determine and approve, with delegated responsibility, the performance-based remuneration packages (included benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment) of executive Directors and senior management with reference to the corporate goals and objectives
- to make recommendations to the Board on the remuneration of non-executive Directors
- to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules

The Remuneration Committee held 2 meetings during the Reporting Period. To minimise any conflict of interest, any member who is interested in any given proposed motion is required to abstain from voting on such motion. No individual Director is involved in deciding his or her own remuneration. No disagreement on the remuneration or compensation arrangement resolved by the Board during the Reporting Period.

Corporate Governance Report

In considering the level of remuneration payable to the executive Directors and recommending remuneration of non-executive Directors, the Remuneration Committee have referred to the incentive policies of the Company to link rewards to the corporate and individual performance, the Guide for Remunerating Independent Non-executive Directors issued by The Hong Kong Institute of Directors, the CG Code and the associated Listing Rules.

Principal works performed by the Remuneration Committee during the Reporting Period included:

- to review the level of Directors' fees and make recommendations to the Board on the Directors' fees for the year of 2025
- to review and recommend on the remuneration packages of all executive Directors for the year of 2025 and bonus payment for the year of 2024
- to review and recommend on the remuneration of Mr. Huang Wei, Mr. Nie Wenhua, Mr. Hu Guowen and Ms. Zhao Limei, who were appointed as Directors with effective from 2 November 2025

The remuneration of the executive Directors, who are regarded as senior management of the Company, are set out in note 12 to the consolidated financial statements in this annual report.

The Company has adopted the 2024 Share Option Scheme. The purpose of the 2024 Share Option Scheme is to enable the Board, at its discretion, to grant share options to selected eligible participants to motivate them and to optimise their performance and efficiency for the benefit of the Group.

The terms of reference setting out the Remuneration Committee's authority and its duties are available on the websites of the Company and the Stock Exchange.

(2) Nomination Committee

The Nomination Committee was established on 9 May 2014 to review the structure, size and composition (including but not limited to the gender, skills, knowledge and experience) of the Board and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy.

The Nomination Committee currently comprises two executive Directors and three independent non-executive Directors, namely, Mr. Zhu Gongshan (the chairman of the Nomination Committee), Mr. Huang Wei (appointed as an executive Director and a member of the Nomination Committee on 2 November 2025), Mr. Nie Wenhua, Mr. Hu Guowen and Ms. Zhao Limei (appointed as independent non-executive Directors and members of the Nomination Committee on 2 November 2025). Mr. Wang Yanguo and Dr. Chen Ying resigned as independent non-executive Directors and members of the Nomination Committee on 2 November 2025. The Company Secretary acts as the secretary to the Nomination Committee.

The roles and functions of the Nomination Committee include to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; review the nomination policy and the progress on achieving the objectives set for implementing the policy and make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman of the Board and the President.

The Nomination Committee held 2 meetings during the Reporting Period.

Principal works performed by the Nomination Committee during the Reporting Period included:

- to review the diversity, structure, size and composition of the Board
- to assess the independence of the independent non-executive Directors
- to make recommendations to the Board on the proposed re-election of the retiring Directors at the 2025 annual general meeting
- to review and recommend on the appointment of Mr. Huang Wei, Mr. Nie Wenhua, Mr. Hu Guowen and Ms. Zhao Limei as Directors with effective from 2 November 2025.

The terms of reference setting out the Nomination Committee's authority and its duties are available on the websites of the Company and the Stock Exchange.

Gender diversity

The Board currently comprises nine members of which two are female, thereby demonstrating the Company's commitment to gender diversity. More details on the employees' gender ratios of the Group are set out in the 2025 ESG Report of the Company. In line with the commitment and principles of the gender diversity of the Board, the Company targets to avoid a single gender senior workforce and will review the gender diversity of the senior workforce on a timely basis in accordance with the business development of the Group.

Board Diversity policy

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. 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. All Board appointments will be based on meritocracy, and candidates will be considered against appropriate criteria, having due regard for the benefits of diversity on the Board. The policy adopted aims to set out the approach to achieve diversity on the Board. A summary of the policy is set out below:

Corporate Governance Report

Measurable Objectives

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, 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. The Board's composition (including gender, ethnicity, age, length of service) will be disclosed in the "Corporate Governance Report" of the annual report annually.

Monitoring and Reporting

The Nomination Committee will report annually, in the "Corporate Governance Report" of the annual report, on the Board's composition under diversified perspectives, and monitor the implementation of this policy.

Review of this policy

The Nomination Committee will review this policy, as appropriate, 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.

Disclosure of this policy

A summary of this policy together with the measurable objectives set for implementing this policy, and the progress made towards achieving those objectives will be disclosed annually in the "Corporate Governance Report" of the annual report.

(3) Audit Committee

The Audit Committee was set up on 1 April 1999, which comprises three independent non-executive Directors, namely, Mr. Nie Wenhua (appointed as an independent non-executive Director and the chairman of the Audit Committee on 2 November 2025), Mr. Hu Guowen and Ms. Zhao Limei (appointed as an independent non-executive Directors and members of the Audit Committee on 2 November 2025). Mr. Lee Conway Kong Wai, Dr. Chen Ying and Mr. Cai Xianhe resigned as independent non-executive Directors and the chairman or members of Audit Committee on 2 November 2025. The Company Secretary acts as the secretary to the Audit Committee.

The Audit Committee performs, amongst others, the following roles and functions:

- ensure that co-operation is given by the Company's management to the external auditor where applicable
- review the Group's interim and annual results announcements and reports and the financial statements prior to their recommendations to the Board for approval

- review the effectiveness of Group's financial reporting process, risk management and internal control systems
- review continuing connected transaction(s) of the Group
- consider and endorse the proposed amendments to the Company's policy on connected transactions, with a recommendation to the Board for approval
- consider and approve the Company's policy on engaging external auditor to supply non-audit services and the whistle-blowing policy of the Company

The Audit Committee held three meetings during the Reporting Period.

Principal works performed by the Audit Committee during the Reporting Period included:

- to approve the scope of audit for the year ended 31 December 2025
- to review the annual financial statements for the year ended 31 December 2024 and the interim financial statements for the six months ended 30 June 2025
- to review the work performed by Internal Control Function and the Group's internal control system
- to review the report on continuing connected transactions of the Group for the financial year ended 31 December 2024

Auditor's Remuneration

The remuneration, reviewed and approved by the Audit Committee on its statutory audit scope and non-audit services, paid or payable to the auditor in respect of audit and non-audit services provided by Crowe (HK) CPA Limited for the 2025 financial year was as follows:

Nature of services	2025 RMB'000	2024 RMB'000
Audit services	1,500	1,550
Non-audit services		
– Interim review	700	650
– Services related to major and connected transactions in relation to the acquisition	–	830

The terms of reference setting out the Audit Committee's authority and its duties are available on the websites of the Company and the Stock Exchange.

Corporate Governance Report

(4) Corporate Governance Committee

The Corporate Governance Committee was set up on 27 April 2016 to oversee risk management and corporate governance functions of the Company. The Corporate Governance currently comprises two executive Directors, and two independent non-executive Directors, namely, Mr. Zhu Yufeng (the chairman of the Corporate Governance Committee), Mr. Huang Wei (appointed as an executive Director and a member of the Corporate Governance Committee on 2 November 2025), Mr. Nie Wenhua and Ms. Zhao Limei (appointed as independent non-executive Directors and members of the Corporate Governance Committee on 2 November 2025). Mr. Yeung Man Chung, Charles ceased to act as a member of Corporate Governance Committee on 2 November 2025. Mr. Wang Dong and Mr. Gu Zengcai resigned as executive Directors and members of Corporate Governance Committee on 2 November 2025. Mr. Lee Conway Kong Wai and Mr. Cai Xianhe resigned as independent non-executive Directors and members of Corporate Governance Committee on 2 November 2025. The company secretary acts as the secretary to the Corporate Governance Committee.

Provided with sufficient resources by the Company to discharge its duties, the roles of the Corporate Governance Committee are:

- to assist the Board to evaluate and determine the nature and extent of the risks the Group are willing to take in achieving the strategic objectives
- to ensure that the Group establishes and maintains appropriate and effective risk management and internal control systems
- to oversee management in the design, implementation and monitoring of the risk management systems of the Group
- to develop and review the Group's policies and practices on corporate governance and make recommendations to the Board
- to review and monitor the training and continuous professional development of directors and senior management
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors
- to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report

The Corporate Governance Committee held one meeting during the Reporting Period.

Principal works performed by the Corporate Governance Committee during the Reporting Period included to review the Company's policies and practices on risk management, internal control systems and corporate governance for the year of 2024 and its plan and mid-year review for the year of 2025.

The terms of reference setting out the Corporate Governance Committee's authority and its duties are available on the websites of the Company and the Stock Exchange.

Board and Board Committee Meetings

Practices and Conduct of Meetings

The Board meets regularly at least four times each year and more frequently as the needs of the business demand. Apart from the Board meetings, the Board would from time to time devote separate sessions to consider and review the Group's strategy and business activities.

The Board and Committees' meeting schedule and the agenda of each meeting are made available to Directors in advance.

Notices of regular Board meetings were served to all Directors at least 14 days before the meetings. For all other Board and Committees' meetings, reasonable notices were given.

Papers for Board meetings or Committees' meetings together with all relevant information are sent to all Directors or Committee members at least 3 days before each meeting to enable them to make informed decisions with adequate data. The Board and each Director also have direct and independent access to the management whenever necessary.

According to the current Board practice, any material transactions involving a conflict of interest with a substantial Shareholder or a Director will be considered and dealt with by the Board at a duly convened Board meeting. The Bye-laws also contain provisions requiring the Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

Corporate Governance Report

Meetings held and Attendance

The Board held 7 Board meetings during the Reporting Period. The composition of the Board and the Committees, the attendance records of the Directors at the Board meetings, committees meetings and general meetings during the Reporting Period are set out below:

Name of Directors	Meetings attended/held						
	Board meeting	Audit Committee meeting	Remuneration Committee meeting	Nomination Committee meeting	Corporate Governance Committee meeting	Annual general meeting	Special general meeting
Executive Directors							
Mr. ZHU Gongshan (<i>Chairman</i>)	7/7	N/A	N/A	2/2	N/A	1/1	1/1
Mr. ZHU Yufeng (<i>Vice Chairman</i>)	7/7	N/A	2/2	N/A	1/1	1/1	1/1
Mr. WANG Dong (<i>President</i>) (resigned on 2 November 2025)	4/4	N/A	N/A	N/A	1/1	1/1	1/1
Mr. HUANG Wei (<i>President</i>) (appointed on 2 November 2025)	3/3	N/A	N/A	1/1	N/A	N/A	N/A
Mr. GU Zengcai (resigned on 2 November 2025)	4/4	N/A	N/A	N/A	1/1	1/1	1/1
Non-executive Directors							
Ms. SUN Wei	6/7	N/A	1/2	N/A	N/A	1/1	1/1
Mr. YEUNG Man Chung, Charles	7/7	N/A	N/A	N/A	1/1	1/1	1/1
Mr. FANG Jiancai	7/7	N/A	N/A	N/A	N/A	1/1	1/1
Independent Non-executive Directors							
Mr. LEE Conway Kong Wai (resigned on 2 November 2025)	4/4	2/2	1/1	N/A	1/1	1/1	1/1
Mr. WANG Yanguo (resigned on 2 November 2025)	4/4	N/A	1/1	1/1	N/A	0/1	1/1
Dr. CHEN Ying (resigned on 2 November 2025)	4/4	2/2	1/1	1/1	N/A	1/1	1/1
Mr. CAI Xianhe (resigned on 2 November 2025)	4/4	2/2	N/A	N/A	1/1	1/1	1/1
Mr. NIE Wenhua (appointed on 2 November 2025)	3/3	1/1	1/1	1/1	N/A	N/A	N/A
Mr. HU Guowen (appointed on 2 November 2025)	3/3	1/1	1/1	1/1	N/A	N/A	N/A
Ms. ZHAO Limei (appointed on 2 November 2025)	3/3	1/1	N/A	1/1	N/A	N/A	N/A

During the Reporting Period, the Chairman has also held a meeting with the independent non-executive Directors without the presence of other Directors.

Mechanisms to Ensure Independent Views

The Board has established mechanisms and the Company has provided resources to ensure independent views and input are available to the Board. Channels are in place through formal and informal means whereby independent non-executive Directors can express their views in an open and candid manner as well as in a confidential manner, should circumstances required; these include regular board meetings and interaction with management and other Board members. Discussion sessions with key management personnel are also held to discuss major issues and any concerns. Members of the Board and the Board Committees are authorised by the Board to seek advice from the company secretary, in-house legal team and independent professional advisers where necessary.

Induction and Continuous Development

Upon their appointment, Directors are advised on their legal obligations and duties as directors of a listed company. Each newly appointed Director receives a comprehensive induction package designed to enhance his/her knowledge and understanding of the Group's culture and operations. The package usually includes a briefing or an introduction to the Group's structure, businesses strategies, recent developments and corporate governance practices.

Through the course of their directorship, Directors are updated on any developments or changes affecting the Company and their obligations to it at regular Board meetings.

The Company provided continuous professional training and Directors received regular updates and presentations on changes and developments to the Group's business and to the legislative and regulatory environments in which the Group operates from time to time. In addition, all Directors were requested to provide the Company with the records of the other training they received. All Directors are also encouraged to attend relevant training courses at the Company's expense.

The Directors acknowledge the need for continuous professional development so that they can continue contributing to the Company, and the Company provides support whenever relevant and necessary. The Directors are also provided with access to independent professional advice, where necessary, in carrying out their obligations as Directors at the expense of the Company.

During the year, all Directors attended the Directors' training(s) organised by the Company with topics relating to directors' duties and update on latest regulatory developments.

Corporate Governance Report

Company Secretary

The selection, appointment and dismissal of the Company Secretary is subject to approval by the Board in accordance with the Bye-laws and CG Code. The Company Secretary is an employee of the Company and is responsible for facilitating the Board's processes and communications among Board members with the Shareholders and with the management of the Company. Draft and final versions of minutes are disseminated to Directors for comment and filed for record purposes respectively within a reasonable time after each meeting. All Directors have access to the minutes of the Board and committee meetings of the Company. All Directors should have access to the advice and services of the Company Secretary to ensure that the Board procedures, and all applicable law, rules and regulations, are followed.

During the Reporting Period, the Company Secretary is Mr. HO Yuk Hay and he undertook over 15 hours of relevant professional trainings.

Constitutional Documents

During the Reporting Period, there were no amendments/changes to the Company's constitutional documents.

Corporate Social Responsibility

Environmental Policies and Performance

GCL New Energy is committed to environmental protection continuously through a series of powerful environmental protection measures. All solar power plants follow the GCL New Energy's PV Power Station Environmental Protection Management Standards strictly to ensure that operations are in compliance with the general national and local laws and regulations. In addition, GCL New Energy strictly abides by the Law of the People's Republic of China on Conserving Energy (《中華人民共和國節約能源法》), the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) and other relevant laws and regulations, and has formulated its internal management policies such as the EHS Management Standards, Management Standards for Environmental Protection based on its actual situation, following which, GCL New Energy proactively manages its own environmental management objectives effectively.

GCL New Energy is committed to reducing energy consumption and emissions, and strives to reduce its consumption of and impact on environmental resources. For example, using the clean energy generated by solar power plant at the stage of power plant operation to promote the efficient use of renewable energy. In addition, GCL New Energy continued to improve its performance of environmental protection and resource conservation at the stage of power plant operation through the new model of digital intelligent operation and maintenance of power plant.

Relationships with stakeholders

GCL New Energy believes regular and transparent communication with stakeholders can not only strengthen mutual trust and respect and build harmonious relationship, but also help contribute to long term company success. GCL New Energy maintains open, two-way and smooth communication and exchange with its key stakeholders (including investors/shareholders, government bodies, clients, employees, local communities, media and partners) through investors' meetings, on-site visits, internal publications and employees' performance reviews. GCL New Energy will review the stakeholder communication programme on a regular basis with the aim to further improve its effectiveness.

Environmental, Social and Governance Reporting

For more information about GCL New Energy's environmental protection practices and performance, employee relations and giving back to the society, please refer to the 2025 ESG Report published on the websites of the Company (www.gclnewenergy.com) and HKEXnews (www.hkexnews.hk).

Report of the Directors

The Directors present their report together with the audited consolidated financial statements of the Group for the year ended 31 December 2025.

Principal Activities and Segment Information

During the Reporting Period, the principal activity of the Company was investment holding. The principal activities of the Group were the sale of electricity, provision of operation and management services, solar related supporting services and sale of liquefied natural gas and related products.

An analysis of the performance of the Group for the Reporting Period by segments is set out in note 6 to the consolidated financial statements.

Business Review

A review of the business of the Group during the Reporting Period, a discussion on the Group's future business development and description of the principal risks and uncertainties the Company may be facing are provided in the "Chairman's Statement" and the "Management Discussion and Analysis" of this annual report. Also, the financial risk management objectives and policies of the Group can be found in note 40(b) to the consolidated financial statements. Particulars of important events affecting the Group that have occurred since the end of the financial year ended 31 December 2025, if applicable, are provided in note 48 consolidated financial statements. An analysis of the Group's performance during 2025 using financial key performance indicators is provided in the "2025 Performance Summary" and the "Financial Summary" of this annual report.

In addition, discussions on the Group's environmental policies, relationships with its key stakeholders and compliance with relevant laws and regulations which have a significant impact on the Group are contained in the "Chairman's Statement", the "Management Discussion and Analysis", the "Corporate Governance Report" and this "Report of the Directors" of this annual report, as well as the Company's ESG Report, respectively.

Results and Appropriations

The results of the Group for the Reporting Period are set out in the consolidated statement of profit or loss and other comprehensive income on pages 74 to 75. The Board does not recommend the payment of a final dividend for the Reporting Period.

Reserves

Details of movements in the reserves of the Group and of the Company during the Reporting Period are set out in the consolidated statement of changes in equity on pages 78 to 79 and note 47 to the consolidated financial statements.

Distributable Reserves

As at 31 December 2025, the Company's accumulated losses and other components of equity available for cash distribution and/or distribution in specie amounted to RMB463,917,000 (31 December 2024: RMB416,746,000). In accordance with the Bermuda Companies Act, the Company's share premium and contributed surplus may be distributed in certain circumstances.

Donations

The Group did not make any charitable and other donations during the Reporting Period.

Property, Plant and Equipment

Details of the movements in property, plant and equipment of the Group during the Reporting Period are set out in note 15 to the consolidated financial statements.

Share Capital

As at the date of this annual report, the total number of issued Shares of the Company was 1,554,322,926 Shares.

Details of movements in the share capital of the Company during and after the Reporting Period are set out in note 34 to the consolidated financial statements.

During the year ended 31 December 2025 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).

Equity-Linked Agreements

Save for the share option scheme(s) set out under the section headed "Share Option Scheme" in this "Report of the Directors", no equity-linked agreements were entered into by the Group during the Reporting Period, or subsisted at the end of the Reporting Period.

Closure of Register of Members

The register of members of the Company will be closed from 19 May 2026 to 22 May 2026, both days inclusive, during which period no transfer of Shares will be effected and for the purpose of determining the identity of members who are entitled to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all completed share transfer documents must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on 18 May 2026.

Pre-emptive Rights

There is no provision for pre-emptive rights under the Bye-laws, or the laws of Bermuda which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

Tax Relief

No tax relief or exemption is known to be available to the Shareholders by reason of their holding of the Company's securities.

Report of the Directors

Environmental Policies and Performance

The Group is committed to contributing to the sustainability of the environment and is committed to becoming an environmentally friendly corporation. Details of our environmental, social and governance policies and performance during the year ended 31 December 2025 shall be disclosed in the Corporate Governance Report and the Environmental, Social and Governance Report.

Summary Financial Information

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out in the section "Financial Summary". Readers of the summary financial information are strongly encouraged to read the section "Management Discussion and Analysis" set out in this annual report, which does not form part of the consolidated financial statements, for a reasonable appreciation of the Group's financial results and positions in the context of its activities.

Purchase, Sale or Redemption of Shares

Reference is made to the announcements of the Company dated 9 January 2025 and 21 March 2025 (the "Announcements") and the circular of the Company dated 24 January 2025 (the "Circular"). Unless otherwise stated, defined terms shall denote the same meanings in the Announcements and the Circular.

The Acquisition of Harmonic Century Global Limited (as the Target Company) at the Consideration of RMB325 million (approximately HK\$345.15 million) was satisfied by the Company (i) as to RMB200 million (approximately HK\$212.40 million) by way of cash; (ii) as to RMB65 million (approximately HK\$69.03 million) by way of allotment and issue of Consideration Shares (representing 153,400,000 ordinary shares of the Company) at the issue price of HK\$0.45 per Consideration Share; and (iii) as to HK\$63.72 million (approximately RMB60 million) by way of issue of Convertible Bonds in the principal amount of HK\$63.72 million, which entitles the holder to convert the bonds into a total of 141,600,000 Conversion Shares at the initial Conversion Price of HK\$0.45 per Conversion Share. The Maturity Date of the Convertible Bonds is 36 months from the date of issue of the Convertible Bonds or any such other date as mutually agreed by the Company and the holder of the Convertible Bonds and bears interest at 1.0% per annum and payable in every six calendar months. The Consideration Shares and the Convertible Bonds were issued on 21 March 2025 under the Specific Mandate granted to the Board by the Independent Shareholders at the SGM. No proceeds were raised from the Consideration Shares and the Convertible Bonds, as they were issued as part of the Consideration for the Acquisition. Please refer to the Announcements and the Circular of the Company for further details. As at the date of this report, none of the Convertible Bonds have been redeemed.

Save as disclosed hereinabove, the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares listed on the Stock Exchange (including treasury shares) during the Reporting Period.

During the Reporting Period 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 the Central Clearing and Settlement System).

Directors

The Directors during the Reporting Period and up to the date of this report (unless otherwise stated) were:

Executive Directors	Non-executive Directors	Independent Non-executive Directors
Mr. ZHU Gongshan (<i>Chairman</i>)	Ms. SUN Wei	Mr. LEE Conway Kong Wai
Mr. ZHU Yufeng (<i>Vice Chairman</i>)	Mr. YEUNG Man Chung, Charles	(resigned on 2 November 2025)
Mr. WANG Dong (<i>President</i>) (resigned on 2 November 2025)	Mr. FANG Jiancai	Mr. WANG Yanguo (resigned on 2 November 2025)
Mr. HUANG Wei (<i>President</i>) (appointed on 2 November 2025)		Dr. CHEN Ying (resigned on 2 November 2025)
Mr. GU Zengcai (resigned on 2 November 2025)		Mr. CAI Xianhe (resigned on 2 November 2025)
		Mr. NIE Wenhua (appointed on 2 November 2025)
		Mr. HU Guowen (appointed on 2 November 2025)
		Ms. ZHAO Limei (appointed on 2 November 2025)

In accordance with article 84 of the Bye-laws, at each annual general meeting one-third of the Directors shall retire from office and shall be eligible for re-election. Each of Mr. Zhu Gongshan, Mr. Yeung Man Chung, Charles and Mr. Fang Jiancai shall retire by rotation at the AGM, and being eligible, will offer themselves for re-election at the AGM.

Pursuant to article 83(2) of the Bye-laws and paragraph 4(2) of Appendix A1 of the Listing Rules, each of Mr. Huang Wei, Mr. Nie Wenhua, Mr. Hu Guowen and Ms. Zhao Limei shall hold office only until the following annual general meeting of the Company after his/her appointment and be subject to re-election at the AGM

The Directors' biographical details are set out on pages 19 to 25.

Changes in Directors Information

The change in directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the publication of the Company's 2025 interim report is set out below:

1. Mr. Zhu Gongshan was appointed as the chairman of the Risk Assessment Committee of the Company with effect from 2 November 2025;
2. Mr. Zhu Yufeng ceased to act as the chairman of the Risk Assessment Committee of the Company. He was re-designated as a member of the Risk Assessment Committee of the Company with effect from 2 November 2025;
3. Mr. Huang Wei was appointed as an executive Director, President and a member of each of the Nomination Committee, the Risk Assessment Committee and the Corporate Governance Committee and an Authorised Representative of the Company with effect from 2 November 2025;

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4. Mr. Nie Wenhua was appointed as an independent non-executive Director, lead independent non-executive Director, the chairman of each of the Audit Committee and the Remuneration Committee, and a member of each of the Nomination Committee and the Corporate Governance Committee of the Company with effect from 2 November 2025;
5. Mr. Hu Guowen was appointed as an independent non-executive Director, and a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company with effect from 2 November 2025;
6. Ms. Zhao Limei was appointed as an independent non-executive Director, and a member of each of the Audit Committee, the Nomination Committee and the Corporate Governance Committee of the Company with effect from 2 November 2025;
7. Ms. Sun Wei ceased to act as a member of the Remuneration Committee of the Company and she remains as a non-executive Director of the Company with effect from 2 November 2025;
8. Mr. Yeung Man Chung, Charles ceased to act as a member of the Corporate Governance Committee and an Authorised Representative of the Company and he remains as a non-executive Director of the Company with effect from 2 November 2025;
9. Mr. Wang Dong resigned as an executive Director, President, and a member of each of the Risk Assessment Committee and the Corporate Governance Committee of the Company with effect from 2 November 2025;
10. Mr. Gu Zengcai resigned as an executive Director, and a member of each of the Risk Assessment Committee and the Corporate Governance Committee of the Company with effect from 2 November 2025;
11. Mr. Lee Conway Kong Wai resigned as an independent non-executive Director, the chairman of each of the Audit Committee and the Remuneration Committee and a member of the Corporate Governance Committee of the Company with effect from 2 November 2025;
12. Mr. Wang Yanguo resigned as an independent non-executive Director, and a member of each of the Remuneration Committee and the Nomination Committee of the Company with effect from 2 November 2025;
13. Dr. Chen Ying resigned as an independent non-executive Director, and a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company with effect from 2 November 2025; and
14. Mr. Cai Xianhe resigned as an independent non-executive Director, and a member of each of the Audit Committee and the Corporate Governance Committee of the Company with effect from 2 November 2025.

Save as disclosed above and expressly indicated in this annual report, since the publication of the Company's 2025 interim report, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Directors' Service Contracts

No Director proposed for re-election at the AGM has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Share Option Scheme

Termination of the 2014 Share Option Scheme

The Company adopted the 2014 Share Option Scheme on 15 October 2014. The termination of the 2014 Share Option Scheme and the adoption of a new share option scheme ("2024 Share Option Scheme") to replace the 2014 Share Option Scheme were passed by the shareholders at the annual general meeting held on 23 May 2024 ("Effective Date") of the Company. Following the termination of 2014 Share Option Scheme from the Effective Date, no further share options shall be granted under the 2014 Share Option Scheme, but the outstanding share options granted thereunder shall continue to be valid and exercisable in accordance with the terms of the 2014 Share Option Scheme. Further details regarding the termination of 2014 Share Option Scheme and adoption of 2024 Share Option Scheme are set out in circular dated 23 April 2024 of the Company.

Under the 2014 Share Option Scheme, share options were granted on 23 October 2014, 24 July 2015, 26 February 2021 and 3 November 2021 to subscribe for 26,842,000 Shares, 23,673,000 Shares, 19,065,937 Shares (of which 18,525,812 share options have been accepted by the grantees) and 3,025,000 Shares respectively. As at 31 December 2025, a total of 14,799,187 share options granted and have not been vested under the 2014 Share Option Scheme remained outstanding and will continue to be valid and exercisable during their prescribed exercise periods in accordance with the 2014 Share Option Scheme.

No share options were granted under the 2014 Share Option Scheme during the year ended 31 December 2025. As at the date of this annual report, 30 March 2026, the total number of shares issuable for the share options granted on 26 February 2021 and 3 November 2021 under the 2014 Share Option Scheme are nil share and nil share respectively. Particulars of the 2014 Share Option Scheme are set out in note 36 to the consolidated financial statements.

Adoption of the 2024 Share Option Scheme

The purpose of the 2024 Share Option Scheme is to recognise and acknowledge the contributions that eligible participants ("Eligible Participants" as defined in the 2024 Share Option Scheme) have made or may make to the Group, and to provide the Eligible Participants with an opportunity to acquire proprietary interests in the Company with the view to achieving the principal objectives of (a) motivating the Eligible Participants to optimize their performance and efficiency for the benefit of the Group; and (b) attract and retain or otherwise maintain ongoing business relationship with the Eligible Participants whose contributions are, will or expected to be beneficial to the Group. Eligible Participants include Employee Participants, Service Providers and Related Entity Participants (as defined in the 2024 Share Option Scheme). For the avoidance of doubt, the Service Providers exclude placing agents or financial advisers providing advisory services to the Group for fundraising, mergers or acquisitions; and professional service providers such as auditors or valuers who provide assurance or are required to perform their services to the Group with impartiality and objectivity. No participant shall be granted share option if the total number of Shares issued and to be issued upon exercise of the share options granted and to be granted (including both exercised and outstanding Options) in 12-month period up to and including the date of grant to such participant would exceed 1% of the total number of Shares for the time being in issue unless the proposed grant has been separately approved by the shareholders of the Company in general meeting. The 2024 Share Option Scheme shall be valid and effective for a period of 10 years from 23 May 2024, after which no further share options will be granted or offered but the provisions of the 2024 Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any subsisting share options granted prior thereto or otherwise as may be required in accordance with the provisions of the 2024

Report of the Directors

Share Option Scheme. There is no general requirement on the minimum period for which a share option must be held or the performance targets which must be achieved before a share option can be exercised under the terms of the 2024 Share Option Scheme, however the Board may in its absolute discretion determine. The period within which the Shares shall be taken up under a share option shall be determined by the Board in its absolute discretion at the date of grant of the relevant share option, but such period shall not expire later than 10 years from the date of grant. The remaining life of the 2024 Share Option Scheme is approximately 8 years and 2 months. Any offer of grant of share options shall be deemed to have been granted and accepted and to have taken effect when the Company received an acceptance letter and non-refundable payment of HK\$1.00 within 21 days from the date of offer. The Exercise Price for any Share under the 2024 Share Option Scheme shall be a price determined by the Board at its absolute discretion and notified to each Grantee and shall not be less than the highest of: (a) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the date of grant of the relevant option, which must be a Business Day; (b) an amount equivalent to the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the date of grant of the relevant option; and (c) the nominal value of a Share on the date of grant.

The number of shares available for grant under the 2024 Share Option Scheme as at 1 January 2025 and 31 December 2025 respectively were both 140,092,292 shares (representing 10% and 9.01% of the Company's issued shares as at the 1 January 2025 and 31 December 2025 respectively). The Service Provider Sub-limit (as defined in the 2024 Share Option Scheme) as at the 1 January 2025 and 31 December 2024 were both 14,009,229 shares (representing 1% and 0.9% of the Company's issued shares as at 1 January 2025 and 31 December 2025). Further details of the 2024 Share Option Scheme are set out in the Company's circular dated 23 April 2024.

No share options were granted under the 2024 Share Option Scheme during the year ended 31 December 2025. As at the date of this report, the number of further share options that may be granted under the 2024 Share Option Scheme was 140,092,292, representing 9.01% of the number of total issued shares of the Company.

During 2025, the number of Shares that may be issued in respect of all options under the 2014 Share Option Scheme divided by the weighted average number of ordinary Shares issued is 0%.

Details of the share options movements under the 2014 Share Option Scheme during the Reporting Period are as follows:

Report of the Directors

Name or category of participants	Date of grant	Exercise period <i>(Notes 1 to 3)</i>	Exercise Price HK\$ <i>(Note 4)</i>	Number of share options					As at 2025.12.31
				As at 2025.01.01	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	
Directors:									
Mr. ZHU Yufeng	03.11.2021	03.11.2021 to 02.11.2031	7.14	875,000	-	-	-	-	875,000
Ms. SUN Wei	03.11.2021	03.11.2021 to 02.11.2031	7.14	500,000	-	-	-	-	500,000
Mr. YEUNG Man Chung, Charles	03.11.2021	03.11.2021 to 02.11.2031	7.14	250,000	-	-	-	-	250,000
Mr. FANG Jiancai	03.11.2021	03.11.2021 to 02.11.2031	7.14	250,000	-	-	-	-	250,000
Mr. LEE Conway Kong Wai <i>(Note 6)</i>	03.11.2021	03.11.2021 to 02.11.2031	7.14	100,000	-	-	-	100,000	0
Mr. WANG Yanguo <i>(Note 6)</i>	03.11.2021	03.11.2021 to 02.11.2031	7.14	100,000	-	-	-	100,000	0
Dr. CHEN Ying <i>(Note 6)</i>	03.11.2021	03.11.2021 to 02.11.2031	7.14	100,000	-	-	-	100,000	0
Sub-total				2,175,000	-	-	-	300,000	1,875,000
Mr. SHA Hongqiu <i>(Note 5)</i>	24.07.2015	24.07.2015 to 23.07.2025	12.12	402,640	-	-	-	402,640	0
Employees of the Group (in aggregate)	24.07.2015 26.02.2021	24.07.2015 to 23.07.2025 26.02.2021 to 25.02.2031	12.12 7.68	1,703,668 12,924,187	- -	- -	- -	1,703,668 -	0 12,924,187
Employees of the Affiliate Companies (in aggregate) <i>(Note 7)</i>	24.07.2015	24.07.2015 to 23.07.2025	12.12	1,489,768	-	-	-	1,489,768	0
Total				18,695,263	-	-	-	3,896,076	14,799,187

Report of the Directors

Notes:

- The exercise period of share options granted on 24 July 2015 under the 2014 Share Option Scheme is ten years from the grant date to 23 July 2025. The share options are exercisable during the period indicated upon fulfillment of the conditions indicated as follows:

Condition	Exercise period
Fulfillment of the performance targets from 24 July 2015 to 23 July 2016	24 July 2015 to 23 July 2025
Fulfillment of the performance targets from 24 July 2016 to 23 July 2017	24 July 2016 to 23 July 2025
Fulfillment of the performance targets from 24 July 2017 to 23 July 2018	24 July 2017 to 23 July 2025
Fulfillment of the performance targets from 24 July 2018 to 23 July 2019	24 July 2018 to 23 July 2025
Performance targets from 24 July 2019 onwards are achieved	24 July 2019 to 23 July 2025

If the performance targets from 24 July 2015 to 23 July 2025 are not achieved, all of the share options shall not become exercisable as scheduled. None of the share options have vested as at 31 December 2025 since all of the performance target conditions mentioned hereinabove were not achieved. All of the share options granted on 24 July 2015 were lapsed on 24 July 2025.

- Subject to vesting and other conditions, the exercise period of the share options granted on 26 February 2021 under the 2014 Share Option Scheme is ten years from the grant date to 25 February 2031. The vesting schedule of such share options is as follow:

Vesting Date	Accumulative Share Options Vested
26 February 2022	25%
26 February 2023	50%
26 February 2024	75%
26 February 2025	100%

None of the share options granted on 26 February 2021 has vested as at 31 December 2025.

- Subject to vesting and other conditions, the exercise period of the share options granted on 3 November 2021 under the 2014 Share Option Scheme is ten years from the grant date to 2 November 2031. The vesting schedule of such share options is as follow:

Vesting Date	Accumulative Share Options Vested
3 November 2022	25%
3 November 2023	50%
3 November 2024	75%
3 November 2025	100%

None of the share options granted on 3 November 2021 has vested as at 31 December 2025.

4. (a) The exercise price of share options pursuant to the 2014 Share Option Scheme shall not be less than whichever is the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value per share of the Company. The closing prices of the Shares immediately before the date on which the share options were granted on 24 July 2015, 26 February 2021 and 3 November 2021 were HK\$0.580, HK\$0.375 and HK\$0.330 respectively.
- (b) Pursuant to the terms of the 2014 Share Option Scheme, adjustments are required to be made to the exercise price and the number of Shares that can be subscribed for under the outstanding share options as a result of:
 - (i) the rights issue of the Company with effect from 2 February 2016. The exercise prices per Share was adjusted to HK\$0.606 for the grant of share options on 24 July 2015. For further details, please refer to the Company's announcement dated 2 February 2016.
 - (ii) the completion of Share Consolidation of the Company that every twenty issued and unissued shares capital of the Company be consolidated into one consolidated share with effect from 31 October 2022. The exercise prices per Share were adjusted to HK\$12.12, HK\$7.68 and HK\$7.14 for the grant of share options on 24 July 2015, 26 February 2021 and 3 November 2021 respectively. For further details, please refer to the Company's announcement dated 31 October 2022.
5. While Mr. Sha Hongqiu retired from office as a non-executive Director with effect from 17 June 2020, his share options remain exercisable under the 2014 Share Option Scheme during the prescribed exercise period. Since all of the performance target conditions mentioned hereinabove were not achieved, all of the share options granted on 24 July 2015 were lapsed on 24 July 2025.
6. Mr. Lee Conway Kong Wai, Mr. Wang Yanguo and Dr. Chen Ying resigned as independent non-executive Directors with effect from 2 November 2025. All of the share options granted on 3 November 2021 were lapsed on 2 November 2025.
7. These are ex-employees of the Group who were subsequently transferred to the Affiliate Companies and their share options remain exercisable under the 2014 Share Option Scheme.

Interests of Directors and Chief Executive

As at 31 December 2025, so far as is known to the Directors, the interests of the Directors and chief executive in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Report of the Directors

Long Position in the ordinary shares of the Company

Name of Director	Number of Shares					Approximate percentage of issued Shares (Note 3)
	Beneficiary of a Trust	Personal Interests	Number of underlying shares pursuant to share option (Note 1)	Number of underlying Shares (Note 2)	Total	
Mr. ZHU Gongshan	411,173,629 (Note 4)	–	–	141,600,000	552,773,629	35.56%
Mr. ZHU Yufeng	411,173,629 (Note 4)	–	875,000	141,600,000	553,648,629	35.62%
Ms. SUN Wei	–	90,995	500,000	–	590,995	0.04%
Mr. YEUNG Man Chung, Charles	–	–	250,000	–	250,000	0.02%
Mr. FANG Jiancai	–	–	250,000	–	250,000	0.02%

Notes:

- These are share options granted by the Company to the Directors pursuant to the 2014 Share Option Scheme on 3 November 2021. For further details, please refer to the subsection headed "Share Option Scheme in this "Report of the Directors" section.
- These are Convertible Bonds issued by the Company to Golden Concord Group Limited (HK), which has granted the right to issue up to 141,600,000 Conversion Shares. They were issued under the Specific Mandate as part of the consideration for acquiring the Target Company. For further details, please see the Company's Completion Announcement dated 21 March 2025.
- The percentage was calculated based on 1,554,322,926 Shares in issue of the Company as at 31 December 2025.
- Those Shares are beneficially owned by Dongsheng Photovoltaic Technology (Hong Kong) Limited ("Dongsheng Photovoltaic"), Elite Time Global Limited and Golden Concord Group Limited (HK). For further information of the shareholding structure of Dongsheng Photovoltaic, Elite Time Global Limited and Golden Concord Group Limited (HK), please refer to notes 2 to 4 under the subsection headed "Interests of Substantial Shareholders" in this "Report of the Directors" section.

Save as disclosed above, as at 31 December 2025, none of the Directors or any chief executive of the Company had an interest or short position in any Shares, underlying Shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

Interests of Substantial Shareholders

As at 31 December 2025, so far as is known to the Directors, the following persons (other than the Directors or chief executive of the Company as disclosed above) had interest in the Shares and underlying Shares as recorded in the register required to be kept by the Company under section 336 of the Part XV of the SFO:

Long Position in the Shares

Name	Nature of interest	Number of Shares	Approximate percentage in issued Shares (Note 1)
Credit Suisse Trust Limited (Note 6)	Trustee	552,773,629 (Note 2)	35.56%
Asia Pacific Energy Fund Limited	Interest in controlled corporation	552,773,629 (Note 2)	35.56%
Golden Concord Group Limited (HK)	Interest in controlled corporation	552,773,629 (Note 2)	35.56%
GCL System Integration Technology Co., Ltd. (Note 3)	Interest in controlled corporation	95,298,915	6.13%
Dongsheng Photovoltaic Technology (Hong Kong) Limited (Note 3)	Beneficial owner	95,298,915	6.13%
Elite Time Global Limited (Note 4)	Beneficial owner	86,878,864	5.59%
GCL Technology (Note 5)	Interest in controlled corporation	87,804,984	5.65%

Notes:

- (1) The percentage was calculated based on 1,554,322,926 Shares in issue of the Company as at 31 December 2025.
- (2) Those Shares are owned as to (a) 95,298,915 Shares by Dongsheng Photovoltaic; (b) 86,878,864 Shares by Elite Time Global Limited; (c) 295,000,000 Shares by Golden Concord Group Limited (HK) (inclusive of 141,600,000 Shares that may be issued to Golden Concord Group Limited (HK), upon full conversion of the Convertible Bonds subject to the terms and conditions of such Convertible Bonds, details of which are set out in the Company's Completion Announcement dated 21 March 2025); and (d) 75,595,850 Shares collectively held by Highexcel Investments Limited and Happy Genius Holdings Limited, which are wholly-owned by Golden Concord Group Limited (HK).
- (3) Dongsheng Photovoltaic is wholly-owned by GCL System Integration Technology (Su Zhou) Co., Ltd.* (協鑫集成科技(蘇州)有限公司), which is in turn wholly-owned by GCL System Integration. Jiangsu GCL Construction Management Co., Ltd.* (江蘇協鑫建設管理有限公司) ("Jiangsu GCL Construction"), Golden Concord Group Limited (PRC) and Yingkou Qiyin Investment Management Co., Ltd.* (營口其印投資管理有限公司) ("Yingkou Qiyin") owns approximately 24.2% of GCL System Integration in aggregate. Yingkou Qiyin and Jiangsu GCL Construction are parties acting in concert with Golden Concord Group Limited (PRC). Golden Concord Group Limited (PRC) is owned 44.61% by Shanghai Qixun Investment Management Co., Ltd.* (上海其旬投資管理有限公司) ("Shanghai Qixun"), 46.68% by Jiangsu GCL Construction and 8.71% by GCL-Poly (Taicang Harbour) Limited respectively. Shanghai Qixun is wholly owned by Mr. Zhu Yufeng while Jiangsu GCL Construction and GCL-Poly (Taicang Harbour) Limited are wholly-owned by Golden Concord Group Limited (HK). Golden Concord Group Limited (HK) is in turn wholly-owned by Asia Pacific Energy Holdings Limited, which is in turn wholly-owned by Asia Pacific Energy Fund Limited. Asia Pacific Energy Fund Limited is ultimately held under a discretionary trust with Credit Suisse Trust Limited as trustee and Mr. Zhu Yufeng and his family, including Mr. Zhu Gongshan as beneficiaries.
- (4) Elite Time Global Limited is wholly-owned by GCL Technology.
- (5) Those shares held by GCL Technology included 926,120 shares ("DIS Shares") in the Company due to payment of special interim dividend of GCL Technology by way of distribution in specie of shares in the Company on 29 September 2022 ("Distribution"). Such DIS Shares is representing fractional entitlement of the Distribution or any DIS Shares left undistributed which GCL Technology temporary held. The DIS Shares will be sold in the market, with the net proceeds of such sale being retained for the benefit of GCL Technology or return to respective shareholders of GCL Technology.
- (6) Based on the public information available to the Company before publishing this Annual Report, on 17 April 2026, Credit Suisse Trust Limited ceased to be the trustee of the Zhu Family Trust, and Butterfield Trust (Asia) Limited succeeded the role of trustee of the Zhu Family Trust.

Save as disclosed above, as at 31 December 2025, no other person (other than the Directors and chief executive of the Company) who had an interest or short position in the Shares or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

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Directors' interests in competing business

Each of the companies in the Golden Concord Group (a general reference to the companies in which Mr. Zhu Gongshan and his family members have a direct or indirect interest) operates within its own legal, corporate and financial framework. As at 31 December 2025, the Golden Concord Group might have had or developed interests in business similar to those of the Group and there was a chance that such businesses might have competed with the businesses of the Group.

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

Connected Transactions

The Group entered into the following connected transactions within the meaning of Chapter 14A of the Listing Rules during the Reporting Period:

Acquisition of the Target Company and Financial Assistance in relation to the Loans

Reference is made to the announcements of the Company dated 9 January 2025 and 21 March 2025 (the "Announcements") and the circular of the Company dated 24 January 2025 (the "Circular") regarding the Acquisition of the Target Company and the financial assistance in relation to the Loans provided by GCL Petroleum. Unless otherwise stated, defined terms shall denote the same meanings in the Announcements and the Circular. For details, please refer to section "Purchase, Sale or Redemption of Shares".

As (i) Golden Concord Group Limited (as the Seller) is indirectly wholly-owned by Asia Pacific Energy Fund which in turn is ultimately owned by the Zhu Family Trust and (ii) Jiangsu Xiexin and Taicang Harbour are indirect non wholly-owned subsidiaries of Asia Pacific Energy Fund which in turn are ultimately owned by the Zhu Family Trust. Given that Mr. Zhu Gongshan (an executive Director) and his family (including Mr. Zhu Yufeng, an executive Director and son of Mr. Zhu Gongshan) are beneficiaries of the Zhu Family Trust, the Seller, Jiangsu Xiexin and Taicang Harbour are connected persons of the Company under the Listing Rules. Accordingly, the Acquisition constitutes a non-exempt connected transaction of the Company under Chapter 14A of the Listing Rules. Upon Completion, GCL Petroleum became an indirect non wholly-owned subsidiary of the Company and the continuation of the Loans provided by the Group to Jiangsu Xiexin and Taicang Harbour will constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

PC Agreement for the Distributed Photovoltaic Project

On 5 December 2025, Wuhan Xiexin New Energy Power Design Co., Ltd *武漢協鑫新能源電力設計有限公司 ("Wuhan Xiexin") (an indirect wholly-owned subsidiary of the Company), entered into a PC Agreement for the Distributed Photovoltaic Project with Zhejiang Xiexin Xinhong Electric Power Engineering Co., Ltd.*浙江協鑫鑫宏電力工程有限公司 ("Zhejiang Xinhong") (an indirect non wholly-owned subsidiary of GCL Energy Technology). Pursuant to which, Wuhan Xiexin, acting as the contractor, will undertake the PC services of the Distributed Photovoltaic Project for Zhejiang Xinhong, as the principal. The total contract price is approximately RMB16.42 million (tax inclusive). Details of the transactions have been set out in the announcement of the Company dated on 5 December 2025.

PC Agreement for the Rooftop Photovoltaic Project

On 5 December 2025, Wuhan Xiexin entered into a PC Agreement for the Rooftop Photovoltaic Project with Zhejiang Xinhong. Pursuant to which, Wuhan Xiexin, acting as the contractor, will provide construction and grid-connection services to Zhejiang Xinhong, as the principal, for the Rooftop Photovoltaic Project. The total contract price is approximately RMB7.12 million (tax inclusive). Details of the transactions have been set out in the announcement of the Company dated on 5 December 2025.

Zhejiang Xinhong is an indirect non wholly-owned subsidiary of GCL Energy Technology, which is a majority-controlled company indirectly held by Golden Concord Group (a company held indirectly by the Zhu Family Trust). Given that Mr. Zhu Gongshan (an executive Director) and his family (including Mr. Zhu Yufeng, an executive Director and son of Mr. Zhu Gongshan) are beneficiaries of the Zhu Family Trust, Golden Concord Group is a connected person of the Company and Zhejiang Xinhong is an associate of a connected person of the Company under the Listing Rules. As such, the entering into of the PC Agreement for the Distributed Photovoltaic Project and PC Agreement for the Rooftop Photovoltaic Project constitutes connected transactions of the Company under Chapter 14A of the Listing Rules.

Continuing Connected Transactions

The following transactions of the Group constituted fully exempt continuing connected transactions for the Company during the Reporting Period under the Listing Rules.

Management services income from joint ventures/associates

The management services income from joint ventures or associates of the Company during the Reporting Period did not constitute continuing connected transactions under Chapter 14A of the Listing Rules.

Interests on perpetual notes

The perpetual notes agreement was entered into with GCL-Poly (Suzhou), 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, all being wholly-owned subsidiaries of GCL Technology. As the perpetual notes have an indefinite term, favourable repayment terms and the perpetual notes are not secured by any assets of the Company, the Board considers that the terms of the perpetual notes are on normal commercial terms and are favourable to the Company. Consequently, the perpetual notes is fully exempt from shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.90 of the Listing Rules.

Guarantees provided to associates of connected persons

The guarantees provided by the Group to its associates of connected persons during the Reporting Period did not constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules.

Compensation of Key Management

Payments of emoluments and bonus to the Directors pursuant to their respective service contracts with the Company were fully exempt connected transactions under Rules 14A.95 of the Listing Rules while payments of emoluments/ consultancy fee to senior management do not constitute connected transactions under Chapter 14A of the Listing Rules.

Report of the Directors

The following transactions of the Group constituted Non-exempt Continuing Connected Transactions for the Company during the Reporting Period under the Listing Rules.

Management Services Income

(i) *Suzhou GCL Photovoltaic Power Technology Co., Ltd.*

On 13 November 2024, Suzhou GCL Operation (an indirect wholly-owned subsidiary of the Company) and Suzhou GCL Technology (an indirect subsidiary of GCL Technology) entered into an operation services agreement (“2024 Suzhou Operation Services Agreement”), pursuant to which Suzhou GCL Operation agreed to provide certain operation and management services to Suzhou GCL Technology for one year commencing from 13 November 2024 at a consideration of RMB6,285,000. The maximum annual cap under the 2024 Suzhou Operation Services Agreement for the period from 1 January 2025 to 12 November 2025 was 7,073,638. Details of the transactions have been set out in the announcement of the Company dated 13 November 2024.

On 28 November 2025, Suzhou GCL Operation and Suzhou GCL Technology entered into a new operation services agreement (“2025 Suzhou Operation Services Agreement”), pursuant to which Suzhou GCL Operation agreed to continue providing certain operation and management services to Suzhou GCL Technology for one year commencing from 28 November 2025 at a consideration of RMB6,285,000. The maximum annual caps under the 2025 Suzhou Operation Services Agreement for the period from 28 November 2025 to 31 December 2025 and for the period from 1 January 2026 to 27 November 2026 was/will be RMB761,088 and RMB7,409,412, respectively. Details of the transactions have been set out in the announcement of the Company dated 28 November 2025.

Suzhou GCL Technology is an indirect wholly-owned subsidiary of GCL Technology, which is also an associate of Golden Concord Group Limited (HK). Golden Concord Group Limited (HK) is a connected person of the Company and Suzhou GCL Technology is an associate of a connected person of the Company under the Listing Rules. The entering into of the 2024 Suzhou Operation Services Agreement and 2025 Suzhou Operation Services Agreement and the respective transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The total amount received by the Group for the provision of operation services under (i) 2024 Suzhou Operation Services Agreement from 1 January 2025 to 12 November 2025 was approximately RMB5,138,679; (ii) 2025 Suzhou Operation Services Agreement from 28 November 2025 to 31 December 2025 was approximately RMB543,514.

(ii) GCL Solar Energy Limited

On 23 May 2022, GCL New Energy, Inc. (an indirect wholly-owned subsidiary of the Company) as service provider, and GCL Solar Energy Limited (an indirect wholly-owned subsidiary of GCL Technology), as service recipient, entered into an asset management and administrative services agreement for a term of three years for provision of certain asset management and administrative services to GCL Solar Energy Limited by GCL New Energy Inc. ("2022 Asset Management and Administrative Services"). The cap for the continuing connected transactions under the 2022 Asset Management and Administrative Services Agreement was US\$194,521 for the period from 1 January 2025 to 22 May 2025.

The amount received by the Group for the provision of asset management and administrative services under the 2022 Asset Management and Administrative Services Agreement was US\$194,521 for the Reporting Period.

GCL Solar Energy Limited is an indirect wholly-owned subsidiary of GCL Technology, which is also an associate of Golden Concord Group Limited (HK). Golden Concord Group Limited (HK) is a connected person of the Company and GCL Solar Energy Limited is an associate of a connected person of the Company under the Listing Rules. The entering into of the 2022 Asset Management and Administrative Services Agreement and the transactions contemplated thereunder constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. Details of the transactions have been set out in the announcement of the Company dated 23 May 2022.

(iii) GCL Green Energy System Technology Co., Ltd.

On 25 October 2023, Suzhou GCL Operation and GCL Green Energy (a direct wholly-owned subsidiary of GCL System Integration) entered into an operation services agreement ("Jinzhai Operation Services Agreement"), pursuant to which Suzhou GCL Operation agreed to provide certain operation and management services to GCL Green Energy for three years commencing from 25 October 2023 at a consideration of RMB2,180,000 per year. The annual caps of the service fee to be received by Suzhou GCL Operation for the year ended 31 December 2025 and for the period from 1 January 2026 to 24 October 2026 were/will be RMB2,180,000 and RMB1,773,863, respectively. Details of the transactions have been set out in the announcement of the Company dated 25 October 2023.

GCL Green Energy is a direct wholly-owned subsidiary of GCL System Integration, which is a majority-controlled company indirectly held by Golden Concord Group Limited (HK). Golden Concord Group Limited (HK) is a connected person of the Company and GCL Green Energy is an associate of a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Jinzhai Operation Services Agreement constitutes connected transactions of the Company under Chapter 14A of the Listing Rules.

The total amount received by the Group for the provision of operation services under the Jinzhai Operation Services Agreement from 1 January 2025 to 31 December 2025 was approximately RMB0.

Report of the Directors

(iv) Nanjing Xinneng Intelligent Storage Technology Co., Ltd.

On 2 July 2024, Suzhou GCL Operation and Nanjing Xinneng Intelligent Storage Technology Co., Ltd. (“Nanjing Xinneng”) (an indirect wholly-owned subsidiary of GCL Energy Technology) entered into an operation and maintenance management service agreement (“Nanjing Operation and Maintenance Management Service Agreement”), pursuant to which Suzhou GCL Operation agreed to provide certain operation and management services to Nanjing Xinneng for three years commencing from 2 July 2024 at a consideration of RMB1,790,000 per year. The annual caps of the service fee to be received by Suzhou GCL Operation for the two years ended/ending 31 December 2026 and for the period from 1 January 2027 to 1 July 2027 were/will be RMB1,790,000, RMB1,790,000 and RMB892,548, respectively. Details of the transactions have been set out in the announcement of the Company dated 2 July 2024.

Nanjing Xinneng is an indirect wholly-owned subsidiary of GCL Energy Technology, which is a majority-controlled company indirectly held by Golden Concord Group Limited (HK). Golden Concord Group Limited (HK) is a connected person of the Company and Nanjing Xinneng is an associate of a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Nanjing Operation and Maintenance Management Service Agreement constitutes connected transactions of the Company under Chapter 14A of the Listing Rules.

The total amount received by the Group for the provision of operation services under the Nanjing Operation and Maintenance Management Service Agreement from 1 January 2025 to 31 December 2025 was approximately RMB0.

(v) Zhongwei Xinhua Technology Co., Ltd.

On 2 July 2024, Suzhou GCL Operation and Zhongwei Xinhua Technology Co., Ltd. (“Zhongwei Xinhua”) (an indirect wholly-owned subsidiary of GCL Energy Technology) entered into an operation and maintenance management service agreement (“Zhongwei Operation and Maintenance Management Service Agreement”), pursuant to which Suzhou GCL Operation agreed to provide certain operation and management services to Zhongwei Xinhua for three years commencing from 2 July 2024 at a consideration of RMB2,190,000 per year. The annual caps of the service fee to be received by Suzhou GCL Operation for the two years ended/ending 31 December 2026 and for the period from 1 January 2027 to 1 July 2027 were/will be RMB2,190,000, RMB2,190,000 and RMB1,092,000, respectively. Details of the transactions have been set out in the announcement of the Company dated 2 July 2024.

Zhongwei Xinhua is an indirect wholly-owned subsidiary of GCL Energy Technology, which is a majority-controlled company indirectly held by Golden Concord Group Limited (HK). Golden Concord Group Limited (HK) is a connected person of the Company and Zhongwei Xinhua is an associate of a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Zhongwei Operation and Maintenance Management Service Agreement constitutes connected transactions of the Company under Chapter 14A of the Listing Rules.

The total amount received by the Group for the provision of operation services under the Zhongwei Operation and Maintenance Management Service Agreement from 1 January 2025 to 31 December 2025 was RMB0.

(vi) Services Agreements under Rule 14A.60 of the Listing Rules

References are made to the announcement dated 12 October 2023 (the “Announcement”) and circular dated 15 November 2023 (the “Circular”) of the Company (capitalised terms used herein shall have the same meanings as those defined in the Circular) regarding the entering into of the First Batch Share Purchase Agreements dated 12 October 2023 between the First Batch Sellers and Suzhou Industrial Zone Xinkunneng Clean Energy Co., Ltd.* (蘇州工業園區鑫坤能清潔能源有限公司) (the “Purchaser”) and the entering into of the Second Batch Share Purchase Agreement dated 12 October 2023 between the Second Batch Sellers and the Purchaser (the “Disposals”) and the Management Service Agreements and Supplemental Operation Management Service Agreements (“Service Agreements”) of the Company. The Disposals were approved by the independent shareholders of the Company at the special general meeting held on 1 December 2023.

Given that the Purchaser is an associate of the connected persons of the Company, upon completion of the Disposals, the Target Companies will become subsidiaries of the Purchaser. As a result, the Designated Target Companies will also be considered as connected persons of the Company under Chapter 14A of the Listing Rules and the Service Agreements and the transactions contemplated thereunder will be considered as continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In accordance with Rule 14A.60 of the Listing Rules, the Company is required to comply with the applicable annual review and disclosure requirements under Chapter 14A of the Listing Rules regarding such continuing connected transaction, including issuance of announcements and annual reporting. The Company will comply in full with all applicable reporting, disclosure and, if applicable, Independent shareholders’ approval requirements under Chapter 14A of the Listing Rules upon any variation or renewal of the Service Agreements.

The aggregate maximum annual cap for provision of such services under the Supplemental Operation Management Service Agreements will be approximately RMB40.2 million. The total amount received by the Group for the provision of such services from 1 January 2025 to 31 December 2025 was approximately RMB29,900,454.

Report of the Directors

Details of the related party transactions undertaken in normal course of business are set out in note 45 to the consolidated financial statements. Save as the fully exempt connected transactions/continuing connected transactions disclosed above, all related party transactions should constitute connected transactions/continuing connected transactions under the Listing Rules and that they have complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

All the Non-exempt Continuing Connected Transactions have been reviewed by the independent non-executive Directors who have confirmed that for the year ended 31 December 2025 the Non-exempt Continuing Connected Transactions have been entered into by the Group (i) in the ordinary and usual course of the business of the Group; (ii) are carried out on normal commercial terms or better; and (iii) in accordance with the relevant agreements in respect thereof, the terms of which are fair and reasonable and in the interests of the Shareholders as a whole.

The Company has formulated appropriate and effective internal control procedures in its daily operation to monitor the connected transactions/continuing connected transactions, such as (i) having mechanisms for identifying connected persons, review and update the list of connected persons and conduct background investigation before entering into transactions; and (ii) monitoring the amounts involved in the transactions regularly to ensure that they will not exceed the approved annual caps.

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 on the Non-exempt Continuing Connected Transactions of the Group in accordance with the Hong Kong Standard on Assurance Engagement 3000 (Revised) "Assurance Engagements 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 Reporting Period, the Non-exempt Continuing Connected Transactions, which were entered into:

1. have received the approval of the Board;
2. have been in accordance with the pricing policies of the Company for transactions involving the provision of goods or services;
3. have been in accordance with the relevant agreements governing such transactions; and
4. have not exceeded the relevant announced cap amounts for the Reporting Period.

Permitted Indemnity Provision

Pursuant to article 164(1) of the Bye-laws, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. The Company has arranged appropriate insurance cover for the Directors in respect of potential liability and costs associated with legal proceedings that maybe brought against any of the Directors.

Directors' Material Interests in Transactions, Arrangements or Contracts

Save as disclosed above, no transactions, arrangements or contracts of significance in relation to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end or at any time during the Reporting Period.

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 the Shareholders. The remuneration policy of the executive Directors is reviewed by the Remuneration Committee.

The Company has adopted 2024 Share Option Scheme as an incentive to Directors and eligible employees, details of the scheme(s) are set out under the section headed "Share Option Scheme" in this "Report of the Directors" and in note 36 to the consolidated financial statements.

Retirement Benefit Plans

Details of the Group's retirement benefit plans are shown in note 44 to the consolidated financial statements.

Remuneration of Directors and Five Highest Paid Individuals

Details of the remuneration paid by the Group to the Directors and the five highest paid individuals of the Group for the Reporting Period are set out in note 12 to the consolidated financial statements.

Arrangement to Purchase Shares or Debentures

Other than as disclosed above, at no time during the Reporting Period was the Company or any of its subsidiaries, fellow subsidiaries or holding companies a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Management Contracts

No contract, other than employment contracts, concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or existed during the Reporting Period.

Report of the Directors

Finance Costs Capitalised

No finance costs was capitalised by the Group during the Reporting Period (31 December 2024: Nil).

Major Customers and Suppliers

During the Reporting Period, the aggregate amount of purchases (not including those which are of capital nature) attributable to the Group's five largest suppliers accounted for 57% of the Group's total purchases. The largest supplier accounted for approximately 16% (2024: 33%) of the Group's total purchases.

During the Reporting Period, the Group's five largest customers accounted for approximately 45% (2024: 49%) of the Group's total sales. The largest customer accounted for approximately 16% (2024: 18%) of the Group's total sales.

None of the Directors, their associates or shareholders (who to the knowledge of the Directors own more than 5% of the Company's issued share capital) had an interest in the major suppliers or customers noted above.

Sufficiency of Public Float

As at the date of this annual report, to the best knowledge of the Directors and based on the information publicly available to the Directors, the Company has maintained sufficient public float of the Shares.

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 AGM. A resolution will be proposed at the AGM to re-appoint Crowe (HK) CPA Limited as auditor of the Company.

Events after the Reporting Period

Details of the events after the Reporting Period of the Group are set out in note 48 to the consolidated financial statements.

By order of the Board

ZHU Gongshan

Chairman

Hong Kong, 30 March 2026

Communication with Shareholders

Shareholders' Rights of Accessing Information

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

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

Dividend Policy

The Company recognizes the importance of maximizing return to Shareholders and believes that driving growth creates significant value to Shareholders. The Dividend Policy aims to set out the approach with the objective of achieving right balance of the amount of dividend and the amount of profits retained in the business for various purposes.

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.

Communication with Shareholders

The Company may declare dividends in any currency through general meetings of the Shareholders, but the declared dividends shall not exceed the amount recommended by the Board. The Board may also declare dividends or other distributions from time to time.

Any dividend declared by the Company shall be conducted in accordance with the Bermuda Companies Act, 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.

Review of the Policy

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.

Convening of a Special General Meeting on Requisition by Shareholders

In accordance with bye-law 58 of the Bye-laws, shareholders 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 a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Bermuda Companies Act.

Procedures for Putting Forward Proposals at General Meeting by Shareholders

Pursuant to the Bermuda Companies Act, Shareholders holding not less than one-twentieth of the paid-up capital of the Company, or of not less than one hundred in number, can deposit a written request to the Company Secretary, at the expense of the requisitionists, to: (i) move a resolution at an annual general meeting; and/or (ii) circulate any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at any general meeting. The written request must be deposited at the principle place of business in Hong Kong of the Company, for the attention of the Company Secretary, not less than six weeks before the next annual general meeting in the case of a requisition requiring notice of a resolution and not less than one week in the case of any other requisition.

Shareholders' Right to Propose a Person for Election as a Director

The procedures for Shareholders to propose a person for election as Director are published on the Company's website at <http://www.gclnewenergy.com>.

Procedures for Directing Shareholders' Enquiries to the Board

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

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

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

Tricor Investor Services Limited

Address: 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
Telephone: (852) 2980-1333
Facsimile: (852) 2810-8185

Independent Auditor's Report



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TO THE SHAREHOLDERS OF GCL NEW ENERGY HOLDINGS LIMITED

協鑫新能源控股有限公司

(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of GCL New Energy Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 74 to 217, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the 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 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as 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") as 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"), as applicable to audits of financial statements of public interests entities. We have also 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 judgment, 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters

How our audit addressed the key audit matters

Revenue recognition on trading of liquefied natural gas ("LNG") business

For the year ended 31 December 2025, the Group recognised revenue of approximately RMB672,770,000 from sales of LNG and related products, of which approximately RMB669,731,000 is recognised on gross basis, and approximately RMB3,039,000 is recognised on net basis. The determination of whether revenue should be reported on a gross or net basis is based on the assessment of whether the Group acts as a principal or an agent in the transactions, taking into account of the nature of specified goods or services and whether the Group controls the specified goods or services before it is transferred to customer.

The indicators that an entity controls the specified good or service before it is transferred to the customer include but not limited to (a) the entity is primarily responsible for fulfilling the promise to provide the specified goods or service; (b) the entity bears certain inventory risk, and (c) the entity has discretion in establishing price.

We focused on this area due to the significant judgements involved in determining the Group's role as a principal or an agent in the arrangements of providing specified goods or services with customers, which will impact the presentation of revenue and related costs in the consolidated statement of profit or loss and other comprehensive income.

The accounting policies and disclosures are included in notes 4, 5 and 6 to the consolidated financial statements.

Our procedures in relation to the recognition of the Group's revenue on trading of LNG business included:

- Understanding, evaluating and testing, on a sample basis, the key controls in place over management's assessment of whether the Group acts as a principal or an agent in the transactions ("principal-agent assessment"), including management's approval and review of sales and purchase contracts;
- Discussing with management, understanding the business models and the indicators used in principal-agent assessment under different circumstances. Evaluating the appropriateness of both accounting policies and principal-agent assessment under different circumstances for each indicator;
- On a sample basis, obtaining and testing the supporting evidences for each indicator that the management considered in the principal-agent assessment. The supporting evidences include but not limited to contracts with customers and shipping documents, in order to assess whether the Group is primarily responsible for fulfilling the promise to provide the specified goods or service, establishes price and bears certain inventory risks; and
- Performing overall evaluation on the appropriateness of the judgement made by the management and considered the weight of the indicators for principal-agent assessment in revenue recognition.

Independent Auditor's Report (Continued)

Key audit matters

How our audit addressed the key audit matters

Impairment assessment of property, plant and equipment and right-of-use assets

As at 31 December 2025, the Group had property, plant and equipment and right-of-use assets of approximately RMB530 million and RMB39 million respectively.

The carrying amount of the Group's net assets has been more than its market capitalisation, which indicates that property, plant and equipment and right-of-use assets are subject to impairment. Management performed impairment test accordingly by comparing the recoverable amounts based on the higher of fair value less costs of disposal and value-in-use calculation of the cash-generating unit that the property, plant and equipment and right-of-use assets belong to with the carrying amount of the identified cash-generating unit as at 31 December 2025. Management assessed the recoverable amount of those assets were higher than their carrying amounts. Estimating the recoverable amounts requires significant management judgements and estimates including future sales volume, future electricity unit price, cost of inventories sold, estimated useful life of the asset, costs expected to be incurred for disposing of the asset and the discount rates applied to these forecasted future cash flows.

The accounting policies and disclosures of the impairment assessment are included in notes 4, 5, 15 and 16 to the consolidated financial statements.

Our procedures in relation to the impairment assessment of property, plant and equipment and right-of-use assets included:

- Evaluating management's assessment on the impairment indicators for property, plant and equipment and right-of-use assets, and management's identification of cash-generating units;
- Evaluating the competence, independence and works performed by the expert engaged by the management to assess their estimation;
- Comparing management's valuation methodologies, that are, value-in-use calculation based on future discounted cash flows, to industry practice and assessed the key assumptions used, such as estimates of future sales volume, future electricity unit price and cost of inventories sold by analysing the historical accuracy of management's estimates, and discount rates with reference to comparable companies similar to the Group's business; and fair value less costs of disposal calculation based on the estimated useful life of the asset, costs expected to be incurred for disposing of the asset and the cash flow forecast;
- Involving our valuation specialists to assist us with assessing the valuation methodologies, discount rate and costs expected to be incurred for disposing the assets;
- Evaluating the sensitivity of the significant assumptions described above by assessing the changes to the recoverable amount of the cash-generating unit resulting from possible changes in these assumptions, both individually and in the aggregate; and
- Assessing the adequacy of the Group's disclosures included in the consolidated financial statements regarding the impairment assessment of property, plant and equipment and right-of-use assets.

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

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include 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 AND THOSE CHARGED WITH GOVERNANCE 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 as 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 of the Company 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 solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, 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 HKSAAs 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.

Independent Auditor's Report (Continued)

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism 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 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.
- 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.

Independent Auditor's Report (Continued)

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to 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, 30 March 2026

Chan Wai Dune, Charles

Practising Certificate Number P00712

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
Revenue	6	1,062,567	1,107,755
Cost of sales and services rendered		(916,495)	(980,320)
Gross profit		146,072	127,435
Other income	7	92,575	117,647
Other gains and losses, net	8	(850,572)	(66,622)
Impairment loss on expected credit loss model, net of reversal	8	(297,230)	(148,426)
Selling and distribution expenses		(11,333)	(9,506)
Research and development expenses		(30,870)	(29,360)
Administrative expenses			
— share-based payment expenses	36	(656)	(4,269)
— other administrative expenses		(211,497)	(265,084)
Share of profits of associates	18	64,658	110,774
Share of profits of joint ventures	19	192	268
Finance costs	9	(44,735)	(51,415)
Loss before tax		(1,143,396)	(218,558)
Income tax expense	10	(4,623)	(4,182)
Loss for the year	11	(1,148,019)	(222,740)
Other comprehensive income (expense):			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		5,572	(1,526)
Total comprehensive expense for the year		(1,142,447)	(224,266)
Loss for the year attributable to:			
Owners of the Company		(1,340,036)	(424,040)
Non-controlling interests			
— Owners of perpetual notes		200,750	201,300
— Other non-controlling interests		(8,733)	—
		(1,148,019)	(222,740)

Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

For the year ended 31 December 2025

	<i>NOTES</i>	2025 RMB'000	2024 RMB'000
Total comprehensive expense for the year attributable to:			
Owners of the Company		(1,334,464)	(425,566)
Non-controlling interests			
— Owners of perpetual notes		200,750	201,300
— Other non-controlling interests		(8,733)	–
		(1,142,447)	(224,266)
		RMB cents	RMB cents
Loss per share	14		
— Basic		(88.10)	(32.16)
— Diluted		(88.10)	(32.16)

Consolidated Statement of Financial Position

As at 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	530,331	548,116
Right-of-use assets	16	39,304	49,324
Goodwill	17	2,380	–
Interests in associates	18	1,533,989	1,585,947
Interests in joint ventures	19	1,078,485	3,734
Amounts due from related companies	25	822,435	640,487
Financial assets at fair value through profit or loss	20	209,148	157,874
Other non-current assets	21	2,754	2,338
Other receivables	23	813,816	817,789
Pledged bank and other deposits	26	–	8,860
Deferred tax assets	32	753	787
		5,033,395	3,815,256
CURRENT ASSETS			
Inventories	22	1,146	159,621
Trade and other receivables	23	630,891	1,074,550
Derivative financial instruments	24	1,472	4,098
Amounts due from related companies	25	556,452	627,658
Tax recoverable		–	13
Pledged bank and other deposits	26	114,040	28,170
Bank balances and cash	26	278,829	284,865
		1,582,830	2,178,975
Assets classified as held for sale	27	104,245	99,359
		1,687,075	2,278,334
CURRENT LIABILITIES			
Trade and other payables and deferred income	28	796,062	384,816
Contract liabilities	29	45,460	127,546
Derivative financial instruments	24	–	5,133
Amounts due to related companies	25	224,355	143,855
Tax payable		2,454	1,852
Bank and other borrowings	30	62,760	31,048
Lease liabilities	31	16,198	14,375
		1,147,289	708,625
Liabilities directly associated with assets classified as held for sale	27	1,753	1,484
		1,149,042	710,109
NET CURRENT ASSETS		538,033	1,568,225
TOTAL ASSETS LESS CURRENT LIABILITIES		5,571,428	5,383,481

Consolidated Statement of Financial Position (Continued)

As at 31 December 2025

	<i>NOTES</i>	2025 RMB'000	2024 RMB'000
NON-CURRENT LIABILITIES			
Bank and other borrowings	30	745,335	309,187
Lease liabilities	31	78,311	97,034
Convertible bonds	33	41,871	–
Other payables and deferred income	28	466,111	148,496
Deferred tax liabilities	32	104,611	–
		1,436,239	554,717
NET ASSETS		4,135,189	4,828,764
CAPITAL AND RESERVES			
Share capital	34	111,249	99,371
Reserves		336,375	1,588,871
Equity attributable to owners of the Company		447,624	1,688,242
Equity attributable to non-controlling interests			
— Owners of perpetual notes	35	3,341,272	3,140,522
— Other non-controlling interests		346,293	–
TOTAL EQUITY		4,135,189	4,828,764

The consolidated financial statements on pages 74 to 217 were approved and authorised for issue by the Board of Directors on 30 March 2026 and are signed on its behalf by:

Zhu Yufeng
DIRECTOR

Huang Wei
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company									Non-controlling interests		Total equity RMB'000	
	Share capital RMB'000	Share premium RMB'000	Contributed surplus RMB'000 (Note a)	Legal reserves RMB'000 (Note b)	Translation reserve RMB'000	Special reserve RMB'000 (Note c)	Share options reserve RMB'000	Convertible bonds equity reserve RMB'000	Accumulated losses RMB'000	Sub-total RMB'000	Perpetual notes RMB'000		Other non-controlling interests RMB'000
At 1 January 2024	81,773	5,263,813	15,918	537,931	(3,931)	(182,517)	84,919	-	(3,742,474)	2,055,432	2,939,222	-	4,994,654
Loss for the year	-	-	-	-	-	-	-	-	(424,040)	(424,040)	201,300	-	(222,740)
Other comprehensive income for the year	-	-	-	-	(1,526)	-	-	-	-	(1,526)	-	-	(1,526)
Total comprehensive expense for the year	-	-	-	-	(1,526)	-	-	-	(424,040)	(425,566)	201,300	-	(224,266)
Issue of new shares (note 34)	17,598	37,529	-	-	-	-	-	-	-	55,127	-	-	55,127
Transaction costs attributable to the issue of new shares (note 34)	-	(1,020)	-	-	-	-	-	-	-	(1,020)	-	-	(1,020)
Equity-settled share option arrangement (note 36)	-	-	-	-	-	-	4,269	-	-	4,269	-	-	4,269
Forfeiture/lapse of share options (note 36)	-	-	-	-	-	-	(26,689)	-	26,689	-	-	-	-
Disposal of subsidiaries (note 38(a))	-	-	-	(174,895)	-	-	-	-	174,895	-	-	-	-
At 31 December 2024 and 1 January 2025	99,371	5,300,322	15,918	363,036	(5,457)	(182,517)	62,499	-	(3,964,930)	1,688,242	3,140,522	-	4,828,764
Loss for the year	-	-	-	-	-	-	-	-	(1,340,036)	(1,340,036)	200,750	(8,733)	(1,148,019)
Other comprehensive expense for the year	-	-	-	-	5,572	-	-	-	-	5,572	-	-	5,572
Total comprehensive expense for the year	-	-	-	-	5,572	-	-	-	(1,340,036)	(1,334,464)	200,750	(8,733)	(1,142,447)
Transfer to legal reserves	-	-	-	1,069	-	-	-	-	(1,069)	-	-	-	-
Issue of new shares (note 34)	11,878	51,806	-	-	-	-	-	-	-	63,684	-	-	63,684
Issue of convertible bonds	-	-	-	-	-	-	-	29,506	-	29,506	-	-	29,506
Equity-settled share option arrangement (note 36)	-	-	-	-	-	-	656	-	-	656	-	-	656
Forfeiture/lapse of share options (note 36)	-	-	-	-	-	-	(21,553)	-	21,553	-	-	-	-
Acquisition of subsidiaries (note 37)	-	-	-	-	-	-	-	-	-	-	-	355,026	355,026
At 31 December 2025	111,249	5,352,128	15,918	364,105	115	(182,517)	41,602	29,506	(5,284,482)	447,624	3,341,272	346,293	4,135,189

Consolidated Statement of Changes in Equity (Continued)

For the year ended 31 December 2025

Notes:

- (a) Contributed surplus represents (i) the amount of approximately RMB16,924,000 (equivalent to approximately HK\$15,941,000) credited to the contributed surplus as a result of the capital reduction and consolidation of shares of the Company on 16 September 2003; and (ii) the Company made a distribution in respect of 2008 final dividend amounting to approximately RMB1,006,000 (equivalent to approximately HK\$1,138,000) out of the contributed surplus during the year ended 31 March 2009.
- (b) Legal reserves represent the amounts set aside from the retained earnings by certain subsidiaries incorporated in the People's Republic of China ("PRC"). In accordance with the relevant regulations and their articles of association, the Company's subsidiaries incorporated in the PRC are required to allocate at least 10% of their after-tax profit according to the PRC accounting standards and regulations to legal reserves until such reserves have reached 50% of registered capital. These reserves can only be used for specific purposes and are not distributable or transferable to loans, advances and cash dividends.
- (c) Special reserve represents the difference between (i) the consideration to acquire additional interest in subsidiaries and the respective share of the carrying amounts of net assets acquired; and (ii) the consideration to dispose of partial interest in subsidiaries without losing controls and the carrying amounts of the attributable net assets disposed of.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES		
Loss before tax	(1,143,396)	(218,558)
Adjustments for:		
Amortisation of deferred income on government grant		
— ITC (defined in note 7 and note 28(a))	(6,448)	(14,625)
Depreciation of		
— Property, plant and equipment	23,968	56,049
— Right-of-use assets	12,508	12,803
Impairment losses on prepayments	12,062	—
Impairment loss on expected credit loss model, net of reversal (Reversal of write-down)/write-down of inventories	297,230 (31,879)	148,426 31,879
Loss on disposal of property, plant and equipment	—	246
Finance costs	44,735	51,415
Interest income	(22,391)	(28,131)
Interest arising from contracts containing significant financial component	(386)	(668)
Imputed interest income arising from receivables containing significant financing component	(59,400)	(65,760)
Share-based payment expenses	656	4,269
Share of profits of joint ventures	(192)	(268)
Share of profits of associates	(64,658)	(110,774)
Net gain on disposal of solar power plant projects	—	(8,211)
Gain on deregistration of a subsidiary	—	(3,679)
Loss on disposal of subsidiaries	100	—
Accrued compensation for former subsidiaries	810,857	—
Net realised and unrealised (gain)/loss on derivative financial instruments	(2,507)	2,978
Gain on disposal of financial assets at fair value through profit or loss	—	(644)
Unrealised (gain)/loss on fair value change of financial assets at fair value through profit or loss	(9,872)	15,960
Fair value change on receivables containing significant financial component	29,532	63,800
Unrealised exchange (gain)/loss, net	(6,953)	19,990
Operating cash flows before movements in working capital	(116,434)	(43,503)
(Increase)/decrease in other non-current assets	(416)	12,017
Decrease/(increase) in inventories	190,354	(191,500)
Decrease/(increase) in trade and other receivables	136,809	(293,679)
Decrease/(increase) in amounts due from related companies	1,638	(1,573)
Decrease in trade and other payables and deferred income	(47,604)	(4,979)
(Decrease)/increase in contract liabilities	(82,086)	125,464
Cash generated from/(used in) operations	82,261	(397,753)
Income taxes paid	(3,974)	(2,362)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	78,287	(400,115)

Consolidated Statement of Cash Flows (Continued)

For the year ended 31 December 2025

	<i>NOTES</i>	2025 RMB'000	2024 RMB'000
INVESTING ACTIVITIES			
Interest received		5,012	8,617
Payments for construction and purchase of property, plant and equipment		(7,319)	(25,312)
Payment for acquisition of financial assets at fair value through profit or loss		(42,045)	(146,146)
Acquisition of subsidiaries, net of cash acquired	37	(198,800)	–
Proceeds from disposal of property, plant and equipment		39	1,231
Proceeds from disposal of subsidiaries with solar power plant projects	38	–	105,672
Settlement of consideration and other receivables in relation to former subsidiaries		84,786	385
(Placement)/withdrawal of pledged bank and other deposits		(78,962)	64,899
Repayment to former subsidiaries		–	(5,960)
Advances to related companies		(79,484)	(56,589)
Repayment from related companies		190,913	243,805
Settlement of derivative financial instruments		–	(1,943)
Dividend received from associates		43,764	68,340
Capital reduction in associates		37,440	–
Proceeds from disposal of subsidiaries		6	–
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES		(44,650)	256,999

Consolidated Statement of Cash Flows (Continued)

For the year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
FINANCING ACTIVITIES		
Interest paid	(34,644)	(45,552)
Proceeds from bank and other borrowings	–	10,000
Repayment of bank and other borrowings	(26,132)	(92,437)
Repayments of lease liabilities	(17,873)	(18,499)
Repayment of loan from a related company	–	(4,811)
Proceeds from issue of shares through placement	–	55,127
Transaction costs paid for the issue of shares through placement	–	(1,020)
Advances from related companies	40,600	8,514
Repayment to related companies	(1,839)	(40,407)
NET CASH USED IN FINANCING ACTIVITIES	(39,888)	(129,085)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,251)	(272,201)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		
Represented by		
— bank balances and cash	284,865	555,395
— bank balances and cash classified as held for sale	126	558
	284,991	555,953
Effect of exchange rate changes on the balance of cash held in foreign currencies	148	1,239
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		
Represented by		
— bank balances and cash	278,829	284,865
— bank balances and cash classified as held for sale	59	126
	278,888	284,991

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

I. GENERAL INFORMATION

GCL New Energy Holdings Limited (the “Company”) is incorporated in Bermuda as an exempted company with limited liability. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the principal place of business is at Unit 1707A, Level 17, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

The Company is an investment holding company. Its subsidiaries (hereinafter together with the Company collectively referred to as the “Group”) are principally engaged in the sale of electricity, development, construction, operation and management of solar power plants (“Solar Energy Business”) and sale of liquefied natural gas and related products (“LNG Business”).

The functional currency of the Company and the presentation currency of the Group’s consolidated financial statements are Renminbi (“RMB”).

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRSs”) (which include all applicable individual International Financial Reporting Standards, International Accounting Standards (“IASs”) and interpretations) as issued by the International Accounting Standards Board (“IASB”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. 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 at the end of each reporting period, as explained in the material accounting policy information set out below.

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

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* (“IFRS 2”), leasing transactions that are accounted for in accordance with IFRS 16 *Lease* (“IFRS 16”), 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* (“IAS 36”).

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

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

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 (“IFRSs”)

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRSs as issued by IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of the Group’s consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to IAS 21 in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Annual Improvements to IFRS Accounting Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ¹
IFRS 18 and consequential amendments to other IFRS Accounting Standards	Presentation and Disclosure in Financial Statements ²
IFRS 19 and subsequent amendments	Subsidiaries without Public Accountability: Disclosures ²
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ²
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 2026

² Effective for annual periods beginning on or after 1 January 2027

³ Effective for annual periods beginning on or after a date to be determined

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

Amendments to IFRSs that are mandatorily effective for the current year (Continued)

Except for the amendments to IFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

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.

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 IFRS Accounting Standards 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 directors of the Company are in the process of assessing the detailed impact on the consolidated financial statements.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION

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.

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 component of other comprehensive income ("OCI") are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the 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.

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

All intra-group 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Basis of consolidation (Continued)

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in 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 IFRSs). 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.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Business combinations

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.

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 *Provisions, Contingent Liabilities and Contingent Assets* ("IAS 37") or IFRIC 21 *Levies* ("IFRIC 21") instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

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 and IAS 19 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 information 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, except for right-of-use assets relating to leasehold lands in which the relevant acquirees are the registered owners with full upfront lease payments, which are 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Business combinations (Continued)

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 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.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and is not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in an annual period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that annual period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

Investments in associates and joint venture

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.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Investments in associates and joint venture (Continued)

The results and assets and liabilities of associates and joint venture are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint venture 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 provided for, and a liability is 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 year 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.

When the Group ceases to have significant influence over an associate or joint control over 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 have been 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Investments in associates and joint venture (Continued)

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.

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in the relevant subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or a joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale from the time when the investment is classified as held for sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell, except for financial assets within the scope of IFRS 9 and deferred tax assets which continue to be measured in accordance with the accounting policies set out in respective sections. Immediately before the initial classification of the asset (or disposal group) as held for sale, the carrying amounts of the assets (or all the assets and liabilities in the group) are measured in accordance with applicable IFRSs.

When the criteria of non-current assets (and disposal groups) classified as held for sale have no longer been met, the Group shall cease to classify non-current assets (and disposal groups) as held for sale. The Group shall measure each non-current asset that ceased to be classified as held for sale at the lower of its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognised had the asset not been classified as held for sale; and its recoverable amount at the date of the subsequent decision not to sell.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

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 Group performs; 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.

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.

Revenue from operation and management services is recognised over time during the provision of service, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group. Revenue is recognised on a straight-line basis because the entity’s inputs are expended evenly throughout the scheduled performance period.

Revenue from solar related supporting services mainly represents contracts with customers in relation to sales of solar modules with related supporting services that the Group has acted as an agent and, is recognised at a point in time on a net basis when the control is transferred to the customer, which is at the time when the solar module is delivered and confirmed with the customer.

Revenue from liquefied natural gas (“LNG”) business mainly represents contracts with customers in relation to sales of LNG and related products that the Group has acted as both principal and agent and, is recognised at a point in time on a gross basis as a principal and on a net basis as an agent when the control is transferred to the customer, which is the time when the LNG and related products are delivered and confirmed with the customer.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers (Continued)

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

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.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers (Continued)

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.

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.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (Continued)

The Group as a lessee (Continued)

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 assets include:

- the amounts of the initial measurement of the lease liabilities;
- 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.

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 lives. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful lives and the lease terms.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets (Continued)

When the Group obtains ownership of the underlying leased asset at the end of the lease term, upon exercising purchase option, the carrying amount of the relevant right-of-use 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. Adjustments to fair value 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 Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on consolidated statement of financial position.

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, including lease incentives provided through forgiveness or reduction of rentals.

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.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-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 and the aggregate stand-alone price of the non-lease components. The associated non-lease components are included in the respective lease components.

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 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 that 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.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Foreign currencies (Continued)

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 rates 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).

On the disposal of a foreign operation (i.e. 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.

Borrowing costs

Borrowing costs are recognised in profit or loss in the year 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 year in which they become receivable. Such grants are presented under "other income".

Research and development expenses

Research and development expenses are expensed as incurred. Research and development expenses consist primarily of payroll and related personnel costs for developing or significantly improving the Company's services and products.

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 Schemes, are recognised as an expense when employees have rendered services 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.

Share-based payment arrangements

Equity-settled share-based payment transactions

Share options granted to employees and others providing similar services

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 36.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Share-based payment arrangements (Continued)

Equity-settled share-based payment transactions (Continued)

Share options granted to employees and others providing similar services (Continued)

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). At the end of each reporting period, the Group revises its estimates of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit and loss.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated losses.

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 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 difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary differences arises from initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interest in joint venture, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Taxation (Continued)

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.

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.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to recognise a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with the lease liabilities and the right-of-use assets respectively.

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 it relates 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.

Property, plant and equipment

Property, plant and equipment including buildings are tangible assets that are held for use in the production or supply of goods or services, or for administration purposes, are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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 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.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Property, plant and equipment (Continued)

Depreciation is recognised so as to write off the cost of items 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 sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment on property, plant and equipment and right-of-use assets

At the end of reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets 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).

The recoverable amounts of property, plant and equipment and right-of-use 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)

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on first-in first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur 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 fair value through profit or loss ("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 cost 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.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("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.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

All other financial assets are subsequently measured at FVTPL, except that at 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 (Revised) *Business Combinations* ("IFRS 3") 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, except for a derivative that is not a designated and effective hedging instrument.

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

(i) *Amortised cost and interest income*

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, 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) *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 gains and losses, net" line item.

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 loss ("ECL") model on financial assets (including trade and other receivables, amounts due from related companies, pledged bank and other deposits, bank balances and cash) and financial guarantee contracts which are subject to impairment assessment 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 ("12m 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 past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade receivables, including those with significant financing component.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case 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 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. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

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 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 adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtors ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- 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.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

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)

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

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if (i) the financial instrument has a low risk of default; (ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the debtor to fulfil its contractual cash flow obligations. The Group considers a financial instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

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.

(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 a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events 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 borrower;
- (b) a breach of contract, such as a default or past due event;

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and financial guarantee contracts (Continued)

(iii) Credit-impaired financial assets (Continued)

(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; or

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

(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 in profit or loss.

(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 and 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.

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 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 instrument that is guaranteed. Accordingly, the ECL 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 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.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

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 (Continued)

Lifetime ECL for trade receivables are assessed collectively for debtors with shared credit risk characteristics by reference to repayment history of the debtor, adjusted for factors in relation to general economic conditions of the relevant industry, relevant country default risk and an assessment of both the current as well as the forecast direction at the reporting date.

12m ECL for all other instruments (including other receivables and amounts due from related companies) and financial guarantee contracts, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL, are assessed individually for debtors by reference to past repayment history, credit rating or financial position of the debtors and the forward looking information that is available without undue cost or effort.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

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 amounts, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition/modification 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 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.

A modification of a financial asset occurs if the contractual cash flows are renegotiated or otherwise modified.

When the contractual terms of a financial asset are modified, the Group assesses whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset, after reducing gross carrying amount that has been written off.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Derecognition/modification of financial assets (Continued)

For non-substantial modifications of a financial asset that does not result in derecognition, the carrying amount of the relevant financial asset will be calculated at the present value of the modified contractual cash flows discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial asset and are amortised over the remaining term. Any adjustment to the carrying amount of the financial asset is recognised in profit or loss at the date of modification.

Financial liabilities and equity

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 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.

Perpetual instruments, which include no contractual obligation for the Group to deliver cash or other financial assets or the Group has the sole discretion to defer payment of distribution and redemption of principal amount indefinitely, are classified as equity instruments.

Financial liabilities

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

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, loan from a related company, and bank and other borrowings are subsequently measured at amortised cost using the effective interest method.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

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. It is 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 amount of income recognised in accordance with the principles of IFRS 15.

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 liability 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 resulting gain or loss is recognised in profit or loss.

Convertible bonds contain equity component

The component parts of the convertible bonds are classified separately as financial liability and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component (including any embedded non-equity derivatives features) is estimated by measuring the fair value of similar liability that does not have an associated equity component.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium. Where the conversion option remains unexercised at the maturity date of the convertible bonds, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

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 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 ECLs in accordance with the policy set out in note 4.

Cash at banks exclude bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and 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 the Group or of a parent of the Group; or
- (b) the party is an entity where 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 a joint venture of the other entity (or an associate or a joint venture of a member of a group of which the other entity is a member);
 - (iii) the entity and the Group 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 joint 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); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

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 associated 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.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Principal versus agent consideration (principal)

The Group is engaged in sales of LNG and related products. The Group concludes that it acts as the principal for such transactions as it controls the specified goods before they are transferred to the customers after taking into consideration indicators such as the Group is primarily responsible for fulfilling the promise to provide the goods. The Group has inventory risk and has discretion in establishing the prices for the specified goods. When the Group satisfies the performance obligation, the Group recognises trading revenue in the gross amount of consideration to which the Group expects to be entitled as specified in the contracts.

During the year ended 31 December 2025, the Group recognised revenue from sales of LNG and related products, acting as a principal, of approximately RMB669,731,000 (2024: RMB728,268,000).

Principal versus agent consideration (agent)

The Group is considered as an agent for its contracts with customers relating to the sales of LNG and related products as the Group did not obtain the control over LNG and related products before passing on to customers taking into consideration indicators such as the Group is not primarily responsible for fulfilling the promise and not exposed to inventory risk. When the Group satisfies the performance obligation, the Group recognises trading revenue in the net amount of consideration that it retains after paying the other party the consideration received in exchange of the goods provided by that party.

During the year ended 31 December 2025, the Group recognised revenue from sales of LNG and related products, acting as an agent, of approximately RMB3,039,000 (2024: RMB1,703,000).

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

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

Key sources of estimation uncertainties

The following are the key assumptions concerning the future, and other key sources of estimation uncertainties 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.

Determination of timing of settlement of tariff adjustments on sales of electricity

Tariff adjustments represent subsidy received and receivable from the government authorities in respect of the Group's solar power generation business. Tariff adjustments are recognised as revenue and due from grid companies in the PRC in accordance with the relevant power purchase agreements. The Group considered that it contained a significant financing component over the relevant portion of tariff adjustment until the settlement of the trade receivables. In determining the period of extended financing, the Group has to exercise judgement and make estimation in timing of collection of the tariff adjustments with reference to historical pattern and experience for application and approval for registration in the List (as defined in note 6). The Group has adjusted the respective tariff adjustment for the financing component based on estimated timing of collection.

The adjustment for financing component is sensitive to changes in expected timing of settlement of the tariff adjustments. Change in facts and circumstances will result in revision of the expected collection period of the tariff adjustments which will be reflected as an increase or a reduction in financing component adjustment for the period in which such a revision takes place.

The revenue of the Group was adjusted by approximately RMB0.8 million for the year ended 31 December 2025 (2024: RMB2 million) for this financing component and in relation to revision of expected timing of tariff settlement.

Allowance for inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value of inventories is based on estimated selling prices less any estimated costs of completion and costs necessary to make the sale. These estimates are based on the current market conditions and the historical experience in selling goods of similar nature. It could change significantly as a result of changes in market conditions. The Group reassesses the estimation at the end of each reporting period.

During the year ended 31 December 2025, inventory allowance of approximately RMB31,879,000 was reversed due to the sale of inventories (2024: RMB31,879,000 was recognised based on estimated net realisable value).

As at 31 December 2025, the carrying amount of inventories was approximately RMB1,146,000 (2024: RMB159,621,000) (net of allowance for inventories of approximately RMBnil (2024: RMB31,879,000)).

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

Key sources of estimation uncertainties *(Continued)*

Provision of ECL for trade receivables

The Group uses a provision matrix to calculate ECL on trade receivables. The provision rates are based on internal credit rating as groupings for various debtors which shared credit risk characteristics by reference to repayment history of the debtor, taking into account general economic conditions of the relevant industry, relevant country default risk, and an assessment of both the current as well as forecast direction at the reporting date. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. As at 31 December 2025 and 2024, the ECL provision for trade receivables is considered insignificant.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in notes 40(b), 23 and 25.

Useful lives of property, plant and equipment and right-of-use assets

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.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

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

Key sources of estimation uncertainties (Continued)

Provision of ECL on other receivables (including balances with former subsidiaries) and amounts due from related companies (non-trade)

The Group measures loss allowance equal to 12m ECL for other receivables and amounts due from related companies (non-trade). In determining the ECL of other receivables and amounts due from related companies (non-trade), the management of the Company makes periodical individual assessment on the recoverability of the receivables by taking into account their past payment history, credit rating or financial position of the debtors and the forward-looking information that is available without undue cost or effort, and considering the debtors operate in the solar power industry which is well supported by the prevailing government policies. The amounts of ECL reflect changes in credit risk since initial recognition and is sensitive to changes in estimates.

As at 31 December 2025, the aggregate carrying amount of other receivables and amounts due from related companies (non-trade) were approximately RMB2,488 million (2024: RMB2,706 million).

The information about the ECL and the Group's other receivables and amounts due from related companies (non-trade) are disclosed in notes 40(b), 23 and 25, respectively.

Fair value measurement of financial instruments

Certain of the Group's financial assets as described in note 40(c) 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 result in material adjustments to the fair value of these instruments. Details of fair value measurements and disclosures are set out in note 40(c).

6. REVENUE AND SEGMENT INFORMATION

Revenue recognised during the year are as follows:

	2025 RMB'000	2024 RMB'000
Revenue		
Sales of electricity and tariff adjustments	52,437	90,057
Operation and management services income	270,636	272,577
Solar related supporting services income	66,724	15,150
LNG business related income	672,770	729,971
Total	1,062,567	1,107,755

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

6. REVENUE AND SEGMENT INFORMATION (Continued)

For sales of electricity and tariff adjustments, substantially all of the revenue is derived from electricity sales to local grid companies in the United States of America (“US”) (2024: US) for the year ended 31 December 2025. The Group generally entered into power purchase agreements with local grid companies with a term of two (2024: two) years and overseas grid companies with a term of ten to twenty years which stipulate the price of electricity per watt hour. Revenue is recognised when control of the electricity has transferred, being at the point when electricity has generated and transmitted to the customers and the amount included tariff adjustments of approximately RMB4,447,000 (2024: RMB4,847,000) recognised during the current year. Except for trade receivables relating to tariff adjustments, the Group generally grants credit period of approximately one month to customers from date of invoice in accordance with the relevant power purchase agreements between the Group and the respective local grid companies or overseas grid companies. 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 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.

Tariff adjustments are recognised as revenue and due from grid companies in the PRC in accordance with the relevant power purchase agreements.

The management considered that it contained a significant financing component over the tariff adjustments until the settlement of the trade receivables. For the current year, the respective tariff adjustment was adjusted for this financing component based on an effective interest rate ranged from 1.40% to 1.63% per annum (2024: 1.42% to 2.05% per annum) and the adjustment in relation to revision of expected timing of tariff collection. As such, the Group’s revenue was adjusted by approximately RMB0.8 million (2024: RMB2 million) and interest income amounting to approximately RMB386,000 (2024: RMB668,000) (note 7) was recognised.

Operation and management service income represents the service income from the provision of the solar power plants operation and management services. The Group generally grants credit period of approximately one month to customers from the date of invoice.

As at 31 December 2025, the aggregate amount of the transaction price allocated to the remaining performance obligations under the Group’s existing contracts is approximately RMB315 million (2024: RMB383 million). This amount represents revenue expected to be recognised in the future from operation and management contracts of solar power plant entered into by the customers with the Group. The Group will recognise the expected revenue in future when or as the work is completed, which is expected to occur over the next 12 to 60 months.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

6. REVENUE AND SEGMENT INFORMATION (Continued)

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2025 and the expected timing of recognising revenue are as follows:

	2025	2024
	RMB'000	RMB'000
Within one year	198,703	230,997
More than one year but not more than two years	92,727	107,662
More than two years but not more than five years	20,456	40,112
More than five years	2,915	3,892
	314,801	382,663

The amounts disclosed in the above table do not include transaction price allocated to performance obligations which have been satisfied but not yet recognised due to variable consideration constraints.

Solar related supporting services income represents the income from sales of solar modules with related supporting services. The Group generally requires customers to provide 10% to 20% of the agreed consideration of specified goods or services as upfront deposits and the remainder of the consideration is payable before seven to ten days the solar modules are delivered. The Group acts as an agent for its solar related supporting services and will complete the performance obligations in accordance with the relevant terms as stipulated in the contracts.

LNG business related income represents the income from (i) sales of LNG and related products; and (ii) trading agency. The Group generally requires customers to provide 100% of the agreed consideration of specified goods or services or grants credit period of approximately one month to customers from date of invoice when the LNG and related products are delivered. The Group acts as both principal and agent for its LNG related business and will complete the performance obligations in accordance with the relevant terms as stipulated in the contracts.

Included in LNG business related income, the Group recognised revenue from contracts with external customers, acting as a principal, amounting to approximately RMB669,731,000 (2024: RMB728,268,000), relating to sales of LNG and related products. The Group recognised revenue from contracts with external customers, acting as an agent, amounting to approximately RMB3,039,000 (2024: RMB1,703,000), relating to sales of LNG and related products.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

6. REVENUE AND SEGMENT INFORMATION *(Continued)* Disaggregated revenue information

	2025	2024
	RMB'000	RMB'000
Timing of revenue recognition:		
— At a point in time	791,931	835,178
— Over time	270,636	272,577
Total	1,062,567	1,107,755

Information reported to the executive directors of the Company, being the Group's chief operating decision maker ("CODM"), for the purposes of resources allocation and assessment of segment performance focuses on the solar power plants operation and management service, LNG and related business, and sales of electricity.

In the current year, the Group reorganised its internal reporting structure which resulted in separation of its reportable segments for performance evaluation. Prior year segment disclosures have been represented to conform with current year's presentation.

Specifically, the Group's reportable segments under IFRS 8 *Operating Segments* are as follows:

- (a) Solar power plants operation and management service – mainly provision of operation and management services for solar power plant projects
- (b) LNG business – mainly sales of liquefied natural gas and related products
- (c) Sales of electricity – mainly sales of electricity to local grid companies in the US and the PRC

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

6. REVENUE AND SEGMENT INFORMATION (Continued) Segment revenues and results

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

For the year ended 31 December 2025

	Solar power plants operation and management service RMB'000	LNG business RMB'000	Sales of electricity RMB'000	Total RMB'000
Segment revenue	337,360	672,770	52,437	1,062,567
Segment profit/(loss)	42,470	(26,111)	(5,301)	11,058
Unallocated expenses				(1,229,176)
Unrealised gain on fair value change of financial assets at fair value through profit or loss				9,872
Share of profits of associates				64,658
Share of profits of joint ventures				192
Loss before tax				(1,143,396)

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

6. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenues and results (Continued)

For the year ended 31 December 2024

	Solar power plants operation and management service RMB'000 (Restated)	LNG business RMB'000 (Restated)	Sales of electricity RMB'000 (Restated)	Total RMB'000 (Restated)
Segment revenue	287,727	729,971	90,057	1,107,755
Segment profit/(loss)	42,149	(35,864)	(18,908)	(12,623)
Unallocated expenses				(312,907)
Unrealised loss on fair value change of financial assets at fair value through profit or loss				(15,960)
Share of profits of associates				110,774
Share of profits of joint ventures				268
Net gain on disposal of solar power plant projects				8,211
Gain on deregistration of a subsidiary				3,679
Loss before tax				(218,558)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/(loss) represents the profit/(loss) of each respective segment excluding unallocated expenses, unrealised gain/(loss) on fair value change of financial assets at fair value through profit or loss, share of profits of associates and joint ventures, net gain on disposal of solar power plant projects and gain on deregistration of a subsidiary. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

6. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenues and results (Continued)

For the year ended 31 December 2025

	Solar power plants operation and management service RMB'000	LNG business RMB'000	Sales of electricity RMB'000	Unallocated RMB'000	Total RMB'000
Amounts included in the measure of segment profit/(loss):					
Interest income	57	490	387	80,857	81,791
Finance costs	(1,397)	(11,369)	(26,565)	(5,404)	(44,735)
Share of profits of associates	-	-	-	64,658	64,658
Share of profits of joint ventures	-	-	-	192	192
Depreciation of:					
- Property, plant and equipment	(2,543)	(778)	(18,220)	(2,427)	(23,968)
- Right-of-use assets	(7,859)	(2,741)	(859)	(1,049)	(12,508)
Impairment loss on expected credit loss model, net of reversal	(1,526)	-	(462)	(295,242)	(297,230)
Impairment loss on prepayments	-	(12,062)	-	-	(12,062)
Reversal of write-down of inventories	-	31,879	-	-	31,879
Accrued compensation for former subsidiaries	-	-	-	(810,857)	(810,857)
Amount regularly provided to CODM but not included in the measure of segment profit/(loss):					
Addition to non-current assets (note)	4,394	1,096,525	-	816	1,101,735
Addition to non-current assets - goodwill	-	2,380	-	-	2,380

Note: Non-current assets excluded those relating to goodwill, financial instruments (including pledged bank and other deposits, financial assets at fair value through profit or loss, other receivables and amounts due from related companies) and deferred tax assets.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

6. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenues and results (Continued)

For the year ended 31 December 2024

	Solar power plants operation and management service RMB'000 (Restated)	LNG business RMB'000 (Restated)	Sales of electricity RMB'000 (Restated)	Unallocated RMB'000 (Restated)	Total RMB'000 (Restated)
Amounts included in the measure of segment profit/(loss):					
Interest income	140	–	547	93,204	93,891
Finance costs	(3,089)	(143)	(41,401)	(6,782)	(51,415)
Share of profits of associates	–	–	–	110,774	110,774
Share of profits of joint ventures	–	–	–	268	268
Depreciation of:					
– Property, plant and equipment	(4,696)	(2,842)	(41,287)	(7,224)	(56,049)
– Right-of-use assets	(7,531)	(846)	(2,941)	(1,485)	(12,803)
Impairment loss on expected credit loss model, net of reversal	(1,343)	–	66	(147,149)	(148,426)
Write-down of inventories	–	(31,879)	–	–	(31,879)
Amount regularly provided to CODM but not included in the measure of segment profit/(loss):					
Addition to non-current assets (note)	6,531	8,171	–	–	14,702

Note: Non-current assets excluded those relating to goodwill, financial instruments (including pledged bank and other deposits, financial assets at fair value through profit or loss, other receivables and amounts due from related companies) and deferred tax assets.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

6. REVENUE AND SEGMENT INFORMATION (Continued) Geographical information

The Group's operations are mainly located in the PRC and the US.

Information about the Group's revenue from external customers is presented based on the location of the operations and customers. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
PRC	1,012,299	1,020,578	2,679,722	1,661,996
US	49,451	86,440	500,689	518,648
Others	817	737	6,832	8,815
	1,062,567	1,107,755	3,187,243	2,189,459

Note: Non-current assets exclude those relating to financial instruments (including pledged bank and other deposits, financial assets at fair value through profit or loss, other receivables and amounts due from related companies) and deferred tax assets.

Information about major customers

For the year ended 31 December 2025, the revenue from major customers in relation to LNG related business accounted for 31% (2024: 34%) of the Group's revenue. For the purpose of presenting further information about major customers in relation to LNG business companies which accounted for over 10% of the total revenue from external customers is as follows:

	2025 RMB'000	2024 RMB'000
Customer A	165,140	196,114
Customer B	158,608	176,921

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

7. OTHER INCOME

	2025 RMB'000	2024 RMB'000
Government grants		
— Incentive subsidies (<i>note</i>)	503	557
— Energy Income Credit (“ITC”) (<i>note 28(a)</i>)	6,448	14,625
Interest arising from contracts containing significant financing component	386	668
Interest income of financial assets at amortised cost:		
— Bank and other interest income	5,012	8,617
— Interest income from former subsidiaries	1,307	3,920
— Interest income from related companies	16,072	15,594
— Imputed interest arising from receivables containing significant financing component	59,400	65,760
Others	3,447	7,906
	92,575	117,647

Note:

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

8. OTHER GAINS AND LOSSES, NET/IMPAIRMENT LOSS ON EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	2025 RMB'000	2024 RMB'000
Exchange (loss)/gain, net (<i>note a</i>)	(10,400)	3,828
Net gain on disposal of solar power plant projects (<i>note 38</i>)	–	8,211
Loss on disposal of subsidiaries	(100)	–
Loss on disposal of property, plant and equipment	–	(246)
Gain on deregistration of a subsidiary	–	3,679
Net realised and unrealised gain/(loss) on derivative financial instruments	2,507	(2,978)
Gain on disposal of financial assets at fair value through profit or loss	–	644
Unrealised gain/(loss) on fair value change of financial assets at fair value through profit of loss	9,872	(15,960)
Fair value change on receivables containing significant financing component (<i>note b</i>)		
— Other receivables	(16,178)	(37,073)
— Amounts due from related companies	(13,354)	(26,727)
Accrued compensation for former subsidiaries (<i>note c</i>)	(810,857)	–
Impairment loss on prepayments	(12,062)	–
	(850,572)	(66,622)
Impairment loss on expected credit loss model, net of reversal:		
— Trade receivables	(2,542)	–
— Other receivables	(261,077)	(160,070)
— Amounts due from related companies	(33,611)	11,644
	(297,230)	(148,426)

Notes:

- (a) Exchange (loss)/gain mainly arose from the bank and other borrowings, all are denominated in US\$ which appreciated against RMB for the current and prior year.
- (b) Fair value change on receivables containing significant financing component, which was based on the present value of future cash flows discounted using an effective interest rate of approximately 7% (2024: 8%), represented the deferred receivables re-measured as at 31 December 2025 and 2024 since the management expected that the repayment of deferred receivables was extended from 31 December 2026 to 31 December 2027 (2024: 31 December 2025 to 31 December 2026) with other terms remained unchanged.
- (c) The Group completed substantial disposal of solar power plants during the financial years ended 31 December 2018 to 2023 as part of its transition to become an asset-light enterprise. The amount represents claims received during the year under the general rectification and indemnification clauses (including RMB326,000,000 for loss of electricity sales income regarding a disposed solar power plant, RMB157,270,000 for on-grid electricity guarantee and RMB327,587,000 for tax on land use and other indemnification) in accordance with the terms of the sale and purchase agreements of the disposals of solar power plants in prior years.

* English name for identification only

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

9. FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Interest on financial liabilities at amortised cost:		
Bank and other borrowings	34,351	43,940
Convertible bonds	439	–
Lease liabilities	4,980	7,475
Effective interest expense on convertible bonds	4,965	–
Total borrowing costs	44,735	51,415

There were no borrowing costs being capitalised during the years ended 31 December 2025 and 2024 on the general borrowing pool.

10. INCOME TAX EXPENSE

	2025 RMB'000	2024 RMB'000
PRC Enterprise Income Tax (“EIT”):		
Current tax	4,628	3,870
(Over)/under-provision in prior years	(389)	278
	4,239	4,148
Singapore Corporate Income tax:		
Current tax	350	–
	350	–
Deferred tax (<i>note 32</i>)	34	34
	4,623	4,182

The basic tax rate of the Company’s PRC subsidiaries is 25% under the law of the PRC on Enterprise Income Tax (the “EIT Law”) and implementation regulations of the EIT Law. Certain subsidiaries were recognised as High and New Technology Enterprises and were entitled to a preferential EIT rate at 15% for three years.

PRC withholding income tax of 10% shall be levied on the dividends declared by the companies established in the PRC to their foreign investors out of their profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are incorporated or operated in Hong Kong and fulfil the requirements to the tax treaty arrangements between the PRC and Hong Kong.

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

10. INCOME TAX EXPENSE (Continued)

The Federal and state income tax rate in the US are calculated at 21% and 8.84% respectively for both years. No provision for taxation in US Federal and state income tax were made as there is no assessable profit for both reporting periods.

The subsidiary of the Company which operates in Singapore is subject to corporate income tax at a rate of 17% (2024: 17%) on the estimated assessable profit for the year. For the years ended 31 December 2025 and 2024, the subsidiary can enjoy 75% tax exemption on the first S\$100,000 of chargeable income and a further 50% tax exemption on the next S\$100,000 of chargeable income.

The tax charge for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 RMB'000	2024 RMB'000
Loss before tax	(1,143,396)	(218,558)
Tax at the domestic income tax rate of 25% (note a)	(285,849)	(54,640)
Tax effect of share of profits of joint ventures	(48)	(67)
Tax effect of share of profits of associates	(16,164)	(27,694)
Tax effect of expenses not deductible for tax purpose	235,370	28,419
Tax effect of deductible temporary differences not recognised	87,875	37,757
Tax effect of income not taxable for tax purpose	(22,579)	(31,526)
Tax effect of tax losses not recognised	43,575	68,949
Utilisation of tax losses previously not recognised	(27,820)	(6,869)
(Over)/under-provision in prior years	(389)	278
Effect of tax exemptions and concessions granted to the PRC subsidiaries	(6,043)	(6,021)
Effect of research and development expenses that are additionally deducted (note b)	(3,866)	(4,404)
Effect of different tax rates of subsidiaries operating in other jurisdictions	561	–
Income tax expense for the year	4,623	4,182

Notes:

- (a) The domestic tax rate in the jurisdiction where the operation of the Group is substantially based is used which is PRC EIT rate.
- (b) Certain research and development expenses of the Company's PRC subsidiaries are qualified for 100% additional deduction for tax purpose.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

II. LOSS FOR THE YEAR

	2025 RMB'000	2024 RMB'000
Loss for the year has been arrived at after charging:		
Auditor's remuneration		
— Audit services	1,500	1,550
— Non-audit services	700	1,480
Cost of inventories recognised as expenses	702,485	768,180
Depreciation of		
— Property, plant and equipment	23,968	56,049
— Right-of-use assets	12,508	12,803
Staff costs (including directors' remuneration but excluding share-based payments)		
— Salaries, wages and other benefits	214,739	187,294
— Retirement benefit scheme contributions	33,481	31,452
	248,220	218,746
Share-based payment expenses (<i>note 36</i>) (administrative expenses in nature)	656	4,269

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

12. DIRECTORS', PRESIDENT'S AND EMPLOYEES' EMOLUMENTS

Particulars of the emoluments of Directors, the chief executive and the five highest paid employees are as follows:

(a) Directors' and President's emoluments

The emoluments of each of the Directors and the President of the Company are set out below:

Year ended 31 December 2025

Name of director	Other emoluments					Total RMB'000
	Directors fees RMB'000	Bonuses RMB'000	Salaries and other benefits RMB'000	Retirement benefits scheme contributions RMB'000	Share- based payments RMB'000	
President and Executive Directors						
Mr. WANG Dong (note i)	-	1,315	1,159	-	-	2,474
Mr. HUANG Wei (note ii)	-	500	329	15	-	844
Executive Directors						
Mr. ZHU Gongshan	-	-	-	-	-	-
Mr. ZHU Yufeng	-	1,000	3,683	-	40	4,723
Mr. GU Zengcai (note iii)	-	-	-	-	-	-
Non-executive Directors						
Ms. SUN Wei	460	-	-	-	23	483
Mr. FANG Jiancai	110	-	-	-	11	121
Mr. YEUNG Man Chung, Charles	460	-	-	-	11	471
Independent Non-executive Directors						
Mr. CAI Xianhe (note iv)	232	-	-	-	-	232
Mr. LEE Conway Kong Wai (note v)	255	-	-	-	5	260
Mr. WANG Yanguo (note vi)	216	-	-	-	5	221
Dr. CHEN Ying (note vii)	216	-	-	-	5	221
Mr. NIE Wenhua (note viii)	50	-	-	-	-	50
Mr. HU Guowen (note ix)	42	-	-	-	-	42
Ms. ZHAO Limei (note x)	42	-	-	-	-	42
Total	2,083	2,815	5,171	15	100	10,184

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

12. DIRECTORS', PRESIDENT'S AND EMPLOYEES' EMOLUMENTS (Continued)

(a) Directors' and President's emoluments (Continued)

Year ended 31 December 2024

Name of director	Other emoluments					Total RMB'000
	Directors fees RMB'000	Bonuses RMB'000	Salaries and other benefits RMB'000	Retirement benefits scheme contributions RMB'000	Share- based payments RMB'000	
President and Executive Director						
Mr. WANG Dong (note i)	–	1,500	2,469	–	–	3,969
Executive Directors						
Mr. ZHU Gongshan	–	–	–	–	–	–
Mr. ZHU Yufeng	–	1,000	3,646	–	210	4,856
Mr. GU Zengcai (note iii)	–	–	–	–	–	–
Non-executive Directors						
Ms. SUN Wei	456	–	–	–	120	576
Mr. FANG Jiancai	110	–	–	–	60	170
Mr. YEUNG Man Chung, Charles	456	–	–	–	60	516
Independent Non-executive Directors						
Mr. CAI Xianhe (note iv)	274	–	–	–	–	274
Mr. LEE Conway Kong Wai (note v)	301	–	–	–	24	325
Mr. WANG Yanguo (note vi)	256	–	–	–	24	280
Dr. CHEN Ying (note vii)	256	–	–	–	24	280
Total	2,109	2,500	6,115	–	522	11,246

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

12. DIRECTORS', PRESIDENT'S AND EMPLOYEES' EMOLUMENTS (Continued) (a) Directors' and President's emoluments (Continued)

Notes:

- (i) Mr. WANG Dong resigned as an executive director and president of the Company with effect from 2 November 2025.
- (ii) Mr. Huang Wei was appointed as an executive director and president of the Company with effect from 2 November 2025.
- (iii) Mr. GU Zengcai resigned as an executive director of the Company with effect from 2 November 2025.
- (iv) Mr. CAI Xianhe resigned as an independent non-executive director of the Company with effect from 2 November 2025.
- (v) Mr. LEE Conway Kong Wai resigned as an independent non-executive director of the Company with effect from 2 November 2025.
- (vi) Mr. WANG Yanguo resigned as an independent non-executive director of the Company with effect from 2 November 2025.
- (vii) Dr. CHEN Ying resigned as an independent non-executive director of the Company with effect from 2 November 2025.
- (viii) Mr. Nie Wenhua was appointed as an independent non-executive director of the Company with effect from 2 November 2025.
- (ix) Mr. Hu Guowen was appointed as an independent non-executive director of the Company with effect from 2 November 2025.
- (x) Ms. Zhao Limei was appointed as an independent non-executive director of the Company with effect from 2 November 2025.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The non-executive directors' emoluments shown above were for their services as directors of the Company and its subsidiaries. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

Bonuses are discretionary and are based on the Group's performance for both years.

No directors waived any emoluments and no incentive paid on joining and compensation for the loss of office for both years.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during both years.

Certain directors were granted share options, in respect of their services to the Group under the share option scheme of the Company. Details of the share option scheme are set out in note 36.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

12. DIRECTORS', PRESIDENT/CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

(b) Employees' emoluments

The five highest paid employees of the Group during the year included two directors (2024: two), details of whose remuneration are set out in (a) above. Details of the emoluments of the remaining three (2024: three) highest paid employees who are neither a director nor president/chief executive of the Company are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	3,723	4,187
Performance-related bonuses	3,720	2,829
Retirement benefits scheme contributions	209	439
Share-based payments	–	–
	7,652	7,455

The number of the highest paid employees who are not the directors whose remuneration fell within the following bands is as follows:

	2025 No. of employees	2024 No. of employees
HK\$1,500,001 to HK\$2,000,000 (equivalent to approximately RMB1,381,620 to RMB1,842,158) (2024: equivalent to approximately RMB1,364,401 to RMB1,819,200)	1	–
HK\$2,000,001 to HK\$2,500,000 (equivalent to approximately RMB1,842,159 to RMB2,302,698) (2024: equivalent to approximately RMB1,819,201 to RMB2,274,000)	–	1
HK\$2,500,001 to HK\$3,000,000 (equivalent to approximately RMB2,302,699 to RMB2,763,237) (2024: equivalent to approximately RMB2,274,001 to RMB2,728,800)	1	–
HK\$3,000,001 to HK\$3,500,000 (equivalent to approximately RMB2,763,238 to RMB3,223,777) (2024: equivalent to approximately RMB2,728,801 to RMB3,183,600)	–	2
HK\$3,500,001 to HK\$4,000,000 (equivalent to approximately RMB3,223,778 to RMB3,684,317) (2024: equivalent to approximately RMB3,184,601 to RMB3,638,400)	1	–

No emoluments were paid by the Group to these individuals as an inducement to join or upon joining the Group or as compensation for loss of office for both years.

Highest paid employees were granted share options, in respect of their services to the Group under the share option scheme of the Company. Details of the share option scheme are set out in note 36.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

13. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during 2025, nor has any dividend been proposed since the end of the reporting period (2024: RMBnil).

14. LOSS PER SHARE

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

	2025 RMB'000	2024 RMB'000
Loss		
Loss for the purpose of basic and diluted loss per share (Loss for the year attributable to owners of the Company)	(1,340,036)	(424,040)
	2025 '000	2024 '000
Number of shares		
Weighed average number of ordinary shares for the purpose of basic and diluted loss per share	1,521,121	1,318,403

Diluted loss per share for the years ended 31 December 2025 and 2024 do not assume the exercise of share options granted by the Company, since the exercise would result in decrease in loss per share of the respective year.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Power generators and equipment RMB'000	Leasehold improvements, furniture, fixtures and equipment RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
COST						
At 1 January 2024	40,005	2,918,078	50,104	25,895	3,563	3,037,645
Additions	-	-	609	5,922	-	6,531
Disposal of subsidiaries (note 38(a))	-	(393,154)	-	-	-	(393,154)
Disposals	-	-	(3,949)	(3,464)	-	(7,413)
Effect of foreign currency exchange differences	-	(2,398)	(4)	-	-	(2,402)
At 31 December 2024	40,005	2,522,526	46,760	28,353	3,563	2,641,207
Additions	-	-	2,925	3,666	-	6,591
Disposals	-	-	(3,887)	(10)	-	(3,897)
Effect of foreign currency exchange differences	-	(9,222)	183	-	-	(9,039)
At 31 December 2025	40,005	2,513,304	45,981	32,009	3,563	2,634,862
ACCUMULATED DEPRECIATION AND IMPAIRMENT						
At 1 January 2024	11,549	2,065,715	38,663	14,278	3,563	2,133,768
Depreciation expense	744	50,746	1,444	3,115	-	56,049
Eliminated on disposal of subsidiaries (note 38(a))	-	(90,177)	-	-	-	(90,177)
Eliminated on disposals	-	-	(3,510)	(2,426)	-	(5,936)
Effect of foreign currency exchange differences	-	(610)	(3)	-	-	(613)
At 31 December 2024	12,293	2,025,674	36,594	14,967	3,563	2,093,091
Depreciation expense	743	18,220	1,471	3,534	-	23,968
Eliminated on disposals	-	-	(3,854)	(4)	-	(3,858)
Effect of foreign currency exchange differences	-	(8,954)	284	-	-	(8,670)
At 31 December 2025	13,036	2,034,940	34,495	18,497	3,563	2,104,531
CARRYING AMOUNTS						
At 31 December 2025	26,969	478,364	11,486	13,512	-	530,331
At 31 December 2024	27,712	496,852	10,166	13,386	-	548,116

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

15. 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 after taking into account of the residual value as follows:

Buildings	2%–4% or over the lease term, whichever is shorter
Power generators and equipment	4% per annum in the PRC or the percentage calculated based on license period in the US
Leasehold improvements, furniture, fixtures and equipment	20%–25%
Motor vehicles	20%–30%

All buildings were held under operating leases in the PRC.

16. RIGHT-OF-USE ASSETS

	Leasehold lands RMB'000	Office and rooftops RMB'000	Others RMB'000	Total RMB'000
At 31 December 2024 and 1 January 2025				
Carrying amount	32,650	16,674	–	49,324
At 31 December 2025				
Carrying amount	32,281	7,023	–	39,304
For the year ended 31 December 2025				
Depreciation charge	(1,908)	(10,600)	–	(12,508)
For the year ended 31 December 2024				
Depreciation charge	(4,429)	(7,073)	(1,301)	(12,803)
Disposal of subsidiaries (note 38(a))	(22,581)	–	–	(22,581)

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

16. RIGHT-OF-USE ASSETS (Continued)

	2025 RMB'000	2024 RMB'000
Expense relating to short-term leases	(5,571)	(2,348)
Total cash outflow for leases	(17,873)	(20,847)
Additions to right-of-use assets	–	8,171
Effect of foreign currency exchange differences	2,487	(249)

For both years, the Group leases lands, office, rooftops and other equipment for its operations. Lease contracts are entered into for fixed terms of two to fifty years, but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group owns several leasehold lands where its solar power plants are primarily located and office buildings. The Group is the registered owner of these property interests. The Group has obtained the land use right certificates for all leasehold lands except for those with carrying amount of approximately RMBnil (2024: RMB367,000) in which the Group is in the process of obtaining. Lump sum payments were made upfront to acquire these property interests.

The Group regularly entered into short-term leases for office, motor vehicles and staff quarter. As at 31 December 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

The Group has extension options in a number of leases for the leasehold lands. They are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension options held are exercisable only by the Group and not by the respective lessors.

The Group assessed at lease commencement date/date of initial application whether it is reasonably certain to exercise the extension option. There is no extension option which the Group is not reasonably certain to exercise, the related lease liabilities of all extension options are recognised and no potential exposure to these future lease payments under extension options are not included in lease liabilities as at 31 December 2025 and 2024. As at 31 December 2025, lease liabilities with the exercise of extension options of approximately RMB30,786,000 (2024: RMB34,552,000) are recognised.

In addition, the Group reassesses whether it is reasonably certain to exercise an extension option upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the years ended 31 December 2025 and 2024, there is no such triggering event.

Details of the lease maturity analysis of lease liabilities are set out in note 31.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

17. GOODWILL

	RMB'000
COST	
At 1 January 2024, 31 December 2024 and 1 January 2025	–
Arising on acquisition of subsidiaries (note 37)	2,380
At 31 December 2025	2,380
IMPAIRMENT	
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	–
CARRYING VALUES	
At 31 December 2025	2,380
At 31 December 2024	–

18. INTERESTS IN ASSOCIATES

	2025 RMB'000	2024 RMB'000
Cost of unlisted investments in associates	1,060,273	1,133,124
Share of post-acquisition profits, net of dividend received	473,716	452,823
	1,533,989	1,585,947

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

18. INTERESTS IN ASSOCIATES (Continued)

Details of the Group's associates, which are unlisted incorporated entities whose quoted market prices are not available, at the end of the reporting period are as follows:

Name of company	Country of incorporation/ operation	Proportion of ownership interest held by the Group		Proportion of voting right held by the Group		Principal activity
		2025	2024	2025	2024	
華容縣協鑫光伏電力有限公司 Huarong County GCL Solar Power Co. Ltd.* ("Huarong")	PRC	20%	20%	20%	20%	Operation of solar power plants in the PRC
北京華橋新能源諮詢有限公司 Beijing Hua Qiao New Energy Limited* ("Beijing Hua Qiao")	PRC	30%	30%	30%	30%	Provision of consultancy services on solar power plant
林州市新創太陽能有限公司 Linzhou City Xinchuang Solar Company Limited* ("Linzhou Xinchuang")	PRC	20%	20%	20%	20%	Operation of solar power plants in the PRC
汝州協鑫光伏電力有限公司 Ruzhou GCL Photovoltaic Power Co. Ltd.* ("Ruzhou")	PRC	45%	45%	45%	45%	Operation of solar plants in the PRC
新安縣協鑫光伏電力有限公司 Xinan County GCL Solar Power Co., Ltd.* ("Xinan")	PRC	45%	45%	45%	45%	Operation of solar power plants in the PRC
江陵縣協鑫光伏電力有限公司 Jiangling County GCL Solar Power Co., Ltd.* ("Jiangling")	PRC	45%	45%	45%	45%	Operation of solar power plants in the PRC
山西協鑫新能源科技有限公司 Shanxi GCL New Energy Technologies Co., Ltd.* ("Shanxi GCL")	PRC	30%	30%	30%	30%	Operation of solar power plants in the PRC
汾西縣協鑫光伏電力有限公司 Fenxi County GCL Photovoltaic Co., Ltd.* ("Fenxi County GCL")	PRC	30%	30%	30%	30%	Operation of solar power plants in the PRC
芮城縣協鑫光伏電力有限公司 Ruicheng County GCL Photovoltaic Co., Ltd.* ("Ruicheng County GCL")	PRC	30%	30%	30%	30%	Operation of solar power plants in the PRC

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

18. INTERESTS IN ASSOCIATES (Continued)

Name of company	Country of incorporation/ operation	Proportion of ownership interest held by the Group		Proportion of voting right held by the Group		Principal activity
		2025	2024	2025	2024	
孟縣晉陽新能源發電有限公司 Yu County Jinyang New Energy Power Generation Co., Ltd.* ("Yu County Jinyang")	PRC	30%	30%	30%	30%	Operation of solar power plants in the PRC
孟縣協鑫光伏電力有限公司 Yu County GCL Photovoltaic Co., Ltd.* ("Yu County GCL")	PRC	30%	30%	30%	30%	Operation of solar power plants in the PRC
邯能廣平縣光伏電力開發有限公司 Hanneng Guangping County Photovoltaic Development Co., Ltd.* ("Hanneng Guangping")	PRC	30%	30%	30%	30%	Operation of solar power plants in the PRC
河北協鑫新能源有限公司 Hebei GCL New Energy Co., Ltd.* ("Hebei GNE")	PRC	30%	30%	30%	30%	Operation of solar power plants in the PRC
宿州協鑫光伏電力有限公司 Suzhou GCL Solar Power Co., Ltd.* ("Suzhou GCL Solar Power") (Note a)	PRC	10%	10%	20%	20%	Operation of solar power plants in the PRC
淮北鑫能光伏電力有限公司 Huaibei Xinneng Solar Power Co., Ltd.* ("Huaibei Xinneng") (Note a)	PRC	10%	10%	20%	20%	Operation of solar power plants in the PRC
合肥建南電力有限公司 Hefei Jiannan Power Company Ltd.* ("Hefei Jiannan") (Note a)	PRC	10%	10%	20%	20%	Operation of solar power plants in the PRC
合肥久陽新能源有限公司 Hefei Jiuyang GCL New Energy Company Ltd.* ("Hefei Jiuyang") (Note a)	PRC	10%	10%	20%	20%	Operation of solar power plants in the PRC
欽州鑫奧光伏電力有限公司 Qinzhou Xinao Photovoltaic Power Company Limited* ("Xinao") (Note b)	PRC	40%	40%	40%	40%	Operation of solar power plants in the PRC

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

18. INTERESTS IN ASSOCIATES (Continued)

Name of company	Country of incorporation/ operation	Proportion of ownership interest held by the Group		Proportion of voting right held by the Group		Principal activity
		2025	2024	2025	2024	
金湖正輝太陽能電力有限公司 Jinhu Zhenghui Photovoltaic Co., Ltd.* ("Jinhu") (Note c)	PRC	15.5%	15.5%	25%	25%	Operation of solar power plants in the PRC
阜南協鑫光伏電力有限公司 Funan GCL Photovoltaic Power Co., Ltd.* ("Funan GCL") (Note d)	PRC	10%	10%	20%	20%	Operation of solar power plants in the PRC
合肥鑫仁光伏電力有限公司 Hefei Xinren Solar Power Co., Ltd.* ("Hefei Xinren") (Note d)	PRC	10%	10%	20%	20%	Operation of solar power plants in the PRC
天長市協鑫光伏電力有限公司 Tianchang GCL Solar Energy Limited* ("Tianchang GCL") (Note d)	PRC	10%	10%	20%	20%	Operation of solar power plants in the PRC
蕩山協鑫光伏電力有限公司 Dangshan GCL Solar Power Co., Ltd.* ("Dangshan GCL") (Note d)	PRC	10%	10%	20%	20%	Operation of solar power plants in the PRC
橫山晶合太陽能發電有限公司 Hengshan Jinghe Solar Energy Co., Ltd.* ("Hengshan Jinghe") (Note e)	PRC	19.6%	19.6%	20%	20%	Operation of solar power plants in the PRC
安福協鑫新能源有限公司 Anfu GCL New Energy Co., Ltd.* ("Anfu GCL") (Note f)	PRC	49%	49%	33.3%	33.3%	Operation of solar power plants in the PRC
茂名博賀液化天然有限公司 Maoming Bohe LNG Co., Ltd.* ("Maoming Bohe")	PRC	43%	–	43%	–	Import and export of goods, provision, development, exchange, assignment and promotion of technical and consultancy services, loading and unloading activities of port cargo, and leasing of ship

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

18. INTERESTS IN ASSOCIATES (Continued)

Notes:

- (a) On 16 November 2020, the Group announced that it has entered into a series of five share transfer agreements with 徐州國投環能源有限公司 Xuzhou State Investment & Environmental Protection Energy Co., Ltd.* (“Xuzhou State Investment”), an independent third party, for disposal of 90% equity interest in each of Suzhou GCL Solar Power, Huaibei Xinneng, Hefei Jiannan and Hefei Jiuyang and 67% equity interest in Dangshan Xinneng Photovoltaic Power Company Limited. As the Group has right to appoint one out of five directors of Suzhou GCL Solar Power, Huaibei Xinneng, Hefei Jiannan and Hefei Jiuyang and therefore the Group retains significant influence on Suzhou GCL Solar Power, Huaibei Xinneng, Hefei Jiannan and Hefei Jiuyang upon completion of the disposal. Accordingly, the remaining 10% equity interest in Suzhou GCL Solar Power, Huaibei Xinneng, Hefei Jiannan and Hefei Jiuyang are accounted for as associates.
- (b) On 21 August 2020, the Group disposed of a total of 60% equity interest in Xinao 國家電投集團貴州金元威寧能源有限公司 State Power Investment Corporation Guizhou Jinyuan Weining Energy Co., Ltd.* and 廣西金元南方新能源有限公司 Guangxi Jinyuan South New Energy Limited*, which are independent third parties, the Group retains significant influence on Xinao upon completion of this disposal. Accordingly, the remaining 40% equity interest in Xinao is accounted for as investment in an associate.
- (c) In July 2020, the Group disposed of 75% equity interest in Jinhu 國開新能源科技有限公司 CDB New Energy Technology Co., Ltd.* (“CDB New Energy”), in June 2021, the Group further entered into supplemental agreement with CDB New Energy to disposed of its 9.5% equity interest in Jinhu to an independent third party. As the Group has right to appoint one out of four directors of Jinhu and therefore the Group retains significant influence on Jinhu upon completion of the disposal. Accordingly, the remaining 15.5% equity interest in Jinhu is accounted for as an associate.
- (d) On 22 November 2020, the Group entered into five equity transfer agreements with Xuzhou State Investment to dispose of its 90% equity interest in each of Dangshan GCL, Funan GCL, Hefei Xinren and Tianchang GCL and its 50% equity interest in Taihu Xinneng Solar Power Co., Ltd. As the Group has right to appoint one out of five directors of Dangshan GCL, Funan GCL, Hefei Xinren and Tianchang GCL and therefore the Group retains significant influence on Dangshan GCL, Funan GCL, Hefei Xinren and Tianchang GCL upon completion of the disposal. Accordingly, the remaining 10% equity interest in Dangshan GCL, Funan GCL, Hefei Xinren and Tianchang GCL are accounted for as associates.
- (e) On 1 April 2021, the Group entered into four equity transfer agreements with 三峽資產管理有限公司 Three Gorges Asset Management Co., Ltd.* to dispose of its 98.4% equity interest in Jingbian GCL Solar Power Co., Ltd. (“Jingbian GCL”), its 80.3514% equity interest in Hengshan Jinghe and its 100% equity interest in two wholly-owned subsidiaries, namely Yulin Longyuan Solar Energy Limited and Yulin Yushen Industrial Area Energy Co., Ltd.. As the Group has right to appoint one out of five directors of Hengshan Jinghe and therefore the Group retains significant influence on Hengshan Jinghe upon completion of the disposal. Accordingly, the remaining 19.6% equity interest in Hengshan Jinghe is accounted for as an associate.
- (f) On 24 June 2021, the Group entered into six equity transfer agreements with 重慶綠欣能源發展有限公司 Chongqing Lvxin Energy Development Co., Ltd.* to dispose of its 100% equity interest in four wholly-owned subsidiaries namely, Shiyan Yunneng Photovoltaic Development Co., Ltd., Jingshan GCL Photovoltaic Power Co. Ltd., Jingshan Xinhui Solar Power Ltd. and Shanggao County Lifeng GCL New Energy Co., Ltd., its 70% equity interest in Shicheng GCL Solar Power Co., Ltd. and its 51% equity interest in Anfu GCL. As the Group has right to appoint one out of three directors of Anfu GCL and therefore the Group retains significant influence on Anfu GCL upon completion of the disposal. Accordingly, the remaining 49% equity interest in Anfu GCL is accounted for as an associate.

All associates are accounted for using the equity method in these consolidated financial statements.

* English name for identification only

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

18. INTERESTS IN ASSOCIATES (Continued)

Summarised financial information of material associates

Summarised financial information in respect of the Group's material associates as at 31 December 2025 and 2024 is set out below. The summarised financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRSs.

Hebei GNE and its subsidiaries

	2025	2024
	RMB'000	RMB'000
Current assets	1,055,433	993,077
Non-current assets	1,838,816	2,007,643
Current liabilities	(562,478)	(591,874)
Non-current liabilities	(723,435)	(891,320)
	2025	2024
	RMB'000	RMB'000
Revenue	373,695	399,234
Profit and total comprehensive income for the year	94,257	109,185
Dividends received from Hebei GNE during the year	–	21,000

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

18. INTERESTS IN ASSOCIATES (Continued)

Summarised financial information of material associates (Continued)

Hebei GNE and its subsidiaries (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Hebei GNE and its subsidiaries recognised in the consolidated financial statements:

	2025 RMB'000	2024 RMB'000
Net assets of Hebei GNE and its subsidiaries	1,608,336	1,517,526
Proportion of the Group's ownership interest in Hebei GNE and its subsidiaries	30%	30%
Carrying amount of the Group's interest in Hebei GNE and its subsidiaries	482,501	455,258

Aggregate information of associates that are not individually material

	2025 RMB'000	2024 RMB'000
The Group's share of profits from operations and total comprehensive income	36,381	78,018
Aggregate carrying amount of the Group's interests in these associates	1,051,488	1,130,689
Dividends received from these associates	43,764	47,340

19. INTERESTS IN JOINT VENTURES

	2025 RMB'000	2024 RMB'000
Cost of unlisted investments in joint ventures	1,079,459	4,900
Share of post-acquisition losses, net of dividend received	(974)	(1,166)
	1,078,485	3,734

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

19. INTERESTS IN JOINT VENTURES (Continued)

Details of the Group's joint ventures, which are unlisted incorporated entities whose quoted market prices are not available, at the end of the reporting period are as follows:

Name of company	Country of incorporation/ operation	Proportion of ownership interest held by the Group		Proportion of voting right held by the Group		Principal activity
		2025	2024	2025	2024	
北京京糧協鑫科技有限公司 Beijing Jing Liang GCL Technology Limited*	PRC	49%	49%	49%	49%	Provision of consultancy services on solar power plant
協鑫匯東液化天然氣如東有限公司 GCL Huidong LNG Rudong Co., Ltd.* ("Rudong LNG") (Note a)	PRC	51%	–	51%	–	Construction, development, investment, management and operation of the LNG Receiving Terminal Projects

Note:

- (a) According to the articles of association of Rudong LNG and the agreement entered into between the Group's subsidiary, GCL Petroleum and Natural Gas Co., Ltd. and the joint venture partner in respect of the operations and control of Rudong LNG, the investment in Rudong LNG is treated as joint venture because major decisions require unanimous consent of all shareholders.

All joint ventures are accounted for using the equity method in these consolidated financial statements.

* English name for identification only

Summarised financial information in respect of the Group's material joint venture as at 31 December 2025 is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with IFRSs.

Rudong LNG

	2025 RMB'000
Current assets	350,624
Non-current assets	2,720,828
Current liabilities	(500,176)
Non-current liabilities	(1,284,774)

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

19. INTERESTS IN JOINT VENTURES (Continued)

Rudong LNG (Continued)

	2025 RMB'000
Revenue	–
Profit and total comprehensive income for the year	–
Dividends received from Rudong LNG during the year	–

Reconciliation of the above summarised financial information to the carrying amount of the interest in Rudong LNG recognised in the consolidated financial statements:

	2025 RMB'000
Net assets of Rudong LNG	1,286,502
Proportion of the Group's ownership interest in Rudong LNG	51%
	656,116
Fair value adjustment arising from acquisition	418,443
Carrying amount of the Group's interest in Rudong LNG	1,074,559

Aggregate information of joint venture that is not individually material

	2025 RMB'000	2024 RMB'000
The Group's share of profits from operation and total comprehensive income	192	268
Carrying amount of the Group's interests in this joint venture	3,926	3,734
Dividends received from this joint venture	–	47,340

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 RMB'000	2024 RMB'000
Unlisted equity investments (<i>note a</i>)	43,616	33,741
Unlisted fund (<i>note b</i>)	122,027	122,204
Club membership	1,929	1,929
Listed bond investments	41,576	–
	209,148	157,874

Notes:

- (a) During the year ended 31 December 2021, the Group disposed of 99.635% equity interest in Jingbian County Shunfeng New Energy Limited and disposed of 98.4% equity interest in Jingbian GCL, the wholly-owned subsidiaries, and retained the remaining 0.365% and 1.6% equity interest respectively in the companies. The Group also disposed of 90% equity interest in Shenmu Jingpu Power Co., Ltd., Shenmu Jingfu Solar Power Co., Ltd., Shenmu Ping Xi Power Co., Ltd., Shenmu Ping Yuan Power Co., Ltd., Shenmu County Jingdeng Power Co., Ltd. and Xixian New District GCL Photovoltaic Power Co., Ltd. The Group was not given the right to appoint any directors, and therefore the Directors considered that the Group was not able to exercise significant influence over these companies. Such equity investments of approximately RMB43,616,000 (2024: RMB33,741,000) were therefore accounted for as FVTPL as at 31 December 2025.
- (b) The Group invested in Asia-IO Clean Energy Partners SP (the “Segregated Portfolio”), a segregated portfolio of Asia-IO Partners Master SPC (the “Fund”), amounted to US\$18,000,000 (equivalent to approximately RMB128,014,000) during the year ended 31 December 2024. The Fund is an exempted limited liability company registered as a segregated portfolio company with the Cayman Islands Monetary Authority. The Segregated Portfolio may hold various portfolio of listed and/or unlisted investments focusing on the energy and other related advanced manufacturing industries. The primary objective of the investments is to maximise long-term absolute returns primarily through the aforesaid investments. Pursuant to the subscription agreement and the private placement memorandum in relation to the Segregated Portfolio, the beneficial interests held by the Group in the Segregate Portfolio of the Fund are in the form of Class A participating shares 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 shareholders of Class A participating shares have no right to request redemption of Class A participating shares. Unless otherwise determined by the directors of the Fund, and subject to applicable law, redemptions of shares will be effected only by way of compulsory redemption by the Fund and will take place on such day or days as the directors of the Fund may from time to time determine. In addition, except as otherwise determined by the directors of the Fund, and subject to the articles of the Fund, no holder of Class A participating shares shall have the right to receive any distribution or return, whether in respect of its subscription monies or otherwise. Subject to applicable law, the directors of the Fund may in their absolute discretion, and from time to time, determine to make distributions to holders of Class A participating shares. The Class A participating shares carry an equal right to such dividends and other distributions as the directors of the Fund may declare.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

21. OTHER NON-CURRENT ASSETS

	2025 RMB'000	2024 RMB'000
Others	2,754	2,338

22. INVENTORIES

	2025 RMB'000	2024 RMB'000
LNG business related products	1,146	191,500
Less: Write-down to net realisable value	–	(31,879)
	1,146	159,621

All the inventories are expected to be recovered within one year.

Movements of write-down to net realisable value on inventories are as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	31,879	–
Write-down to net realisable value for the year	–	31,879
Reversal of write-down of inventories	(31,879)	–
At 31 December	–	31,879

The reversal of write-down of inventories during the year ended 31 December 2025 was due to the sale of inventories at net realisable value of higher than the carrying amounts.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

23. TRADE AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables (<i>note a</i>)	142,421	164,390
Prepayments to LNG business suppliers	164,182	241,765
Other prepayments and deposits	11,860	29,745
Other receivables		
— Amounts due from former subsidiaries (<i>note b</i>)	1,945,174	2,015,428
— Consideration receivable from disposal of subsidiaries	188,546	188,546
— Refundable value-added tax	15,274	10,856
— Dividend receivables from former subsidiaries	36,686	41,452
— Others	90,279	86,253
	2,594,422	2,778,435
Less: Allowance for credit losses		
— Trade	(2,542)	—
— Non-trade	(1,147,173)	(886,096)
	(1,149,715)	(886,096)
	1,444,707	1,892,339
Analysed as:		
— Current assets	630,891	1,074,550
— Non-current assets	813,816	817,789
	1,444,707	1,892,339

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

23. TRADE AND OTHER RECEIVABLES (Continued)

Notes:

- (a) As at 1 January 2024, trade receivables from contract with customers amounted to approximately RMB83,857,000 (net of loss allowance of RMBnil).

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

For operation and management services, the Group generally grants credit period of one month to customers in the PRC from the date of invoices in accordance with the relevant contracts between the Group and the respective customers.

For sales of LNG and related products, the Group generally requires customers to provide 100% of the agreed consideration of specified goods or grants credit period of approximately one month to customers from the date of invoices when the goods are delivered in accordance with the relevant contracts between the Group and the respective customers.

Trade receivables include bills received amounting to approximately RMB71,000 (2024: RMB1,349,000) held by the Group for future settlement of trade receivables, of which certain bills issued by third parties are further endorsed by the Group with recourse for settlement of payables for purchase of plant and machinery and construction costs, or discounted to banks for cash. The Group continues to recognise their full carrying amount at the end of both reporting periods. All bills received by the Group are with a maturity period of less than one year.

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

	2025 RMB'000	2024 RMB'000
0-90 days	106,628	117,415
91-180 days	16,104	13,901
Over 180 days	17,076	31,725
	139,808	163,041

As at 31 December 2025, included in these trade receivables are debtors with aggregate carrying amount of approximately RMB73,723,000 (2024: RMB87,931,000) which are past due as at the end of the reporting date. These trade receivables relate to a number of customers represented the local grid companies and customers in the PRC, for whom there is no recent history of default. The Group does not hold any collaterals over these balances.

Trade receivable of approximately RMB41,298,000 (2024: RMB35,531,000) as at 31 December 2025 have been classified as part of a disposal group held for sale (note 27(a)).

- (b) The amounts due from former subsidiaries include (i) carrying amount of approximately RMB813,816,000 (2024: RMB817,789,000) in relation to deferred receivables arising from disposal of subsidiaries completed during the year ended 31 December 2023, which are non-trade in nature, unsecured, interest-bearing ranging from 4.3% to 9.52% (2024: ranging from 4.3% to 9.52%) per annum and in the opinion of Directors, they are expected to be received within two years as at 31 December 2025 and 2024 (note 8(b)); and (ii) outstanding payments arising from its disposals of subsidiaries to independent third parties during the financial years ended 31 December 2018 to 31 December 2023 as part of the Group's transition to become an asset-light enterprise. When the Group and the purchasers discussed the terms of the sale and purchase agreements in respect of the disposal of the Group's subsidiaries, the considerations were determined by taking into, among other things, receivables (i.e. the "Outstanding Payments") that were due from the former subsidiaries to the Group. The purchasers are obligated to procure the former subsidiaries to settle the Outstanding Payments in stages pursuant to the terms and conditions set out in the sale and purchase agreements. The amounts are non-trade in nature, unsecured and interest-bearing ranging from 4.45% to 9.52% (2024: ranging from 4.45% to 9.52%) per annum and repayable on demand.

Details of impairment assessment of trade and other receivables excluding prepayments and refundable value-added taxes are set out in note 40(b).

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

24. DERIVATIVE FINANCIAL INSTRUMENTS

	2025 RMB'000	2024 RMB'000
Assets		
Commodity derivative contracts	1,472	4,098
Liabilities		
Commodity derivative contracts	–	5,133

Note:

The amounts represent the fair value of the outstanding base and natural gas futures and options contracts cleared through various clearing participants that do not qualify for netting under IAS 32 *Financial Instruments: Presentation*, where those clearing participants are acting in their capacity as a central counterparty to the contracts traded on the various exchanges. Derivatives are held by the Group for investment purpose and categorised as held for trading with net realised and unrealised gain/loss recognised in profit or loss.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

25. AMOUNTS DUE FROM/TO RELATED COMPANIES

	2025 RMB'000	2024 RMB'000
Amounts due from associates		
— Non-trade related (<i>note a</i>)	345,469	268,586
Amounts due from fellow subsidiaries		
— Trade related (<i>note b</i>)	—	3,123
— Non-trade related (<i>note b</i>)	17,411	14,810
	17,411	17,933
Amounts due from the companies of which Mr. Zhu Gongshan and his family members have significant influence		
— Trade related (<i>note c</i>)	10,394	8,909
— Non-trade related (<i>note c and d</i>)	1,114,545	1,048,038
	1,124,939	1,056,947
	1,487,819	1,343,466
Less: Allowance for credit losses		
— Trade	(763)	(763)
— Non-Trade	(108,169)	(74,558)
	(108,932)	(75,321)
	1,378,887	1,268,145
Analysed as:		
— Current assets	556,452	627,658
— Non-current assets	822,435	640,487
	1,378,887	1,268,145
— Trade related	19,690	11,269
— Non-trade related	1,359,197	1,256,876
	1,378,887	1,268,145
Amounts due to associates		
— Non-trade related (<i>note a</i>)	32,437	7,166
Amounts due to fellow subsidiaries		
— Non-trade related (<i>note b</i>)	132,844	134,683
Amounts due to the companies of which Mr. Zhu Gongshan and his family members have significant influence		
— Non-trade related (<i>note e</i>)	59,074	2,006
Analysed as:		
— Current liabilities	224,355	143,855

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

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

Notes:

- (a) The amounts due from/to associates are non-trade in nature, unsecured, non-interest bearing and repayable on demand except for the carrying amount of amounts due from associates of approximately RMB17,443,000 (2024: RMB13,951,000) which, in the opinion of the Directors, is expected to be received after twelve months from the end of the reporting period and is classified as non-current.
- (b) The amounts due from/to fellow subsidiaries are non-trade in nature, unsecured, non-interest bearing and repayable on demand except for the carrying amount of trade amounts due from fellow subsidiaries of approximately RMBnil (2024: RMB2,616,000) which is arising from operation and management services rendered to fellow subsidiaries with a credit term of 30 days.

As at 1 January 2024, amounts due from fellow subsidiaries in trade nature amounted to approximately RMB4,692,000.

The following is an aged analysis of the amounts due from fellow subsidiaries, net of loss allowance, arising from operation and management services presented based on the invoice dates which approximated the respective revenue recognition date:

	2025 RMB'000	2024 RMB'000
0-90 days	–	2,616
	–	2,616

As at 31 December 2025, included in these trade receivables with aggregate carrying amount of approximately RMBnil (2024: RMB1,667,000) which are past due as at the end of the reporting date. These trade receivables relate to several fellow subsidiaries in the PRC. The Group does not hold any collaterals over these balances.

- (c) Mr. Zhu Gongshan and his family members hold in aggregate more than 20% equity interest in related companies as at 31 December 2025 and 2024 and exercise significant influence over the related companies. As at 31 December 2025, (i) the carrying amount of approximately RMB69,039,000 (2024: RMB115,778,000), in relation to consideration receivable from disposal of subsidiaries, due from the companies, in which Mr. Zhu Gongshan and his family members exercise significant influence, are non-trade in nature, unsecured, non-interest bearing and repayable on demand; (ii) carrying amount of approximately RMB10,394,000 (2024: RMB8,653,000) due from companies which are arising from operation and management services rendered to related companies with credit term of 90 days; (iii) carrying amount of approximately RMB679,198,000 (2024: RMB626,536,000) due from companies in relation to deferred receivables arising from disposal of subsidiaries completed during the year ended 31 December 2023, which are unsecured, interest-bearing at 4.3% (2024: 4.3%) per annum and in the opinion of Directors, they are expected to be received within two years as at 31 December 2025 and 2024 (note 8(b)); and (iv) carrying amount of approximately RMB140,649,000 (2024: RMB245,553,000) due from companies (also former subsidiaries) for outstanding payments arising from its disposal of subsidiaries to an associate of connected persons, in which Mr. Zhu Gongshan and his family members have significant influence, during the financial year ended 31 December 2023 as part of the Group's transition to become an asset-light enterprise, which are unsecured, interest-bearing ranging from 5.60% to 9.52% (2024: ranging from 4.45% to 9.52%) per annum and repayable on demand.

As at 1 January 2024, amounts due from related companies, in which Mr. Zhu Gongshan and his family members have significant influence, in trade nature amounted to approximately RMB5,002,000.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

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

Notes: (Continued)

(c) (Continued)

The following is an aged analysis of the amounts due from related companies, net of loss allowance, arising from operation and management services presented based on the invoice dates which approximated the respective revenue recognition date:

	2025 RMB'000	2024 RMB'000
0-90 days	9,444	8,045
91-180 days	786	608
Over 180 days	164	–
	10,394	8,653

As at 31 December 2025, included in these receivables are balances with aggregate carrying amount of RMB950,000 (2024: RMB7,405,000) which are past due as at the end of the reporting date. These receivables relate to several related companies in the PRC. The Group does not hold any collaterals over those balances.

The maximum gross amount outstanding during the year ended 31 December 2025 is approximately RMB1,104,486,000 (2024: RMB1,048,038,000) in relation to the non-trade balances for the amounts due from the companies of which Mr. Zhu Gongshan and his family members exercise significant influence.

(d) Mr. Zhu Gongshan and his family members hold in aggregate more than 20% equity interest in related companies as at 31 December 2025 exercise significant influence over the related companies. As at 31 December 2025, the balance further included the carrying amount of approximately RMB170,118,000 (31 December 2024: RMBnil), in relation to loans to related companies, in which Mr. Zhu Gongshan and his family members exercise significant influence, are non-trade in nature, unsecured, interest-bearing at 3.85% and repayable on 31 July 2027. The carrying amounts of these loans were determined based on the present value of future cash flows discounted using an effective interest rate of 3.87%, which is derived from the average borrowing rates of its fellow subsidiary with similar duration of bank loans during the period and comparable to the market interest rates.

The maximum gross amount outstanding in relation to loans to related companies during the year ended 31 December 2025 is approximately RMB176,976,000 (31 December 2024: RMBnil).

(e) Amounts due to companies, in which Mr. Zhu Gongshan and his family members exercise significant influence, are non-trade nature, unsecured and non-interest bearing.

Details of impairment assessment of amounts due from related companies are set out in note 40(b).

26. PLEDGED BANK AND OTHER DEPOSITS/BANK BALANCES AND CASH

Pledged bank and other deposits

Pledged bank and other deposits represent deposits pledged to banks and other financial institutions to secure banking facilities granted to the Group. The pledged bank deposits will be released upon the settlement of relevant bank borrowings.

Pledged bank deposits carry fixed interest rates ranging from 0.05% to 3.72% (2024: 0.05% to 4.29%) per annum.

As at 31 December 2025, pledged other deposits approximate RMBnil (2024: RMB8,860,000) are non-interest bearing.

Bank and other deposits amounting to approximately RMB114,040,000 (2024: RMB28,170,000) have been pledged to secure the Group's bills payable and short-term borrowings and are therefore classified as current assets. The remaining deposits amounting to approximately RMBnil (2024: RMB8,860,000) have been pledged to secure long-term borrowings and are therefore classified as non-current assets.

Bank balances

Bank balances carry interest at floating rates range from 0.30% to 0.50% (2024: 0.10% to 0.15%) per annum or fixed rates range from 0.50% to 1.00% (2024: 1.05% to 1.15%) per annum.

Details of impairment assessment of pledged bank and other deposits and bank balances are set out in note 40(b).

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

27. ASSETS CLASSIFIED AS HELD FOR SALE

Disposal groups classified as held for sale

(a) Year ended 31 December 2025

On 31 December 2022, the Group entered into two equity transfer agreements with Hunan Xinhua Water, an independent third party to dispose of its 100% equity interest in a wholly-owned subsidiary, namely Dengkou GCL, and 51% equity interest in 鄆城鑫華能源開發有限公司 Yuncheng Xinhua Energy Development Co., Ltd* (“Yuncheng Xinhua”) at an aggregate consideration of approximately RMB26,370,000 as at the date of disposals. The subsidiaries operate solar power plant projects with an aggregate capacity of 50MW in Shandong and Inner Mongolia, the PRC.

During the year ended 31 December 2023, the disposal of Yuncheng Xinhua with an aggregate consideration of approximately RMB23,560,000 was completed. The disposal of Dengkou GCL has not been completed and the relevant assets and liabilities were classified as disposal groups held for sale.

As at 31 December 2025, the assets and liabilities attributable to the solar power plant project of Dengkou GCL have been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position.

* *English name for identification only.*

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

27. ASSETS CLASSIFIED AS HELD FOR SALE (Continued)

Disposal groups classified as held for sale (Continued)

(a) Year ended 31 December 2025 (Continued)

As at 31 December 2025, the major classes of assets and liabilities of the disposal groups are as follows:

	RMB'000
Property, plant and equipment	56,003
Right-of-use assets	6,854
Trade and other receivables (a)	41,329
Bank balances and cash	59
Total assets classified as held for sale	104,245
Other payables	(644)
Tax payables	(266)
Lease liabilities – current (b)	(843)
Total liabilities directly associated with assets classified as held for sale	(1,753)
Net assets of solar power plant projects classified as held for sale	102,492
Intragroup balances	(97,372)
Net assets of solar power plant projects	5,120

(a) The following is an aged analysis of trade receivables presented based on the invoice dates as at 31 December 2025, which approximated the respective revenue recognition date:

	RMB'000
Unbilled (note)	41,298
	41,298

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

	RMB'000
0–90 days	2,792
91–180 days	381
181–365 days	3,061
Over 365 days	35,064
	41,298

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

27. ASSETS CLASSIFIED AS HELD FOR SALE (Continued)

Disposal groups classified as held for sale (Continued)

(a) Year ended 31 December 2024 (Continued)

(a) (Continued)

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

As at 31 December 2025, none of these receivables are past due as at the end of the reporting date.

- (b) Lease liabilities of approximately RMB843,000 are recognised with related right-of-use assets of approximately RMB6,854,000 as at 31 December 2025. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by lessor and the relevant lease assets may not be used as security for borrowing purposes.

The weighted average incremental borrowing rate applied to lease liabilities is 4.9%.

The lease obligations are denominated in the functional currency of the subsidiary.

(b) Year ended 31 December 2024

On 31 December 2022, the Group entered into two equity transfer agreements with Hunan Xinhua Water, an independent third party to dispose of its 100% equity interest in a wholly-owned subsidiary, namely Dengkou GCL, and 51% equity interest in Yuncheng Xinhua at an aggregate consideration of approximately RMB26,370,000 as at the date of disposals. The subsidiaries operate solar power plant projects with an aggregate capacity of 50MW in Shandong and Inner Mongolia, the PRC.

During the year ended 31 December 2023, the disposal of Yuncheng Xinhua with an aggregate consideration of approximately RMB23,560,000 was completed. The disposal of Dengkou GCL has not been completed and the relevant assets and liabilities were classified as disposal groups held for sale.

As at 31 December 2024, the assets and liabilities attributable to the solar power plant project of Dengkou GCL have been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

27. ASSETS CLASSIFIED AS HELD FOR SALE (Continued)

Disposal groups classified as held for sale (Continued)

(b) Year ended 31 December 2024 (Continued)

As at 31 December 2024, the major classes of assets and liabilities of the disposal groups are as follows:

	RMB'000
Property, plant and equipment	56,003
Right-of-use assets	6,854
Trade and other receivables (a)	36,376
Bank balances and cash	126
Total assets classified as held for sale	99,359
Other payables	(640)
Lease liabilities – current (b)	(844)
Total liabilities directly associated with assets classified as held for sale	(1,484)
Net assets of solar power plant projects classified as held for sale	97,875
Intragroup balances	(95,745)
Net assets of solar power plant projects	2,130

- (a) The following is an aged analysis of trade receivables presented based on the invoice dates as at 31 December 2024, which approximated the respective revenue recognition date:

	RMB'000
Unbilled (note)	35,531
	35,531

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

	RMB'000
0–90 days	1,601
91–180 days	1,626
181–365 days	2,696
Over 365 days	29,608
	35,531

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

27. ASSETS CLASSIFIED AS HELD FOR SALE (Continued)

Disposal groups classified as held for sale (Continued)

(b) Year ended 31 December 2024 (Continued)

(a) (Continued)

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

As at 31 December 2024, none of these receivables are past due as at the end of the reporting date.

- (b) Lease liabilities of approximately RMB844,000 are recognised with related right-of-use assets of approximately RMB6,854,000 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 lessor and the relevant lease assets may not be used as security for borrowing purposes.

The weighted average incremental borrowing rate applied to lease liabilities is 4.9%.

The lease obligations are denominated in the functional currency of the subsidiary.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

28. TRADE AND OTHER PAYABLES AND DEFERRED INCOME

	2025 RMB'000	2024 RMB'000
Payables for purchase of plant and machinery and construction costs	16,842	17,590
Other tax payables	9,093	8,783
Other payables	474,016	99,565
Deferred income (note (a))	140,111	155,028
Amounts due to former subsidiaries (note (b))	352,355	147,959
Accruals		
— Staff costs	71,243	62,595
— Legal and professional fees	12,263	17,911
— Interest payable	10,506	6,502
— Others	175,744	17,379
	1,262,173	533,312
Analysed as:		
— Current	796,062	384,816
— Non-current	466,111	148,496
	1,262,173	533,312

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

Notes:

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

28. TRADE AND OTHER PAYABLES AND DEFERRED INCOME (Continued)

Notes: (Continued)

a. (Continued)

Against this, the Group entered into an inverted lease arrangement in February 2017 for its qualified solar power plant projects in the US ("Qualified Assets") with a third party financial institution, which acts as a tax equity investor, and the arrangement allows the Group to pass its entitled ITC ("ITC Benefit") that constitutes the right to offset against future tax payables to the tax equity investor for cash receipts in exchange. During the year ended 31 December 2017, ITC Benefit of the Group related to the Qualified Assets amounted to US\$34,090,000 (equivalent to approximately RMB222,751,000) and was recognised as a government grant ("Grant") as there is a reasonable assurance that the relevant requirements for the tax benefit have been met. The Grant would be amortised over the useful lives of the Qualified Assets. Pursuant to the arrangement, the ITC Benefit was passed on by the Group to the tax equity investor and accordingly, the ITC Benefit was derecognised during the year that the invested lease arrangement was entered into with the tax equity investor. During the year ended 31 December 2024, approximately US\$1,136,000 (equivalent to approximately RMB8,092,000) of the Grant was recognised in profit or loss for the year as a government grant income and included in other income. Following the disposal of eleven subsidiaries in North Carolina in US during the year ended 31 December 2024, RMBnil of the Grant was recognised in profit or loss for the year as a government grant income.

During the year ended 31 December 2018, the Group entered into another financing arrangement for its four qualified solar power plant projects in the US with a third party financial institution, in which the Group passed its ITC Benefit to the financial institution that constitutes the right to offset against future tax payables to the financial institution for cash receipts in exchange. As at 31 December 2025, ITC Benefit of the Group related to the four projects amounted to US\$20,852,000 (equivalent to approximately RMB140,111,000) (2024: US\$21,769,000 (equivalent to approximately RMB155,028,000)) and was recognised as a Grant as there is a reasonable assurance that the relevant requirements for the tax benefit have been met. The Grant would be amortised over the useful lives of the Qualified Assets. Pursuant to the arrangement, the ITC Benefit was passed on by the Group to the financial institution and accordingly, the relevant ITC Benefit was derecognised during year ended 31 December 2019. Approximately US\$917,000 (equivalent to approximately RMB6,448,000) (2024: US\$917,000 (equivalent to approximately RMB6,533,000)) of the Grant was recognised in profit or loss for the year as a government grant income and included in other income.

b. Amounts due to former subsidiaries are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

29. CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
Contract liabilities arising from billings in advance of LNG business	45,460	127,546

According to the payment terms relating to LNG business, the Group typically receives full payment or certain percentage of deposits as advance payment before delivery of goods. This will give rise to contract liabilities at the start of a contract, until the revenue is recognised upon the order is fulfilled.

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:

	2025 RMB'000	2024 RMB'000
Revenue recognised that was included in the contract liabilities at the beginning of the year	127,546	2,082

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

30. BANK AND OTHER BORROWINGS

	2025 RMB'000	2024 RMB'000
Bank loans	–	10,000
Other loans	808,095	330,235
	808,095	340,235
Secured	808,095	340,235
Less: Amounts due within one year shown under current liabilities	(62,760)	(31,048)
Amounts due after one year	745,355	309,187
The maturity of bank borrowings is as follows*:		
Within one year	–	10,000
	–	10,000
Less: Amounts due within one year	–	(10,000)
Amounts due after one year	–	–
Analysed as:		
Variable-rate bank borrowings	–	10,000

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

30. BANK AND OTHER BORROWINGS (Continued)

	2025 RMB'000	2024 RMB'000
The maturity of other borrowings is as follows*:		
Within one year	62,760	21,048
More than one year, but not exceeding two years	74,072	23,061
More than two years, but not exceeding five years	207,040	61,889
More than five years	464,223	224,237
	808,095	330,235
Less: Amounts due within one year	(62,760)	(21,048)
	745,335	309,187
Analysed as:		
Fixed-rate other borrowings	323,095	330,235
Variable-rate other borrowings	485,000	–
	808,095	330,235

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

There were no financial covenants in relation to the Group's facilities from banks and other financial institutions as at 31 December 2025 and 2024. Further details of the Group's management of liquidity risk are set out in note 40(b).

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

30. BANK AND OTHER BORROWINGS (Continued)

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are analysed as follows:

	2025	2024
Fixed-rate borrowings		
US\$ borrowing	1.72% to 5.64%	1.72% to 5.64%
Variable-rate borrowings		
RMB borrowings	LPR* - 1.25%	LPR* + 0.7%

The Group's borrowings denominated in functional currencies of the relevant group entities are set out below:

	2025 RMB'000	2024 RMB'000
US\$	323,095	330,235
RMB	485,000	10,000
	808,095	340,235

* LPR represents loan prime rates announced by the National Interbank Funding Centre, a sub-institution affiliated to the PRC.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

31. LEASE LIABILITIES

	2025 RMB'000	2024 RMB'000
Lease liabilities payable:		
Within one year	16,198	14,375
Within a period of more than one year but not exceeding two years	14,464	15,841
Within a period of more than two years but not exceeding five years	35,182	35,021
Within a period of more than five years	28,665	46,172
	94,509	111,409
Less: Amount due for settlement with 12 months shown under current liabilities	(16,198)	(14,375)
	78,311	97,034

The weighted average incremental borrowing rate applied to lease liabilities is 4.37% (2024: 5.33%).

All lease obligations are denominated in the functional currencies of the relevant group entities.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

32. 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:

	2025 RMB'000	2024 RMB'000
Deferred tax assets	753	787
Deferred tax liabilities	(104,611)	–
	(103,858)	787

The following are the deferred tax liabilities (assets) recognised and movements thereon during the current and prior years:

	Unrealised profits on plant and equipment RMB'000	Fair value adjustments arising from acquisition of subsidiaries RMB'000	Total RMB'000
At 1 January 2024	(821)	–	(821)
Charge to profit or loss	34	–	34
At 31 December 2024 and 1 January 2025	(787)	–	(787)
Charge to profit or loss	34	–	34
Acquisition of subsidiaries (<i>note 37</i>)	–	104,611	104,611
At 31 December 2025	(753)	104,611	103,858

Under the EIT law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards.

Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to retained earnings of the PRC subsidiaries amounting to approximately RMB189,420,000 (2024: RMB106,327,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. No withholding tax is charged to profit or loss for the dividends declared and paid by the PRC subsidiaries during both years.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

32. DEFERRED TAXATION (Continued)

At the end of the reporting period, the Group has unused tax losses of approximately RMB1,571,987,000 (2024: RMB1,297,178,000) available for offset against future profits. Unrecognised tax losses of approximately RMB15,041,000 (2024: RMB46,704,000) was disposed together with the disposal of subsidiaries during the year ended 31 December 2025. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Unrecognised tax losses of approximately RMB1,526,617,000 (2024: RMB1,251,808,000) will expire from 2026 to 2030 (2023: 2025 to 2029) and other losses may be carried forward indefinitely.

At the end of the reporting period, the Group has deductible temporary difference mainly in respect of impairment of certain assets in aggregate of approximately RMB1,611,305,000 (2024: RMB1,302,113,000). No deferred tax asset has been recognised to the deductible temporary difference as it is not probable that tax profit will be available against which the deductible temporary difference can be utilised.

33. CONVERTIBLE BONDS

The Company issued 1% convertible bonds with an aggregate principal amount of HK\$63,720,000 (equivalent to approximately RMB60,000,000) to the Seller on 21 March 2025 in relation to acquisition of subsidiaries (as defined in note 37). The convertible bonds are denominated in Hong Kong dollars. The convertible bonds will mature on the third anniversary of the date of the issue at their principal amount or can be converted into ordinary shares of the Company at the holder's option at a conversion price of HK\$0.45 per share at any time up to the maturity date of the convertible bonds. At any time immediately from the issue date up to the maturity date of the convertible bonds or any such other date as mutually agreed to in writing between the Company and the convertible bondholder, unless previously converted or cancelled, the Company shall redeem all the outstanding convertible bonds on the maturity date at a redemption amount equivalent to 100% of the outstanding principal. The convertible bonds are unsecured and carry interest at 1.0% per annum on the outstanding principal amount. Interest is payable in every six calendar months.

The fair values of the liability component was determined at the issuance of the convertible bonds, and was calculated using a market interest rate for an equivalent non-convertible bonds. The residual amount, representing the value of the equity conversion component, is included in shareholders' equity. During the year ended 31 December 2025, the Company did not receive any conversion notices from the convertible bondholders to exercise the conversion rights.

The movements of the convertible bonds for the current year are set out below:

	Liability component RMB'000	Equity component RMB'000	Total RMB'000
Issue of convertible bonds	36,906	29,506	66,412
Interest expense (note 9)	4,965	–	4,965
As at 31 December 2025	41,871	29,506	71,377

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

34. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.083 (2024: HK\$0.083) each		
Authorised:		
At 1 January 2024, 31 December 2024 and 1 January 2025	1,800,000,000	150,000
Increase in share capital (note a)	1,200,000,000	100,000
At 31 December 2025	3,000,000,000	250,000
Issued and fully paid:		
At 1 January 2024	1,167,435,772	97,235
Issue of shares on placement (note b)	233,487,154	19,380
At 31 December 2024, and 1 January 2025	1,400,922,926	116,615
Issued of shares on placement (note c)	153,400,000	12,732
At 31 December 2025	1,554,322,926	129,347
	2025	2024
	RMB'000	RMB'000
Shown in the financial statements as	111,249	99,371

Notes:

- (a) On 22 May 2025, shareholders of the Company approved the increase of the authorised share capital of the Company from HK\$150,000,000, divided into 1,800,000,000 shares of HK\$0.083 each, to HK\$250,000,000, divided into 3,000,000,000 shares of HK\$0.083 each.
- (b) On 22 April 2024, the Group announced that a placing agreement has been entered into between the Company and the sole placing agent under which up to a total of 233,487,154 new shares of the Company would be issued (the "2024 Transaction"). The 2024 Transaction has been completed on 10 May 2024 and net proceeds of the 2024 Transaction, after taking into account all related costs, fees, expenses and commission, were approximately HK\$59,684,000 (equivalent to approximately RMB54,198,000).
- (c) As disclosed in note 37, Consideration Shares of 153,400,000 were allotted and issued at the issue price of HK\$0.45 per Consideration Share for an aggregate consideration of HK\$68,263,000 (equivalent to approximately RMB63,684,000) on 21 March 2025 upon the completion of the acquisition of subsidiaries.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

35. PERPETUAL NOTES

On 18 November 2016, Nanjing GCL New Energy (as defined in note 46(a)), an indirect wholly-owned subsidiary, entered into a perpetual notes agreement with 保利協鑫(蘇州)新能源有限公司 GCL-Poly (Suzhou) New Energy Co., Ltd.* (“GCL-Poly (Suzhou)”), 江蘇協鑫矽材料科技發展有限公司 Jiangsu GCL Silicon Material Technology Development Co., Ltd.* (“Jiangsu GCL”), 蘇州協鑫光伏科技有限公司 Suzhou GCL Photovoltaic Technology Co., Ltd.* (“Suzhou GCL”) and 太倉協鑫光伏科技有限公司 Taicang GCL Photovoltaic Technology Co., Ltd.* (“Taicang GCL”) (together, the “Lenders”). Each of the Lenders is a wholly-owned subsidiary of GCL Technology Holdings Limited (“GCL Technology”). 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:

* English name for identification only

(a) Interest rate

Interest rate is 7.3% per annum for the first two years, 9% per annum for the third to fourth year and 11% per annum starting from the fifth year.

(b) Maturity date

There is no maturity date.

(c) Repayment terms

The distribution shall be repaid 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 payment 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.

(d) Classification of perpetual notes

The perpetual notes are classified as equity instruments in the Group’s consolidated financial statements as the Group does not have a contractual obligation to deliver cash or other financial assets arising from the issue of the perpetual notes. Any distributions made by Nanjing GCL New Energy to the holders are recognised in equity in the consolidated financial statements of the Group. During the year ended 31 December 2025, profit and total comprehensive income of approximately RMB200,750,000 (2024: RMB201,300,000) was attributable to perpetual notes holders in accordance with the terms of the agreements. The entire distribution payment of approximately RMB200,750,000 for the year ended 31 December 2025 (2024: RMB201,300,000) was deferred by the Group.

36. SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share option scheme

The Company adopted a share option scheme on 15 October 2014 (the “2014 Share Option Scheme”). The termination of the 2014 Share Option Scheme and the adoption of a new share option scheme (the “2024 Share Option Scheme”) to replace the 2014 Share Option Scheme were passed by the shareholders at the annual general meeting of the Company held on 23 May 2024 (“Effective Date”). Following the termination of 2014 Share Option Scheme from the Effective Date, no further share options shall be granted under the 2014 Share Option Scheme but the outstanding share options granted thereunder shall continue to be valid and exercisable in accordance with the terms of the 2014 Share Option Scheme. Further details regarding the termination of 2014 Share Option Scheme and adoption of 2024 Share Option Scheme are set out in circular dated 23 April 2024 of the Company.

Under the 2014 Share Option Scheme, share options were granted on 23 October 2014, 24 July 2015, 26 February 2021 and 3 November 2021 to subscribe for 26,842,000 Shares, 23,673,000 Shares, 19,065,937 Shares (of which 18,525,812 share options have been accepted by the grantees) and 3,025,000 Shares respectively. No consideration is payable on acceptance of option. As at 31 December 2025, a total of 18,695,263 shares options granted under the 2014 Share Option Scheme remained outstanding and will continue to be valid and exercisable during their prescribed exercise periods in accordance with the 2014 Share Option Scheme.

No share options had been granted under the 2014 Share Option Scheme and the 2024 Share Option Scheme during the years ended 31 December 2025 and 2024.

The following table discloses the terms and conditions of the grants, whereby all options (after adjustment of Share Consolidation) are settled by physical delivery of shares at the end of the current reporting period:

	Number of options	Vesting conditions	Contractual life of options
Options granted to directors:			
24 July 2015	402,640	Exercisable in five even tranches immediately from 24 July of each year from 2015 to 2019	Expire at the close of business on 23 July 2025
3 November 2021	2,175,000	Exercisable in four even tranches immediately from 3 November of each year from 2022 to 2025	Expire at the close of business on 2 November 2031
Options granted to employees:			
24 July 2015	3,193,436	Exercisable in five even tranches immediately from 24 July of each year from 2015 to 2019	Expire at the close of business on 23 July 2025
26 February 2021	12,924,187	Exercisable in four even tranches immediately from 26 February of each year from 2022 to 2025	Expire at the close of business on 25 February 2031

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

36. SHARE-BASED PAYMENT TRANSACTIONS (Continued) Equity-settled share option scheme (Continued)

The options outstanding as at 31 December 2025 had a weighted average remaining contractual life of 5.84 years (2024: 5.85 years).

The fair value of services received in return for share options granted during the year ended 31 December 2021 was measured by reference to the fair value of share options granted, IFRS 2 and the accounting policy information stated in note 4. The estimate of the fair value of the share options granted was measured based on the Binomial Option pricing model for share options granted on 23 October 2014, 26 February 2021 and 3 November 2021, while based on the Monte Carlo mode for share options granted on 24 July 2015. The contractual life of the share option and expectations of early exercise were incorporated into the respective models.

The following assumptions were used to calculate the fair values of share options:

	Granted on 26 February 2021	Granted on 3 November 2021
Fair value of and assumptions for share options		
Fair value at measurement date	HK\$0.12	HK\$0.12
Share price	HK\$0.375	HK\$0.330
Exercise price	HK\$0.384	HK\$0.357
Volatility	64.71%	63.42%
Share option life	10 years	10 years
Expected dividends	0%	0%
Risk-free interest rate (based on Exchange Fund Notes)	1.43%	1.50%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), 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.

As at 31 December 2025, the number of shares in respect of which had been granted under the 2014 Share Option Scheme and remained outstanding was approximately 14,799,187 (2024: 18,695,263) shares, representing 0.95% (2024: 1.33%) of the issued share capital of the Company at that date. The maximum number of shares which may be issued upon exercise of all options to be granted under the 2014 Share Option Scheme shall not in aggregate exceed 10% of the shares of the Company in issue at the date of approval of the 2014 Share Option Scheme. The maximum entitlement for any one participant is that the total number of shares issued or to be issued upon exercise of the options granted to each participant in any twelve-month period shall not exceed 1% of the total number of shares in issue.

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 Company's shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

Notes to the Consolidated Financial Statements (Continued)

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36. SHARE-BASED PAYMENT TRANSACTIONS (Continued) Equity-settled share option scheme (Continued)

There was no newly granted share option during both years. The following table discloses exercise prices and movements of the Company's share options, which have been adjusted the Share Consolidation on 31 October 2022, during both years.

2025

	Exercise price	Date of grant	Vesting period	Exercise period	Number of share options				
					Outstanding at 1 January 2025	Granted during the year	Lapsed during the year	Forfeited during the year	Outstanding at 31 December 2025
Directors	HK\$7.14	3.11.2021	note(b)(i)	3.11.2022-2.11.2031	543,750	-	(75,000)	-	468,750
				3.11.2023-2.11.2031	543,750	-	(75,000)	-	468,750
				3.11.2024-2.11.2031	543,750	-	(75,000)	-	468,750
				3.11.2025-2.11.2031	543,750	-	(75,000)	-	468,750
Former director (note a)	HK\$12.12	24.7.2015	note(b)(ii)	24.7.2015-23.7.2025	80,528	-	(80,528)	-	-
				24.7.2016-23.7.2025	80,528	-	(80,528)	-	-
				24.7.2017-23.7.2025	80,528	-	(80,528)	-	-
				24.7.2018-23.7.2025	80,528	-	(80,528)	-	-
				24.7.2019-23.7.2025	80,528	-	(80,528)	-	-
Employees and others providing similar services	HK\$12.12	24.7.2015	note (b)(ii)	24.7.2015-23.7.2025	638,687	-	(63,687)	-	-
				24.7.2016-23.7.2025	638,687	-	(63,687)	-	-
				24.7.2017-23.7.2025	638,687	-	(63,687)	-	-
				24.7.2018-23.7.2025	638,687	-	(63,687)	-	-
				24.7.2019-23.7.2025	638,688	-	(63,688)	-	-
	HK\$7.68	26.2.2021	note (b)(iii)	26.2.2022-25.2.2031	3,231,047	-	-	-	3,231,047
				26.2.2023-25.2.2031	3,231,047	-	-	-	3,231,047
				26.2.2024-25.2.2031	3,231,047	-	-	-	3,231,047
				26.2.2025-25.2.2031	3,231,046	-	-	-	3,231,046
					18,695,263	-	(3,896,076)	-	14,799,187
Exercisable at the end of the year					-			-	
Weighted average exercise price (HK\$)					8.4712	-	11.7365	-	7.6116

Notes:

- (a) While Mr. Sha Hongqiu retired from office as a non-executive director with effect from the conclusion of the annual general meeting of the Company held on 17 June 2020, his share options remain exercisable under the 2014 Share Option Scheme.
- (b) (i) The share options granted on 3 November 2021 are vesting in four tranches starting from 3 November 2022 until achieving of certain performance criteria and services condition.
- (ii) The share options granted on 24 July 2015 are vesting in five even tranches starting from 24 July 2015 until achieving of certain market condition and services condition.
- (iii) The share options granted on 26 February 2021 are vesting in four tranches starting from 26 February 2022 until achieving of certain performance criteria and services condition.

Notes to the Consolidated Financial Statements (Continued)

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36. SHARE-BASED PAYMENT TRANSACTIONS (Continued) Equity-settled share option scheme (Continued) 2024

	Exercise price	Date of grant	Vesting period	Exercise period	Number of share options				
					Outstanding at 1 January 2024	Granted during the year	Lapsed during the year	Forfeited during the year	Outstanding at 31 December 2024
Directors	HK\$7.14	3.11.2021	note(b)(i)	3.11.2022-2.11.2031	543,750	-	-	-	543,750
				3.11.2023-2.11.2031	543,750	-	-	-	543,750
				3.11.2024-2.11.2031	543,750	-	-	-	543,750
				3.11.2025-2.11.2031	543,750	-	-	-	543,750
Former director (note a)	HK\$12.12	24.7.2015	note(b)(ii)	24.7.2015-23.7.2025	80,528	-	-	-	80,528
				24.7.2016-23.7.2025	80,528	-	-	-	80,528
				24.7.2017-23.7.2025	80,528	-	-	-	80,528
				24.7.2018-23.7.2025	80,528	-	-	-	80,528
				24.7.2019-23.7.2025	80,528	-	-	-	80,528

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36. SHARE-BASED PAYMENT TRANSACTIONS (Continued) Equity-settled share option scheme (Continued) 2024 (Continued)

	Exercise price	Date of grant	Vesting period	Exercise period	Number of share options				Outstanding at 31 December 2024	
					Outstanding at 1 January 2024	Granted during the year	Lapsed during the year	Forfeited during the year		
Employees and others providing similar services	HK\$23.596	23.10.2014	24.11.2014–22.10.2015	23.10.2015–22.10.2024	469,075	–	(469,075)	–	–	
			23.10.2015–22.10.2016	23.10.2016–22.10.2024	469,075	–	(469,075)	–	–	
			23.10.2016–22.10.2017	23.10.2017–22.10.2024	469,075	–	(469,075)	–	–	
			23.10.2017–22.10.2018	23.10.2018–22.10.2024	469,075	–	(469,075)	–	–	
	HK\$12.12	24.7.2015	note (b)(ii)	24.10.2018–22.10.2024	24.7.2015–23.7.2025	469,075	–	(469,075)	–	–
				24.7.2016–23.7.2025	24.7.2016–23.7.2025	656,302	–	–	(17,615)	638,687
				24.7.2017–23.7.2025	24.7.2017–23.7.2025	656,302	–	–	(17,615)	638,687
				24.7.2018–23.7.2025	24.7.2018–23.7.2025	656,303	–	–	(17,616)	638,687
	HK\$7.68	26.2.2021	note (b)(iii)	24.7.2019–23.7.2025	24.7.2019–23.7.2025	656,303	–	–	(17,615)	638,688
				26.2.2022–25.2.2031	26.2.2022–25.2.2031	3,231,047	–	–	–	3,231,047
				26.2.2023–25.2.2031	26.2.2023–25.2.2031	3,231,047	–	–	–	3,231,047
				26.2.2024–25.2.2031	26.2.2024–25.2.2031	3,231,047	–	–	–	3,231,047
			26.2.2025–25.2.2031	26.2.2025–25.2.2031	3,231,046	–	–	–	3,231,046	
					21,128,715	–	(2,345,375)	(88,077)	18,695,263	
Exercisable at the end of the year					2,345,375				–	
Weighted average exercise price (HK\$)					10.1653	–	23.5960	12.1200	8.4712	

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For the year ended 31 December 2025

36. SHARE-BASED PAYMENT TRANSACTIONS (Continued) Equity-settled share option scheme (Continued)

During the current year, share-based payment expense of approximately RMB656,000 (2024: RMB4,269,000) was recognised in profit or loss. In addition, share options granted to certain Directors and employees have been forfeited due to the resignation or lapsed during both years and respective share options reserve of approximately RMB21,553,000 (2024: RMB26,689,000) was transferred to the Group's accumulated losses.

37. ACQUISITION OF SUBSIDIARIES

On 9 January 2025, the Company and the Seller (a company ultimately wholly-owned by the Zhu Family Trust, of which executive directors, Mr. Zhu Gongshan and Mr. Zhu Yufeng, are beneficiaries) entered into the Sale and Purchase Agreement, pursuant to which the Company has conditionally agreed to acquire and the Seller has conditionally agreed to sell, the Sale Share, being the entire issued share capital of Harmonic and its subsidiaries (collectively referred to as the "Harmonic Group"), at the Consideration of RMB325 million (equivalent to approximately HK\$345.15 million) (the "Acquisition").

The Consideration shall be satisfied by the Company (i) as to RMB200 million (equivalent to approximately HK\$212.40 million) by way of cash; (ii) allotment and issue of 153,400,000 Consideration Shares at the issue price of HK\$0.45 per Consideration Share; and (iii) issue of the Convertible Bonds in the principal amount of HK\$63.72 million which are convertible into a maximum number of 141,600,000 Conversion Shares at the initial Conversion Price of HK\$0.45 per Conversion Share, to the Seller.

Harmonic Group is principally engaged in construction, management and operation of LNG terminals and piers, as well as the storage, processing and sales of LNG products in Jiangsu and Guangdong Provinces through joint ventures and an associate of Harmonic Group. The Acquisition is an opportunity for the Group to expand and diversify its LNG related business and accelerate the marketisation of its LNG trade, which are expected to bring additional revenue growth to the Group in future.

The Acquisition was completed on 21 March 2025. Upon Completion, the Company owns the entire issued share capital of Harmonic. As such, the financial results of Harmonic Group were consolidated into the financial statements of the Company. Please refer to the Company's announcement on 21 March 2025 and circular dated 24 January 2025 for further details.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

37. ACQUISITION OF SUBSIDIARIES (Continued)

The fair values of identifiable assets acquired and liabilities assumed at the acquisition date are analysed as follows:

	RMB'000
Property, plant and equipment	20
Interest in an associate	20,169
Interest in a joint venture	1,074,559
Other receivables	194,011
Bank balances and cash	1,200
Deferred tax liabilities	(104,611)
Other payables	(2,606)
Bank and other borrowing	(500,000)
Total identifiable net assets	682,742
Non-controlling interests	(355,026)
Fair value of net assets acquired	327,716
Satisfied by:	
Cash	200,000
Fair value of consideration of shares	63,684
Fair value of convertible bonds	66,412
Consideration	330,096
Less: Fair value of net assets acquired	(327,716)
Goodwill (note 17)	2,380
Net cash outflow arising on acquisition of subsidiaries:	
Cash consideration paid	200,000
Less: Bank balances and cash	(1,200)
	198,800

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

37. ACQUISITION OF SUBSIDIARIES (Continued)

Other receivables

The gross amount of other receivables at the date of the Acquisition amounted to RMB194,011,000, net of loss allowance of RMBnil.

Non-controlling interests

The Group has chosen to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets.

Had the Acquisition been completed on 1 January 2025, revenue for the year of the Group would have been RMB1,062,567,000, and loss for the year of the Group would have been RMB1,151,181,000. The pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the Acquisition been completed on 1 January 2025, nor is it intended to be a projection of future results.

Acquisition-related costs were insignificant and were included in administrative expenses in the consolidated statement of profit or loss and in operating cash flows in the consolidated statement of cash flows for the year ended 31 December 2024.

38. DISPOSAL OF SUBSIDIARIES

(a) During the year ended 31 December 2024, the Group completed the following disposal of subsidiaries

(i) **Xi'an Xinengxin (as defined below)**

On 18 June 2024, the Group entered into an equity transfer agreement and supplementary agreement with 中鐵一局集團電務工程有限公司 China Railway First Bureau Group Electric Engineering Co., Ltd* and 四川領鑫建築工程有限公司 Sichuan Ningxin Construction Engineering Co., Ltd.*, independent third parties to dispose of its 100% equity interest in a wholly-owned subsidiary, 西安協能鑫新再生能源有限公司 Xi'an Xinengxin New Renewable Energy Co., Ltd.* ("Xi'an Xinengxin") in Xi'an, at a consideration of RMB1,000,000 as at the date of completion of disposal. The subsidiaries are in the process of constructing solar power plant projects in Gansu, the PRC. The disposal was completed during the year ended 31 December 2024.

(ii) **Hebei Xiexin Tongxin (as defined below)**

On 31 October 2024, the Group entered into an equity transfer agreement with 協鑫創展控股有限公司 GCL Power Holdings Limited*, an associate of connected persons, in which Mr. Zhu Gongshan and his family members have significant influence, of the Company to dispose of its 100% equity interest in a wholly-owned subsidiary, 河北協鑫同心新能源開發有限公司 Hebei Xiexin Tongxin New Energy Development Co., Ltd* ("Hebei Xiexin Tongxin"), at a consideration of RMB25,500. The disposal was completed during the year ended 31 December 2024.

(iii) **Eleven subsidiaries in North Carolina in US**

On 31 December 2024, GCL New Energy, Inc., an indirect wholly-owned subsidiary of the Company and Wilson Solar Holdco, LLC, independent third party entered into the membership interest purchase and sale agreement to dispose of the entire interests of its 11 subsidiaries, namely GCL New Energy NC Holding, LLC, Mount Olive Lessee, LLC, GCL New Energy (NC) I, LLC, Jackson Solar Farm, LLC, Wilson Solar Farm 1, LLC, Wilson Solar Farm 2, LLC, Wilson Solar Farm 3, LLC, Wilson Solar Farm 4, LLC, Wilson Solar Farm 5, LLC, Wilson Solar Farm 6, LLC and Wilson Solar Farm 7, LLC (collectively, the "Target Companies"), at a consideration of US\$13,800,314 (equivalent to approximately HK\$107,366,000). The Target Companies operate eight solar photovoltaic facilities totaling approximately 83MW located in North Carolina in the US. The disposal was completed during the year ended 31 December 2024.

* English name for identification only

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

38. DISPOSAL OF SUBSIDIARIES (Continued)

(a) During the year ended 31 December 2024, the Group completed the following disposal of subsidiaries (Continued)

The net assets of the solar plant projects at the date of disposals were as follows:

	Xi'an Xinengxin RMB'000 (Note i)	Hebei Xiexin Tongxin RMB'000 (Note ii)	Eleven subsidiaries in North Carolina RMB'000 (Note iii)	Total RMB'000
Consideration:				
Consideration received during – current year	1,000	26	104,691	105,717
Total	1,000	26	104,691	105,717
Analysis of assets and liabilities over which control was lost:				
Property, plant and equipment	–	–	302,977	302,977
Right-of-use assets	–	–	22,581	22,581
Other non-current assets	371	12	–	383
Bank balances and cash	16	29	–	45
Other payables	(2,839)	(26)	–	(2,865)
Lease liabilities	–	–	(25,998)	(25,998)
Deferred income	–	–	(182,084)	(182,084)
Intragroup payables	–	–	(17,533)	(17,533)
Net (liabilities)/assets disposed of	(2,452)	15	99,943	97,506
Net gain on disposal of subsidiaries:				
Total consideration, net of transaction cost	1,000	26	104,691	105,717
Net liabilities/(assets) disposed of	2,452	(15)	(99,943)	(97,506)
Gain on disposal	3,452	11	4,748	8,211
Net cash inflow/(outflow) arising from disposal:				
Cash consideration received	1,000	26	104,691	105,717
Less: bank balances and cash disposed of	(16)	(29)	–	(45)
	984	(3)	104,691	105,672

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

39. 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 prior year.

The capital structure of the Group consists of net debt, which mainly includes amounts due to related companies, bank and other borrowings, and lease liabilities, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising issued share capital, perpetual notes and reserves.

The Directors review the capital structure on a periodical 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.

40. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2025 RMB'000	2024 RMB'000
Financial assets		
Amortised cost	3,066,535	3,240,070
FVTPL:		
Mandatorily measured at FVTPL	210,620	161,972
Financial liabilities		
Amortised cost	2,240,572	854,231
FVTPL:		
Mandatory measured at FVTPL	–	5,133

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

40. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include financial assets at fair value through profit or loss, derivative financial instruments, trade and other receivables, amounts due from related companies, pledged bank and other deposits, bank balances and cash, trade and other payables, amounts due to related companies, bank and other borrowing and lease liabilities. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Currency risk

The Group operates in the PRC, Japan, US, Singapore and Ethiopia and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to RMB, HK\$, US\$, Japanese Yen ("JPY") and Singapore dollars ("S\$"). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. 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 rate 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	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
The Group				
HK\$	26,643	6,513	33,194	24,054
US\$	394,825	64,116	387,939	–
JPY	16	14	–	–
S\$	1,201	33,864	1,387	285

The foreign currency assets in 2025 and 2024 mainly relate to the US\$, HK\$ and S\$ denominated financial assets at fair value through profit or loss, pledged bank and other deposits, and bank balances.

The foreign currency liabilities in 2025 and 2024 mainly relate to the US\$, HK\$ and S\$ denominated trade and other payables and bank and other borrowing.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

40. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Sensitivity analysis

The following sensitivity analysis details the Group's sensitivity to a 5% (2024: 5%) increase and decrease in functional currency of respective entities against the relevant foreign currencies. 5% (2024: 5%) represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2024: 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. A positive number below indicates a decrease in post-tax loss (2024: a decrease in post-tax loss) and a negative number below indicates an increase in post-tax loss (2024: an increase in post-tax loss), where the functional currency of the respective entities had weakened 5% (2024: 5%) against the relevant foreign currencies. For a 5% (2024: 5%) strengthening of functional currency of respective entities against the relevant foreign currency, there would be an equal and opposite impact on the loss (2024: loss) for the year.

	HK\$ RMB'000	US\$ RMB'000	JPY RMB'000	S\$ RMB'000
2025				
(Increase)/decrease in loss for the year	(328)	344	1	(9)
2024				
(Increase)/decrease in loss for the year	(1,576)	3,206	1	1,679

In the opinion of the Directors, the sensitivity analysis is unrepresentative of the inherent foreign exchange of the Group's exposure to risk as the year end exposure does not reflect the exposure during both years.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

40. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to lease liabilities (see note 31). The Group is also exposed to cash flow interest rate risk in relation to variable-rate pledged bank deposits and bank balances (see note 26), and the management has considered that the cash flow interest rate risk is limited because the current market interest rates on general deposits are relatively low and stable.

Additionally, certain of the Group's borrowings are issued at variable rates which expose the Group to cash flow interest rate risk. 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. The Group currently does not have a hedging policy on interest rate exposure. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise. The Group's exposures to interest rates on financial liabilities are detailed in liquidity risk management section of this note.

Without changing in the Group's risk management strategy, there is no material impact on the financial performance and financial position of the Group for the years ended 31 December 2025 and 2024 because the Group maintains low level of variable-rate borrowings to minimise the fair value and cash flow interest rate risk, the management considered that the cash flow interest rate risk is minimal.

The sensitivity analysis below has been determined based on the exposure to cash flow interest rates risks. The analysis is prepared assuming the financial liabilities outstanding at the end of the reporting period were outstanding for the whole year. The following represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's loss for the year ended 31 December 2025 would have increased/decreased by approximately RMB2,425,000 (2024: RMB50,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate borrowings.

Other price risk

The Group is exposed to price risk through its quoted and unquoted investments measured at FVTPL. The Group's equity price risk is mainly concentrated on unlisted equity investments of entities operating in solar industry. In addition, the Group has monitored the price risk and will consider hedging the risk exposure should the need arise.

Other than sensitivity analysis of certain investments as disclosed in note 40(c), sensitivity on other investments is not provided as the amount is considered insignificant.

40. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, pledged bank and other deposits, bank balances, amounts due from related companies, other receivables and the financial loss to the Group arising from the financial guarantees provided by the Group. 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 arising from contracts with customers

In order to minimise the credit risk, the Group has a credit control policy in place under which credit evaluations of customers are performed on all customers requiring credit. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on trade balances collectively.

The Group's concentration of credit risk by geographical locations is mainly the PRC, which accounted for over 99% (2024: 99%) of the trade receivables as at 31 December 2025. The Group's significant concentration of credit risk primarily arises when it has significant exposure to individual customers. There is no concentration of credit risk on any customers from sales of electricity and tariff adjustment and sales of LNG and related products.

The trade receivables arising from sales of electricity, and operation and management services are mainly due from the local grid companies and state-owned enterprises in various provinces in the PRC respectively. The management considered the probability of default of trade receivables is low by taking into the account of the repayment history of the debtors, adjusted for general economic conditions of the relevant industry, relevant country default risk 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.

The Group always measures the loss allowance for trade receivables, including those with significant financing component at an amount equal to lifetime ECL. The ECL on trade receivables are assessed collectively for debtors which shared credit risk characteristics by reference to repayment history of the debts, taking into account general economic conditions of the relevant industry, relevant country default risk, and an assessment of both the current as well as the forecast direction at the reporting date.

Based on the average loss rates, the ECL on trade receivables is considered to be insignificant.

As at 31 December 2025, 12% (2024: 15%) and 32% (2024: 31%) of the trade receivables are due from the Group's largest customer and the five largest customers respectively from operation and management services.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

40. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Bank balances and pledged bank and other deposits

The credit risks on bank balances and pledged bank and other deposits are limited because the counterparties are reputable banks and financial institutions with high credit ratings assigned by international credit-rating agencies in the PRC, United States, Singapore and Hong Kong. The credit risk on bank balance located in Ethiopia is limited because the counterparty is reputable private bank without history of default.

The Group assessed 12m ECL for bank balances and pledged bank and other deposits by reference to information relating to average loss rate 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 bank and other deposits is considered insignificant.

Other receivables and amounts due from related companies (non-trade)

The credit quality of other receivables and amounts due from related parties (non-trade) excluding prepayments has been assessed with reference to historical information about the counterparties' payment histories and business performance. The management closely monitors the credit quality of other receivables and amounts due from related companies (non-trade) and considers 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 and amounts due from related companies (non-trade), including those with significant financing component, the loss allowance is measured at an amount equals to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. In determining the ECL of other receivables and amounts due from related parties (non-trade), the management of the Company makes periodical individual assessment on the recoverability of the receivables by taking into account their past repayment history, credit rating or financial position and the forward looking information that is available without undue cost or effort, and considering the debtors operate in the relevant industry which is well supported by the prevailing government policies. Except for the accumulated impairment losses of approximately RMB1,147,173,000 (2024: RMB886,096,000) and approximately RMB108,932,000 (2024: RMB75,321,000) were recognised on other receivables and amounts due from related companies as at 31 December 2025 respectively, the management considered the ECL provision for other receivables and amounts due from related companies is insignificant.

As at 31 December 2025, the Group had concentration of credit risk on other receivables as the largest gross carrying amount of amount due from a former subsidiary as at 31 December 2025 was approximately RMB829,934,000 (2024: RMB813,593,000). As at 31 December 2025, the Group had concentration of credit risk on amounts due from related companies (non-trade) as the largest gross carrying amount of amount due from a related company as at 31 December 2025 was approximately RMB679,198,000 (2024: RMB665,825,000).

40. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Financial guarantee contracts

The credit quality of the borrowers and the guarantors has been assessed with reference to historical information about the counterparties' repayment histories, business performance and forward-looking information that is available without undue cost or effort. The management closely monitors the credit quality of the borrowers are of good credit quality in view of the good historical repayment record and/or financial position of such parties.

For financial guarantee contracts, the maximum amount that the Group has guaranteed under the respective contracts was approximately RMB1,908 million (2024: RMB1,241 million) as at 31 December 2025 if the guarantees were called upon in entirety. As at 31 December 2025, the Group provided back-to-back guarantees to third parties (i.e. the guarantors) for certain bank and other borrowings taken out by certain associates and a joint venture for project companies whereby the third parties held a substantial interest and the Group held a minority interest. The back-to-back guarantees held a maximum amount of approximately RMB1,519 million (2024: RMB1,241 million).

At the end of the reporting period, the Directors have performed impairment assessment, and concluded that there has been no significant increase in credit risk since initial recognition of the financial guarantee contracts. The loss allowance is measured at 12m ECL, in the opinion of the Directors, the fair value of the guarantees is considered insignificant at initial recognition, and the ECL as at 31 December 2025 and 2024 are insignificant.

The management considered the ECL provision of financial guarantee contracts is insignificant.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

40. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets/ other items
Low risk	The counterparty has a low risk of default of counterparties	Lifetime ECL — not credit-impaired	12-month ECL
Doubtful	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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

40. 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 other items, which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount	
					2025	2024
					RMB'000	RMB'000
Financial assets at amortised cost						
Amounts due from related companies						
— Trade related	25	N/A	Low risk (note a)	Lifetime ECL not credit-impaired	10,394	12,032
— Non-trade related	25	N/A	Low risk (note a)	12m ECL	1,439,034	1,331,434
				Lifetime ECL credit-impaired	38,391	–
					1,487,819	1,343,466
Pledged bank and other deposits						
— Pledged bank deposits	26	Aa1 to Ba1	Low risk (note b)	12m ECL	114,040	28,170
— Pledged other deposits	26	AA+ to Baa3	Low risk (note b)	12m ECL	–	8,860
					114,040	37,030
Bank balances and cash						
	26	AA+ to Ba3	Low risk (note b)	12m ECL	278,829	284,865
Other receivables and deposits*						
	23	N/A	Low risk (note e)	12m ECL	1,198,048	1,488,955
		N/A	Loss (note e)	Lifetime ECL credit-impaired	1,062,637	846,279
					2,260,685	2,335,234
Trade receivables						
	23	N/A	Low risk (note c)	Lifetime ECL not credit-impaired	142,421	164,390
Other items						
Assets classified as held for sale						
— Trade receivables	27	N/A	Low risk (note c)	Lifetime ECL not credit-impaired	41,298	35,531
— Other receivables	27	N/A	Low risk (note e)	12m ECL	31	845
— Bank balances and cash	27	AA+ to Baa3	Low risk (note b)	12m ECL	59	126
Financial guarantee contracts	40(b)	N/A	Low risk (note d)	12m ECL	1,908,019	1,240,593

* The gross carrying amounts disclosed above include the relevant interest receivables which are presented in other receivables.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

40. FINANCIAL INSTRUMENTS (Continued) (b) Financial risk management objectives and policies (Continued) Credit risk and impairment assessment (Continued)

Notes:

- a. The Group performs impairment assessment under expected credit loss on amounts due from related companies, which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition. The ECL are assessed individually for debtors by reference to past repayment history, credit rating or financial position of the debtors and forward-looking information that is available without undue cost or effort, and also taking into account of the prevailing government policies that support the relevant industry which the Group's debtors operate.

The following table shows movement in ECL that has been recognised for amounts due from related companies:

	12m ECL RMB'000	Lifetime ECL Not credit-impaired RMB'000	Lifetime ECL Credit-impaired RMB'000
At 1 January 2024	86,202	763	–
Reversal of impairment losses	(11,644)	–	–
At 31 December 2024	74,558	763	–
(Reversal of impairment losses)/impairment losses recognised	(4,780)	–	38,391
At 31 December 2025	69,778	763	38,391

Notes:

- (i) The following significant changes in the gross carrying amounts of amounts due from related companies contributed to the changes in the loss allowance for 12m ECL:
- decrease in origination of new receivables resulted in a decrease in loss allowance; and
 - settlement on existing receivables resulted in a decrease in loss allowance.
- (ii) The Group completed substantial disposal of solar power plants during the financial years ended 31 December 2018 to 2023 as part of its transition to become an asset-light enterprise. The amount recognised for Lifetime ECL not credit-impaired represents impairment losses arising from set off arrangements with amounts due from related companies in relation to general rectification and indemnification clauses (including RMB38,391,000 for tax on land use and other indemnification) in accordance with the terms of the sale and purchase agreements of the disposals of solar power plants in prior years.
- b. In determining the ECL of bank balances and pledged bank and other deposits, the Group has taken into account the counterparties are reputable banks and financial institutions with high credit ratings assigned by international credit agencies or without history of default and forward looking information as appropriate. The Group assessed 12m ECL for bank balances and pledged bank and other deposits by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies and the management considers that expected credit loss on bank balances and pledged bank and other deposits are immaterial.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

40. FINANCIAL INSTRUMENTS (Continued) (b) Financial risk management objectives and policies (Continued) Credit risk and impairment assessment (Continued)

Notes: (Continued)

- c. For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on these items collectively based on internal credit rating as grouping for various debtors with shared credit risk characteristics by reference to repayment history of the debtor, adjusted for factors in relation to general economic conditions of the relevant industry, relevant country default risk and an assessment of both the current as well as the forecast direction at the reporting date.

As part of the Group's credit risk management, the Group applies internal credit rating for its customers in relation to the Solar Energy Business and LNG Business. The following table provides information about the exposure to credit risk for trade receivables which are assessed collectively within lifetime ECL (not credit-impaired) as at 31 December 2025 and 2024.

Gross carrying amount

2025

Internal credit rating	Average loss rate	Trade receivables RMB'000
Low risk	2.13%	142,421

2024

Internal credit rating	Average loss rate	Trade receivables RMB'000
Low risk	0.51%	164,390

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 movement in ECL that has been recognised for trade receivables:

	Lifetime ECL Not-credit impaired RMB'000
At 1 January 2024, 31 December 2024 and 1 January 2025	–
Impairment losses recognised	2,542
At 31 December 2025	2,542

- d. For financial guarantee contracts, the gross carrying amount represents the maximum amount that the Group has guaranteed under the relevant contracts.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

40. FINANCIAL INSTRUMENTS (Continued) (b) Financial risk management objectives and policies (Continued) Credit risk and impairment assessment (Continued)

Notes: (Continued)

- e. As at 31 December 2025 in the opinion of the Directors, the Group has recognised impairment loss on other receivables and deposits of approximately RMB886,096,000 (2024: RMB886,096,000).

The following table shows movement in ECL that has been recognised for other receivables and deposits.

	12m ECL RMB'000	Lifetime ECL Credit-impaired RMB'000
At 1 January 2024	16,686	709,340
Impairment losses recognised	23,131	136,939
At 31 December 2024 and 1 January 2025	39,817	846,279
Impairment losses recognised	44,719	216,358
At 31 December 2025	84,536	1,062,637

Changes in the loss allowance for other receivables and deposits are mainly due to:

2025

	Notes	12m ECL RMB'000	Lifetime ECL Credit-impaired RMB'000
Expected credit loss on other receivables and deposits other than amounts due from former subsidiaries	(i) and (ii)	2,373	–
Expected credit loss on amounts due from former subsidiaries	(i) and (ii)	42,346	216,358
Total		44,719	216,358

2024

	Notes	12m ECL RMB'000	Lifetime ECL Credit-impaired RMB'000
Expected credit loss on other receivables and deposits other than amounts due from former subsidiaries	(i) and (ii)	23,131	49,655
Expected credit loss on amounts due from former subsidiaries	(i) and (ii)	–	87,284
Total		23,131	136,939

40. FINANCIAL INSTRUMENTS (Continued)
(b) Financial risk management objectives and policies (Continued)
Credit risk and impairment assessment (Continued)

Notes: (Continued)

e. (Continued)

Notes:

- (i) The Group performs impairment assessment under expected credit loss on other receivables and deposits, which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition. The Group measures loss allowance equal to 12m ECL for other receivables and deposits. In determining the ECL of other receivables and deposits, the ECL are assessed individually for debtors by reference to past repayment history, credit rating or financial position of the debtors, forward-looking information that is available without undue cost or effort, and also taking into account of the prevailing government policies that support the relevant industry which the Group's debtors operate.
- (ii) The Group completed substantial disposal of solar power plants during the financial years ended 31 December 2018 to 2023 as part of its transition to become an asset-light enterprise. The amount represents impairment loss arising from set off arrangements with amounts due from former subsidiaries in relation to general rectification and indemnification clauses (including RMB1,002,000 (2024: RMBnil) for rectification cost compensation, RMBnil (2024: RMB87,284,000) for on-grid electricity guarantee and RMB215,356,000 (2024: RMBnil) for tax on land use and other indemnification) in accordance with the terms of the sale and purchase agreements of the disposals of solar power plants in prior years.

In addition, the amount of approximately RMBnil (2024: RMB25,655,000) represents impairment loss of other debtors with which contact is lost, plus these other receivables were exceedingly long outstanding for over at least three to four years and approximately RMBnil (2024: RMB24,000,000) for consideration receivable of disposal of solar power plant projects. The management of the Company had carried out actions to recover but unsuccessful, as a result the management of the Company made the impairment loss after individual assessment on the recoverability of such receivables.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

40. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

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.

As at 31 December 2025, the Group's current assets exceeded its current liabilities by approximately RMB538 million (2024: RMB1,568 million) and had bank balances and cash of approximately RMB279 million (2024: RMB285 million) against bank and other borrowings and lease liabilities due within one year amounted to approximately RMB79 million (2024: RMB45 million).

The Group finances its capital intensive operations by short-term and long-term bank and other borrowings and shareholders' equity and perpetual notes.

The Directors are of the opinion that, taking into account the above measures, undrawn banking facilities and the Group's cash flow projection for the coming year, the Group will have sufficient working capital to meet its cash flow requirements in the next twelve months.

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 date 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.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

40. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity and interest rate risk tables

	Weighted interest rate %	On demand interest or less than 3 months RMB'000	3 months to 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 2025								
Non-derivative financial liabilities:								
Trade and other payables	-	786,969	-	326,000	-	-	1,112,969	1,112,969
Amounts due to related companies	-	224,355	-	-	-	-	224,355	224,355
Bank and other borrowings								
— fixed-rate	5.01%	5,072	24,174	25,430	60,257	226,386	341,319	323,095
— variable-rate	2.25%	17,688	32,948	59,545	171,817	259,771	541,769	485,000
Lease liabilities	4.37%	4,684	14,112	16,235	39,869	36,794	111,694	94,509
Total		1,038,768	71,234	427,210	271,943	522,951	2,332,106	2,239,928
Derivative financial instruments:								
Commodity derivative contracts	-	-	-	-	-	-	-	-
Financial guarantee contracts	-	1,908,019	-	-	-	-	1,908,019	-

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

40. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity and interest rate risk tables (Continued)

	Weighted interest rate %	On demand interest or less than 3 months RMB'000	3 months to 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	-	369,501	-	-	-	-	369,501	369,501
Amounts due to related companies	-	143,855	-	-	-	-	143,855	143,855
Bank and other borrowings								
— fixed-rate	5.01%	6,650	11,815	24,362	65,380	236,884	345,091	330,235
— variable-rate	3.8%	2,914	11,236	-	-	-	14,150	10,000
Lease liabilities	5.33%	4,875	14,285	19,375	44,487	58,342	141,364	112,253
Total		527,795	37,336	43,737	109,867	295,226	1,013,961	965,844
Derivative financial instruments:								
Commodity derivative contracts	-	5,133	-	-	-	-	5,133	5,133
Financial guarantee contracts	-	1,240,593	-	-	-	-	1,240,593	-

40. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity and interest rate risk tables (Continued)

The amounts included above for variable-rate borrowings are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amounts if those amounts are claimed by the counterparty to the guarantees. Based on expectations at the end of the reporting period, the Group considered that it is more likely than not that no amount would be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparties claiming under the guarantees which is a function of the likelihood that the financial receivables held by the counterparties which are guaranteed suffer credit losses.

(c) Fair value measurements of financial instruments

Fair value measurements and valuation processes

In estimating the fair value of an asset or a liability, the Group uses market observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation when necessary. The Directors work closely with the corporate finance team and/or qualified valuers to establish the appropriate valuation techniques and inputs to the model. The management of the Group reports the findings to the Directors every half year to explain the cause of fluctuations in the fair value of the assets and liabilities.

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

(i) *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 (classified as financial assets or financial liabilities at fair value through profit or loss) 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).

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

40. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements of financial instruments (Continued)

Fair value measurements and valuation processes (Continued)

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

Financial assets/ (liabilities)	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	2025 RMB'000	2024 RMB'000				
Unlisted equity investments measured at financial assets at FVTPL (note a)	43,616	33,741	Level 3	Adjusted price to book ("PB") value, the key inputs are PB ratio in the relevant industry and discount for lack of marketability	PB ratio 1.26 (2024: 0.76) Discount for lack of marketability of 60% (2024: 60%)	An increase in the PB value or discount for lack of marketability would result in increase or decrease in fair value respectively and vice versa
Unlisted fund (note b)	122,027	122,204	Level 3	Net assets value with Black-Scholes option pricing model	Net assets value Expected volatility 41.34% (2024: 42.27%)	An increase in the net assets value would result in increase in fair value and vice versa An increase in the expected volatility would result in decrease in fair value and vice versa
Club membership	1,929	1,929	Level 2	Quoted prices from recent transaction price	N/A	N/A
Listed bond investments	41,576	–	Level 1	Quoted price in an active market	N/A	N/A
Derivative financial instruments	1,472	4,098	Level 1	Quoted price in an active market	N/A	N/A
	–	(5,133)	Level 1	Quoted price in an active market	N/A	N/A

Notes:

(a) If the PB value was 5% higher or lower while all the other variables were held constant, the change in fair value of the unlisted equity investments would increase or decrease by approximately RMB2,181,000 (2024: RMB715,000) for the year ended 31 December 2025.

If the discount for lack of marketability was 5% higher or lower while all the other variables were held constant, the change in fair value of the unlisted equity investments would decrease or increase by approximately RMB5,452,000 (2024: RMB7,416,000) for the year ended 31 December 2025.

(b) If the net asset value of the unlisted fund was 5% higher or lower while all other variables were held constant, the change in fair value of the unlisted fund would increase and decrease by approximately RMB6,256,000 (2024: RMB4,736,000) and approximately RMB5,961,000 (2024: RMB4,829,000) respectively for the year ended 31 December 2025.

If the expected volatility was 5% higher or lower while all other variables were held constant, the change in fair value of the unlisted fund would decrease and increase by approximately RMB350,000 (2024: RMB278,000) and approximately RMB367,000 (2024: RMB292,000) respectively for the year ended 31 December 2025.

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

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

40. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements of financial instruments (Continued)

Fair value measurements and valuation processes (Continued)

(ii) Reconciliation of Level 3 fair value measurements

	Unlisted fund		Unlisted equity investments	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
At 1 January	122,204	–	33,741	43,714
Initial recognition	–	146,146	–	–
Disposal	–	(18,132)	–	–
Unrealised loss on fair value change in profit or loss	–	(5,987)	9,875	(9,973)
Exchange realignment	(177)	177	–	–
At 31 December	122,027	122,204	43,616	33,741

The carrying amounts and fair values of the Group's financial instruments reasonably approximate to fair values.

Management has assessed that the fair values of pledged bank and other deposits, trade receivables, trade payables, financial assets included in other receivables and deposits, balances with related parties, and financial liabilities included in other payables and accruals, approximate to their carrying amounts. The fair values of the interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for these interest-bearing bank and other borrowings as at 31 December 2025 and 2024 were assessed to be insignificant.

The Group's corporate finance team headed by the group finance controller is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the Directors and the audit committee. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the Directors. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

4I. 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 flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Interest payable RMB'000 (Note 28)	Amounts due to related companies RMB'000 (Note 25)	Loan from a related company RMB'000	Bank and other borrowings RMB'000 (Note 30)	Lease liabilities RMB'000 (Note 31)	Total RMB'000
At 1 January 2024	7,860	175,748	4,811	409,793	137,200	735,412
Financing cash flows	(1,612)	(31,893)	(4,811)	(126,377)	(18,499)	(183,192)
Non-cash and other transactions:						
Exchange alignment on translation	254	-	-	12,879	3,060	16,193
Finance costs	-	-	-	43,940	7,475	51,415
Disposal of subsidiaries	-	-	-	-	(25,998)	(25,998)
New leases entered	-	-	-	-	8,171	8,171
At 31 December 2024 and 1 January 2025	6,502	143,855	-	340,235	111,409	602,001
Financing cash flows	(8,595)	38,761	-	(52,181)	(17,873)	(39,888)
Non-cash and other transactions:						
Exchange alignment on translation	(104)	-	-	(4,574)	(4,007)	(8,685)
Finance costs	10,175	-	-	24,615	4,980	39,770
Accrued compensation for former subsidiaries	-	41,739	-	-	-	41,739
Acquisition of subsidiaries	2,528	-	-	500,000	-	502,528
At 31 December 2025	10,506	224,355	-	808,095	94,509	1,137,465

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

42. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

(i) Capital commitments

	2025 RMB'000	2024 RMB'000
Capital contribution contracted but not provided for:		
Share capital of joint venture	88,759	24,500

Apart from the above-mentioned, there is no other material commitments at the end of the reporting period.

(ii) Contingent liabilities

Except for the financial guarantee contracts provided by the Group to third parties and related companies as disclosed in note 40(b), the Group had no any other material contingent liability as at 31 December 2025 and 2024.

43. PLEDGE OF ASSETS/RESTRICTIONS ON ASSETS

Pledge of assets

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

	2025 RMB'000	2024 RMB'000
Property, plant and equipment	501,189	518,648
Pledged bank and other deposits	114,040	37,030
	615,229	555,678

The Group's secured bank and other borrowings were secured, individually or in combination, by (i) certain property, plant and equipment of the Group; (ii) certain pledged bank and other deposits of the Group; and (iii) equity interests in certain subsidiaries of the Group.

Restrictions on assets

In addition, lease liabilities (other than those disclosed in note 27 if any) of approximately RMB94,509,000 (2024: RMB111,049,000) are recognised and their related right-of-use assets are approximately RMB39,304,000 (2024: RMB,49,324,000) as at 31 December 2025. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by lessor and the relevant leased assets may not be used as security for borrowing purposes.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

44. RETIREMENT BENEFITS SCHEMES

(a) The PRC

The Group contributes to retirement plans for its employees in the PRC at a percentage of their salaries in compliance with the requirements of the respective municipal governments in the PRC. The municipal governments undertake to assume the retirement benefit obligations of all existing and future retired employees of the Group in the PRC.

(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.

Forfeited contributions of approximately RMB321,000 (2024: RMB374,000) were used to reduce the level of employers' contributions for the year ended 31 December 2025. As at 31 December 2025 and 2024, there was no forfeited contribution available to reduce the contributions payable in the future years.

Long service payment obligations

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) \times 2/3 \times years of service". Last monthly wage is capped at HK\$22,500 while the amount of long service payment shall not exceed HK\$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 on 17 June 2022 and come into effect prospectively from 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 grandfathered and calculated based on the last monthly wages immediately preceding the Transition Date.

The Group has not accounted for the offsetting mechanism owing to immateriality.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

44. RETIREMENT BENEFITS SCHEMES (Continued)

(c) The US

In 2015, the Company established a 401(k) savings trust plan (“401(k) Plan”), a defined contribution plan and is funded by employers and employees, in the US that qualifies as an Inland Revenue Service (“IRS”) deferred salary arrangement under Section 401(k) of the US Internal Revenue Code. Under the 401(k) Plan, participating employees may elect to contribute up to a maximum amount subject to certain IRS limitations.

During the year ended 31 December 2025, total amounts contributed by the Group to the schemes in the PRC, Hong Kong and the US and charged to profit or loss, which represent contributions payable to the schemes by the Group at rates specified in the rules of the schemes are approximately RMB33,481,000 (2024: RMB31,452,000).

45. RELATED PARTY DISCLOSURES

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

(a) Operation and management services income from related companies

	2025 RMB'000	2024 RMB'000
Fellow subsidiaries		
蘇州協鑫光伏電力科技有限公司 Suzhou GCL Photovoltaic Power Technology Co., Ltd.* (“Suzhou GCL Technology”) (note i)	6,217	7,216
GCL Solar Energy Limited (note ii)	2,703	3,561
Associates (note iii)		
Jiangling	2,226	2,226
Xinan	2,730	2,736
	13,876	15,739

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

45. RELATED PARTY DISCLOSURES (Continued)

(a) Operation and management services income from related companies (Continued)

	2025 RMB'000	2024 RMB'000
Related companies (note iv)		
協鑫綠能系統科技有限公司 GCL Green Energy System Technology Co., Ltd.*	–	1,237
南京協鑫巽能能源科技有限公司 Nanjing GCL Sunneng Energy Technology Co., Ltd.*	–	896
易縣國鑫新能源有限公司 Yixian Guoxin Energy Co., Ltd.*	1,326	1,477
葫蘆島市連山區協鑫光伏電力有限公司 Huludao Lianshan District GCL Photovoltaic Power Co., Ltd.*	1,076	1,469
互助吳陽光伏發電有限公司 Huzhu Haoyang Photovoltaic Electric Power Co., Ltd.*	1,719	1,719
海東市源通光伏發電有限公司 Haidong Yuantong Photovoltaic Power Generation Co., Ltd.*	1,510	1,346
瀋陽市于洪區協鑫光伏電力有限公司 Shenyang Yuhong District GCL Photovoltaic Power Co., Ltd.*	1,293	1,618
莊浪光源光伏發電有限公司 Zhuanglang Guangyuan Photovoltaic Power Co., Ltd.*	1,190	1,300
內蒙古金曦能源有限公司 Inner Mongolia Jinxi Energy Co., Ltd.*	998	1,042
山東萬海電力有限公司 Shandong Wanhai Solar Power Co., Ltd.*	1,295	1,295
通榆協鑫光伏電力有限公司 Tongyu GCL Photovoltaic Power Co., Ltd.	689	629
長沙鑫佳光伏電力有限公司 Changsha Xinjia Photovoltaic Power Co., Ltd.*	1,254	1,578
微山鑫能光伏電力有限公司 Weishan Xinneng Solar Power Co., Ltd.*	–	862
龍口協鑫光伏電力有限公司 Longkou GCL Photovoltaic Power Co., Ltd.*	673	585
莆田涵江鑫能光伏電力有限公司 Putian Hanjiang Xinneng Photovoltaic Power Co., Ltd.*	843	873
商丘協能光伏電力有限公司 Shangqiu Xieneng Photovoltaic Power Co., Ltd.*	375	375
蘭考協鑫光伏電力有限公司 Lankao GCL Photovoltaic Power Co., Ltd.*	282	269
漯河鑫力光伏電力有限公司 Luohe Xinli Photovoltaic Power Co., Ltd.*	–	145
上海協鑫新能源投資有限公司 Shanghai GCL New Energy Investment Co., Ltd.*	449	474
汕尾市協鑫光伏電力有限公司 Shanwei GCL Photovoltaic Power Co., Ltd.*	270	270
廣州協鑫光伏電力有限公司 Guangzhou GCL Photovoltaic Power Co., Ltd.*	264	300

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

45. RELATED PARTY DISCLOSURES (Continued)

(a) Operation and management services income from related companies (Continued)

	2025 RMB'000	2024 RMB'000
青海百能光伏投資管理有限公司 Qinghai Baineng Photovoltaic Investment Management Co., Ltd.*	607	714
化隆協合太陽能發電有限公司 Hualong Xiehe Solar Power Generation Co., Ltd.*	1,428	1,428
通榆鑫源光伏電力有限公司 Tongyu Xinyuan Photovoltaic Power Co., Ltd.*	883	870
通榆縣咱家農業科技有限公司 Tongyu County Zanjia Poultry Industry Technology Co., Ltd.*	777	903
吉林億聯新能源科技有限公司 Jilin Yilian New Energy Technology Co., Ltd.*	961	1,562
雷州協鑫光伏電力有限公司 Leizhou GCL Photovoltaic Power Co., Ltd.*	278	534
徐州鑫日光伏電力有限公司 Xuzhou Xinri Photovoltaic Power Co., Ltd.*	1,464	1,867
永州協鑫光伏電力有限公司 Yongzhou GCL Photovoltaic Power Co., Ltd.*	1,270	1,291
桃源縣鑫源光伏電力有限公司 Taoyuan Xinyuan Photovoltaic Power Co., Ltd.*	1,235	1,235
桃源縣鑫輝光伏電力有限公司 Taoyuan Xinhui Photovoltaic Power Co., Ltd.*	1,424	1,411
桃源縣鑫能光伏電力有限公司 Taoyuan Xinneng Photovoltaic Power Co., Ltd.*	1,153	1,153
福建省浦城縣鑫浦光伏電力有限公司 Fujian Pucheng Xinpu Photovoltaic Power Co., Ltd.	1,168	1,335
浦城縣協鑫合創光伏電力有限公司 Pucheng GCL Hechuang Photovoltaic Power Co., Ltd.	1,007	1,185
句容協鑫集成科技有限公司 Jurong GCL Integration Technology Co., Ltd.*	406	406
漯河協潤新能源有限公司 Luohe Xierun New Energy Co., Ltd.*	320	321
北票協鑫光伏電力有限公司 Beipiao GCL Photovoltaic Power Co., Ltd.*	1,062	1,251
南京鑫能智能儲科技有限公司 Nanjing Xinneng Intelligent Storage Technology Co., Ltd.	-	422
新沂鑫晟儲能科技有限公司 Xinyi Xinsheng Energy Storage Technology Co., Ltd.	-	387
Total:	44,825	53,773

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

45. RELATED PARTY DISCLOSURES (Continued)

(a) Operation and management services income from related companies (Continued)

Notes:

- (i) Suzhou GCL Operation (as defined in note 46(a)), an indirect wholly-owned subsidiary of the Company, provides operation and management services to the solar power plants of Suzhou GCL Technology and its subsidiaries.
- (ii) GCL New Energy International Limited and GCL New Energy, Inc., indirect wholly-owned subsidiaries of the Company, provided asset management and administrative services to GCL Solar Energy Limited for its overseas operations in South Africa and the US. GCL Solar Energy Limited is a subsidiary of GCL Technology.
- (iii) During the years ended 31 December 2025 and 2024, Suzhou GCL Operation provided operation and management services to the solar power plants of Jiangling and Xinan.
- (iv) During the years ended 31 December 2025 and 2024, Suzhou GCL Operation provided operation and management services to the solar power plants of all the above related companies, in which Mr. Zhu Gongshan and his family members have significant influence.

(b) Interest income from related companies

	2025 RMB'000	2024 RMB'000
互助昊陽光伏發電有限公司		
Huzhu Haoyang Photovoltaic Electric Power Co., Ltd.*	60	366
海東市源通光伏發電有限公司		
Haidong Yuantong Photovoltaic Power Generation Co., Ltd.*	1	5
莊浪光源光伏發電有限公司		
Zhuanglang Guangyuan Photovoltaic Power Co., Ltd.*	108	661
內蒙古金曦能源有限公司		
Inner Mongolia Jinxi Energy Co., Ltd.*	1,982	2,107
山東萬海電力有限公司		
Shandong Wanhai Solar Power Co., Ltd.*	802	873
龍口協鑫光伏電力有限公司		
Longkou GCL Photovoltaic Power Co., Ltd.*	233	248
莆田涵江鑫能光伏電力有限公司		
Putian Hanjiang Xinneng Photovoltaic Power Co., Ltd.*	48	52
上海協鑫新能源投資有限公司		
Shanghai GCL New Energy Investment Co., Ltd.*	30	32
汕尾市協鑫光伏電力有限公司		
Shanwei GCL Photovoltaic Power Co., Ltd.*	57	60
廣州協鑫光伏電力有限公司		
Guangzhou GCL Photovoltaic Power Co., Ltd.*	3	6
青海百能光伏投資管理有限公司		
Qinghai Baineng Photovoltaic Investment Management Co., Ltd.*	7	39
化隆協合太陽能發電有限公司		
Hualong Xiehe Solar Power Generation Co., Ltd.*	28	131
通榆協鑫光伏電力有限公司		
Tongyu GCL Photovoltaic Power Co., Ltd.*	393	2,381
通榆縣咱家農業科技有限公司		
Tongyu County Zanjia Poultry Industry Technology Co., Ltd.*	159	199

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

45. RELATED PARTY DISCLOSURES (Continued) (b) Interest income from related companies (Continued)

	2025 RMB'000	2024 RMB'000
徐州鑫日光伏電力有限公司 Xuzhou Xinri Photovoltaic Power Co., Ltd.*	212	225
雷州協鑫光伏電力有限公司 Leizhou GCL Photovoltaic Power Co., Ltd.*	6	11
永州協鑫光伏電力有限公司 Yongzhou GCL Photovoltaic Power Co., Ltd.*	216	234
桃源縣鑫源光伏電力有限公司 Taoyuan Xinyuan Photovoltaic Power Co., Ltd.*	380	655
桃源縣鑫輝光伏電力有限公司 Taoyuan Xinhui Photovoltaic Power Co., Ltd.*	4,163	4,425
桃源縣鑫能光伏電力有限公司 Taoyuan Xinneng Photovoltaic Power Co., Ltd.*	822	1,336
福建省浦城縣鑫浦光伏電力有限公司 Fujian Pucheng Xinpu Photovoltaic Power Co., Ltd.*	30	32
浦城縣協鑫合創光伏電力有限公司 Pucheng GCL Hechuang Photovoltaic Power Co., Ltd.*	37	40
漯河協潤新能源有限公司 Luohe Xierun New Energy Co., Ltd.*	1,115	1,186
高塘風光發電有限公司 Gaotang Wind-Solar Power Generation Co., Ltd.*	141	262
滕州鑫田光伏發電有限公司 Tengzhou Xintian Photovoltaic Power Generation Co., Ltd.*	27	28
太倉港協發電有限公司 Taicang Harbour Golden Concord Electric-power Generation Co., Ltd.*	1,747	–
江蘇協鑫電力有限公司 Jiangsu Xietan Power Co., Ltd.*	3,265	–
Total:	16,072	15,594

Note: Details of amounts due from related companies are set out in note 25(c).

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

45. RELATED PARTY DISCLOSURES (Continued) (c) Lease contract with a connected person (note)

	2025 RMB'000	2024 RMB'000
Connected person		
蘇州協鑫工業應用研究院有限公司		
Suzhou GCL Industrial Applications Research Co., Ltd* ("Suzhou GCL Industrial Applications Research")		
— Payments for right-of-use assets	6,112	8,149
— Interest expense on lease liabilities	230	306

As at 31 December 2025, the Group had the following lease liabilities in respect of the aforesaid lease:

	2025 RMB'000	2024 RMB'000
Suzhou GCL Industrial Applications Research		
— Lease liabilities	9,590	15,472
	9,590	15,472

Note: The Group has entered into a lease agreement for the use of office premises from Suzhou GCL Industrial Application Research for three years and recognised right-of-use assets and lease liabilities of approximately RMB45,570,000 during the year ended 31 December 2020. On 27 September 2023, the lease was renewed for two years to 30 September 2025. The Group made payments for the respective right-of-use assets of approximately RMB6,112,000 and approximately RMB8,149,000 for both years ended 31 December 2025 and 2024 respectively for the premises. Suzhou GCL Industrial Applications Research is an associate of Mr. Zhu Gongshan and his family and thus a connected person of the Company under the Listing Rules.

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

45. RELATED PARTY DISCLOSURES (Continued)

(d) Profit attributable on perpetual notes

	2025	2024
	RMB'000	RMB'000
GCL-Poly (Suzhou)	78,069	78,283
Taicang GCL	22,306	22,367
Suzhou GCL	55,764	55,917
Jiangsu GCL	44,611	44,733
	200,750	201,300

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

(e) Compensation of key management personnel

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

	2025	2024
	RMB'000	RMB'000
Short-term benefits	17,512	27,263
Post-employment benefits	224	699
Share-based payments	100	522
	17,836	28,484

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

* English name for identification only

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

46. 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 incorporation/ operation	Particulars of issued share capital/ registered capital	Interest held		Principal activities
			2025 %	2024 %	
Directly held:					
Pioneer Getter Limited	British Virgin Islands/ Hong Kong	US\$1	100%	100%	Investment holding
Indirectly held:					
協鑫新能源國際有限公司 GCL New Energy International Limited	Hong Kong	HK\$1	100%	100%	Investment holding
協鑫新能源發展有限公司 GCL New Energy Development Limited	Hong Kong	HK\$1	100%	100%	Investment holding
協鑫新能源管理有限公司 GCL New Energy Management Limited	Hong Kong	HK\$1	100%	100%	Investment holding
協鑫新能源貿易有限公司 GCL New Energy Trading Limited	Hong Kong	HK\$1	100%	100%	Investment holding
協鑫新能源投資(中國)有限公司 GCL New Energy Investment (China) Co., Ltd ² ("GCL New Energy Investment")	PRC	US\$300,000,000	100%	100%	Investment holding
蘇州協鑫新能源運營科技有限公司 Suzhou GCL New Energy Operation Technology Co., Ltd ^{1,3} ("Suzhou GCL Operation")	PRC	RMB10,000,000	100%	100%	Investment holding
南京協鑫新能源發展有限公司 Nanjing GCL New Energy Development Co., Ltd ^{1,3} ("Nanjing GCL New Energy")	PRC	US\$450,000,000	100%	100%	Investment holding

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

46. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Name of subsidiary	Place of incorporation/ operation	Particulars of issued share capital/ registered capital	Interest held		Principal activities
			2025 %	2024 %	
Indirectly held: (Continued)					
蘇州協鑫新能源投資有限公司 Suzhou GCL New Energy Investment Co., Ltd. ^{1,3}	PRC	RMB10,000,000	100%	100%	Investment holding
磴口協鑫光伏電力有限公司 Dengkou GCL Photovoltaic Power Co., Ltd. ^{1,3,4}	PRC	RMB15,500,000	100%	100%	Operation of solar power plant
河南協鑫新能源投資有限公司 Henan GCL New Energy Investment Co., Ltd. ^{1,3}	PRC	RMB5,000,000	100%	100%	Operation of solar power plant
江蘇協鑫新能源有限公司 Jiangsu GCL New Energy Co., Ltd. ^{1,3}	PRC	RMB10,830,000	100%	100%	Operation of solar power plant
西安協鑫新能源管理有限公司 Xi'an GCL New Energy Management Co., Ltd. ^{1,3}	PRC	RMB10,000,000	100%	100%	Operation of solar power plant
安徽協鑫新能源投資有限公司 Anhui GCL New Energy Investment Co., Ltd. ^{1,3}	PRC	RMB5,000,000	100%	100%	Operation of solar power plant
內蒙古協鑫光伏電力有限公司 Inner Mongolia GCL Photovoltaic Electric Power Co, Ltd. ^{1,3}	PRC	RMB5,000,000	100%	100%	Operation of solar power plant
江蘇協鑫新能源投資有限公司 Jiangsu GCL New Energy Investment Co., Ltd. ^{1,3}	PRC	US\$10,000,000	100%	100%	Operation of solar power plant
常州中暉光伏科技有限公司 Changzhou Zhonghui Photovoltaic Technology Company Limited ^{1,3}	PRC	RMB10,000,000	100%	100%	Investment holding
協鑫石油天然氣有限公司 GCL Petroleum and Natural Gas Co. Ltd ^{1,3} ("GCL Petroleum")	PRC	RMB800,000,000	48%	–	Investment of Petroleum infrastructure projects and provision of related technical and consultancy services

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

46. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

- 1 English name for identification only
- 2 Foreign investment enterprises
- 3 Domestic PRC Companies
- 4 The subsidiary was classified as held for sale as the Group signed an equity transfer agreement with the acquirer during the preceding year.

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.

None of the subsidiaries of the Company had issued any debt securities at the end of each reporting period.

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that has material non-controlling interests as at 31 December 2025 and 2024:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		2025	2024	2025	2024	2025	2024
				RMB'000	RMB'000	RMB'000	RMB'000
Non-wholly owned subsidiary of Suzhou GCL New Energy: – Nanjing GCL New Energy	PRC	-	-	200,750	201,300	3,341,272	3,140,522
Non-wholly owned subsidiary of Treasure Creation International Holding Limited: – GCL Petroleum	PRC	52%	-	(8,733)	-	346,293	-
				192,017	201,300	3,687,565	3,140,522

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

46. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

Nanjing GCL New Energy

The table below shows details of perpetual notes holders as at 31 December 2025 and 2024, the carrying amount of the perpetual notes of approximately RMB3,341,272,000 as at 31 December 2025 (2024: RMB3,140,522,000) and interest expense arising from perpetual notes of approximately RMB200,750,000 (2024: RMB201,300,000) has been recognised in profit or loss by Nanjing GCL New Energy. The perpetual notes are classified as non-controlling interests in the consolidated financial statements of the Group.

Name of perpetual notes holders	Interest accrued to perpetual notes		Carrying amounts of perpetual notes	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
GCL-Poly (Suzhou)	78,069	78,283	1,299,525	1,221,447
Taicang GCL	22,306	22,367	371,554	349,230
Suzhou GCL	55,764	55,917	928,027	872,270
Jiangsu GCL	44,611	44,733	742,166	697,575
	200,750	201,300	3,341,272	3,140,522

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

46. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

GCL Petroleum

As at 31 December 2025, GCL Petroleum was a subsidiary of the Group with material non-controlling interests. The summarised financial information below represents amounts before inter-company elimination.

	2025 RMB'000
Current assets	15,577
Non-current assets	1,255,945
Current liabilities	(55,963)
Non-current liabilities	(549,611)
Net assets	665,948
Non-controlling interests of GCL Petroleum	346,293
Revenue	–
Loss and total comprehensive expense for the period	(16,794)
Loss and total comprehensive expense attributable to non-controlling interests	(8,733)
Cash inflow from operating activities	20,575
Cash inflow from investing activities	6,653
Cash outflow from financing activities	(27,589)
Net cash outflow	(361)

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

47. SUMMARY FINANCIAL INFORMATION OF THE COMPANY

Statement of financial position

	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS		
Interests in subsidiaries	822,799	492,703
Amounts due from subsidiaries	59,836	283,747
	882,635	776,450
CURRENT ASSETS		
Prepayments	523	524
Bank balances and cash	13,156	12,498
	13,679	13,022
CURRENT LIABILITIES		
Accruals and other payables	15,224	17,911
Amount due to a fellow subsidiary	256,960	256,960
	272,184	274,871
NET CURRENT LIABILITIES	(258,505)	(261,849)
TOTAL ASSETS LESS CURRENT LIABILITIES	624,130	514,601
NON-CURRENT LIABILITIES		
Convertible bonds	41,871	–
	41,871	–
NET ASSETS	582,259	514,601
CAPITAL AND RESERVES		
Share capital	111,249	99,371
Reserves	471,010	415,230
TOTAL EQUITY	582,259	514,601

Notes to the Consolidated Financial Statements (Continued)

For the year ended 31 December 2025

47. SUMMARY FINANCIAL INFORMATION OF THE COMPANY (Continued) Movements in reserves

	Share premium RMB'000	Contributed surplus RMB'000	Translation reserve RMB'000	Share options reserve RMB'000	Accumulated losses RMB'000	Convertible bonds equity reserve RMB'000	Carrying Total RMB'000
At 1 January 2024	5,263,813	56,318	(64,015)	84,919	(3,967,669)	–	1,373,366
Issue of new shares	37,529	–	–	–	–	–	37,529
Transaction costs attributable to the issue of new shares	(1,020)	–	–	–	–	–	(1,020)
Equity-settled share option arrangement	–	–	–	4,269	–	–	4,269
Loss and total comprehensive expense for the year	–	–	–	–	(998,914)	–	(998,914)
Forfeiture/lapse of share options (note 36)	–	–	–	(26,689)	26,689	–	–
At 31 December 2024 and 1 January 2025	5,300,322	56,318	(64,015)	62,499	(4,939,894)	–	415,230
Issue of new shares	51,806	–	–	–	–	–	51,806
Equity-settled share option arrangement	–	–	–	656	–	–	656
Loss and total comprehensive expense for the year	–	–	–	–	(26,188)	–	(26,188)
Forfeiture/lapse of share options (note 36)	–	–	–	(21,553)	21,553	–	–
Issue of convertible bonds	–	–	–	–	–	29,506	29,506
	5,352,128	56,318	(64,015)	41,602	(4,944,529)	29,506	471,010

48. EVENTS AFTER THE REPORTING PERIOD

On 7 January 2026 and 12 March 2026, the Company and Pharos Network Technology Limited (the "Subscriber") entered into a "Subscription and Investment Agreement and a Supplemental Subscription and Investment Agreement (the "Agreements") respectively. Pursuant to the terms of the Agreements: (i) the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, a maximum of 183,480,000 new shares of the Company (the "New Subscription Shares"). The New Subscription Shares will be issued at the issue price of HK\$1.05 per New Subscription Share (the "Subscription"); and (ii) in consideration of the Subscription, the Company has agreed to make, and the Subscriber has agreed to accept, the Investment (i.e., the Safe and the Token Warrant of the Subscriber) as defined in the announcements of the Company dated 8 January 2026 and 12 March 2026 (the "2026 Announcements"). The Investment Amount (being US\$24,739,894), which equals to the approximate nominal amount of the Subscription Share in Hong Kong dollar (HK\$192,654,500). The Completion of the Subscription and the Agreements will be in tranches and are subject to the fulfilment of relevant conditions. Please refer to the 2026 Announcements of the Company for details.

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out below:

	For the years ended				
	31 December 2025 RMB'000	31 December 2024 RMB'000	31 December 2023 RMB'000	31 December 2022 RMB'000	31 December 2021 RMB'000
Results (for continuing and discontinued operations)					
Revenue	1,062,567	1,107,755	831,520	929,057	2,844,899
Loss attributable to owners of the Company	(1,340,036)	(424,040)	(1,165,641)	(1,492,546)	(790,274)
Assets and liabilities					
	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000	As at 31 December 2023 RMB'000	As at 31 December 2022 RMB'000	As at 31 December 2021 RMB'000
Total assets	6,720,470	6,093,590	6,506,264	12,163,556	15,916,669
Total liabilities	(2,585,281)	(1,264,826)	(1,511,610)	(6,185,524)	(8,962,796)
Total equity	4,135,189	4,828,764	4,994,654	5,978,032	6,953,873

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. ZHU Gongshan (*Chairman*)
Mr. ZHU Yufeng (*Vice Chairman*)
Mr. HUANG Wei (*President*)
(appointed on 2 November 2025)

Non-executive Directors

Ms. SUN Wei
Mr. YEUNG Man Chung, Charles
Mr. FANG Jiancai

Independent Non-executive Directors

Mr. NIE Wenhua
(*Lead independent non-executive Director*)
(appointed on 2 November 2025)
Mr. HU Guowen (appointed on 2 November 2025)
Ms. ZHAO Limei (appointed on 2 November 2025)

BOARD COMMITTEES

Audit Committee

Mr. NIE Wenhua (*Chairman*)
(appointed on 2 November 2025)
Mr. HU Guowen (appointed on 2 November 2025)
Ms. ZHAO Limei (appointed on 2 November 2025)

Remuneration Committee

Mr. NIE Wenhua (*Chairman*)
(appointed on 2 November 2025)
Mr. ZHU Yufeng
Mr. HU Guowen (appointed on 2 November 2025)

Nomination Committee

Mr. ZHU Gongshan (*Chairman*)
Mr. HUANG Wei (appointed on 2 November 2025)
Mr. NIE Wenhua (appointed on 2 November 2025)
Mr. HU Guowen (appointed on 2 November 2025)
Ms. ZHAO Limei (appointed on 2 November 2025)

Corporate Governance Committee

Mr. ZHU Yufeng (*Chairman*)
Mr. HUANG Wei (appointed on 2 November 2025)
Mr. NIE Wenhua (appointed on 2 November 2025)
Ms. ZHAO Limei (appointed on 2 November 2025)

Risk Assessment Committee

Mr. ZHU Gongshan (*Chairman*)
(appointed on 2 November 2025)
Mr. ZHU Yufeng (re-designated on 2 November 2025)
Mr. HUANG Wei (appointed on 2 November 2025)

COMPANY SECRETARY

Mr. HO Yuk Hay

AUTHORISED REPRESENTATIVES

Mr. HUANG Wei
(appointed on 2 November 2025)

Mr. HO Yuk Hay

REGISTERED OFFICE

Clarendon House, 2 Church Street
Hamilton HM 11
Bermuda

Corporate Information (Continued)

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

AUDITOR

Crowe (HK) CPA Limited
*Registered Public Interest
Entity Auditors*
9/F Leighton Centre
77 Leighton Road
Causeway Bay
Hong Kong

PRINCIPAL BANKERS

Bank of China Limited
Industrial and Commercial Bank of China Limited

SHARE REGISTRARS AND TRANSFER OFFICES

Principal Share Registrar and Transfer Agent

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

Hong Kong Branch Share Registrar and Transfer Office

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

LEGAL ADVISERS TO THE COMPANY

As to Hong Kong law

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

As to PRC law

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

SHARE INFORMATION

Stock Code:	451
Board Lot Size:	2,000
Issued Shares:	1,554,322,926 shares

LINKS TO OFFICIAL WEBSITE/ WECHAT PLATFORM OF THE COMPANY

Website: www.gclnewenergy.com
WeChat ID: gclnewenergy



Glossary

“Affiliate Company(ies)”	a controlling shareholder of the Company or a subsidiary or an associate of a controlling shareholder, as defined in the 2014 Share Option Scheme
“AGM”	the annual general meeting of the Company to be convened and held at Room 3302, 33/F, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong, Hong Kong on Friday, 22 May 2026 at 11 a.m.
“associate(s)”, “connected person(s)”, “controlling shareholder(s)”, and “substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Audit Committee”	the audit committee of the Company
“Bermuda Companies Act”	the Companies Act 1981 of Bermuda (as amended from time to time)
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“Catalogue”	Renewable Energy Tariff Subsidy Catalogue
“CG Code”	Corporate Governance Code contained in Appendix C1 to the Listing Rules
“China” or “PRC”	the People’s Republic of China
“Company” or “GCL New Energy”	GCL New Energy Holdings Limited 協鑫新能源控股有限公司
“Company Secretary”	the company secretary of the Company
“Corporate Communications”	including but not limited to: (a) the directors’ reports, annual accounts together with a copy of the auditors’ reports and, where applicable, summary financial reports; (b) interim reports and, where applicable, summary interim reports; (c) notices of meetings; (d) listing documents; (e) circulars; and (f) proxy forms
“Corporate Governance Committee”	the corporate governance committee of the Company
“Director(s)”	the director(s) of the Company from time to time
“Distributed Photovoltaic Project”	a distributed solar power plant with construction capacity of approximately 7.137 MW to be constructed in Yangzhou High-tech Zone, Jiangsu Province, PRC

Glossary (Continued)

“ESG”	environmental, social and governance
“GCL Energy Technology”	GCL Energy Technology Co. Ltd. 協鑫能源科技股份有限公司, a company incorporated in the PRC with its shares listed on the SZSE (stock code: 002015)
“GCL Technology”	GCL Technology Holdings Limited 協鑫科技控股有限公司, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3800)
“GCL-Poly (Suzhou)”	GCL-Poly (Suzhou) New Energy Co., Ltd.* 保利協鑫(蘇州)新能源有限公司
“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 Main Board of the SZSE (stock code: 002506)
“Golden Concord”	Golden Concord Holdings Limited 協鑫(集團)控股有限公司, a company controlled by Mr. Zhu Gongshan
“Golden Concord Group Limited (HK)”	Golden Concord Group Limited (協鑫集團有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Asia Pacific Energy Fund Limited
“Golden Concord Group Limited (PRC)”	Golden Concord Group Limited* (協鑫集團有限公司), a company established in the PRC with limited liability, which is indirectly wholly-owned by Golden Concord Group Limited (HK)
“Group”	the Company and its subsidiaries
“GW”	gigawatts
“HK\$” or “HKD”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Internal Control Department”	the internal control department of the Company
“Internal Control Function”	the internal control function of the Group
“kWh”	kilowatt hour

Glossary (Continued)

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LNG”	liquefied natural gas
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“MW”	megawatts
“Nomination Committee”	the nomination committee of the Company
“Non-exempt Continuing Connected Transactions”	all the continuing connected transactions stipulated in paragraph “Management Services Income” in the “Report of the Directors”
“PC”	procurement and construction
“PC Agreement for the Distributed Photovoltaic Project”	the PC agreement entered into between Wuhan Xiexin and Zhejiang Xinhong dated 5 December 2025 in relation to the Distributed Photovoltaic Project
“PC Agreement for the Rooftop Photovoltaic Project”	the PC agreement entered into between Wuhan Xiexin and Zhejiang Xinhong dated 5 December 2025 in relation to the Rooftop Photovoltaic Project
“PV”	photovoltaic
“Remuneration Committee”	the remuneration committee of the Company
“Reporting Period”	the year ended 31 December 2025
“Risk Assessment Committee”	the risk assessment committee of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Rooftop Photovoltaic Project”	a rooftop photovoltaic system with a construction capacity of 17.97MW to be constructed and installed on the roofs of several workshops and parking areas of Suzhou, Jiangsu Province, PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

Glossary (Continued)

“Share Consolidation”	the consolidation of every twenty (20) issued and unissued ordinary share(s) of HK\$0.004166666667 (being 1/240) each in the share capital of the Company into one (1) ordinary share(s) of HK\$0.083 (being 1/12) each in the share capital of the Company, which was approved by the Shareholders at the special general meeting held on 27 October 2022 and became effective on 31 October 2022
“Share(s)”	ordinary share(s) of par value one-twelfth (1/12) of a Hong Kong dollar (or HK\$0.083) each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“2014 Share Option Scheme”	the share option scheme adopted by the Company on 15 October 2014 and terminated on 23 May 2024
“2024 Share Option Scheme”	the share option scheme adopted by the Company on 23 May 2024 to replace the 2014 Share Option Scheme
“Solar Energy Business”	the sale of electricity, development, construction, operation and management of solar power plants
“State Grid”	State Grid Corporation of China
“Stock Exchange” or “HKEX”	The Stock Exchange of Hong Kong Limited
“Suzhou GCL Operation”	Suzhou GCL New Energy Operation Technology Co., Ltd.* 蘇州協鑫新能源運營科技有限公司
“Suzhou GCL Technology”	Suzhou GCL Photovoltaic Power Technology Co., Ltd.* 蘇州協鑫光伏電力科技有限公司 (formerly known as Suzhou GCL-Poly Solar Power Investment Ltd.* 蘇州保利協鑫光伏電力投資有限公司)
“SZSE”	Shenzhen Stock Exchange
“U.S.”	United States of America
“US\$” or “USD”	US Dollars, the lawful currency of the United States
“Zhu Family Trust”	the discretionary trust known as “Asia Pacific Energy Fund”, of which Mr. Zhu Gongshan (an executive Director) and his family (including Mr. Zhu Yufeng, an executive Director and son of Mr. Zhu Gongshan) are beneficiaries

* English name for identification only



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