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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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

The board (the "**Board**") of directors (the "**Directors**") of GCL New Energy Holdings Limited (the "**Company**" or "**GCL New Energy**") presents the unaudited condensed interim consolidated financial information ("**Interim Financial Information**") of the Company and its subsidiaries (together, the "**Group**" or "**GCL New Energy**") for the six months ended 30 June 2024.

FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2024	2023
	RMB million	*RMB million*
	(Unaudited)	(Unaudited)
Revenue	**496**	423
Loss attributable to owners of the Company	**(174)**	(216)
	RMB cents	*RMB cents*
	(Unaudited)	(Unaudited)
Loss per share		
– Basic and diluted	**(14.14)**	(18.51)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Notes	Six months ended 30 June 2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue	3	**496,473**	422,764
Cost of sales and services rendered		**(426,243)**	(227,288)
Gross profit		**70,230**	195,476
Other income	4	**45,615**	58,595
Other gains and losses, net	5	**(96)**	(118,042)
Impairment loss under expected credit loss model, net	5	**(70,849)**	–
Selling and distribution expenses		**(2,095)**	–
Research and development expenses		**(10,802)**	–
Administrative expenses			
– share-based payment expenses		**(2,135)**	(4,587)
– other administrative expenses		**(120,289)**	(102,165)
Share of profits of associates		**56,897**	57,423
Share of (loss)/profit of joint ventures		**(92)**	26
Finance costs	6	**(39,426)**	(193,073)
Loss before tax		**(73,042)**	(106,347)
Income tax expense	7	**(1,310)**	(9,333)
Loss for the period	8	**(74,352)**	(115,680)
Other comprehensive (expense)/income:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(1,515)**	14,346
Total comprehensive expense for the period		**(75,867)**	(101,334)
Loss for the period attributable to:			
Owners of the Company		**(174,452)**	(216,111)
Non-controlling interests			
– Owners of perpetual notes		**100,100**	99,550
– Other non-controlling interests		**–**	881
		(74,352)	(115,680)
Total comprehensive expense for the period attributable to:			
Owners of the Company		**(175,967)**	(201,765)
Non-controlling interests			
– Owners of perpetual notes		**100,100**	99,550
– Other non-controlling interests		**–**	881
		(75,867)	(101,334)
		RMB cents **(Unaudited)**	*RMB cents* (Unaudited)
Loss per share			
– Basic and diluted	10	**(14.14)**	(18.51)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	Notes	**30 June 2024** *RMB'000* **(Unaudited)**	31 December 2023 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**887,723**	903,877
Right-of-use assets		**62,199**	76,786
Interests in associates		**1,585,995**	1,543,513
Interests in joint ventures		**3,374**	3,466
Amounts due from related companies		**657,929**	648,085
Financial assets at fair value through profit or loss		**96,388**	45,643
Other non-current assets		**9,485**	14,738
Other receivables	*11*	**712,057**	700,945
Pledged bank and other deposits		**6,000**	42,047
Deferred tax assets		**804**	821
		4,021,954	3,979,921
CURRENT ASSETS			
Inventories		**84,801**	–
Trade and other receivables	*11*	**1,188,486**	1,007,992
Amounts due from related companies		**584,695**	805,190
Tax recoverable		**13**	–
Pledged bank and other deposits		**64,709**	59,882
Bank balances and cash		**399,949**	555,395
		2,322,653	2,428,459
Assets classified as held for sale		**98,218**	97,884
		2,420,871	2,526,343
CURRENT LIABILITIES			
Other payables and deferred income		**405,084**	445,120
Contract liabilities		**30,351**	2,082
Amounts due to related companies		**142,127**	175,748
Tax payable		**1,077**	53
Loan from a related company	*12*	**–**	4,811
Bank and other borrowings	*13*	**116,302**	120,330
Lease liabilities		**14,725**	16,194
		709,666	764,338
Liabilities directly associated with assets classified as held for sale		**1,543**	1,537
		711,209	765,875

	Notes	**30 June 2024**	31 December 2023
		RMB'000	*RMB'000*
		(Unaudited)	(Audited)
NET CURRENT ASSETS		**1,709,662**	1,760,468
TOTAL ASSETS LESS CURRENT LIABILITIES		**5,731,616**	5,740,389
NON-CURRENT LIABILITIES			
Bank and other borrowings	*13*	**318,091**	289,463
Lease liabilities		**108,369**	121,006
Deferred income		**330,036**	335,266
		756,496	745,735
NET ASSETS		**4,975,120**	4,994,654
CAPITAL AND RESERVES			
Share capital		**99,371**	81,773
Reserves		**1,836,427**	1,973,659
Equity attributable to owners of the Company		**1,935,798**	2,055,432
Equity attributable to non-controlling interests – owners of perpetual notes		**3,039,322**	2,939,222
TOTAL EQUITY		**4,975,120**	4,994,654

1. 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 and sales of liquefied natural gas and related products ("LNG Business").

This Interim Financial Information is presented in Renminbi ("RMB"), unless otherwise stated. This Interim Financial Information has been approved for issuance by the Board on 23 August 2024.

This Interim Financial Information has not been audited.

2. BASIS OF PREPARATION

The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 ("IAS 34") *Interim Financial Reporting* issued by the International Accounting Standards Board ("IASB") as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The unaudited condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents revenue arising from sales of electricity and tariff adjustments, provision of operation and management services, solar related supporting services, and sales of liquefied natural gas and related products. Revenue arising from sales of electricity is derived from sales of electricity to local grid companies in the People's Republic of China (the "PRC") and overseas grid companies in the United States (the "US") for the six months ended 30 June 2024 and 2023.

Revenue recognised during the periods are as follows:

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue		
Recognised at a point in time:		
– Sales of electricity	**41,854**	151,293
– Tariff adjustments	**2,386**	166,500
– Solar related supporting services income	**8,285**	39,468
– LNG business related income	**306,544**	–
Subtotal	**359,069**	357,261
Recognised over time:		
– Operation and management services income	**137,404**	65,503
Subtotal	**137,404**	65,503
	496,473	422,764

For sales of electricity and tariff adjustments, the Group generally entered into power purchase agreements with local grid companies with a term of one to five 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 been transferred, being at the point when electricity has generated and transmitted to the customers and the amount included tariff adjustments of approximately RMB2,386,000 (six months ended 30 June 2023: RMB166,500,000) recognised during the period. Except for trade receivables relating to tariff adjustments, the Group generally grants credit period of approximately one month to customers from the date of invoice in accordance with the relevant power purchase agreements between the Group and the respective local grid companies or 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 the settlement to the solar power companies. Effective from March 2012, the application, approval and settlement of the tariff adjustment are subject to certain procedures as promulgated by Caijian [2012] No. 102 *Notice on the Interim Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy* (可再生能源電價附加補助資金管理暫行辦法). Caijian [2013] No. 390 Notice issued in July 2013 further simplified the procedures of settlement of the tariff adjustment.

In January 2020, the Several Opinions on Promoting the Healthy Development of Non-Hydro Renewable Energy Power Generation (Caijian [2020]No. 4)* (《關於促進非水可再生能源發電健康發展的若干意見》)(財建[2020]4號) and the Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (Caijian [2020]No. 5)* (《財政部國家發展改革委國家能源局關於印發(可再生能源電價附加資金管理辦法)的通知》)(財建[2020]5號) (the "2020 Measures") were jointly announced by the Ministry of Finance, the National Development and Reform Commission and the National Energy Administration. In accordance with the new government policy as stipulated in the 2020 Measures, the PRC government has simplified the application and approval process regarding the registration of tariff adjustments for non-hydro renewable energy power plant projects into the Renewable Energy Tariff Subsidy List (可再生能源發電補助項目清單) (the "List"). The state-owned grid companies will regularly announce the List based on the project type, time of grid connection and technical level of the solar power projects. For those on-grid solar power projects which have already started operation but yet to register into the List, these on-grid solar power projects are entitled to enlist into the List once they have met the conditions as stipulated on the Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加資金管理辦法) and completed the submission and application in the National Renewable Energy Information Management Platform (the "Platform").

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

The management considers that it contained a significant financing component over the relevant portion of the tariff adjustments until settlement of the trade receivables. For the six months ended 30 June 2024, the respective tariff adjustments were adjusted for this financing component based on an effective interest rate ranging from 1.85% to 2.15% per annum (six months ended 30 June 2023: 2.18% to 2.57% per annum) and adjustments were made in relation to the revision of expected timing of tariff collection. As such, the Group's revenue was adjusted by approximately RMB3 million (six months ended 30 June 2023: RMB33 million) and interest income amounting to approximately RMB556,000 (six months ended 30 June 2023: RMB11 million) (note 4) 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.

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 seven to ten days prior to the date when 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 RMB306 million (2023: RMBnil), relating to trading of LNG and related products. The Group recognised revenue from contracts with external customers, acting as an agent, amounting to approximately RMB475,000 (2023: RMBnil), relating to trading of LNG and related products.

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

Geographical information

The Group's operations are located in the PRC and the United States of America ("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**	
	Six months ended 30 June		**30 June**	31 December
	2024	2023	**2024**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
PRC	**454,074**	386,538	**1,692,118**	1,629,437
US	**42,399**	36,226	**856,658**	912,943
	496,473	422,764	**2,548,776**	2,542,380

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.

4. OTHER INCOME

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Government grants:		
– Incentive subsidies *(Note)*	**289**	729
– Investment Tax Credit	**7,296**	7,115
Interest arising from contracts containing significant financing component	**556**	11,043
Interest income of financial assets at amortised cost:		
– Bank interest income	**2,708**	6,381
– Interest income from former subsidiaries	**2,675**	27,706
– Interest income from related companies	**7,719**	–
– Imputed interest arising from receivables containing significant financing component	**20,387**	–
Others	**3,985**	5,621
	45,615	58,595

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 during the periods and the conditions attached thereto were fully complied with.

5. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Exchange gain/(loss), net	**2,807**	(32,827)
Loss on measurement of assets classified as held for sale to fair value less cost to sell	**–**	(105,188)
Gain on disposal of solar power plant projects	**3,452**	3,624
Gain on redemption of senior notes	**–**	14,620
(Loss)/gain on disposal of property, plant and equipment	**(6)**	34
Gain on deregistration of a subsidiary	**3,679**	1,695
Loss on fair value change of financial assets at fair value through profit or loss	**(10,028)**	–
	(96)	(118,042)
Impairment loss under expected credit loss model:		
– Other receivables	**(70,849)**	–
	(70,849)	–

6. FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on financial liabilities at amortised cost:		
Bank and other borrowings	**35,888**	118,711
Senior notes	**–**	67,062
Lease liabilities	**3,538**	7,300
	39,426	193,073

There was no borrowing costs capitalised for both reporting periods.

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
PRC Enterprise Income Tax ("EIT"):		
Current tax	**1,293**	6,036
Deferred tax	**17**	3,297
Total	**1,310**	9,333

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

Certain subsidiaries of the Group, engaged in solar photovoltaic projects, under the EIT Law and its relevant regulations, were entitled to tax holidays of 3-year full exemption followed by 3-year 50% exemption commencing from their respective years in which their first operating incomes was derived. For the six months ended 30 June 2023, certain subsidiaries of the Company engaged in the solar photovoltaic projects were in the 3-year 50% exemption period. Certain subsidiaries of the Group completed the 3-year full exemption period or 3-year 50% exemption period during the six months ended 30 June 2023.

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 profit 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 periods. No provision for taxation in Hong Kong Profits Tax was made as there is no assessable profits for both reporting periods.

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

8. LOSS FOR THE PERIOD

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period has been arrived at after charging:		
Depreciation of:		
– Property, plant and equipment	**29,819**	130,860
– Right-of-use assets	**5,442**	10,567
Cost of inventories recognised as expenses	**303,634**	–
Staff costs (including directors' remuneration but excluding share-based payments)		
– Salaries, wages and other benefits	**98,271**	84,074
– Retirement benefit scheme contributions	**16,823**	13,863
	115,094	97,937
Share-based payment expenses (administrative expenses in nature)	**2,135**	4,587

9. DIVIDENDS

No dividend was paid, declared or proposed for ordinary shareholders of the Company during the six months ended 30 June 2024, nor has any dividend been proposed since the end of the reporting period (six months ended 30 June 2023: RMBnil).

10. LOSS PER SHARE

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

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss		
Loss for the purpose of basic and diluted loss per share (Loss for the period attributable to owners of the Company)	**(174,452)**	(216,111)

	Six months ended 30 June	
	2024	2023
	’000	*’000*
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**1,234,146**	1,167,436

Diluted loss per share for the six months ended 30 June 2024 and 2023 does not assume the exercise of the share options granted by the Company, since the exercise would result in decrease in loss per share of the respective period.

11. TRADE AND OTHER RECEIVABLES

	30 June 2024	31 December 2023
	RMB’000	*RMB’000*
	(Unaudited)	(Audited)
Trade receivables *(note a)*	**133,269**	83,857
Prepayments to LNG business suppliers	**202,968**	8,665
Other prepayments and deposits	**34,018**	29,478
Other receivables *(note b)*		
– Amounts due from former subsidiaries	**1,960,652**	1,949,439
– Consideration receivable from disposal of subsidiaries	**202,046**	206,090
– Dividend receivables from former subsidiaries	**41,452**	57,675
– Others	**123,013**	99,759
	2,697,418	2,434,963
Less: Allowance for credit loss		
– Non-trade	**(796,875)**	(726,026)
	(796,875)	(726,026)
	1,900,543	1,708,937
Analysed as:		
– Current assets	**1,188,486**	1,007,992
– Non-current assets	**712,057**	700,945
	1,900,543	1,708,937

Notes:

(a) As at 1 January 2023, trade receivables from contract with customers amounted to approximately RMB1,589,395,000 (net of loss allowance of approximately RMB3,555,000).

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 invoice 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 invoice in accordance with the relevant contracts between the Group and the respective customers.

Trade receivables include bills received amounting to approximately RMB585,000 (31 December 2023: RMB210,000) 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 payment for 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 (excluding bills held by the Group for future settlement), which is presented based on the invoice date and net of loss allowance at the end of the reporting period:

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0–90 days	**89,624**	52,605
91–180 days	**20,038**	16,600
Over 180 days	**23,022**	14,442
	132,684	83,647

As at 30 June 2024, included in these trade receivables are debtors with aggregate carrying amount of approximately RMB70,185,000 (31 December 2023: RMB39,798,000) which are past due as at the end of the reporting period. These trade receivables relate to a number of customers represented the local grid companies in the PRC, for whom there is no recent history of default. The Group does not hold any collaterals over these balances.

Trade receivables of approximately RMB34,756,000 (31 December 2023: RMB31,259,000) as at 30 June 2024 have been classified as part of a disposal group held for sale.

(b) The amounts due from former subsidiaries include (i) carrying amount of approximately RMB712,057,000 (31 December 2023: RMB700,945,000) in relation to deferred receivables, which are non-trade in nature, unsecured, interest-bearing from 4.3% to 9.52% (31 December 2023: ranging from 4.3% to 9.52%) per annum and in the opinion of Directors, they are expected to be received within two years; 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% (31 December 2023: ranging from 4.45% to 9.52%) per annum and repayable on demand.

The Group performs impairment assessment under expected credit loss on other receivables, 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, forward-looking information that is available without undue cost or effort, and also taking into account of the prevailing government policies that support the solar power industry which the Group's debtors operate. As at 30 June 2024, except for the accumulated impairment loss of approximately RMB796,875,000 (31 December 2023: RMB726,026,000) recognised on other receivables, for the remaining balances, the management considers credit risk has not increased significantly since the date of initial recognition. Accordingly, no loss allowance for expected credit loss is further provided.

12. LOAN FROM A RELATED COMPANY

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Loan from:		
– company controlled by Mr. Zhu Gongshan and his family, repayable within 1 year *(Note)*	–	4,811
	–	4,811

Note:

As at 31 December 2023, loan from 協鑫光伏系統有限公司 GCL Solar System Limited was unsecured, interest-free and repayable within one year.

13. BANK AND OTHER BORROWINGS

	30 June 2024 *RMB'000* **(Unaudited)**	31 December 2023 *RMB'000* (Audited)
Bank loans	**88,470**	87,923
Other loans	**345,923**	321,870
	434,393	409,793
Secured	**88,470**	87,923
Unsecured	**345,923**	321,870
	434,393	409,793
Less: Amounts due within one year shown under current liabilities	**(116,302)**	(120,330)
Amounts due after one year	**318,091**	289,463

There were no financial covenants in relation to the Group's facilities from banks and other financial institutions at 30 June 2024 and 31 December 2023.

The bank and other borrowings carry effective interest rates ranging from 5% to 7.4% (31 December 2023: 5.0% to 7.4%) per annum.

BUSINESS REVIEW

The path to transformation is arduous and long, but the metamorphosis and breakthrough have emerged as the times require

In the journey of energy transition, we have heavy responsibilities as we break the cocoon and turn into a butterfly, and embrace a new beginning.

Currently, the global energy landscape is undergoing profound adjustments, and a new round of energy revolution is rolling out rapidly. Electricity, especially renewable energy such as solar and wind power, have seen an increase in the market share in the global energy consumption. Over the past ten years, GCL New Energy has been stand fast in transitioning to green and low carbon by continuously innovating business models, improving the quality of industrial chain, fostering new quality productive forces, proactively taking on corporate responsibilities to contribute to GCL New Energy's practical wisdom to respond to global climate changes and a community of shared future for mankind.

This year marks the tenth year of GCL New Energy's energy transition to develop solar power electricity generation. Looking back, GCL New Energy's installed scale of solar power electricity generation has led the world for several consecutive years. As of the end of 2019, the Company's installed capacity of solar power plants amounted up to 7.14 GW, drawing a complete and intense picture of the global photovoltaic industry.

Facing the cyclical downturn of industry, GCL New Energy fully promoted the strategic light asset transformation. In October 2023, GCL New Energy sold its last batch of a total of 36 solar power plants in PRC, with a total capacity of approximately 584 MW. At the same time, GCL New Energy proactively and prudently handled debt clause requirements concerning the existing notes, and completed the redemption and repurchases of notes in US dollars of nearly US$240 million during 2023. As of 30 June 2024, the Company's gearing ratio declined to a healthy level of approximately 22.8%, and the liquidity significantly improved, providing more cash flow to the development of "natural gas" track.

Strengthen and consolidate the foundation, continuously deepen digitalization and intelligence operation and maintenance, and create a one-stop full-scenario integrated energy carbon asset service

In the first half of this year, the newly installed capacity for domestic solar power was 102.48 MW, with a year-on-year growth of 30.68%, indicating that the general upward trend of photovoltaic industry remained certain in the long run. With the steady and rapid increase in both existing and new solar power installation, the photovoltaic aftermarket was also seeing strong growth momentum. In particular, during the crucial period of new electricity system construction, the efficient operation and maintenance, as well as value preservation and appreciation of solar power plants also had rigid demand.

In the digital era, digitalization and intelligence operation and maintenance became an important engine for new quality productive forces of photovoltaic aftermarket. The "Xinyilian (鑫翼連)" comprehensive energy management platform V3.0 independently developed and launched by an operation technology company of GCL New Energy was officially launched at the International Photovoltaic Power Generation and Smart Energy Conference ("SNEC 2024"), marking the completion in function design and successful launch to the market of the "Integrated Energy Digitalization and Intelligence Overall Solution". The platform integrates the latest energy management technology and intelligent operation and maintenance strategy, forming four unites of data system, management system, knowledge base, and AI center. It covers eight functional modules of real-time monitoring, production management, operation management, market management, supply chain management, multi-end integration, knowledge base, AI center and 178 models. It encompasses multiple business models such as wind, solar, storage, charging and virtual power plants, constructing a mature and stable green operation new ecology of full life circle, providing more precise and high-efficient services to property owners, realizing maximum value.

On 11 May 2024, an operation technology company of GCL New Energy and Guoshun Technology Group Co. Ltd. (國順科技集團有限公司) ("Guoshun Technology") entered into a strategic cooperation agreement at Suzhou GCL New Energy Center. Pursuant to the agreement, the parties will carry out cooperation in multiple business areas such as comprehensive energy management, data service platform, AI electricity transaction, overseas market expansion, jointly open up new energy operation and maintenance market, explore new models, expand new areas, and reach new milestones. As a company integrating comprehensive smart energy supply (solar, wind and electricity, energy storage, natural gas, hydrogen energy etc.) and smart agriculture, Guoshun Technology has extensive project construction experience and performance in Northern China and other regions, and a wide range of project cooperation resources with large state-owned enterprises and Chinese central state-owned enterprises.

As at 30 June 2024, the Group has in aggregate entered into various operation and maintenance service contracts with nearly 300 solar power plants across the country, with a total installed capacity of approximately 7.3 GW and a leading market share. At the same time, on 2 July 2024, GCL New Energy published an announcement to provide a three-year operation and maintenance services to Nanjing Xinneng Intelligent Storage Technology Co., Ltd. and Zhongwei Xinhua Technology Co., Ltd., showcasing the rapid development of our solar operation and maintenance business.

Energy storage is "the cornerstone" of the new electricity system, and grid-scale energy storage is about to start a new growth drive. In the future, the new energy storage industry will form a multi-energy complementary landscape and introduce market competition mechanism to strengthen the vitality and efficiency of electricity market. On this basis, GCL New Energy also responded to market changes in a flexible way, continuously innovated, provided various supply-demand matching services resources and actively promoted integrated wind-solar storage, bolstering the green and low carbon development of energy.

Leveraging on its continuous output in the field of technological innovation, the operation technology company has successively been awarded titles such as the "Second Innovation Prize in Electricity Technology of China Electricity Council (中電聯電力科技創新獎二等獎)", "Member of Standing Committee of Energy Storage Industry of Jiangsu Province (江蘇省儲能行業常務理事單位)", "The Seventh Batch of Headquarters Enterprises of Suzhou Industrial Park (蘇州工業園區第七批總部企業)"and "Leading Enterprise in New Service Industry of Suzhou City (蘇州市新興服務業領軍企業)".

Seeking transformation and innovation, seizing opportunities in the LNG market, and forging clean energy for developing new driving force

According to the Natural Gas Development Report of the PRC (2024)(《中國天然氣發展報告(2024)》), in 2023, the domestic natural gas consumption regained quick growth, while positive growth resumed in global natural gas consumption, with performances in North America and Asia-Pacific region particularly standing out. It is expected that natural gas consumption will reach 420 billion to 425 billion cubic meters in 2024, representing a year-on-year increase of 6.5% to 7.7%. The liquefied natural gas ("LNG") import will continue to grow.

Leveraging the upstream oil and gas resources in Ethiopia of the Golden Concord Group and resources platform of domestic LNG receiving station, GCL New Energy positions well in terms of natural gas in the process of constructing economic dual circulation pattern by means of natural gas trade. Through the integration of international long-term LNG contracts with domestic natural gas resources to build a competitive international and domestic natural gas resource pool, with a view to actively explore the domestic and international LNG markets. Meanwhile, we are going to promote the continuous expansion of international trade volume via trading companies in Singapore and are planning to manage market risks through hedging when there are any market opportunities.

As at 3 July 2024, GCL New Energy entered into a strategic cooperation agreement with Shanghai Petroleum and Natural Gas Exchange Co., Ltd. (SHPGX). Both parties shall share resources and advantages in terms of information sharing, energy and infrastructure transactions, product innovation, market research, and resource services. Under joint efforts, the parties will explore and upgrade the cooperation mode of fair service for receiving stations, ensure security of regional energy supply, facilitate the national "X+1+X" natural gas market reform, and boost positive effects from construction of the natural gas production, supply, storage and sales system.

Furthermore, to strike a balance and develop diversified investment for potential capital appreciation, on 25 June 2024, the Group announced that it would identify independent investment portfolios that maximized absolute returns in the long run through purchasing key invested energy and listed and unlisted assets in other related advanced manufacturing industries. For the purpose of such investment objectives, the Group would utilize the fund management's expertise, extensive experience in investment and strategies while mitigating direct investment risks.

Adhering to long-term development, intensifying in-depth practice of ESG philosophy, and leading the sustainable development

Environmental, social, and governance ("ESG") is a crucial task to be accomplished. It is not only a benchmark for measuring corporate value and responsibility risk in the global capital market, but also a major task for unleashing differentiated competitive advantages and developing new quality productive forces. As stated by Chinese President Xi Jinping, "green development is the foundation of high-quality development, while new quality productive forces equal to green productivity".

Putting ESG philosophy into practice is a long-term and complex systematic project that requires long-term commitment and implementation by enterprises. GCL New Energy has been consistently integrating ESG philosophy into its operation and management and continues to apply ESG philosophy throughout the entire lifecycle of its industrial chain services. The Company has formulated definite action plans regarding significant ESG issues such as green low-carbon and intelligent photovoltaic power plant operation. In order to constantly reduce the impact on environment arising from its operation, it has taken appropriate measures in daily operation, with a focus on core essence of ESG. The Company will commit to innovation and sustainable development, as well as maximize the comprehensive values of economy, society and environment, thus bringing greater returns to the society and the Company's shareholders.

In spite of emerging challenges such as the slowdown in global economy, the increase in international trade disputes and geopolitical conflicts, GCL New Energy will continue to strengthen its foundation and better its internal capabilities, and enhance the digital and intelligent operation and maintenance of the photovoltaic aftermarket to preserve and increase the values of customers' carbon assets on a larger scale; we will also actively seek transformation and innovation, grasp new opportunities in LNG trade, and contribute to the green, safe, and stable transition of the world energy with GCL New Energy's efforts. In the future, GCL New Energy will practice ESG philosophy, promote comprehensive ESG governance and green, low-carbon, and sustainable development of the industrial chain through internal governance improvement and external cooperation, and create returns and values for the society, customers and shareholders by virtue of long-term development.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

For the six months ended 30 June 2024, loss for the period attributable to owners of the Company was RMB174 million, as compared to loss for the period attributable to owners of the Company of RMB216 million for the six months ended 30 June 2023. The loss for the reporting period was mainly attributable to the combined effect of the following:

1. the grid-connected capacity of subsidiaries decreased from 816MW as at 30 June 2023 to 134MW as at 30 June 2024, representing a decrease of 83.6% in business scale. The drop in grid-connected capacity of the Group's subsidiary power plant is caused mainly by the disposal of solar power plants in 2023. The drop in business scale led to a decrease in gross profit by RMB125 million, from RMB195 million to RMB70 million in the current reporting period;

   On 12 October 2023, the Group entered into eleven equity transfer agreements with 蘇州工業園區鑫坤能清潔能源有限公司 Suzhou Industrial Zone Xinkunneng Clean Energy Co., Ltd* to dispose of its 88.58% to 100% equity interests in 36 subsidiaries at an aggregate consideration of RMB1,004 million. The subsidiaries operated solar power plant projects with an aggregate capacity of 584MW in the PRC. The disposals of all above companies were completed in 2023, which caused the significant drop in business scale as aforementioned.

2. the Group newly provided trading of LNG and related products since 2023, which generated sales income of RMB307 million for the six months ended 30 June 2024, as compared to RMBNil in the last reporting period;

3. the increase in administrative expenses by 14.7%, from RMB107 million to RMB122 million, mainly due to increase in general administrative expenses such as rental, legal and professional fees associated with the Group's entrance into LNG trading business during the period ended 30 June 2024.

4. the decrease of finance costs from RMB193 million to RMB39 million as compared with the last reporting period, mainly due to the decrease in business scale of solar power plant electricity generation business and repayment of debts.

BUSINESS REVIEW

1. Electricity Generation and Capacity

As at 30 June 2024, the grid-connected capacity of the Group's subsidiary power plants was approximately 134MW (31 December 2023: 134MW). Details of capacity, electricity sales volume and revenue for the six months ended 30 June 2024 are set out below.

Subsidiaries by location	**Electricity Sales Volume** ***(thousand kWh)***	**Average Tariff (Net of Tax)** ***(RMB/kWh)***	**Revenue** ***(RMB thousand)***
China	7,344	0.49	3,618
US	87,281	0.47	40,622
Total of Subsidiaries	**94,625**	**0.47**	**44,240**

Note: As at 30 June 2024, 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.

The revenue of solar power plants located in China is mainly contributed by the subsidiaries of State Grid Corporation of China ("**State Grid**"). The State Grid is a State-owned enterprise in China, which possesses low default risk. Therefore, the Directors considered that the credit risk of trade receivables was minimal.

2. Solar Power Plants Operation and Related Supporting Service Income

During the six months ended 30 June 2024, the Group provided operation and maintenance services for certain disposed solar power plant projects and generated management service income. Also, the Group provided other supporting services such as procurement service to widen the business coverage in order to generate additional income stream. As at 30 June 2024, the Group had entered into contracts to provide operation and maintenance services for solar power plants with total installed capacity of approximately 7.3GW.

	Revenue ***(RMB thousand)***
Solar power plants operation and management services income	137,404
Solar related supporting services income	8,285
Total	145,689

3. LNG and Related Business

During the six months ended 30 June 2024, the Group entered into LNG market by expanding its role in LNG and related products trading. The Group generated sales income by trading of LNG and related products of RMB307 million (2023: RMBNil).

FINANCIAL REVIEW

Revenue and Gross Profit

For the six months ended 30 June 2024, the Group's revenue was mainly derived from (i) solar power electricity generation; (ii) service income from the provision of the solar power plants operation and management services; (iii) income from solar related supporting services; and (iv) income from LNG and related business. The table below sets forth an analysis of the Group's revenue:

	Six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue		
– Sales of electricity and tariff adjustments	**44,240**	317,793
– Solar power plants operation and management service	**137,404**	65,503
– Solar related supporting service income	**8,285**	39,468
– LNG business related income	**306,544**	–
	496,473	422,764

The increase in revenue was mainly attributable to the combined effect of the disposal of solar power plants during 2023 and newly generated LNG business related income. The grid-connected capacity decreased from 816MW as at 30 June 2023 to 134MW as at 30 June 2024. The average tariff (net of tax) for the PRC was approximately RMB0.49/kWh (2023: RMB0.68/kWh).

The Group's gross margin for the six months ended 30 June 2024 was 14.1%, as compared to 46.2% for the six months ended 30 June 2023. The drop in gross margin is due to relatively lower gross profit margin for LNG and related products trading business in the current reporting period which the Group newly entered into the market. The cost of sales mainly consisted of purchase cost of LNG and related products which accounted for 71% of the cost of sales, with the remaining costs being depreciation, operation and maintenance costs of solar power plants, etc.

Other Income

During the six months ended 30 June 2024, other income mainly included imputed interest arising from receivables containing significant financing component of RMB20 million (2023: RMBNil) and bank interest income of RMB3 million (2023: RMB6 million).

Administrative Expenses

The administrative expenses mainly included staff costs, rental expenses and legal and professional fees. Administrative expenses increased by 14.7% to RMB122 million (2023: RMB107 million) for the six months ended 30 June 2023. The increase in administrative expenses was mainly due to an increase in general administrative expenses such as rental, legal and professional fees associated with the Group's entrance into LNG market during the period ended 30 June 2024.

Other gains and losses, net

During the six months ended 30 June 2024, the net loss decreased from RMB118 million in the last reporting period to approximately RMB96,000. The net loss for 2024 was mainly due to loss on fair value change of financial assets at fair value through profit or loss of RMB10 million (2023: RMBNil) and gain on deregistration of a subsidiary of RMB4 million (2023: RMB2 million).

Impairment loss under expected credit loss model, net

During the six months ended 30 June 2024, the impairment loss on expected credit loss model, net amounted to RMB71 million (2023: RMBNil), consists of (i) RMB21 million (2023: RMBNil) for on-grid electricity guarantee, (ii) RMB23 million (2023: RMBNil) for consideration receivable of disposal of solar power plant projects, and (iii) RMB27 million (2023: RMBNil) for provision of loss allowance of other debtors, details of which are set out as follows:–

(i) On-grid electricity guarantees of approximately RMB21 million (2023: RMBNil)

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 drop in balance is due to adjustment of balance in relation to disposed solar power plant projects in prior year.

(ii) Consideration receivable of disposal of solar power plant projects of approximately RMB23 million (2023: RMBNil)

Amount represent consideration receivable from disposal of solar power plant projects since 2018 which are exceedingly long 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.

(iii) Provision of loss allowance of other debtors of approximately RMB27 million (2023: RMBNil)

Amount represent 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 unsuccessful, as a result the management of the Company made the provision of loss allowance after individual assessment on the recoverability of such receivables.

Finance Costs

Total borrowing costs decreased by 79.6% from RMB193 million to RMB39 million as compared with the last reporting period. The decrease was mainly due to the decrease in average borrowing balance as a result of the disposal of solar power plants in 2023. The interest-bearing debts decreased from RMB3,803 million as at 30 June 2023 to RMB557 million as at 30 June 2024.

Income Tax Expense

Income tax expense for the six months ended 30 June 2024 was RMB1 million (2023: RMB9 million). The decrease in income tax expense is due to the disposal of solar power plants during 2023, leading to decrease in taxable income.

Profit attributable to other non-controlling interests

There was no profit attributable to other non-controlling interests for the six months ended 30 June 2024 (2023: RMB1 million).

Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (2023: RMBNil).

Property, Plant and Equipment

Property, plant and equipment was RMB888 million and RMB904 million as at 30 June 2024 and 31 December 2023, respectively. The decrease was mainly due to combined effect of general addition and depreciation occurred during the six months ended 30 June 2024.

Amounts Due from Related Companies

As at 30 June 2024, amounts due from related companies of RMB1,243 million (31 December 2023: RMB1,453 million), mainly arose from the disposals of 36 subsidiaries ("**2023 Disposal**") that are principally engaged in the operation of solar power plants in the PRC. The amount were mainly consideration receivables arose 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. The disposal constituted notifiable and connected transactions of the Company. Please refer to circular of the Company on 15 November 2023.

Trade and Other Receivables

As at 30 June 2024, trade and other receivables of RMB1,901 million (31 December 2023: RMB1,709 million) mainly included trade and bills receivables of RMB133 million (31 December 2023: RMB84 million), and consideration receivables from disposal of subsidiaries of RMB202 million (31 December 2023: RMB206 million) in which a deferred receivables of RMB712 million (2023: RMB701 million) were reclassified to non-current nature, as they are expected to be received within two years since 31 December 2023.

The amounts due from former subsidiaries of RMB1,961 million (31 December 2023: RMB1,949 million) ("**Outstanding Receivables**") relates 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 have 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. The disposal of the other former subsidiaries did not trigger notifiable transactions and/or connected transactions disclosure requirements under Chapter 14 and 14A of the Listing Rules.

As at 30 June 2023, tariff adjustments receivables of RMB35 million including tariff adjustment of RMB35 million for projects classified as held for sale (31 December 2023: RMB32 million including tariff adjustment of RMB32 million for projects classified as held for sale), represents subsidy receivable from the government authorities in respect of the Group's solar power generation business.

Other Payables and Deferred Income

Other payables and deferred income decreased from RMB780 million as at 31 December 2023 to RMB735 million as at 30 June 2024. Other payables and deferred income mainly consisted of payables for purchase of plant and machinery and construction cost of RMB33 million (31 December 2023: RMB36 million).

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 and lease liabilities.

As at 30 June 2024, bank balances and cash of the Group were approximately RMB400 million (31 December 2023: RMB555 million), including bank balances and cash of RMB1 million, for projects classified as held for sale (31 December 2023: RMB1 million). For the six months ended 30 June 2024, the Group's primary source of funding included cash generated from its operating activities and proceeds from disposal of 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 become more stable and in an acceptable level.

The Group was in net current assets position of approximately RMB1,710 million as at 30 June 2024 (31 December 2023: RMB1,760 million).

The Group monitors capital based on dividing the gearing ratio of total liabilities by total assets. The gearing ratio as at 30 June 2024 and 31 December 2023 were calculated as follows:

	30 June 2024 *RMB million*	31 December 2023 *RMB million*
Total liabilities	**1,468**	1,512
Total assets	**6,443**	6,506
Total liabilities to total assets	**22.8%**	23.2%

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

	30 June 2024	31 December 2023
	RMB million	*RMB million*
Renminbi ("**RMB**")	**123**	142
United States dollars ("**US$**")	**434**	410
	557	552

Pledge of Assets

As at 30 June 2024, the following assets were pledged for bank and other facilities granted to the Group:

– property, plant and equipment of RMB857 million (31 December 2023: RMB872 million);

– bank and other deposits of RMB71 million (31 December 2023: RMB102 million); and

Besides, lease liabilities of RMB123 million (31 December 2023: RMB137 million) were recognised in respect of right-of-use assets amounting to RMB62 million (31 December 2023: RMB77 million) as at 30 June 2024.

Guarantees provided to Third Parties

As at 30 June 2024, the Group provided back-to-back guarantees to third parties for certain bank and other borrowings taken out by certain third parties for associates 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 RMB1,603 million (31 December 2023: RMB1,715 million). Besides, the Group also provided financial guarantees to financial institutions related to the existing financing of certain disposed subsidiaries during the transitional period. In accordance with the SPA, such financial guarantee will be released when these guarantees are replaced by the new buyers or the loan is repaid within the specific time as set out in the SPA. The financial guarantee in respect of the bank and other borrowings amounting to RMB477 million (31 December 2023: RMB1,259 million), out of which approximately RMBNil (31 December 2023; RMB367 million) is associated of connected persons which details has been disclosed in the announcement on 12 October 2023.

Capital Commitments

As at 30 June 2024 and 31 December 2023, the Group's capital commitments in respect of construction commitments relating to natural gas liquefaction plant contracted but not provided amounted to RMB107 million (31 December 2023: RMB107 million), commitment of share capital of joint venture of RMB25 million (31 December 2023: RMB25 million), and commitment of unlisted investments of RMB61 million (31 December 2023: RMBNil).

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

During the six months ended 30 June 2024, there were no material acquisition or disposal of subsidiaries and affiliated companies by the Group.

Breach of loan agreement

As at 30 June 2024, 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 30 June 2024, 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.

Advance to an entity provided by the Company

As at 30 June 2024, the Company had not provided any advance to an entity which is subject to disclosure requirement under Rule 13.20 of the Listing Rules.

RISK FACTORS AND RISK MANAGEMENT

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

1. Policy risk

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

2. **Risk associated with tariff**

Power tariff is one of the key earning drivers for the Company. Any adjustment in tariff might have an impact on the profitability of new solar power projects. Given the NDRC targets to accelerate the technology development for solar energy industry in order to bring down development costs, therefore solar power tariff has been lowered to the level of coal-fired power and government subsidy for solar energy industry will finally be faded out. To minimize this risk, the Company will continue to increase the pace of technology development and implement cost control measures in order to lower development cost for new projects.

3. **Risk related to interest rate**

Interest risk may result from fluctuations in bank loan rates. Given our Company highly relies on external financing in order to obtain capital for new solar power project development, any interest rate changes will have an impact on the Company's 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.

4. **Foreign currency risk**

As most of our business are located in the PRC, substantial amount 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.

5. **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 30 June 2024, the Group had approximately 963 employees (31 December 2023: 949 employees) in the PRC and overseas. Employees are remunerated with reference to individual performance, working experience, qualification and the prevailing industry practice. Apart from basic remuneration and the statutory retirement benefit scheme, employee benefits include discretionary bonuses, with share options granted to eligible employees. Total staff costs (including Directors' emoluments, retirement benefits schemes contributions and share option expenses) for the six months ended 30 June 2024 was approximately RMB117 million (30 June 2023: RMB103 million).

USE OF NET PROCEEDS FROM PLACING AND SUBSCRIPTION

On 4 August 2022, the Group completed a top-up placing and subscription of 2,275,000,000 Shares at HK$0.138 per Share to not less than six independent placees, raising net proceeds of approximately HK$310 million after deducting placing commission and related expenses (the "**2022 Placing**"). As at 30 June 2024, all net proceeds from the 2022 Placing has been fully utilised as intended. For further details of the 2022 Placing, please refer to the announcements of the Company dated 28 July 2022 and 4 August 2022. Details of the use of proceeds from the 2022 Placing are as follows:

Use of net proceeds from the 2022 Placing	**Initial intended allocation** *(HK$ million)*	**Utilised amount as at 30 June 2024** *(HK$ million)*
To support the cost relating to the investment, research and development of natural gas, LNG and integrated energy project management business and to develop the operation and maintenance services for other energy sectors	279	279
General working capital purposes	31	31
	310	310

During the Reporting Period, the Company completed a placing of an aggregate of 233,487,154 Shares (representing approximately 16.67% of the Company's issued share capital as enlarged by the transaction upon completion) at HK$0.26 per Share to not less than six independent placees, raising net proceeds of approximately HK$59.7 million after deducting placing commission and related expenses (the "**2024 Placing**"). There were no changes to the intended use of net proceeds from the 2024 Placing. As at 30 June 2024, approximately HK$59.7 million was deposited at the bank accounts of the Company which were pending to be used. For further details of 2024 Placing, please refer to the announcements of the Company dated 22 April 2024 and 10 May 2024. The net proceeds from 2024 Placing are expected to be utilised by 2024. Details of the use of proceeds from the 2024 Placing are as follows:

Use of net proceeds from the 2024 Placing	**Initial intended allocation** *(HK$ million)*	**Unutilised amount as at 30 June 2024** *(HK$ million)*
To support the cost relating to the investment, research and development of natural gas, LNG and integrated energy project management business and to develop the operation and maintenance services for other energy sectors	53.7	53.7
General working capital purposes	6.0	6.0
	59.7	59.7

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither 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 six months ended 30 June 2024.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to promoting high standards of corporate governance through its continuous effort in enhancing 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 six months ended 30 June 2024, the Company complied with the code provisions set out in the Corporate Governance Code in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

AUDIT COMMITTEE

The audit committee of the Company has reviewed, with the management of the Group, the accounting principles and practices adopted by the Group, its internal controls and financial reporting matters including a review of the Company's interim report and interim results for the six months ended 30 June 2024.

AUDITOR

The Company's external auditor, Crowe (HK) CPA Limited, has conducted a review of the Interim Financial Information of the Group for the six months ended 30 June 2024 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

There is no disagreement raised by the Company's external auditors or the audit committee of the Company with the accounting treatment adopted by the Company.

PUBLICATION OF 2024 INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the websites of the Company (www.gclnewenergy.com) and HKExnews (www.hkexnews.hk). The 2024 Interim Report containing all the information as required by the Listing Rules will be despatched to the shareholders and made available for review on the same websites in due course.

By order of the Board
GCL New Energy Holdings Limited
協鑫新能源控股有限公司
Zhu Gongshan
Chairman

Hong Kong, 23 August 2024

As at the date of this announcement, the Board comprises Mr. Zhu Gongshan (Chairman), Mr. Zhu Yufeng, Mr. Wang Dong and Mr. Gu Zengcai as executive Directors of the Company; Ms. Sun Wei, Mr. Yeung Man Chung, Charles and Mr. Fang Jiancai as non-executive Directors of the Company; and Mr. Lee Conway Kong Wai, Mr. Wang Yanguo, Dr. Chen Ying and Mr. Cai Xianhe as independent non-executive Directors of the Company.