



GCL Technology Holdings Limited

協鑫科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3800)

2024

INTERIM REPORT



Bringing

Green Power

to Life

TECH INFINITY



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Financial Highlights

	Six months ended 30 June		Change RMB'000	% of change
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)		
Revenue				
Sales of wafer	2,342,084	7,201,320	(4,859,236)	(67.5%)
Sales of electricity	95,334	109,593	(14,259)	(13.0%)
Sales of polysilicon	4,861,805	11,118,475	(6,256,670)	(56.3%)
Processing fees	283,629	908,661	(625,032)	(68.8%)
Others*	1,280,024	1,607,854	(327,830)	(20.4%)
	8,862,876	20,945,903	(12,083,027)	(57.7%)
Profit attributable to owners of the Company	(1,479,603)	5,518,278	(6,997,881)	(126.8%)
	RMB cents	RMB cents	Change RMB cents	% of change
(Loss)/earnings per share				
— Basic	(5.60)	20.79	(26.39)	(126.9%)
— Diluted	(5.60)	20.75	(26.35)	(127.0%)

* Amount includes the sales of ingots and industrial silicon.

Financial Highlights (CONTINUED)

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)	Change RMB'000	% of change
Extracts of unaudited condensed consolidated statement of financial position				
Equity attributable to owners of the Company	41,140,394	42,587,016	(1,446,622)	(3.4%)
Total assets	79,002,291	82,768,172	(3,765,881)	(4.5%)
Bank balances and cash, pledged and restricted bank deposits	7,846,623	9,174,433	(1,327,810)	(14.5%)
Indebtedness*	17,950,896	15,939,071	2,011,825	12.6%
Key financial ratios				
Current ratio	1.36	1.57	(0.21)	(13.4%)
Quick ratio	1.23	1.44	(0.21)	(14.6%)
Net debt to equity attributable to owners of the Company	24.6%	15.9%	8.7%	54.7%

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



Chairman's Statement and CEO Review of Operations and Outlook

In the first half of 2024, global electricity demand saw robust growth. According to forecasts by the International Energy Agency (IEA), global renewable energy generation is expected to surpass coal for the first time next year, with solar photovoltaic (PV) power alone likely to account for 50% of the energy demand growth.

The strong demand for electricity has led to structural mismatches across various sectors of the industry, with blind capital investment and disorderly competition, resulting in a temporary oversupply in the photovoltaic (PV) sector. In the first half of 2024, amidst vicious competition within China's PV industry and widespread losses across the entire supply chain, GCL Technology Holdings Limited (the "Company" or "GCL Tech", together with its subsidiaries, the "Group") focused on stabilizing existing capacities while expanding new ones, delivering a relatively stable "mid-term report" on its business fundamentals. During this period, the Company concentrated on its core FBR granular silicon technology, expanded its diversified product portfolio, continuously optimized its business structure, and rigorously controlled costs with a decrease of 40% in administrative expense, leading to steady improvements in asset quality, capital structure, and resource efficiency. With a focus on quality enhancement, cost control, lean management, and market-oriented strategies, GCL Tech has strived to create new opportunities amid changes, gained an advantage in a competitive environment, and seized opportunities in the face of crises, resulting in an overall stabilization and improvement in its operations.

The Company has achieved significant technological breakthroughs and continued optimization of its product structure. In the first half of this year, the quality of GCL Tech's FBR granular silicon reached a new level, with quality control standards tightened even further on the basis of electronic grade level. The proportion of N-type products (901A and above) exceeded 96%, and the yield in crystal pulling applications increased significantly, with all major customers entering the 100% FBR granular silicon ingot production stage. The cost of granular silicon hit a new low, and with the optimization of the production line system, there are notable improvements in silicon consumption, energy consumption, and production efficiency. The cash cost of granular silicon is expected to be reduced to less than RMB 30/KG. The excellent quality of granular silicon has gained market favor, with sales stabilizing and rebounding, and inventory level maintained at less than two weeks, achieving full coverage among top-tier downstream solar companies, with long-term procurement contracts extending to 2027. With the commissioning of the 60,000-ton modular project in the second half of the year, GCL Tech's FBR granular silicon is set to enter a new phase of quality enhancement and efficiency improvement. We are confident in ensuring strong product quality, competitive costs, a solid reputation, and improved profitability.

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

The R&D investment ratio (relative to revenue) increased instead of decreased, further strengthening the Company’s defence moat. In the first half of the year, GCL Tech’s Silicon Materials Research Institute led efforts to comprehensively advance research projects focused on strengthening, supplementing, and extending the chain, with substantial investments in manpower, materials, and financial resources, particularly in enhancing the quality and efficiency of granular silicon and developing new technologies. The Company’s total R&D investment ratio in the first half exceeded 8%, reflecting a year-on-year increase of 3.8 percentage point, becoming the foundational force driving the Company’s breakthrough against the prevailing market trend. Meanwhile, we have established a robust confidentiality system from top to bottom, along with a comprehensive intellectual property protection mechanism. In the first half of the year, the Company obtained a total of 65 patents, including 16 invention patents. The “Intelligent Transformation and Digital Upgrade” initiative has driven a comprehensive upgrade in operational management, with the Industrial Internet Cloud, AI Supercomputing Cloud, Digital Intelligence Hub Cloud, and Smart Collaboration Cloud covering all areas, including R&D, manufacturing, sales, customer service, supply chain, finance, human resources, legal affairs, and risk control. This accelerates the embedding of the Company in digital infrastructure, advancing data governance, intelligent decision-making, and precise control to a new stage.

The capital structure continues to be optimized, and operational resilience has been effectively enhanced. We are committed to a high-tech, high-value-added, and asset-light model, continually optimizing financing structures, reasonably controlling debt levels, and improving capital utilization efficiency. By enhancing profitability through diversified collaboration, we have maintained the asset-liability ratio at 37.0%¹, enabling the Company to proceed with agility and stability.

Behind GCL Tech’s ability to break through in adverse market conditions is the experience, resilience, and immunity that the Company has accumulated over three complete industry cycles, which has endowed us with the composure and confidence to navigate through turbulent times. Throughout this journey, we have unwaveringly adhered to a strategy of technological advancement, with granular silicon as the main driver, while promoting the diversified development of technologies such as industrial silicon, silane gas, perovskite, CCz, and carbon chains. This has led to the formation of a multi-dimensional, multi-layered industrial ecosystem that integrates both vertical and horizontal dimensions.

¹ Non-recovery of endorsed and discounted notes



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

With FBR granular silicon at its core, we will fully mobilize internal and external resources to promote the vertical extension of the silicon-based industry chain. By entering the upstream metallurgic grade silicon sector through a “backward integration” approach with internal depth, we have leveraged our strengths in high quality, low cost, and green environmental advantages to form strong synergies with FBR granular silicon. This has enabled us as the first in the industry to achieve dual breakthroughs in cost reduction, efficiency improvement, and low-carbon traceability. Through industry collaboration and “forward integration” strategy, we deeply integrate with solar module manufacturers and actively participate in the integrated layout of photovoltaic, storage, charging, hydrogen, and computing, thereby releasing the green low-carbon technology benefits from its source and expanding downstream profit margins. In the first half of this year, GCL Tech's FBR granular silicon obtained the German TÜV Rheinland certification, which is equivalent to 16 kgCO₂e/kg-Si from gate to gate, once again breaking the global carbon value record. Looking ahead, the launch of GCL's SiRo modules, made using GCL's FBR granular silicon, marks a new milestone. These modules will utilize the world's first photovoltaic carbon chain — GCL Carbon Chain, which is capable of providing full lifecycle supply chain traceability, product and organizational carbon footprint management, and real-time ESG reporting services, driving the entire industry chain to collectively reduce carbon emissions. Further downstream, FBR granular silicon will continue along the green low-carbon value chain, extending into fields such as photovoltaic, storage, charging, hydrogen, and computing, thereby creating green premiums and carbon competitive advantages, and injecting new green vitality into the energy transition.

The innovative combination of granular silicon and perovskite, two cutting-edge solar technologies, is GCL Tech's major contribution to the photovoltaic industry for the next decade. After 14 years of intensive development, GCL Tech's perovskite technology has finally overcome three historical challenges: high efficiency, large area, and long lifespan. We are the first and only company in the world to master the complete manufacturing process for large-scale, high-efficiency perovskite single-junction and tandem modules. By the end of this year, GCL's gigawatt-scale mass production line will be fully operational, positioning GCL Tech to lead China's perovskite technology to the forefront of the global photovoltaic industry transformation, offering a tangible and exemplary model of third-generation photovoltaic technology. With crystalline silicon tandem modules as the commercial breakthrough, we will leverage our two core technologies, granular silicon and perovskite, to continue deepening collaboration with our sister companies and business partners. We aim to advance flexible combinations and applications with HJT, TOPCon, and BC cell technologies, targeting a long-term efficiency goal of 35%–40%, and accelerating the photovoltaic industry's shift from the silicon-based era to the perovskite tandem era, where perovskite will be the core technology.

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

In a “horizontal integration” effort, silane gas is emerging strongly in the market. For many years, we have maintained a leading position in the research, development, and production of high-purity silane gas using the UCC method, with our production capacity ranking first globally and our quality meeting electronic-grade standards. As market demand continues to grow, the silane gas business has become a new profit growth driver for the company. Currently, aside from our own usage, our external sales account for nearly one-third of the domestic market share. It is estimated that by 2025, the total demand for silane gas in China will rise to 40,000 tons, with a market size of over RMB 3 billion, making the profit outlook of the Company’s silane gas business highly promising.

The year 2024 marks a breakthrough year for GCL Tech’s internationalization. We will prioritize establishing a strong presence in the Middle East, a key intersection of the Silk Road by land and sea, as we steadfastly pursue our path of international development. Our focus will be on driving international transformation across various aspects such as products, talent, management, branding, markets, and capital, ensuring the swift implementation of our overseas strategy and contributing robustly to the global energy transition.

Finally, I would like to express my heartfelt gratitude to the Company’s board of directors (the “Board”), management team, and all employees for their efforts, dedication, and contributions in the first half of 2024. I also sincerely thank our shareholders and partners for their longstanding trust and support. Together with my team, I will continue to uphold the principles of Technological GCL, Digital GCL, and Green GCL, focusing on core business development, fulfilling our social responsibilities, and strengthening our long-term competitiveness. We are committed to creating value through our actions and repaying the trust and support you have placed in us.



Management Discussion and Analysis

OVERVIEW

In 2024, there is a serious mismatch between supply and demand in the photovoltaic industry, and the photovoltaic industrial chain has entered a deep recession and suffered a comprehensive loss. GCL Tech insisted on scientific and technological innovation and weathered the industry recession with technological core differentiation. We believe that the Company will be the first to come out of the trough and lead the industry into a new era in the midst of the industry's throes.

RESULTS OF THE GROUP

For the period ended 30 June 2024, the revenue and gross loss of the Group were approximately RMB8,863 million and RMB553 million respectively. For the period ended 30 June 2023, the revenue and gross profit of the Group were approximately RMB20,946 million and RMB8,778 million, respectively.

The Group recorded a loss attributable to the owners of the Company of approximately RMB1,480 million as compared to profit attributable to owners of the Company of approximately RMB5,518 million in 2023.

SEGMENT INFORMATION

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

- Solar material business – mainly manufactures and sells polysilicon and wafer products to companies operating in the solar industry.

- Solar farm business – operates solar farms located in the United States of America (the “USA”) and the PRC.

BUSINESS REVIEW

Solar Material Business

Production

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

Polysilicon

As at 30 June 2024, the Group's nominal production capacity of polysilicon amounted to 420,000 MT, reaching the designed production capacity.

For the six months ended 30 June 2024, the Group produced a total of 136,359 MT of polysilicon, which increased by 22.8% compared with 111,054 MT of polysilicon produced in the same period in 2023. Granular silicon production continued to climb, representing a year-on-year increase of 65.6% from 82,359 MT for the corresponding period in the first half of 2023.

Ingot and Wafer

As at 30 June 2024, the Group had an annual mono-silicon crystal pulling capacity of 10 GW and an annual wafer production capacity of 58.5 GW.

For the six months ended 30 June 2024, the Group produced a total of 20,414 MW of wafer (including 7,070 MW of OEM wafer), representing a decrease of 19.6% from the total output of 25,376 MW of wafer (including 11,738 MW of OEM wafer) for the corresponding period in the first half of 2023.

Sales and Revenue

For the six months ended 30 June 2024, the Group delivered 126,358 MT of polysilicon (including internal sales of 5,722 MT) and 19,451 MW of wafer (including OEM wafer of 6,403 MW), representing an increase of 24.99% and decrease of 24.3% from 101,095 MT of polysilicon (including internal sales of 11,514 MT) and 25,701 MW (including OEM wafer of 12,101 MW) of wafer respectively, as compared to the corresponding period in the first half of 2023.

For the six months ended 30 June 2024, the average external selling prices (excluding tax) of the Company's polysilicon was approximately RMB40.3 (equivalent to US\$5.65) per kilogram.

For the six months ended 30 June 2024, revenue from external customers of the solar material business amounted to approximately RMB8,768 million, representing a decrease of 57.9% from RMB20,836 million for the corresponding period in 2023. The decrease was mainly due to the significant decrease in selling price of polysilicon, partially offset by the increase of sales volume during the period.

Management Discussion and Analysis (CONTINUED)

Costs and Gross Profit Margin

Gross profit of polysilicon was greatly affected by market fluctuations and other factors. However, by leveraging on its granular silicon technology, GCL Tech has been able to maintain its competitive edge in terms of profitability in the industry during the downturn cycle.

The gross profit margin of the solar material business changed from 41.9% for the six months ended 30 June 2023 to a negative gross profit margin of -6.6% for the six months ended 30 June 2024.

For the six months ended 30 June 2024, write-down of inventory was approximately RMB 824.96 million.

Steady increase in product quality led to the conversion efficiency leap in the industry

In the first half of 2024, the unit production yield loss issue (on ingot) of the Company's granular silicon has been fully resolved. So far, the development path of granular silicon has completed, and even surpassed that of the 10 years of growth of the domestic improved Siemens' method in only less than 4 years. Granular silicon still has much room for improvement. In the first half of 2024, the shipments of granular silicon from the top three customers were 49,798 MT, 16,825 MT and 11,997 MT, accounting for 62.2% of the total volume of shipments.

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

In 2024, the Company's granular silicon product quality improved constantly and achieved further breakthroughs. At present, it still maintains an industry-leading level in the control of metal impurities. The overall proportion of the Company's granular silicon products with a total metal impurity content of 5 elements less than 1ppbw has been basically realized in full; at the same time, the overall proportion of the Company's products with a total metal impurities content of 5 elements ≤ 0.5 ppbw increased to approximately 95%. The quality of such products surpasses the quality standards of N-type dense compound feeding materials in the market. In addition, the proportion of the granular silicon products with total metal impurities of 18 elements increased from 43.0% in the fourth quarter of 2023 to 69.5% in June 2024, increasing by nearly 62%.

Metal 18 elements	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	July 2024
≤ 1 ppbw	23%	34%	43%	55.8%	64.3%	77.8%
≤ 3 ppbw	78.0%	80.0%	85.0%	90.9%	95.2%	98.4%

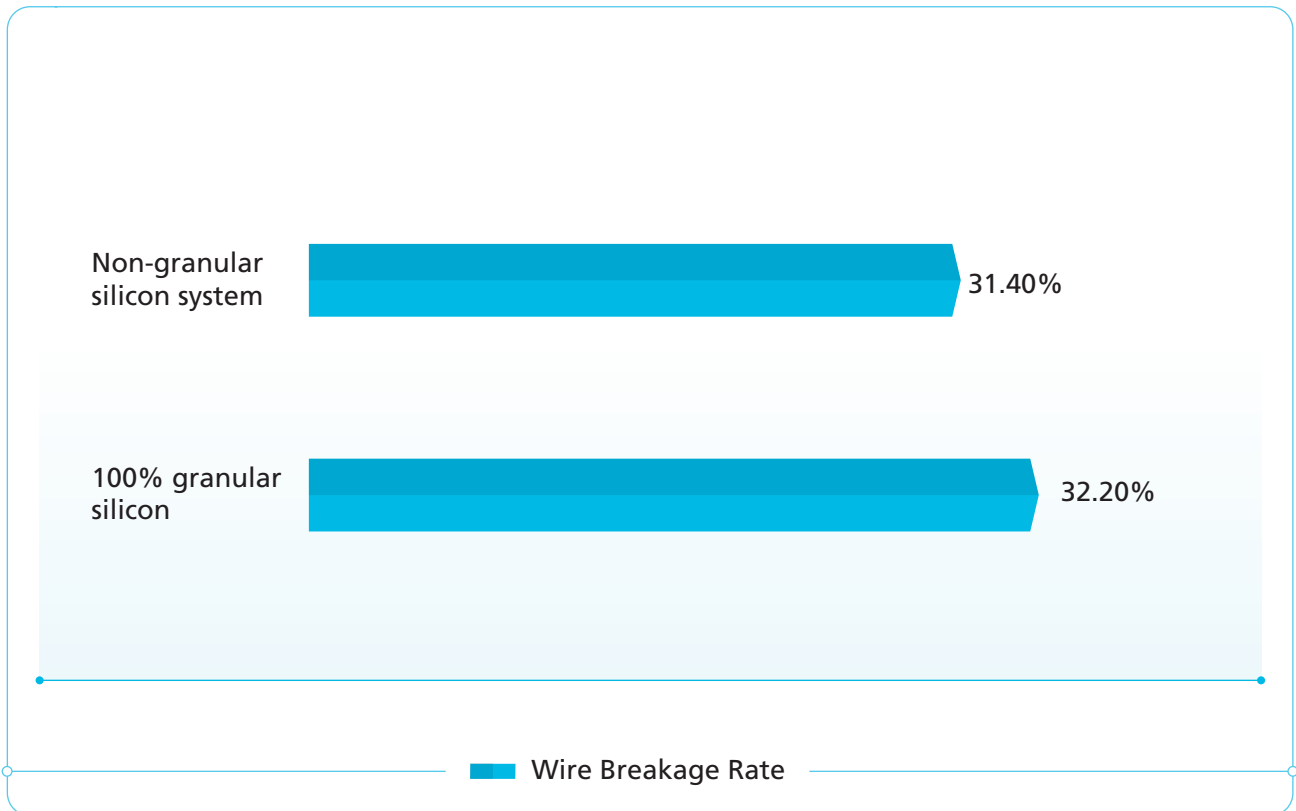
Changes in turbidity levels of granular silicon products in the first half of 2024

Turbidity is still being continuously optimized, and the proportion of the granular silicon products with turbidity < 120 NTU is already close to 100%, in particular, the proportion of granular silicon products with turbidity below 100 NTU reached 90%.

Turbidity	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	July 2024
≤ 120 NTU	20.6%	25.3%	49.5%	80.5%	95.5%	98.2%	99.9%
≤ 100 NTU	—	—	—	—	75.0%	84.8%	90.4%

At present, the results of turbidity optimization have been demonstrated in the use by downstream customers. The overall wire breakage rate is comparable to that of the same period of rod silicon mass production, which helps customers increase their unit production.

Overall Wire Breakage Rate



Ensuring financial health with healthy cash flow in the face of dramatic changes in the industry

In China, bank acceptance bills (a kind of bills receivable) are widely accepted in the market as a kind of cash payment because they are accepted by banks (including finance companies) with minimal risk of default, especially in the photovoltaic industry where most of the settlement methods are bank acceptance bills; bank acceptance bills can also be quickly converted into cash through discounting.

In addition, GCL Tech has effectively negotiated with its suppliers and reached agreements on payment terms and other details for mutual benefits, so as to fully safeguard the Company's cash flow and protect the interests of its suppliers.



Management Discussion and Analysis (CONTINUED)

Solar Farm Business

Overseas Solar Farms

As at 30 June 2024, the solar farm business includes 18 MW of solar farms in the United States. Besides, 150 MW solar farms in South Africa, which partners with CAD Fund, commenced operation in 2014 with the total effective ownership of 9.7% held by the Group.

PRC Solar Farms

As at 30 June 2024, the solar farm business also includes 5 solar farms in the PRC, with both installed capacity and attributable installed capacity at 133.0 MW.

Sales Volume and Revenue

For the six months ended 30 June 2024, the electricity sales volume of solar farm business overseas and in the PRC were 13,073 MWh and 83,514 MWh respectively (six months ended 30 June 2023: 13,017 MWh and 96,718 MWh, respectively).

For the six months ended 30 June 2024, revenue for solar farm business was approximately RMB95 million (six months ended 30 June 2023: RMB110 million).

Outlook

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

FINANCIAL REVIEW

Revenue

Revenue for the six months ended 30 June 2024 amounted to approximately RMB8,863 million, representing a decrease of 57.7% as compared with approximately RMB20,946 million for the corresponding period in 2023. The decrease was mainly due to the decrease in selling price of polysilicon in solar material business, partially offset by the increase of sales volume during the period due to the continuous releasement of granular silicon production capacity during the period.

Gross Profit Margin

The Group's overall gross profit margin turned to negative gross profit margin -6.2% for the six months ended 30 June 2024. For the six months ended 30 June 2023, gross profit margin was 41.9%. Gross loss amounted to approximately RMB553 million for the six months ended 30 June 2024, while gross profit amounted to approximately RMB8,778 million for the six months ended 30 June 2023.

For the six months ended 30 June 2024, negative gross profit margin of solar material business was -6.6%. For the six months ended 30 June 2023, gross profit margin of solar material business was 41.9%. The change was mainly attributable to the decrease in the average selling price of photovoltaic products.

Management Discussion and Analysis (CONTINUED)

Solar farm business had a gross profit margin of 31.2% for the six months ended 30 June 2024, which was 17.6% lower than the corresponding period in 2023. The decrease mainly due to higher maintenance costs for overseas solar farms.

Other Income

For the six months ended 30 June 2024, other income mainly comprised sales of scrap materials of approximately RMB178 million (six months ended 30 June 2023: RMB238 million), bank and other interest income and interest arising from contracts containing significant financing components of approximately RMB133 million (six months ended 30 June 2023: RMB125 million), government grants of approximately RMB98 million (six months ended 30 June 2023: RMB43 million).

Distribution and Selling Expenses

Distribution and selling expenses increased from approximately RMB123 million for the six months ended 30 June 2023 to approximately RMB132 million for the six months ended 30 June 2024. The increase was mainly due to increase in sales volume compared with the corresponding period in 2023.

Administrative Expenses

Administrative expenses amounted to approximately RMB683 million for the six months ended 30 June 2024, representing a decrease of 40% from approximately RMB1,138 million for the corresponding period in 2023. The decrease was mainly due to reduction of salary and wage expenses and cost control policies implemented during the period.

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

The Group recognised impairment losses under expected credit loss model of approximately RMB196 million for the six months ended 30 June 2024 (six months ended 30 June 2023: Reversal of impairment losses of approximately RMB1 million).

Other Expenses, Gains and Losses, Net

For the six months ended 30 June 2024, net losses of approximately RMB743 million in other expenses, gains and losses were recorded as compared to net losses of approximately RMB1,429 million for the six months ended 30 June 2023.

The net losses mainly comprises of:

- (i) research and development costs of approximately RMB718 million (six months ended 30 June 2023: RMB902 million);
- (ii) gain on fair value change of investments at FVTPL of approximately RMB40 million (six months ended 30 June 2023: RMB35 million);



Management Discussion and Analysis (CONTINUED)

- (iii) loss on fair value change of derivative financial instruments of approximately RMB46 million (six months ended 30 June 2023: gain on fair value change of derivative financial instruments and convertible bonds of RMB38 million);
- (iv) exchange gain of approximately RMB4 million (six months ended 30 June 2023: RMB15 million);
- (v) loss on disposal of property, plant and equipment of approximately RMB6 million (six months ended 30 June 2023: gain of RMB5 million);
- (vi) impairment loss on property, plant and equipment of Nil (six months ended 30 June 2023: RMB802 million); and
- (vii) deemed disposal loss of an associate of approximately RMB19 million (six months ended 30 June 2023: gain of RMB183 million).

Finance Costs

Finance costs for the six months ended 30 June 2024 were approximately RMB305 million, increased by 41.9% as compared to approximately RMB215 million for the corresponding period in 2023. The increase was mainly due to the increase in average interest-bearing debts during the period.

Share of loss of Associates

The Group's share of losses of associates for the six months ended 30 June 2024 was approximately RMB93 million, mainly contributed by the following associates:

- Share of loss of approximately RMB27 million from Inner Mongolia Zhonghuan GCL Solar Material Co., Ltd.* (內蒙古中環協鑫光伏材料有限公司) ("**Mongolia Zhonghuan GCL**"); and
- Share of loss of approximately RMB44 million from Xuzhou Zhongping GCL Industrial Upgrading Equity Investment Fund LLP* (徐州中平協鑫產業升級股權投資基金(有限合夥)) ("**Zhongping GCL**").

Income Tax (Credit)/Expense

Income tax credit for the six months ended 30 June 2024 was approximately RMB192 million, as compared with income tax expenses of approximately RMB1,175 million for the corresponding period in 2023. The changes were mainly due to recognition of deferred tax asset from loss during the period, reversal of withholding tax recorded in previous year and decrease in income tax expenses from solar material business.

Loss Attributable to Owners of the Company

As a result of the above factors, the loss attributable to owners of the Company amounted to approximately RMB1,480 million for the six months ended 30 June 2024 as compared with a profit of approximately RMB5,518 million for the corresponding period in 2023.

Property, Plant and Equipment

Property, plant and equipment increased from approximately RMB34,784 million as at 31 December 2023 to approximately RMB35,459 million as at 30 June 2024. Increase in property, plant and equipment was mainly attributable to capital investment in granular silicon production base and partially offset depreciation charged during the period.

Interests in Associates

Interests in associates increased from approximately RMB5,787 million as at 31 December 2023 to approximately RMB6,881 million as at 30 June 2024. The increase was mainly due to combined effect of new investment made and share of losses of associates during the period.

Interests in associates as at 30 June 2024 mainly consist of the below:

- The Group's 40.29% equity interest in Zhongping GCL of approximately RMB2 billion;
- The Group's 6.2% equity interests in GNE Group of approximately RMB1.1 billion which include perpetual notes classified as financial assets at fair value through other comprehensive income;
- The Group's 47.4% equity interest in Xuzhou Jincai Equity Investment Partnership (Limited Partnership)* (徐州金材股權投資合夥企業 (有限合夥)) ("**Xuzhou Jincai**") of approximately RMB1.1 billion;
- The Group's 6.42% equity interest in Mongolia Zhonghuan GCL of approximately RMB0.8 billion;
- The Group's 49.87% equity interest in Xuzhou Risheng Low Carbon Industry Investment Partnership (Limited Partnership)* (徐州日晟低碳產業投資合夥企業 (有限合夥)) ("**Xuzhou Risheng**") of approximately RMB0.7 billion; and
- The Group's 24.55% equity interest in Jiangsu Xinhua of approximately RMB0.6 billion.

* *English name for identification only*

Trade and Other Receivables

Trade and other receivables decreased from approximately RMB17,901 million as at 31 December 2023 to approximately RMB15,077 million as at 30 June 2024. The decrease was mainly due to decrease of bill receivables during the period.

Trade and Other Payables

Trade and other payables decreased from approximately RMB14,246 million as at 31 December 2023 to approximately RMB11,770 million as at 30 June 2024. The decrease was mainly due to decrease in trade and construction payables, salaries and bonus payables and other payable during the period.

Management Discussion and Analysis (CONTINUED)

Balances with Related Companies

The related companies included associates, joint ventures, other related parties of the group and companies controlled by Mr. Zhu Gongshan and his family members which hold in aggregate approximately 23.81% as at 30 June 2024 of the Company's issued share capital (31 December 2023: approximately 23.80%) and exercise significant influence over the Company.

Amounts due from related companies decreased from approximately RMB5,045 million as at 31 December 2023 to approximately RMB3,962 million as at 30 June 2024. The decrease was mainly due to repayment of dividend receivable from an associate during the period.

Amounts due to related companies decreased from approximately RMB1,361 million as at 31 December 2023 to approximately RMB314 million as at 30 June 2024. The decrease was mainly due to repayment of part of the amounts due to associates during the period.

Liquidity and Financial Resources

As at 30 June 2024, the total assets of the Group were approximately RMB79 billion, of which the aggregate pledged and restricted bank deposits and bank balances and cash amounted to approximately RMB7.8 billion.

For the period ended 30 June 2024, the Group's main source of funding was cash generated from operating and financing activities.

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

	As at 30 June 2024 RMB Million	As at 31 December 2023 RMB Million
Current liabilities		
Bank and other borrowings – due within one year	8,245	5,316
Other financial liabilities	548	525
Lease liabilities – due within one year	92	70
	8,885	5,911
Non-current liabilities		
Bank and other borrowings – due after one year	9,011	9,951
Lease liabilities – due after one year	55	76
	9,066	10,027
Total indebtedness	17,951	15,938
Less: Bank balances and cash and pledged and restricted bank deposits	(7,847)	(9,174)
Net debt	10,104	6,764

Management Discussion and Analysis (CONTINUED)

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

	As at 30 June 2024 RMB million	As at 31 December 2023 RMB million
Secured	11,364	10,795
Unsecured	5,892	4,472
	17,256	15,267

As at 30 June 2024, RMB bank and other borrowings carried floating interest rates with reference to the Benchmark Borrowing Rate of The People's Bank of China. USD bank and other borrowings carried interest rates with reference to the Secured Overnight Financing Rate.

Key Financial Ratios of the Group

	As at 30 June 2024	As at 31 December 2023
Current ratio	1.36	1.57
Quick ratio	1.23	1.44
Net debt to total equity attributable to owners of the Company	24.6%	15.9%

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

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

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



Management Discussion and Analysis (CONTINUED)

Policy Risk

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

Credit Risk

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

In order to minimise the credit risk, the Group reviews the recoverable amount of each individual trade receivables periodically to ensure that adequate expected credit losses are made. Credit risk of sales of electricity is also not significant as most of the revenue is obtained from the local grid companies in various provinces in PRC.

Risk Related to Interest Rate

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

Foreign Currency Risk

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

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

Risk Related to Disputes with Joint Venture Partners

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

Pledge of or Restrictions on Assets

As at 30 June 2024, the following assets were pledged or restricted for certain bank and other borrowings, lease liabilities, issuance of bills, short-term letters of credit for settlement of trade and other payables granted to the Group:

- Property, plant and equipment of approximately RMB6.1 billion (31 December 2023: RMB1.4 billion)
- Right-of-use assets of approximately RMB0.4 billion (31 December 2023: RMB0.2 billion)
- Investment properties of approximately RMB0.4 billion (31 December 2023: RMB0.4 billion)
- Trade and bill receivables of approximately RMB2.9 billion (31 December 2023: RMB3.6 billion)
- Pledged and restricted bank deposits of approximately RMB3.9 billion (31 December 2023: RMB2.2 billion)

In addition, lease liabilities of approximately RMB0.1 billion are recognised with related right-of-use assets of approximately RMB0.1 billion as at 30 June 2024 (31 December 2023: lease liabilities of approximately RMB0.1 billion are recognised with related right-of-use assets of approximately RMB0.1 billion).

Capital and Other Commitments

As at 30 June 2024, the Group's capital commitments in respect of purchase of property, plant and equipment contracted for but not provided amounted to approximately RMB3,017 million (31 December 2023: RMB3,667 million) and other commitments to contribute share capital to investments of approximately RMB628 million (31 December 2023: RMB473 million).

Financial Guarantees Contracts

As at 30 June 2024, the Group did not provide any financial guarantee to its investments at fair value through profit or loss. As at 31 December 2023, the Group provided guarantees to its investments at fair value through profit or loss for certain of their bank and other borrowings in proportion to the Group's interest in those investments with amount of approximately RMB71 million.

As at 30 June 2024, the Group provided a total guarantee with maximum amount of approximately RMB1,600 million, of which the loan balances amounted to approximately RMB358 million (31 December 2023: RMB2,500 million, of which the loan balances amounted to approximately RMB846 million) to several banks and financial institutions in respect of banking and other facilities of a subsidiary of an associate of the Group. All the relevant loans have been fully repaid after the period.



Management Discussion and Analysis (CONTINUED)

Contingent Liability

As at 30 June 2024 and 31 December 2023, the Group and the Company did not have any significant contingent liabilities.

Material Acquisitions and Disposals

Save as disclosed elsewhere in this interim report, there were no other significant acquisitions during the six months ended 30 June 2024, or plans for material acquisitions as at the date of this interim report, nor were there other material acquisitions and disposals of subsidiaries during the six months ended 30 June 2024.

Significant Events and Business Development after Reporting Period

The Group has no significant events and business development after reporting period.

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

Employees

We consider our employees to be our most important resource. As at 30 June 2024, the Group had approximately 11,259 in 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 including but not limited to discretionary bonuses, with share options or share awards granted to eligible employees. Total staff costs (including Directors' emoluments, retirements benefits scheme contributions and share options scheme and share award scheme expenses) for the six months ended 30 June 2024 was approximately RMB969 million.

Dividend

The Board did not recommend an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

Report on Review of Unaudited Condensed Interim Consolidated Financial Statements



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

TO THE BOARD OF DIRECTORS OF GCL TECHNOLOGY HOLDINGS LIMITED

協鑫科技控股有限公司

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the unaudited condensed interim consolidated financial statements of GCL Technology Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 23 to 82, which comprise the unaudited condensed consolidated statement of financial position as of 30 June 2024 and the related unaudited condensed consolidated statement of profit or loss and other comprehensive income, the unaudited condensed consolidated statement of changes in equity and unaudited condensed consolidated statement of cash flows for the six-month period then ended, and notes to the unaudited condensed interim consolidated financial statements, including material accounting policy information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of the unaudited condensed interim consolidated financial statements in accordance with IAS 34.

Our responsibility is to express a conclusion on the unaudited condensed interim consolidated financial statements, based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). A review of the unaudited condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the unaudited condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Crowe (HK) CPA Limited

Certified Public Accountants

Hong Kong, 29 August 2024

Chan Wai Dune, Charles

Practising Certificate Number P00712

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

For the six months ended 30 June 2024

	NOTES	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Revenue	4	8,862,876	20,945,903
Cost of sales and services rendered		(9,415,523)	(12,167,969)
Gross (loss) profit		(552,647)	8,777,934
Other income	5	488,812	507,313
Distribution and selling expenses		(132,037)	(122,545)
Administrative expenses		(682,758)	(1,138,476)
Finance costs	6	(304,854)	(215,283)
Impairment losses (recognised) reversed under expected credit loss model, net	17	(196,474)	979
Other expenses, gains and losses, net	7	(742,865)	(1,428,880)
Share of (losses) profits of associates		(93,160)	1,037,046
Share of profits of joint ventures		2,683	2,182
(Loss) profit before tax		(2,213,300)	7,420,270
Income tax credit (expense)	8	191,885	(1,175,135)
(Loss) profit for the period	9	(2,021,415)	6,245,135
Other comprehensive (expense) income for the period:			
<i>Items that will not be reclassified to profit or loss:</i>			
Fair value loss on investments in equity instruments at fair value through other comprehensive income		(21,465)	(146,229)
Share of other comprehensive (expense) income of associates		(16,104)	26,177
		(37,569)	(120,052)

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

For the six months ended 30 June 2024

	NOTES	Six months ended 30 June	
		2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of foreign operations		30	16,590
Share of other comprehensive income of an associate		(113)	1,067
Reclassification of exchange differences upon deemed partial disposal of an associate		6	—
		(77)	17,657
Other comprehensive expense for the period		(37,646)	(102,395)
Total comprehensive (expense) income for the period		(2,059,061)	6,142,740
(Loss) profit for the period attributable to:			
Owners of the Company		(1,479,603)	5,518,278
Non-controlling interests		(541,812)	726,857
		(2,021,415)	6,245,135
Total comprehensive (expense) income for the period attributable to:			
Owners of the Company		(1,517,249)	5,415,883
Non-controlling interests		(541,812)	726,857
		(2,059,061)	6,142,740
(Loss) earnings per share			
	11	RMB cents	RMB cents
– Basic		(5.60)	20.79
– Diluted		(5.60)	20.75

Unaudited Condensed Consolidated Statement of Financial Position

As at 30 June 2024

	NOTES	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	12	35,459,265	34,783,732
Right-of-use assets	12	1,525,708	1,541,452
Investment properties		350,689	365,352
Intangible assets		99,560	116,432
Interests in associates	13	6,881,031	5,786,822
Interests in joint ventures	14	151,249	149,234
Investments at fair value through profit or loss	15	927,592	844,203
Equity instruments at fair value through other comprehensive income	15	430,141	441,347
Deferred tax assets		874,186	597,888
Deposits and other receivables	16	925,713	1,250,104
Amount due from a related company – non-trade related	18	2,087,240	2,169,172
Pledged and restricted bank deposits		19,925	31,154
		49,732,299	48,076,892
CURRENT ASSETS			
Inventories	20	2,700,077	2,884,246
Trade and other receivables	16	15,077,098	17,901,265
Amounts due from related companies – trade related	18	414,625	314,296
Amounts due from related companies – non-trade related	18	1,459,989	2,561,670
Investments at fair value through profit or loss	15	1,696,118	1,693,521
Held for trading investments		406	2,686
Tax recoverable		94,981	190,317
Pledged and restricted bank deposits		3,841,418	2,321,951
Bank balances and cash		3,985,280	6,821,328
		29,269,992	34,691,280

Unaudited Condensed Consolidated Statement of Financial Position (CONTINUED)

As at 30 June 2024

	NOTES	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
CURRENT LIABILITIES			
Trade and other payables	21	11,769,626	14,246,371
Amounts due to related companies – trade related	19	298,619	682,140
Amounts due to related companies – non-trade related	19	15,866	679,094
Contract liabilities		460,716	525,528
Bank and other borrowings – due within one year	22	8,244,569	5,315,936
Lease liabilities – due within one year		91,912	70,493
Other financial liabilities	23	547,834	525,695
Derivative financial instruments	23	62,342	15,972
Deferred income		24,220	28,557
Tax payables		52,355	49,140
		21,568,059	22,138,926
NET CURRENT ASSETS			
		7,701,933	12,552,354
TOTAL ASSETS LESS CURRENT LIABILITIES			
		57,434,232	60,629,246
NON-CURRENT LIABILITIES			
Contract liabilities		43,693	221,237
Bank and other borrowings – due after one year	22	9,011,335	9,951,069
Lease liabilities – due after one year		55,246	75,878
Deferred income		64,001	51,382
Deferred tax liabilities		1,879,540	2,011,971
		11,053,815	12,311,537
NET ASSETS			
		46,380,417	48,317,709

Unaudited Condensed Consolidated Statement of Financial Position (CONTINUED)

As at 30 June 2024

	NOTES	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
CAPITAL AND RESERVES			
Share capital	24	2,342,638	2,344,280
Reserves		38,797,756	40,242,736
Equity attributable to owners of the Company		41,140,394	42,587,016
Non-controlling interests		5,240,023	5,730,693
TOTAL EQUITY		46,380,417	48,317,709

The unaudited condensed interim consolidated financial statements on pages 23 to 82 were approved and authorised for issue by the board of directors on 29 August 2024 and are signed on its behalf by:

Zhu Gongshan
DIRECTOR

Yeung Man Chung, Charles
DIRECTOR

Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	(Unaudited)																
	Attributable to owners of the Company																
	Shares held																
	Share capital	Share premium	Treasury share	Share award reserve	Share for share award scheme	Capital redemption reserve	Investments revaluation reserve	Other reserve	Capital reserve	Statutory reserve funds	Special reserves	Share options reserve	Translation reserve	Accumulated profits	Sub-total	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	2,344,280	15,321,376	—	280,590	(64,775)	37,811	(977,577)	(1,222,352)	67,251	4,106,813	(2,373,201)	53,651	11,214	25,561,935	42,587,016	5,730,693	48,317,709
Exchange differences arising from translation of financial statements of foreign operations	—	—	—	—	—	—	—	—	—	—	—	—	30	—	30	—	30
Reclassification of exchange differences upon deemed partial disposal of an associate	—	—	—	—	—	—	—	—	—	—	—	—	6	—	6	—	6
Fair value loss on investments in equity instruments at FVOCI	—	—	—	—	—	—	(21,465)	—	—	—	—	—	—	—	(21,465)	—	(21,465)
Share of other comprehensive expense of associates	—	—	—	—	—	—	(16,104)	—	—	—	—	—	(113)	—	(16,217)	—	(16,217)
Loss for the period	—	—	—	—	—	—	—	—	—	—	—	—	—	(1,479,603)	(1,479,603)	(541,812)	(2,021,415)
Total comprehensive expense for the period	—	—	—	—	—	—	(37,569)	—	—	—	—	—	(77)	(1,479,603)	(1,517,249)	(541,812)	(2,059,061)
Equity settled share-based payments (note 26)	—	—	—	49,294	—	—	—	—	—	—	—	—	—	—	49,294	—	49,294
Equity settled share-based payments recognised by a subsidiary (note 26(iii))	—	—	—	—	—	—	—	4,730	—	—	—	(3,298)	—	—	4,730	5,196	9,926
Forfeitures of share options	—	—	—	—	—	—	—	—	—	—	—	—	—	3,298	—	—	—
Forfeitures of share options of an associate	—	—	—	—	—	—	—	—	—	—	—	—	—	16	16	—	16
Repurchase of shares	—	—	(21,679)	—	—	—	—	—	—	—	—	—	—	—	(21,679)	—	(21,679)
Repurchase of shares	—	—	21,679	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Cancellation of shares	(1,642)	(20,037)	—	—	—	1,642	—	—	—	—	—	—	—	(1,642)	—	—	—
Conversion of convertible bond to a non-controlling shareholder of a subsidiary (note 21(ii))	—	—	—	—	—	—	—	5,652	—	—	32,614	—	—	—	38,266	45,946	84,212
Transfer to reserves	—	—	—	—	—	—	—	—	—	19,999	—	—	—	(19,999)	—	—	—
At 30 June 2024	2,342,638	15,301,339	—	329,884	(64,775)	39,453	(1,015,146)	(1,211,970)	67,251	4,126,812	(2,340,387)	50,355	11,137	24,064,005	41,140,394	5,240,023	46,380,417

Unaudited Condensed Consolidated Statement of Changes in Equity (CONTINUED)

For the six months ended 30 June 2024

	(Unaudited)																
	Attributable to owners of the Company																
	Shares held																
	Share capital	Share premium	Treasury share	Share award reserve	Share for state award scheme	Capital redemption reserve	Investments revaluation reserve	Other reserve	Capital reserve	Statutory reserve funds	Special reserves	Share options reserve	Transition reserve	Accumulated profits	Sub-total	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	2,339,838	15,544,401	(51,971)	185,068	(676,107)	22,202	69,610	(1,133,192)	67,251	3,476,041	(2,333,893)	57,986	4,540	25,096,500	42,682,274	2,872,637	45,554,911
Exchange differences arising from transition of financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	16,590	-	16,590	-	16,590
Fair value loss on investments in equity instruments at FVOCI	-	-	-	-	-	-	(146,229)	-	-	-	-	-	-	-	(146,229)	-	(146,229)
Share of other comprehensive income of associates	-	-	-	-	-	-	26,177	-	-	-	-	-	1,067	-	27,244	-	27,244
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	5,518,278	5,518,278	726,857	6,245,135
Total comprehensive income/expense for the period	-	-	-	-	-	-	(120,052)	-	-	-	-	-	17,657	5,518,278	5,415,883	726,857	6,142,740
Equity settled share-based payments (note 26)	-	-	-	84,127	-	-	-	-	-	-	-	-	-	-	84,127	-	84,127
Exercise of share options	14	362	-	-	-	-	-	-	-	-	-	(218)	-	-	158	-	198
Forfeitures of share options	-	-	-	-	-	-	-	-	-	-	-	(726)	-	726	-	-	-
Forfeitures of share options of an associate	-	-	-	-	-	-	-	-	-	-	-	-	-	684	684	-	684
Cancellation of shares	(2,906)	(55,065)	51,971	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vesting of shares of share award scheme	-	-	(57,279)	-	51,332	-	-	-	-	-	-	-	-	38,880	32,933	-	32,933
Repurchase of shares	-	-	(118,838)	-	-	-	-	-	-	-	-	-	-	(118,838)	(118,838)	-	(118,838)
Dividends paid (note 10)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,439,723)	(1,439,723)	-	(1,439,723)
Increase in the Group's interest in a subsidiary upon change in capital structure of a subsidiary (note 28)	-	-	-	-	-	-	-	(100,260)	-	-	(13,956)	-	-	-	(114,216)	114,216	-
Deemed disposal of partial interests in subsidiaries through newly-increased registered capital (note 29)	-	-	-	-	-	-	-	-	-	-	(9,259)	-	-	-	(9,259)	1,916,161	1,906,902
Transfer to reserves	-	-	-	-	-	-	-	-	-	539,129	-	-	-	(539,129)	-	-	-
At 30 June 2023	2,336,946	15,489,698	(118,838)	211,916	(624,775)	22,202	(50,442)	(1,233,452)	67,251	4,005,170	(2,357,108)	57,042	22,197	28,686,216	46,534,023	5,629,871	52,163,894

Unaudited Condensed Consolidated Statement of Changes in Equity (CONTINUED)

For the six months ended 30 June 2024

Notes:

- (i) Treasury shares represent the amounts paid by the Group for repurchases of the equity instruments of the Company. During the year ended 31 December 2023 and six months ended 30 June 2024, 138,500,000 and 18,112,000, respectively, ordinary shares of the Company were repurchased by the Group at an aggregate consideration of approximately RMB182,010,000 and RMB21,679,000, respectively which were recognised in equity as treasury shares. During the year ended 31 December 2023 and six months ended 30 June 2024, 170,125,000 and 18,112,000, respectively, ordinary shares have been cancelled.
- (ii) Share options reserve and share award reserve comprise the portion of the grant date fair value of unexercised share options and award shares granted to directors of the Company and employees of the Group and others providing similar services that have been recognised in accordance with the accounting policy adopted for share-based compensation benefits.
- (iii) During 2017, 2018 and 2022, the Company paid in total of approximately RMB676,107,000 to a trustee ("Trustee") to purchase 524,498,888 shares of the Company in the market pursuant to the Share Award Scheme (the "Scheme") established on 16 January 2017 ("Adoption Date") by the board of directors of the Company (the "Board"). Up to 31 December 2023, 39,820,000 shares were vested and transferred to the Award Grantees (as defined in note 26(II)) under the Scheme. As at 30 June 2024, all the remaining 484,678,888 shares were held by the Trustee. More details are set out in note 26(II).
- (iv) Capital redemption reserve represents the par value of shares repurchased by the Company pursuant to section 37 of the Cayman Islands Companies Law.
- (v) Other reserve represents the equity (other than share capital) attributable to owners of the Company prior to the reverse acquisition, including share premium, capital reserve, contribution from a shareholder, other reserve, share options reserve, revaluation reserve and deficit. As the Company was accounted for as reverse acquisition by Universe Solar Energy Holdings Inc (formerly known as GCL Solar Energy Technology Holdings Inc). ("Solar Energy") in 2009, such reserves attributable to owners of the Company were reclassified to other reserve upon the completion of the reverse acquisition.

Upon disposal of the non-solar power business in 2015, portion of the amount was realised and transferred to the share premium, share options reserve and accumulated profits of the Group.

Moreover, other reserve includes (i) the initial recognition of put options granted to non-controlling interests by subsidiaries and (ii) the portion attributable to the owners of the Company in relation to the equity settled share-based payments recognised by a subsidiary.
- (vi) Capital reserve represents the amount of contribution from former immediate holding company of Solar Energy of United States dollars ("US\$") 15,009,000 (equivalent to RMB126,029,000) net of the 500,000 ordinary shares of Solar Energy repurchased for a consideration of US\$7,000,000 (equivalent to RMB58,778,000) and cancelled prior to 2009.
- (vii) Pursuant to the relevant laws in the People's Republic of China (the "PRC"), each of the subsidiaries established in the PRC is required to transfer 5%-10% of its profit after tax as per statutory financial statements (as determined by the management of the subsidiary) to the reserve funds (including the general reserve fund and enterprise development fund where appropriate). The general reserve fund is discretionary when the fund balance reaches 50% of the registered capital of the respective company and can be used to make up for previous years' losses or, expand the existing operations or can be converted into additional capital of the subsidiary. The enterprise development fund can only be used for development and is not available for distribution to shareholder.
- (viii) Special reserves represent (i) the difference between the consideration to acquire additional interests in subsidiaries and the respective share of the carrying amounts of the net assets acquired; (ii) the difference by which the non-controlling interests were adjusted and the fair value of consideration received in relation to the disposal of partial interest of a subsidiary and (iii) change of interests in existing subsidiaries arising from restructuring.

Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	2024 RMB'000	2023 RMB'000
NET CASH USED IN OPERATING ACTIVITIES	(3,799,337)	(4,466,664)
INVESTING ACTIVITIES		
Interest received	129,495	190,663
Proceeds from disposal of property, plant and equipment	—	6,848
Payments for construction and purchase of property, plant and equipment	(2,467,154)	(4,402,376)
Investments in associates	(1,239,952)	(315,000)
Dividend received from associates	1,097,128	451,121
Dividend received from joint ventures	—	11,357
Addition of investments at fair value through profit or loss ("FVTPL")	(2,308,924)	(504,661)
Proceeds from disposal of investments at FVTPL	2,248,284	—
Proceeds from disposal of held for trading investments	5,165	—
Withdrawal of pledged and restricted bank deposits	3,927,858	3,808,659
Placement of pledged and restricted bank deposits	(5,436,096)	(4,880,028)
Advances to related companies	—	(135,610)
Short-term loan to a third party	—	(1,600,000)
Repayment of short-term loan from a third party	490,000	1,600,000
Addition of note receivables	—	(167,263)
Proceeds received on maturity of note receivables	14,520	—
NET CASH USED IN INVESTING ACTIVITIES	(3,539,676)	(5,936,290)

Unaudited Condensed Consolidated Statement of Cash Flows (CONTINUED)

For the six months ended 30 June 2024

	2024 RMB'000	2023 RMB'000
FINANCING ACTIVITIES		
Interest paid	(554,721)	(304,906)
New bank and other borrowings raised	7,431,855	12,536,940
Repayment of bank and other borrowings	(1,851,753)	(757,514)
Payment of lease liabilities	(67,199)	(76,036)
Advances from related companies	—	13,393
Repayment to related companies	(436,619)	(485,503)
Contribution from non-controlling interests	—	2,257,000
Dividends paid to the owners of the Company	—	(1,439,723)
Proceeds from exercise of share options	—	158
Proceeds from vesting of shares of share award scheme	—	32,933
Repurchase of shares of the Company	(21,679)	(118,838)
NET CASH GENERATED FROM FINANCING ACTIVITIES	4,499,884	11,657,904
Net (decrease)/increase in cash and cash equivalents	(2,839,129)	1,254,950
Cash and cash equivalents at 1 January, represents		
Bank balances and cash	6,821,328	6,635,646
Effect of exchange rate changes on balances of bank balances and cash held in foreign currencies	3,081	16,134
Cash and cash equivalents at 30 June, represents		
Bank balances and cash	3,985,280	7,906,730

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2024

1. BASIS OF PREPARATION

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION

The unaudited condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Except as described in note 3, the accounting policies and methods of computation used in the unaudited condensed interim consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group's consolidated financial statements for the year ended 31 December 2023, which have been prepared in accordance with IFRSs.

3. APPLICATION OF AMENDMENTS TO IFRS STANDARDS

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

Amendments to IAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback

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

3. APPLICATION OF AMENDMENTS TO IFRS STANDARDS (Continued)

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

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

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that:
 - (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and
 - (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date; covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.
- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying IAS 32 *Financial Instruments: Presentation* ("IAS 32").

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

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

Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements

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

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the application of the amendments has no impact on the condensed interim consolidated financial statements for the current period.

3. APPLICATION OF AMENDMENTS TO IFRS STANDARDS (Continued)

Amendments to IFRS 16 Lease Liability in a Sale and Leaseback

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

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

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

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

4. REVENUE AND SEGMENT INFORMATION

Information reported to the Executive Directors of the Company, being collectively the chief operating decision maker (“CODM”), for the purposes of resources allocation and assessment of segment performance focuses on types of goods delivered or services provided.

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

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

- Solar material business – mainly manufactures and sales of polysilicon and wafer products to companies operating in the solar industry.
- Solar farm business – operates solar farms located in the United States of America (the “USA”) and the PRC.

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

For the six months ended 30 June 2024

4. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenue and results

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

Six months ended 30 June 2024

	Solar material business RMB'000 (Unaudited)	Solar farm business RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue from external customers	8,767,542	95,334	8,862,876
Segment (loss) profit	(2,026,865)	12,325	(2,014,540)
Unallocated income			29,548
Unallocated expenses			(16,760)
Gain on fair value change of investments at FVTPL			29,238
Gain on fair value change of held for trading investments			104
Share of losses of an associate			(26,880)
Share of profits of joint ventures			292
Impairment losses recognised under expected credit loss model, net			(6,297)
Gain on disposal of held for trading investments			2,781
Loss on deemed partial disposal of an associate			(18,901)
Loss for the period			(2,021,415)

4. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

Six months ended 30 June 2023

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

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

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

For the six months ended 30 June 2024

4. REVENUE AND SEGMENT INFORMATION (Continued)

Segment assets and liabilities

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

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Segment assets		
Solar material business	75,064,307	78,875,420
Solar farm business	1,831,554	1,873,437
Total segment assets	76,895,861	80,748,857
Investments at FVTPL	1,035,187	692,442
Equity instrument at fair value through other comprehensive income ("FVTOCI")	9,575	20,781
Held for trading investments	406	2,686
Interest in an associate	114,636	160,507
Interests in joint ventures	123,577	123,285
Unallocated bank balances and cash	517,287	694,737
Unallocated corporate assets	305,762	324,877
Consolidated assets	79,002,291	82,768,172
Segment liabilities		
Solar material business	32,041,077	33,766,895
Solar farm business	558,505	598,304
Total segment liabilities	32,599,582	34,365,199
Unallocated corporate liabilities	22,292	85,264
Consolidated liabilities	32,621,874	34,450,463

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

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

4. REVENUE AND SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

- All liabilities are allocated to operating segments, other than unallocated corporate liabilities of the management companies and investment holding companies; and

Disaggregation of revenue

Six months ended 30 June 2024

Segments	Solar material business RMB'000 (Unaudited)	Solar farm business RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Types of goods or services			
Sales of wafer	2,342,084	—	2,342,084
Sales of electricity	—	95,334	95,334
Sales of polysilicon	4,861,805	—	4,861,805
Processing fees	283,629	—	283,629
Others (comprising the sales of ingots and industrial silicon)	1,280,024	—	1,280,024
Total	8,767,542	95,334	8,862,876
Geographic markets			
The PRC	8,737,304	74,380	8,811,684
Others	30,238	20,954	51,192
Total	8,767,542	95,334	8,862,876
Timing of revenue recognition			
A point in time	8,483,913	95,334	8,579,247
Over time	283,629	—	283,629
Total	8,767,542	95,334	8,862,876

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

For the six months ended 30 June 2024

4. REVENUE AND SEGMENT INFORMATION (Continued)

Disaggregation of revenue (Continued)

Six months ended 30 June 2023

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

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

For the six months ended 30 June 2024

5. OTHER INCOME

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Government grants (Note)	98,088	43,408
Bank and other interest income	132,602	125,399
Sales of scrap materials	178,123	237,538
Management and consultancy fee income	3,587	7,110
Rental and rental related income	27,303	66,937
Write-back of other payables	8,697	4,492
Compensation income	32,309	8,528
Guarantee fee income (Note 31)	6,005	8,850
Others	2,098	5,051
	488,812	507,313

Notes:

The government grants mainly represent incentive subsidies received from the relevant PRC government for improvement of working capital and financial assistance to the operating activities to enhance the competitiveness in the industry. The amount also includes grants for relevant expenses incurred such as those for research and development activities and interest subsidies. The subsidies were granted on a discretionary basis during the reporting period.

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

For the six months ended 30 June 2024

6. FINANCE COSTS

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Interest on financial liabilities at amortised cost		
— bank and other borrowings	294,814	186,614
— loans from related companies	81	35,519
— other financial liabilities	22,139	23,655
Interest on lease liabilities	5,437	4,220
Total borrowing costs	322,471	250,008
Less: interest capitalised	(17,617)	(34,725)
	304,854	215,283

Interest expenses capitalised on qualifying assets represent the amount of interest bearing debts which is directly attributable to the acquisition of property, plant and equipment and was capitalised as the cost of property, plant and equipment.

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

For the six months ended 30 June 2024

7. OTHER EXPENSES, GAINS AND LOSSES, NET

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Research and development costs	718,314	901,984
Exchange gain, net	(3,612)	(14,999)
Gain on fair value change of convertible bond payable (note 21(b))	—	(4,204)
Gain on fair value change of investments at FVTPL	(40,211)	(35,350)
(Gain) loss on fair value change of held for trading investments	(104)	1,193
Loss (gain) on fair value change of derivative financial instruments (note 23)	46,370	(33,946)
Impairment loss on property, plant and equipment (note 12)	—	801,906
Loss (gain) on disposal of property, plant and equipment	5,988	(4,735)
Gain on disposal of held for trading investments	(2,781)	—
Loss (gain) on deemed partial disposal of associates	18,901	(182,969)
	742,865	1,428,880

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

For the six months ended 30 June 2024

8. INCOME TAX (CREDIT) EXPENSE

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
PRC Enterprise Income Tax ("EIT")		
Current tax	19,905	795,958
Underprovision (overprovision) in prior periods	12,068	(52,018)
PRC dividend withholding tax	—	30,000
	31,973	773,940
USA Federal and State Income Tax		
Overprovision in prior periods	—	(6)
Deferred tax	(223,858)	401,201
	(191,885)	1,175,135

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

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

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

8. INCOME TAX (CREDIT) EXPENSE (Continued)

Federal and state income tax rates in the USA are calculated at 21% and 8.84%, respectively, for both periods. No provision for federal and state income tax in the USA is made for as the Group did not have estimated assessable profits arising in the USA for both periods.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods. No provision for Hong Kong Profits Tax is made for as the Group did not have estimated assessable profits arising in Hong Kong for both periods.

The Group's subsidiaries, associates and joint ventures that are tax residents in the PRC are subject to the PRC dividend withholding tax of 5% or 10% for those non-PRC resident immediate holding companies registered in Hong Kong and the British Virgin Islands, respectively, when and if undistributed earnings are declared to be paid as dividends out of profits that arose on or after 1 January 2008. Net deferred tax credit of approximately RMB52,522,000 (six months ended 30 June 2023: Net deferred tax expense of RMB260,446,000) in respect of withholding tax on undistributed profits was credited (six months ended 30 June 2023: debited) to profit or loss during the reporting period.

9. (LOSS) PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
(Loss) profit for the period has been arrived at after charging (crediting) the following items:		
Depreciation of property, plant and equipment	1,902,070	1,690,861
Depreciation of right-of-use assets	78,212	88,240
Depreciation of investment properties	14,663	9,307
Amortisation of intangible assets	16,872	17,013
Total depreciation and amortisation	2,011,817	1,805,421
(Less) add: amounts absorbed in opening and closing inventories, net	(14,978)	17,746
	1,996,839	1,823,167
Write-down of inventories, net (note 20)	824,956	144,678

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

For the six months ended 30 June 2024

10. DIVIDENDS

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the period of nil (2023: HK6.0 cents) per ordinary share	—	1,439,723

The board of directors of the Company (the "Board") did not recommend an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: RMB Nil).

11. (LOSS) EARNINGS PER SHARE

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

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
(Loss) earnings		
(Loss) earnings for the purpose of basic and diluted (loss) earnings per share ((loss) profit for the period attributable to owners of the Company)	(1,479,603)	5,518,278

	Six months ended 30 June	
	2024 '000 (Unaudited)	2023 '000 (Unaudited)
Weighted average number of ordinary shares		
Issued ordinary shares at 1 January	26,938,931	27,108,498
Effect of shares held by the Group under the Scheme (as defined in note 26(II))	(484,679)	(520,319)
Effect of treasury shares	(9,653)	(42,804)
Effect of share options exercised	—	2
Weighted average number of ordinary shares at 30 June	26,444,599	26,545,377

11. (LOSS) EARNINGS PER SHARE (Continued)

	Six months ended 30 June	
	2024 '000 (Unaudited)	2023 '000 (Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	26,444,599	26,545,377
Effect of dilutive potential ordinary shares		
— Share options	—	14,989
— Share awards scheme	—	32,441
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share	26,444,599	26,592,807

For the six months ended 30 June 2024 and 2023, the weighted average number of ordinary shares for the purpose of calculation of basic (loss) earnings per share had been adjusted for (i) the effect of the ordinary shares held by the Trustee pursuant to the Scheme, (ii) the effects of the treasury shares purchased by the Group from market for cancellation and (iii) the effect of share options exercised.

Diluted loss per share for the six months ended 30 June 2024 did not assume the exercise of share options and award shares granted by the Company, since the exercise would decrease the loss per share for the six months ended 30 June 2024.

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

Diluted (loss) earnings per share for the six months ended 30 June 2024 and 2023 did not assume the exercise of share options granted by an associate since the exercise would result in decrease in loss or increase in earnings per share for the six months ended 30 June 2024 and 2023.

In addition, the convertible bond issued and put options granted by a subsidiary to non-controlling shareholders of this subsidiary have either anti-dilutive effect or insignificant dilutive effect on the (loss) earnings per share for the six months ended 30 June 2024 and 2023.

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

For the six months ended 30 June 2024

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

During the six months ended 30 June 2024, the addition on improvement and construction of production facilities to enhance the wafer and polysilicon production efficiency amounted to approximately RMB2,582 million (six months ended 30 June 2023: RMB6,923 million).

During the reporting period, the Group entered into several new lease agreements with lease terms ranging from 1 to 5 years. On lease commencement, the Group recognised right-of-use assets of approximately RMB62 million (six months ended 30 June 2023: RMB24 million) and lease liabilities of approximately RMB62 million (six months ended 30 June 2023: RMB24 million).

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

During the six months ended 30 June 2024, as a result of significant drop in average selling prices of polysilicon and wafer, the Board reviewed the value in use of property, plant and equipment and right-of-use assets with reference to the valuation report of an independent valuer. Such estimation is based on past performance and management's expectations for the market. In the opinion of the Board, the value in use of property, plant and equipment and right-of-use assets in relation to the production of polysilicon and wafer is higher than the carrying amount. As a result, no impairment loss is recognised for the six months ended 30 June 2024.

13. INTERESTS IN ASSOCIATES

Same as disclosed in the Company's 2023 annual report, there was no material change for the six months ended 30 June 2024, except for:

During the six months ended 30 June 2024, GCL New Energy Holdings Limited ("GNE") completed a placing of an aggregate of 233,487,154 shares at HK\$0.26 per share, raising net proceeds of HK\$59.7 million. After completion of the shares placement, the Group's interest in GNE decreased from 7.44% to 6.2%. A loss on deemed partial disposal of RMB18,901,000 was recognised in the profit or loss.

During the six months ended 30 June 2024, the Group entered into agreements with two independent third parties to acquire their 47.37% equity interest in Xuzhou Jincai Equity Investment Partnership (Limited Partnership)* (徐州金材股權投資合夥企業) ("Xuzhou Jincai") at a total consideration of RMB1,091,052,000. The Board considered that the Group can exercise significant influence over Xuzhou Jincai and the investment is therefore classified as an associate of the Group.

* English name for identification only

14. INTERESTS IN JOINT VENTURES

Same as disclosed in the Company's 2023 annual report, there was no material change for the six months ended 30 June 2024.

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

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Current assets		
Other financial assets at FVTPL:		
Unlisted investments (Note a)	1,696,118	1,693,521
Non-current assets		
Other financial assets at FVTPL:		
Unlisted investments (Note b)	176,054	176,079
Unlisted equity investments (Note c)	751,538	668,124
	927,592	844,203
Equity instruments at FVTOCI:		
Listed and unlisted equity investments (Note d)	430,141	441,347

Notes:

- (a) The unlisted investments represent the financial products issued by financial institutions and banks in Hong Kong and the PRC. The Board considers the fair values of the unlisted investments, which are based on the prices provided by the financial institutions and banks, that is the prices they would pay to redeem the financial products at the end of the reporting period, approximate to their carrying value.
- (b) The Group invested in the form of interests as limited partners in certain private entities, which held a portfolio of unlisted investments. The primary objective of the investments is to earn income for capital gain. Pursuant to investment agreements, the beneficial interests held by the Group in these unlisted investments are in the form of participating shares or interests which primarily provide the Group with the share of returns from the unlisted investments but not any decision making power nor any voting right to involve in and control the daily operation. The unlisted investments are made up of private entities incorporated in the PRC and liquid financial assets.

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

For the six months ended 30 June 2024

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

Notes: (Continued)

- (c) The unlisted equity investments mainly represents the investments in unlisted equity instruments issued by private entities established in the PRC and Hong Kong.
- (d) As at 30 June 2024, the amount of RMB9,575,000 (31 December 2023: RMB20,781,000) represents the equity interests in Lithium America (Argentina) Corp and Lithium America Corp (“Lithium America”), whose shares are listed on TSX Venture Exchange in Canada.

During the year ended 31 December 2023, the Group acquired 2.54% equity interest in a private entity established in the PRC with a consideration of RMB420,566,000. As at 30 June 2024 and 31 December 2023, the fair value of the unlisted equity investment in this private entity was RMB420,566,000 and RMB420,566,000, respectively.

These investments are not held for trading; instead, they are held for long-term strategic purpose. The Board has elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments’ fair value in profit or loss would not be consistent with the Group’s strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

16. DEPOSITS AND OTHER RECEIVABLES/TRADE AND OTHER RECEIVABLES

Deposits and other receivables

	As at 30 June 2024 RMB’000 (Unaudited)	As at 31 December 2023 RMB’000 (Audited)
Deposits for acquisitions of property, plant and equipment	905,769	1,230,160
Consideration receivables	19,944	19,944
	925,713	1,250,104

16. DEPOSITS AND OTHER RECEIVABLES/TRADE AND OTHER RECEIVABLES (Continued)

Trade and other receivables

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Trade and bill receivables (Note a)		
— Bill receivables	7,906,130	10,463,808
— Trade receivables	1,338,879	1,337,025
	9,245,009	11,800,833
Other receivables:		
— Refundable value-added tax	1,989,579	2,038,106
— Prepayments	1,723,532	1,365,627
— Amounts due from former subsidiaries (Note b)	42,490	42,490
— Short-term loan to a third party (Note c)	1,110,000	1,600,000
— Note receivables (Note d)	164,742	176,345
— Others	1,207,408	1,218,095
	15,482,760	18,241,496
Less: allowance for credit loss		
— Trade	(66,077)	(60,977)
— Non Trade	(339,585)	(279,254)
	15,077,098	17,901,265

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

For the six months ended 30 June 2024

16. DEPOSITS, AND OTHER RECEIVABLES/TRADE AND OTHER RECEIVABLES (Continued)

Trade and other receivables (Continued)

Notes:

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

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

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Within 3 months	541,974	683,150
3 to 6 months	64,451	72,281
Over 6 months	72,369	415
	678,794	755,846

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

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

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Unbilled (Note)	587,746	517,847
Within 3 months	6,262	2,355
	594,008	520,202

16. DEPOSITS, AND OTHER RECEIVABLES/TRADE AND OTHER RECEIVABLES (Continued)

Trade and other receivables (Continued)

Notes: (Continued)

As at 30 June 2024, trade receivables include bills received amounting to approximately RMB7,906,130,000 (31 December 2023: RMB10,463,808,000) were held by the Group for future settlement of trade receivables, of which certain bills were further discounted/endorsed by Group. The Group continued to recognise their full carrying amount at the end of the reporting periods. All bills received by the Group are with a maturity period of less than one year.

The Board closely monitors the credit quality of trade and other receivables and considered the trade and other receivables, which are of a good credit quality in view of the good historical repayment record.

As at 30 June 2024, included in the trade receivables were debtors with aggregate carrying amount of approximately RMB473,500,000 (31 December 2023: RMB340,311,000) which was past due as at the end of the reporting period. These trade receivables related to a number of customers for whom there is no recent history of default.

The Group does not hold any collaterals over all balances.

Note: Amount represents unbilled basic tariff receivables for solar power plants operated by the Group, and tariff adjustment receivables of those solar power plants already registered in the Renewable Energy Tariff Subsidy List (可再生能源發電補助項目清單) announced by the state-owned grid companies.

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

In June 2023, the Borrower fully repaid the 2022 Loan to the Group. The Group, the PRC banks and two government related entities ("the Borrowers") entered into two new entrusted loan agreements pursuant to which the Group agreed to lend short-term loans through the PRC banks to the Borrowers for an aggregate amount of RMB1.6 billion ("2023 Loan"). The amounts were non-trade in nature, secured by the equity-interest in a state-owned company, interest bearing of 5.88% per annum, and the amounts were fully repaid on 29 December 2023.

In December 2023, the Group, the PRC banks and the Borrowers entered into two entrusted loan agreements pursuant to which the Group agreed to lend short-term loans through the PRC banks to the Borrowers for an aggregate amount of RMB1.6 billion. The amounts are non-trade in nature, secured by the equity-interest in a state-owned company, interest bearing of 5.88% per annum, and to be repaid on 27 December 2024.

During the six months ended 30 June 2024, part of the above short-term loan of RMB0.49 billion was early repaid by the borrower to the Group.

- (d) The amount represents the notes issued by a borrower. As at 30 June 2024 and 31 December 2023, the amount is non-trade in nature, unsecured, interest bearing of 8% per annum, and to be matured within one year from the dates of subscription.

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

For the six months ended 30 June 2024

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

The basis of determining the inputs and assumptions and the estimation techniques used in the unaudited condensed interim consolidated financial statements for the six months ended 30 June 2024 for assessment of ECL are the same as those followed in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2023.

	Six months ended 30 June	
	2024 RMB’000 (Unaudited)	2023 RMB’000 (Unaudited)
Impairment losses recognised (reversed), net in respect of		
— trade receivables – goods and services	5,100	(552)
— other receivables	60,331	(427)
— amounts due from related companies – trade related	6,297	—
— amount due from a related company – non-trade related	124,746	—
	196,474	(979)

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

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

For the six months ended 30 June 2024

18. AMOUNTS DUE FROM RELATED COMPANIES

The related companies included associates and joint ventures of the Group and companies controlled by Mr. Zhu Gongshan, the chairman of the Group, and his family members which hold in aggregate approximately 23.81% (31 December 2023: 23.80%) of the Company's issued share capital as at 30 June 2024 and exercises significant influence over the Company.

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Amounts due from related companies		
— Trade related (Note a)	169,200	165,766
— Non-trade related (Note b)	9,832	7,797
	179,032	173,563
Amounts due from associates		
— Trade related (Note a)	265,985	165,819
— Non-trade related (Note c)	3,640,247	4,693,752
	3,906,232	4,859,571
Amounts due from joint ventures		
— Trade related (Note a)	2,459	—
— Non-trade related (Note b)	1,896	9,293
	4,355	9,293
Amounts due from other related parties		
— Trade related (Note a)	4,485	3,918
— Non-trade related (Note d)	20,000	20,000
	24,485	23,918
	4,114,104	5,066,345
Less: allowance for credit losses	(152,250)	(21,207)
	3,961,854	5,045,138
Analysed for reporting purposes as:		
— Current assets	1,874,614	2,875,966
— Non-current assets	2,087,240	2,169,172
	3,961,854	5,045,138
Analysed for reporting purposes as:		
— Trade related	414,625	314,296
— Non-trade related	3,547,229	4,730,842
	3,961,854	5,045,138

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

For the six months ended 30 June 2024

18. AMOUNTS DUE FROM RELATED COMPANIES (Continued)

Notes:

- (a) The amounts are unsecured, non-interest bearing and the credit period is normally within 30 days (31 December 2023: 30 days).

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

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Within 3 months	196,298	164,708
3 to 6 months	66,334	6,593
More than 6 months	151,993	142,995
	414,625	314,296

- (b) The amounts are unsecured, non-interest bearing and have no fixed repayment term.
- (c) The amounts are unsecured, non-interest-bearing and have no fixed term of repayment, except for (i) an amount of approximately RMB528,400,000 (31 December 2023: RMB528,400,000) which was a consideration receivable and will be repayable if the Group has fully settled the agreed capital contribution to an associate and (ii) the dividend receivable from Xinjiang Goens with carrying amount of approximately RMB2,984,825,000 (Non-current portion: RMB2,087,240,000, current portion: RMB897,585,000) (31 December 2023: RMB4,162,938,000 (Non-current portion: RMB2,169,172,000, current portion: RMB1,993,766,000)) which will be payable by Xinjiang Goens within 4 years after the completion of the capital reduction which took place on 29 December 2023. During the six months ended 30 June 2024, impairment loss under ECL on this dividend recoverable of RMB124,746,000 was recognised.
- (d) The other related parties represent the non-controlling interest shareholders of subsidiaries of the Group. The amounts are unsecured, non-interest-bearing and have no fixed term of repayment.

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

For the six months ended 30 June 2024

19. AMOUNTS DUE TO RELATED COMPANIES

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Amounts due to related companies		
— Trade related (Note a)	18,902	14,458
— Non-trade related (Note b)	8,508	24,373
	27,410	38,831
Amounts due to associates		
— Trade related (Note a)	243,295	618,364
— Non-trade related (Note b)	7,358	654,721
	250,653	1,273,085
Amounts due to other related parties		
— Trade related (Note a)	36,422	49,318
	36,422	49,318
	314,485	1,361,234
Analysed for reporting purposes as:		
— Trade related	298,619	682,140
— Non-trade related	15,866	679,094
	314,485	1,361,234

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

For the six months ended 30 June 2024

19. AMOUNTS DUE TO RELATED COMPANIES (Continued)

Notes:

- (a) The amounts are unsecured, non-interest bearing and the credit period is normally within 30 days (31 December 2023: 30 days).

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

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Within 3 months	194,969	253,086
3 to 6 months	46,057	161,749
More than 6 months	57,593	267,305
	298,619	682,140

- (b) The amounts are unsecured, non-interest bearing (31 December 2023: Except for an amount of RMB423,202,000 which is interest bearing at 2.8% per annum, the remaining amounts are non-interest bearing) and have no fixed terms of repayment.

20. INVENTORIES

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Raw materials	825,955	1,256,770
Work in progress	1,005	5,176
Semi-finished goods (Note)	702,811	419,662
Finished goods	1,170,306	1,202,638
	2,700,077	2,884,246

Note: Semi-finished goods mainly represented polysilicon.

During the six months ended 30 June 2024, cost of inventories of approximately RMB9,349,976,000 (six months ended 30 June 2023: RMB12,111,839,000) recognised as cost of sales including write-down of inventories, net, of approximately RMB824,956,000 because the cost of certain inventories were higher than their net realisable values as a result of significant drop in average selling prices of polysilicon and wafer (six months ended 30 June 2023: RMB144,678,000).

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

For the six months ended 30 June 2024

21. TRADE AND OTHER PAYABLES

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Trade payables (Note a)	5,468,933	6,713,529
Construction payables (Note a)	5,251,925	5,618,914
Other payables	182,196	299,440
Convertible bond to a non-controlling shareholders of a subsidiary (Note b)	—	84,212
Salaries and bonus payable	337,908	808,904
Other tax payables	34,812	95,950
Interest payables	14,920	45,813
Accruals	478,932	579,609
	11,769,626	14,246,371

Notes:

- (a) Included in the trade payables and construction payables are (i) RMB1,349,867,000 (31 December 2023: RMB1,461,327,000) and RMB333,190,000 (31 December 2023: RMB514,234,000), respectively, against which the Group issued bills to relevant creditors for settlement, and (ii) an aggregate amount of approximately RMB3,132,953,000 (31 December 2023: RMB4,318,120,000) being bills received endorsed to creditors with recourse. All these bills are with a maturity period of less than one year.
- (b) In September 2020, the Group entered into an investment agreement with a non-controlling shareholder, pursuant that (i) Kunshan GCL Optoelectronic Material Co., Ltd* (昆山協鑫光電材料有限公司) ("Kunshan GCL") agreed to allot and the non-controlling shareholder agreed to subscribe RMB92,000 new registered capital of Kunshan GCL at a consideration of RMB1 million, representing 0.15% of the registered capital of Kunshan GCL; and (ii) the non-controlling shareholder agreed to subscribe a convertible bond with principal amount of RMB49 million to be issued by Kunshan GCL.

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

As at 31 December 2023, the Group designated the convertible bond to a non-controlling shareholder of a subsidiary of amount approximately RMB84,212,000 as financial liability at fair value through profit or loss taking reference to valuation report issued by valuer and the gain on fair value change of RMB4,204,000 was recognised in profit or loss during the six months ended 30 June 2023. The convertible bond was converted into equity interest of Kunshan GCL during the six months ended 30 June 2024. After the conversion of convertible bond, the Group's equity interest in Kunshan GCL changed from 49.23% to 47.65%. The difference between the carrying amount of convertible bond and the relevant carrying amount of non-controlling interest is recognised in special reserve and other reserve in consolidated statement of change in equity.

* English name for identification only

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

For the six months ended 30 June 2024

21. TRADE AND OTHER PAYABLES (Continued)

The credit period for trade payables is within 3 to 6 months (31 December 2023: 3 to 6 months).

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

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Within 3 months	1,494,843	2,121,216
3 to 6 months	2,268,193	2,725,010
More than 6 months	356,030	405,976
	4,119,066	5,252,202

22. BANK AND OTHER BORROWINGS

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Bank loans	17,193,850	15,173,075
Other loans	62,054	93,930
	17,255,904	15,267,005
Representing:		
Secured	11,363,744	10,795,480
Unsecured	5,892,160	4,471,525
The carrying amount of above borrowings	17,255,904	15,267,005
Less: amounts due within one year shown under current liabilities	(8,244,569)	(5,315,936)
Amounts due after one year	9,011,335	9,951,069

22. BANK AND OTHER BORROWINGS (Continued)

Included in other loans is RMB62 million (31 December 2023: RMB78 million) representing financing arrangements with financial institutions for leases on assets with lease terms ranging from 1 year to 4 years (31 December 2023: 1 year to 4 years), with legal title of the respective equipment transferred to the financial institutions. The Group continues to operate and manage the relevant equipment during the lease term without any involvement by the financial institution. The Group is entitled to purchase back the equipment at a minimal consideration upon maturity of the respective leases, except for one of the financing arrangements with a financial institution that the Group can either exercise the early buyout option granted to the Group to purchase back the relevant equipment at a pre-determined price at the end of the seventh year of the lease term, or to purchase back the equipment from this financial institution at fair value upon the end of the lease period. Despite the arrangement involves a legal form of a lease, it does not constitute a sale and leaseback transaction in accordance with the substance of the arrangement.

During the six months ended 30 June 2024, the Group discounted bills arising from future settlement of trade receivables with recourse of approximately RMB2,309,347,000 (six months ended 30 June 2023: RMB8,192,722,000) to banks for short-term financing. As at 30 June 2024, the associated borrowings amounted to approximately RMB2,309,347,000 (31 December 2023: RMB3,591,203,000).

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

The bank and other borrowings carry effective interest rates ranging from 2.2% to 6.5% (31 December 2023: 2.7% to 6.5%) per annum.

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

For the six months ended 30 June 2024

23. DERIVATIVE FINANCIAL INSTRUMENTS AND OTHER FINANCIAL LIABILITIES

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Derivative financial instruments:		
Written put options of interests in associates		
— Jiangsu Xinhua (Note a)	62,342	15,972
— Inner Mongolia Zhonghuan Crystal (Note b)	—	—
	62,342	15,972
Other financial liabilities:		
Written put options over non-controlling interests		
— Kunshan GCL (Note c)	547,834	525,695

Notes:

- (a) In April 2016, the Group entered into the Investment Agreement with an independent investor ("Partner"), pursuant to which the Partner is given a right to request the Group to repurchase the equity interest in Jiangsu Xinhua held by the Partner at the cost of investment of the Partner plus interest at applicable rate under the following circumstances:
- (i) If Jiangsu Xinhua fails to complete a qualified initial public offering ("IPO") at a mutually-agreed stock exchange within a specified time frame;
 - (ii) If Jiangsu Xinhua meets the listing requirements of the specified stock exchanges but fails to complete a qualified IPO due to external factors such as a change in government policy or other factors out of Jiangsu Xinhua's control;
 - (iii) If Jiangsu Xinhua fails to produce polysilicon to the level of quality and specification stipulated under the Investment Agreement within a specified time frame; or
 - (iv) If there is a significant breach by the Group on the relevant terms of the Investment Agreement or actions brought by the Group resulting in a significant adverse impact to the associate and the Group fails to remediate such breach within the period required by the Partner.

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

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

The Board has recognised the put option of interest in Jiangsu Xinhua as a derivative financial instrument and initially recognised it at fair value with subsequent changes in fair value recognised in profit or loss. During the six months ended 30 June 2024, the Group remeasured the fair value and a loss on fair value change of the derivative financial instrument of approximately RMB46,370,000 (six months ended 30 June 2023: gain on fair value change of RMB1,957,000) was recognised in profit or loss.

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

23. DERIVATIVE FINANCIAL INSTRUMENTS AND OTHER FINANCIAL LIABILITIES (Continued)

Notes: (Continued)

- (b) In February 2021, the Group entered into an equity transfer agreement with an associate, Leshan Zhongping Polysilicon Photovoltaic Information Industry Investment Fund Partnership (Limited Partnership)* (樂山市仲平多晶硅光電信息產業基金合夥企業 (有限合夥)) (“Leshan Fund”) pursuant to which the Group agreed to sell and Leshan Fund agreed to purchase 3.848% equity interest in Inner Mongolia Zhonghuan Crystal Material Co., Ltd.* (內蒙古中環晶體材料有限公司) (“Inner Mongolia Zhonghuan Crystal”) at a consideration of RMB600 million. The Group agreed to grant a put option to Leshan Fund to request the Group to repurchase their equity interest in Inner Mongolia Zhonghuan Crystal held by Leshan Fund at the cost of investment of Leshan Fund plus interest at applicable rate under the following circumstances:
- If Inner Mongolia Zhonghuan Crystal fails to be acquired by independent third parties given that Inner Mongolia Zhonghuan Crystal has completely executed the given clause under the agreement entered between Leshan Fund and the Group at the equity transfer date.

The Board has recognised the put option of interest in Inner Mongolia Zhonghuan Crystal as derivative financial instrument and initially recognised it at fair value with subsequent changes in fair value recognised in the profit or loss. During the year ended 31 December 2023, the Group and Leshan Fund entered into an agreement, pursuant to which Leshan Fund agreed to give up its put option to request the Group to repurchase the equity interest in Inner Mongolia Zhonghuan Crystal. During the six months ended 30 June 2023, the Group remeasured the fair value and a loss on fair value change of derivative financial instrument of approximately RMB31,989,000 was recognised in profit or loss.

- (c) In 2020 and 2021, the Group entered into investment agreements (“2020/21 Kunshan Investment Agreements”) with certain investors pursuant to which the investors were given the rights to request the Group to repurchase the 20.24% equity interest in Kunshan GCL Optoelectronic Material Co., Ltd.* (昆山協鑫光電材料有限公司) (“Kunshan GCL”), a subsidiary of the Company, at a premium under certain conditions. On 18 March 2022, the Group entered into a new shareholder agreement (“2022 Kunshan Shareholder Agreement”) with Kunshan GCL, a new investor and the then existing non-controlling shareholders of Kunshan GCL, pursuant to which the Group agreed to subscribe for RMB6.6 million new registered capital and the new investor agreed to subscribe for RMB4.4 million new registered capital of Kunshan GCL at a cash consideration of RMB150 million and RMB100 million respectively, representing 8.96% and 5.97% of the enlarged registered capital of Kunshan GCL respectively. As a result of the transactions, the Group’s equity interest in Kunshan GCL changed from 50.03% to 51.52%. On 30 November 2022, the Group entered into a new shareholder agreement (“2022 Kunshan Shareholder Agreement II”) with Kunshan GCL, certain new investors of Kunshan GCL and one new investor of Kunshan GCL mentioned in 2022 Kunshan Shareholder Agreement, pursuant to which the Group agreed to subscribe for RMB9.1 million new registered capital and the certain new investors and the existing non-controlling shareholder agreed to subscribe for RMB7.2 million new registered capital of Kunshan GCL at a cash consideration of RMB240 million and RMB189 million respectively, representing 10.16% and 8.0% of the enlarged registered capital of Kunshan GCL respectively. The subscription was completed during the year ended 31 December 2023. As a result of the transactions, the Group’s equity interest in Kunshan GCL changed from 51.52% to 52.33%.

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

For the six months ended 30 June 2024

23. DERIVATIVE FINANCIAL INSTRUMENTS AND OTHER FINANCIAL LIABILITIES (Continued)

Notes: (Continued)

(c) (Continued)

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

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

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

As a result of the additional put options over non-controlling interests, during the year ended 31 December 2023, the Group further recognised the financial liability of approximately RMB189,000,000 in relation to the put options over non-controlling interests of Kunshan GCL with a corresponding entry of the same amount recognised in equity, which was based on the present value of the exercise price required to pay plus 10% interest per annum, by applying a discount rate of 10% and on the assumption that the put option will be redeemable on the date of redemption. This liability is subsequently stated at amortise cost with finance cost accrued up to the redemption amount that is payable at the date at which the option becomes exercisable.

As at 30 June 2024, the Group has recognised the financial liability of approximately RMB547,834,000 (31 December 2023: RMB525,695,000) in relation to the put options over non-controlling interest of Kunshan GCL.

- English name for identification purpose only

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

For the six months ended 30 June 2024

24. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
Ordinary shares of HK\$0.1 each		
Authorised		
At 1 January 2023 (Unaudited), 31 December 2023 (Audited) and 30 June 2024 (Unaudited)	50,000,000	5,000,000
Issued and fully paid		
At 1 January 2023 (Unaudited)	27,108,498	2,710,850
Exercise of share options (Note a)	558	56
Cancellation of shares (Note b)	(170,125)	(17,013)
At 31 December 2023 (Audited)	26,938,931	2,693,893
Cancellation of shares (Note b)	(18,112)	(1,811)
At 30 June 2024	26,920,819	2,692,082
	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Shown in the financial statements	2,342,638	2,344,280

Notes:

- (a) During the year ended 31 December 2023, share option holders exercised their rights to subscribe for 558,000 ordinary shares in the Company at HK\$1.16 per share, with the net proceeds of approximately RMB593,000.

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

For the six months ended 30 June 2024

24. SHARE CAPITAL (Continued)

Notes: (Continued)

(b) The Company repurchased its own ordinary shares through the Stock Exchange as follows:

Month of repurchase	Number of shares repurchased	Price per share		Aggregate consideration paid HK\$'000
		Highest	Lowest	
		HK\$	HK\$	
Dec 2022	31,625,000	2.03	1.97	62,857
	31,625,000			62,857
Jun 2023	84,500,000	1.64	1.48	130,992
Sept 2023	30,000,000	1.38	1.30	40,396
Oct 2023	24,000,000	1.23	1.15	28,770
	138,500,000			200,158
	170,125,000			263,015
March 2024	18,112,000	1.32	1.31	23,827
	18,112,000			23,827

During six months ended 30 June 2024, 18,112,000 (year ended 31 December 2023: 138,500,000) ordinary shares of the Company were repurchased by the Group from open market at an aggregate consideration of HK\$23,827,000 (equivalent to approximately RMB21,679,000) (year ended 31 December 2023: HK\$200,158,000 equivalent to approximately RMB182,010,000) which were recognised in equity as treasury shares.

During six months ended 30 June 2024, in aggregate of 18,112,000 (year ended 31 December 2023: 170,125,000) ordinary shares of the Company, which were repurchased from open market during the six months ended 30 June 2024 (2023: during the years ended 31 December 2023 and 2022) were cancelled.

Accordingly the issued share capital of the Company was reduced by the nominal value of the shares cancelled. The premium payable on repurchase was charged against the share premium. An amount equivalent to the nominal value of the shares cancelled was transferred from accumulated profits to the capital redemption reserve.

All shares issued during the six months ended 30 June 2024 and the year ended 31 December 2023 rank pari passu in all respects with the then existing shares of the Company.

25. PLEDGE OF OR RESTRICTIONS ON ASSETS

Pledge of assets

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

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Bank and other borrowings secured by:		
Pledged and restricted bank deposits	2,464,847	301,154
Right-of-use assets	448,298	224,051
Investment properties	350,689	365,352
Property, plant and equipment	6,102,519	1,373,278
Trade receivables and other receivables	2,754,085	2,726,871
Total	12,120,438	4,990,706

Certain subsidiaries pledged their fee collection rights in relation to the sales of electricity. As at 30 June 2024, trade receivables in respect of such fee collection rights pledged amounted to approximately RMB425,277,000 (31 December 2023: RMB380,151,000).

In addition to the pledged assets above, there are restricted bank deposits of approximately RMB1,396,496,000 (31 December 2023: RMB1,879,411,000) and trade receivables of approximately RMB126,275,000 (31 December 2023: RMB885,535,000) which have been pledged to secure issuance of bills and short-term letters of credit for trade and other payables.

Restriction on assets

In addition, lease liabilities of approximately RMB147,158,000 (31 December 2023: RMB146,371,000) were recognised against related right-of-use assets of approximately RMB143,121,000 (31 December 2023: RMB140,267,000) as at 30 June 2024. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessors. Leased assets may not be used as security for borrowing purposes.

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

For the six months ended 30 June 2024

26. SHARE-BASED PAYMENT TRANSACTIONS

There is no material change relating to the share-based payment transactions for the six months ended 30 June 2024, except for the following:

(I) Equity-settled share option scheme

(i) Share option scheme of the Company

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

30 June 2024

	Exercise price	Date of grant (Note 1)	Exercise period	Number of share options					Outstanding at 30 June 2024
				Outstanding at 1 January 2024	Granted	Lapsed or forfeited	Cancelled	Exercised	
Directors	HK\$1.160	19.2.2016	15.3.2016 to 18.2.2026	1,712,189	—	—	—	—	1,712,189
	HK\$1.324	29.3.2016	18.4.2016 to 28.3.2026	7,944,454	—	—	—	—	7,944,454
Employees and others	HK\$2.867	24.03.2014	26.05.2014 to 23.03.2024	2,618,642	—	(2,618,642)	—	—	—
	HK\$1.160	19.02.2016	15.03.2016 to 18.02.2026	23,565,823	—	—	—	—	23,565,823
	HK\$1.324	29.03.2016	18.04.2016 to 28.03.2026	3,424,378	—	—	—	—	3,424,378
				39,265,486	—	(2,618,642)	—	—	36,646,844

30 June 2023

	Exercise price	Date of grant (Note 1)	Exercise period	Number of share options					Outstanding at 30 June 2023
				Outstanding at 1 January 2023	Granted	Lapsed or forfeited	Cancelled	Exercised (Note 2)	
Directors	HK\$1.160	19.2.2016	15.3.2016 to 18.2.2026	1,712,189	—	—	—	—	1,712,189
	HK\$1.324	29.3.2016	18.4.2016 to 28.3.2026	7,944,454	—	—	—	—	7,944,454
Employees and others	HK\$1.630	05.07.2013	16.09.2013 to 04.07.2023	4,501,956	—	—	—	—	4,501,956
	HK\$2.867	24.03.2014	26.05.2014 to 23.03.2024	2,618,642	—	—	—	—	2,618,642
	HK\$1.160	19.02.2016	15.03.2016 to 18.02.2026	24,631,144	—	(503,585)	—	(151,000)	23,976,559
	HK\$1.324	29.03.2016	18.04.2016 to 28.03.2026	3,424,378	—	—	—	—	3,424,378
				44,832,763	—	(503,585)	—	(151,000)	44,178,178

Note:

- The vesting period of share options is 20% of the share options granted on the year of grant, the first, second, third and fourth anniversary of the date of grant, respectively.
- In respect of the share options exercised during the six months ended 30 June 2023, the weighted average closing price of the Company's shares immediately before the dates of exercise was HK\$1.73.

26. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(II) Equity-settled share award scheme

Share award scheme

The Company adopted a share award scheme (the “Scheme”) on 16 January 2017 (the “Adoption Date”) for a duration of the later of (i) the 10th anniversary of the Adoption Date, and (ii) such date that all awards outstanding are fully vested, settled, lapsed, forfeited or cancelled. The purpose of the Scheme is, through the grant of the share awards to certain of the directors and employees (“Eligible Persons”) of the Group, to effectively attract, retain and incentivise core employees of the Group and align their interests and growth with the Group as a whole.

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

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

During the years ended 31 December 2023 and 2022, the Board has resolved to award an aggregate of 4,296,000 and 290,830,000 award shares, respectively. (the “Award Shares”) at a grant price of HK\$0.86 per award share to directors and employees of the Group pursuant to the terms and conditions of the Scheme. During the six months ended 30 June 2024, no Award Shares were granted under the Share Award Scheme.

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

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

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

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

For the six months ended 30 June 2024

26. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

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

Share award scheme (Continued)

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

	Number of ordinary shares	Aggregate consideration paid HK\$'000	Equivalent aggregate consideration paid RMB'000
As at 31 January 2023	524,498,888	777,872	676,107
Vesting of shares during the year	(39,820,000)	(59,057)	(51,332)
As at 31 December 2023 and 30 June 2024	484,678,888	718,815	624,775

26. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

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

Share award scheme (Continued)

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

Six months ended 30 June 2024

	Exercise price	Date of grant	Vesting period	Fair value per award share at the grant date	Number of Award shares					Unvested at 30 June 2024
					Unvested at 1 January 2024	Granted	Vested	Cancelled	Lapsed	
Directors	HK\$0.86	16.02.2022	16.02.2022 to 15.02.2024 (note)	HK\$1.92	1,878,000	—	—	—	—	1,878,000
			16.02.2022 to 15.02.2025	HK\$1.97	1,878,000	—	—	—	—	1,878,000
			16.02.2022 to 15.02.2026	HK\$2.00	1,878,000	—	—	—	—	1,878,000
			16.02.2022 to 15.02.2027	HK\$2.02	1,878,000	—	—	—	—	1,878,000
	HK\$0.86	06.07.2022	06.07.2022 to 05.07.2023 (note)	HK\$2.98	4,180,000	—	—	—	—	4,180,000
			06.07.2022 to 05.07.2024 (note)	HK\$3.13	4,180,000	—	—	—	—	4,180,000
			06.07.2022 to 05.07.2025	HK\$3.19	4,180,000	—	—	—	—	4,180,000
			06.07.2022 to 05.07.2026	HK\$3.23	4,180,000	—	—	—	—	4,180,000
		06.07.2022 to 05.07.2027	HK\$3.27	4,180,000	—	—	—	—	4,180,000	
Employee and others	HK\$0.86	16.02.2022	16.02.2022 to 15.02.2024 (note)	HK\$1.92	38,752,000	—	—	—	—	38,752,000
			16.02.2022 to 15.02.2025	HK\$1.97	38,752,000	—	—	—	—	38,752,000
			16.02.2022 to 15.02.2026	HK\$2.00	38,752,000	—	—	—	—	38,752,000
			16.02.2022 to 15.02.2027	HK\$2.02	38,752,000	—	—	—	—	38,752,000
	HK\$0.86	06.07.2022	06.07.2022 to 05.07.2023 (note)	HK\$2.98	11,046,000	—	—	—	—	11,046,000
			06.07.2022 to 05.07.2024 (note)	HK\$3.13	11,046,000	—	—	—	—	11,046,000
			06.07.2022 to 05.07.2025	HK\$3.19	11,046,000	—	—	—	—	11,046,000
			06.07.2022 to 05.07.2026	HK\$3.23	11,046,000	—	—	—	—	11,046,000
			06.07.2022 to 05.07.2027	HK\$3.27	11,046,000	—	—	—	—	11,046,000
	HK\$0.86	21.07.2023	21.07.2023 to 20.07.2024 (note)	HK\$0.79	1,074,000	—	—	—	—	1,074,000
			21.07.2023 to 20.07.2025	HK\$0.94	1,074,000	—	—	—	—	1,074,000
			21.07.2023 to 20.07.2026	HK\$1.12	1,074,000	—	—	—	—	1,074,000
21.07.2023 to 20.07.2027			HK\$1.17	1,074,000	—	—	—	—	1,074,000	
					242,946,000	—	—	—	—	242,946,000

Note: Given the current business environment, in view of uncertainty as to whether such vesting conditions (including the Company's business targets) can be achieved, the Share Award Committee recommended to the Board and the Board approved that the vesting of the Relevant Award Shares be postponed to April 2025 after the publication of the annual results of the Company for the financial year ending 31 December 2024 where upon the Board will re-evaluate and determine the revised vesting proposal of the Relevant Award Shares based on the level of achievement of the Company's business targets. In the opinion of the directors of the Company, the financial impact of the modification of terms of these Award Shares was insignificant.

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

For the six months ended 30 June 2024

26. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

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

Share award scheme (Continued)

Six months ended 30 June 2023

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

The weighted average grant date fair value per unit for unvested award shares at 30 June 2024 was RMB1.94 (30 June 2023: RMB1.96).

In respect of the Award Shares exercised during the six months ended 30 June 2023, the weighted average closing price of the Company's shares immediately before the dates of exercise was HK\$1.53.

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

During the six months ended 30 June 2024, share-based payment expenses in respect of the Award Shares of RMB49,294,000 (six months ended 30 June 2023: RMB84,127,000) have been recognised in profit or loss. The unvested award shares outstanding at 30 June 2024 had a weighted average remaining contractual life of 1.47 years (31 December 2023: 1.74 years).

26. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(III) Equity incentive management scheme of Kunshan GCL

Kunshan GCL adopted an equity incentive scheme in May 2023 for the purpose of providing incentives to eligible directors, senior management and employees of Kunshan GCL (the “Eligible Persons of Kunshan GCL”) (the “Kunshan GCL Equity Incentive Management Scheme”).

The board of directors of Kunshan GCL may, from time to time, at its absolute discretion, select any Eligible Persons of Kunshan GCL to participate in the Kunshan GCL Equity Incentive Management Scheme, subject to the terms and conditions set out in the rule of the Kunshan GCL Equity Incentive Management Scheme.

Under the Kunshan GCL Equity Incentive Management Scheme, capital of RMB10,466,664 which represents up to 10% of the fully diluted equity of Kunshan GCL may be issued to three limited partnerships incorporated in the PRC as shareholding platforms (the “Shareholding Platforms”) at a price equal to RMB 1 for every RMB 1 capital of Kunshan GCL (the “**Subscription Price**”). The Eligible Persons of Kunshan GCL become limited partners of the Shareholding Platforms and hold equity interest in Kunshan GCL indirectly through the Shareholding Platforms.

During the year ended 31 December 2023, capital of RMB947,924, RMB947,924 and RMB3,762,075, total of RMB5,657,923 (the “**Kunshan GCL Incentive Equity**”) which represents up to 5.41% of the fully diluted equity of Kunshan GCL had been issued to the Shareholding Platforms for a director of the Company, a director of Kunshan GCL and employees of Kunshan GCL, respectively, pursuant to the terms and conditions of the Kunshan GCL Equity Incentive Management Scheme.

The fair value of RMB25.26 for every RMB1 of the Kunshan GCL Incentive Equity granted during the year ended 31 December 2023 was estimated at the date of grant by making reference to the price of latest capital injection by investors into Kunshan GCL, less the Subscription Price.

The vesting of the Kunshan GCL Incentive Equity is subject to the satisfaction of the vesting conditions including certain corporate and personal performance and other service conditions.

Subject to the satisfaction of the vesting conditions of the Kunshan GCL Incentive Equity, the Eligible Persons of Kunshan GCL shall be entitled to transfer their interest in the Shareholding Platforms to the executive partner or other specified limited partners of the Shareholding Platforms, or other persons who meet the conditions of the Kunshan GCL Equity Incentive Management Scheme, or to dispose of the equity interest in Kunshan GCL in market through the Shareholding Platforms.

In case the Eligible Persons of Kunshan GCL fail to meet the vesting condition, the board of directors of Kunshan GCL has a right to callback partially or wholly equity interest held by the Eligible Persons of Kunshan GCL in the Shareholding Platforms by transferring their interest in the Shareholding Platforms to the executive partner or other specified limited partners of the Shareholding Platforms, or other persons who meet the conditions of the Kunshan GCL Equity Incentive Management Scheme, at a price of the paid-up capital of Shareholding Platforms contributed by the Eligible Persons of Kunshan GCL, plus dividend and distribution (if any) paid by Kunshan GCL to the Shareholding Platforms.

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

For the six months ended 30 June 2024

27. COMMITMENTS AND CONTINGENT LIABILITIES

(i) Commitments

	As at 30 June 2024 RMB'000 (Unaudited)	As at 31 December 2023 RMB'000 (Audited)
Capital commitments		
Capital expenditure in respect of acquisitions of property, plant and equipment contracted for but not provided for	3,017,495	3,666,965
Other commitments		
Commitment to contribute share capital to investments in associates contracted for but not provided for	568,000	413,000
Commitment to contribute share capital to investments at FVTPL contracted for but not provided for	60,000	60,000
	3,645,495	4,139,965

(ii) Contingent liabilities

Except for the financial guarantee contracts provided by the Group as at 30 June 2024 and 31 December 2023 as disclosed in note 31 and a guarantee provided by the Group of approximately RMB71,150,000 to the third party for its certain bank and other borrowings in proportional to its interests in investments at FVTPL as at 31 December 2023, the Group had no any other material contingent liability as at 30 June 2024 and 31 December 2023.

28. ACQUISITION OF ADDITIONAL INTEREST IN SUBSIDIARY

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

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

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

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

30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value measurements and valuation processes

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

The fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

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

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used).

Financial assets/financial liabilities	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of significant unobservable inputs to fair value
	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)				
1) Listed equity securities classified as held for trading investments	406	2,686	Level 1	Quoted bid price in an active market.	N/A	N/A
2) Listed equity investments measured at FVTOCI	9,575	20,781	Level 1	Quoted bid price in an active market.	N/A	N/A
3) Unlisted equity investments measured at FVTOCI	420,566	420,566	Level 3	Adjusted net assets value	Net assets value	An increase in the net assets value would result in an increase in fair value and vice versa
4) Unlisted equity investments measured at FVTPL	333,329	250,058	Level 3	Adjusted net assets value	Net assets value	An increase in the net assets value would result in an increase in fair value and vice versa
	418,209	418,066	Level 3	Income approach	Long-term revenue growth rates, taking into account management's experience and knowledge of market conditions of the specific industries at 0%. Discount rate, taking into account of weighted average cost of capital (WACC) determined using a Capital Asset Pricing Model at 10.16%.	The higher the long term growth rate, the higher the fair value, vice versa. The higher the discount rate, the lower the fair value, vice versa.
5) Unlisted investments measured at financial assets at FVTPL	176,054	176,079	Level 3	Adjusted net assets value	Net assets value	An increase in the net assets value would result in an increase in fair value and vice versa
	859,133	516,363	Level 2	Quoted price from third party financial institutions and determined with reference to the value of underlying investments which mainly composed of listed shares and bonds.	N/A	N/A
6) Put option of interest in Jiangsu Xinhua classified as derivative financial instruments (Note a)	836,985	1,177,158	Level 2	Discounted cash flow	N/A	N/A
	62,342	15,972	Level 3	Binomial Option Pricing Model.	Expected volatility of 38.72% - 48.74% (31 December 2023: 36.96% - 48.41%) Risk free rate 1.74% - 2.06% (31 December 2023: 2.32% to 2.51%) Probability to exercise of 30% (31 December 2023: 20%)	The higher the expected volatility, the higher the fair value. The higher the risk free rate, the lower the fair value. The higher the probability to exercise, the higher the fair value.

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

For the six months ended 30 June 2024

30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

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

Financial assets/financial liabilities	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of significant unobservable inputs to fair value
	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)				
6) Convertible bond to a non-controlling shareholder of a subsidiary	—	84,212	Level 3	Binomial Option Pricing Model	31 December 2023: Expected volatility of 38.6% 31 December 2023: Risk free rate of 1.87% 31 December 2023: Probability to exercise of 100%	The higher of expected volatility, the higher of fair value. The higher of risk free rate, the lower of fair value. The higher the probability to exercise, the higher of fair value.
7) Perpetual note classified as financial assets at FVTOCI included in interests in associates (note b)	987,709	998,002	Level 3	Modified discounted cash flow method, the key inputs are equity volatility, and discount rate.	Equity volatility of 55.6%, risk free rate of 2.48% and discount rate 22.2% (31 December 2023: 53.6%, 2.91% and 23.02%, respectively)	The higher the equity volatility, the lower fair value. The higher of discount rate, the lower of fair value.

Notes:

- (a) If the expected volatility of the underlying shares was 5% higher/lower while all the other variables were held constant, the gain on change in fair value of the derivative financial instruments would decrease by approximately RMB4,310,000/increase by approximately RMB4,310,000 for the six months ended 30 June 2024.

If the risk free rate used was multiplied by 5% higher/lower while all the other variables were held constant, the gain on change in fair value of the derivative financial instruments would increase by approximately RMB230,000/decrease by approximately RMB230,000 for the six months ended 30 June 2024.

If the probability used was 20% higher/lower while all the other variables were held constant, the gain on change in fair value of the derivative financial instruments would decrease by approximately RMB41,560,000/increase by approximately RMB41,560,000 for the six months ended 30 June 2024.

- (b) If the equity volatility of the underlying shares was multiplied by 10% higher/lower while all the other variables were held constant, the loss on change in fair value of the investments in equity instruments at FVTOCI would increase by approximately RMB21,671,000/decrease by approximately RMB28,344,000 for the six months ended 30 June 2024.

If the discount rate used was multiplied by 10% higher/lower while all the other variables were held constant, the loss on change in fair value of the investments in equity instruments at FVTOCI would increase by approximately RMB12,059,000/decrease by approximately RMB14,721,000 for the six months ended 30 June 2024.

There is no transfer among the different levels of the fair value hierarchy for the six months ended 30 June 2024 and the year ended 31 December 2023.

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

For the six months ended 30 June 2024

30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Reconciliation of Level 3 fair value measurements

30 June 2024

	Put options classified as derivative financial instruments RMB'000 (Unaudited)	Unlisted investments/ equity instruments measured at FVTPL RMB'000 (Unaudited)	Unlisted equity instruments measured at FVTOCI RMB'000 (Unaudited)	Convertible bond to a non-controlling shareholder of a subsidiary RMB'000 (Unaudited)	Perpetual note as financial assets at FVTOCI (included in interests in associates) RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
As at 1 January 2024	(15,972)	844,203	420,566	(84,212)	998,002	2,162,587
Initial recognition	—	79,598	—	—	—	79,598
Gain (loss) in profit or loss	(46,370)	3,791	—	—	—	(42,579)
Loss in other comprehensive income	—	—	—	—	(10,293)	(10,293)
Derecognition upon conversion	—	—	—	84,212	—	84,212
As at 30 June 2024	(62,342)	927,592	420,566	—	987,709	2,273,525

30 June 2023

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



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

For the six months ended 30 June 2024

30. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value measurements and valuation processes

Of the total loss for the period included in profit or loss, RMB42,579,000 (for the period ended 30 June 2023: gain for the period included in profit or loss, RMB68,581,000) related to put options classified as derivative financial instruments, unlisted investments/equity instruments measured at FVTPL and convertible bond to a non-controlling shareholder of a subsidiary held at the end of the reporting period which fair value gains or losses were included in other expenses, gains and losses, net.

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

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

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

For the six months ended 30 June 2024

31. MATERIAL RELATED PARTY TRANSACTIONS

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

	Six months ended 30 June	
	2024 RMB'000 (Unaudited)	2023 RMB'000 (Unaudited)
Transactions with companies in which Mr. Zhu Gongshan and his family have control:		
Sales of wafer	175,657	173,787
Interest expense	(81)	(282)
Rental expenses	(4,014)	(3,613)
Service fee expense	(15,935)	(3,294)
Management fee income	3,158	4,927
Purchase of water	(122)	—
Purchase of coal	(32,644)	(57,801)
Electricity expense	(782)	—
Acquisition of property, plant and equipment	—	(712)
Purchase of research and development material	(4,084)	(389)
Rental income	16,673	14,621
Rental related income	—	33,736
Processing fee income	—	4,746
Electricity fee income	3,050	7,409
Sales income of natural gas	164	1,754
Utilities fees income	105	4,108
Transactions with joint ventures and associates:		
Sales of raw materials	16,051	118,769
Processing fee income	3,036	1,926
Rental income	5,314	5,276
Management fee and related utility service fee income	70,784	89,240
Service fee income	11,597	31,631
Guarantee fee income	6,005	8,850
Interest expense	—	(35,237)
Purchase of silicon rods	(465,764)	(2,047,292)
Purchase of polysilicon and other raw materials	(116,283)	(55,298)
Purchase of industrial silicon powder	(402,631)	(299,149)
Purchase of steam	(92)	—
Acquisition of property, plant and equipment	(78,939)	—
Sales of land, property and equipment	—	37,157
Purchase of research and development material	—	(42)
Service fee expenses	(5,061)	(4,780)
Fund management fee expenses	(4,717)	(13,535)
Electricity fee expenses	(903)	(1,537)
Sales of polysilicon	178,696	—
Transactions with other related parties:		
Sales of polysilicon	687,389	4,388,470
Processing fee income	1,275	55,297
Acquisition of property, plant and equipment	(17)	(190)
Purchase of steam	(2,807)	(3,386)
Guarantee fee expense	(2,172)	—



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

For the six months ended 30 June 2024

31. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

As at 30 June 2024, the Group provided a total guarantee with maximum amount of approximately RMB1,600 million, of which the loan balances amounted to approximately RMB358 million (31 December 2023: RMB2,500 million, of which the loan balances amounted to approximately RMB846 million) to several banks and financial institutions in respect of banking and other facilities of a subsidiary of an associate of the Group. All the relevant loans have been fully repaid after the period. The Board considers that the fair value of the guarantees at the date of inception, and the ECL as at 30 June 2024 and 31 December 2023 was insignificant.

32. EVENTS AFTER THE END OF THE REPORTING PERIOD

There were no significant events after the end of the reporting period that are required to be disclosed in these unaudited condensed consolidated financial statements.

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

As at 30 June 2024, the directors (the "Directors") and chief executive of the Company had the following interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required (a) to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) to be and were entered into in the register required to be kept by the Company pursuant to Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") adopted by the Company:

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

Name of Director/ chief executive	Long/short position	Number of ordinary shares of HK\$0.1 each in the capital of the Company (the "Share") held			Number of underlying Shares held	Total	Approximate percentage of issued share capital (note 5)
		Beneficiary of a trust	Corporate interests	Personal interests			
Zhu Gongshan	Long position	6,405,332,156 (note 1)	—	—	6,300,000 (note 4)	6,411,632,156	23.81%
	Short position	240,000,000 (note 3)	—	—	—	240,000,000	0.89%
Zhu Yufeng	Long position	6,405,332,156 (note 1)	—	—	5,010,755 (notes 2 & 4)	6,410,342,911	23.81%
	Short position	240,000,000 (note 3)	—	—	—	240,000,000	0.89%
Zhu Zhanjun	Long position	—	—	3,400,000	6,019,359 (notes 2 & 4)	9,419,359	0.03%
Lan Tianshi	Long position	—	—	2,497,415	7,512,000 (note 4)	10,009,415	0.03%
Sun Wei	Long position	—	—	5,723,000	5,012,189 (notes 2 & 4)	10,735,189	0.03%
Yeung Man Chung, Charles	Long position	—	—	—	4,700,000 (notes 2 & 4)	4,700,000	0.01%
Ho Chung Tai, Raymond	Long position	—	—	—	1,507,170 (notes 2 & 4)	1,507,170	0.00%
Yip Tai Him	Long position	—	—	—	1,507,170 (notes 2 & 4)	1,507,170	0.00%
Shen Wenzhong	Long position	—	—	—	500,000 (note 4)	500,000	0.00%



Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures (CONTINUED)

Notes:

- 1 An aggregate of 6,405,332,156 Shares are collectively held by Highexcel Investments Limited, Happy Genius Holdings Limited and Get Famous Investments Limited, which are wholly-owned by Golden Concord Group Limited, which in turn is wholly-owned by Asia Pacific Energy Holdings Limited. Asia Pacific Energy Holdings Limited is in turn wholly-owned by Asia Pacific Energy Fund Limited. Asia Pacific Energy Fund Limited is ultimately held under a discretionary trust with Credit Suisse Trust Limited as trustee and Mr. Zhu Gongshan and his family (including Mr. Zhu Yufeng, a Director and the son of Mr. Zhu Gongshan) as beneficiaries.
- 2 These are share options granted by the Company to the Directors, pursuant to the share option scheme adopted by the shareholders of the Company on 22 October 2007, which can be exercised by the Directors at various intervals during the period from 15 March 2016 to 28 March 2026 at an exercise price of HK\$1.324 or HK\$1.160.
- 3 The short position was held as a result of an equity of derivative agreement entered by Happy Genius Holdings Limited.
- 4 These are award shares granted by the Company to the Directors, pursuant to the share award scheme adopted by the Company on 16 January 2017.
- 5 The total number of Shares in issue as at 30 June 2024 is 26,920,818,973.

Share Schemes

2007 Share Option Scheme

The Company adopted a share option scheme (the “2007 Share Option Scheme”) on 22 October 2007 which became effective on 13 November 2007. The purpose of the 2007 Share Option Scheme is to motivate personnel to optimize their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such personnel who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of executives of the Company, to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions. The 2007 Share Option Scheme shall be valid and effective for a period of 10 years from 22 October 2007, after which no further options will be granted or offered but the provisions of the 2007 Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any subsisting options granted prior to the expiry of the 10-year period or otherwise as may be required in accordance with the provisions of the 2007 Share Option Scheme. Since no further options could be granted or offered under the 2007 Share Option Scheme after it expiring in 2017, the number of shares available for issue under the 2007 Share Option Scheme as at the date of this report are the same as the number of outstanding options, i.e. 36,646,844 options, representing approximately 0.14% of the number of issued shares as of the date of this report. The eligible participants of the 2007 Share Option Scheme cover directors and the management of the Group.

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

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

During the period from 1 January 2024 to 30 June 2024 (the “Period”), no share options was granted and exercised, a total of 2,618,642 share options were lapsed or forfeited. The outstanding share options under the 2007 Scheme Option Scheme as at 30 June 2024 are 36,646,844 share options. No share options were cancelled during the Period.

During the year ended 31 December 2023, a total of 5,009,277 share options were lapsed or forfeited (including 4,501,956 share options with HK\$1.63 exercise price and 507,321 share options with HK\$1.16 exercise price). No share options were cancelled during the year ended 31 December 2023.

Share Schemes (CONTINUED)

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

Name or category of participant	Date of grant (note 1)	Exercise period	Exercise Price per Share (HK\$)	Outstanding as at 1 January 2024	Number of options					Outstanding as at 30 June 2024
					Granted during the Period	Lapsed or forfeited during the Period	Cancelled during the Period	Exercised during the Period		
Directors/chief executive and their associates										
Zhu Yufeng	29.3.2016	18.4.2016 to 28.3.2026	1.324	1,510,755	—	—	—	—	—	1,510,755
Zhu Zhanjun	29.3.2016	18.4.2016 to 28.3.2026	1.324	2,719,359	—	—	—	—	—	2,719,359
Sun Wei	19.2.2016	15.3.2016 to 18.2.2026	1.16	1,712,189	—	—	—	—	—	1,712,189
Yeung Man Chung, Charles	29.3.2016	18.4.2016 to 28.3.2026	1.324	1,700,000	—	—	—	—	—	1,700,000
Ho Chung Tai, Raymond	29.3.2016	18.4.2016 to 28.3.2026	1.324	1,007,170	—	—	—	—	—	1,007,170
Yip Tai Him	29.3.2016	18.4.2016 to 28.3.2026	1.324	1,007,170	—	—	—	—	—	1,007,170
Successor of Zhu Qingsong (note 2)	29.3.2016	18.4.2016 to 28.3.2026	1.324	1,007,170	—	—	—	—	—	1,007,170
Employees and others										
	24.3.2014	26.5.2014 to 23.3.2024	2.867	2,618,642	—	(2,618,642)	—	—	—	0
	19.2.2016	15.3.2016 to 18.2.2026	1.16	23,565,823	—	—	—	—	—	23,565,823
	29.3.2016	18.4.2016 to 28.3.2026	1.324	2,417,208	—	—	—	—	—	2,417,208
Total				39,265,486		(2,618,642)	—			36,646,844

Notes:

- The vesting period under the 2007 Share Option Scheme is 20% of the share options granted on the year of grant, the first, second, third and fourth anniversary of the date of grant, respectively. All share options granted have been fully vested on the fourth anniversary of the date of grant.
- Mr. Zhu Qingsong passed away in 2021.

2022 Share Option Scheme

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

Share Schemes (CONTINUED)

As of the date of this report, (i) no share options was granted under 2022 Share Option Scheme; and (ii) the total number of Shares available for issue under 2022 Share Option Scheme is 2,709,901,044 Shares, representing approximately 10% of the Company's number of issued Shares as of the date of this report. No share options were outstanding under 2022 Share Option Scheme as at 30 June 2024.

At the beginning and at the end of the Period, the total number of options available for grant under the 2022 Share Options Scheme was 2,709,901,044.

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

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

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

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

Unless otherwise terminated by the Board or the shareholders in general meeting in accordance with the terms of the 2022 Share Option Scheme, the 2022 Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption date. The remaining life of the 2022 Share Option Scheme is around 8 years.

Share Award Scheme

The Company has adopted a share award scheme (the "Share Award Scheme") on 16 January 2017, in which Eligible Persons will be entitled to participate and pursuant to which Shares may be purchased by the professional trustee appointed by the Board (the "Trustee") from the market out of cash contributed by the Group and such Shares would be held upon trust for the relevant grantees until such Award Shares are vested in accordance with the rules of the Share Award Scheme (the "Scheme Rules").



Share Schemes (CONTINUED)

Purpose

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

Eligible Persons

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

Shares Available for Issue

According to the Share Award Scheme, the Award Shares will consist of existing Shares purchased by the Trustee on-market only, and no new Shares will be issued. Accordingly, as at the date of this report, no new Share was available for issue under the Share Award Scheme.

Maximum Limit

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

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

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

Duration

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

The remaining life of the Share Award Scheme is around 3 years.

Administration

The Share Award Scheme shall be subject to the administration of the Board, the committee of the Board duly delegated with powers and authority in respect of the Share Award Scheme (the "Share Award Committee") and the Trustee in accordance with the Scheme Rules and the Trust Deed.

Operation

Grant of Awards

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

Subject to the restrictions set out in the section headed "Restrictions" below, the Company shall pay to the Trustee monies and may give directions or a recommendation to the Trustee to apply such monies and/or such other net amount of cash derived from Shares held as part of the trust fund to acquire Shares or instruct the Trustee to reallocate any Award Shares which are not vested and/or are forfeited in accordance with the terms of the Share Award Scheme ("Returned Shares").

Vesting and Lapse

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

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

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



Share Schemes (CONTINUED)

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

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

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

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

Restrictions

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

Voting Rights

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

Dividends

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

Transferability and other rights

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

Termination

The Share Award Scheme shall terminate on:

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

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

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

Share Schemes (CONTINUED)

The Share Award Scheme does not expressly stipulate the number of Award Shares that may be granted thereunder. The numbers of awards available for grant under the Share Award Scheme as at 1 January 2024 and 30 June 2024 are 484,678,888. There is no service provider sublimit under the Share Award Scheme. According to the Share Award Scheme, the Award Shares will consist of existing Shares purchased by the Trustee on-market only, and no new Shares will be issued. Accordingly, the number of Award Shares to be satisfied by allotment and issue of new Shares of the Company available for grant as at 30 June 2024 was nil. No Award Shares were lapsed or cancelled during the Period.

During the year ended 31 December 2023, a total of 12,360,000 Award Shares were lapsed including (i) 400,000 Award Shares based on the closing price of HK\$3.83 per Share quoted on the Stock Exchange on 6 July 2022; and (ii) 11,960,000 Award Shares based on the closing price of HK\$2.52 per Share quoted on the Stock Exchange on 16 February 2022 (both at grant prices of HK\$0.86 Award Shares). No Award Shares were cancelled during the year ended 31 December 2023. Details of the Award Shares granted under the Share Award Scheme and the movements during the Period are as follows:

Name	Date of Grant	Vesting Period	Number of Award Shares					Unvested as at 30 June 2024
			Unvested as at 1 January 2024	Granted during the Period	Vested during the Period	Cancelled during the Period	Lapsed during the Period	
Zhu Gongshan	6 July 2022	6.07.2022 to 5.07.2027	6,300,000 (note 1)	—	—	—	—	6,300,000
Zhu Yufeng	6 July 2022	6.07.2022 to 5.07.2027	3,500,000 (note 1)	—	—	—	—	3,500,000
Zhu Zhanjun	6 July 2022	6.07.2022 to 5.07.2027	3,300,000 (note 1)	—	—	—	—	3,300,000
Lan Tianshi	16 February 2022	16.02.2022 to 15.02.2027	7,512,000 (note 2)	—	—	—	—	7,512,000
Sun Wei	6 July 2022	6.07.2022 to 5.07.2027	3,300,000 (note 1)	—	—	—	—	3,300,000
Yeung Man Chung, Charles	6 July 2022	6.07.2022 to 5.07.2027	3,000,000 (note 1)	—	—	—	—	3,000,000
Ho Chung Tai, Raymond (note 4)	6 July 2022	6.07.2022 to 5.07.2027	500,000 (note 1)	—	—	—	—	500,000
Yip Tai Him (note 4)	6 July 2022	6.07.2022 to 5.07.2027	500,000 (note 1)	—	—	—	—	500,000
Shen Wenzhong (note 4)	6 July 2022	6.07.2022 to 5.07.2027	500,000 (note 1)	—	—	—	—	500,000
Other Employees	16 February 2022	16.02.2022 to 15.02.2027	155,008,000 (note 2)	—	—	—	—	155,008,000
	6 July 2022	6.07.2022 to 5.07.2027	55,230,000 (note 1)	—	—	—	—	55,230,000
	21 July 2023	21.07.2023 to 20.07.2027	4,296,000 (note 3)	—	—	—	—	4,296,000
Total			242,946,000	—	—	—	—	242,946,000 (note 5)

Notes

- Based on the closing price of HK\$3.83 per Share quoted on the Stock Exchange on 6 July 2022, the market value of the granting Award Shares (at grant price of HK\$0.86 per Award Share) is approximately HK\$293,109,900. The details of the accounting policy adopted is set out in note 4 of the Company's 2023 annual report.
- Based on the closing price of HK\$2.52 per Share quoted on the Stock Exchange on 16 February 2022, the market value of the granting Award Shares (at grant price of HK\$0.86 per Award Share) is approximately HK\$540,036,000. The details of the accounting policy adopted is set out in note 4 of the Company's 2023 annual report.

Share Schemes (CONTINUED)

3. Based on the closing price of HK\$1.59 per Share quoted on the Stock Exchange on 21 July 2023, the market value of the granting Award Shares (at grant price of HK\$0.86 per Award Share) is approximately HK\$ 6,830,640. The details of the accounting policy is set out in note 4 of the Company's 2023 annual report.
4. Granting Award Shares to the independent non-executive Directors was approved by the Board and all independent non-executive Directors was abstain from voting for the relevant resolution.
5. Pursuant to the Share Award Scheme, the Board granted:
 - (a) on 16 February 2022 an aggregate of 214,300,000 Award Shares to 152 Eligible Persons, of which 20% should have vested on the last trading day within 24 months from the such grant date;
 - (b) on 6 July 2022 an aggregate of 76,530,000 Award Shares to 81 Eligible Persons, of which (i) 20% should have vested on the last trading day within 12 months from the such grant date; and (ii) 20% should have vested on the last trading day within 24 months from the such grant date; and
 - (c) on 21 July 2023, the Board granted an aggregate of 4,296,000 Award Shares to four Eligible Persons, of which 25% should have vested on the last trading day within 12 months from the such grant date, collectively, the "Relevant Award Share", subject to the satisfaction of certain vesting conditions, which include, among others, that (i) the Company accomplishes its annual business target; and (ii) vesting of the Relevant Award Shares has been approved by the Board. For further details, please refer to the announcements of the Company dated 16 February 2022, 6 July 2022 and 21 July 2023, respectively.

Given the current business environment, in view of uncertainty as to whether such vesting conditions (including the Company's business targets) can be achieved, the Share Award Committee recommended to the Board and the Board approved that the vesting of the Relevant Award Shares be postponed to April 2025 after the publication of the annual results of the Company for the financial year ending 31 December 2024 where upon the Board will re-evaluate and determine the revised vesting proposal of the Relevant Award Shares based on the level of achievement of the Company's business targets.

The number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the Period divided by the weighted average number of shares in issue for the Period is approximately 0.14%.



Interests and Short Positions of Substantial Shareholders

As at 30 June 2024, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had an interest or short position in the Shares or underlying Shares as record in the register kept pursuant to Section 336 of the SFO:

Long Position in the Shares and Underlying Shares

Name	Capacity/nature of interest	Number of Shares/ underlying Shares	Approximate percentage of issued share capital of the Company (Note 2)
Asia Pacific Energy Fund Limited	Interest in a controlled corporation (note 1)	6,405,332,156	23.79%

Notes:

1. An aggregate of 6,405,332,156 Shares are collectively held by Highexcel Investments Limited, Happy Genius Holdings Limited and Get Famous Investments Limited, which are directly or indirectly wholly-owned by Golden Concord Group Limited, which in turn is wholly-owned by Asia Pacific Energy Holdings Limited. Asia Pacific Energy Holdings Limited is in turn wholly-owned by Asia Pacific Energy Fund Limited. Asia Pacific Energy Fund Limited is ultimately held under a discretionary trust with Credit Suisse Trust Limited as trustee for Mr. Zhu Gongshan and his family (including Mr. Zhu Yufeng, a Director and the son of Mr. Zhu Gongshan) as beneficiaries.
2. The total number of Shares in issue as at 30 June 2024 is 26,920,818,973.

Save as disclosed aforesaid, so far as is known to any Directors or chief executive of the Company, as at 30 June 2024, no other persons (other than a Director or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares as recorded in the register kept pursuant to Section 336 of the SFO.

Corporate Governance and Other Information

Corporate Governance Code

The corporate governance report of the Company has been set out in the Company's 2023 Annual Report. During the Period, the Company has complied with the code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 of the Listing Rules.

Risk Management and Internal Control

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

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

In order to comply with the applicable code provision D.2 set out in the Corporate Governance Code as set out in Appendix C1 of the Listing Rules, the members of the Board review the effectiveness of risk management and the internal control systems of the Group covering material controls, including financial, operational and compliance controls and risk management functions. The management of the Company actively engages in the risk assessment, the review of responses measures and the discussion with respect to major issues.

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

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

During the period from 1 January 2024 to 30 June 2024, 2 meetings, 1 meeting and 2 meetings have been held by the Corporate Governance Committee, Audit Committee and ESG Committee respectively for the Period, mainly reviewing of and discussing on work report on risk control, risk management, internal control review report, follow-up on internal control review and monitoring ESG Working Group's duty and reviewing relevant policies.



Corporate Governance and Other Information (CONTINUED)

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

Model Code for Securities Transactions

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules. Having made specific enquiry of all Directors, each of the Directors confirmed that he/she has complied with the required standard of dealings as set out in the Model Code throughout the six months ended 30 June 2024 and up to the date of this report.

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

During the six months ended 30 June 2024, the Company repurchased a total of 18,112,000 Shares of the share capital of the Company (the "Repurchased Shares") on the Stock Exchange on 26 March 2024 at an aggregate consideration (including transaction cost) of approximately HK\$24 million. The Repurchased Shares were not held as treasury shares and were subsequently cancelled on 20 May 2024.

During the six months ended 30 June 2024 and as at the date of this report, there were no treasury shares held by the Company (including any treasury shares held or deposited with Central Clearing and Settlement System).

Other than disclosed above, during the six months ended 30 June 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including treasury shares).

Auditor's and Audit Committee's Review

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

Changes in Information on Directors

There is no information required to be disclosed by the Directors pursuant to Rule 13.51B(1) of the Listing Rules since the date of publication of the 2023 Annual Report to the date of this report.

Corporate Information

Chairman

Zhu Gongshan

Executive Directors

Zhu Gongshan

Zhu Yufeng (*Vice Chairman*)

Zhu Zhanjun (*Vice Chairman & Joint CEO*)

Lan Tianshi (*Joint CEO*)

Sun Wei

Yeung Man Chung, Charles

(*CFO and Company Secretary*)

Independent Non-executive Directors

Ho Chung Tai, Raymond

Yip Tai Him

Shen Wenzhong

Composition of Board Committees

Audit Committee

Yip Tai Him (*Chairman*)

Ho Chung Tai, Raymond

Shen Wenzhong

Remuneration Committee

Ho Chung Tai, Raymond (*Chairman*)

Yip Tai Him

Zhu Yufeng

Nomination Committee

Yip Tai Him (*Chairman*)

Ho Chung Tai, Raymond

Yeung Man Chung, Charles

Corporate Governance Committee

Ho Chung Tai, Raymond (*Chairman*)

Yip Tai Him

Yeung Man Chung, Charles

Strategy & Investment Committee

Ho Chung Tai, Raymond (*Chairman*)

Zhu Gongshan

Yip Tai Him

Shen Wenzhong

Zhu Zhanjun

Yeung Man Chung, Charles

Environmental, Social and Governance Committee

Shen Wenzhong (*Chairman*)

Ho Chung Tai, Raymond

Yip Tai Him

Yeung Man Chung, Charles

Company Secretary

Yeung Man Chung, Charles

Authorized Representatives

Zhu Zhanjun

Yeung Man Chung, Charles

Auditor

Crowe (HK) CPA Limited

9/F Leighton Centre

77 Leighton Road

Causeway Bay

Hong Kong



Corporate Information (CONTINUED)

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1 Austin Road West
Kowloon, Hong Kong

Cayman Islands Principal Share Registrar and Transfer Office

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

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
17/F, Far East Finance Centre
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