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)

ANNOUNCEMENT OF AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

Financial Highlights

	Year ended 31 December		
	2024	2023	% of changes
	RMB'million	*RMB'million*	
Revenue	**15,097.6**	33,700.5	(55.2)%
Gross (loss) profit	**(2,510.1)**	11,692.2	(121.5)%
(Loss) profit for the year attributable to owners of the Company	**(4,750.4)**	2,510.1	(289.3)%
Basic (loss) earnings per share	**RMB(17.97) cents**	RMB9.47 cents	N/A
Diluted (loss) earnings per share	**RMB(17.97) cents**	RMB9.46 cents	N/A

RESULTS

The board of directors (the "**Board**" or the "**Directors**") of GCL Technology Holdings Limited (the "**Company**" or "**GCL Tech**") announces the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2024 together with the comparative figures for the corresponding period in the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

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

	NOTES	**2024**	2023
		RMB'000	*RMB'000*
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**2,914**	6,136
Share of other comprehensive (expense) income of an associate		**(113)**	538
Reclassification of exchange differences upon			
– deemed partial disposal of an associate		**6**	—
– deemed disposal of a subsidiary		**27**	—
		2,834	6,674
Other comprehensive expense for the year		**(830,205)**	(1,040,513)
Total comprehensive (expense) income for the year		**(6,478,157)**	2,286,591
(Loss) profit for the year attributable to:			
Owners of the Company			
Owners of the Company		**(4,750,396)**	2,510,076
Non-controlling interests		**(897,556)**	817,028
		(5,647,952)	3,327,104
Total comprehensive (expense) income for the year attributable to:			
Owners of the Company		**(5,580,601)**	1,469,563
Non-controlling interests		**(897,556)**	817,028
		(6,478,157)	2,286,591
		RMB cents	*RMB cents*
(Loss) earnings per share	*11*		
– Basic		**(17.97)**	9.47
– Diluted		**(17.97)**	9.46

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024

	NOTES	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**34,761,153**	34,783,732
Right-of-use assets		**1,456,052**	1,541,452
Investment properties		**348,518**	365,352
Intangible assets		**63,019**	116,432
Interests in associates		**5,577,784**	5,786,822
Interests in joint ventures		**143,986**	149,234
Investments at fair value through profit or loss		**946,869**	844,203
Equity instruments at fair value through other comprehensive income		**445,376**	441,347
Deferred tax assets		**1,111,441**	597,888
Deposits and other receivables	*12*	**3,824,465**	1,250,104
Amounts due from related companies – non-trade related		**—**	2,169,172
Pledged and restricted bank deposits		**50,503**	31,154
		48,729,166	48,076,892
CURRENT ASSETS			
Inventories		**2,014,044**	2,884,246
Trade and other receivables	*12*	**11,556,094**	17,901,265
Amounts due from related companies – trade related	*14*	**256,458**	314,296
Amounts due from related companies – non-trade related		**535,033**	2,561,670
Investments at fair value through profit or loss		**1,823,927**	1,693,521
Held for trading investments		**416**	2,686
Tax recoverable		**83,143**	190,317
Pledged and restricted bank deposits		**4,701,688**	2,321,951
Bank balances and cash		**5,174,188**	6,821,328
		26,144,991	34,691,280

	NOTES	2024 RMB'000	2023 RMB'000
CURRENT LIABILITIES			
Trade and other payables	*13*	**10,966,912**	14,246,371
Amounts due to related companies – trade related	*15*	**295,639**	682,140
Amounts due to related companies – non-trade related		**16,103**	679,094
Contract liabilities		**256,807**	525,528
Bank and other borrowings – due within one year		**10,635,721**	5,315,936
Lease liabilities – due within one year		**54,843**	70,493
Other financial liabilities		**—**	525,695
Derivative financial instruments		**136,565**	15,972
Deferred income		**18,581**	28,557
Tax payables		**50,145**	49,140
		22,431,316	22,138,926
NET CURRENT ASSETS		**3,713,675**	12,552,354
TOTAL ASSETS LESS CURRENT LIABILITIES		**52,442,841**	60,629,246
NON-CURRENT LIABILITIES			
Contract liabilities		**35,339**	221,237
Bank and other borrowings – due after one year		**8,352,509**	9,951,069
Lease liabilities – due after one year		**52,247**	75,878
Deferred income		**29,216**	51,382
Deferred tax liabilities		**1,680,592**	2,011,971
		10,149,903	12,311,537
NET ASSETS		**42,292,938**	48,317,709
CAPITAL AND RESERVES			
Share capital		**2,342,638**	2,344,280
Reserves		**34,834,410**	40,242,736
Equity attributable to owners of the Company		**37,177,048**	42,587,016
Non-controlling interests		**5,115,890**	5,730,693
TOTAL EQUITY		**42,292,938**	48,317,709

NOTES:

1. BASIS OF PREPARATION

Statement of compliance

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

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

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

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

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

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

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

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

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

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

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

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

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

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

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

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

Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements

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

The 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 consolidated financial statements for the current period.

Amendments to IFRS 16 Lease Liability in a Sale and Leaseback

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

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

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

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

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

1 Effective for annual periods beginning on or after 1 January 2025

2 Effective for annual periods beginning on or after 1 January 2026

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

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

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

Amendments to IAS 21 Lack of Exchangeability

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

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

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

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

The amendments include:

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

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

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

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

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

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

The amendments include:

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

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

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

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

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

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

(a) IFRS 18 requires an entity:

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

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

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

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

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

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

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

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

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

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

3. 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:

(a) Solar material business – mainly manufactures and sales of polysilicon and wafer products to companies operating in the solar industry.

(b) Solar farm business – operates solar farms located in the United States of America (the "**USA**") and the PRC.

Segment revenue and results

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

Year ended 31 December 2024

	Solar material business *RMB'000*	**Solar farm business** *RMB'000*	**Total** *RMB'000*
Segment revenue	**14,957,158**	**140,402**	**15,097,560**
Segment loss	**(5,346,555)**	**(267,032)**	**(5,613,587)**
Unallocated income			**49,614**
Unallocated expenses			**(94,367)**
Gain on fair value change of investments at fair value through profit or loss ("**FVTPL**")			**55,986**
Gain on fair value change of held for trading investments			**2,895**
Impairment loss recognised on financial assets			**(7,848)**
Share of loss of an associate			**(42,444)**
Share of profits of joint ventures			**20,700**
Loss on deemed partial disposal of an associate			**(18,901)**
Loss for the year			**(5,647,952)**

Year ended 31 December 2023

	Solar material business *RMB'000*	Solar farm business *RMB'000*	Total *RMB'000*
Segment revenue	33,486,492	213,987	33,700,479
Segment profit	3,237,566	55,832	3,293,398
Unallocated income			33,014
Unallocated expenses			(119,236)
Gain on fair value change of investments at FVTPL			4,116
Loss on fair value change of held for trading investments			(390)
Impairment loss reversed on financial assets			221,271
Share of loss of an associate			(72,823)
Share of losses of joint ventures			(32,246)
Profit for the year			3,327,104

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

Segment assets and liabilities

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

	2024	2023
	RMB'000	*RMB'000*
Segment assets		
Solar material business	**71,222,444**	78,875,420
Solar farm business	**1,544,996**	1,873,437
Total segment assets	**72,767,440**	80,748,857
Investments at FVTPL	**1,115,502**	692,442
Equity instruments at fair value through other comprehensive income ("**FVTOCI**")	**9,376**	20,781
Held for trading investments	**416**	2,686
Interest in an associate	**100,712**	160,507
Interests in joint ventures	**143,986**	123,285
Unallocated bank balances and cash	**428,621**	694,737
Unallocated corporate assets	**308,104**	324,877
Consolidated assets	**74,874,157**	82,768,172
Segment liabilities		
Solar material business	**32,052,378**	33,766,895
Solar farm business	**522,899**	598,304
Total segment liabilities	**32,575,277**	34,365,199
Unallocated corporate liabilities	**5,942**	85,264
Consolidated liabilities	**32,581,219**	34,450,463

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

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

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

Disaggregation of revenue from contracts with external customers

For the year ended 31 December 2024

Segments	Solar material business *RMB'000*	Solar farm business *RMB'000*	Total *RMB'000*
Types of goods or services			
Sales of polysilicon	**8,673,317**	**—**	**8,673,317**
Sales of wafer	**3,347,318**	**—**	**3,347,318**
Sales of industrial silicon	**1,571,035**	**—**	**1,571,035**
Sales of electricity	**—**	**140,402**	**140,402**
Processing fees	**387,909**	**—**	**387,909**
Others (comprising the sales of ingots)	**977,579**	**—**	**977,579**
Total	**14,957,158**	**140,402**	**15,097,560**

For the year ended 31 December 2023

Segments	Solar material business *RMB'000*	Solar farm business *RMB'000*	Total *RMB'000*
Types of goods or services			
Sales of polysilicon	17,435,147	—	17,435,147
Sales of wafer	11,637,962	—	11,637,962
Sales of industrial silicon	1,530,327	—	1,530,327
Sales of electricity	—	213,987	213,987
Processing fees	1,389,369	—	1,389,369
Others (comprising the sales of ingots)	1,493,687	—	1,493,687
Total	33,486,492	213,987	33,700,479

Geographical information

The Group's revenue from external customers by location of customers is detailed below:

	2024 *RMB'000*	2023 *RMB'000*
The PRC	**15,040,351**	33,012,014
Others	**57,209**	688,465
	15,097,560	33,700,479

4. OTHER INCOME

	2024	2023
	RMB'000	*RMB'000*
Government grants	**243,191**	312,368
Bank and other interest income and other related income	**228,898**	240,213
Sales of scrap materials	**390,668**	396,272
Management and consultancy fee income	**20,082**	15,046
Rental and rental related income	**57,034**	89,641
Write back of other payables	**9,762**	7,652
Compensation income	**54,365**	18,701
Others	**5,392**	4,238
	1,009,392	1,084,131

5. IMPAIRMENT LOSSES (RECOGNISED) REVERSED ON FINANCIAL ASSETS

	2024	2023
	RMB'000	*RMB'000*
Impairment losses (recognised) reversed on		
— trade receivables	**(139,845)**	8,855
— other receivables	**(849,589)**	128,116
	(989,434)	136,971

6. FINANCE COSTS

	2024	2023
	RMB'000	*RMB'000*
Interest on financial liabilities at amortised cost		
— bank and other borrowings	**585,519**	482,391
— loans from related companies	**163**	45,107
— other financial liabilities	**40,752**	42,743
— lease liabilities	**9,856**	10,380
Total borrowing costs	**636,290**	580,621
Less: interest capitalised	**(17,906)**	(162,784)
	618,384	417,837

Interest expenses capitalised on qualifying assets represent the amount of interest on 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.

7. OTHER GAINS (LOSSES), NET

	2024	2023
	RMB'000	*RMB'000*
Exchange gain (losses), net	**8,389**	(25,105)
Gain on fair value change of investments at FVTPL	**36,830**	53,914
Gain (loss) on fair value change of held for trading investments	**2,895**	(390)
(Loss) gain on fair value change of derivative financial instruments	**(1,722)**	82,368
Loss on fair value change of convertible bond payable	**—**	(11,805)
Impairment loss on property, plant and equipment *(Note a)*	**(401,111)**	(1,128,134)
Gain on disposal of property, plant and equipment	**22,829**	30,685
(Loss) gain on deemed disposal or partial disposal of associates	**(18,901)**	201,596
Gain on deemed disposal of a subsidiary *(Note b)*	**1,952,207**	—
Loss on disposal of and impairment loss on interest in an associate *(Note c)*	**(184,755)**	(3,189,789)
	1,416,661	(3,986,660)

Note a:

Year ended 31 December 2024

In face of the new energy changes and market challenges, and certain property, plant and equipment became obsolete, the Directors conducted a review of the recoverable amount of the property, plant and equipment based on the value in use and scrap value. Accordingly, an impairment loss of approximately RMB401 million was recognised in respect of the relevant property, plant and equipment for the year ended 31 December 2024.

Year ended 31 December 2023

In face of the new energy changes and market challenges, the Directors resolved that the Group will 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 year ended 31 December 2023, the Directors resolved that the production of rod silicon will be completely suspended by June 2023. The Directors conducted a review of the recoverable amount of the property, plant and equipment belonged to rod silicon business based on the scrap value. Additionally certain property, plant and equipment became obsolete. Accordingly, an impairment loss of approximately RMB1,128 million was recognised in respect of the relevant property, plant and equipment of the solar material business segment for the year ended 31 December 2023.

Note b:

On 16 November 2024, the Group entered into a new shareholder agreement with Kunshan GCL Optoelectronic Material Co., Ltd.* 昆山協鑫光電材料有限公司 ("**Kunshan GCL**"), certain new and existing investors of Kunshan GCL, pursuant to which the certain new and existing investors agreed to subscribe for approximately RMB9 million new registered capital of Kunshan GCL at a cash consideration of RMB344 million, representing approximately 8.41% of the enlarged paid-up registered capital of Kunshan GCL. As a result of the transactions, the Group's equity interest (calculated base on paid-up registered capital) in Kunshan GCL changed from approximately 47.65% to approximately 43.65%. The transaction was completed during the year, as a result of which the Group lost control over Kunshan GCL but remains significant influence over Kunshan GCL. Kunshan GCL ceased to be a subsidiary of the Company and has become an associate of the Company after the completion of the transaction. A deemed disposal gain of approximately RMB1,952 million was recorded by the Group upon completion of such transaction.

Note c:

During the year ended 31 December 2024, the Group disposed approximately 40.29% equity interest in Xuzhou Zhongping GCL Industrial Upgrading Equity Investment Fund LLP* (徐州中平協鑫產業升級股權投資基金 (有限合夥)) ("**Xuzhou Fund**"), an associate of the Group, to another independent third party ("**Xuzhou Fund Transaction**") at a consideration of RMB1,500 million. For the year ended 31 December 2024, a loss of approximately RMB185 million was recorded by the Group upon completion of such transaction. In addition, the Xuzhou Fund Transaction resulted in the Group's recording share of impairment loss of approximately RMB700 million on the assets of Xuzhou Fund, an associate, which was included in the line item of "Share of (losses) profits of associates" in the Group's consolidated statement of profit or loss and other comprehensive income.

As stated in the Company's announcement dated 29 December 2023 and supplemental announcement dated 17 January 2024, relating to, among other things, the proposed dividend distribution and capital reduction by Xinjiang Goens Energy Technology Co., Ltd.* (新疆戈恩斯能源科技有限公司) ("**Xinjiang Goens**"), an associated company of the Group ("**Xinjiang Goens Transaction**"), a loss on disposal of and an impairment loss on the interest of associate – Xinjiang Goens with an aggregate amount of approximately RMB3,190 million was recognized for the year ended 31 December 2023 as a result of such transaction. Included in the total loss of approximately RMB3,190 million, there were impairment loss on interest in Xinjiang Goens of approximately RMB2,878 million and loss on disposal of approximately RMB312 million. Additionally, the Xinjiang Goens Transaction resulted in the Group's sharing of loss of approximately RMB703 million from an associate – Xuzhou Fund as Xuzhou Fund was a 34.5% shareholder of Xinjiang Goens prior to the completion of Xinjiang Goens Transaction and such sharing of loss was recorded in the line item of "Share of (losses) profits of associates" in the Group's consolidated statement of profit or loss and other comprehensive income.

8. INCOME TAX (CREDIT) EXPENSE

	2024	2023
	RMB'000	*RMB'000*
Current tax		
PRC Enterprise Income Tax ("**EIT**")		
— Provision for the year	**287,869**	663,585
— Underprovision (overprovision) in prior years	**12,067**	(92,024)
PRC dividend withholding tax	**—**	30,000
	299,936	601,561
USA Federal and State Income Tax		
— Underprovision in prior years	**—**	(12)
	—	(12)
Deferred tax	**(844,932)**	373,257
	(544,996)	974,806

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

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

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

Federal and State income tax rates in the USA were calculated at 21% and 8.84%, respectively, for both years.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both year.

The Group's subsidiaries, associates and joint ventures that are tax residents in the PRC are subject to the PRC dividend withholding tax of 5% or 10% for those non-PRC tax resident immediate holding companies registered in Hong Kong and the British Virgin Islands ("**BVI**"), respectively, when and if undistributed earnings are declared to be paid as dividends out of profits that arose on or after 1 January 2008.

9. (LOSS) PROFIT FOR THE YEAR

	2024	2023
	RMB'000	*RMB'000*
(Loss) profit for the year has been arrived at after charging (crediting) the following items:		
Staff costs, including directors' remuneration *(Note)*		
Salaries, wages and other benefits@	**1,719,853**	2,338,213
Retirement benefits scheme contributions	**182,602**	175,054
Depreciation of property, plant and equipment	**3,896,035**	3,201,730
Depreciation of right-of-use assets	**148,204**	184,979
Depreciation of investment properties	**20,834**	20,318
Amortisation of other intangible assets	**33,771**	34,512
Total depreciation and amortisation	**4,098,844**	3,441,539
Less: amounts absorbed in opening and closing inventories, net	**(81,658)**	(92,833)
	4,017,186	3,348,706
Auditors' remuneration	**11,700**	11,900

@ Salaries, wages and other benefits included share-based payment expenses of the Company of approximately RMB98,588,000 (2023: RMB152,801,000).

Note: On 20 March 2025, all executive directors have taken the initiative to implement a voluntary reduction of their respective annual remuneration for the year ended 31 December 2024 and year ending 31 December 2025 (the "**Remuneration Adjustment**"). After the Remuneration Adjustment, the total annual remuneration of all executive directors for the year ended 31 December 2024 would be approximately RMB16.4 million (including the retirement benefits scheme contributions) (2023: approximately RMB188.0 million) and the total annual remuneration of all executive directors for the year ending 31 December 2025 is expected to be approximately RMB16.3 million (including the retirement benefits scheme contributions). The Board (including the members of the remuneration committee of the Company) approved the Remuneration Adjustment on 20 March 2025.

10. DIVIDEND

	2024	2023
	RMB'000	*RMB'000*
Dividends payable to owners of the Company attributable to the previous financial year, approved and paid during the year of HK$6.0 cents per ordinary share	**—**	1,439,723

The Board of the Company did not recommend the payment of any dividend for the years ended 31 December 2023 and 2024.

11. (LOSS) EARNINGS PER SHARE

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

	2024	2023
	RMB'000	*RMB'000*
(Loss) earnings		
(Loss) profit for the year attributable to owners of the Company for the purpose of calculation of basic and diluted (loss) earnings per share	**(4,750,396)**	2,510,076

	2024	2023
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**26,440,346**	26,513,507
Effect of dilutive potential ordinary shares		
— Share options	**—**	10,295
— Share award scheme	**—**	18,649
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**26,440,346**	26,542,451

The weighted average number of ordinary shares for the purpose of calculation of basic (loss) earnings per share had been adjusted for (i) the effect of the ordinary shares held by the trustee pursuant to the share award scheme and (ii) the effect of the treasury shares purchased by the Group from market. For the year ended 31 December 2023, the calculation had also been adjusted for the effect of share options exercised.

The calculation of diluted loss per share for the year ended 31 December 2024 did not assume the exercise of share options and award shares granted by the Company and share options granted by GCL New Energy Holdings Limited ("**GNE**"), since their exercise would result in a decrease in the loss per share.

Diluted earnings per share for the year ended 31 December 2023 is calculated by adjusting the weighted average number of ordinary shares in issue during the period with the weighted average number of ordinary shares deemed to be issued or transferred assuming the dilutive impact of certain share options and award shares granted. In addition, certain share options and award shares granted by the Company and the share options granted by GNE were not assumed to be exercised because the exercise prices of the share options and award shares were higher than the average market price of shares or would result in an increase in the earnings per share.

In addition, the convertible bond issued and put options granted by a subsidiary of the Company to non-controlling shareholders of this subsidiary have insignificant dilutive effect on the (loss) earnings per share for the years ended 31 December 2024 and 2023.

12. DEPOSITS AND OTHER RECEIVABLE/TRADE AND OTHER RECEIVABLES

(i) Deposits and other receivables

	2024	2023
	RMB'000	*RMB'000*
Deposits for acquisitions of property, plant and equipment	**315,327**	1,230,160
Dividend receivable from a former associate *(Note e)*	**2,242,924**	—
Consideration receivables		
— Disposal of an associate *(Note f)*	**1,324,605**	—
— Disposal of subsidiaries	**19,944**	19,944
Other receivables	**447,940**	—
	4,350,740	1,250,104
Less: allowance for expected credit losses	**(526,275)**	—
	3,824,465	1,250,104

(ii) Trade and other receivables

	2024	2023
Trade and bill receivables *(Note a):*		
— Bill receivables	**6,127,822**	10,463,808
— Trade receivables	**1,190,125**	1,337,025
Less: allowance for expected credit losses	**(195,134)**	(60,977)
	994,991	1,276,048
	7,122,813	11,739,856
Other receivables:		
— Refundable value-added tax	**988,928**	2,038,106
— Prepayments	**1,270,578**	1,758,794
— Amounts due from former subsidiaries *(Note b)*	**42,490**	42,490
— Short-term loans to third parties *(Note c)*	**746,308**	1,600,000
— Note receivables *(Note d)*	**167,143**	176,345
— Dividend receivables from a former associate *(Note e)*	**904,000**	—
— Deposits in the trustee	**84,060**	83,105
— Others deposits	**249,461**	249,461
— Others	**504,820**	492,362
	4,957,788	6,440,663
Less: allowance for expected credit losses	**(524,507)**	(279,254)
	4,433,281	6,161,409
	11,556,094	17,901,265

Notes:

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

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

The following is an aging analysis of trade receivables, net of allowances for expected credit losses, presented based on the invoice date at the end of the reporting period:

	2024	2023
	RMB'000	*RMB'000*
Unbilled *(Note)*	**455,834**	517,847
Within 3 months	**139,822**	685,505
3 to 6 months	**44,014**	72,281
Over 6 months	**355,321**	415
	994,991	1,276,048

Note: Amount represents unbilled basic tariff receivables for solar power plants operated by the Group, and tariff adjustment receivables of those solar power plants already registered in the Renewable Energy Tariff Subsidy List.

All bills received by the Group are with a maturity period of less than one year. As at 31 December 2024, bill receivables of approximately RMB3.4 billion (2023: approximately RMB2.3 billion) were pledged to the bank as security for certain bank and other borrowings granted to the Group.

(b) The amounts were non-trade in nature, unsecured, non-interest bearing and without fixed terms of repayment.

(c) Short term loans to third parties

Year ended 31 December 2024

In July 2024, the Group and a third party entered into a loan agreement pursuant to which the Group agreed to lend a short term loan for an aggregate amount of RMB90 million. The amount is non-trade in nature, unsecured, bearing interest at the PRC LRP plus 5% per annum and to be repaid on 30 June 2025.

In September 2024, the Group and a government-related entity entered into a loan agreement pursuant to which the Group agreed to lend a short-term loan for an aggregate amount of RMB80 million. The amount is non-trade in nature, unsecured, bearing interest at the PRC LRP per annum and to be repaid on 12 September 2025.

In December 2024, the Group, a PRC bank and a government-related entity entered into an entrusted loan agreement pursuant to which the Group agreed to lend a short-term loan through the PRC bank for an aggregate amount of RMB576.3 million. The amount is non-trade in nature, guaranteed by a state-owned enterprise, bearing interest at the PRC LPR plus 0.9% per annum and to be repaid on 27 December 2025.

Year ended 31 December 2023

In December 2023, the Group, the PRC banks and two government-related entities (the "**Borrowers**") entered into two entrusted loan agreements pursuant to which the Group agreed to lend short-term loans through the PRC banks to the Borrowers for an aggregate amount of RMB1.6 billion. The amounts were non-trade in nature, guaranteed by a state-owned enterprise, bearing interest at 5.88% per annum, and the amounts were fully repaid during the year ended 31 December 2024.

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

(e) As at 31 December 2024, the amounts represent the dividend receivable from a former associate, Xinjiang Goens Energy Technology Co. Limited ("**Xinjiang Goens**") with carrying amount of approximately RMB3,146,924,000. (Non current assets portion: RMB2,242,924,000, current portion: RMB904,000,000), which was reclassified from amounts due from related parties as a result of disposal of an associate company (Xuzhou Fund) during the year.

(f) The amount represents the consideration receivables from disposal of an associate (Xuzhou Fund) during the year ended 31 December 2024, The amount was non-trade in nature and secured by 40.29% equity interest in Xuzhou Fund and 99.99% equity interest in the buyer (蘇州合輝創能科技發展有限公司).

13. TRADE AND OTHER PAYABLES

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

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**827,351**	2,121,216
3 to 6 months	**664,120**	2,725,010
More than 6 months	**351,333**	405,976
	1,842,804	5,252,202

14. AMOUNTS DUE FROM RELATED COMPANIES-TRADE RELATED

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:

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**146,884**	164,708
3 to 6 months	**7,911**	6,593
More than 6 months	**101,663**	142,995
	256,458	314,296

Note: The amounts due from related companies are unsecured, non-interest bearing and the credit period for trade-related balances are normally within 30 days (2023: 30 days).

15. AMOUNTS DUE TO RELATED COMPANIES-TRADE RELATED

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

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**212,704**	253,086
3 to 6 months	**31,334**	161,749
More than 6 months	**51,601**	267,305
	295,639	682,140

Note: The amounts due to related companies are unsecured, non-interest bearing and the credit period for trade-related balances are normally within 30 days (2023: 30 days).

Chairman's Report

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

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

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

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

Driven by the AI wave, GCL Tech is integrating AI+ in R&D and manufacturing, deploying AI-driven high-throughput equipment to automate production and perform analysis, significantly accelerating perovskite's development. By late 2025, the 2.88m² tandem modules are projected to achieve 27% efficiency, setting the stage for a new era of PV performance revolution. In the next decade, the FBR granular polysilicon + CCz, BC, and perovskite will form a "golden combination," driving material and application revolutions to unlock new momentum for PV and to begin a new chapter.

From "price competition" to "low-carbon competition," carbon footprint has become a key indicator for measuring the competitiveness in the photovoltaic industry. The shift from high-carbon to low-carbon solutions is inevitable. FBR (Fluidized Bed Reactor) granular polysilicon, being inherently low carbon, recently set a new world record with an ultra-low carbon footprint of 14.441 kg CO2e/kg-Si. All GCL Tech bases have now achieved 100% coverage of sustainable supply chains, with carbon footprint certifications from TÜV Rheinland across all key segments, including industrial silicon, granular polysilicon, crystal pulling, and wafer slicing.

As for granular polysilicon, the latest "cradle-to-gate" carbon footprint certification is 41 kg CO2e/kg-Si, which, when converted to "gate-to-gate," is 16 kg CO2e/kg-Si, generating nearly one billion RMB in carbon premiums annually. On January 6th of this year, the Ministry of Commerce released the "Low Carbon Evaluation Requirements for Photovoltaic Module Exports," stating that photovoltaic modules with a cradle-to-gate carbon footprint below 415 kg CO2e/kg-Si can be classified as low-carbon products. PV modules using GCL Tech's granular polysilicon far outperform this standard and will continue to its reduce carbon values from time to time, transmitting low-carbon benefits across the supply chain, thereby empowering Chinese photovoltaic modules to smoothly embark on their overseas journey.

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

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

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

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

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

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

RESULTS OF THE GROUP

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

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

SIGNIFICANT BUSINESS DEVELOPMENTS OF THE GROUP

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

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

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

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

- On 21 January 2024, the Company had completely withdrawn from the direct and indirect investments related to Siemens method polysilicon, and Jiangsu Zhongneng, a wholly-owned subsidiary of GCL Tech, has divested its indirect investment of Xinjiang Goens (Disposal of Xuzhou Fund).

SEGMENT INFORMATION

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

Solar material business — mainly manufactures and sales of polysilicon and wafer product to companies operating in the solar industry.

Solar farm business — manages and operates solar farms located in the USA and the PRC.

BUSINESS REVIEW

Solar Material Business

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

Polysilicon Segment

For the year ended 31 December 2024,

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

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

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

Selling price - The average external selling price (excluding tax) of granular silicon was approximately RMB34.2 per kilogram. The average external selling price (excluding tax) of granular silicon from January to February 2025 was approximately RMB31.1 per kilogram.

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

Ingot & Wafer Slicing Segment

As of 31 December 2024,

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

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

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

Revenue from solar materials business

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

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

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

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

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

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

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

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

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

Changes in turbidity levels of granular silicon products in 2024

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

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

Progress in Granular Silicon Particle Size and Application Performance in 2024

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

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

CCz R&D Advancements and Outcomes in 2024

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

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

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

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

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

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

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

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

Solar farm business

Overseas Solar Farms

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

PRC Solar Farms

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

Sales Volume and Revenue

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

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

Group's Outlook

The Group's outlook and likely future developments of the Group's business are set out in the "Chairman's Report" section of this announcement.

Financial Review

Revenue

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

Gross Profit Margin

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

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

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

Distribution and Selling Expenses

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

Administrative Expenses

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

Finance Costs

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

Impairment Losses (recognised) reversed on financial assets

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

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

Other Gains (Losses), Net

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

The net gains mainly comprises of:

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

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

(iii) impairment loss on property, plant and equipment of approximately RMB401 million (2023: RMB1,128 million)

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

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

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

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

Share of Loss of Associates

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

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

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

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

– Share of loss of approximately RMB42 million from GNE Group.

* *English name for identification purpose only*

Income Tax (Credit)/Expense

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

Loss Attributable to Owners of the Company

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

NON-IFRS FINANCIAL MEASURES — ADJUSTED EBITDA

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

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

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

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

Note a:

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

Note b:

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

For impairment losses/(reversal of impairment losses) under expected credit loss model, net of reversal for non-trade receivable related items, as they are not related to normal business of the Company, we consider treating it as non-operating in nature.

Note c:

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

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

Property, Plant and Equipment

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

Interests in Associates

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

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

- The Group's 44.23% equity interests in Kunshan GCL of approximately RMB1,881 million;
- The Group's 6.2% equity interests in GNE Group of approximately RMB462 million which include perpetual notes measured at fair value through other comprehensive income;
- The Group's 47.4% equity interest in Xuzhou Jincai Equity Investment Partnership (Limited Partnership)* (徐州金材股權投資合夥企業 (有限合夥)) ("**Xuzhou Jincai**") of approximately RMB1,091 million;
- The Group's 6.42% equity interest in Inner Mongolia Zhonghuan GCL of approximately RMB753 million;

- The Group's 49.87% equity interest in Xuzhou Risheng of approximately RMB425 million; and

- The Group's 24.55% equity interest in Jiangsu Xinhua Semiconductor Material Technology Co., Ltd* ("**Jiangsu Xinhua**") (江蘇鑫華半導體材料科技有限公司) of approximately RMB654 million.

* *English name for identification purpose only*

Trade and Other Receivables

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

Trade and Other Payables

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

Balances with related companies

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

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

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

Liquidity and Financial Resources

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

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

Indebtedness

Details of the Group's indebtedness are as follows:

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

Below is a table showing the bank and other borrowings structure and maturity profile of the Group.

	2024 *RMB million*	2023 *RMB million*
Secured	**11,206**	10,795
Unsecured	**7,783**	4,472
	18,989	15,267
Maturity profile of bank and other borrowings		
On demand or within one year	**10,634**	5,316
After one year but within two years	**3,969**	1,102
After two years but within five years	**4,368**	7,257
After five years	**18**	1,592
Group's total bank and other borrowings	**18,989**	15,267

As at 31 December 2024, RMB bank and other borrowings carried floating interest rates with reference to the Benchmark Borrowing Rate of The People's Bank of China. USD bank and other borrowings carried interest rates with reference to the Secured Overnight Financing Rate.

Key Financial Ratios of the Group

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

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

Policy risk

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

Credit Risk

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

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

Risk related to interest rate

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

Foreign currency risk

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

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

Risk related to disputes with joint venture partners

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

Pledge of or restrictions on assets

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

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

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

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

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

— Pledged and restricted bank and other deposits of approximately RMB4.7 billion (31 December 2023: RMB2.2 billion)

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

Capital and other Commitments

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

Contingencies

Financial guarantees contracts

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

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

Contingent liability

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

Material acquisitions and disposals

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

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

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

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

Significant Events and Business Development after Reporting Period

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

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

Employees

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

DIVIDEND

The Board does not recommend the payment of any final dividend for the year ended 31 December 2024 (2023: Nil).

CODE ON CORPORATE GOVERNANCE PRACTICES

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

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

AUDIT COMMITTEE AND FINANCIAL INFORMATION

The financial information in this announcement does not constitute the Group's consolidated financial statements for the year, but represents an extract from those consolidated financial statements. The audit committee of the Company (the "**Audit Committee**") consisting of three independent non-executive Directors, namely Mr. Yip Tai Him, Ir. Dr. Ho Chung Tai, Raymond and Dr. Shen Wenzhong, has reviewed the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, and the annual results of the Group for the reporting period in conjunction with the external auditor of the Company.

AUDITOR

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

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this preliminary announcement have been agreed by the Group's auditor, Crowe (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by the Crowe (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Crowe (HK) CPA Limited on this preliminary announcement.

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

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

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

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

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

During the year ended 31 December 2024 and as at the date of this announcement, 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 year ended 31 December 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

PUBLICATION OF INFORMATION ON HKEXNEWS WEBSITE

This announcement is published on the websites of the Company (www.gcltech.com) and HKEXnews (www.hkexnews.hk). The Annual Report containing all the information as required by Appendix D2 to the Listing Rules will be despatched to the Shareholders (if required) and made available for review on the same websites in due course.

GLOSSARY OF TERMS

"Board" or "Board of Directors"	our board of Directors
"China" or "PRC"	the People's Republic of China, for the purposes of this announcement, excludes Hong Kong and Macau Special Administrative Region of the PRC
"Company" or "GCL Tech"	GCL Technology Holdings Limited
"Director(s)"	director(s) of the Company or any one of them

"GNE" or "GCL New Energy"	GCL New Energy Holdings Limited, a limited liability company incorporated in Bermuda with its shares listed on the Stock Exchange (Stock Code: 451)
"GNE Group"	GNE and its subsidiaries
"Group"	the Company and its subsidiaries
"GW"	gigawatts
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"MT"	metric tonnes
"MW"	megawatts
"MWh"	megawatt hour
"PV"	photovoltaic
"Share(s)"	ordinary share(s) with nominal value of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"USA"	the United States of America
"W"	watts

By order of the Board
GCL Technology Holdings Limited
協鑫科技控股有限公司
Zhu Gongshan
Chairman

Hong Kong, 28 March 2025

As at the date of this announcement, the Board comprises Mr. Zhu Gongshan (Chairman), Mr. Zhu Yufeng, Mr. Zhu Zhanjun, Ms. Sun Wei, Mr. Lan Tianshi, and Mr. Yeung Man Chung, Charles as executive Directors; and Ir. Dr. Ho Chung Tai, Raymond, Dr. Shen Wenzhong, Mr. Li Junfeng and Mr. Yip Tai Him as independent non-executive Directors.

* *English name for identification purpose only*