



**GCL New Energy Holdings Limited**

**協鑫新能源控股有限公司**

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

**Bringing**

**GREEN  
POWER to Life**



**2023**  
**INTERIM REPORT**



## About GCL New Energy

- Renowned solar power private enterprise in the PRC, one of its substantial shareholders, GCL Tech (3800.HK), is a world's leading polysilicon producer and wafer supplier
- Successful realization of asset-light transformation, enables it to proactively develop other clean energy businesses by leveraging on existing solar power generation platform
- Leading the development of intelligent solar power plant operation, was first in the country to be accredited the honorary title of "5A Solar Power Plants Operation and Maintenance Service Provider"

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

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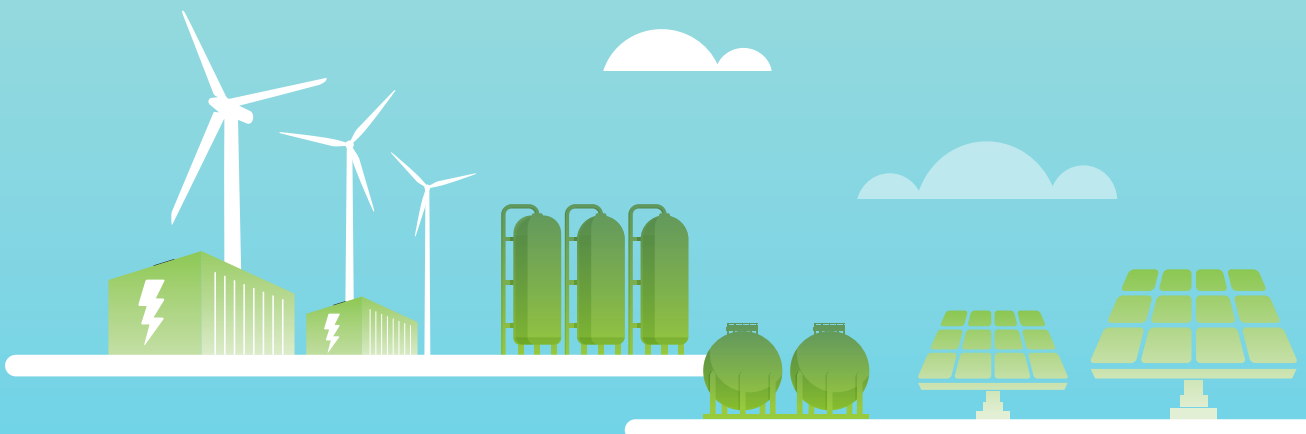
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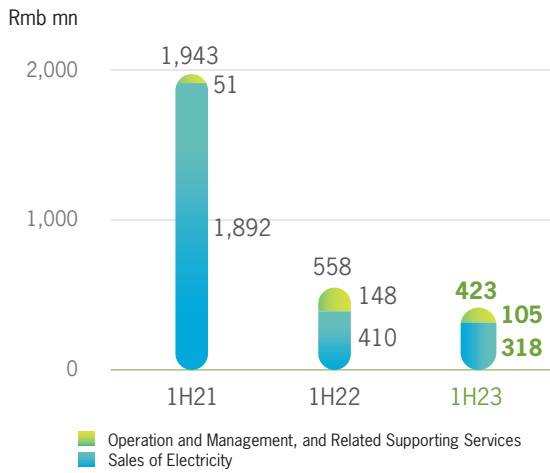
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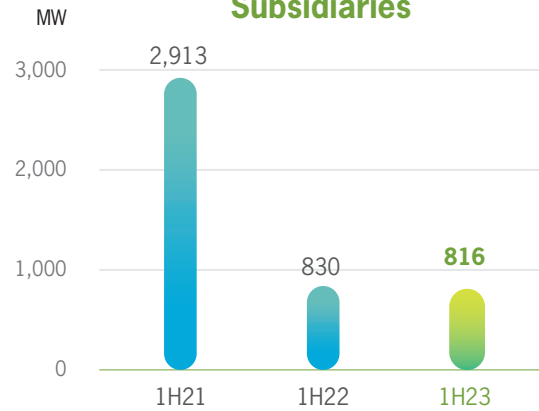
# Overview & Our Strategy

## 2023 Interim Performance Summary

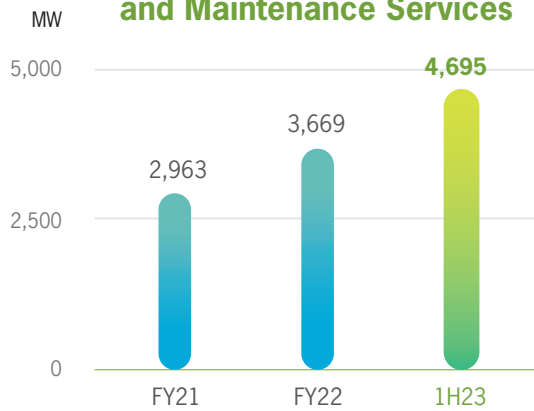
### Revenue



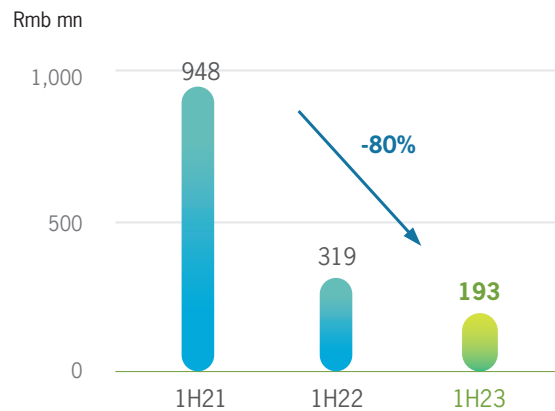
### Grid-Connected Capacity of Subsidiaries



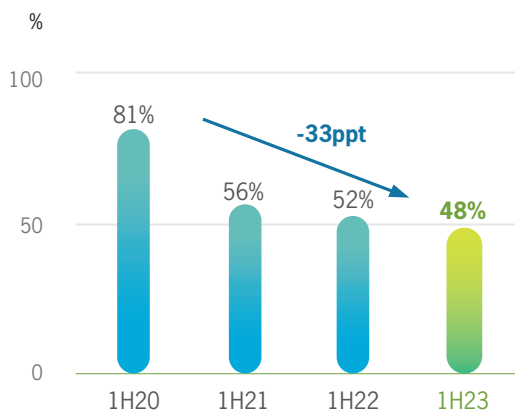
### Installed Capacity of Operation and Maintenance Services



### Finance Costs



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## Unlimited medium-long-term development potentials for natural gas amid the world's energy transition critical point

Under the influence of the geopolitical conflicts that have lingered since 2022, the conflict between global energy supply and demand has deteriorated sharply, and the frequent fluctuations in international energy prices have not only forced the relevant countries to adjust their energy policies but have also further pushed forward profound changes in the international energy landscape. Although the growth in energy consumption is likely to slow down in 2023 due to the fluctuation and uncertainty of the global economic environment, according to the International Energy Agency's ("IEA") forecast in July 2023, global demand for electricity is likely to rebound in 2024 as the economic outlook improves, with the growth rate of global energy consumption expected to rise to 3.3%. The power generation of renewable energy will account for more than one-third of the world's total electricity supply for the first time. This means that countries around the globe will need to develop more renewable energy sources if the demand for continued growth in electricity in the future is to be met. As countries in European Union have not yet fully overcome the energy dilemma, the global demand for clean alternative energy will continue to be robust before renewable energy dominates the energy sector. At present, natural gas, by virtue of its clean, efficient and low-carbon characteristics, as well as the advantages of abundant resources, diversified utilization and significant environmental benefits, plays an important role in optimizing the energy structure and reducing carbon emission, and is widely regarded as one of the important alternative energy resources domestically and internationally, with an increasingly prominent status and role in the process of the global energy transition.

2023 was the beginning of the full implementation of the spirit of the 20th National Congress of the Communist Party of China (the "20th NCCPC") in the PRC and is the key year that follows the past and heralds the future for the implementation of the 14th Five-Year Plan. The "Guidance Opinion on 2023 Energy Work (《二零二三年能源工作指導意見》)" ("Opinion") issued by the National Energy Administration ("NEA") in April 2023 clearly stated that the country insists on putting energy supply and price stability first, actively and steadily promoting green and low-carbon transformation, adhering to innovation-driven upgrading in the level of industrial modernization, and maintaining the development momentum for high-quality reform and opening-up. In addition, there are many suggestions on natural gas development in the "Opinion", and it refers to the study and revision of the "Natural Gas Utilization Policy (《天然氣利用政策》)" issued by the National Development and Reform Commission ("NDRC") of the PRC in 2010, reflecting that in order to promote the green and low-carbon transformation and high-quality development of energy, the national policy is very optimistic and favourable on the development prospects of natural gas, which vigorously promotes the high-quality development of the natural gas industry, adhering to the in-depth promotion of the energy revolution, increasing the exploration and development of oil and gas resources and increasing reserves and production, coupled with supply and demand synergistic efforts, to accelerate the planning and construction of a new energy system. In light of the new situation and new requirements of energy development, it was proposed in the report of the 20th NCCPC convened in October 2022 that the natural gas industry should thoroughly implement important instructions and comments proposed, continue to accelerate the construction of the production, supply, storage and sales system, improve supply guarantee capabilities, improve the construction of the market system, stimulate the vitality of scientific and technological innovation, promote international exchanges and cooperation, enhance the resilience of the industrial chain and supply chain, achieve high-quality development of the industry, and promote natural gas to play a greater role in the construction of the new energy system.

In the "China Natural Gas Development Report (2023) (《中國天然氣發展報告(二零二三)》)" issued by the NEA in July 2023, it was preliminarily estimated that driven by urban gas consumption and gas use for electricity generation, the national natural gas consumption in 2023 was approximately 385 billion to 390 billion cubic meters, representing a year-on-year increase of 5.5% to 7%. The development pace of the domestic natural gas industry continues to accelerate, driven by the factors of "the needs of high-quality economic development, the needs of safeguarding energy security, and the needs of achieving carbon emissions peak and carbon neutrality". It is believed in the market that in the next few years, driven by gas consumption of urban daily life, industrial use, and power generation, the annual demand for natural gas will increase to 20 billion to 30 billion cubic meters, showcasing the strong domestic demand for natural gas.

## Overview & Our Strategy

### Business Review

#### Set sail with the wind to make concentrated efforts to commence a new chapter of the natural gas business

GCL New Energy has been actively seeking innovation and changes. To fully grasp the priorities for the future development of clean energy, GCL New Energy has made a comprehensive, clear and objective understanding and judgment of the natural gas development at home and abroad and timely seize the new opportunities arising from the overall adjustment of development landscape in the natural gas industry. GCL New Energy has maintained sound communication with POLY-GCL Petroleum Group Holdings Limited (“**POLY-GCL Petroleum Group**”) and actively explored the cooperation opportunities of initiating liquefied natural gas (“**LNG**”) business in the future.

POLY-GCL Petroleum Group possesses a period of 45 years for the upstream exploration and development of 5 trillion cubic meters of natural gas reserves and approximately 4 billion tons of crude oil that meet the conditions for large-scale commercial development in Ogaden Basin, Ethiopia, Africa.

In order to accelerate the implementation of the Ethiopian natural gas project and to accelerate the broadening of revenue streams in the energy sector, on 17 March 2023, GCL New Energy Africa Limited (“**GNE Africa**”), an indirect wholly-owned subsidiary of GCL New Energy, entered into the engineering, procurement and construction (“**EPC**”) agreement with Hangzhou Fortune Cryogenic Group Co., Ltd. (杭州福斯達深冷裝備股份有限公司) (“**Hangzhou Fortune**”) and Zhejiang Engineering Design Co., Ltd. (浙江工程設計有限公司) (“**Zhejiang Engineering**”). Pursuant to the agreement, Hangzhou Fortune and Zhejiang Engineering, engaged by GNE Africa as the joint contractors, will provide EPC services to GNE Africa, for the construction, development, and maintenance of its LNG project at a consideration of approximately US\$15.03 million (tax inclusive).

To further promote high-quality sustainable development, during the process of planning for long-term development in the future, GCL New Energy actively implemented the strategic asset-light transformation, strived to implement the sustainable development concept into the long-term corporate development strategy, and comprehensively incorporated it into the daily operations of various fields. On 19 May 2023, the Group announced that its indirect subsidiary, Suzhou GCL New Energy Development Co., Ltd. (蘇州協鑫新能源發展有限公司) (“**Suzhou GCL New Energy**”), disposed of 4 operational solar power plants with a total grid-connected capacity of approximately 191 MW located in the PRC to Hunan Xinhua Water Conservancy and Electric Power Co., Ltd. (湖南新華水利電力有限公司) (“**Hunan Xinhua**”) and intended to use the net cash proceeds from this transaction, which were estimated to be approximately RMB1,425 million, for debt repayment. The ratio of total liabilities to total assets of the Group for the first half of 2023 (the “**Period**”) decreased to 47.5%, and the overall liabilities had improved to a level more favourable to the layout of long-term development, which provided stronger support for exploring new opportunities in the clean energy business.

In the context of a continuing positive financial situation, the Group proactively and prudently handled debt clause requirements concerning the Existing Notes. During the period, the Group completed three repurchases of Existing Notes totalling over US\$110 million and the Group’s remaining outstanding notes amounted to approximately US\$146 million in aggregate principal amount. The Group will continue to fulfil its obligations to the holders of Existing Notes by its liquidity position, repurchase and repay its debts on time in strict compliance with debt clauses to further reduce its overall liabilities and financing expenses.

### Adherence to longtermism, pursuing “dual-core businesses” and sustainable green operations development

GCL New Energy is actively exploring the new business model of “solar plus natural gas” dual-core businesses, while holding fast to the development of its core business and endeavouring to lay a more solid foundation for entering the next stage of development. Leveraging on its extensive experience in operational and maintenance (“O&M”) of solar power plants, scale advantage and massive data accumulation, the Group expedites the O&M outsourcing business of various clean energy projects. As a national high-tech enterprise, GCL New Energy accelerates technological advancement through continuous investment in R&D, constantly improves the intelligent O&M level and the efficiency of the power station system, and strives to provide value-added services for the O&M outsourcing clients including equipment commission, equipment function testing, secondary system maintenance, external cable maintenance, electricity market transaction, asset evaluation, and wind and solar power to hydrogen storage integrated energy services, so as to create value for the clients, achieve a win-win situation and promote mutual development. Currently, the Group provides O&M outsourcing services for energy projects with a total installed capacity of approximately 4 GW. The Group serves clients across the nation and has established a leading market presence.

Looking forward, in view of the domestic and international challenges, GCL New Energy as a green company that prioritizes the development of clean energy businesses, will firmly focus on the “solar plus natural gas” dual-core businesses development strategy, seize the great opportunities of developing natural gas business, and continuously promote integrated development on both domestic and overseas fronts. In line with development needs, adaptive adjustments will be made and by following the lead of technological innovation, GCL New Energy will give full play to “green advantage, industrial advantage, and first-mover advantage”, reinforce “scientific and technological strength, human resources strength, and economic strength”, make efforts to nurture core capabilities based on the precise industrial positioning, make clear setup and planning to meet the broad development prospects of natural gas, stick to the high-quality development path relying on the technological and management innovation, and contribute to the national energy transformation development.

## Overview & Our Strategy

# Management Discussion and Analysis

### Overview

For the six months ended 30 June 2023, loss attributable to owners of the Company for the reporting period was RMB216 million, as compared to loss attributable to owners of the Company of RMB514 million in the last reporting period. The loss for the reporting period was mainly attributable to the combined effect of the following:

1. the grid-connected capacity of subsidiaries decreased from 830MW as at 30 June 2022 to 816MW as at 30 June 2023, representing a slight decrease of 2% in business scale. The sales volume of electricity and the revenue from electricity generation of the Group decreased by 16% and 20%, respectively. The drop in our business scale led to a decrease in gross profit by RMB60 million, from RMB255 million to RMB195 million in the current reporting period;
2. the decrease in administrative expenses by 59%, from RMB261 million to RMB107 million, mainly due to decrease in legal and professional fees associated with the substantial disposal of solar power plant projects which took place in the last reporting period;
3. the exchange loss of RMB33 million during the six months ended 30 June 2023, as compared to the exchange loss of RMB144 million for the six months ended 30 June 2022. The exchange loss is mainly caused by the appreciation of USD against RMB for USD denominated indebtedness; and
4. the decrease of finance costs from RMB319 million to RMB193 million as compared with the last reporting period, mainly due to the decrease in business scale and repayment of debts.



## Business Review

### Capacity and Electricity Generation

As at 30 June 2023, the grid-connected capacity of the Group's subsidiary power plants was approximately 816MW (31 December 2022: 840MW). Details of capacity, electricity sales volume and revenue for the six months ended 30 June 2023 are set out below.

Subsidiaries by provinces	Tariff Zones	Number of solar power plant	Grid-connected Capacity <sup>(1)</sup> (MW)	Electricity Sales Volume (million kWh)	Average Tariff (Net of Tax) (RMB/kWh)	Revenue (RMB million)
Inner Mongolia	1	4	189	135	0.72	97
		<b>4</b>	<b>189</b>	<b>135</b>	<b>0.72</b>	<b>97</b>
Qinghai	2	4	98	65	0.62	40
Jilin	2	4	51	40	0.73	29
Liaoning	2	3	60	49	0.51	25
Gansu	2	1	20	13	0.77	10
		<b>12</b>	<b>229</b>	<b>167</b>	<b>0.63</b>	<b>104</b>
Jiangsu	3	2	23	14	0.86	12
Hebei	3	1	21	14	0.36	5
Shandong	3	8	129	90	0.77	69
Henan	3	4	15	7	0.57	4
Guangdong	3	4	13	7	0.71	5
Fujian	3	3	56	27	0.63	17
Shanghai	3	1	7	4	0.75	3
		<b>23</b>	<b>264</b>	<b>163</b>	<b>0.71</b>	<b>115</b>
<b>Subtotal</b>		<b>39</b>	<b>682</b>	<b>465</b>	<b>0.68</b>	<b>316</b>
US		2	134	72	0.49	35
<b>Total of Subsidiaries</b>		<b>41</b>	<b>816</b>	<b>537</b>	<b>0.65</b>	<b>351</b>

## Overview & Our Strategy

### Management

### Discussion and Analysis

	<b>Revenue (RMB million)</b>
Representing:	
Electricity sales	151
Tariff adjustment – government subsidies received and receivable	200
Total revenue of subsidiaries for electricity sales	351
Less: effect of discounting tariff adjustment to present value <sup>(2)</sup>	(33)
Total revenue of solar power plants, after discounting	318
Solar power plants operation and management income	66
Solar related supporting service income	39
<b>Total revenue of the Group</b>	<b>423</b>

(1) Aggregate installed capacity represents the maximum capacity that was approved by the local government authorities while grid-connected capacity represents the actual capacity connected to the State Grid (as defined below).

(2) Certain portion of the tariff adjustments (government subsidies) is discounted.

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

## Financial Review

### Revenue and Gross Profit

For the six months ended 30 June 2023, the Group’s revenue was mainly derived from (i) solar power electricity generation; (ii) service income from the provision of the solar power plants operation and management services; and (iii) income from solar related supporting services. The table below sets forth an analysis of the Group’s revenue:

	<b>Six months ended 30 June</b>	
	<b>2023 RMB’000 (Unaudited)</b>	2022 RMB’000 (Unaudited)
<b>Revenue</b>		
– Sales of electricity and tariff adjustments	<b>317,793</b>	410,224
– Solar power plants operation and management service	<b>65,503</b>	73,995
– Solar related supporting service income	<b>39,468</b>	73,817
	<b>422,764</b>	558,036

The decrease in revenue was mainly attributable to the disposal of solar power plants during 2022. The grid-connected capacity decreased from 830MW as at 30 June 2022 to 816MW as at 30 June 2023. The average tariff (net of tax) for the PRC was approximately RMB0.65/kWh (2022: RMB0.68/kWh).

During the six months ended 30 June 2023, the Group provided operation and maintenance services for some of the disposed solar power plant projects and generated management service income. Also, the Group provided other supporting services such as procurement service to widen our business coverage in order to generate additional income stream to the Group. As at 30 June 2023, the Group had entered into contracts to provide operation and maintenance services for solar power plants with total installed capacity of approximately 4,695MW.

The Group's gross margin for the six months ended 30 June 2023 was 46.2%, as compared to 45.6% for the six months ended 30 June 2022. The cost of sales mainly consisted of depreciation, which accounted for 57.5% (2022: 51.2%) of the cost of sales, with the remaining costs being operation and maintenance costs of solar power plants.

### **Other Income**

During the six months ended 30 June 2023, other income mainly included imputed interest on discounting effect on tariff adjustment receivables (i.e. interest arising from contracts containing significant financing component) of RMB11 million (2021: RMB26 million) and bank interest income of RMB6 million (2021: RMB7 million).

### **Administrative Expenses**

The administrative expenses mainly included staff costs, rental expenses and legal and professional fees. Administrative expenses decreased by 59% to RMB107 million (2022: RMB261 million) for the six months ended 30 June 2023. The decrease in administrative expenses was mainly due to a decrease in legal and professional fees associated with the substantial disposal of solar power plant projects which took place in the last reporting period.

### **Other gains and losses, net**

During the six months ended 30 June 2023, the net loss decreased by 45% to RMB118 million (2022: RMB216 million). The net loss for 2023 was mainly due to exchange loss caused by the appreciation of USD against RMB for USD denominated indebtedness of RMB33 million (2022: RMB144 million).

### **Share of profits of associates**

Share of profits of associates amounted to RMB57 million (2022: RMB68 million), mainly representing the share of profits from several partly held solar power plants.

### **Finance Costs**

Total borrowing costs decreased by 40% from RMB319 million to RMB193 million as compared with the last reporting period. The decrease was mainly due to the decrease in average borrowing balance as a result of the disposal of solar power plants. The interest-bearing debts decreased from RMB5,540 million as at 30 June 2022 to RMB3,803 million as at 30 June 2023. The average borrowing rate decreased from approximately 8.5% in 2022 to approximately 7.5% in 2023.

### **Income Tax Expense**

Income tax expense for the six months ended 30 June 2023 was RMB9 million (2022: RMB16 million). There is a decrease in income tax expense because of the disposal of solar power plants during 2022, leading to decrease in taxable income.

## Overview & Our Strategy

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### Discussion and Analysis

#### Profit attributable to other non-controlling interests

Profit attributable to other non-controlling interests amounted to RMB1 million for the six months ended 30 June 2023 (2022: RMB4 million).

#### Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2023 (2022: Nil).

#### Property, Plant and Equipment

Property, plant and equipment was RMB3,121 million and RMB4,468 million as at 30 June 2023 and 31 December 2022, respectively. The decrease was mainly due to the disposal of solar power plants in 2022.

#### Other Non-current Assets

As at 30 June 2023, other non-current assets was RMB132 million (31 December 2022: RMB107 million), which mainly included refundable value-added tax of approximately RMB61 million (31 December 2022: RMB35 million).

#### Contract assets

Contract assets primarily relate to the portion of tariff adjustments for electricity sold to local state grid companies in the PRC in which the relevant on-grid solar power plants are still pending for registration to the subsidy catalogue. Any amount previously recognised as contract assets is reclassified to trade receivables at the point at which it is registered in the subsidy catalogue.

Contract assets increased from RMB55 million as at 31 December 2022 to RMB64 million as at 30 June 2023, as some power plants entered into the project list of subsidy for renewable energy power plants (the “**Subsidy List**”).

#### Trade and Other Receivables

As at 30 June 2023, trade and other receivables of RMB2,395 million (31 December 2022: RMB3,994 million) mainly included trade and bills receivables of RMB868 million (31 December 2022: RMB1,589 million), refundable value-added tax of RMB14 million (31 December 2022: RMB62 million) and consideration receivables from disposal of subsidiaries of RMB240 million (31 December 2022: RMB279 million).

As at 30 June 2023, tariff adjustments receivables of RMB764 million (31 December 2022: RMB1,452 million), represents subsidy receivable from the government authorities in respect of the Group’s solar power generation business and contract assets of RMB64 million (31 December 2022: RMB55 million), primarily relate to the portion of tariff adjustments for the electricity sold to the grid companies in the PRC in which the relevant on-grid solar power plants are still pending for registration to the Subsidy List at the end of the reporting period. As at 30 June 2023, there was 47 MW installed capacity of solar power plants projects to be registered (31 December 2022: 47MW).

As at 30 June 2023, amounts due from former subsidiaries of RMB1,733 million (31 December 2022: RMB2,198 million), represents outstanding payments arising from its disposals of subsidiaries to independent third parties during the financial years ended 31 December 2018 to six months ended 30 June 2023 as part of the Group's transition to become an asset-light enterprise. When the Group and the purchasers discuss the terms of the share and purchase agreements in respect of the disposal of the Group's subsidiaries, the consideration was determined by taking into, among other things, receivables (i.e. the "**Outstanding Payments**") that were due from the former subsidiaries to the Group. The purchasers are obligated to procure the former subsidiaries to settle the Outstanding Payments in stages pursuant to the terms and conditions set out in the share and purchase agreements. Except for the accumulated impairment loss of approximately RMB570 million recognised on these receivables as at 30 June 2023 and as at 31 December 2022, for the remaining balances, the management considers credit risk has not been increased significantly since the date of initial recognition. Accordingly, no loss allowance for credit risk is further provided.

### Other Payables and Deferred Income

Other payables and deferred income decreased from RMB1,330 million as at 31 December 2022 to RMB1,255 million as at 30 June 2023. Other payables and deferred income mainly consisted of payables for purchase of plant and machinery and construction cost of RMB82 million (31 December 2022: RMB145 million).

### Liquidity and Financial Resources

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

As at 30 June 2023, bank balances and cash of the Group were approximately RMB894 million (31 December 2022: RMB850 million), including bank balances and cash of RMB41 million, for projects classified as held for sale (31 December 2022: RMB53 million). For the six months ended 30 June 2023, the Group's primary source of funding included cash generated from its operating activities and proceeds from disposal of power plants.

### Indebtedness and gearing ratio

Solar energy business is a capital intensive industry. The business requires substantial capital investments for developing and constructing solar power plants. However, starting from 2019 onwards, the Group had adopted assets-light business strategy. The average gearing ratio of the Group become more stable and in an acceptable level.

The Group was in net current assets position of approximately RMB2,711 million as at 30 June 2023 (31 December 2022: RMB3,794 million).

## Overview & Our Strategy

### Management Discussion and Analysis

The Group monitors capital based on two gearing ratios. The first ratio is calculated as net debts divided by total equity and the second ratio is calculated as total liabilities divided by total assets. The gearing ratios as at 30 June 2023 and 31 December 2022 were calculated as follows:

	<b>30 June 2023</b>	31 December 2022
	<i>RMB million</i>	<i>RMB million</i>
<b>Non-current indebtedness</b>		
Bank and other borrowings	<b>1,543</b>	2,082
Senior notes	–	1,723
Lease liabilities	<b>250</b>	240
	<b>1,793</b>	4,045
<b>Current indebtedness</b>		
Loan from a related company	<b>5</b>	5
Bank and other borrowings	<b>379</b>	437
Senior notes	<b>1,031</b>	–
Lease liabilities	<b>12</b>	30
	<b>1,427</b>	472
<b>Indebtedness for solar power plants projects classified as held for sale</b>		
Bank and other borrowings – due within one year	<b>46</b>	4
Bank and other borrowings – due after one year	<b>523</b>	145
Lease liabilities	<b>14</b>	23
	<b>583</b>	172
Total indebtedness	<b>3,803</b>	4,689
Less: Cash and cash equivalents		
– continuing operations	<b>(853)</b>	(797)
– projects classified as held for sale	<b>(41)</b>	(53)
Pledged bank and other deposits		
– continuing operations	<b>(256)</b>	(262)
– projects classified as held for sale	–	(5)
Net debts	<b>2,653</b>	3,572
Total equity	<b>5,846</b>	5,978
Net debts to total equity	<b>45.4%</b>	59.8%
Total liabilities	<b>5,281</b>	6,186
Total assets	<b>11,126</b>	12,164
Total liabilities to total assets	<b>47.5%</b>	50.9%

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

	<b>30 June 2023</b>	31 December 2022
	<i>RMB million</i>	<i>RMB million</i>
Renminbi ("RMB")	<b>2,555</b>	2,559
United States dollars ("US\$")	<b>1,248</b>	2,130
	<b>3,803</b>	4,689

## Pledge of Assets

As at 30 June 2023, the following assets (other than those have been classified as part of a disposal group held for sale) were pledged for bank and other facilities granted to the Group:

- property, plant and equipment of RMB1,495 million (31 December 2022: RMB2,957 million);
- bank and other deposits of RMB256 million (31 December 2022: RMB262 million); and
- rights to collect the sales of electricity for certain subsidiaries. As at 30 June 2023, the trade receivables and contract assets of those subsidiaries amounted to RMB448 million (31 December 2022: RMB1,385 million).

Besides, lease liabilities (other than those that have been classified as part of a disposal group held for sale) of RMB262 million (31 December 2022: RMB270 million) were recognised in respect of right-of-use assets amounting to RMB195 million (31 December 2022: RMB219 million) as at 30 June 2023.

## Guarantees provided to Third Parties

As at 30 June 2023, the Group provided back-to-back guarantees to third parties for certain bank and other borrowings taken out by certain third parties for project companies whereby the third parties held a substantial interest and the Group held a minority interest. The back-to-back guarantees held a maximum amount of RMB1,610 million (31 December 2022: RMB1,610 million). Besides, the Group also provided financial guarantees to certain disposed subsidiaries during transitional period for their bank and other borrowings amounting to RMB712 million (31 December 2022: RMB712 million).

## Capital and Other Commitments

As at 30 June 2023, the Group's capital commitments in respect of construction commitments relating to natural gas liquefaction plant contracted but not provided amounted to approximately RMB107 million (2022: nil) and commitment of share capital of joint venture of approximately RMB25 million (2022: RMB25 million).

## Material disposal

During the six months ended 30 June 2023, the Group has entered into various share transfer agreements with different third parties to dispose equity interests in companies which hold various solar power plants. In particular, the material disposal which constituted a very substantial disposal of our Group during the six months ended 30 June 2023 is summarised hereinbelow:

Date of the agreement signed in 2023	Name of buyer	Percentage of disposed equity interest	Capacity of solar power plants (MW)	Consideration (RMB million)
May 2023	Hunan Xinhua Water Conservancy and Electric Power., Ltd.* (湖南新華水利電力有限公司)	100%	191	308
		<b>Total</b>	<b>191</b>	<b>308</b>

Note: For details, please refer to the announcement(s) published by the Company (if applicable).

## Overview & Our Strategy

### Management

### Discussion and Analysis

#### Breach of loan agreement

As at 30 June 2023, the Company had not breached any terms of its loan agreements for loans that are significant to its operations.

#### Financial Assistance and guarantees to affiliated companies by the Company

As at 30 June 2023, the Company had not provided any financial assistance and guarantees to affiliated companies which is subject to disclosure requirement under Rule 13.22 of the Listing Rules.

#### Advance to an entity provided by the Company

As at 30 June 2023, the Company had not provided any advance to an entity which is subject to disclosure requirement under Rule 13.20 of the Listing Rules.

#### Events After the Reporting Period

Please refer to note 33 to the unaudited condensed consolidated financial statements.

#### Risk Factors and Risk Management

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

##### 1. Policy risk

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

##### 2. Risk associated with tariff

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



### **3. Risk related to interest rate**

Interest risk may result from fluctuations in bank loan rates. Given our Company highly relies on external financing in order to obtain capital for new solar power project development, any interest rate changes will have an impact on the Company's capital expenditure and finance expenses, which in turn affect our operating results. Transformation into asset-light model is an effective way to reduce debts and interest rate exposure.

### **4. Foreign currency risk**

As most of our solar power plants are located in the PRC, substantial amount of our revenues, capital expenditures, assets and liabilities are denominated in RMB. Apart from using RMB denominated loans to finance project development in the PRC, the Company also uses foreign currencies such as US dollars to inject into projects in the form of equity. As the Company has not purchased any foreign currency derivatives or related hedging instruments to hedge for foreign currencies loans, any changes in the exchange rate of foreign currency to RMB will have an impact on the Company's operating results.

### **5. Risk related to disputes with joint venture partners**

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

## **EMPLOYEE AND REMUNERATION POLICIES**

We consider our employees to be our most important resource. As at 30 June 2023, the Group had approximately 859 employees (31 December 2022: 792 employees) in the PRC and overseas. Employees are remunerated with reference to individual performance, working experience, qualification and the prevailing industry practice. Apart from basic remuneration and the statutory retirement benefit scheme, employee benefits include discretionary bonuses, with share options granted to eligible employees. Total staff costs (including Directors' emoluments, retirement benefits schemes contributions and share option expenses) for the six months ended 30 June 2023 was approximately RMB103 million (30 June 2022: RMB125 million).

## Corporate Governance

# Our Directors

The Board consists of eleven members of which four are independent non-executive Directors, bringing in a sufficient independent voice and enhancing independent judgment. The other members are four executive Directors and three non-executive Directors. In addition, three of the Board members are female Directors, improving the gender diversity in the boardroom.

As at 30 June 2023 and up to the date of publication of this report, the composition of the Board is set out below:

<b>Executive Directors</b>	<b>Non-executive Directors</b>	<b>Independent Non-executive Directors</b>
Mr. ZHU Gongshan ( <i>Chairman</i> )	Ms. SUN Wei	Mr. LEE Conway Kong Wai
Mr. ZHU Yufeng ( <i>Vice Chairman</i> )	Mr. YEUNG Man Chung, Charles	Mr. WANG Yanguo
Mr. WANG Dong ( <i>President</i> )	Mr. FANG Jiancai	Dr. CHEN Ying
Ms. HU Xiaoyan		Mr. CAI Xianhe

## Changes in Directors and Directors' Information

1. Mr. Lee Conway Kong Wai ceased to act as an independent non-executive director of Yashili International Holdings Ltd (a company previously listed on the Stock Exchange and delisted on 5 July 2023, former HKEX stock code: 1230) with effect from 5 July 2023.

Save as disclosed above, the Company is not aware of any other change in Directors and Directors' information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the publication of the Company's 2022 Annual Report.

## Audit Committee

The audit committee of the Company has reviewed, with the management of the Group, the accounting principles and practices adopted by the Group, its internal controls and financial reporting matters including a review of the Company's interim report and interim results for the six months ended 30 June 2023.

## AUDITOR

The Company's external auditor, Crowe (HK) CPA Limited, has conducted a review of the Interim Financial Information of the Group for the six months ended 30 June 2023 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

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

# Corporate Governance

## Interests in Company's Securities and Share Option Scheme

### Interests of Directors and Chief Executive

As at 30 June 2023, so far as is known to the Directors, the interests of the Directors and chief executive in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

### Long Position in the ordinary shares of the Company

Name of Director	Number of Shares			Total	Approximate percentage of issued Shares (Note 2)
	Beneficiary of a Trust	Personal Interests	Number of underlying Shares (Note 1)		
Mr. ZHU Gongshan	197,143,695 (Note 3)	–	–	197,143,695	16.89%
Mr. ZHU Yufeng	197,143,695 (Note 3)	–	875,000	198,018,695	16.96%
Mr. WANG Dong	–	11,496	–	11,496	0.001%
Ms. HU Xiaoyan	–	–	750,000	750,000	0.06%
Ms. SUN Wei	–	90,995	500,000	590,995	0.05%
Mr. YEUNG Man Chung, Charles	–	–	250,000	250,000	0.02%
Mr. FANG Jiancai	–	–	250,000	250,000	0.02%
Mr. LEE Conway Kong Wai	–	–	100,000	100,000	0.01%
Mr. WANG Yanguo	–	–	100,000	100,000	0.01%
Dr. CHEN Ying	–	–	100,000	100,000	0.01%

Notes:

- These are share options granted by the Company to the Directors pursuant to the Share Option Scheme on 3 November 2021. For further details, please refer to the subsection headed "Share Option Scheme" in this "Corporate Governance" section.
- The percentage was calculated based on 1,167,435,772 Shares in issue as at 30 June 2023.
- Those Shares were beneficially owned by Dongsheng Photovoltaic Technology (Hong Kong) Limited ("Dongsheng Photovoltaic") and Golden Concord Group Limited. For further information of the shareholding structure of Dongsheng Photovoltaic and Golden Concord Group Limited, please refer to note 2 under the subsection headed "Interests of Substantial Shareholders" in this "Corporate Governance" section.

Save as disclosed above, as at 30 June 2023, the Company is not aware of any of the Directors or chief executive of the Company had an interest or short position in any Shares, underlying Shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

## Corporate Governance

### Interests in Company's Securities and Share Option Scheme

#### Interests of Substantial Shareholders

As at 30 June 2023, so far as is known to the Directors, the following persons (other than the Directors and chief executive of the Company as disclosed above) had interests in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company under section 336 of the Part XV of the SFO:

#### Long Position in the Shares

Name	Nature of interest	Number of Shares	Approximate percentage in issued Shares (Note 1)
Zhu Gongshan (Note 2)	Founder of trust	197,143,695	16.89%
Zhu Yufeng (Note 2)	Beneficiary of a trust	197,143,695	16.89%
Credit Suisse Trust Limited (Note 2)	Trustee	197,143,695	16.89%
Asia Pacific Energy Fund Limited (Note 2)	Interest in controlled corporation	197,143,695	16.89%
Asia Pacific Energy Holdings Limited (Note 2)	Interest in controlled corporation	197,143,695	16.89%
Golden Concord Group Limited (Note 2)	Interest in controlled corporation	197,143,695	16.89%
Elite Time Global Limited (Note 3)	Beneficial owner	86,878,864	7.44%
GCL Technology (Note 3)	Interest in controlled corporation	86,878,864	7.44%
GCL System Integration (Note 2)	Interest in controlled corporation	95,298,915	8.16%
句容協鑫集成科技有限公司 (Note 2)	Interest in controlled corporation	95,298,915	8.16%
Dongsheng Photovoltaic Technology (Hong Kong) Limited (Note 2)	Beneficial owner	95,298,915	8.16%
Invesco Exchange – Traded Fund Trust II – Invesco Solar ETF	Person having a security interest in shares	61,811,027	5.29%

Notes:

- (1) The percentage was calculated based on 1,167,435,772 Shares in issue as at 30 June 2023.
- (2) (i) Dongsheng Photovoltaic is wholly-owned by 句容協鑫集成科技有限公司, which is in turn wholly-owned by GCL System Integration. 江蘇協鑫建設管理有限公司, 協鑫集團有限公司 and 營口其印投資管理有限公司 owns approximately 24.2% of GCL System Integration in aggregate. 營口其印投資管理有限公司 and 江蘇協鑫建設管理有限公司 are parties acting in concert with 協鑫集團有限公司. 協鑫集團有限公司 is 44.61% owned by 上海其旬投資管理有限公司 and 46.68% owned by 江蘇協鑫建設管理有限公司 and 8.71% owned by GCL-Poly (Taicang Harbour) Limited. 上海其旬投資管理有限公司 is wholly-owned by Mr. Zhu Yufeng. GCL-Poly (Taicang Harbour) Limited is wholly-owned by Golden Concord Group Limited. 江蘇協鑫建設管理有限公司 is wholly-owned by 協鑫新能科技(深圳)有限公司. 協鑫新能科技(深圳)有限公司 is wholly-owned by Golden Concord Group Management Limited which is in turn wholly-owned by Golden Concord Group Limited. Golden Concord Group Limited is in turn wholly-owned by Asia Pacific Energy Holdings Limited which is in turn wholly-owned by Asia Pacific Energy Fund Limited. Asia Pacific Energy Fund Limited is ultimately held under a discretionary trust with Credit Suisse Trust Limited as trustee and Mr. Zhu Yufeng and his family, including Mr. Zhu Gongshan as beneficiaries.
- (ii) An aggregate of 101,844,780 shares in the Company, being approximately 8.72% equity interest of the Company, are collectively held by Highexcel Investments Limited, Happy Genius Holdings Limited and Get Famous Investments Limited, which are wholly-owned by Golden Concord Group Limited.
- (3) Elite Time Global Limited is wholly-owned by GCL Technology.

## Corporate Governance Interests in Company's Securities and Share Option Scheme

Save as disclosed above, as at 30 June 2023, no other person (other than the Directors and chief executive of the Company) who had an interest or short position in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

### Share Option Scheme

The Company adopted the Share Option Scheme on 15 October 2014. The purpose of the Share Option Scheme is to enable the Company to grant options to personnel as incentives or rewards for their contribution or potential contribution to the Group. The Share Option Scheme shall be valid and effective for a period of 10 years from 15 October 2014, after which no further share options will be granted or offered but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any subsisting share options granted prior to the expiry of the 10-year period or otherwise as may be required in accordance with the provisions of the Share Option Scheme. The remaining life of the Share Option Scheme is approximately 1 year and 1 month. Any offer of grant of share options shall remain open for acceptance, together with an acceptance remittance of HK\$1.00 to be received by the Company no more than 30 days from the date of offer. Further details of the Share Option Scheme are set out in the Company's 2022 Annual Report.

Share options were first granted on 23 October 2014 to subscribe for 26,842,000 Shares. On 24 July 2015, share options were granted again to subscribe for 23,673,000 Shares. Share options were granted again on 26 February 2021 to subscribe for 19,065,937 Shares (of which 18,525,812 share options have been accepted by the grantees). Share options were granted again on 3 November 2021 to subscribe for 3,025,000 Shares. A total of 23,452,370 share options were outstanding under the Share Option Scheme as at 30 June 2023. No options were granted by the Company during the six months ended 30 June 2023. The minimum period for which an option must be held before it can be exercised will be determined by the Board upon the grant of an option. Particulars of the Share Option Scheme are set out in note 27 to the Unaudited Condensed Interim Consolidated Financial Statements.

The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Group is 105,368,577, being not more than 10% of the issued share capital of the Company as at 21 May 2021, the date of passing the ordinary resolution approving the refreshment of the scheme mandate under the Share Option Scheme.

The number of further share options that may be granted under the Share Option Scheme was 102,343,577 as at 1 January 2023 and 102,343,577 as at 30 June 2023. As at the date of this report, the number of further share options that may be granted under the Share Option Scheme was 102,343,577, representing approximately 8.77% of the number of total issued shares of the Company.

As at the date of this interim report, 29 August 2023, the total number of shares issuable under the share options granted on 23 October 2014, 24 July 2015, 26 February 2021 and 3 November 2021 are 2,365,507 shares (representing approximately 0.20% of total issued Shares), nil share, nil share and nil share respectively.

## Corporate Governance

### Interests in Company's Securities and Share Option Scheme

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

Name or category of participants	Date of grant	Exercise period <i>(Notes 1 to 4)</i>	Exercise price HK\$ <i>(Note 5)</i>	Number of share options				As at 30.6.2023	
				As at 1.1.2023	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period		Lapsed during the Reporting Period
<b>Directors:</b>									
Mr. ZHU Yufeng	03.11.2021	03.11.2021 to 02.11.2031	7.14	875,000	-	-	-	-	875,000
Ms. HU Xiaoyan	03.11.2021	03.11.2021 to 02.11.2031	7.14	750,000	-	-	-	-	750,000
Ms. SUN Wei	03.11.2021	03.11.2021 to 02.11.2031	7.14	500,000	-	-	-	-	500,000
Mr. YEUNG Man Chung, Charles	03.11.2021	03.11.2021 to 02.11.2031	7.14	250,000	-	-	-	-	250,000
Mr. FANG Jiancai	03.11.2021	03.11.2021 to 02.11.2031	7.14	250,000	-	-	-	-	250,000
Mr. LEE Conway Kong Wai	03.11.2021	03.11.2021 to 02.11.2031	7.14	100,000	-	-	-	-	100,000
Mr. WANG Yanguo	03.11.2021	03.11.2021 to 02.11.2031	7.14	100,000	-	-	-	-	100,000
Dr. CHEN Ying	03.11.2021	03.11.2021 to 02.11.2031	7.14	100,000	-	-	-	-	100,000
<b>Sub-total</b>				<b>2,925,000</b>	-	-	-	-	<b>2,925,000</b>
Mr. SHA Hongqiu <i>(Note 6)</i>	24.07.2015	24.07.2015 to 23.07.2025	12.12	402,640	-	-	-	-	402,640
Employees of the Group (in aggregate)	23.10.2014	24.11.2014 to 22.10.2024	23.596	1,077,059	-	-	-	-	1,077,059
	24.07.2015	24.07.2015 to 23.07.2025	12.12	1,796,778	-	-	-	-	1,796,778
	26.02.2021	26.02.2021 to 25.02.2031	7.68	15,982,686	-	-	-	(1,660,999)	14,321,687
Employees of the Affiliate Companies (in aggregate) <i>(Note 7)</i>	23.10.2014	24.11.2014 to 22.10.2024	23.596	1,288,448	-	-	-	-	1,288,448
	24.07.2015	24.07.2015 to 23.07.2025	12.12	1,640,758	-	-	-	-	1,640,758
<b>Total</b>				<b>25,113,369</b>	-	-	-	<b>(1,660,999)</b>	<b>23,452,370</b>

## Corporate Governance Interests in Company's Securities and Share Option Scheme

Notes:

- The exercise period of the share options granted on 23 October 2014 is ten years from the grant date to 22 October 2024. The vesting schedule of such share options is as follow:

Vesting period	Accumulative Share Options Vested
24 November 2014 to 22 October 2015	20%
23 October 2015 to 22 October 2016	40%
23 October 2016 to 22 October 2017	60%
23 October 2017 to 22 October 2018	80%
On 23 October 2018	100%

All of the share options granted on 23 October 2014 have vested and none of the share options have been exercised as at 30 June 2023.

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

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

If the performance targets from 24 July 2015 to 23 July 2025 are not achieved, all of the share options shall not become exercisable as scheduled. None of the share options have vested as at 30 June 2023 since all of the performance target conditions mentioned hereinabove were not achieved.

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

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

None of the share options granted on 26 February 2021 has vested as at 30 June 2023.

## Corporate Governance

### Interests in Company's Securities and Share Option Scheme

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

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

None of the share options granted on 3 November 2021 has vested as at 30 June 2023.

5. (a) The exercise price of share options pursuant to the Share Option Scheme shall not be less than whichever is the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value per share of the Company. The closing prices of the Shares immediately before the date on which the share options were granted on 23 October 2014, 24 July 2015, 26 February 2021 and 3 November 2021 were HK\$4.75, HK\$0.580, HK\$0.375 and HK\$0.330 respectively.
- (b) Pursuant to the terms of the Share Option Scheme, adjustments are required to be made to the exercise price and the number of Shares that can be subscribed for under the outstanding share options as a result of:
- (i) the rights issue of the Company with effect from 2 February 2016. The exercise prices per Share were adjusted to HK\$1.1798 and HK\$0.606 for the grant of share options on 23 October 2014 and 24 July 2015 respectively. For further details, please refer to the Company's announcement dated 2 February 2016.
- (ii) the completion of Share Consolidation of the Company that every twenty issued and unissued shares capital of the Company be consolidated into one consolidated share with effect from 31 October 2022. The exercise prices per Share were adjusted to HK\$23.596, HK\$12.12, HK\$7.68 and HK\$7.14 for the grant of share options on 23 October 2014, 24 July 2015, 26 February 2021 and 3 November 2021 respectively. For further details, please refer to the Company's announcement dated 31 October 2022.
6. While Mr. Sha Hongqiu retired from office as a non-executive Director with effect from 17 June 2020, his share options remain exercisable under the Share Option Scheme.
7. These are ex-employees of the Group who were subsequently transferred to the Affiliate Companies and their share options remain exercisable under the Share Option Scheme.



## **Corporate Governance Practices**

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

## **Compliance With Corporate Governance Code**

Throughout the six months ended 30 June 2023, the Company complied with the code provisions set out in the CG Code.

## **Compliance with Model Code**

The Board adopted the Model Code with terms no less exacting than the required standard set out in Appendix 10 to the Listing Rules as its own model code of conduct regarding Directors' securities transactions. Having made specific enquiry by the Company, all Directors have confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the Reporting Period.

## **Directors' Interests in Competing Business**

Each of the companies in the Golden Concord Group (a general reference to the companies in which Mr. Zhu Gongshan and his family have a direct or indirect interest) operates within its own legal, corporate and financial framework. As at 30 June 2023, the Golden Concord Group might have had or developed interests in business similar to those of the Group and there was a chance that such businesses might have competed with the businesses of the Group.

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

## **Risk Management and Internal Control**

The Company has in practice complied with the requirements under the CG Code relating to risk management and internal control during the Reporting Period. Details of the Group's risk management and internal control systems (the "Systems"), as well as risk management procedures were set out in the Corporate Governance Report of the Company's 2022 Annual Report.

During the Reporting Period, the Group has conducted ongoing reviews to identify deficiencies in operations and opportunities. All major findings were communicated to senior management of the respective business units to enforce the remediation.

During the Reporting Period, the Internal Control Function of the Group reviewed the effectiveness of the Systems. Based on the ongoing efforts devoted by the Group, there is neither material irregularities nor areas of material concerns that would have significant adverse impact on the Company's financial positions or results of operations. Management should pay attention to and monitor the important risk indicators, including the gearing ratio and the repayment ability of the Group.

## **Corporate Governance**

### **Corporate Governance and Other Information**

#### **Purchase, Sale Or Redemption Of Listed Securities**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares listed on the Stock Exchange during the six months ended 30 June 2023.

#### **Environmental, Social and Governance Reporting**

GCL New Energy has issued annual Environmental, Social and Governance Report since 2015, to report on the performance of the Group in environmental, social and governance issues annually. The Company's Environmental, Social and Governance Report 2022 is available on the websites of the Stock Exchange and the Company.

#### **Events after the Reporting Period**

Details of the events after the Reporting Period of the Group are set out in note 33 to the Unaudited Condensed Interim Consolidated Financial Statements.

## Corporate Governance Communication with Shareholders

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

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

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

### ***Board Secretarial and Investor Relations Department***

Telephone: +852 2606 9200

Facsimile: +852 2462 7713

Email: [gneir@gclnewenergy.com](mailto:gneir@gclnewenergy.com)

Address: Unit 1707A, Level 17, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong

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

### ***Tricor Abacus Limited***

Address: 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

Telephone: (852) 2980-1333

Facsimile: (852) 2810-8185

# Report on Review of Unaudited Condensed Interim Consolidated Financial Statements



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

## TO THE BOARD OF DIRECTORS OF GCL NEW ENERGY HOLDINGS LIMITED

協鑫新能源控股有限公司

*(incorporated in Bermuda with limited liability)*

### Introduction

We have reviewed the unaudited condensed interim consolidated financial statements of GCL New Energy Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 27 to 68, which comprise the unaudited condensed consolidated statement of financial position as of 30 June 2023 and the related unaudited condensed consolidated statement of profit or loss and other comprehensive income, the unaudited condensed consolidated statement of changes in equity and the unaudited condensed consolidated statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these unaudited condensed interim consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these unaudited condensed interim consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### Scope of Review

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

### Conclusion

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

**Crowe (HK) CPA Limited**

*Certified Public Accountants*

Hong Kong, 29 August 2023

**Chan Wai Dune, Charles**

Practising Certificate Number P00712

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

For the six months ended 30 June 2023

<b>Six months ended 30 June</b>			
	Notes	<b>2023 RMB'000 (Unaudited)</b>	2022 RMB'000 (Unaudited)
Revenue	3	<b>422,764</b>	558,036
Cost of sales and services rendered		<b>(227,288)</b>	(303,339)
Gross profit		<b>195,476</b>	254,697
Other income	4	<b>58,595</b>	80,136
Impairment loss under expected credit loss model, net	5	–	(53,720)
Impairment loss on property, plant and equipment	5	–	(700)
Administrative expenses			
– share-based payment expenses	27	<b>(4,587)</b>	(8,560)
– other administrative expenses		<b>(102,165)</b>	(252,753)
Other gains and losses, net	5	<b>(118,042)</b>	(162,057)
Share of profits of associates		<b>57,423</b>	67,962
Share of profit/(loss) of joint ventures		<b>26</b>	(288)
Finance costs	6	<b>(193,073)</b>	(319,322)
Loss before tax		<b>(106,347)</b>	(394,605)
Income tax expense	7	<b>(9,333)</b>	(15,796)
<b>Loss for the period</b>	8	<b>(115,680)</b>	(410,401)
Other comprehensive income:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<b>14,346</b>	28,555
Total comprehensive expense for the period		<b>(101,334)</b>	(381,846)
Loss for the period attributable to:			
Owners of the Company		<b>(216,111)</b>	(513,772)
Non-controlling interests			
– Owners of perpetual notes		<b>99,550</b>	99,550
– Other non-controlling interests		<b>881</b>	3,821
		<b>(115,680)</b>	(410,401)
Total comprehensive expense for the period attributable to:			
Owners of the Company		<b>(201,765)</b>	(485,217)
Non-controlling interests			
– Owners of perpetual notes		<b>99,550</b>	99,550
– Other non-controlling interests		<b>881</b>	3,821
		<b>(101,334)</b>	(381,846)
		<b>RMB cents (Unaudited)</b>	RMB cents (Unaudited) (Restated)
Loss per share			
– Basic and diluted	11	<b>(18.51)</b>	(48.76)

# Unaudited Condensed Consolidated Statement of Financial Position

At 30 June 2023

	Notes	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	12	3,120,577	4,468,062
Right-of-use assets	12	194,787	219,290
Interests in associates	13	1,488,864	1,431,441
Interests in joint ventures	14	3,202	3,176
Amounts due from related companies	15	17,443	17,443
Other investments	16	45,643	45,643
Other non-current assets	17	132,309	107,265
Contract assets	18	64,192	54,957
Pledged bank and other deposits		188,734	200,785
Deferred tax assets		22,086	25,383
		<b>5,277,837</b>	<b>6,573,445</b>
<b>CURRENT ASSETS</b>			
Trade and other receivables	19	2,394,828	3,993,895
Amounts due from related companies	15	227,105	282,657
Tax recoverable		106	346
Pledged bank and other deposits		67,422	61,001
Bank balances and cash		853,463	797,125
		<b>3,542,924</b>	<b>5,135,024</b>
Assets classified as held for sale	10	2,305,737	455,087
		<b>5,848,661</b>	<b>5,590,111</b>
<b>CURRENT LIABILITIES</b>			
Other payables and deferred income	21	905,573	985,852
Amounts due to related companies	15	170,072	143,145
Tax payable		6,532	2,383
Loan from a related company	22	4,811	4,811
Bank and other borrowings	23	378,827	436,921
Senior notes	25	1,030,726	–
Lease liabilities		11,610	30,305
		<b>2,508,151</b>	<b>1,603,417</b>
Liabilities directly associated with assets classified as held for sale	10	629,049	192,385
		<b>3,137,200</b>	<b>1,795,802</b>
<b>NET CURRENT ASSETS</b>		<b>2,711,461</b>	<b>3,794,309</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>7,989,298</b>	<b>10,367,754</b>

## Unaudited Condensed Consolidated Statement of Financial Position

At 30 June 2023

	Notes	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
<b>NON-CURRENT LIABILITIES</b>			
Bank and other borrowings	23	<b>1,543,550</b>	2,082,502
Senior notes	25	–	1,722,571
Lease liabilities		<b>250,089</b>	239,991
Deferred income	21	<b>349,460</b>	343,979
Deferred tax liabilities		<b>679</b>	679
		<b>2,143,778</b>	4,389,722
<b>NET ASSETS</b>			
		<b>5,845,520</b>	5,978,032
<b>CAPITAL AND RESERVES</b>			
Share capital	24	<b>81,773</b>	81,773
Reserves		<b>2,925,725</b>	3,122,903
Equity attributable to owners of the Company		<b>3,007,498</b>	3,204,676
Equity attributable to non-controlling interests			
– owners of perpetual notes	26	<b>2,838,022</b>	2,738,472
– other non-controlling interests		–	34,884
<b>TOTAL EQUITY</b>			
		<b>5,845,520</b>	5,978,032

The unaudited condensed interim consolidated financial statements on pages 27 to 68 were approved and authorised for issue by the Board of Directors on 29 August 2023 and are signed on its behalf by:

**Zhu Yufeng**  
DIRECTOR

**Hu Xiaoyan**  
DIRECTOR

# Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023

	Attributable to owners of the Company									Non-controlling interests		Total equity RMB'000
	Share capital RMB'000	Share premium RMB'000	Contributed surplus RMB'000	Legal reserves RMB'000 (Note)	Translation reserve RMB'000	Special reserve RMB'000	Share options reserve RMB'000	Accumulated losses RMB'000	Sub-total RMB'000	Perpetual notes RMB'000	Other non-controlling interests RMB'000	
At 1 January 2022	73,629	5,005,356	15,918	1,346,262	(58,445)	(182,517)	72,588	(1,906,582)	4,366,209	2,537,722	49,942	6,953,873
Loss for the period	-	-	-	-	-	-	-	(513,772)	(513,772)	99,550	3,821	(410,401)
Other comprehensive income for the period	-	-	-	-	28,555	-	-	-	28,555	-	-	28,555
Total comprehensive expense for the period	-	-	-	-	28,555	-	-	(513,772)	(485,217)	99,550	3,821	(381,846)
Transfer to legal reserves	-	-	-	24,430	-	-	-	(24,430)	-	-	-	-
Recognition of equity settled share-based payments (Note 27)	-	-	-	-	-	-	8,560	-	8,560	-	-	8,560
Disposal of subsidiaries	-	-	-	(19,725)	-	-	-	19,725	-	-	(18,473)	(18,473)
<b>At 30 June 2022</b>	<b>73,629</b>	<b>5,005,356</b>	<b>15,918</b>	<b>1,350,967</b>	<b>(29,890)</b>	<b>(182,517)</b>	<b>81,148</b>	<b>(2,425,059)</b>	<b>3,889,552</b>	<b>2,637,272</b>	<b>35,290</b>	<b>6,562,114</b>
At 1 January 2023	81,773	5,263,813	15,918	1,350,589	(11,154)	(182,517)	83,801	(3,397,547)	3,204,676	2,738,472	34,884	5,978,032
Loss for the period	-	-	-	-	-	-	-	(216,111)	(216,111)	99,550	881	(115,680)
Other comprehensive income for the period	-	-	-	-	14,346	-	-	-	14,346	-	-	14,346
Total comprehensive expense for the period	-	-	-	-	14,346	-	-	(216,111)	(201,765)	99,550	881	(101,334)
Transfer to legal reserves	-	-	-	39,839	-	-	-	(39,839)	-	-	-	-
Recognition of equity settled share-based payments (Note 27)	-	-	-	-	-	-	4,587	-	4,587	-	-	4,587
Forfeiture of share options (Note 27)	-	-	-	-	-	-	(3,287)	3,287	-	-	-	-
Disposal of subsidiaries (Note 28)	-	-	-	(7,711)	-	-	-	7,711	-	-	(35,765)	(35,765)
<b>At 30 June 2023</b>	<b>81,773</b>	<b>5,263,813</b>	<b>15,918</b>	<b>1,382,717</b>	<b>3,192</b>	<b>(182,517)</b>	<b>85,101</b>	<b>(3,642,499)</b>	<b>3,007,498</b>	<b>2,838,022</b>	<b>-</b>	<b>5,845,520</b>

Note: Legal reserves represent the amounts set aside from the retained earnings by certain subsidiaries established in the People's Republic of China (the "PRC"). In accordance with the relevant regulations and their articles of association, the Company's subsidiaries established in the PRC are required to allocate at least 10% of their after-tax profit according to the PRC accounting standards and regulations to legal reserves until such reserves have reached 50% of registered capital. These reserves can only be used for specific purposes and are not distributable or transferable to the loans, advances, cash dividends.



# Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2023

Six months ended 30 June

NOTES	<b>2023</b> <b>RMB'000</b> <b>(Unaudited)</b>	2022 RMB'000 (Unaudited)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>272,052</b>	682,050
<b>INVESTING ACTIVITIES</b>		
Interest received	<b>34,087</b>	44,758
Payments for construction and purchase of property, plant and equipment	<b>(69,012)</b>	(592,376)
Payments for right-for-use assets	–	(19,369)
Proceeds from disposal of property, plant and equipment	<b>33,986</b>	78,516
Receipts of consideration receivables from disposal of subsidiaries with solar power plant projects	<b>219,710</b>	601
Withdrawal of pledged bank and other deposits	<b>91,533</b>	396,262
Placement of pledged bank and other deposits	<b>(83,445)</b>	(121,188)
Advance to related companies	–	(28,622)
Repayment from related companies	<b>7,035</b>	–
Settlement of consideration and other receivables in relation to former subsidiaries	<b>452,581</b>	1,283,880
Dividend received from associates	<b>50,404</b>	42,240
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>736,879</b>	1,084,702
<b>FINANCING ACTIVITIES</b>		
Interest paid	<b>(205,224)</b>	(497,948)
Proceeds from bank and other borrowings	<b>409,261</b>	1,359,837
Repayment of bank and other borrowings	<b>(453,394)</b>	(2,119,469)
Payments of lease liabilities	<b>(18,484)</b>	(18,448)
Repayment of loans from related parties	–	(17,514)
Repayment to related parties	–	(4,590)
Advance from related parties	<b>26,927</b>	–
Redemption of senior notes	<b>(714,484)</b>	(618,647)
Dividend paid to non-controlling interests	<b>(17,877)</b>	(5,063)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(973,275)</b>	(1,921,842)

## Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2023

	Six months ended 30 June	
	<b>2023</b> <b>RMB'000</b> <b>(Unaudited)</b>	2022 RMB'000 (Unaudited)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>35,656</b>	(155,090)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>		
– bank balances and cash	<b>797,125</b>	586,050
– bank balances and cash classified as held for sale	<b>53,208</b>	23,351
	<b>850,333</b>	609,401
Effect of exchange rate changes on the balance of cash held in foreign currencies	<b>8,720</b>	4,038
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>		
Represented by		
– bank balances and cash	<b>853,463</b>	439,873
– bank balances and cash classified as held for sale	<b>41,246</b>	18,476
	<b>894,709</b>	458,349

# Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

## 1A. BASIS OF PREPARATION

The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 (“IAS 34”) *Interim Financial Reporting* issued by the International Accounting Standards Board (“IASB”) as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The unaudited condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2022.

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

## 1B. SIGNIFICANT EVENTS AND TRANSACTIONS IN THE CURRENT INTERIM PERIOD

The Group made certain disposals of subsidiaries during the current interim period and the details are set out in note 28. In addition, the Group entered in several equity transfer agreements for disposing of certain subsidiaries which assets/liabilities were classified during the current interim period as held for sales, details as set out in note 10.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

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

Other than changes in accounting policies resulting from application of amendments to International Financial Reporting Standards (“IFRSs”) issued by the IASB effective for the accounting periods beginning on or after 1 January 2023, the accounting policies and methods of computation used in the unaudited condensed interim consolidated financial statements for the six months ended 30 June 2023 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2022.

### Application of amendments to IFRSs

During the six months ended 30 June 2023, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatory effective for the annual period beginning on or after 1 January 2023 for the preparation of the Group’s unaudited condensed interim consolidated financial statements:

IFRS 17 and the Related Amendments	Insurance Contracts
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules

The Group has not applied any new amendments to IFRSs that are not yet effective for the current accounting period.

Except as described below, the application of the new and amendments to IFRSs during the six months ended 30 June 2023 has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these unaudited condensed interim consolidated financial statements.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

#### Application of amendments to IFRS (Continued)

##### *Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments narrow the scope of the initial recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of IAS 12 such that it does not apply to transactions that give rise to equal and offsetting temporary differences on initial recognition.

Prior to the adoption of Amendments to IAS 12, for leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group previously applied IAS 12 requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis.

Upon the application of the amendments, the Group recognises a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities.

Based on the management's assessment, the application of the amendments has had no material impact on the Group's financial position and performance because the deferred tax assets and the deferred tax liabilities as a result of the adoption of Amendments to IAS 12 qualify for offset under paragraph 74 of IAS 12. There was also no material impact on the opening balances as at 1 January 2022 as a result of the change.

### 3. REVENUE AND SEGMENT INFORMATION

Revenue represents revenue arising from sales of electricity and tariff adjustments, and provision of operation and management services and solar related supporting services. Revenue arising from sales of electricity is derived substantially from sales of electricity to local grid companies in the People's Republic of China (the "PRC") for the six months ended 30 June 2023 and 2022.

Revenue recognised during the periods are as follows:

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB' 000 (Unaudited)
<b>Revenue</b>		
Recognised at a point in time:		
– Sales of electricity	151,293	183,982
– Tariff adjustments	166,500	226,242
– Solar related supporting services income	39,468	73,817
Subtotal	357,261	484,041
Recognised over time:		
– Operation and management services income	65,503	73,995
Subtotal	65,503	73,995
	<b>422,764</b>	<b>558,036</b>

### 3. REVENUE AND SEGMENT INFORMATION (Continued)

For sales of electricity and tariff adjustments, the Group generally entered into power purchase agreements with local grid companies with a term of one to five years which stipulate the price of electricity per watt hour. Revenue is recognised when control of the electricity has been transferred, being at the point when electricity has generated and transmitted to the customers and the amount included tariff adjustments of approximately RMB166,500,000 (six months ended 30 June 2022: RMB226,242,000) recognised during the period. Except for trade receivables and contract assets relating to tariff adjustments, the Group generally grants credit period of approximately one month from the date of invoice in accordance with the relevant power purchase agreements between the Group and the respective local grid companies or overseas customers. The Group will complete the remaining performance obligations in accordance with the relevant terms as stipulated in the power purchase agreements and the remaining aggregated transaction price will be equal to the quantity of electricity that can be generated and transmitted to the customers times the stipulated price per watt hour.

The financial resource for the tariff adjustment is the national renewable energy fund that accumulated through a special levy on the consumption of electricity of end users. The PRC government is responsible to collect and allocate the fund to the respective state-owned grid companies for the settlement to the solar power companies. Effective from March 2012, the application, approval and settlement of the tariff adjustment are subject to certain procedures as promulgated by Caijian [2012] No. 102 *Notice on the Interim Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy* (可再生能源電價附加補助資金管理暫行辦法). Caijian [2013] No. 390 Notice issued in July 2013 further simplified the procedures of settlement of the tariff adjustment.

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

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

For those tariff adjustments that are subject to approval for registration in the List by the PRC government at the end of the reporting period, the relevant revenue from these tariff adjustments are considered variable consideration, and are recognised only to the extent that it is highly probable that a significant reversal will not occur and are included in contract assets. The management of the Group assessed that all of the Group’s operating power plants have qualified and met all the requirements and conditions as required based on the prevailing nationwide government policies on renewable energy for solar power plants. The contract assets are transferred to trade receivables upon the relevant power plant obtained the approval for registration in the List or when the relevant power plant is enlisted in the List since the release of the 2020 Measures.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 3. REVENUE AND SEGMENT INFORMATION (Continued)

Since certain tariff adjustments were yet to obtain approval for registration in the List by the PRC government, the management considers that it contained a significant financing component over the relevant portion of the tariff adjustments until settlement of the trade receivables. For the six months ended 30 June 2023, the respective tariff adjustments were adjusted for this financing component based on an effective interest rate ranging from 2.18% to 2.57% per annum (six months ended 30 June 2022: 2.11% to 2.37% per annum) and adjustments were made in relation to the revision of expected timing of tariff collection. As such, the Group's revenue was adjusted by approximately RMB33 million (six months ended 30 June 2022: RMB28 million) and interest income amounting to approximately RMB11 million (six months ended 30 June 2022: RMB26 million) (note 3) was recognised.

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

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

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

#### Geographical information

The Group's operations are located in the PRC and the United States of America ("US").

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

	Revenue from external customers		Non-current assets	
	Six months ended 30 June			
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Unaudited)
PRC	386,538	518,896	4,007,850	5,327,923
Other countries	36,226	39,140	996,081	956,268
	422,764	558,036	5,003,931	6,284,191

Note: Non-current assets exclude those relating to financial instruments (including pledged bank and other deposits, other investments and amounts due from related companies) and deferred tax assets.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 4. OTHER INCOME

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Government grants:		
– Incentive subsidies (Note)	729	477
– Investment Tax Credit	7,115	6,879
– Others	–	275
Interest arising from contracts containing significant financing component	11,043	25,700
Interest income of financial assets at amortised cost:		
– Bank interest income	6,381	6,903
– Interest income from former subsidiaries	27,706	37,855
Others	5,621	2,047
	<b>58,595</b>	<b>80,136</b>

Note:

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

### 5. OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Exchange loss, net	(32,827)	(144,492)
Loss on measurement of assets classified as held for sale to fair value less cost to sell	(105,188)	–
Gain/(loss) on disposal of solar power plant projects	3,624	(32,531)
Gain on redemption of senior notes	14,620	–
Gain on disposal of property, plant and equipment	34	1
Gain on deregistration of a subsidiary	1,695	–
Gain on early termination of a lease	–	14,965
	<b>(118,042)</b>	<b>(162,057)</b>
Impairment loss under expected credit loss model:		
– Trade receivables	–	131
– Contract assets	–	(72)
– Other receivables	–	(53,779)
	–	(53,720)
Impairment loss on property, plant and equipment:		
– Property, plant and equipment (excluding assets classified as held for sale)	–	(700)
	–	(700)

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 5. OTHER GAINS AND LOSSES, NET (Continued)

Notes:

- (a) Exchange loss mainly arose from the bank and other borrowings and the senior notes, all are denominated in United States dollars (“US\$”) which appreciated (six months ended 30 June 2022: appreciated) against RMB during the current interim period.
- (b) (i) As disclosed in note 10(b), the Group entered into two equity transfer agreements with 湖南新華水利電力有限公司 Hunan Xinhua Water Conservancy and Electric Power Co., Ltd.\* (“Hunan Xinhua”), an independent third party to dispose of its 100% equity interest in a wholly-owned subsidiary, namely 高唐縣協鑫晶輝光伏有限公司 Gaotang GCL Jinghui Photovoltaic Power Co., Ltd.\* (“Gaotang GCL”), and 90.1% equity interest in 內蒙古香島新能源發展有限公司 Inner Mongolia Xiangdao New Energy Development Co., Ltd.\* (“Inner Mongolia Xiangdao”), the disposals have not been completed and the relevant assets and liabilities were classified as assets held for sale as at 30 June 2023.

Loss on measurement of assets classified as held for sale to fair value less cost to sell amounting to RMB105,188,000 is recognised during the six months ended 30 June 2023 as it is measured at the lower of its carrying amount of net assets value of each subsidiary and fair value less cost to sell.

- (ii) The impairment loss on property, plant and equipment amounting to approximately RMB700,000 was provided due to termination of constructing certain in-progress solar power projects during the six months ended 30 June 2022. During the six months ended 30 June 2022, having considered the financial resources of the Group, and the equipment costs related to certain solar power plants, which were still in their preliminary stage and therefore would not generate future economic returns to the Group, the management determined to suspend these projects and the relevant equipment costs in these projects were fully impaired.

\* English name for identification only

### 6. FINANCE COSTS

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Interest on financial liabilities at amortised cost:		
Bank and other borrowings	118,711	188,416
Senior notes	67,062	120,659
Loan from a related company	–	139
Lease liabilities	7,300	10,108
	<b>193,073</b>	319,322

There was no borrowing costs capitalised for both reporting periods.



## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 7. INCOME TAX EXPENSE

	Six months ended 30 June	
	<b>2023</b> <b>RMB'000</b> <b>(Unaudited)</b>	2022 RMB'000 (Unaudited)
PRC Enterprise Income Tax ("EIT"):		
Current tax	<b>6,036</b>	13,924
Deferred tax	<b>3,297</b>	1,872
<b>Total</b>	<b>9,333</b>	15,796

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

Certain subsidiaries of the Group engaged in solar photovoltaic projects under the EIT Law and its relevant regulations are entitled to tax holidays of 3-year full exemption followed by 3-year 50% exemption commencing from their respective years in which their first operating incomes was derived. For the six months ended 30 June 2023 and 2022, certain subsidiaries of the Company engaged in the solar photovoltaic projects are in the 3-year 50% exemption period. Certain of such subsidiaries of the Group have completed the 3-year full exemption period or 3-year 50% exemption period in current period.

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

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

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 8. LOSS FOR THE PERIOD

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Loss for the period has been arrived at after charging:		
Depreciation of:		
– Property, plant and equipment	130,860	153,107
– Right-of-use assets	10,567	20,732
Staff costs (including directors' remuneration but excluding share-based payments)		
– Salaries, wages and other benefits	84,074	97,922
– Retirement benefit scheme contributions	13,863	18,964
Share-based payment expenses (administrative expenses in nature)	4,587	8,560

### 9. DIVIDENDS

No dividend was paid, declared or proposed for ordinary shareholders of the Company during the six months ended 30 June 2023, nor has any dividend been proposed since the end of the reporting period (six months ended 30 June 2022: Nil).

### 10. ASSETS CLASSIFIED AS HELD FOR SALE

#### Disposal of solar power plants

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

During the six months ended 30 June 2023, the disposal of Yuncheng Xinhua with an aggregate consideration of RMB23,560,000 was completed and disclosed in note 28. The disposal of Dengkou GCL has not been completed and the relevant assets and liabilities were classified as disposal groups held for sale.

- (b) On 19 May 2023, the Group entered into two equity transfer agreements with Hunan Xinhua, an independent third party to dispose of its 100% equity interest in a wholly-owned subsidiary, Gaotang GCL, and 90.1% equity interest in Inner Mongolia Xiangdao for aggregate consideration of RMB307,686,000 as at the date of disposals. During the current interim period, RMB204,612,000 has been received and recognised as other payables as at 30 June 2023. The subsidiaries operate solar power plant projects with in aggregate of 191MW in Shandong and Inner Mongolia, the PRC. As at 30 June 2023, the disposals of Gaotang GCL and Inner Mongolia Xiangdao have not been completed and the relevant assets and liabilities were classified as disposal groups held for sale.

\* English name for identification only

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 10. ASSETS CLASSIFIED AS HELD FOR SALE (Continued)

#### Disposal of solar power plants (Continued)

As at 30 June 2023, the assets and liabilities attributable to these solar power plant projects have been classified as a disposal group held for sale and are presented separately in the unaudited condensed interim consolidated statement of financial position.

As at 30 June 2023, the major classes of assets and liabilities of the disposal group are as follows:

	RMB'000
Property, plant and equipment	1,448,755
Right-of-use assets	23,460
Trade and other receivables (a)	897,464
Bank balances and cash	41,246
	2,410,925
Less: Impairment loss on property, plant and equipment (Note 5(b)(i))	(105,188)
Total assets classified as held for sale	2,305,737
Other payables	(25,405)
Amount due to the non-controlling shareholder (b)	(20,691)
Bank and other borrowings – due within one year (c)	(45,630)
Bank and other borrowings – due after one year (c)	(523,017)
Lease liabilities (d)	(14,306)
Total liabilities directly associated with assets classified as held for sale	(629,049)
Net assets of solar power plant projects classified as held for sale	1,676,688
Intragroup balances	(1,340,443)
Net assets of solar power plant projects	336,245

- (a) The following is an aged analysis of trade receivables presented based on the invoice date at 30 June 2023, which approximated the respective revenue recognition date:

	RMB'000
Unbilled (Note)	881,257
0–90 days	7,402
	888,659

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

	RMB'000
0–90 days	47,877
91–180 days	39,869
181–365 days	109,678
Over 365 days	683,833
	881,257

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 10. ASSETS CLASSIFIED AS HELD FOR SALE (Continued)

#### Disposal of solar power plants (Continued)

(a) (Continued)

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

As at 30 June 2023, included in these trade receivables are debtors with aggregate carrying amount of RMB1,492,000 which are past due as at the end of the reporting date. These trade receivables relate to several customers in the PRC. The Group does not hold any collaterals over these balance.

(b) Amount due to the non-controlling shareholder is non-trade nature, unsecured, interest-free and repayable on demand.

(c) The carrying amounts of the above bank and other borrowings are repayable<sup>#</sup>:

	RMB'000
Within one year	45,630
More than one year, but not exceeding two years	14,370
More than two years, but not exceeding five years	113,922
More than five years	394,725
	568,647
Less: Bank and other borrowings – due within one year	(45,630)
Bank and other borrowings – due after one year	523,017

<sup>#</sup> The repayable amounts of bank and other borrowings are based on scheduled repayment dates set out in the respective loan agreements.

The effective interest rates (which are equal to contracted interest rates) on the disposal group's borrowings are ranged from 5.58% to 5.98%.

The disposal group's borrowings are secured by the pledge of the disposal group's assets and the carrying amounts of the respective assets are as follows:

	RMB'000
Property, plant and equipment	1,343,442
Trade receivables	888,659
	2,232,101

The disposal group's secured bank and other borrowings were secured individually or in combination, by (i) certain property, plant and equipment of the disposal group; and (ii) trade receivables and fee collection in relation to the sales of electricity.

(d) Lease liabilities of approximately RMB14,306,000 are recognised with related right-of-use assets of approximately RMB23,460,000 as at 30 June 2023. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by lessor and the relevant lease assets may not used as security for borrowing purposes.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 11. LOSS PER SHARE

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

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
<b>Loss</b>		
Loss for the purpose of basic and diluted loss per share (Loss for the period attributable to owners of the Company)	216,111	513,772

	Six months ended 30 June	
	2023 '000 (Unaudited)	2022 '000 (Unaudited) (Restated)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	1,167,436	1,053,686

On 31 October 2022, every twenty (20) issued and unissued ordinary shares of HK\$0.004166666667 each in the share capital of the Company were consolidated into one (1) ordinary share of HK\$0.083 each (each a "Consolidated Share") in the share capital of the Company (the "Share Consolidation") and resulted in the weighted average number of Consolidated Shares of 1,167,435,772 in issue during the current period. Comparative figures of the weighted average number of ordinary shares for calculating basic loss per share has been adjusted on the assumption that the Share Consolidation has been effective since the beginning of the prior period.

Diluted loss per share for the six months ended 30 June 2023 and 2022 does not assume the exercise of the share options granted by the Company, since the exercise would result in decrease in loss per share of the respective period.

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

Six months ended 30 June 2023	Property, plant and equipment RMB'000	Right-of-use assets RMB'000
Carrying amount at 1 January 2023:	4,468,062	219,290
Additions	5,199	–
Exchange differences	52,625	370
Disposals	(33,952)	–
Depreciation	(130,860)	(10,567)
Transfer to assets classified as held for sale	(1,240,497)	(14,306)
Carrying amount at 30 June 2023	3,120,577	194,787

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 12. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (Continued)

Six months ended 30 June 2022	Property, plant and equipment RMB'000	Right-of-use assets RMB'000
Carrying amount at 1 January 2022:	5,520,394	316,517
Additions	335,503	28,292
Exchange differences	38,438	2,920
Disposal of subsidiaries	(907,172)	(28,359)
Disposals	(78,515)	–
Depreciation	(153,107)	(20,732)
Early termination	–	(72,618)
Impairment loss	(700)	–
Carrying amount at 30 June 2022	4,754,841	226,020

At 30 June 2023, the Group was in the process of obtaining property ownership certificates in respect of property interests held by the Group in the PRC with a carrying amount of approximately RMB42,062,000 (31 December 2022: RMB45,311,000). In the opinion of the Directors, the absence of the property ownership certificates to these property interests does not impair their carrying value to the Group as the Group paid the full purchase consideration of these property interests and the probability of being evicted on the ground of an absence of property ownership certificates is remote.

Lease contracts are entered into fixed terms of 3 to 50 years. The lease agreements entered into between the landlords and the Group include renewal options at the discretion of the respective group entities for further 5 to 25 years (31 December 2022: 5 to 25 years) from the end of the leases with fixed rental.

#### Sale and leaseback transactions – seller-lessee

To better manage the Group's capital structure and financing needs, the Group sometimes enters into sale and leaseback arrangements in relation to machinery leases. These legal transfer does not satisfy the requirements of IFRS 15 to be accounted for as a sale of the solar power plants. During the six months period ended 30 June 2023, the Group has raised RMBNil (31 December 2022: RMB1,011,290,000) borrowings in respect of such arrangements which are accounted as collateralised borrowings.

### 13. INTERESTS IN ASSOCIATES

Same as disclosed in the Group's 2022 annual report, there is no material change for the six months ended 30 June 2023.

### 14. INTERESTS IN JOINT VENTURES

Same as disclosed in the Group's 2022 annual report, there is no material change for the six months ended 30 June 2023.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 15. AMOUNTS WITH RELATED COMPANIES

	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
<b>Amounts due from associates</b>		
– Non-trade related (Note a)	<b>216,663</b>	267,067
<b>Amounts due from fellow subsidiaries</b>		
– Trade related (Note b)	<b>5,269</b>	4,448
– Non-trade related (Note b)	<b>11,619</b>	23,638
	<b>16,888</b>	28,086
<b>Amounts due from the companies of which Mr. Zhu Yufeng and his family have significant influence</b>		
– Trade related (Note c)	<b>4,926</b>	3,860
– Non-trade related (Note c)	<b>6,071</b>	1,087
	<b>10,997</b>	4,947
Analysed for reporting purposes as:		
– Current assets	<b>227,105</b>	282,657
– Non-current assets	<b>17,443</b>	17,443
	<b>244,548</b>	300,100
– Trade related	<b>10,195</b>	8,308
– Non-trade related	<b>234,353</b>	291,792
	<b>244,548</b>	300,100
<b>Amounts due to associates</b>		
– Non-trade related (Note a)	<b>3,860</b>	4,059
<b>Amounts due to fellow subsidiaries</b>		
– Non-trade related (Note b)	<b>125,932</b>	125,875
<b>Amounts due to the companies of which Mr. Zhu Yufeng and his family have significant influence</b>		
– Non-trade related (Note c)	<b>40,280</b>	13,211
Analysed for reporting purposes as:		
– Current liabilities	<b>170,072</b>	143,145

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 15. AMOUNTS WITH RELATED COMPANIES (Continued)

Notes:

- (a) The amounts due from/to associates are non-trade in nature, unsecured, non-interest bearing and repayable on demand except for an amount of RMB17,443,000 (31 December 2022: RMB17,443,000) which, in the opinion of the Directors, is expected to be received after twelve months from the end of the reporting period and is classified as non-current.
- (b) The amounts due from/to fellow subsidiaries are non-trade in nature, unsecured, non-interest bearing and repayable on demand except for the amounts due from fellow subsidiaries of approximately RMB5,269,000 (31 December 2022: RMB4,448,000) which is arising from operation and management services rendered to fellow subsidiaries with a credit term of 30 days.

As at 1 January 2022, amounts due from fellow subsidiaries in trade nature amounted to approximately RMB12,797,000.

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

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
0-90 days	2,063	1,244
91-180 days	425	424
More than 365 days	2,781	2,780
	<b>5,269</b>	<b>4,448</b>

As at 30 June 2023, included in these trade receivables with aggregate carrying amount of RMB4,844,000 (31 December 2022: RMB4,017,000) which are past due as at the end of the reporting date. These trade receivables relate to several fellow subsidiaries in the PRC. The Group does not hold any collaterals over these balances.

- (c) Mr. Zhu Yufeng and his family members hold in aggregate more than 20% equity interest in related companies as at 30 June 2023 and 31 December 2022 and exercise significant influence over the related companies. The amounts due from/to the companies of which Mr. Zhu Yufeng and his family exercise significant influence are non-trade in nature, unsecured, non-interest bearing and repayable on demand except for the amounts due from the related companies of approximately RMB4,926,000 (31 December 2022: RMB3,860,000) which is arising from operation and management services rendered to related companies with a credit term of 90 days.

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

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
0-90 days	2,789	2,692
91-180 days	1,537	1,168
More than 365 days	600	-
	<b>4,926</b>	<b>3,860</b>

As at June 2023, included in these trade receivables are balances with aggregate carrying amount of RMB2,137,000 (31 December 2022: RMB1,168,000) which are past due as at the end of the reporting date. These trade receivables relate to several related companies in the PRC. The Group does not hold any collaterals over these balances.

The maximum amount outstanding during the six months ended 30 June 2023 is RMB6,071,000 (31 December 2022: RMB1,087,000) in relation to the non-trade balances for the amounts due from the companies of which Mr. Zhu Yufeng and his family exercise significant influence.



## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 16. OTHER INVESTMENTS

Same as disclosed in the Group's 2022 annual report, there is no material change for the six months ended 30 June 2023.

### 17. OTHER NON-CURRENT ASSETS

	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
Refundable value-added tax	<b>60,993</b>	34,744
Others	<b>71,316</b>	72,521
	<b>132,309</b>	107,265

### 18. CONTRACT ASSETS

	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
Arising from sales of electricity	<b>64,607</b>	55,372
Less: Allowance for credit loss	<b>(415)</b>	(415)
	<b>64,192</b>	54,957

As at 1 January 2022, contract assets amounted to approximately RMB40,941,000 (net of loss allowance of approximately RMB238,000).

The contract assets primarily relate to the portion of tariff adjustments for the electricity sold to the grid companies in the PRC in which the relevant on-grid solar power plants are still pending registration to the List at the end of the reporting period. Tariff adjustment is recognised as revenue upon electricity is generated as disclosed in note 3. Pursuant to the 2020 Measures, for those on-grid solar power plants yet to be registered on the List, they are required to meet the relevant requirements and conditions for tariff subsidy as stipulated and to complete the submission and application on the Platform. Local grid companies will observe the principles set out in the 2020 Measures to determine eligibility and regularly announce the on-grid solar power plants that are enlisted in the List. The Group considers the settlement terms contain a significant financing component, and has adjusted the respective tariff adjustment for the financing component based on effective interest rate with reference to state treasury bonds of the PRC, as well as the estimated timing of collection. Accordingly, the amount of consideration is adjusted for the effects of the time value of money taking into consideration the credit characteristics of the relevant counterparties. The revenue of the Group was adjusted by approximately RMB33 million for the six months ended 30 June 2023 (six months ended 30 June 2022: RMB28 million) for this financing component and in relation to the revision of the expected timing of receipt of the tariff adjustment in the contract assets.

Contract assets are reclassified to trade receivables at the point the respective on-grid solar power plant projects are enlisted on the List. The balances as at 30 June 2023 and 31 December 2022 are classified as non-current as they are expected to be received after twelve months from the reporting date.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 19. TRADE AND OTHER RECEIVABLES

	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
Trade receivables (Note a)	<b>871,692</b>	1,592,950
Prepayment and deposits	<b>60,100</b>	161,383
Other receivables		
– Amounts due from former subsidiaries (Note b)	<b>1,733,665</b>	2,198,183
– Consideration receivable from disposal of subsidiaries	<b>240,072</b>	278,581
– Refundable value-added tax	<b>13,734</b>	62,008
– Dividend receivables	<b>141,174</b>	303,628
– Others	<b>100,632</b>	163,403
	<b>3,161,069</b>	4,760,136
Less: Allowance for credit loss		
– Trade	<b>(3,555)</b>	(3,555)
– Non-trade	<b>(762,686)</b>	(762,686)
	<b>(766,241)</b>	(766,241)
	<b>2,394,828</b>	3,993,895

Notes:

- (a) As at 1 January 2022, trade receivables from contract with customers amounted to approximately RMB1,620,938,000 (net of loss allowance of approximately RMB2,892,000).

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

Trade receivables include bills received amounting to approximately RMB3,688,000 (31 December 2022: RMB19,878,000) held by the Group for future settlement of trade receivables, of which certain bills issued by third parties are further endorsed by the Group with recourse for settlement of payables for purchase of plant and machinery and payment for construction costs, or discounted to banks for cash. The Group continues to recognise their full carrying amount at the end of both reporting periods. All bills received by the Group are with a maturity period of less than one year.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 19. TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

(a) (Continued)

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

	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
Unbilled (Note)	<b>777,927</b>	1,464,256
0–90 days	<b>62,105</b>	75,362
91–180 days	<b>10,938</b>	13,824
Over 180 days	<b>13,479</b>	16,075
	<b>864,449</b>	1,569,517

Note: The 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 List. The Directors expect the unbilled tariff adjustments would be generally billed and settled within one year from the end of the reporting period.

The aged analysis of the unbilled trade receivables, net of loss allowance, which is based on revenue recognition date, is as follows:

	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
0–90 days	<b>95,790</b>	94,490
91–180 days	<b>52,899</b>	134,442
181–365 days	<b>136,531</b>	274,353
Over 365 days	<b>492,707</b>	960,971
	<b>777,927</b>	1,464,256

As at 30 June 2023, included in these trade receivables are debtors with aggregate carrying amount of approximately RMB68,842,000 (31 December 2022: RMB50,499,000) which are past due as at the end of the reporting period. These trade receivables relate to a number of customers represented the local grid companies in the PRC, for whom there is no recent history of default. The Group does not hold any collaterals over these balances.

Trade receivables of RMB888,659,000 as at 30 June 2023 have been classified as part of a disposal group held for sale (Note 10).

(b) The amount represents amounts due from former subsidiaries for outstanding payments arising from its disposals of subsidiaries to independent third parties during the financial years ended 31 December 2018 to six months ended 30 June 2023 as part of the Group's transition to become an asset-light enterprise. When the Group and the purchasers discussed the terms of the share and purchase agreements in respect of the disposal of the Group's subsidiaries, the considerations were determined by taking into, among other things, receivables (i.e. the "Outstanding Payments") that were due from the former subsidiaries to the Group. The purchasers are obligated to procure the former subsidiaries to settle the Outstanding Payments in stages pursuant to the terms and conditions set out in the share and purchase agreements. The amounts are non-trade in nature, unsecured and interest-bearing ranging from 4.45% to 9.52% (31 December 2022: ranging from 4.45% to 9.52%) per annum and repayable on demand.

The Group performs impairment assessment under expected credit loss on these receivables, which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition. The ECL are assessed individually for debtors by reference to past repayment history, credit rating or financial position of the debtors, forward-looking information that is available without undue cost or effort, and also taking into account of the prevailing government policies that support the solar power industry which the Group's debtors operate. As at 30 June 2023, except for the accumulated impairment loss of approximately RMB570,000,000 (31 December 2022: RMB570,000,000) recognised on these receivables, for the remaining balances, the management considers credit risk has not increased significantly since the date of initial recognition. Accordingly, no loss allowance for expected credit loss is further provided.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 20. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS AND OTHER ITEMS SUBJECT TO EXPECTED CREDIT LOSS (“ECL”) MODEL

The basis of determining the inputs and assumptions and the estimation techniques used in the unaudited condensed interim consolidated financial statements for the six months ended 30 June 2023 are the same as those followed in the preparation of the Group’s 2022 annual report.

### 21. OTHER PAYABLES AND DEFERRED INCOME

	<b>30 June 2023 RMB’000 (Unaudited)</b>	31 December 2022 RMB’000 (Audited)
Payables for purchase of plant and machinery and construction costs (Note a)	<b>81,504</b>	145,317
Payables to vendors of solar power plants	<b>24,586</b>	24,586
Other tax payables	<b>19,393</b>	31,716
Other payables	<b>381,099</b>	512,979
Deposit received for disposals of subsidiaries	<b>204,612</b>	–
Advance from engineering, procurement and construction (“EPC”) constructors (Note b)	<b>40,537</b>	48,917
Deferred income (Note c)	<b>364,299</b>	362,244
Dividend payable to non-controlling shareholders	–	17,877
Accruals		
– Staff costs	<b>25,283</b>	50,076
– Legal and professional fees	<b>21,813</b>	20,493
– Interest payables	<b>82,429</b>	92,908
– Others	<b>9,478</b>	22,718
	<b>1,255,033</b>	1,329,831
Analysed as:		
Current	<b>905,573</b>	985,852
Non-current deferred income	<b>349,460</b>	343,979
	<b>1,255,033</b>	1,329,831

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

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 21. OTHER PAYABLES AND DEFERRED INCOME (Continued)

Notes:

- (a) Included in payables are bills issued to creditors for purchase of plant and machinery and for construction costs totalling approximately RMBNil (31 December 2022: RMB69,758,000) which remained outstanding at the end of the reporting period. It also contains obligations arising from endorsing bills with recourse with an aggregate amount of approximately RMBNil (31 December 2022: RMB50,623,000). All bills presented by the Group at 31 December 2022 were aged within one year and not yet due at that date period.
- (b) The advance represents the amounts received from EPC contractors for modules procurement, in which the modules will be used in the construction of the Group's solar power plants.
- (c) Pursuant to the relevant prevailing federal policies in the US, taxpayers that construct or acquire on or before 31 December 2019 qualified energy property are allowed to claim an energy investment tax credit ("ITC") at 30% for the taxable year in which such property is placed into service by the taxpayer. The Directors analysed the facts and circumstances of the ITC and determined that it is of the nature of a government grant that is provided to the Group in the form of tax benefits relating to construction or acquisition of qualified energy property.

Against this, the Group entered into inverted lease arrangements or other finance arrangements for its qualified solar power plant projects in the US with third party financial institutions to effectively utilise its ITC over these financings by passing on the benefit to financial institutions as part of the repayments. The details of the arrangements are disclosed in note 27 to the consolidated financial statements in the Group's 2022 annual report. Approximately US\$1,027,000 (equivalent to approximately RMB7,115,000) (six months ended 30 June 2022: US\$1,027,000 (equivalent to approximately RMB6,879,000)) of the ITC benefit was recognised as a government grant income in profit or loss for the six months ended 30 June 2023 and included in other income.

### 22. LOAN FROM A RELATED COMPANY

	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
Loan from:		
– company controlled by Mr. Zhu Yufeng and his family repayable within 1 year (Note)	<b>4,811</b>	4,811
	<b>4,811</b>	4,811

Note:

As at 30 June 2023 and 31 December 2022, loan from 協鑫光伏系統有限公司 GCL Solar System Limited ("GCL Solar System") is unsecured, interest-free and repayable from 2022 through 2023.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 23. BANK AND OTHER BORROWINGS

	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
Bank loans	<b>612,415</b>	736,701
Other loans	<b>1,309,962</b>	1,782,722
	<b>1,922,377</b>	2,519,423
Secured	<b>1,199,187</b>	2,139,035
Unsecured	<b>723,190</b>	380,388
	<b>1,922,377</b>	2,519,423
The carrying amount of borrowings that are repayable on demand due to breach of loan covenants <sup>#</sup>		
– Other loans	–	59,034
The carrying amount of the remaining bank loans and other loans	<b>1,922,377</b>	2,460,389
	<b>1,922,377</b>	2,519,423
Less: Amount due within one year or repayable on demand due to breach of loan covenants (shown under current liabilities)	<b>(378,827)</b>	(436,921)
Amount due after one year	<b>1,543,550</b>	2,082,502

Certain Group's facilities from banks and other financial institutions are subject to the fulfillment of covenants relating to certain financial ratios. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants.

In respect of certain bank and other borrowings with carrying amount of RMBNil at 30 June 2023 (31 December 2022: RMB61 million), the Group is required to comply with the following financial covenants as long as the borrowings are outstanding:

- (a) the debt ratio of a PRC subsidiary, the borrower, shall not be exceeding 70%; and
- (b) the litigation involvement of a PRC subsidiary, the borrower, shall not be exceeding RMB5 million.

The Group has complied with these covenants throughout the current interim period.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 23. BANK AND OTHER BORROWINGS (Continued)

As at 31 December 2022, the Group's involvement in certain litigation cases relating to claims by relevant claimants exceeded the limit of litigation amounts stipulated in the financial covenants of certain other bank borrowings and had triggered the cross default clauses of certain of the Group's other borrowings as set out in the respective loan agreements between the Company and several financial institutions. Accordingly, other borrowings of the Group amounting to approximately RMB42 million were reclassified from non-current liabilities to current liabilities as at 31 December 2022. The management of the Group considered that the claims arising from the litigation did not have material impact to the Group. There were no such events as at 30 June 2023.

# Scheduled repayment terms for the other borrowings that are repayable on demand due to breach of loan covenants are as follows:

	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
Within one year	–	17,470
More than one year, but not exceeding two years	–	17,900
More than two years, but not exceeding five years	–	23,664
	–	59,034

Included in other loans are approximately RMB970 million (31 December 2022: RMB1,585 million) in which the Group entered into finance arrangements with financial institutions with lease terms ranging from 1 year to 12 years (31 December 2022: 1 year to 12 years), with legal title of the respective equipment transferred to the financial institutions. The Group continues to operate and manage the relevant equipment during the lease term without any involvement by the financial institutions, and the Group is entitled to purchase back the equipment at a minimal consideration upon maturity of the respective leases, except for certain financing arrangements with financial institutions that the Group can either exercise the early buyout option granted to the Group to purchase back the relevant equipment at a pre-determined price at the end of the specified year of the lease term, or to purchase back the equipment from this financial institution at fair value upon the end of the lease period. Despite the arrangement involves a legal form of a lease while it does not constitute a sale and leaseback transaction. The Group therefore accounted for the arrangement as a collateralised borrowing at amortised cost using the effective interest method under IFRS 9/IAS 39 in prior years before application of IFRS 16, in accordance with the substance of the arrangement. Effective from 1 January 2020, the Group applies the requirements of IFRS 15 to assess whether sale and leaseback transactions constituted a sale as disclosed in note 12.

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

To better manage the Group's capital structure and financing needs, the Group sometimes enters into sale and leaseback arrangements in relation to machinery leases. These legal transfers do not satisfy the requirements of IFRS 15 to be accounted for as a sale of the solar power plants.

Bank and other borrowings of RMB568,647,000 as at 30 June 2023 have been classified as part of a disposal group held for sale (Note 10).

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 24. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Authorised:		
At 1 January 2022 (restated), 30 June 2022 (restated), 31 December 2022 and 30 June 2023 – Ordinary shares of HK\$0.083 each	<b>1,800,000,000</b>	<b>150,000</b>

	Number of shares	Amount HK\$'000	Shown in unaudited condensed consolidated financial statements as RMB'000
Issued and fully paid:			
At 1 January 2022 and 30 June 2022 – Ordinary shares of HK\$0.00416 each	<b>21,073,715,441</b>	<b>87,794</b>	<b>73,629</b>
Issue of shares on placement (Note a)	<b>2,275,000,000</b>	<b>9,441</b>	<b>8,144</b>
Share Consolidation	<b>(22,181,279,669)</b>	<b>–</b>	<b>–</b>
At 31 December 2022 and 30 June 2023 – Ordinary shares of HK\$0.083 each	<b>1,167,435,772</b>	<b>97,235</b>	<b>81,773</b>

Notes:

- (a) On 28 July 2022, the Group announced that a placing agreement has been entered into among the Elite Time Global Limited, the Company and the placing agents under which up to a total of 2,275 million new shares of the Company to be issued (the "2022 Transaction"). The 2022 Transaction has been completed on 1 and 4 August 2022 and net proceeds of the 2022 Transaction, after taking into account all related costs, fees, expenses and commission, were approximately HK\$310,325,000 (equivalent to RMB266,601,000).
- (b) On 31 October 2022, every twenty (20) issued and unissued ordinary shares of HK\$0.00416666667 each in the share capital of the Company were consolidated into one (1) ordinary share of HK\$0.083 each in the share capital of the Company and the authorised share capital of the Company became HK\$150,000,000 divided into 1,800,000,000 shares of HK\$0.083 each, of which 1,167,435,772 Consolidated Shares are in issue.

### 25. SENIOR NOTES

	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Senior notes	<b>1,030,726</b>	1,722,571
Analysed as:		
Current	<b>1,030,726</b>	–
Non-current	–	1,722,571
	<b>1,030,726</b>	1,722,571



## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 25. SENIOR NOTES (Continued)

On 23 January 2018, the Group issued senior notes of US\$500 million (equivalent to RMB3,167 million) (the "2018 Senior Notes"), which bore interest at 7.1% and matured on 30 January 2021. The net proceeds of the notes issuance, after deduction of underwriting discounts and commissions and other expenses, amounted to approximately US\$493 million (equivalent to RMB3,119 million). During the year ended 31 December 2021, the restructuring of the 2018 Senior Notes (the "Restructuring") was implemented and completed under the Bermuda Scheme (i.e. the scheme of arrangement under Part VII of the Bermuda Companies Act 1981). On 16 June 2021, the Restructuring has become effective, i.e. the 2018 Senior Notes was replaced by the New Senior Notes (defined below). Under the restructuring support agreement ("RSA"), 5% of the original principal amount of US\$25 million (the "Upfront Consideration") was repaid to the holders of the 2018 Senior Notes. The original principal amount and all accrued and unpaid interest on the senior notes less the Upfront Consideration was settled through issuance of new senior note (the "New Senior Notes").

The principal amount of the New Senior Notes amounted to US\$511,638,814, which the Company completed the redemption of the carrying amounts of New Senior Notes of approximately US\$76.9 million (equivalent to approximately RMB490 million) on 25 January 2022, approximately US\$45.1 million (equivalent to RMB286 million) on 18 March 2022, approximately US\$11.8 million (equivalent to RMB84 million) on 9 September 2022 and approximately US\$122.6 million (equivalent to RMB870 million) on 28 October 2022.

During the current interim period, the Company completed the redemption of the carrying amounts of New Senior Notes of approximately US\$31 million (equivalent to approximately RMB216 million) on 23 March 2023, approximately US\$11 million (equivalent to approximately RMB76 million) on 31 March 2023, and the repurchase of approximately US\$26 million (equivalent to RMB177 million) on 16 May 2023 and approximately US\$42 million (equivalent to RMB287 million) on 30 May 2023.

The New Senior Notes are unsecured, bear interest at 10% per annum and are payable on 30 January 2024.

### 26. PERPETUAL NOTES

Same as disclosed in the Group's 2022 annual report, there is no material change for the six months ended 30 June 2023.

The perpetual notes are classified as equity instruments in the Group's unaudited condensed interim consolidated financial statements as the Group does not have a contractual obligation to deliver cash or other financial assets arising from the issue of the perpetual notes. Any distributions made by 南京協鑫新能源發展有限公司 Nanjing GCL New Energy Development Co., Ltd\* to the holders are recognised in equity in the unaudited condensed interim consolidated financial statements of the Group. During the six months ended 30 June 2023, profit and total comprehensive income of approximately RMB99,550,000 (six months ended 30 June 2022: RMB99,550,000) was attributable to perpetual notes holders in accordance with the terms of the agreements. The entire distribution payment of approximately RMB99,550,000 (six months ended 30 June 2022: RMB99,550,000) for the six months ended 30 June 2023 was deferred by the Group.

### 27. SHARE-BASED PAYMENT TRANSACTIONS

#### Equity settled share option scheme

There are no newly granted share options during the current interim period. Same as disclosure in the Group's 2022 annual report, there is no material change relating to the share-based payment transactions for the six months ended 30 June 2023, except for the following movements of share options during the current interim period as follows:

\* English name for identification purpose only

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 27. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

#### Equity settled share option scheme (Continued)

For the six months ended 30 June 2023

	Exercise price	Date of grant	Vesting period	Exercise period	Number of share options			
					Outstanding at 1 January 2023	Granted during the period	Forfeited during the period	Outstanding at 30 June 2023
Directors	HK\$7.14	3.11.2021	Note (b)(i)	3.11.2022 – 2.11.2031	731,250	-	-	731,250
				3.11.2023 – 2.11.2031	731,250	-	-	731,250
				3.11.2024 – 2.11.2031	731,250	-	-	731,250
				3.11.2025 – 2.11.2031	731,250	-	-	731,250
Former director (Note a)	HK\$12.12	24.7.2015	Note (b)(ii)	24.7.2015 – 23.7.2025	80,528	-	-	80,528
				24.7.2016 – 23.7.2025	80,528	-	-	80,528
				24.7.2017 – 23.7.2025	80,528	-	-	80,528
				24.7.2018 – 23.7.2025	80,528	-	-	80,528
				24.7.2019 – 23.7.2025	80,528	-	-	80,528
				24.7.2019 – 23.7.2025	80,528	-	-	80,528

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 27. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

#### Equity settled share option scheme (Continued)

#### For the six months ended 30 June 2023 (Continued)

	Exercise price	Date of grant	Vesting period	Exercise period	Number of share options				
					Outstanding at 1 January 2023	Granted during the period	Forfeited during the period	Outstanding at 30 June 2023	
Employees and others providing similar services	HK\$23.596	23.10.2014	24.11.2014 – 22.10.2015	23.10.2015 – 22.10.2024	473,102	-	-	473,102	
			23.10.2015 – 22.10.2016	23.10.2016 – 22.10.2024	473,102	-	-	473,102	
			23.10.2016 – 22.10.2017	23.10.2017 – 22.10.2024	473,101	-	-	473,101	
			23.10.2017 – 22.10.2018	23.10.2018 – 22.10.2024	473,101	-	-	473,101	
			23.10.2018 – 22.10.2018	23.10.2018 – 22.10.2024	473,101	-	-	473,101	
			23.10.2018 – 22.10.2018	24.10.2018 – 22.10.2024	473,101	-	-	473,101	
	HK\$12.12	24.7.2015	Note (b)(ii)	24.7.2015 – 23.7.2025	24.7.2015 – 23.7.2025	687,508	-	-	687,508
				24.7.2016 – 23.7.2025	24.7.2016 – 23.7.2025	687,507	-	-	687,507
				24.7.2017 – 23.7.2025	24.7.2017 – 23.7.2025	687,507	-	-	687,507
				24.7.2018 – 23.7.2025	24.7.2018 – 23.7.2025	687,507	-	-	687,507
				24.7.2019 – 23.7.2025	24.7.2019 – 23.7.2025	687,507	-	-	687,507
				24.7.2019 – 23.7.2025	24.7.2019 – 23.7.2025	687,507	-	-	687,507
	HK\$7.68	26.2.2021	Note (b)(iii)	26.2.2022 – 25.2.2031	26.2.2022 – 25.2.2031	3,995,672	-	(415,250)	3,580,422
				26.2.2023 – 25.2.2031	26.2.2023 – 25.2.2031	3,995,672	-	(415,250)	3,580,422
				26.2.2024 – 25.2.2031	26.2.2024 – 25.2.2031	3,995,672	-	(415,250)	3,580,422
26.2.2025 – 25.2.2031				26.2.2025 – 25.2.2031	3,995,670	-	(415,249)	3,580,421	
26.2.2025 – 25.2.2031				26.2.2025 – 25.2.2031	3,995,670	-	(415,249)	3,580,421	
					25,113,369	-	(1,660,999)	23,452,370	
Exercisable at the end of the period (Note b)					2,365,507			2,365,507	
Weighted average exercise price (HK\$)					9.7952	-	7.6800	9.9450	

Notes:

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

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 27. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

#### Equity settled share option scheme (Continued)

For the six months ended 30 June 2022 (Before adjustment of Share Consolidation)

	Exercise price	Date of grant	Vesting period	Exercise period	Number of share options			
					Outstanding at 1 January 2022	Granted during the period	Forfeited during the period	Outstanding at 30 June 2022
Directors	HK\$0.357	3.11.2021	Note (b)(i)	3.11.2022 – 2.11.2031	15,125,000	–	–	15,125,000
				3.11.2023 – 2.11.2031	15,125,000	–	–	15,125,000
				3.11.2024 – 2.11.2031	15,125,000	–	–	15,125,000
				3.11.2025 – 2.11.2031	15,125,000	–	–	15,125,000
Former director (Note a)	HK\$0.606	24.7.2015	Note (b)(ii)	24.7.2015 – 23.7.2025	1,610,560	–	–	1,610,560
				24.7.2016 – 23.7.2025	1,610,560	–	–	1,610,560
				24.7.2017 – 23.7.2025	1,610,560	–	–	1,610,560
				24.7.2018 – 23.7.2025	1,610,560	–	–	1,610,560
				24.7.2019 – 23.7.2025	1,610,560	–	–	1,610,560

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 27. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

#### Equity settled share option scheme (Continued)

For the six months ended 30 June 2022 (Before adjustment of Share Consolidation) (Continued)

	Exercise price	Date of grant	Vesting period	Exercise period	Number of share options				
					Outstanding at 1 January 2022	Granted during the period	Forfeited during the period	Outstanding at 30 June 2022	
Employees and others providing similar services	HK\$1.1798	23.10.2014	24.11.2014 – 22.10.2015	23.10.2015 – 22.10.2024	10,468,640	–	–	10,468,640	
			23.10.2015 – 22.10.2016	23.10.2016 – 22.10.2024	10,468,640	–	–	10,468,640	
			23.10.2016 – 22.10.2017	23.10.2017 – 22.10.2024	10,468,640	–	–	10,468,640	
			23.10.2017 – 22.10.2018	23.10.2018 – 22.10.2024	10,468,640	–	–	10,468,640	
			23.10.2018 – 22.10.2024	24.10.2018 – 22.10.2024	10,468,640	–	–	10,468,640	
	HK\$0.606	24.7.2015	Note (b)(ii)	24.7.2015 – 23.7.2025	24.7.2015 – 23.7.2025	14,702,400	–	–	14,702,400
				24.7.2016 – 23.7.2025	24.7.2016 – 23.7.2025	14,702,400	–	–	14,702,400
				24.7.2017 – 23.7.2025	24.7.2017 – 23.7.2025	14,702,400	–	–	14,702,400
				24.7.2018 – 23.7.2025	24.7.2018 – 23.7.2025	14,702,399	–	–	14,702,399
				24.7.2019 – 23.7.2025	24.7.2019 – 23.7.2025	14,702,399	–	–	14,702,399
HK\$0.384	26.2.2021	Note (b)(iii)	26.2.2022 – 25.2.2031	26.2.2022 – 25.2.2031	87,728,438	–	(6,165,000)	81,563,438	
			26.2.2023 – 25.2.2031	26.2.2023 – 25.2.2031	87,728,438	–	(6,165,000)	81,563,438	
			26.2.2024 – 25.2.2031	26.2.2024 – 25.2.2031	87,728,437	–	(6,165,000)	81,563,437	
			26.2.2025 – 25.2.2031	26.2.2025 – 25.2.2031	87,728,437	–	(6,165,000)	81,563,437	
					545,321,748	–	(24,660,000)	520,661,748	
Exercisable at the end of the period (Note b)					52,343,200			52,343,200	
Weighted average exercise price (HK\$)					0.4906	–	0.0383	0.4906	

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 27. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

#### Equity settled share option scheme (Continued)

Under current share option scheme, each option gives the holder the right to subscribe for one ordinary share of the Company. Share options were first granted on 23 October 2014 to subscribe for 26,842,000 Shares. On 24 July 2015, share options were second granted to subscribe for 23,673,000 Shares. Share options of 19,065,937 shares which were third granted on 26 February 2021, of which 18,525,812 shares options have been accepted by the grantees. On 3 November 2021, share options were fourth granted to subscribe 3,025,000 shares. During the six months ended 30 June 2023, share-based payment expense of approximately RMB4,587,000 (six months ended 30 June 2022: RMB8,560,000) was recognised in profit or loss. In addition, during the six months ended 30 June 2023, share options granted to certain employees have been forfeited after the vesting period due to the resignation, and the respective share options reserve of approximately RMB3,287,000 was transferred to the Group's accumulated losses.

The fair value of services received in return for share options granted was measured by reference to the fair value of share options granted, IFRS 2 "Share-based Payment" and the accounting policy in the consolidated financial statements for the year ended 31 December 2022. The estimate of the fair value of the share options granted was measured based on the Binomial Option pricing model for share options granted on 23 October 2014, 26 February 2021 and 3 November 2021, while based on the Monte Carlo mode for share options granted on 24 July 2015. The contractual life of the share option and expectations of early exercise were incorporated into the respective models.

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

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

The expected volatility was based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends were based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 28. DISPOSAL OF SUBSIDIARIES

As disclosed in note 10(a), on 31 December 2022, the Group entered into two equity transfer agreements with Hunan Xinhua, an independent third party to dispose of its 100% equity interest in a wholly-owned subsidiary, Dengkou GCL, and 51% equity interest in Yuncheng Xinhua for aggregate consideration of RMB26,370,000 as at the date of disposals. The subsidiaries operate solar power plant projects with in aggregate of 50MW in Shandong and Inner Mongolia, the PRC.

During the six months ended 30 June 2023, the disposal of Yuncheng Xinhua with an aggregate consideration of RMB23,560,000 was completed. The disposal of Dengkou GCL has not been completed as at 30 June 2023 and is presented as disposal group held for sale and disclosed in note 10(a).

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

	RMB'000
<b>Consideration:</b>	
Consideration received	23,560
	23,560
<b>Analysis of assets and liabilities over which control was lost:</b>	
Property, plant and equipment	178,414
Right-of-use assets	21,430
Other non-current assets	5,168
Trade and other receivables	90,288
Bank balances and cash	8,462
Other payables	(66,902)
Bank and other borrowings	(145,026)
Lease liabilities	(22,389)
Intragroup payables	(13,744)
Net assets disposed of	55,701
<b>Gain on disposal of subsidiaries:</b>	
Total consideration, net of transaction cost	23,560
Non-controlling interest	35,765
Net assets disposed of	(55,701)
Gain on disposal	3,624
<b>Net cash inflow arising from disposal:</b>	
Cash consideration received	23,560
Less: bank balances and cash disposed of	(8,462)
	15,098

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 29. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

#### Fair value measurements and valuation processes

In estimating the fair value of an asset or a liability, the Group uses market observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The Directors work closely with the qualified valuers to establish the appropriate valuation techniques and inputs to the model. The management of the Group reports the findings to the Directors every half year to explain the cause of fluctuations in the fair value of the assets and liabilities.

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

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

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

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

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	30 June 2023 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)				
Unlisted equity investments measured at financial assets at FVTPL (Note)	43,714	43,714	Level 3	Price to book ("PB") ratio	PB value in the relevant industry and net assets value	An increase in the PB value or net asset value would result in increase in fair value and vice versa
Club membership	1,929	1,929	Level 2	Quoted prices from recent transaction price	N/A	N/A

Note: If the PB value was 5% higher or lower while all the other variables were held constant, the change in fair value of the other investments would increase or decrease by RMB2,185,700 (2022: RMB2,185,700) for the six months ended 30 June 2023.

If the net assets value was 5% higher or lower while all the other variables were held constant, the change in fair value of the other investments would increase or decrease by RMB2,185,700 (2022: RMB2,185,700) for the six months ended 30 June 2023.

There is no transfer between the different levels of the fair value hierarchy for the current period.



## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 29. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(Continued)*

#### Fair value measurements and valuation processes *(Continued)*

*(ii) Reconciliation of Level 3 fair value measurements*

	<b>Unlisted equity investments measured at financial assets at FVTPL</b>	
	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
Other investments	<b>43,714</b>	43,714

There was no fair value change (six months ended 30 June 2022: nil) during the current interim period attributable to other investments as at 30 June 2023.

The carrying amounts and fair values of the Group's financial instruments reasonably approximate to fair values.

Management has assessed that the fair values of pledged bank and other deposits, trade receivables, trade payables, financial assets included in other receivables and deposits, balances with related parties, financial liabilities included in other payables and accruals, and senior notes, approximate to their carrying amounts. The fair values of the interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for these interest-bearing bank and other borrowings as at 30 June 2023 were assessed to be insignificant.

The Group's corporate finance team headed by the group finance controller is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the Directors and the audit committee. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the Directors. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 30. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

#### (a) Capital commitments

	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
Capital contribution contracted but not provided for:		
Share capital of joint venture	<b>24,500</b>	24,500
Contracted but not provided for:		
Construction of the Natural Gas Liquefaction Plant	<b>106,713</b>	–

#### (b) Contingent liabilities

Except for the financial guarantees provided by the Group to third parties as below, the Group had no any other material contingent liability as at 30 June 2023 and 31 December 2022.

As at 30 June 2023, the Group provided back-to-back guarantees to third parties for certain bank and other borrowings taken out by certain third parties for project companies whereby the third parties held a substantial interest and the Group held a minority interest. The back-to-back guarantees held a maximum amount of RMB1,610 million (31 December 2022: RMB1,610 million). Besides, the Group also provided financial guarantees to certain disposed subsidiaries during the period until these guarantees are replaced or the loan is repaid for their bank and other borrowings amounting to RMB712 million (31 December 2022: RMB712 million). Since these bank and other borrowings are secured by the borrowers' (i) property, plant and equipment; (ii) trade receivables, contract assets and fee collection right in relation to sales of electricity, in the opinion of the Directors, the fair value of the guarantee is considered insignificant at initial recognition and the ECL as at 30 June 2023 and 31 December 2022 is considered insignificant.

### 31. PLEDGE OF ASSETS/RESTRICTIONS ON ASSETS

The Group's borrowings (other than those in Note 10) had been secured by the pledge of the Group's assets and the carrying amounts of the respective assets are as follows:

	<b>30 June 2023 RMB'000 (Unaudited)</b>	31 December 2022 RMB'000 (Audited)
Property, plant and equipment	<b>1,494,600</b>	2,956,646
Pledged bank and other deposits	<b>256,156</b>	261,786
Trade receivables and contract assets	<b>447,751</b>	1,385,107
	<b>2,198,507</b>	4,603,539

The Group's secured bank and other borrowings and loan from a related company were secured, individually or in combination, by (i) certain property, plant and equipment of the Group; (ii) certain pledged bank and other deposits of the Group; (iii) certain subsidiaries' trade receivables, contract assets and fee collection rights in relation to the sales of electricity; and (iv) equity interests in certain project companies of the Group.

#### Restrictions on assets

In addition, lease liabilities (other than those in Note 10) of approximately RMB261,699,000 (31 December 2022: RMB270,296,000) are recognised with related right-of-use assets of approximately RMB194,787,000 (31 December 2022: RMB219,290,000) as at 30 June 2023. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by lessor and the relevant leased assets may not be used as security for borrowing purposes.

Details of bills issued by third parties endorsed with recourse for settlement of payables for purchase of plant and machinery and construction costs is disclosed in notes 19 and 21.

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 32. RELATED PARTY DISCLOSURES

Except as disclosed elsewhere in the unaudited condensed interim consolidated financial statements, the Group also entered into the following material transactions or arrangements with related parties:

#### (a) Management services income from related companies

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
<b>Fellow subsidiaries</b>		
蘇州協鑫光伏電力科技有限公司 Suzhou GCL Photovoltaic Power Technology Co., Ltd.* ("Suzhou GCL Technology") (Note i)	4,633	3,580
GCL Solar Energy Limited (Note ii)	1,732	2,670
<b>Associates (Note iii)</b>		
江陵縣協鑫光伏電力有限公司 Jiangling GCL Solar Power Co., Ltd.* ("Jiangling")	1,548	1,476
華容縣協鑫光伏電力有限公司 Huarong GCL Solar Power Co., Ltd.* ("Huarong")	–	620
林州市新創太陽能有限公司 Linzhou Xinchuang Solar Co., Ltd.* ("Linzhou Xinchuang")	–	447
新安縣協鑫光伏電力有限公司 Xinan GCL Solar Power Co., Ltd.* ("Xinan")	1,405	1,471
汝州協鑫光伏電力有限公司 Ruzhou GCL Photovoltaic Power Co. Ltd.* ("Ruzhou")	1,179	1,245
<b>Related companies (Note iv)</b>		
協鑫綠能系統科技有限公司 GCL Green Energy System Technology Co., Ltd.* ("GCL Green Energy")	2,081	–
南京協鑫巽能能源科技有限公司 Nanjing GCL Sunneng Energy Technology Co., Ltd. ("Nanjing GCL Sunneng")	2,304	–
	<b>14,882</b>	11,509

Notes:

- (i) 蘇州協鑫新能源運營科技有限公司 Suzhou GCL New Energy Operation and Technology Co., Ltd.\* ("Suzhou GCL Operation"), an indirect wholly-owned subsidiary of the Company, provides operation and management services to the solar power plants of Suzhou GCL Technology and its subsidiaries.
- (ii) GCL New Energy International Limited and GCL New Energy, Inc., indirect wholly-owned subsidiaries of the Company, provided asset management and administrative services to GCL Solar Energy Limited for its overseas operations in the US and South Africa. GCL Solar Energy Limited is a subsidiary of GCL Technology.
- (iii) During the six months ended 30 June 2023, Suzhou GCL Operation provided operation and management services to the solar power plants of Jiangling, Huarong, Linzhou Xinchuang, Xinan and Ruzhou.
- (iv) During the six months ended 30 June 2023, Suzhou GCL Operation provided operation and management services to the solar power plants of GCL Green Energy and Nanjing GCL Sunneng, in which Mr. Zhu Yufeng and his family have significant influence.

\* English name for identification purpose only

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 32. RELATED PARTY DISCLOSURES (Continued)

#### (b) Interest expense on loan from a related company

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
<b>Related company</b>		
Nanjing Xinneng	–	139
	–	139

Details of the loan from a related company are set out in note 22.

#### (c) Lease contract with a related company (Note)

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
<b>Fellow subsidiary</b>		
蘇州協鑫工業應用研究院有限公司 Suzhou GCL Industrial Applications Research Co., Ltd* ("Suzhou GCL Industrial Applications Research") – Interest expense on lease liabilities	388	453
	30 June 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Suzhou GCL Industrial Applications Research – Lease liabilities	4,325	7,201

Note: The Group has entered into a lease agreement for the use of office premises from Suzhou GCL Industrial Applications Research for three years and recognised right-of-use assets and lease liabilities of RMB45,570,000 during the year ended 31 December 2020. The Group made payments for the respective right-of-use assets of approximately RMB3,264,000 (six months ended 30 June 2022: RMB8,882,000) for the premises during the current interim period.

\* English name for identification purpose only

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 32. RELATED PARTY DISCLOSURES (Continued)

#### (d) Shandong EPC services provided by a connected person

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Audited)
<b>Connected person (Note)</b>		
GCL Green Energy		
– Payment for technical transformation of solar power plant	6,868	–
	<b>6,868</b>	–

Note:

On 9 December 2022, the Group as principal and GCL Green Energy, in which Mr. Zhu Yufeng and his family have significant influence, as contractor entered into an EPC agreement for the technical transformation of planned construction capacity of approximately 8.58MW of part of the Yangkou Photovoltaic Power Station at a consideration of approximately RMB13,998,356. GCL Green Energy is an associate of Mr. Zhu Gongshan and his family and thus a connected person of the Company under the Listing Rules. Mr. Zhu Gongshan, the father of Mr. Zhu Yufeng, is the chairman and an executive director of the Group.

#### (e) Profit attributable on perpetual notes

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
保利協鑫(蘇州)新能源有限公司		
GCL-Poly (Suzhou) New Energy Co., Ltd*	38,714	38,714
Suzhou GCL Technology	27,653	27,653
太倉協鑫光伏科技有限公司		
Taicang GCL Photovoltaic Technology Co., Ltd*	11,061	11,061
江蘇協鑫硅材材料科技發展有限公司		
Jiangsu GCL Silicon Material Technology Development Co., Ltd*	22,122	22,122
	<b>99,550</b>	99,550

Perpetual notes are unsecured, have a variable distribution rate of 7.3% to 11% which could be deferred indefinitely at the option of the issuer and have no fixed repayment term. There is no distribution on perpetual notes for both periods. The notes are denominated in RMB.

\* English name for identification purpose only

## Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the six months ended 30 June 2023

### 32. RELATED PARTY DISCLOSURES (Continued)

#### (f) Compensation of key management personnel

The remuneration of senior management personnel, comprising directors' (whether executive or otherwise) remuneration during the period was as follows:

	Six months ended 30 June	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Short-term benefits	9,661	13,084
Post-employment benefits	173	210
Share-based payments	759	1,823
	<b>10,593</b>	15,117

The remuneration of the Directors and other key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

### 33. EVENTS AFTER REPORTING PERIOD

Save as disclosed elsewhere in the unaudited condensed interim consolidated financial statements, the following significant event took place after the end of the reporting period:

Since 4 August 2023, the Company has repurchased the 10.00% Senior Notes Due 2024 (the "Notes") in the open market in an aggregate carrying amount of US\$55,321,000 (equivalent to RMB394,466,000), being US\$69,000,000 (equivalent to approximately RMB492,005,000) outstanding principal amount at face value of the Notes. Please refer to the Company's announcement dated 14 August 2023 and published on Singapore Stock Exchange for further details.

### 34. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current interim period's presentation.

## Board of Directors

### Executive Directors

Mr. ZHU Gongshan (*Chairman*)  
Mr. ZHU Yufeng (*Vice Chairman*)  
Mr. WANG Dong (*President*)  
Ms. HU Xiaoyan

### Non-executive Directors

Ms. SUN Wei  
Mr. YEUNG Man Chung, Charles  
Mr. FANG Jiancai

### Independent Non-executive Directors

Mr. LEE Conway Kong Wai  
Mr. WANG Yanguo  
Dr. CHEN Ying  
Mr. CAI Xianhe

## Board Committees

### Audit Committee

Mr. LEE Conway Kong Wai (*Chairman*)  
Dr. CHEN Ying  
Mr. CAI Xianhe

### Remuneration Committee

Mr. LEE Conway Kong Wai (*Chairman*)  
Mr. ZHU Yufeng  
Ms. SUN Wei  
Mr. WANG Yanguo  
Dr. CHEN Ying

### Nomination Committee

Mr. ZHU Gongshan (*Chairman*)  
Mr. WANG Yanguo  
Dr. CHEN Ying

## Corporate Governance Committee

Mr. ZHU Yufeng (*Chairman*)  
Mr. WANG Dong  
Ms. HU Xiaoyan  
Mr. YEUNG Man Chung, Charles  
Mr. LEE Conway Kong Wai  
Mr. CAI Xianhe

## Risk Assessment Committee

Mr. ZHU Yufeng (*Chairman*)  
Mr. WANG Dong  
Ms. HU Xiaoyan

## Company Secretary

Mr. HO Yuk Hay

## Authorised Representatives

Mr. YEUNG Man Chung, Charles  
Mr. HO Yuk Hay

## Registered Office

Clarendon House, 2 Church Street  
Hamilton HM 11  
Bermuda

## Corporate Information

### Principal Place of Business In Hong Kong

Unit 1707A, Level 17  
International Commerce Centre  
1 Austin Road West  
Kowloon, Hong Kong

### Auditor

Crowe (HK) CPA Limited  
*Registered Public Interest Entity Auditors*  
9/F Leighton Centre  
77 Leighton Road  
Causeway Bay  
Hong Kong

### Principal Bankers

Bank of China Limited  
China Development Bank  
Industrial and Commercial Bank of China Limited  
The Hongkong and Shanghai Banking  
Corporation Limited

### Share Registrars and Transfer Offices

#### Principal Share Registrar and Transfer Agent

Conyers Corporate Services (Bermuda) Limited  
Clarendon House, 2 Church Street  
Hamilton HM 11  
Bermuda

#### Hong Kong Branch Share Registrar and Transfer Office

Tricor Abacus Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### Legal Advisers to the Company

#### As to Hong Kong law

King & Wood Mallesons  
13/F Gloucester Tower, The Landmark,  
15 Queen's Road Central  
Hong Kong

#### As to PRC law

Grandall Law Firm (Beijing)  
9th Floor, Taikang Financial Tower  
No. 38 North Road East Third Ring  
Chaoyang District  
Beijing, 100026  
The PRC

### Share Information

Stock Code:	451
Board Lot Size:	2,000
Issued Shares as at 30 June 2023:	1,167,435,772 shares

### Links to Official Website/ Wechat Platform of the Company

Website: [www.gclnewenergy.com/](http://www.gclnewenergy.com/)  
WeChat ID: gclnewenergy





“Affiliate Company(ies)”	a controlling shareholder of the Company or a subsidiary or an associate of a controlling shareholder, as defined in the Share Option Scheme
“associate(s)”, “connected person(s)”, “controlling shareholder(s)” and “substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“CG Code”	Corporate Governance Code contained in Appendix 14 to the Listing Rules
“Company” or “GCL New Energy”	GCL New Energy Holdings Limited 協鑫新能源控股有限公司
“Company Secretary”	the company secretary of the Company
“Corporate Communications”	including but not limited to: (a) the directors’ reports, annual accounts together with a copy of the auditors’ report and, where applicable, summary financial reports; (b) interim reports and, where applicable, summary interim reports; (c) notices of meetings; (d) listing documents; (e) circulars; and (f) proxy forms
“Director(s)”	the director(s) of the Company from time to time
“Existing Notes”	the 10.00% senior notes due in 2024 issued by the Company on the Issuance Date and listed on the Singapore Exchange Securities Trading Limited
“GCL Technology”	GCL Technology Holdings Limited 協鑫科技控股有限公司, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3800)
“GCL System Integration”	GCL System Integration Technology Co., Ltd. 協鑫集成科技股份有限公司, a company incorporated in the PRC with its shares listed on the Shenzhen Stock Exchange (stock code: 002506)
“Group”	the Company and its subsidiaries
“GW”	gigawatts
“HK\$” or “HKD”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

## Glossary

“Issuance Date”	16 June 2021
“kWh”	kilowatt hour
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
“MW”	megawatts
“PRC” or “China”	The People’s Republic of China
“Reporting Period”	the six months ended 30 June 2023
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of one-twelfth (1/12) of a Hong Kong dollar each (equivalent to HK\$0.083) in the share capital of the Company
“Share Consolidation”	the consolidation of every twenty (20) issued and unissued ordinary share(s) of HK\$0.004166666667 (being 1/240) each in the share capital of the Company into one (1) ordinary share(s) of HK\$0.083 (being 1/12) each in the share capital of the Company, which was approved by the Shareholders at the special general meeting held on 27 October 2022 and became effective on 31 October 2022
“Shareholder(s)”	holder(s) of the Share(s)
“Share Option Scheme”	the share option scheme adopted by the Company on 15 October 2014
“Solar Energy Business” or “continuing operations”	the sale of electricity, development, construction, operation and management of solar power plants
“State Grid”	State Grid Corporation of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US”	United States of America
“US\$” or “USD”	US Dollars, the lawful currency of the United States



GCL New Energy

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