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)

PRELIMINARY ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

	2024	2023
	RMB million	*RMB million*
Revenue	**1,108**	832
Loss attributable to owners of the Company	**(424)**	(1,166)
	RMB cents	*RMB cents*
Loss per share		
– Basic and diluted	**(32.16)**	(99.85)

The audited consolidated results of the Group for the year ended 31 December 2024 (the "Reporting Period"), with comparative figures for the corresponding period in the previous year (the "Prior Reporting Period") are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	NOTES	**2024** *RMB'000*	2023 *RMB'000*
Revenue	*3*	**1,107,755**	831,520
Cost of sales and services rendered		**(980,320)**	(450,730)
Gross profit		**127,435**	380,790
Other income	*4*	**117,647**	82,753
Other gains and losses, net	*5*	**(66,622)**	(414,599)
Impairment loss on expected credit loss model, net of reversal	*5*	**(148,426)**	(155,565)
Impairment losses on property, plant and equipment and right-of-use assets	*5*	**–**	(85,943)
Selling and distribution expenses		**(9,506)**	–
Research and development expenses		**(29,360)**	–
Administrative expenses			
– share-based payment expenses		**(4,269)**	(9,174)
– other administrative expenses		**(265,084)**	(415,601)
Share of profits of associates		**110,774**	112,072
Share of profit of joint venture		**268**	290
Finance costs	*6*	**(51,415)**	(443,883)
Loss before tax		**(218,558)**	(948,860)
Income tax expense	*7*	**(4,182)**	(15,150)
Loss for the year	*8*	**(222,740)**	(964,010)
Other comprehensive (expense) income:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(1,526)**	7,223
Total comprehensive expense for the year		**(224,266)**	(956,787)

	NOTES	2024 RMB'000	2023 RMB'000
Loss for the year attributable to:			
Owners of the Company		**(424,040)**	(1,165,641)
Non-controlling interests			
– Owners of perpetual notes		**201,300**	200,750
– Other non-controlling interests		**–**	881
		(222,740)	(964,010)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(425,566)**	(1,158,418)
Non-controlling interests			
– Owners of perpetual notes		**201,300**	200,750
– Other non-controlling interests		**–**	881
		(224,266)	(956,787)
		RMB cents	*RMB cents*
Loss per share	*10*		
– Basic		**(32.16)**	(99.85)
– Diluted		**(32.16)**	(99.85)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	NOTES	**2024** **RMB'000**	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**548,116**	903,877
Right-of-use assets		**49,324**	76,786
Interests in associates		**1,585,947**	1,543,513
Interest in joint venture		**3,734**	3,466
Amounts due from related companies		**640,487**	648,085
Financial assets at fair value through profit or loss		**157,874**	45,643
Other non-current assets		**2,338**	14,738
Other receivables	*11*	**817,789**	700,945
Pledged bank and other deposits		**8,860**	42,047
Deferred tax assets		**787**	821
		3,815,256	3,979,921
CURRENT ASSETS			
Inventories		**159,621**	–
Trade and other receivables	*11*	**1,074,550**	1,007,992
Derivative financial instruments		**4,098**	–
Amounts due from related companies		**627,658**	805,190
Tax recoverable		**13**	–
Pledged bank and other deposits		**28,170**	59,882
Bank balances and cash		**284,865**	555,395
		2,178,975	2,428,459
Assets classified as held for sale		**99,359**	97,884
		2,278,334	2,526,343

	NOTES	2024 RMB'000	2023 RMB'000
CURRENT LIABILITIES			
Other payables		**229,788**	95,309
Contract liabilities		**127,546**	2,082
Derivative financial instruments		**5,133**	–
Amounts due to related companies		**143,855**	175,748
Tax payable		**1,852**	53
Loan from a related company	*12*	**–**	4,811
Bank and other borrowings	*13*	**31,048**	120,330
Lease liabilities		**14,375**	16,194
Deferred income		**155,028**	349,811
		708,625	764,338
Liabilities directly associated with assets classified as held for sale		**1,484**	1,537
		710,109	765,875
NET CURRENT ASSETS		**1,568,225**	1,760,468
TOTAL ASSETS LESS CURRENT LIABILITIES		**5,383,481**	5,740,389
NON-CURRENT LIABILITIES			
Bank and other borrowings	*13*	**309,187**	289,463
Lease liabilities		**97,034**	121,006
Deferred income		**148,496**	335,266
		554,717	745,735
NET ASSETS		**4,828,764**	4,994,654
CAPITAL AND RESERVES			
Share capital		**99,371**	81,773
Reserves		**1,588,871**	1,973,659
Equity attributable to owners of the Company		**1,688,242**	2,055,432
Equity attributable to non-controlling interests – Owners of perpetual notes		**3,140,522**	2,939,222
TOTAL EQUITY		**4,828,764**	4,994,654

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. GENERAL INFORMATION

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

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

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB"). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the material accounting policy information set out below.

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

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3. REVENUE AND SEGMENT INFORMATION

Revenue recognised during the year are as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue		
Sales of electricity and tariff adjustments	**90,057**	578,208
Operation and management services income	**272,577**	227,948
Solar related supporting services income	**15,150**	16,747
LNG business related income	**729,971**	8,617
Total	**1,107,755**	831,520

For sales of electricity and tariff adjustments, substantially all of the revenue is derived from electricity sales to local grid companies in the US (2023: PRC) for the year ended 31 December 2024. The Group generally entered into power purchase agreements with local grid companies with a term of two (2023: one to five) years and overseas grid companies with a term of ten to twenty years which stipulate the price of electricity per watt hour. Revenue is recognised when control of the electricity has transferred, being at the point when electricity has generated and transmitted to the customers and the amount included tariff adjustments of approximately RMB4,847,000 (2023: RMB297,666,000) recognised during the current year. Except for trade receivables relating to tariff adjustments, the Group generally grants credit period of approximately one month to customers from date of invoice in accordance with the relevant power purchase agreements between the Group and the respective local grid companies or overseas grid companies. The Group will complete the remaining performance obligations in accordance with the relevant terms as stipulated in the power purchase agreements and the remaining aggregated transaction price will be equal to the quantity of electricity that can be generated and transmitted to the customers times the stipulated price per watt hour.

The financial resource for the tariff adjustment is the national renewable energy fund that accumulated through a special levy on the consumption of electricity of end users. The PRC government is responsible to collect and allocate the fund to the respective state-owned grid companies for settlement to the solar power companies. 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 Power Generation Project Information Management Platform (the "Platform").

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

The management considered that it contained a significant financing component over the tariff adjustments until the settlement of the trade receivables. For the current year, the respective tariff adjustment was adjusted for this financing component based on an effective interest rate ranged from 1.42% to 2.05% per annum (2023: 2.14% to 2.57% per annum) and the adjustment in relation to revision of expected timing of tariff collection. As such, the Group's revenue was adjusted by approximately RMB2 million (2023: RMB25 million) and interest income amounting to approximately RMB668,000 (2023: RMB504,000) (note 4) was recognised.

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

As at 31 December 2024, the aggregate amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is approximately RMB383 million (2023: RMB466 million). This amount represents revenue expected to be recognised in the future from operation and management contracts of solar power plant entered into by the customers with the Group. The Group will recognise the expected revenue in future when or as the work is completed, which is expected to occur over the next 12 to 60 months.

* *English name for identification only*

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2024 and the expected timing of recognising revenue are as follows:

	2024	2023
	RMB'000	*RMB'000*
Within one year	**230,997**	194,715
More than one year but not more than two years	**107,662**	135,576
More than two years but not more than five years	**40,112**	133,520
More than five years	**3,892**	2,430
	382,663	466,241

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

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

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

Included in LNG business related income, the Group recognised revenue from contracts with external customers, acting as a principal, amounting to approximately RMB728,268,000 (2023: RMB8,335,000), relating to sales of LNG and related products. The Group recognised revenue from contracts with external customers, acting as an agent, amounting to approximately RMB1,703,000 (2023: RMB282,000), relating to sales of LNG and related products.

Disaggregated revenue information

	2024	2023
	RMB'000	*RMB'000*
Timing of revenue recognition:		
– At a point in time	**835,178**	603,572
– Over time	**272,577**	227,948
Total	**1,107,755**	831,520

The Group's chief operating decision maker ("CODM"), being the executive directors of the Company, regularly reviews revenue by countries; 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 mainly 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**	
	2024	2023	**2024**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
PRC	**1,020,578**	750,024	**1,661,996**	1,629,437
US	**86,440**	81,496	**518,648**	912,943
Others	**737**	–	**8,815**	–
	1,107,755	831,520	**2,189,459**	2,542,380

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

Information about major customers

For the year ended 31 December 2024, the revenue from grid companies under common control of the State Grid Corporation of China in total and customers in relation to LNG related business accounted for nil (2023: 60%) and 34% (2023: nil) of the Group's revenue respectively. For the purpose of presenting further information about major customers and considering the extent of economic integration between grid companies, the sales to grid companies under the common control of State Grid Corporation of China and LNG business companies which accounted for over 10% of the total revenue from external customers is as follows:

	2024	2023
	RMB'000	*RMB'000*
Customer A	**196,114**	N/A
Customer B	**176,921**	N/A
Customer C	**N/A**	500,236

4. OTHER INCOME

	2024	2023
	RMB'000	*RMB'000*
Government grants		
– Incentive subsidies *(note)*	**557**	2,126
– Energy Income Credit ("ITC")	**14,625**	14,471
Interest arising from contracts containing significant financing component	**668**	504
Interest income of financial assets at amortised cost:		
– Bank and other interest income	**8,617**	11,530
– Interest income from former subsidiaries	**3,920**	42,713
– Interest income from related companies	**15,594**	–
– Imputed interest arising from receivables containing significant financing component	**65,760**	–
Others	**7,906**	11,409
	117,647	82,753

Note:

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

5. OTHER GAINS AND LOSSES, NET/IMPAIRMENT LOSS ON EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL/IMPAIRMENT LOSSES ON PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	2024	2023
	RMB'000	*RMB'000*
Exchange gain/(loss), net	**3,828**	(38,347)
Loss on measurement of assets classified as held for sale to fair value less cost to sell	**–**	(105,188)
Net gain/(loss) on disposal of solar power plant projects	**8,211**	(394,924)
Gain on redemption of senior notes	**–**	123,930
Loss on disposal of property, plant and equipment	**(246)**	(70)
Gain on deregistration of a subsidiary	**3,679**	–
Net realised and unrealised loss on derivative financial instruments	**(2,978)**	–
Gain on disposal of financial assets of fair value through profit or loss	**644**	–
Unrealised loss on fair value change of financial assets at fair value through profit of loss	**(15,960)**	–
Fair value change on receivables containing significant financing component		
– Other receivables	**(37,073)**	–
– Amounts due from related companies	**(26,727)**	–
	(66,622)	(414,599)
Impairment loss on expected credit loss model, net of reversal:		
– Other receivables	**(160,070)**	(68,600)
– Related companies	**11,644**	(86,965)
	(148,426)	(155,565)
Impairment losses on property, plant and equipment and right-of-use assets:		
– Property, plant and equipment and right-of-use assets (excluding assets classified as held for sale)	**–**	(85,943)
	–	(85,943)

6. FINANCE COSTS

	2024	2023
	RMB'000	*RMB'000*
Interest on financial liabilities at amortised cost:		
Bank and other borrowings	**43,940**	220,674
Senior notes	**–**	88,359
Lease liabilities	**7,475**	14,542
Imputed interest arising from receivables containing significant financing component	**–**	120,308
	51,415	443,883

There were no borrowing costs being capitalised during the years ended 31 December 2024 and 2023 on the general borrowing pool.

7. INCOME TAX EXPENSE

	2024	2023
	RMB'000	*RMB'000*
PRC Enterprise Income Tax ("EIT"):		
Current tax	**3,870**	14,384
Under/(over)-provision in prior years	**278**	(788)
	4,148	13,596
Deferred tax	**34**	1,554
	4,182	15,150

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

For the year ended 31 December 2023, certain subsidiaries of the Group, engaged in solar photovoltaic projects, under the EIT Law and its relevant regulations, were entitled to tax holidays of 3-year full exemption followed by 3-year 50% exemption commencing from their respective years in which their first operating income was derived. These subsidiaries were disposed during the preceding year.

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

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

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

8. LOSS FOR THE YEAR

	2024	2023
	RMB'000	*RMB'000*
Loss for the year has been arrived at after charging:		
Auditor's remuneration		
– Audit services	**1,550**	1,700
– Non-audit services	**1,480**	700
Cost of inventories recognised as expenses	**768,180**	8,108
Depreciation of:		
– Property, plant and equipment	**56,049**	239,433
– Right-of-use assets	**12,803**	22,041
Staff costs (including directors' remuneration but excluding share-based payments)		
– Salaries, wages and other benefits	**187,294**	211,263
– Retirement benefit scheme contributions	**31,452**	30,249
	218,746	241,512
Share-based payment expenses (administrative expenses in nature)	**4,269**	9,174

9. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during 2024, nor has any dividend been proposed since the end of the reporting period (2023: RMBNil).

10. LOSS PER SHARE

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

	2024	2023
	RMB'000	*RMB'000*
Loss		
Loss for the purpose of basic and diluted loss per share (Loss for the year attributable to owners of the Company)	**(424,040)**	(1,165,641)

	2024	2023
	'000	*'000*
Number of shares		
Weighed average number of ordinary shares for the purpose of basic and diluted loss per share	**1,318,403**	1,167,436

Diluted loss per share for the years ended 31 December 2024 and 2023 do not assume the exercise of share options granted by the Company, since the exercise would result in decrease in loss per share of the respective year.

11. TRADE AND OTHER RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables *(note a)*	**164,390**	83,857
Prepayments to LNG business suppliers	**241,765**	8,665
Other prepayments and deposits	**29,745**	29,478
Other receivables		
– Amounts due from former subsidiaries *(note b)*	**2,015,428**	1,949,439
– Consideration receivable from disposal of subsidiaries	**188,546**	206,090
– Refundable value-added tax	**10,856**	–
– Dividend receivables from former subsidiaries	**41,452**	57,675
– Others	**86,253**	99,759
	2,778,435	2,434,963
Less: Allowance for credit loss		
– Non-trade	**(886,096)**	(726,026)
	(886,096)	(726,026)
	1,892,339	1,708,937
Analysed as:		
– Current assets	**1,074,550**	1,007,992
– Non-current assets	**817,789**	700,945
	1,892,339	1,708,937

Notes:

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

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

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

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

Trade receivables include bills received amounting to approximately RMB1,349,000 (2023: RMB210,000) held by the Group for future settlement of trade receivables, of which certain bills issued by third parties are further endorsed by the Group with recourse for settlement of payables for purchase of plant and machinery and construction costs, or discounted to banks for cash. The Group continues to recognise their full carrying amount at the end of both reporting periods. All bills received by the Group are with a maturity period of less than one year.

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

	2024	2023
	RMB'000	*RMB'000*
0–90 days	**117,415**	52,605
91–180 days	**13,901**	16,600
Over 180 days	**31,725**	14,442
	163,041	83,647

As at 31 December 2024, included in these trade receivables are debtors with aggregate carrying amount of approximately RMB87,931,000 (2023: RMB39,798,000) which are past due as at the end of the reporting date. These trade receivables relate to a number of customers represented the local grid companies and customers in the PRC, for whom there is no recent history of default. The Group does not hold any collaterals over these balances.

Trade receivable of approximately RMB35,531,000 (2023: RMB31,259,000) as at 31 December 2024 have been classified as part of a disposal group held for sale.

(b) The amounts due from former subsidiaries include (i) carrying amount of approximately RMB817,789,000 (2023: RMB700,945,000) in relation to deferred receivables, which are non-trade in nature, unsecured, interest-bearing ranging from 4.3% to 9.52% (2023: ranging from 4.3% to 9.52%) per annum and in the opinion of Directors, they are expected to be received within two years as at 31 December 2024; and (ii) outstanding payments arising from its disposals of subsidiaries to independent third parties during the financial years ended 31 December 2018 to 31 December 2023 as part of the Group's transition to become an asset-light enterprise. When the Group and the purchasers discussed the terms of the sale and purchase agreements in respect of the disposal of the Group's subsidiaries, the considerations were determined by taking into, among other things, receivables (i.e. the "Outstanding Payments") that were due from the former subsidiaries to the Group. The purchasers are obligated to procure the former subsidiaries to settle the Outstanding Payments in stages pursuant to the terms and conditions set out in the sale and purchase agreements. The amounts are non-trade in nature, unsecured and interest-bearing ranging from 4.45% to 9.52% (2023: ranging from 4.45% to 9.52%) per annum and repayable on demand.

12. LOAN FROM A RELATED COMPANY

	2024	2023
	RMB'000	*RMB'000*
Loan from:		
– company controlled by Mr. Zhu Gongshan and his family, repayable within 1 year *(note)*	–	4,811
	–	4,811

Note:

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

* *English name for identification only*

13. BANK AND OTHER BORROWINGS

	2024	2023
	RMB'000	*RMB'000*
Bank loans	**10,000**	87,923
Other loans	**330,235**	321,870
	340,235	409,793
Secured	**340,235**	409,793
The maturity of bank borrowings is as follows*:		
Within one year	**10,000**	87,923
	10,000	87,923
Less: Amounts due within one year shown under current liabilities	**(10,000)**	(87,923)
Amounts due after one year	–	—
Analysed as:		
Variable-rate bank borrowings	**10,000**	87,923

	2024	2023
	RMB'000	*RMB'000*
The maturity of other borrowings is as follows*:		
Within one year	**21,048**	32,407
More than one year, but not exceeding two years	**23,061**	28,736
More than two years, but not exceeding five years	**61,889**	67,994
More than five years	**224,237**	192,733
	330,235	321,870
Less: Amounts due within one year shown under current liabilities	**(21,048)**	(32,407)
Amounts due after one year	**309,187**	289,463
Analysed as:		
Fixed-rate other borrowings	**330,235**	321,870

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

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

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

	2024	2023
Fixed-rate borrowings		
US$ borrowing	**1.72% to 5.64%**	1.72% to 5.64%
Variable-rate borrowings		
RMB borrowings	**LPR* +0.7%**	–

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

	2024	2023
	RMB'000	*RMB'000*
US$	**330,235**	409,793
RMB	**10,000**	–
	340,235	409,793

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

14. EVENTS AFTER THE REPORTING PERIOD

On 9 January 2025, the Company (the "Purchaser") and Golden Concord Group Limited (the "Seller"), a company ultimately wholly-owned by the Zhu Family Trust, entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Seller has conditionally agreed to sell, the Sale Share, being the entire issued share capital of Harmonic Century Global Limited (the "Target Company") and its subsidiaries (collectively referred to as the "Target Group"), at the Consideration (as defined in the circular) of RMB325 million (equivalent to approximately HK$345.15 million) (the "Acquisition").

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

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

Accelerating Overseas Energy Expansion: Forging an International Industrial Landscape

Under the context of the global energy transition and the deepening of the Belt and Road Initiative, GCL New Energy is strategically accelerating its overseas energy expansion with a global vision, and building a diversified international energy landscape. In 2024, aligning with domestic and international economic trends and industry developments, GCL New Energy has meticulously planned its future industrial layout. By focusing on the "Integration of Terminal and Trade（站貿一體化）" strategy, the Company aims to establish a vertically diversified industrial system, expedite internationalisation, and carve out a new frontier for "Global GCL".

Integration of Terminal and Trade Strategy: Establishing a Vertical and Diversified Industrial System

As global energy transitions accelerate and natural gas gains prominence, the international natural gas trade market faces unprecedented opportunities. Since the formal establishment of "dual-carbon" goals, driving societal and economic transformation toward green and low-carbon practices has become an inevitable trend. In this transition, clean energy development definitely lies at the core. Among clean energy sources, natural gas, with its high calorific value and relatively low carbon emissions, has emerged as a pivotal energy source for green transformation. The growing demand from emerging markets, particularly in China, further broadens the market potential for natural gas utilisation.

Starting from 2023, GCL New Energy began its transition to a dual-core strategy of "solar power plus natural gas". On one hand, the Company continues to refine its decade-long expertise in solar energy, focusing on post-market services with excellence and high quality and enhancing integrated service capability in clean energy sector and is dedicated to providing high-quality integrated consultancy services for solar and other clean energy projects. On the other hand, GCL New Energy has entered the natural gas trade sector through strategic business layouts and talents acquisition in the natural gas sector. Leveraging Golden Concord Group's upstream oil and gas resources in Ethiopia, GCL New Energy has integrated natural gas trade operations based on core assets of domestic LNG receiving terminals to implement the "Integration of Terminal and Trade" strategy, realising business diversification and sustainable growth.

Positioning natural gas as its "second growth engine", GCL New Energy has made significant strides in this sector. In October 2024, GCL Natural Gas (Singapore) Pte. Ltd.(協鑫天然氣(新加坡)有限公司) was established in Singapore. Its first self-imported LNG shipment arrived at Beijing Gas Tianjin Nangang LNG Terminal on 31 October 2024. The gas trading team is actively building an international resource pool through procuring long-term and short-and-medium term procurement contracts, actively engaging in global trade and derivatives transactions. In preparation for the production and operation of the GCL Rudong LNG Project, GCL New Energy has planned in advance and is securing third-party partnerships for terminal facility leasing and utilisation, has steadily procured the signing of medium to long term utilisation agreements of terminals with its strategic partners to obtain additional resources for "terminal-trade" business operations, ensuring seamless integration of the procurement and sales of domestic and international trade to enhance the market influence of GCL New Energy. On the other hand, we are steadily promoting the signing of long-term contracts of international LNG procurement and actively establishing business partnerships with international first-class enterprises and domestic industry-leading enterprises in order to acquire international LNG resources and carry out self-managed trading, thereby increasing the self-utilisation rate of Rudong Receiving Terminal during the window period. Meanwhile, GCL New Energy is actively developing downstream clients, including city gas distributors, traders, industrial point-to-point gas supply, and integrated logistics and trading companies and gas stations to build a closer natural gas supply chain system to ensure the stable operation of receiving terminals.

Technology-Driven Innovation and Digital Intelligence Empowerment: Leading the New Trend of Overseas Energy Expansion

As global energy transition accelerates, the solar industry, central to renewable energy, is undergoing rapid technological evolution and market restructuring. Supply chain policies of "de-sinicization(去中國化)" in Europe and the U.S., aimed at reducing reliance on the supply chain in China, are compelling solar enterprises in China to expedite overseas expansion. With rising global demand for green energy, "energy globalisation" has become a defining theme of this new era.

In recent years, GCL New Energy has actively built overseas marketing teams, leveraging its intra-group projects and partnerships with state-owned and central government-owned enterprises in Africa and Southeast Asia to expand its global footprint. Through technological innovation and cost optimisation, the Company has solidified its leadership in the international solar sector. Our independently developed "Xinyilian(鑫翼連)" energy management platform V3.0, is officially launched after it is having refined over a decade and three iterations covering 4 units, 8 functions and 178 models, and now it offers a comprehensive digital intelligent solution covering wind, solar, storage, charging, and virtual power plants. This platform covers an integrated energy multi-sector, creating a mature and stable new ecology of full life cycle green operation. It can provide efficient remote monitoring and maintenance of overseas operational sites through digitalisation and intelligence in future.

Diverse Talents Integration and Organisational Innovation: Driving Business Strategic Transformation

Talents remain as the cornerstone of corporate development. In our global journey, the Company emphasises local talent cultivation and recruitment, and enhances professional expertise through training and team-building initiatives to provide localised operations with strong talent support. Aligning with the Group's "globalisation" strategy, the Company has adopted a "flat organisational structure" and "decentralised management", employing a hybrid talent model that combine "internal redeployment, industry recruitment, local training, international hires, expert consultants, and third-party services" to build up the talent pool for the support of professionals to the business operations.

Recognising disparities in market conditions, and policies and regulations among different countries and regions, localised operations enable the enterprises to gain deeper market insights and a good understanding of local cultures, and also have benefits to foster long-term partnerships with suppliers from upper, middles and down streams, thereby better addressing local demands of market development to mitigate operational risks. The Company has formulated a global natural gas branding strategy, adopting "internationalisation with localisation" operation strategy to engage targets effectively. The project of "ESG + Brand Culture" focuses on integrating into local culture, respecting local customs and values, enhancing contact and interaction with local society through cultural integration, spreading Chinese culture and attracting excellent foreign culture to create a diversified, equal and inclusive brand culture, and enhances employees' sense of belonging.

2025 marks the conclusion of China's 14th Five-Year Plan and the 35th anniversary of GCL's founding. With an unwavering sense of urgency, we will focus on our goals and stick to the mission, harness collective resolve, and overcome difficulties, implement every task with perseverance, build up the strength to weather headwind, and ignite the passion for a better future. Upholding green development and advancing strategic transformation of globalisation, we will demonstrate outstanding resilience and solid stability, delivering long term values to Shareholders and stakeholders. Through continuous reform in our industry, operations, management, and organisational structure, we will reignite the vitality of new energy, embracing changes while committing to our mission. GCL New Energy will seize the future by keeping itself on the right course with integrity, innovation and gaining momentum in the current trend of globalisation.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

For the year ended 31 December 2024, loss attributable to owners of the Company for the year was RMB424 million, as compared to loss attributable to owners of the Company of RMB1,166 million in the last year. The decrease in loss for year ended 31 December 2024 was mainly attributable to the combined effect of the followings:

1. During the year ended 31 December 2024, the Group continued to expand the business of operation and management services for solar power plants. The customer base includes solar power plants which the Group newly engaged during the year and certain solar power plants previously owned by the Group. As at 31 December 2024, the Group had entered into contracts to provide operation and management services for solar power plants with total install capacity of approximately 12.5GW, representing a 74% increase in volume compared to a capacity of approximately 7.2GW as at 31 December 2023. The revenue of solar power plants operation and management service increased by RMB44.7 million, from RMB227.9 million to RMB272.6 million for the year ended 31 December 2024. The increase in revenue and volume of the operation and management service reinforce the Group's direction and transition into an asset-light enterprise.

   The grid connected capacity of solar power plants operated by the Group decreased for 62% from 133MW as at 31 December 2023 to 50MW as at 31 December 2024 following the Group's disposal of subsidiaries in North Carolina, US which owned solar photovoltaic facilities of 83MW. The sales volume of electricity and the revenue from electricity generation of the Group decreased by 78.4% and 84.4% respectively. The revenue of electricity sales and tariff adjustment decreased by RMB488.1 million, from RMB578.2 million to RMB90.1 million for the year ended 31 December 2024.

   During the year ended 31 December 2024, the Group entered into LNG market by expanding the trading business of LNG and related products. The Group generated sales income by trading of LNG and related products of RMB730 million (31 December 2023: RMB8.6 million).

2. the decrease in administrative expenses by 36.6%, from RMB424.8 million to RMB269.4 million, is mainly due to decrease in staff cost, depreciation and other general administrative expenses associated with disposed solar power plants during 2023;

3. the exchange gain of RMB3.8 million for the year ended 31 December 2024, as compared to the exchange loss of RMB38.3 million for the year ended 31 December 2023, the exchange gain is mainly caused by the appreciation of USD against RMB for USD denominated assets of the Group;

4. the decrease in finance costs of RMB392.5 million from RMB443.9 million for the year ended 31 December 2023 to RMB51.4 million for the year ended 31 December 2024, mainly due to the decrease in business scale of electricity sales after the Group's transition into an asset-light enterprise and repayment of debts.

BUSINESS REVIEW

1. Solar Power Plants Operation and Management Service

During the year ended 31 December 2024, the Group provided operation and management services for solar power plant projects and generated management service income. The Group also provided other supporting services such as procurement and technical consultation service. As at 31 December 2024, the Group had entered into contracts to provide operation and management services for solar power plants with total installed capacity of approximately 12.5GW (31 December 2023: 7.2GW). Details of operation and management service income for the year ended 31 December 2024 are set out below.

	Revenue *RMB'000*
Solar power plants operation and management services income	272,577
Solar related supporting services income	15,150
Total	287,727

2. Electricity Generation and Capacity

As at 31 December 2024, the grid-connected capacity of the Group's subsidiary power plants was approximately 50MW (31 December 2023: 133MW). Details of capacity, electricity sales volume and revenue for the year ended 31 December 2024 are set out below.

Subsidiaries by location	**Electricity Sales Volume** *(thousand kWh)*	**Average Tariff (Net of Tax)** *(RMB/kWh)*	**Revenue** *(RMB thousand)*
China	14,921	0.48	7,178
US	190,138	0.44	82,879
Total of Subsidiaries	**205,059**	**0.44**	**90,057**

Note: As at 31 December 2024, the assets and liabilities attributable to the solar power plant project of Dengkou GCL located at Inner Mongolia, China have been classified as a disposal group held for sale.

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

3. LNG and Related Business

During the year ended 31 December 2024, the Group entered into LNG market by expanding its trading business of LNG and related products. The Group generated sales income by trading of LNG and related products of RMB730 million (31 December 2023: RMB8.6 million).

During the year ended 31 December 2024, the Group's total sales volume of the LNG trading business was approximately 445,000 tonne. The Group's continual penetration into the LNG trading market is witnessed by the increase in sales volume during the year.

The Group entered into trading contracts with a total income of RMB1,750 million (31 December 2023: RMB95 million), whereas the Group recognised revenue from contracts with external customers, acting as a principal, amounting to approximately RMB728.3 million (31 December 2023: RMB8.3 million), relating to trading of LNG and related products. The Group recognised revenue from contracts with external customers, acting as an agent, amounting to approximately RMB1.7 million (31 December 2023: RMB0.3 million), relating to trading of LNG and related products.

FINANCIAL REVIEW

Revenue and Gross Profit

For the year ended 31 December 2024, the Group's revenue was mainly derived from (i) service income from the provision of the solar power plants operation, management and related supporting services; (ii) solar power electricity generation; and (iii) income from trading of LNG and related products business. The table below sets forth an analysis of the Group's revenue:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Revenue		
– Solar power plants operation, management and related supporting service	**287,727**	244,695
– Sales of electricity and tariff adjustments	**90,057**	578,208
– LNG and related products trading business	**729,971**	8,617
	1,107,755	831,520

The increase in revenue was mainly attributable to the combined effect of the drop of sales of electricity and tariff adjustments due to the disposal of solar power plants during 2023 and the increase in LNG business related income during 2024.

The grid-connected capacity of solar power plants of the Group decreased from 133MW as at 31 December 2023 to 50MW as at 31 December 2024 following the Group's disposal of subsidiaries in North Carolina in the US which owned solar photovoltaic facilities of 83MW. The average tariff (net of tax) for the Group was approximately RMB0.44/kWh (2023: RMB0.49/kWh).

The Group's gross margin for the year ended 31 December 2024 was 11.5%, as compared to 45.8% for the year ended 31 December 2023. The drop in gross margin is due to relatively lower gross profit margin for LNG and related products trading business in the current year. The cost of sales mainly consisted of purchase cost of LNG and related products which accounted for 78% of the cost of sales, with the remaining costs being depreciation, operation and maintenance costs of solar power plants, etc.

Other Income

During the year ended 31 December 2024, other income mainly included imputed interest arising from receivables containing significant financing component of RMB65.8 million (2023: RMBNil), interest income from related companies of RMB15.6 million (2023: RMBNil) and interest income from former subsidiaries of RMB3.9 million (2023: RMB42.7 million).

Administrative Expenses

The administrative expenses mainly included staff costs, rental expenses and legal and professional fees. Administrative expenses decreased by 36.6% to RMB269.4 million (2023: RMB424.8 million) for the year ended 31 December 2024. The decrease in administrative expenses was mainly due to decrease in staff costs, depreciation and other general administration expenses after certain solar power plants were disposed in 2023.

Other gains and losses, net

During the year ended 31 December 2024, the net loss amounted to RMB66.6 million (2023: RMB414.6 million). The net loss for 2024 was mainly due to gain on disposal of subsidiaries of RMB8.2 million (2023: loss of RMB394.9 million), and exchange gain of RMB3.8 million (2023: exchange loss of RMB38.3 million) caused by the appreciation of USD against RMB for USD denominated assets of the Group.

Impairment loss on expected credit loss model, net of reversal

During the year ended 31 December 2024, the impairment loss on expected credit loss model, net amounted to RMB148 million (2023: RMB156 million), consists of (i) RMB87 million (2023: RMB19 million) for on-grid electricity guarantee, (ii) RMB24 million (2023: RMBNil) for consideration receivable of disposal of solar power plant projects, and (iii) RMB26 million (2023: RMBNil) for provision of loss allowance of other debtors, (iv) RMB23 million (2023: reversal of RMB76 million) for expected credit loss on other receivables and deposits, and (v) 2023 amounts mainly included construction payable adjustment and expected credit loss of amount due from related companies which were not noted in current year, details of which are set out as follows:–

(i) On-grid electricity guarantees of approximately RMB87 million (2023: RMB19 million)

As part of the terms of the deal to attract the purchasers to acquire the Group's power plants and continue to appoint the Group as an operation and management services provider, if the relevant electricity sale volumes and revenues for the subject solar power plants for each agreed period (ranging from two to five years depending on the agreed terms) are less than the agreed minimum sale volumes and revenues, the purchaser will be entitled to the on-grid electricity guarantee compensation and the balance to be paid to the Group would be adjusted against the balances of the amounts due to the Group accordingly.

(ii) Consideration receivable of disposal of solar power plant projects of approximately RMB24 million (2023: RMBNil)

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

(iii) Provision of loss allowance of other debtors of approximately RMB26 million (2023: RMBNil)

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

Share of profits of associates

Share of profits of associates amounted to RMB111 million (2023: RMB112 million), mainly representing the share of profits from several partly held solar power plants.

Finance Costs

Total borrowing costs decreased by RMB392.5 million from RMB443.9 million to RMB51.4 million for the year ended 31 December 2024. The decrease was mainly due to the decrease in average borrowing balance as a result of the disposal of solar power plants during 2023 and repayment of debts. The interest-bearing debts has been decreased from RMB552 million as at 31 December 2023 to RMB452 million as at 31 December 2024.

Income Tax Expense

Income tax expense for the year ended 31 December 2024 was RMB4.2 million (2023: RMB15.2 million). There is a decrease in income tax expense because of the disposal of solar power plants during 2023, leading to decrease in taxable income.

Final Dividend

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

Property, Plant and Equipment

Property, plant and equipment was RMB548.1 million and RMB903.9 million as at 31 December 2024 and 31 December 2023, respectively. The decrease was mainly due to the Group's disposal of subsidiaries in North Carolina, US which owned solar photovoltaic facilities of 83MW during 2024.

Amounts Due from Related Companies

As at 31 December 2024, amounts due from related companies of RMB1,268.1 million (31 December 2023: RMB1,453.3 million), mainly arose from the disposals of 36 subsidiaries ("2023 Disposal") that are principally engaged in the operation of solar power plants in the PRC. The amount were mainly consideration receivables arising from 2023 Disposal and liabilities owed by the former subsidiaries to the Group prior the disposal. The management of the Company have considered and factored in these outstanding liabilities when determining the consideration for the 2023 Disposal, and have agreed that the outstanding receivables will be paid by the counterparties based on the agreed payment arrangements as set out in the relevant share purchase agreements. The Company had published announcements in respect of the 2023 Disposal that constituted notifiable and connected transactions of the Company pursuant to Chapter 14 and 14A of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

Trade and Other Receivables

As at 31 December 2024, trade and other receivables of RMB1,892.3 million (2023: RMB1,708.9 million) mainly included trade and bills receivables of RMB164.3 million (2023: RMB83.9 million) and consideration receivables from disposal of subsidiaries of RMB188.5 million (2023: RMB206.1 million), amounts due from former subsidiaries of RMB2,015.4 million (2023: RMB1,949.4 million), in which a deferred receivables of RMB817.8 million (2023: RMB700.9 million) were reclassified to non-current nature, as they are expected to be received within two years.

As at 31 December 2024, tariff adjustments receivables of RMB36 million including tariff adjustment of RMB36 million, for projects classified as held for sale (2023: RMB32 million including tariff adjustment of RMB32 million, for projects classified as held for sale), represents subsidy receivable from the government authorities in respect of the Group's solar power generation business.

Other Payables

Other payables increased from RMB95.3 million as at 31 December 2023 to RMB229.8 million as at 31 December 2024. Other payables mainly consisted of payables for purchase of plant and machinery and construction cost of RMB17.6 million (2023: RMB36.4 million).

Liquidity and Financial Resources

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

As at 31 December 2024, bank balances and cash of the Group were approximately RMB284.9 million (2023: RMB555.4 million), including bank balances and cash of RMB0.1 million, for projects classified as held for sale (2023: RMB1 million). For the year ended 31 December 2024, the Group's primary source of funding included cash generated from its operating activities and receipts of consideration receivable from disposal of subsidiaries with solar power plant projects.

Indebtedness and gearing ratio

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

The Group had a net current assets position of approximately RMB1,568.2 million as at 31 December 2024 (2023: RMB1,760.5 million).

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

	31 December 2024 *RMB million*	31 December 2023 *RMB million*
Total liabilities	**1,265**	1,512
Total assets	**6,094**	6,506
Total liabilities to total assets	**20.8%**	23.2%

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

	31 December 2024 *RMB million*	31 December 2023 *RMB million*
Renminbi ("RMB")	**64**	142
United States dollars ("US$")	**388**	410
	452	552

Pledge of Assets

As at 31 December 2024, the following assets were pledged for bank and other facilities (other than those classified as held for sale) granted to the Group:

– property, plant and equipment of RMB518.6 million (2023: RMB872.3 million);

– bank and other deposits of RMB37 million (2023: RMB101.9 million); and

Besides, lease liabilities of RMB111.4 million (2023: RMB137.2 million) are recognised in respect of right-of-use assets amounting to RMB49.3 million (2023: RMB76.8 million) as at 31 December 2024.

Guarantees provided to Third Parties

As at 31 December 2024 as the guarantors, 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 RMB1,241 million (2023: RMB1,715 million). Besides, the Group also provided financial guarantees to financial institutions related to the existing financing of certain disposed subsidiaries during the transitional period. In accordance with the SPA, such financial guarantee will be released when these guarantees are replaced by the new buyers or the loan is repaid within the specific time as set out in the SPA. The financial guarantee in respect of the bank and other borrowings amounting to RMBNil million (2023: RMB1,259 million), out of which approximately RMBNil (2023: RMB367 million) is associated of connected persons which details has been disclosed in the announcement of the Company on 12 October 2023.

Capital Commitments

As at 31 December 2024 and 31 December 2023, the Group's capital commitments in respect of construction commitments relating to natural gas liquefaction plant contracted but not provided amounted to approximately RMBNil (2023: RMB106.7 million) and commitment of share capital of joint venture of approximately RMB24.5 million (2023: RMB24.5 million).

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

During the year ended 31 December 2024, there were no material acquisition or disposal of subsidiaries and affiliated companies by the Group.

Breach of loan agreement

As at 31 December 2024, the Company had not breached any terms of its loan agreements for loans that are significant to its operations.

Financial Assistance and guarantees to affiliated companies by the Company

As at 31 December 2024, the Company had not provided any financial assistance and guarantees to affiliated companies which is subject to disclosure requirement under Rule 13.22 of the Listing Rules.

Advance to an entity provided by the Company

As at 31 December 2024, the Company had not provided any advance to an entity which is subject to disclosure requirement under Rule 13.20 of the Listing Rules.

Events After the Reporting Period

Please refer to note 14 to the consolidated financial statements for details.

RISK FACTORS AND RISK MANAGEMENT

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

1. Risk of market-based electricity price determination

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

2. Policy risk associated with tariff

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

3. Risk of unpredictability of LNG and related product prices

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

4. Risk of increasing difficulty for LNG trading market expansion

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

5. Risk related to interest rate

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

6. Foreign currency risk

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

7. Risk related to disputes with joint venture partners

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

EMPLOYEE AND REMUNERATION POLICIES

We consider our employees to be our most important resource. As at 31 December 2024, the Group had 1,075 employees (2023: 949 employees) in the PRC and overseas following the expansion of operation and management of solar power plants business. Employees are remunerated with reference to individual performance, working experience, qualification and the prevailing industry practice. Apart from basic remuneration and the statutory retirement benefit scheme, employee benefits include discretionary bonuses, with share options granted to eligible employees. Total staff costs (including Directors' emoluments, retirement benefits schemes contributions and share option expenses) for the year ended 31 December 2024 was approximately RMB223 million (2023: RMB251 million).

USE OF NET PROCEEDS FROM THE 2024 PLACING

On 10 May 2024, the Company completed a placing of an aggregate of 233,487,154 Shares (representing approximately 16.67% of the Company's issued share capital as enlarged by the transaction upon completion) at HK$0.26 per Share to not less than six independent placees, raising a net proceeds of approximately HK$59.7 million after deducting placing commission and related expenses (the "**2024 Placing**"). As at 31 December 2024, the net proceeds from the 2024 Placing have been fully utilised as intended. For further details of the 2024 Placing, please refer to the announcements of the Company dated 22 April 2024 and 10 May 2024, respectively.

Details of the use of proceeds from the 2024 Placing are as follows:

Use of net proceeds from the 2024 Placing	**Initial intended allocation** *(HK$ million)*	**Utilised amount as at 31 December 2024** *(HK$ million)*
To support the cost relating to the investment, research and development of natural gas, LNG and integrated energy project management business and to develop the operation and maintenance services for other energy sectors	53.7	53.7
General working capital purposes	6.0	6.0
	59.7	59.7

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares listed on the Stock Exchange (including treasury shares) during the Reporting Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") with terms no less than the required standard as set out in Appendix C3 to the Listing Rules as its own model code of conduct regarding securities transactions by the Directors. Having made specific enquiries of all Directors, the Company confirmed that all Directors have complied with the required standards set out in the Model Code throughout the year.

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 Reporting Period, the Company complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") in Appendix C1 to the Listing Rules.

AUDIT COMMITTEE AND FINANCIAL INFORMATION

The financial information in this announcement does not constitute the Group's consolidated financial statements for the year, but represents an extract from those consolidated financial statements. The audit committee of the Company has reviewed the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, and the annual results for the Reporting Period in conjunction with the external auditor of the Company.

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

SCOPE OF WORK OF THE INDEPENDENT AUDITOR

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

PUBLICATION OF 2024 FINAL RESULTS AND ANNUAL REPORT

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

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

Hong Kong, 26 March 2025

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