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GCL Technology Holdings Limited

協鑫科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3800)

ANNOUNCEMENT OF THE INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		% of change
	2025	2024	
	RMB'million (Unaudited)	RMB'million (Unaudited)	
Revenue	5,734.7	8,862.9	(35.3)%
Gross loss	(700.2)	(552.6)	26.7%
Loss for the period attributable to owners of the Company	(1,776.1)	(1,479.6)	20.0%
Basic loss per share	RMB(6.35) cents	RMB(5.60) cents	
Diluted loss per share	RMB(6.35) cents	RMB(5.60) cents	

The board of directors (the “**Board**” or the “**Directors**”) of GCL Technology Holdings Limited (the “**Company**” or “**GCL Tech**”) announces the unaudited condensed interim consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2025 together with the comparative figures for the corresponding period in the previous period as follows:

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

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended 30 June	
		2025	2024
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Unaudited)
Revenue	4	5,734,660	8,862,876
Cost of sales and services rendered		(6,434,908)	(9,415,523)
Gross loss		(700,248)	(552,647)
Other income		461,672	488,812
Distribution and selling expenses		(103,887)	(132,037)
Administrative expenses		(624,509)	(682,758)
Research and development costs		(353,017)	(718,314)
Impairment losses recognised on financial assets		(264,330)	(196,474)
Finance costs		(273,405)	(304,854)
Other gains (losses), net	5	9,257	(24,551)
Share of losses of associates		(250,367)	(93,160)
Share of (losses) profits of joint ventures		(30)	2,683
Loss before tax	7	(2,098,864)	(2,213,300)
Income tax credit	6	42,184	191,885
Loss for the period		(2,056,680)	(2,021,415)
Other comprehensive expense for the period:			
<i>Items that will not be reclassified to profit or loss:</i>			
Fair value loss on investments in equity instruments			
at fair value through other comprehensive income		(72,968)	(21,465)
Share of other comprehensive expense of associates		(120,229)	(16,104)
		(193,197)	(37,569)

		Six months ended 30 June	
		2025	2024
	NOTES	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		4,868	30
Share of other comprehensive income (expense) of an associate		20	(113)
Reclassification of adjustment of cumulative exchange reserve upon deemed partial disposal of an associate		3	6
		4,891	(77)
Other comprehensive expense for the period, net of tax		(188,306)	(37,646)
Total comprehensive expense for the period		(2,244,986)	(2,059,061)
Loss for the period attributable to:			
Owners of the Company		(1,776,108)	(1,479,603)
Non-controlling interests		(280,572)	(541,812)
		(2,056,680)	(2,021,415)
Total comprehensive expense for the period attributable to:			
Owners of the Company		(1,964,414)	(1,517,249)
Non-controlling interests		(280,572)	(541,812)
		(2,244,986)	(2,059,061)
		RMB cents	RMB cents
Loss per share			
– Basic	9	(6.35)	(5.60)
– Diluted		(6.35)	(5.60)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2025

		As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
	<i>NOTES</i>		
NON-CURRENT ASSETS			
Property, plant and equipment		33,254,339	34,761,153
Right-of-use assets		1,526,630	1,456,052
Investment properties		337,885	348,518
Intangible assets		79,490	63,019
Interests in associates		5,225,503	5,577,784
Interests in joint ventures		142,559	143,986
Financial assets at fair value through profit or loss		1,551,981	946,869
Financial assets at fair value through other comprehensive income		443,820	445,376
Deferred tax assets		1,142,286	1,111,441
Deposits and other receivables	<i>10</i>	3,770,472	3,824,465
Pledged and restricted bank deposits		49,448	50,503
		47,524,413	48,729,166
CURRENT ASSETS			
Inventories		1,975,526	2,014,044
Trade and other receivables	<i>10</i>	10,965,570	11,556,094
Amounts due from related companies	<i>12</i>	693,082	791,491
Financial assets at fair value through profit or loss		1,468,796	1,823,927
Held for trading investments		338	416
Tax recoverable		41,368	83,143
Pledged and restricted bank deposits		4,305,554	4,701,688
Bank balances and cash		4,519,663	5,174,188
		23,969,897	26,144,991

		As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
	<i>NOTES</i>		
CURRENT LIABILITIES			
Trade and other payables	11	9,976,843	10,966,912
Amounts due to related companies	12	266,572	311,742
Contract liabilities		189,681	256,807
Bank and other borrowings		11,251,116	10,635,721
Lease liabilities		51,566	54,843
Derivative financial instruments		152,197	136,565
Deferred income		18,581	18,581
Tax payables		49,029	50,145
		<u>21,955,585</u>	<u>22,431,316</u>
NET CURRENT ASSETS		<u>2,014,312</u>	<u>3,713,675</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>49,538,725</u>	<u>52,442,841</u>
NON-CURRENT LIABILITIES			
Contract liabilities		35,339	35,339
Bank and other borrowings		6,327,939	8,352,509
Lease liabilities		48,825	52,247
Deferred income		17,377	29,216
Deferred tax liabilities		1,629,573	1,680,592
		<u>8,059,053</u>	<u>10,149,903</u>
NET ASSETS		<u>41,479,672</u>	<u>42,292,938</u>
CAPITAL AND RESERVES			
Share capital		2,487,094	2,342,638
Reserves		34,155,473	34,834,410
		<u>36,642,567</u>	<u>37,177,048</u>
Equity attributable to owners of the Company		36,642,567	37,177,048
Non-controlling interests		4,837,105	5,115,890
TOTAL EQUITY		<u>41,479,672</u>	<u>42,292,938</u>

NOTES:

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting as issued by the International Accounting Standards Board (the “**IASB**”) and the applicable disclosure requirements of the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited. The condensed consolidated interim financial statements do not include all the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards (“**IFRSs**”) as issued by the IASB and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 December 2024.

The condensed consolidated interim financial statements are unaudited, but have been reviewed by the Company’s Audit Committee. The condensed consolidated interim financial statements have also been reviewed by the Company’s independent auditor, Crowe (HK) CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Hong Kong Institute of Certified Public Accountants.

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

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

Except as described in note 3, the accounting policies and methods of computation used in the condensed consolidated interim financial statements for the six months ended 30 June 2025 are the same as those presented in the Group’s consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with IFRSs.

3. APPLICATION OF AMENDMENTS TO IFRSs

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

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to IFRSs has had no material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in these condensed consolidated interim financial statements.

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

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

4. SEGMENT INFORMATION

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

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

The Group’s reportable and operating segments are as follows:

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

Segment revenue and results

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

Six months ended 30 June 2025

	Solar material business <i>RMB’000</i> (Unaudited)	Solar farm business <i>RMB’000</i> (Unaudited)	Total <i>RMB’000</i> (Unaudited)
Segment revenue from external customers	<u>5,664,645</u>	<u>70,015</u>	<u>5,734,660</u>
Segment loss	<u>(1,967,606)</u>	<u>(73,918)</u>	<u>(2,041,524)</u>
Unallocated income			19,389
Unallocated expenses			(26,261)
Gain on fair value change of financial assets at fair value through profit or loss (“ FVTPL ”)			19,244
Loss on fair value change of held for trading investments			(78)
Share of losses of an associate			(19,392)
Share of losses of joint ventures			(30)
Impairment losses recognised on financial assets			(1,668)
Loss on deemed partial disposal of an associate			<u>(6,360)</u>
Loss for the period			<u>(2,056,680)</u>

Six months ended 30 June 2024

	Solar material business <i>RMB '000</i> (Unaudited)	Solar farm business <i>RMB '000</i> (Unaudited)	Total <i>RMB '000</i> (Unaudited)
Segment revenue from external customers	<u>8,767,542</u>	<u>95,334</u>	<u>8,862,876</u>
Segment (loss) profit	<u>(2,026,865)</u>	<u>12,325</u>	<u>(2,014,540)</u>
Unallocated income			29,548
Unallocated expenses			(16,760)
Gain on fair value change of financial assets at FVTPL			29,238
Gain on fair value change of held for trading investments			2,885
Share of losses of an associate			(26,880)
Share of profits of joint ventures			292
Impairment losses recognised on financial assets			(6,297)
Loss on deemed partial disposal of an associate			<u>(18,901)</u>
Loss for the period			<u>(2,021,415)</u>

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

Segment assets and liabilities

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

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Segment assets		
Solar material business	67,615,024	71,222,444
Solar farm business	1,458,385	1,544,996
Total segment assets	69,073,409	72,767,440
Financial assets at FVTPL	1,418,789	1,115,502
Financial assets at fair value through other comprehensive income ("FVTOCI")	7,820	9,376
Held for trading investments	338	416
Interest in an associate	74,983	100,712
Interests in joint ventures	142,559	143,986
Unallocated bank balances and cash	465,380	428,621
Unallocated corporate assets	311,032	308,104
Consolidated assets	71,494,310	74,874,157
Segment liabilities		
Solar material business	29,681,903	32,052,378
Solar farm business	296,632	522,899
Total segment liabilities	29,978,535	32,575,277
Unallocated corporate liabilities	36,103	5,942
Consolidated liabilities	30,014,638	32,581,219

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

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

Disaggregation of revenue from contracts with external customers

Six months ended 30 June 2025

Segments	Solar material business <i>RMB'000</i> (Unaudited)	Solar farm business <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Types of goods or services			
Sales of polysilicon	3,964,456	—	3,964,456
Sales of wafer	778,204	—	778,204
Sales of industrial silicon	439,524	—	439,524
Sales of electricity	—	70,015	70,015
Processing fees	160,542	—	160,542
Others (comprising the sales of ingots)	321,919	—	321,919
Total	<u>5,664,645</u>	<u>70,015</u>	<u>5,734,660</u>

Six months ended 30 June 2024

Segments	Solar material business <i>RMB'000</i> (Unaudited)	Solar farm business <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Types of goods or services			
Sales of polysilicon	4,861,805	—	4,861,805
Sales of wafer	2,342,084	—	2,342,084
Sales of industrial silicon	672,119	—	672,119
Sales of electricity	—	95,334	95,334
Processing fees	283,629	—	283,629
Others (comprising the sales of ingots)	607,905	—	607,905
Total	<u>8,767,542</u>	<u>95,334</u>	<u>8,862,876</u>

Geographical information

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

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
The PRC	5,687,633	8,811,684
Others	47,027	51,192
	<u>5,734,660</u>	<u>8,862,876</u>

5. OTHER GAINS (LOSSES), NET

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Exchange (loss) gain, net	(397)	3,612
Gain on fair value change of financial assets at FVTPL	32,451	40,211
(Loss) gain on fair value change of held for trading investments	(78)	2,885
Loss on fair value change of derivative financial instruments	(15,632)	(46,370)
Loss on disposal of property plant and equipment	(25,856)	(5,988)
Loss on deemed partial disposal of an associate	(6,360)	(18,901)
Gain on deemed disposal of a subsidiary	25,129	—
	<u>9,257</u>	<u>(24,551)</u>

6. INCOME TAX CREDIT (EXPENSE)

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current tax		
PRC Enterprise Income Tax ("EIT")		
Provision for the period	7,116	19,905
Underprovision in prior periods	3,790	12,068
	<u>10,906</u>	<u>31,973</u>
Deferred tax	<u>(53,090)</u>	<u>(223,858)</u>
	<u><u>(42,184)</u></u>	<u><u>(191,885)</u></u>

7. LOSS BEFORE TAX

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Loss before tax for the period has been arrived at after charging (crediting) the following items:		
Depreciation of property, plant and equipment	2,065,418	1,902,070
Depreciation of right-of-use assets	58,183	78,212
Depreciation of investment properties	10,633	14,663
Amortisation of other intangible assets	13,652	16,872
	<u>2,147,886</u>	<u>2,011,817</u>
Total depreciation and amortisation		
<i>Add (less):</i> amounts absorbed in opening and closing inventories, net	57,141	(14,978)
	<u><u>2,205,027</u></u>	<u><u>1,996,839</u></u>

8. DIVIDEND

The Board did not recommend an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: RMB nil).

9. LOSS PER SHARE

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

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss		
Loss for the period attributable to owners of the Company		
for the purpose of basic and diluted loss per share	<u>(1,776,108)</u>	<u>(1,479,603)</u>
	Six months ended 30 June	
	2025	2024
	'000	'000
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for		
the purpose of basic loss per share and diluted loss per share	<u>27,965,311</u>	<u>26,444,599</u>

For the six months ended 30 June 2025 and 2024, the weighted average number of ordinary shares for the purpose of calculation of basic loss per share had been adjusted for (i) the effect of the ordinary shares held by the trustee pursuant to the share award scheme and (ii) the effect of the treasury shares purchased by the Group from market for cancellation (if any).

The calculation of diluted loss per share for the six months ended 30 June 2025 and 2024 did not assume the exercise of share options and award shares granted by the Company and share options granted by an associate, since the exercise prices were higher than the average market price of shares or their exercise would result in a decrease in the loss per share.

The convertible bond issued by an associate in 2025 has anti-dilutive effect on the loss per share for the six months ended 30 June 2025. In addition, written put options granted by another associate has insignificant dilutive effect on the loss per share for the six months ended 30 June 2025.

The convertible bond issued and written put options granted by a subsidiary have either anti-dilutive effect or insignificant dilutive effect on the loss per share for the six months ended 30 June 2024. The convertible bonds were converted during the year ended 31 December 2024, there is no impact on the calculation of diluted loss per share for the six months ended 30 June 2025.

10. DEPOSITS AND OTHER RECEIVABLE/TRADE AND OTHER RECEIVABLES

(i) Deposits and other receivables

	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
Deposits for acquisitions of property, plant and equipment	161,593	315,327
Dividend receivable from a former associate (<i>Note a</i>)	2,280,735	2,242,924
Consideration receivables		
— Disposal of an associate (<i>Note b</i>)	1,350,837	1,324,605
— Disposal of subsidiaries	19,944	19,944
Other receivables (<i>Note c</i>)	447,940	447,940
Loan to a third party (<i>Note d</i>)	163,500	—
	4,424,549	4,350,740
Less: allowance for expected credit losses	(654,077)	(526,275)
	3,770,472	3,824,465

(a) Dividend receivable from a former associate

On 29 December 2023, Xinjiang Goens Energy Technology Co., Limited (“Xinjiang Goens”), a former associate approved a dividend distribution totalling RMB4,473,334,000 to Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd., an indirect wholly-owned subsidiary of the Company, in conjunction with a reduction of registered capital. The dividend distribution time is scheduled into two tranches. The first tranche of RMB1,993,765,000 is payable within five business days following the completion of the capital reduction, issuance of an updated business license by Xinjiang Goens, and fulfillment of all conditions related to the payment of consideration under the capital reduction. The second tranche of RMB2,479,569,000 is scheduled for payment within four years upon completion of the capital reduction. During the year ended 31 December 2024, Xinjiang Goens paid RMB1,089,765,000 for the first tranche dividend receivable. As at 30 June 2025, the carrying amount of RMB2,280,735,000 (31 December 2024: RMB2,242,924,000) represents the present value of second tranche dividend receivable under non-current assets. The amount of RMB904,000,000 is the outstanding balance of first tranche dividend receivable under current assets as at 30 June 2025 and 31 December 2024. During the six months ended 30 June 2025, an imputed interest income of RMB37,811,000 has been recognised in the profit or loss.

(b) Consideration receivables from disposal of an associate

As at 30 June 2025, the carrying amount of RMB1,350,837,000 (31 December 2024: RMB1,324,605,000) represented the present value of remaining balance of consideration receivable of RMB1,490,000,000 from the disposal of an associate, namely Xuzhou Fund during the year ended 31 December 2024 which shall be settled within three years following the completion of the industrial and commercial change registration. The outstanding amount is secured by collaterals comprising a 40.27% interest in Xuzhou Fund and a 99.99% equity interest in 蘇州合輝創能科技發展有限公司. During the six months ended 30 June 2025, an imputed interest income of RMB26,232,000 has been recognised in the profit or loss.

(c) Other receivables

The Group entered into a contractual agreement with a third-party entity to advance a sum of RMB447,940,000 for the construction of a power plant which to be owned by that third-party entity. Upon completion of the power plant, it will supply electricity to the Group and the advanced amount will be used to offset against future electricity fees payable to the power plant operator.

(d) Loan to a third party

In January 2025, the Group and a third party entered into a loan agreement pursuant to which the Group agreed to lend a short-term loan for an aggregate amount of approximately RMB164 million. The amount is non-trade in nature, unsecured, bearing interest at the PRC LPR with a 50% upward adjustment and required to be repaid on 30 September 2026.

(ii) Trade and other receivables

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Trade receivables (<i>Note a</i>)		
— Bill receivable	5,802,152	6,127,822
— Trade receivable	1,341,688	1,190,125
Less: allowance for expected credit losses	(282,694)	(195,134)
	<u>1,058,994</u>	<u>994,991</u>
	<u>6,861,146</u>	<u>7,122,813</u>
Deposits, other receivables and prepayments:		
— Refundable value-added tax	817,712	988,928
— Prepayments	1,123,985	1,270,578
— Amounts due from former subsidiaries (<i>Note b</i>)	42,490	42,490
— Short-term loan to third parties (<i>Note c</i>)	783,204	746,308
— Note receivables (<i>Note d</i>)	166,057	167,143
— Dividend receivable from a former associate (<i>Note 10 (i) Note a</i>)	904,000	904,000
— Deposits in the trustee	61,956	84,060
— Others deposits	249,461	249,461
— Other	347,224	504,820
	<u>4,496,089</u>	<u>4,957,788</u>
Less: allowance for expected credit losses	(391,665)	(524,507)
	<u>4,104,424</u>	<u>4,433,281</u>
	<u><u>10,965,570</u></u>	<u><u>11,556,094</u></u>

Notes:

(a) Trade and bill receivables

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

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

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Unbilled (<i>Note</i>)	431,347	455,834
Within 3 months	298,283	139,822
3 to 6 months	61,281	44,014
Over 6 months	268,083	355,321
	<u>1,058,994</u>	<u>994,991</u>

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

All bills received by the Group are with a maturity period of less than one year. As at 30 June 2025, bill receivables of approximately RMB2.8 billion (31 December 2024: approximately RMB3.4 billion) were pledged to the bank as security for certain bank and other borrowings granted to the Group.

(b) Amounts due from former subsidiaries

The amounts are non-trade in nature, unsecured, non-interest bearing and without fixed terms of repayment.

(c) Short term loans to third parties

In July 2024, the Group and a third party entered into a loan agreement pursuant to which the Group agreed to lend a short term loan for an aggregate amount of RMB90 million. The amount is non-trade in nature, unsecured, bearing interest at the PRC LPR plus 5% per annum and required to be repaid on 30 June 2025. The Group and such third party entered into a loan extension agreement pursuant to which the repayment date to be extended to 30 June 2026 with other clauses remained unchanged.

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

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

In March 2025, the Group and a third party entered into a loan agreement pursuant to which the Group agreed to lend a short-term loan for an aggregate amount of HK\$40 million (approximately RMB37 million). The amount is non-trade in nature, unsecured, bearing interest at 5% per annum and required to be repaid on 29 September 2025.

(d) Note receivables

The amount represents the notes issued by a third party subscribed by the Group. The amount is non-trade in nature, unsecured, bearing interest at 8% per annum, and to be matured within one year from the dates of subscription.

11. TRADE AND OTHER PAYABLES

As at 30 June 2025, the trade and other payable of approximately RMB9,976,843,000 (31 December 2024: RMB10,966,912,000) includes the trade payable (excluding bills presented by the Group for settlement) of approximately RMB1,789,220,000 (31 December 2024: RMB1,842,804,000).

The credit period for trade payables is within 3 to 6 months (31 December 2024: 3 to 6 months).

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

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Within 3 months	831,005	827,351
3 to 6 months	703,153	664,120
More than 6 months	255,062	351,333
	<u>1,789,220</u>	<u>1,842,804</u>

12. BALANCES WITH RELATED COMPANIES

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Amounts due from related companies		
— Trade related	161,093	256,458
— Non-trade related	531,989	535,033
	<u>693,082</u>	<u>791,491</u>

The aging analysis of trade related balances due from related companies controlled by Mr. Zhu and his family, associates, joint ventures and other related parties, net of allowance of credit losses, at the end of the reporting period, presented based on the invoice date which approximated to the respective revenue recognition dates is as follows:

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Within 3 months	39,020	146,884
3 to 6 months	18,359	7,911
More than 6 months	103,714	101,663
	<u>161,093</u>	<u>256,458</u>

The trade related balances are unsecured, non-interest bearing and with a normal credit period of 30 days (31 December 2024: 30 days).

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Amounts due to related companies		
— Trade related	248,866	295,639
— Non-trade related	17,706	16,103
	266,572	311,742

The following is an aging analysis of the trade related balances due to related companies controlled by Mr. Zhu and his family, associates and non-controlling shareholders at the end of the reporting period, presented based on the invoice date:

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Within 3 months	147,283	212,704
3 to 6 months	2,910	31,334
More than 6 months	98,673	51,601
	248,866	295,639

The trade related balances are unsecured, non-interest bearing and with a normal credit period of 30 days (31 December 2024: 30 days).

CHAIRMAN’S STATEMENT AND CEO REVIEW OF OPERATIONS AND OUTLOOK

As the dawn breaks, a new day emerges. In 2025, we have been fortunate to witness a monumental transformation in PV industry. At a time when the sector was deeply mired in a prisoner’s dilemma, a series of “anti-involution” policies and industry self-regulation have begun to bear fruit. Against the odds, polysilicon prices rebounded sharply at the end of June, tracing a “deep V-shaped curve.” In just four weeks, prices surged by over 36%, with even more dramatic reactions in the polysilicon futures market. Industry and investor sentiment have once again been ignited.

Looking back at the first half of 2025, domestic PV installations continued to deliver outstanding results. From January to June, China added 212.21 GW of new PV capacity, representing a 107% year-on-year increase—nearly matching the total installations for the entire year of 2023. Notably, May alone set a new monthly record with 92.92 GW of new installations. By June 2025, China’s PV sector had entered the terawatt-scale era. However, beneath this apparent prosperity lie deep structural contradictions. This imbalance between supply and demand stems from homogenized capacity competition, resulting in years of persistent “involutionary” pain. The key difference in this cycle is the severe mismatch in supply and demand across the entire value chain. Rapid capacity expansion in a short timeframe led to plummeting product prices at every segment—even falling below cash costs—placing immense pressure on the entire industry.

Under the strong leadership of the CPC Central Committee and the State Council, and driven by industry associations, a series of meetings and measures targeting PV “anti-involution” are gradually taking effect. Since 2024, the central government has repeatedly emphasized curbing “involutionary competition” in major meetings. The Sixth Meeting of the Central Commission for Financial and Economic Affairs in 2025 called for “governing disorderly competition according to law and regulations.” Subsequently, a symposium organized by the Ministry of Industry and Information Technology with 14 major PV companies, demanding comprehensive governance of low-price, disorderly competition in the PV industry within the legal framework. Meanwhile, the revised Anti-Unfair Competition Law will come into effect this October. Additionally, the National Development and Reform Commission and the State Administration for Market Regulation are jointly accelerating the revision of the Price Law to help combat “involution-style” competition and continuously improve price governance. The new regulations explicitly prohibit selling below cost and strengthen penalties for pricing violations. Driven by series of policies, the supply-side structural reform in the PV industry is transitioning from theoretical frameworks to critical implementation stages. The dawn of a new phase is breaking for the photovoltaic sector.

Yet “anti-involution” does not mean “anti-competition”; rather, it promotes “orderly and high-quality competition.” As new quality productive forces become a key driver of China’s high-quality economic development, escalating “anti-involution” measures will better encourage enterprises to “win market competition through superior products and services,” shifting focus from scale to quality and efficiency, and from cost-effectiveness to premium value. In this context, high-end capacity and green, low-carbon products will inevitably emerge as golden keys to breaking the cycle of involution and transcending industry fluctuations. This will foster a healthier, innovation-driven, and highly synergistic industrial structure within a unified national market. GCL Technology has the strength and confidence to set sail leveraging on its unique technology amid this “anti-involution” wave, driving PV material prices back to rational levels and injecting powerful momentum into building a unified national market.

Technology-driven GCL, Digital GCL, and Green GCL remain our unwavering pursuits. In this breakthrough race, GCL's differentiated technologies, such as FBR granular silicon and perovskite, are driving progress at the source of materials, demonstrating resilience in quality, low-carbon performance, and cost. FBR granular silicon has achieved critical breakthroughs in perennial issues like hydrogen content, while perovskite commercialized modules passed TÜV Rheinland's rigorous 3x IEC stability tests. In June this year, GCL's GW-scale perovskite industrial base was completed, marking GCL's leadership at the next global PV technology inflection point.

In the ESG field, GCL's "Carbon Chain Management Platform" stands as an industry benchmark. GCL Technology has successfully driven the transformation of the polysilicon industry from a "high power consumption, high-carbon" value system to a "low power consumption, low-carbon" one. The carbon footprint of granular silicon from "cradle to gate" is only 41 kgCO₂e/kg, significantly lower than the characterized carbon footprint factor of 81 kgCO₂e/kg for rod-shaped silicon in the internationally recognized carbon factor database (Ecoinvent 3.9.1). This effectively addresses the long-standing pain point of downstream companies being forced to use high-emission carbon factors for European rod-shaped silicon, which resulted in inflated carbon footprint calculations. This breakthrough signifies China's leap from "carbon factor taker" to "carbon standard setter," driving de-carbonization across the value chain and accelerating progress toward a zero-carbon world. Meanwhile, PV modules made with FBR granular silicon exhibit continuously falling emissions—already well below China's Ministry of Commerce defined low-carbon module standards. GCL FBR granular silicon and perovskite are fast becoming core raw materials for China's PV module exports and the driving force behind global zero-carbon energy solutions.

Amid this great transformation in PV industry, we recognize that the current technological inflection point is not isolated: it converges with energy storage, grid synergy, AI integration, and chain reactions. PV has entered the "post-silicon era," where the logic of "silicon dominance" will evolve into synergy among silicon, lithium, and carbon multi-material collaboration. Their complementary technologies and integrated performance will drive long-duration storage to full commercialization within five years. Co-located PV-storage ratios in large power plants will rise, massively expanding the PV-storage market. Coupled with superconducting grids enabling global energy interconnection and AI-driven precision forecasting and dispatch, these advances will form the core of a renewable-powered grid system. On this golden path illuminated by light, GCL Tech stands ready to join hands with all new energy pioneers, dedicating our full strength to unlock the future.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

In the first half of 2025, the photovoltaic industry experienced a rebound in price at the industrial chain level under the strong support from the national “anti-involution” policy. Currently, while macro-wise advantages are highly prominent, the issue of supply and demand mismatch within the industrial chain remains significant. It is clearly recognized in the industry that only through the effective clearance of excess polysilicon capacity and achieving a balance in supply and demand can the photovoltaic sector truly usher in its recovery.

The Company, leveraging its granular silicon technology, possesses its own core competitiveness and demonstrates significant survival advantages within the industry. During the period, the Company has entered a new stage of development along with product competitiveness continuously improving, and customer loyalty strengthening.

Results of the Group

For the period ended 30 June 2025, the revenue and gross loss of the Group were approximately RMB5,735 million and RMB700 million respectively. For the period ended 30 June 2024, the revenue and gross loss of the Group were approximately RMB8,863 million and RMB553 million, respectively.

The Group recorded a loss attributable to the owners of the Company of approximately RMB1,776 million as compared to loss attributable to owners of the Company of approximately RMB1,480 million in 2024.

Placing of New Shares During the Period

On 18 December 2024 (after trading hours), the Company entered into a placing agreement (the “**Placing Agreement**”) with Platinum Broking Company Limited (the “**Placing Agent**”). Under this agreement, the Placing Agent agreed to procure, on a best effort basis, placees to subscribe a maximum of 1,560,000,000 ordinary Shares at the placing price of HK\$1.0 per Share (the “**Placing**”). Subsequent to the year ended 31 December 2024, on 3 January 2025, the Company successfully placed 1,560,000,000 Shares at a price of HK\$1.0 per Share. The net proceeds from the Placing, after taking into account all related costs, fees, expenses and commission of the Placing, were approximately HK\$1.53 billion. The net proceeds from the Placing will be used mainly as follows:

- (i) Approximately 60% (i.e., approximately HK\$0.92 billion) will be dedicated to the Group’s capital expenditure through development and expansion of the Group’s solar related business; and
- (ii) Approximately 40% (i.e., approximately HK\$0.61 billion) will be reserved for general working capital purposes to facilitate the Group’s operational activities.

The Company intends to utilise the net proceeds from the Placing for the above intended uses in the coming three to four years.

As of 30 June 2025, the net proceeds which have been utilised for the Group's capital expenditure in respect of solar related business and general working capital purpose amounted to approximately HK\$0.55 billion and HK\$0.27 billion respectively. It is expected that the unutilised fund of approximately HK\$0.71 billion (approximately HK\$0.37 billion for the Group's capital expenditure in respect of solar related business and approximately HK\$0.34 billion for general working capital purpose) to be fully utilised on or before 31 December 2028.

Segment Information

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

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

Business Review

Solar Material Business

Production

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

Polysilicon Segment

As of 30 June 2025,

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

Selling price - The average external selling price (excluding tax) of granular silicon was approximately RMB30.17 per kilogram.

Costs – The average production cash cost (excluding taxes) for granular silicon in the first half of 2025 was RMB26.22 per kilogram, ranking top level in the industry.

Granular Silicon Quarterly Costs and Selling Price

Granular Silicon	Unit	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2
Cash Cost (incl. R&D)	RMB/kg	37.84	35.19	33.18	28.17	27.07	25.31
External Sales Average							
Price (tax incl.)	RMB/kg	55.05	35.52	32.75	33.61	35.71	32.93

Ingot & Wafer Slicing Segment

As of 30 June 2025,

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

Quality Steadily Improves as We Continuously Push the Boundaries of Granular Silicon, Driving Industry Upgrade

In the first half of 2025, granular silicon quality stabilized, and client loyalty strengthened

Through ongoing process optimization, technological advancements, and material iteration, the quality of the Company's granular silicon products has demonstrated steady improvement, continuously pushing the boundaries of granular silicon performance. Based on the exceptional purity and stability of granular silicon products, customer loyalty toward the Company's granular silicon has strengthened, resulting in increasingly close and stable collaborative partnerships. According to Infolink, in July 2025, the trading price of granular silicon surpassed that of traditional N-type dense chunk material for the first time.

During January to June 2025, the Company's market share surged to 24.32%, a dramatic rise from 14.58% in 2024.

In the first half of 2025, the sales volume of granular silicon to the top five customers accounted for 23%, 22%, 11%, 8%, and 7% of total sales volume, respectively, indicating a stable customer structure.

Changes in Total Metal Impurity Content of Granular Silicon Products in the First Half of 2025

In 2025, the Company's product quality remained stable with a slight increase. At present, the Company still maintains an industry leading level in the control of metal impurities.

The overall proportion of the Company's granular silicon products with a total metal impurity content of 5 elements less than 1ppbw has been basically realized in full, and the overall proportion of the Company's products with a total metal impurities content of 5 elements ≤ 0.5 ppbw maintained at a level of 95% with room for further improvement. At the same time, the Company launched a quality testing standard in June for "products with a total metal impurities content of 5 elements ≤ 0.3 ppbw", and in the first month, the proportion of products with a total metal impurity content of 5 elements ≤ 0.3 ppbw exceeded 75%.

Under the rigorous "total metal impurities of 18 elements of ≤ 1 ppbw" measurement standard, the proportion of the products increased from 55.8% in the first quarter of 2024 to 91.8% in the second quarter of 2025, representing significant improvement in quality.

	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2
Metal 5						
elements ≤ 0.5 ppbw	84.7%	90.6%	95.6%	93.3%	95.3%	94.2%
Metal 18						
elements ≤ 1 ppbw	55.8%	64.3%	81.6%	85.4%	91.2%	91.8%

Changes in Turbidity Levels of Granular Silicon Products in the First Half of 2025

Continuous improvements in turbidity have been achieved. Granular silicon has largely achieved turbidity levels below 100 NTU, and the proportion of products with turbidity ≤ 70 NTU has also been steadily increasing, rising from 25% in September 2024 to 57.4% in the second quarter of 2025.

Currently, downstream customers have widely recognised the results of turbidity optimisation. The overall breakage rate is comparable to the mass production level of rod silicon during the same period, helping customers improve their unit output.

	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2
Turbidity ≤ 70 NTU	/	/	25.0%	44.6%	45.0%	57.4%
Turbidity ≤ 100 NTU	75.0%	84.8%	93.5%	96.1%	97.7%	98.6%

Revenue from solar materials business

For the six months ended 30 June 2025, revenue from external customers of the solar material business amounted to approximately RMB5,665 million, representing a decrease of 35.4% from RMB8,768 million for the corresponding period in 2024. The decrease was mainly due to the decrease in average selling price of photovoltaic products during the period.

Solar Farm Business

Overseas Solar Farms

As at 30 June 2025, the solar farm business includes 18 MW of solar farms in the United States. Besides, 150 MW solar farms in South Africa, which partners with CAD Fund, with the total effective ownership of 9.7% held by the Group.

PRC Solar Farms

As at 30 June 2025, the solar farm business also includes 5 solar farms in the PRC, with both installed capacity and attributable installed capacity at 133.0 MW.

Sales Volume and Revenue

For the six months ended 30 June 2025, the electricity sales volume of solar farm business overseas and in the PRC were 12,846 MWh and 92,551 MWh respectively (six months ended 30 June 2024: 13,073 MWh and 83,514 MWh, respectively).

For the six months ended 30 June 2025, revenue for solar farm business was approximately RMB70 million (six months ended 30 June 2024: RMB 95 million).

Outlook

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

Financial Review

Revenue

Revenue for the six months ended 30 June 2025 amounted to approximately RMB5,735 million, representing a decrease of 35.3% as compared with approximately RMB8,863 million for the corresponding period in 2024. The decrease was mainly due to the decrease in average selling price of photovoltaic products in solar material business during the period.

Gross Profit Margin

The Group's overall gross profit margin was negative gross profit margin of 12.2% for the six months ended 30 June 2025. For the six months ended 30 June 2024, negative gross profit margin was 6.2%. Gross loss amounted to approximately RMB700 million for the six months ended 30 June 2025, while gross loss amounted to approximately RMB553 million for the six months ended 30 June 2024.

For the six months ended 30 June 2025, negative gross profit margin of solar material business was 12.7%. For the six months ended 30 June 2024, negative gross profit margin of solar material business was 6.6%. The change was mainly attributable to the decrease in the average selling price of photovoltaic products.

Other Income

For the six months ended 30 June 2025, other income mainly comprised sales of scrap materials of approximately RMB185 million (six months ended 30 June 2024: RMB178 million), bank and other interest income of approximately RMB146 million (six months ended 30 June 2024: RMB133 million), government grants of approximately RMB47 million (six months ended 30 June 2024: RMB 98 million) and compensation income of RMB46 million (six months ended 30 June 2024: RMB 32 million).

Distribution and Selling Expenses

Distribution and selling expenses decreased from approximately RMB132 million for the six months ended 30 June 2024 to approximately RMB 104 million for the six months ended 30 June 2025. The decrease was mainly due to cost controlling policies implemented and improved logistic arrangement during the period.

Administrative Expenses

Administrative expenses amounted to approximately RMB625 million for the six months ended 30 June 2025, representing a decrease of 8.5% from approximately RMB683 million for the corresponding period in 2024. The decrease was mainly due to cost controlling policies implemented during the period.

Impairment Losses Recognised on Financial Assets

The Group recognised impairment losses on financial assets under expected credit loss model of approximately RMB264 million for the six months ended 30 June 2025 (six months ended 30 June 2024: impairment losses of approximately RMB196 million).

Other Gains (Losses), Net

For the six months ended 30 June 2025, net gains of approximately RMB9 million in other gains (losses), net were recorded as compared to net losses of approximately RMB25 million for the six months ended 30 June 2024.

The net gains mainly comprises of:

- (i) gain on fair value change of investments at FVTPL of approximately RMB32 million (six months ended 30 June 2024: approximately RMB40 million);
- (ii) loss on fair value change of derivative financial instruments of approximately RMB16 million (six months ended 30 June 2024: approximately RMB46 million);
- (iii) loss on disposal of property, plant and equipment of approximately RMB26 million (six months ended 30 June 2024: approximately RMB6 million);
- (iv) deemed disposal loss of an associate of approximately RMB6 million (six months ended 30 June 2024: deemed disposal loss of approximately RMB19 million);
- (v) deemed disposal gain of subsidiary of approximately RMB25 million (six months ended 30 June 2024: Nil); and
- (vi) exchange loss of approximately 0.4 million (six months ended 30 June 2024: exchange gain of approximately RMB3.6 million).

Finance Costs

Finance costs for the six months ended 30 June 2025 were approximately RMB273 million, decreased by 10.5% as compared to approximately RMB305 million for the corresponding period in 2024. The decrease was mainly due to the decrease in average interest-bearing debts during the period.

Share of Loss of Associates

The Group's share of losses of associates for the six months ended 30 June 2025 was approximately RMB250 million, mainly contributed by the following associates:

- Share of loss of approximately RMB69 million from Kunshan GCL Optoelectronic Material Co., Ltd* 昆山協鑫光電材料有限公司 (“Kunshan GCL”);
- Share of loss of approximately RMB66 million from Inner Mongolia Zhonghuan GCL Solar Material Co., Ltd.* (內蒙古中環協鑫光伏材料有限公司) (“Mongolia Zhonghuan GCL”);
- Share of loss of approximately RMB83 million from Xuzhou Risheng Low Carbon Industry Investment Partnership (Limited Partnership)* (徐州日晟低碳產業投資合夥企業 (有限合夥)) (“Xuzhou Risheng”); and
- Share of loss of approximately RMB19 million from GCL New Energy Holdings Ltd (“GNE”).

Income Tax Credit

Income tax credit for the six months ended 30 June 2025 was approximately RMB42 million, as compared with income tax credit of approximately RMB192 million for the corresponding period in 2024. Less income tax credit was recorded during the period due to the uncertainty of future taxable profits which affect the recoverability of related deferred tax assets.

Loss Attributable to Owners of the Company

As a result of the above factors, the loss attributable to owners of the Company amounted to approximately RMB1,776 million for the six months ended 30 June 2025 as compared with a loss of approximately RMB1,480 million for the corresponding period in 2024.

Property, Plant and Equipment

Property, plant and equipment decreased from approximately RMB34,761 million as at 31 December 2024 to approximately RMB33,254 million as at 30 June 2025. Decrease in property, plant and equipment was mainly attributable to depreciation charged during the period.

Interests in Associates

Interests in associates decreased from approximately RMB5,578 million as at 31 December 2024 to approximately RMB5,226 million as at 30 June 2025. The decrease was mainly due to share of losses of associates recorded during the period.

Interests in associates as at 30 June 2025 mainly consist of the below:

- The Group's 43.65% equity interests in Kunshan GCL of approximately RMB1,813 million;
- The Group's 47.78% equity interest in Xuzhou Jincai Equity Investment Partnership (Limited Partnership)* (徐州金材股權投資合夥企業 (有限合夥)) (“**Xuzhou Jincai**”) of approximately RMB1,087 million;
- The Group's 6.42% equity interest in Mongolia Zhonghuan GCL of approximately RMB687 million;
- The Group's 24.55% equity interest in Jiangsu Xinhua Semiconductor Material Technology Co., Ltd* (江蘇鑫華半導體材料科技有限公司) (“**Jiangsu Xinhua**”) of approximately RMB677 million;
- The Group's 5.6% equity interests in GNE Group of approximately RMB363 million which include perpetual notes classified as financial assets at fair value through other comprehensive income; and
- The Group's 49.88% equity interest in Xuzhou Risheng of approximately RMB345 million.

* *English name for identification only*

Trade and Other Receivables

Trade and other receivables decreased from approximately RMB11,556 million as at 31 December 2024 to approximately RMB10,966 million as at 30 June 2025. The decrease was mainly due to decrease of bill receivables during the period.

Trade and Other Payables

Trade and other payables decreased from approximately RMB10,967 million as at 31 December 2024 to approximately RMB9,977 million as at 30 June 2025. The decrease was mainly due to decrease in trade and construction payables and other payable during the period.

Balances with Related Companies

Amounts due from related companies decreased from approximately RMB791 million as at 31 December 2024 to approximately RMB693 million as at 30 June 2025. The decrease was mainly due to repayment of part of the amounts due from related companies during the period.

Amounts due to related companies decreased from approximately RMB312 million as at 31 December 2024 to approximately RMB267 million as at 30 June 2025. The decrease was mainly due to repayment of part of the amounts due to related companies during the period.

Liquidity and Financial Resources

As at 30 June 2025, the total assets of the Group were approximately RMB71 billion, of which the aggregate pledged and restricted bank deposits and bank balances and cash amounted to approximately RMB8.9 billion.

For the period ended 30 June 2025, the Group's main source of funding was cash generated from operating and financing activities.

Indebtedness

Details of the Group's indebtedness are as follows:

	As at 30 June 2025 <i>RMB Million</i>	As at 31 December 2024 <i>RMB Million</i>
Current liabilities		
Bank and other borrowings	11,251	10,636
Lease liabilities	52	55
	<u>11,303</u>	<u>10,691</u>
Non-current liabilities		
Bank and other borrowings	6,328	8,353
Lease liabilities	49	52
	<u>6,377</u>	<u>8,405</u>
Total indebtedness	17,680	19,096
Less: Bank balances and cash and pledged and restricted bank deposits	<u>(8,875)</u>	<u>(9,926)</u>
Net debt	<u>8,805</u>	<u>9,170</u>

Below is a table showing the total indebtedness structure and maturity profile of the Group:

	As at 30 June 2025 <i>RMB million</i>	As at 31 December 2024 <i>RMB million</i>
Secured	9,238	11,206
Unsecured	8,442	7,890
	<u>17,680</u>	<u>19,096</u>

As at 30 June 2025, RMB bank and other borrowings carried floating interest rates with reference to the Benchmark Borrowing Rate of The People's Bank of China. USD bank and other borrowings carried interest rates with reference to the Secured Overnight Financing Rate.

Key Financial Ratios of the Group

	As at 30 June 2025	As at 31 December 2024
Current ratio	1.09	1.17
Quick ratio	1.00	1.08
Net debt to total equity attributable to owners of the Company	<u>24.0%</u>	<u>24.7%</u>

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

Policy Risk

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

Credit Risk

The Group has a policy of credit control in place under which credit evaluations of counter parties are performed on counter parties requiring credit.

In order to minimise the credit risk, the Group reviews the recoverable amount of each individual receivables periodically to ensure that adequate expected credit losses are made.

Risk Related to Interest Rate

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

Foreign Currency Risk

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

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

Risk Related to Disputes with Joint Venture Partners

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

Pledge of or Restrictions on Assets

As at 30 June 2025, the following assets were pledged or restricted for certain bank and other borrowings, lease liabilities, issuance of bills, short-term letters of credit for settlement of trade and other payables granted to the Group:

- Property, plant and equipment of approximately RMB9.0 billion (31 December 2024: RMB8.0 billion)
- Right-of-use assets of approximately RMB0.4 billion (31 December 2024: RMB0.3 billion)
- Investment properties of approximately RMB0.3 billion (31 December 2024: RMB0.3 billion)
- Trade and bill receivables of approximately RMB3.0 billion (31 December 2024: RMB3.9 billion)
- Pledged and restricted bank deposits of approximately RMB4.4 billion (31 December 2024: RMB4.7 billion)

In addition, lease liabilities of approximately RMB0.1 billion are recognised with related right-of-use assets of approximately RMB0.1 billion as at 30 June 2025 (31 December 2024: lease liabilities of approximately RMB0.1 billion are recognised with related right-of-use assets of approximately RMB0.1 billion).

Capital and Other Commitments

As at 30 June 2025, the Group's capital commitments in respect of purchase of property, plant and equipment contracted for but not provided amounted to approximately RMB533 million (31 December 2024: RMB1,889 million) and other commitments to contribute share capital to investments of approximately RMB455 million (31 December 2024: RMB568 million).

Financial Guarantees Contracts

As at 30 June 2025, the Group provided a total guarantee with maximum amount of approximately RMB510 million (31 December 2024: RMB510 million) to several banks and financial institutions in respect of banking and other facilities of an associate, of which the loan balances were approximately RMB188 million (31 December 2024: RMB7 million).

Contingent Liability

As at 30 June 2025 and 31 December 2024, the Group and the Company did not have any significant contingent liabilities.

Material Acquisitions and Disposals

Save as disclosed elsewhere in this announcement, there were no other significant acquisitions during the six months ended 30 June 2025, or plans for material acquisitions as at the date of this announcement, nor were there other material acquisitions and disposals of subsidiaries during the six months ended 30 June 2025.

Significant Events and Business Development after Reporting Period

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

Employees

We consider our employees to be our most important resource. As at 30 June 2025, the Group had approximately 8,536 employees (31 December 2024: 9,305 employees) in PRC and overseas. Employees are remunerated with reference to individual performance, working experience, qualification and the prevailing industry practice. Apart from basic remuneration and the statutory retirement benefit scheme, employee benefits including but not limited to discretionary bonuses, with share options or share awards granted to eligible employees. Total staff costs (including Directors' emoluments, retirements benefits scheme contributions and share options scheme and share award scheme expenses) for the six months ended 30 June 2025 was approximately 708 million (for the six months ended 30 June 2024: RMB969 million).

Dividend

The Board did not recommend an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

CODE ON CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 June 2025, the Company has complied with the code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Board has adopted the model code for securities transactions by Directors (the “**Model Code**”) as set out in Appendix C3 of the Listing Rules. Having made specific enquiry of all Directors, save as disclosed below, each of the Directors confirmed that he/she has complied with the required standard of dealings as set out in the Model Code throughout the six months ended 30 June 2025.

Pursuant to the announcement published by the Company on 28 July 2025, Mr. Zhu Gongshan (“**Mr. Zhu**”), an executive director and the chairman of the Board, informed the Company that the aggregate number of voting shares in the Company (“**Shares**”) in which he has a long position and is interested through Asia Pacific Energy Fund Limited has fallen to 5,295,695,156 Shares (558,466,552 Shares of which are held through derivative interests).

The Company understands that Mr. Zhu has retained legal adviser and Mr. Zhu and the relevant Director(s) are taking appropriate actions to ensure compliance with the disclosure of interest filing requirements under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“**SFO**”) as soon as practicable.

Once all the necessary filings have been made by Mr. Zhu and the relevant Director(s), the Company will, based on all relevant publicly available filings, update the market as soon as it reasonably can to reflect all necessary changes to the Company’s previous disclosures in its relevant interim reports, annual reports, announcements and/or circulars.

The Board takes corporate governance seriously and has put in place a number of steps and measures to ensure that each Director is well informed and aware of their duties and obligations under the Model Code and the SFO. The Board considers that this is a single incident.

To prevent recurrence and to further strengthen the Company’s corporate governance framework regarding Directors’ dealings in the Company’s securities and compliance with disclosure of interest filing requirements under the SFO, the Company has taken and will take the following actions:

- (a) the Company will establish enhanced notification and internal monitoring procedures (the “**Procedures**”) to support Directors in fulfilling their disclosure obligations under the SFO. The internal code governing dealings in securities by Directors and senior management will be circulated to ensure clear understanding and adherence to the new Procedures;
- (b) the Company’s management has discussed the incident with the Directors to reinforce their awareness and understanding of the requirements under the Model Code and the SFO;

- (c) the Company will arrange its legal advisors to highlight the provisions in the Model Code and disclosure of interest filing requirements under the SFO in the next director training to be conducted by the Company's legal advisors to the Directors; and
- (d) the Company has established an independent committee, comprising members of all independent non-executive Directors, and under the direction of the independent committee, the Company will conduct an independent internal control review in relation to the incidents and demonstrate that the Company has in place adequate internal controls and procedures to comply with the relevant requirements under the Model Code, the Listing Rules and the SFO.

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

On 15 March 2024, the Board approved a plan (the **"Share Buy-back and Cancellation or Dividend Payment Plan"**) to conduct (i) buy-back and cancellation (the **"Share Buy-back and Cancellation"**) by the Company of its Shares from the open market over the three years ending 31 December 2026 (the **"Share Buy-back and Cancellation or Dividend Period"**); and/or (ii) declaration and payment of dividends by the Company to Shareholders (**"Dividend Payment"**). Under the Share Buy-back and Cancellation or Dividend Payment Plan, subject to prevailing market conditions and final approval of the Board at the relevant time, among other things, the Company has targeted to conduct Share Buy-back and Cancellation with a total consideration of no less than RMB680 million during the year ended 31 December 2024. The implementation of Share Buy-back and Cancellation or Dividend Payment Plan is subject to prevailing market conditions and final approval of the Board at the relevant time. For details, please refer to the announcements of the Company dated 15 March 2024 and 13 December 2024, respectively. During the six months ended 30 June 2025, (i) no Share Buy-back and Cancellation has been conducted and (ii) no Dividend Payment has been made.

In addition, on 18 December 2024, the Company entered into the Placing Agreement with the Placing Agent, and the Placing of 1,560,000,000 Shares was completed on 3 January 2025. For details, please refer to the section headed "Management Discussion and Analysis – Placing of New Shares During the Period" of this announcement, and announcements of the Company dated 19 December 2024 and 6 January 2025, respectively.

During the six months ended 30 June 2025 and as at the date of this announcement, there were no treasury shares held by the Company (including any treasury shares held or deposited with Central Clearing and Settlement System).

In addition, during the six months ended 30 June 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including treasury shares).

AUDITOR'S AND AUDIT COMMITTEE'S REVIEW

The unaudited condensed interim consolidated financial statements of the Group for the six months ended 30 June 2025 have been reviewed by the Group's external auditor, Crowe (HK) CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410 issued by the Hong Kong Institute of Certified Public Accountants and by the Audit Committee of the Company which consists of three independent non-executive Directors, namely Mr. Yip Tai Him, Ir. Dr. Ho Chung Tai, Raymond and Dr. Shen Wenzhong. The Group's external auditor and Audit Committee of the Company expressed no disagreement with the accounting policies and principles adopted by the Group.

PUBLICATION OF 2025 INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the websites of the Company (www.gcltech.com) and the Stock Exchange (www.hkexnews.hk). The 2025 Interim Report containing all the information as required by the Listing Rules will be despatched to the shareholders and made available for review on the same websites in due course.

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

Hong Kong, 29 August 2025

* *English names for identification only*

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