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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 AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

Financial Highlights	Year ended 31 December		% of changes
	2025	2024	
	<i>RMB'million</i>	<i>RMB'million</i>	
Revenue	14,424.9	15,097.6	(4.5)%
Gross profit (loss)	1,335.9	(2,510.1)	N/A
Loss for the year attributable to owners of the Company	(2,867.9)	(4,750.4)	(39.6)%
Basic loss per share	RMB(9.96) cents	RMB(17.97) cents	(44.6)%
Diluted loss per share	RMB(9.96) cents	RMB(17.97) cents	(44.6)%

RESULTS

The Board of the Company announces the audited consolidated results of the Group for the year ended 31 December 2025 together with the comparative figures for the corresponding period in the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

		2025	2024
	NOTES	RMB'000	RMB'000
Revenue	3	14,424,933	15,097,560
Cost of sales and services rendered		(13,089,038)	(17,607,660)
Gross profit (loss)		1,335,895	(2,510,100)
Other income	4	996,564	1,009,392
Other gains, net	7	230,889	1,416,661
Distribution and selling expenses		(363,020)	(289,667)
Administrative expenses		(1,613,366)	(1,854,569)
Research and development costs		(848,747)	(1,102,444)
Impairment losses recognized on financial assets	5	(1,760,720)	(989,434)
Finance costs	6	(466,607)	(618,384)
Share of losses of associates		(204,603)	(1,281,509)
Share of (losses) profits of joint ventures		(2,780)	27,106
Loss before tax		(2,696,495)	(6,192,948)
Income tax (expense) credit	8	(226,858)	544,996
Loss for the year	9	(2,923,353)	(5,647,952)
Other comprehensive expense for the year:			
<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		(243,586)	(634,915)
Share of other comprehensive expense of associates		(79,412)	(198,124)
		(322,998)	(833,039)

	<i>NOTES</i>	2025 RMB'000	2024 RMB'000
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(3,011)	2,914
Share of other comprehensive income (expense) of an associate		311	(113)
Reclassification of exchange differences upon – deemed partial disposal of an associate		3	6
– deemed disposal of a subsidiary		—	27
		<u>(2,697)</u>	<u>2,834</u>
Other comprehensive expense for the year		<u>(325,695)</u>	<u>(830,205)</u>
Total comprehensive expense for the year		<u>(3,249,048)</u>	<u>(6,478,157)</u>
Loss for the year attributable to:			
Owners of the Company		(2,867,891)	(4,750,396)
Non-controlling interests		(55,462)	(897,556)
		<u>(2,923,353)</u>	<u>(5,647,952)</u>
Total comprehensive expense for the year attributable to:			
Owners of the Company		(3,193,586)	(5,580,601)
Non-controlling interests		(55,462)	(897,556)
		<u>(3,249,048)</u>	<u>(6,478,157)</u>
		RMB cents	RMB cents
Loss per share	<i>11</i>		
– Basic		(9.96)	(17.97)
– Diluted		(9.96)	(17.97)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025

	<i>NOTES</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		31,014,773	34,761,153
Right-of-use assets		1,501,978	1,456,052
Investment properties		330,446	348,518
Intangible assets		65,412	63,019
Interests in associates		3,246,572	5,577,784
Interests in joint ventures		122,053	143,986
Financial assets at fair value through profit or loss		1,586,064	946,869
Financial assets at fair value through other comprehensive income		2,917,292	445,376
Deferred tax assets		853,745	1,111,441
Deposits and other receivables	<i>12</i>	3,970,121	3,824,465
Pledged and restricted bank deposits		5,600	50,503
		45,614,056	48,729,166
CURRENT ASSETS			
Inventories		1,896,879	2,014,044
Trade and other receivables	<i>12</i>	12,690,201	11,556,094
Amounts due from related companies	<i>13</i>	679,376	791,491
Financial assets at fair value through profit or loss		1,074,482	1,823,927
Held for trading investments		678	416
Tax recoverable		40,097	83,143
Pledged and restricted bank deposits		4,594,854	4,701,688
Bank balances and cash		9,292,146	5,174,188
		30,268,713	26,144,991

		2025	2024
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
CURRENT LIABILITIES			
Trade and other payables	<i>14</i>	10,946,883	10,966,912
Amounts due to related companies	<i>15</i>	252,189	311,742
Contract liabilities		744,484	256,807
Bank and other borrowings		12,363,833	10,635,721
Lease liabilities		42,429	54,843
Derivative financial instruments		134,824	136,565
Deferred income		18,020	18,581
Tax payables		51,663	50,145
		<u>24,554,325</u>	<u>22,431,316</u>
NET CURRENT ASSETS		<u>5,714,388</u>	<u>3,713,675</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>51,328,444</u>	<u>52,442,841</u>
NON-CURRENT LIABILITIES			
Contract liabilities		5,339	35,339
Bank and other borrowings		6,046,780	8,352,509
Lease liabilities		50,616	52,247
Deferred income		205,143	29,216
Deferred tax liabilities		1,604,093	1,680,592
		<u>7,911,971</u>	<u>10,149,903</u>
NET ASSETS		<u>43,416,473</u>	<u>42,292,938</u>
CAPITAL AND RESERVES			
Share capital		2,919,257	2,342,638
Reserves		36,947,409	34,834,410
Equity attributable to owners of the Company		39,866,666	37,177,048
Non-controlling interests		3,549,807	5,115,890
TOTAL EQUITY		<u>43,416,473</u>	<u>42,292,938</u>

NOTES:

1. BASIS OF PREPARATION

Statement of compliance

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

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

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

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

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

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

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

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

The amendments include:

- (a) clarification and further guidance for assessing whether the contractual cash flows of a financial asset meet the solely payments of principal and interest criterion;
- (b) clarification of the date of recognition and derecognition of some financial assets and liabilities, with an accounting policy option to allow an entity to derecognise a financial liability before the settlement date if it is settled in cash using an electronic payment system if specified criteria are met;
- (c) new disclosure requirements for investments in equity instruments designated at FVOCI; and
- (d) new disclosure requirements for financial instruments with contractual terms that could change the amount of contractual cash flows based on the occurrence (or non-occurrence) of a contingent event.

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

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

The amendments include:

- (a) clarifying the application of the “own-use” requirements to power purchase agreements for nature-dependent electricity;
- (b) permitting hedge accounting if these contracts are used as hedging instruments; and
- (c) adding new disclosure requirements to enable investors to understand the effect of these contracts on an entity’s financial performance and cash flows.

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

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

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

- (a) IFRS 18 requires an entity:
 - (i) to classify income and expenses into operating, investing and financing categories in the statement of profit or loss, plus income taxes and discontinued operations;
 - (ii) to present two new defined subtotals, namely, operating profit or loss and profit or loss before financing and income taxes.
- (b) It requires an entity to disclose management-defined performance measures (“MPM”) and reconciliations between MPM and subtotals listed in IFRS 18 or totals or subtotals required by IFRS Accounting Standards.
- (c) It sets out requirements to help an entity determine whether information about items should be in the primary financial statements or in the notes and provides principles for determining the level of detail needed for the information.

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

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

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

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

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

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

3. SEGMENT INFORMATION

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

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

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

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

Segment revenue and results

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

Year ended 31 December 2025

	Solar material business RMB’000	Solar farm business RMB’000	Total RMB’000
Segment revenue	<u>14,340,889</u>	<u>84,044</u>	<u>14,424,933</u>
Segment loss	<u>(2,085,374)</u>	<u>(472,123)</u>	<u>(2,557,497)</u>
Unallocated income			59,923
Unallocated expenses			(125,734)
Loss on fair value change of financial assets at fair value through profit or loss (“ FVTPL ”)			(206,721)
Gain on fair value change of held for trading investments			275
Impairment loss reversed on financial assets			6,328
Share of loss of an associate			(73,031)
Share of losses of joint ventures			(20,536)
Loss on deemed partial disposal of an associate			<u>(6,360)</u>
Loss for the year			<u>(2,923,353)</u>

Year ended 31 December 2024

	Solar material business <i>RMB'000</i>	Solar farm business <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue	<u>14,957,158</u>	<u>140,402</u>	<u>15,097,560</u>
Segment loss	<u>(5,346,555)</u>	<u>(267,032)</u>	(5,613,587)
Unallocated income			49,614
Unallocated expenses			(94,367)
Gain on fair value change of financial assets at fair value through profit or loss (“FVTPL”)			55,986
Gain on fair value change of held for trading investments			2,895
Impairment loss recognised on financial assets			(7,848)
Share of loss of an associate			(42,444)
Share of profits of joint ventures			20,700
Loss on deemed partial disposal of an associate			<u>(18,901)</u>
Loss for the year			<u>(5,647,952)</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, certain impairment losses recognised or reversed on financial assets, change in fair value of certain financial assets at FVTPL, change in fair value of held for trading investments, share of profits (losses) of interests in certain joint ventures and an associate and loss on deemed partial disposal of an associate. This is the measure reported to the CODM for the purpose of resources allocation and performance assessment.

Segment assets and liabilities

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Segment assets		
Solar material business	70,315,059	71,222,444
Solar farm business	1,059,663	1,544,996
Total segment assets	71,374,722	72,767,440
Financial assets at FVTPL	1,318,597	1,115,502
Financial assets at fair value through other comprehensive income ("FVTOCI")	16,017	9,376
Held for trading investments	678	416
Interest in an associate	21,635	100,712
Interests in joint ventures	122,053	143,986
Unallocated bank balances and cash	2,886,864	428,621
Unallocated corporate assets	142,203	308,104
Consolidated assets	75,882,769	74,874,157
Segment liabilities		
Solar material business	32,135,927	32,052,378
Solar farm business	278,108	522,899
Total segment liabilities	32,414,035	32,575,277
Unallocated corporate liabilities	52,261	5,942
Consolidated liabilities	32,466,296	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 certain interests in joint ventures and interest in an associate) of the management companies and investment holding companies; and
- All liabilities are allocated to operating segments, other than unallocated corporate liabilities of the management companies and investment holding companies.

Disaggregation of revenue from contracts with external customers

For the year ended 31 December 2025

Segments	Solar material business RMB'000	Solar farm business RMB'000	Total RMB'000
Types of goods or services			
Sales of polysilicon	9,852,767	—	9,852,767
Sales of wafer	2,004,028	—	2,004,028
Sales of industrial silicon	992,648	—	992,648
Sales of electricity	—	84,044	84,044
Processing fees	290,014	—	290,014
Others (comprising the sales of ingots, silicon rods and silicon powder)	<u>1,201,432</u>	<u>—</u>	<u>1,201,432</u>
Total	<u><u>14,340,889</u></u>	<u><u>84,044</u></u>	<u><u>14,424,933</u></u>

For the year ended 31 December 2024

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

Geographical information

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

	2025 RMB'000	2024 RMB'000
The PRC	14,223,825	15,040,351
Others	<u>201,108</u>	<u>57,209</u>
	<u><u>14,424,933</u></u>	<u><u>15,097,560</u></u>

4. OTHER INCOME

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Government grants	224,357	243,191
Bank and other interest income	194,043	222,893
Sales of scrap materials	407,844	390,668
Rental and rental related income	50,287	57,034
Write back of other payables	10,510	9,762
Compensation income	87,404	54,365
Management and consultancy fee income	18,595	20,082
Guarantee fee income	1,366	6,005
Others	2,158	5,392
	<u>996,564</u>	<u>1,009,392</u>

5. IMPAIRMENT LOSSES RECOGNISED ON FINANCIAL ASSETS

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Impairment losses recognised on		
— trade receivables	276,320	139,845
— dividend receivable from a former associate	1,048,402	635,793
— consideration receivable from disposal of an associate	282,656	20,059
— amounts due from related companies	23,034	73,062
— others	130,308	120,675
	<u>1,760,720</u>	<u>989,434</u>

6. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on financial liabilities at amortised cost		
— bank and other borrowings	460,483	585,519
— loans from related companies	162	163
— other financial liabilities	—	40,752
— lease liabilities	6,303	9,856
	<hr/>	<hr/>
Total borrowing costs	466,948	636,290
Less: interest capitalised	(341)	(17,906)
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	466,607	618,384
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Interest expenses capitalised on qualifying assets represent the amount of interest bearing debts which is directly attributable to the acquisition of property, plant and equipment and was capitalised as the cost of property, plant and equipment at a rate of 3.5% per annum (2024: 3.05% - 4.1%)

7. OTHER GAINS, NET

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Exchange (losses) gain, net	(38,004)	8,389
(Losses) gain on fair value change of financial assets at FVTPL	(262,345)	36,830
Gain on fair value change of held for trading investments	275	2,895
Gains (losses) on fair value change of derivative financial instruments	1,741	(1,722)
Impairment loss on property, plant and equipment (<i>Note a</i>)	(259,784)	(401,111)
(Losses) gains on disposal of property, plant and equipment	(19,951)	22,829
(Loss) on deemed partial disposal of an associate	(6,360)	(18,901)
Gain on deemed disposal of a subsidiary (<i>Note b</i>)	25,129	1,952,207
Gain/(loss) on disposal of interest in an associate (<i>Note c</i>)	790,188	(184,755)
	<hr/>	<hr/>
	230,889	1,416,661
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Note a:

Year ended 31 December 2025

During the year ended 31 December 2025, the photovoltaic industry experienced low polysilicon prices, which adversely affected the financial performance of the Group's solar materials operations. In addition, delays in the recognition of renewable energy tariff subsidy income from power plants in PRC negatively impacted the performance of the solar farm segment. Management determined that these circumstances constituted impairment indicators under the relevant accounting standards.

Accordingly, management performed impairment assessments for the affected asset groups. Based on the results of these assessments, an impairment loss of approximately RMB260 million was recognised in profit or loss for the year, relating to property, plant and equipment.

Year ended 31 December 2024

In light of evolving energy market conditions and challenges, certain asset groups of the Group were in the status of shutdown, temporary idleness or under-capacity. The Group considered that there were indicators of impairment in these asset groups and conducted impairment tests. As a result, an impairment loss of RMB401 million was recognised for property, plant and equipment during the year ended 31 December 2024.

Note b:

Year ended 31 December 2025

On 5 June 2025, the Group entered into a shareholder agreement with Taicang Qianyuan Solar Technology Company Limited* 太倉騫源光伏科技有限公司 (“Taicang Qianyuan”) and a new investor. Under the terms of the agreement, the investor will subscribe the registered capital of Taicang Qianyuan, for a total cash consideration of RMB289 million. This subscription resulted in the investor holding approximately 75% of the enlarged paid-up registered capital of Taicang Qianyuan.

As at 31 December 2025, the cash consideration of RMB289 million had been fully injected into Taicang Qianyuan. Following this injection, the Group's equity interest in Taicang Qianyuan, based on paid-up registered capital, decreased from 100% to approximately 25%. The substantive rights granted to the new majority investor under the shareholder agreement restricted the Group's voting rights and its ability to direct the relevant activities of Taicang Qianyuan.

Consequently, the Group lost control over Taicang Qianyuan but retained significant influence. In accordance with IFRS 10, the Group deconsolidated Taicang Qianyuan, reclassified its remaining 25% interest as an associate, and recognised a gain on deemed disposal of a subsidiary of approximately RMB25 million.

* *English name for identification purpose only*

Year ended 31 December 2024

On 16 November 2024, the Group entered into a new shareholder agreement with Kunshan GCL Optoelectronic Material Co., Ltd.* 昆山協鑫光電材料有限公司 (“**Kunshan GCL**”), along with certain new and existing investors of Kunshan GCL under the agreement, these investors subscribed to approximately RMB9 million in new registered capital of Kunshan GCL for a cash consideration of RMB344 million, representing approximately 8.41% of the enlarged paid-up registered capital of Kunshan GCL.

As at 31 December 2024, cash consideration of RMB290 million was injected into Kunshan GCL, the Group’s equity interest in Kunshan GCL (based on paid-up registered capital) decreased from approximately 47.65% to approximately 44.23%. The Group lost control over Kunshan GCL but retained significant influence. Kunshan GCL ceased to be a subsidiary of the Company and was reclassified as an associate upon completion of the transaction, the Group recognised a gain on deemed disposal of a subsidiary of approximately RMB1,952 million.

Note c:

Year ended 31 December 2025

During the year ended 31 December 2025, the Group entered into a sale and purchase agreement with 合肥國材三號企業管理合夥企業 (有限合夥), an independent third party, to dispose of its entire 24.55% equity interest in Jiangsu Xinhua Semiconductor Material Technology Co., Ltd* (“**Jiangsu Xinhua**”) (江蘇鑫華半導體材料科技有限公司). The disposal was completed during the year for a total cash consideration of RMB1,472 million, which was fully received upon completion. As a result of the transaction, the Group recognised a gain on disposal of an associate of RMB790 million.

Year ended 31 December 2024

During the year ended 31 December 2024, the Group entered into a share transfer agreement with 蘇州合輝創能科技發展有限公司, an independent third party to dispose of its entire 40.27% interest in Xuzhou Zongping GCL Industrial Upgrading equity Investment LLP* (徐州中平協鑫產業升級股權投資基金(有限合夥)) (“**Xuzhou Fund**”) for an aggregate consideration of RMB1,500,000,000. The first tranche of consideration amounting to RMB10,000,000 has been settled by 蘇州合輝創能科技發展有限公司 and the remaining consideration of RMB1,490,000,000 is required to be settled in full within three years following the completion of the industrial and commercial change registration. The outstanding consideration of RMB1,490,000,000 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. For the year ended 31 December 2024, a loss of approximately RMB185 million was recorded by the Group upon completion of such transaction.

Prior to the disposal of Xuzhou Fund, Xuzhou Fund recorded an impairment loss of the carrying amount of interest in Xinjiang Goens of approximately RMB1,712 million (the Group shared a loss of approximately RMB700 million from the interest in an associate), which was recorded in the line item of “Share of losses of associates” in the Group’s consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024, by reference to a valuation report prepared by an independent professional valuer.

* *English name for identification purpose only*

8. INCOME TAX EXPENSE (CREDIT)

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax		
PRC Enterprise Income Tax (“EIT”)		
— Provision for the year	41,930	287,869
— Underprovision in prior years	3,731	12,067
	<u>45,661</u>	<u>299,936</u>
Deferred tax	181,197	(844,932)
	<u>226,858</u>	<u>(544,996)</u>

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

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

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

Federal and State income tax rates in the USA were calculated at 21% and 8.84%, respectively, for both years. No provision for Federal and State income tax in the USA has been made as the Group did not have estimated assessable profits arising in the USA for both years.

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

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

9. LOSS BEFORE TAX

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss before tax has been arrived at after charging (crediting) the following items:		
Staff costs, including directors' remuneration		
Salaries, wages and other benefits [@]	1,416,429	1,719,853
Retirement benefits scheme contributions	152,582	182,602
	<u>1,569,011</u>	<u>1,902,455</u>
Depreciation of property, plant and equipment	4,096,967	3,896,035
Depreciation of right-of-use assets	104,632	148,204
Depreciation of investment properties	18,072	20,834
Amortisation of intangible assets	27,730	33,771
	<u>4,247,401</u>	<u>4,098,844</u>
Total depreciation and amortisation	4,247,401	4,098,844
Less: amounts absorbed in inventories, net	(134,999)	(81,658)
	<u>4,112,402</u>	<u>4,017,186</u>
Auditors' remuneration		
– audit services	10,040	9,800
– other services	1,750	1,900
	<u>11,790</u>	<u>11,700</u>

@ Salaries, wages and other benefits included share-based payment expenses of the Company of approximately RMB58,404,000 (2024: RMB98,588,000).

10. DIVIDEND

The Board of the Company did not recommend the payment of any dividend for the years ended 31 December 2025. (2024: Nil)

11. 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:

	2025	2024
	RMB'000	RMB'000
Loss		
Loss for the year attributable to owners of the Company for the purpose of calculation of basic and diluted loss per share	<u>(2,867,891)</u>	<u>(4,750,396)</u>
	2025	2024
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>28,801,650</u>	<u>26,440,346</u>

For the year ended 31 December 2025, 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 placements of shares.

For the year ended 31 December 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.

The calculation of diluted loss per share for the years ended 31 December 2025 and 2024 did not assume the exercise of share options and award shares granted by the Company nor the share options and written puts options granted by the associates, as the exercise prices were higher than the average market price of the shares or their exercise would have resulted in a decrease in the loss per share.

For the years ended 31 December 2024, the convertible bonds issued and put options written by the Group's subsidiary to non-controlling shareholders had an insignificant effect on the calculation of the Group's diluted loss per share.

12. DEPOSITS AND OTHER RECEIVABLE/TRADE AND OTHER RECEIVABLES

(i) Deposits and other receivables

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Deposits for acquisitions of property, plant and equipment	162,586	315,327
Dividend receivable from a former associate, second tranche (<i>Note a</i>)	2,278,841	2,242,924
Consideration receivables		
— Disposal of an associate (<i>Note b</i>)	1,377,589	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 12(ii)(b)</i>)	1,200,000	—
	<u>5,486,900</u>	<u>4,350,740</u>
Less: allowance for expected credit losses	<u>(1,516,779)</u>	<u>(526,275)</u>
	<u><u>3,970,121</u></u>	<u><u>3,824,465</u></u>

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 is structured 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 payable 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 31 December 2025, the carrying amount of RMB2,278,841,000 (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 31 December 2025 and 2024. During the year ended 31 December 2025, an imputed interest income of approximately RMB35,917,000 (2024: RMB73,752,000) has been recognised in the profit or loss. As the remaining balance of the first tranche dividend receivable is overdue and in default, management assessed its recoverability and recognised a total expected credit loss of RMB1,048,402,000 on both tranches during the year ended 31 December 2025 (2024: RMB635,793,000).

(b) Consideration receivables from disposal of an associate

As at 31 December 2025, the carrying amount of RMB1,377,589,000 (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, Xuzhou Zhongping GCL Industrial Upgrading Equity Investment Fund (徐州中平協鑫產業升級股權投資基金) (“**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 according to the terms under equity transfer agreement. 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 year ended 31 December 2025, an imputed interest income of RMB52,984,000 (2024: nil) has been recognised in the profit or loss.

Management determined that credit risk had increased significantly since initial recognition, primarily driven by the deterioration in industry conditions in the PRC. Consequently, management assessed its recoverability and recognised an expected credit loss of RMB 282,656,000 for the year ended 31 December 2025 (2024: RMB 20,059,000).

(c) Other receivables

The Group entered into a contractual agreement with a third-party entity to advance a total sum of RMB447,940,000 for the construction of a power plant to be owned by the said entity. Upon completion of the power plant, the entity will supply electricity to the Group, and the advanced amount will be utilized to offset against future electricity fees payable to the power plant operator. Subsequent to the reporting period, the Group entered into a termination agreement with the third-party entity, and the advance of RMB447,940,000 was refunded to the Group in full.

(ii) Trade and other receivables

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade and bill receivables (<i>Note a</i>):		
— Bill receivables	8,655,711	6,127,822
— Trade receivables	1,686,500	1,190,125
Less: allowance for expected credit losses	(471,454)	(195,134)
	<u>1,215,046</u>	<u>994,991</u>
	<u>9,870,757</u>	<u>7,122,813</u>
Deposits, other receivables and prepayments:		
— Refundable value-added tax	631,537	988,928
— Dividend receivables from a former associate, first tranche (<i>Note 12(i)(a)</i>)	904,000	904,000
— Prepayments	1,053,997	1,270,578
— Short-term loans to third parties (<i>Note b</i>)	207,781	746,308
— Note receivables (<i>Note c</i>)	163,031	167,143
— Deposits in the trustee	81,992	84,060
— Others deposits	240,216	249,461
— Others	352,117	547,310
	<u>3,634,671</u>	<u>4,957,788</u>
Less: allowance for expected credit losses	(815,227)	(524,507)
	<u>2,819,444</u>	<u>4,433,281</u>
	<u><u>12,690,201</u></u>	<u><u>11,556,094</u></u>

Notes:

(a) Trade and bill receivables

The Group generally grants a credit period of approximately one month from the invoice date to solar material customers, with possible extensions of a further 3 to 6 months when settlement is made through bills issued by banks or financial institutions obtained from these customers.

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

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, is as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Unbilled (<i>Note</i>)	202,032	455,834
Within 3 months	532,637	139,822
3 to 6 months	97,905	44,014
Over 6 months	382,472	355,321
	<u>1,215,046</u>	<u>994,991</u>

Note: The amounts represent unbilled basic tariff receivables relating to solar power plants operated by the Group, and tariff adjustment receivables of those solar power plants duly registered in the Renewable Energy Tariff Subsidy List announced by the state-owned grid companies.

All bills received by the Group possess a maturity period of less than one year. As at 31 December 2025, bill receivables of approximately RMB4.9 billion (2024: approximately RMB3.4 billion) were pledged as security for certain bank and other borrowings granted to the Group.

(b) Loans to third parties

	Note	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Non-current assets			
Loan A	(i)	<u>1,200,000</u>	<u>—</u>
Current assets			
Loan B	(ii)	—	576,308
Loan C	(iii)	90,877	—
Loan D	(iv)	—	90,000
Loan E	(v)	80,000	80,000
Loan F	(vi)	<u>36,904</u>	<u>—</u>
		<u>207,781</u>	<u>746,308</u>
		<u>1,407,781</u>	<u>746,308</u>

- (i) In November 2025, the Group granted a loan to a third party engaged principally in property development activities in the PRC. Pursuant to the agreement, the Group lent a loan of RMB1.2 billion. The loan is guaranteed by the borrower's holding company, which is a state-owned enterprise, bears interest at a rate of 5% per annum, and has a contractual maturity of two years.

Management assessed that there has been no significant increase in credit risk since initial recognition. Taking into account the guarantee provided by the borrower's holding company, the credit risk of the loan is considered low.

- (ii) In December 2024, the Group, a PRC bank and a government-related entity entered into an entrusted loan agreement pursuant to which the Group provided a short-term loan of RMB576,308,000 through the PRC bank. The loan is non-trade in nature, guaranteed by a state-owned enterprise, bears interest rate at 4% per annum, and was repaid during 2025.
- (iii) In December 2025, the Group and a third party entered into a loan agreement pursuant to which the Group lent a short-term loan of HK\$100,000,000 (approximately RMB90,877,000). The loan is non-trade in nature, unsecured, bears interest at 6.5% per annum, and was originally repayable on 17 March 2026. The Group subsequently entered into a loan extension agreement with such third party to extend the repayment date to 17 September 2026, with all other terms remaining unchanged.
- (iv) In July 2024, the Group and a third party entered into a loan agreement pursuant to which the Group lent a short-term loan of RMB90,000,000. The loan is non-trade in nature, unsecured, bears interest at the PRC LRP upward floating 5% per annum, and was repaid during 2025.

- (v) In September 2024, the Group and a government-related entity entered into a loan agreement pursuant to which the Group lent a short-term loan of RMB80,000,000. The loan is non-trade in nature, unsecured, bears interest at the PRC LRP per annum, and was originally repayable on 12 September 2025. The Group subsequently entered into a loan extension agreement with such government-related entity to extend the repayment date to 31 December 2026, with all other terms remaining unchanged.
- (vi) In March 2025, the Group and a third party entered into a loan agreement pursuant to which the Group lent a short-term loan of HK\$40,000,000 (approximately RMB36,904,000). The loan is non-trade in nature, unsecured, bears interest at 5% per annum and was originally repayable on 28 April 2025. The Group subsequently entered into loan extension agreements to expand the repayment date to 29 June 2026, with all other terms remaining unchanged.

(c) Note receivables

The amount represents the notes issued by a third party and subscribed by the Group. The notes are non-trade in nature, unsecured, bear interest at 8% per annum, and mature within one year from their respective subscription dates. In 2025, the note issuer encountered financial difficulties. Management assessed that the amount was not recoverable and a full impairment has been recognised as at 31 December 2025.

13. AMOUNTS DUE FROM RELATED COMPANIES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Amounts due from related companies		
— Trade related	108,590	256,458
— Non-trade related (Note)	570,786	535,033
	<u>679,376</u>	<u>791,491</u>

Note: Balance included a loan receivable of RMB33,419,000 (2024: Nil), which is secured by a personal guarantee provided by Mr. Zhu, bearing a fixed interest rate of 9% per annum and repayable on 26 November 2026.

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 3 months	11,454	146,884
3 to 6 months	12,390	7,911
More than 6 months	84,746	101,663
	<u>108,590</u>	<u>256,458</u>

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

14. TRADE AND OTHER PAYABLES

As at 31 December 2025, trade and other payables amounted to approximately RMB10,946,883,000 (2024: RMB10,966,912,000). Included within this balance were trade payables (excluding settlement notes provided by the Group) of approximately RMB2,130,759,000 (2024: RMB1,842,804,000).

Trade payables are generally subject to credit terms ranging from 3 to 6 months (2024: 3 to 6 months).

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, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 3 months	1,194,456	827,351
3 to 6 months	809,321	664,120
More than 6 months	126,982	351,333
	<u>2,130,759</u>	<u>1,842,804</u>

15. AMOUNTS DUE TO RELATED COMPANIES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Amounts due to related companies		
— Trade related	234,506	295,639
— Non-trade related	17,683	16,103
	<u>252,189</u>	<u>311,742</u>

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, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 3 months	142,596	212,704
3 to 6 months	3,024	31,334
More than 6 months	88,886	51,601
	<u>234,506</u>	<u>295,639</u>

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

Chairman’s Report

At a critical crossroads of the energy transition, the explosive growth in global electricity demand and the urgent need for energy independence and security among nations have together laid a solid foundation for the steady growth of the photovoltaic (PV) and energy storage industry. With the advent of the AI computing era and the acceleration of global electrification, the shortfall in green power continues to widen. Meanwhile, the complex international landscape has further strengthened major countries’ resolve to achieve energy independence and reduce external dependence, opening up an enormous market space for the PV and energy storage sectors.

GCL Technology has long served as an industry pioneer, accurately anticipating and driving the paradigm shift from “PV grid parity” to “PV-storage grid parity” and further to “PV-storage co-lifespan”. Through continuous technological iteration and manufacturing upgrading, we are committed to eliminating the instability of new energy sources, making clean energy not only more economical but also boasting lifecycle stability comparable to traditional baseload power. With ultimate energy efficiency, we support the fundamental transformation of the global energy structure.

The year 2025 marks a critical watershed for the global new energy industry, as it bids farewell to extensive growth and moves toward deep restructuring. The industry’s focus has shifted from simple “scale expansion” to in-depth “value competition”, with technological gaps and supply-side reform becoming the main themes for navigating industry cycles. Faced with a complex market environment, GCL Technology centers its strategy on transformation and innovation. Leveraging our profound expertise in material R&D, we focus on breakthroughs in core material technologies. We adhere to the bottom line of sound operations, anchor the dual-wheel drive of overseas expansion and the second growth curve, and build development resilience amid cyclical fluctuations. These forward-looking layouts have not only paved the way for breakthroughs and transformation in 2026 but also positioned us as a leader to embrace and inaugurate a new era of green development during the 15th Five-Year Plan period.

Technological Innovation Breakthrough: Core Materials Forging Strong Barriers

Backed by decades of profound accumulation in material R&D, GCL Technology leads the PV and energy storage material technology track and maintains industry-leading standards. Continuous iterations and breakthroughs in core technological achievements serve as the solid pillars for the Company’s strategic transformation and high-quality development.

Granular Polysilicon: A Low-Carbon Benchmark and Ballast for Navigating Cycles

In 2025, global newly installed PV capacity reached 570–630GW, with domestic newly installed capacity hitting 317GW¹. The industry is accelerating its departure from the involution model of “competing for scale and price”, with high efficiency, specialization, low carbonization and scenario-based application becoming the core of competition. Granular polysilicon is driving disruptive restructuring, upgrading from a participant in the energy revolution to an architect of zero-carbon systems, breaking involution and navigating industry cycles.

In the PV silicon material sector, GCL Technology has led the research and development of high-purity low-carbon granular polysilicon production technology, with product quality reaching new heights. Products with a total metallic impurity content of five elements below 0.5ppbw account for over 95%, perfectly matching the demand for N-type high-efficiency PV cells. The company has obtained a Life Cycle Assessment Verification Statement issued by the British Standards Institution (BSI), an internationally authoritative certification body. The “cradle-to-gate” carbon footprint of our granular polysilicon products is only 14.2756kgCO₂e/kg, setting a new record for low-carbon production of silicon-based materials. Amid widespread pressure across the industry, granular polysilicon has become the top choice for leading customers thanks to its advantages of low carbon emissions, low cost and high quality. It serves as the core business for GCL Technology to withstand industry cycles and stabilize cash flow, providing solid support for the company’s transformation.

Perovskite: Breaking Through the Darkness and Ushering in a New Era of Commercial Mass Production

In June 2025, the world’s first gigawatt-scale perovskite industrial base was officially put into operation in Kunshan, marking the technology’s complete leap from the laboratory to commercialization. In October 2025, the world’s first 500MW tandem module production line was completed, with the mass production efficiency of 2.76m² full-size modules steadily exceeding 27%, establishing our leading position as the world’s largest manufacturer of commercialized products. With 3x accelerated aging tests and the world’s first IEC dual-certification, we have consolidated our quality foundation and fully cleared the “last mile” for commercial application.

1. China Photovoltaic Industry Association

More significantly, GCL’s perovskite technology has embarked on an “extraterrestrial journey”. Relying on the Zhuque-2 Y3 carrier rocket, we successfully completed the world’s first on-orbit space test, verifying its extreme stability in the harsh cosmic environment. On this basis, we officially launched our “Three-Step Space Strategy”: deepen deep-space endurance tests in 2026, achieve mass production of space-specific modules in 2027–2028, and strive to become the “standard power source” for Chinese spacecraft. From terrestrial green power to deep-space energy, GCL is leveraging disruptive technological layouts to propel clean energy toward the stars and seas.

Prudent Operations: Building a Secure Defense Line with Conservative Strategies

Faced with cyclical fluctuations in the industry, GCL Technology upholds the philosophy that “adaptation is key to navigating cycles, while prudent operations secure the foundation”. Adopting a conservative business strategy, we firmly hold the cash flow bottom line.

In 2025, the company strictly controlled capital expenditure, rejected blind expansion, and focused on technological cost reduction and efficiency improvement. We optimized cash flow management, and our polysilicon business took the global lead in achieving positive EBITDA growth, becoming the ballast for GCL Technology’s cash flow. Meanwhile, the Company optimized its capital structure through strategic financing, successfully raising approximately HK\$7 billion in 2025. These funds are reserved for technological R&D and overseas layout, enabling us to withstand industry risks with operational resilience and lay a solid financial foundation for transformative development.

GCL Technology has always adhered to the principle of “no rash advancement, no blind conformity”. We stay clear-headed during industry expansion periods and accumulate strength during adjustment periods. Our prudent operational style safeguards technological innovation and strategic transformation.

2026: A Decisive Year – Accelerating Global Layout + Exploring the Second Growth Curve as the Dual-Wheel Drivers of Growth

2026 is a pivotal year for GCL Technology to achieve successful transformation and full value release. The Company will focus on the core strategy of “overseas expansion + continuous exploration of the second growth curve” to realize high-quality leapfrog development.

In 2026, GCL Technology will accelerate the layout of global production capacity and markets. Leveraging technological advantages in granular polysilicon and perovskite, we will prioritize expanding in key markets including the United States, Europe, the Middle East and Africa, build a global supply chain and service system, and form a “multi-regional, multi-node, localized” supply chain network. Meanwhile, the Company will actively utilize bilateral agreements between China and countries co-building the Belt and Road Initiative, and cooperate with multilateral financial institutions and policy-based insurance institutions to effectively manage political and trade risks.

The second growth curve centered on perovskite will achieve full-scale volume growth: gigawatt-scale perovskite production lines will operate at full capacity, and the efficiency and cost of tandem modules will be continuously optimized, becoming a new growth engine for the PV business. Together with granular polysilicon, we will continue to drive the global low-carbon green energy revolution.

Digital-Intelligent Transformation: AI Reshaping Corporate Dynamics

The Company has deeply deployed an AI strategy focusing on “productivity, risk prevention and control, and experience enhancement”. In intelligent manufacturing, through DCS intelligent classification and digital twin models, the alarm response rate has risen to 95%, and core batching efficiency has increased tenfold, realizing a paradigm shift from experience dependence to data-driven operations. In operation and maintenance, the wafer cutting knowledge graph built on DeepSeek has reduced average fault handling time from 2 hours to 45 minutes, cutting downtime losses by 40%, truly empowering “super engineers”. In R&D and operations, after accessing cutting-edge models such as Qwen2.5, platform development efficiency has improved by 70%, testing workload reduced by 80%, and efficient reuse of brand assets achieved. AI has been deeply integrated into every aspect of the Company’s business, becoming the core cornerstone for driving high-quality growth and building differentiated competitiveness. Meanwhile, the Company will cooperate with NVIDIA and Huawei to advance the R&D of energy large models, empowering material R&D, production manufacturing and operation management with AI, building a digital and intelligent new energy industrial system, and driving industrial upgrading.

In 2025, GCL Technology broke through industry cycles through transformation and innovation, built core barriers with technological breakthroughs, and secured the bottom line of development with prudent operations. From the low-carbon leadership of granular polysilicon to the space dream of perovskite, GCL has demonstrated the innovation responsibility of a new energy enterprise with technological strength.

In 2026, GCL Technology will uphold the strategy of technology leadership and globalization, promote the full commercialization of core technologies, achieve dual breakthroughs in overseas layout and the second growth curve, and become a core material supplier in the new energy era, completing a transformative leap. GCL Technology is willing to act as a steadfast ecosystem guardian, build a foundation with hardcore technology, gather momentum through an open platform, and join hands with global partners. We seek not temporary heights but long-term ecological prosperity, contribute to the achievement of the “Dual Carbon” goals, and jointly write a new chapter of high-quality development for the global new energy industry!

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

In 2025, under the guidance of the “anti-involution” policy, China’s photovoltaic industry has entered a critical period, transitioning from volatile bottoming to value reshaping. In spite of a phased rebound in prices across the industrial chain, the structural supply and demand mismatch remains a realistic challenge for the industry. It is well recognized that only through accelerating the elimination of inefficient production capacity and achieving a balance in supply and demand will the industry attain an upturn and thrive.

Amidst these changes, the Company, leveraging its core granular silicon technology, has built a solid technological moat. During the period, relying on ultimate cost advantages and low-carbon nature, the Company’s product competitiveness continuously improved, and customer loyalty strengthened significantly. Under the wave of industry restructuring, we are steadily stepping into a brand-new stage of high-quality development with the dual advantages of technology and ecology.

RESULTS OF THE GROUP

For the year ended 31 December 2025, the Group achieved turnaround from gross loss to gross profit and the revenue and gross profit of the Group were recorded at approximately RMB14,425 million and RMB1,336 million, respectively, as compared with the revenue and gross loss of approximately RMB15,098 million and RMB2,510 million for the year ended 31 December 2024, respectively. The situation of gross loss in 2024 was turned around to achieve significant improvement of operating performance.

The Group recorded a loss attributable to the owners of the Company of approximately RMB2,868 million in 2025, as compared to the loss attributable to owners of the Company of approximately RMB4,750 million in 2024.

ADJUSTED EBITDA OF THE GROUP

For the year ended 31 December 2025, the Group’s ADJUSTED EBITDA (earnings before interest, taxes, depreciation, and amortization) was approximately RMB2.8 billion, representing significantly turnaround as compared with the LBITDA (loss before interest, taxes, depreciation and amortisation) of approximately RMB1.4 billion for the year 2024.

PLACING OF NEW SHARES DURING THE YEAR

On 18 December 2024 (after trading hours), the Company entered into a placing agreement (the “**Placing Agreement I**”). Under this agreement, the Placing Agent I agreed to procure, on a best effort basis, places to subscribe a maximum of 1,560,000,000 ordinary Shares at the placing price of HK\$1.0 per Share (the “**2025 Placing I**”). 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 I, after taking into account all related costs, fees, expenses and commission of the Placing I, were approximately HK\$1,530 million. For details, please refer to the announcements of the Company in relation to the 2025 Placing I dated 19 December 2024 and 6 January 2025, respectively.

USE OF PROCEEDS FROM PLACING I

The following table sets out the information in relation to the detailed breakdown and description of the actual and intended use of the net proceeds of approximately HK\$1,530 million from the 2025 Placing I:

	Intended use of the net proceeds HK\$ million	Utilisation during the year ended 31 December 2025 HK\$ million	Unutilised as at 31 December 2025 HK\$ million
Capital expenditure in respect of solar related business	918	918	—
General working capital (note 1)	612	504	108
	1,530	1,422	108

Note:

1. Expected to be fully utilised on or before 31 December 2026, with the use of proceeds in accordance with the original plan.

On 16 September 2025 (before trading hours), the Company entered into a subscription agreement and a placing agreement, in relation to the issue and placing of an aggregate of 4,735,651,000 Shares (collectively, “**Subscription Shares**”) at the subscription price of HK\$1.15 per Subscription Share (the “**2025 Placing II**”). On 19 November 2025, the Company completed the 2025 Placing II, the net proceeds of which, after taking into account all related costs, fees, expenses and commission, were approximately HK\$5,392 million. For details, please refer to the announcements of the Company in relation to the 2025 Placing II dated 16 September 2025, 25 September 2025, 10 October 2025, 7 November 2025 and 19 November 2025 respectively.

USE OF PROCEEDS FROM PLACING II

The following table sets out the information in relation to the detailed breakdown and description of the actual and intended use of the net proceeds of approximately HK\$5,392 million from the 2025 Placing II:

	Intended use of the net proceeds HK\$ million	Utilisation during the year ended 31 December 2025 HK\$ million	Unutilised as at 31 December 2025 HK\$ million
Capital expenditure			
Structural adjustment of polysilicon production capacity (note 1)	1,800	—	1,800
Enhancement of the R&D and production capacity of silane gas and related materials (note 2)	905	81	824
Optimization of the Company's capital structure (note 3)	800	800	—
General working capital (note 4)	400	—	400
Repayment of bank loan (note 5)	1,487	888	599
	5,392	1,769	3,623

Notes:

1. The Company intends to utilise the proceeds for merger and acquisition to acquire target companies and/or assets in the PRC. The Company expected the proceeds to be fully utilised on or before 31 December 2026.
2. The Company intends to utilise the proceeds for the production, acquisition, and R&D of silane gas, alongside related materials (including energy storage materials, silicon-carbon anode materials, and carbon nanotube materials). The Company will continuously explore appropriate targets in the market in relation to silane gas and will make disclosure in accordance with the Listing Rules as and when appropriate. The Company expected the proceeds to be fully utilised on or before 31 December 2026.
3. The Company has utilised the proceeds to increase its shareholding in its subsidiaries mainly engaging in polysilicon business during 2025.
4. The Company intends to utilize the net proceeds allocated for general working capital purpose and expected the proceeds to be fully utilised on or before 31 December 2028.
5. The Company is expected to use the net proceeds to repay bank loans and expected the proceeds to be fully utilised on or before 31 December 2026.

SEGMENT INFORMATION

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

- Solar material business — mainly manufactures and sales of polysilicon and wafer product to companies operating in the solar industry.
- Solar farm business — operates solar farms located in the USA and the PRC.

BUSINESS REVIEW

Solar Material Business

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

Polysilicon Segment

For the year ended 31 December 2025,

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

Selling price - The average external selling price (excluding tax) of granular silicon was approximately RMB35.4 per kilogram.

Cost - The average cash manufacturing cost (including research and development) of granular silicon in 2025 was RMB25.12 per kilogram, representing a decrease of 25.1% as compared with RMB33.52 per kilogram in 2024.

Ingot & Wafer Slicing Segment

As of 31 December 2025,

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

Production - The Group produced a total of 22,334 MW of wafers (including 11,474 MW of OEM wafers), representing a year-on-year decrease of 30.7% from the total production of 32,243 MW of wafers (including 11,700 MW of OEM wafers) in 2024.

Sales - The Group sold 23,933 MW of wafers (including sales of 12,018 MW of OEM wafers), representing a decrease of 28.6% from 33,525 MW of wafers (including sales of 12,268 MW of OEM wafers) sold in 2024.

Revenue from solar materials business

For the year ended 31 December 2025, revenue from external customers for the solar materials business amounted to approximately RMB14,341 million, representing a decrease of 4.1% as compared to RMB14,957 million in 2024. The slight decrease was mainly due to decrease in sales volume and sales price of wafer during the year, partially offset by increase in sales volume of granular silicon during the year.

Deepening Granular Polysilicon Technology Iteration, Breaking Through Performance Boundaries with Higher Quality Standards, and Empowering the High-Quality Development of the Photovoltaic Industry

In 2025, granular polysilicon quality improved steadily, and client loyalty strengthened

The Company continuously advanced process optimization, technology upgrades, and material iteration. The quality of granular polysilicon products steadily improved, continuously breaking through performance limits. Relying on excellent and stable product quality advantages, the Company's granular polysilicon has been highly recognized by the market and customers, and customer loyalty has continuously strengthened. The industrial chain and ecological chain using granular polysilicon as raw materials are more competitive.

In 2025, the sales volume of granular polysilicon to the top five customers reached 59,500 MT, 59,300 MT, 33,200 MT, 26,300 MT, and 23,600 MT, respectively.

Changes in total metal impurity content of granular polysilicon products in 2025

In 2025, the Company's granular polysilicon products continued to maintain an industry-leading level in the control of metal impurities.

The Company's granular polysilicon has basically fully met the high standard requirement with a total metal impurity content of 5 elements ≤ 0.5 ppbw and 18 elements ≤ 1 ppbw.

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Metal 5 elements ≤ 0.3 ppbw						77.3%	81.3%	96.1%
Metal 5 elements ≤ 0.5 ppbw	84.7%	90.6%	95.6%	93.3%	95.3%	94.2%	93.7%	98.0%
Metal 18 elements ≤ 1 ppbw	55.8%	64.3%	81.6%	85.4%	91.2%	91.8%	91.5%	97.8%

Changes in turbidity levels of granular polysilicon products in 2025

Continuous improvements in turbidity have been achieved. The granular polysilicon has basically fully achieved a turbidity of below 100NTU. Simultaneously, the proportion of granular polysilicon products with turbidity ≤ 70 NTU has also risen significantly in Q4 2024, increasing from 25% in September 2024 to 96.9% by December 2025.

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Turbidity ≤ 70 NTU	/	/	25.0%	44.6%	45.0%	57.4%	66.1%	91.0%
Turbidity ≤ 100 NTU	75.0%	84.8%	93.5%	96.1%	97.7%	98.6%	98.0%	98.8%

In 2025, the Company filed 253 new patent applications with which 71 invention patents. 179 new patent authorizations were filed, of which 40 invention patents were included.

Solar Farm Business

Overseas solar farms

As at 31 December 2025, the solar farm business includes 18 MW of solar farms in the USA. Besides, there were 150 MW solar farms in South Africa, which was partnered with CAD Fund and with the total effective ownership of 9.7% owned by the Group.

PRC solar farms

As at 31 December 2025, the solar farm business also includes 5 solar farms in the PRC, with both installed capacity and attributable installed capacity at 133 MW.

Sales volume and revenue

For the year ended 31 December 2025, the electricity sales volume of the solar farm business overseas and in the PRC were 24,711 MWh and 168,449 MWh, respectively (2024: 25,004 MWh and 162,419 MWh, respectively).

For the year ended 31 December 2025, revenue for the solar farm business was approximately RMB84 million (2024: RMB140 million). The decrease was mainly attributable to a lower contribution from renewable energy tariff subsidy income in the PRC.

Group's Outlook

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

Financial Review

Revenue

Revenue for the year ended 31 December 2025 amounted to approximately RMB14,425 million, representing a decrease of 4.5% as compared with approximately RMB15,098 million for the corresponding period in 2024. The decrease was mainly due to the decrease in sales volume and selling price of wafer, partially offset by the increase of sales volume of polysilicon during the year.

Gross Profit Margin

The Group's overall gross profit margin turned to gross profit margin 9.3% for the year ended 31 December 2025. For the year ended 31 December 2024, negative gross profit margin was 16.6%. Gross profit amounted to approximately RMB1,336 million for the year ended 31 December 2025, while gross loss amounted to approximately RMB2,510 million for the year ended 31 December 2024.

For the year ended 31 December 2025, gross profit margin of solar material business was 9.4%. For the year ended 31 December 2024, negative gross profit margin of solar material business was 16.9%. The change was mainly attributable to decrease of overall cost of production of polysilicon.

The gross profit margin for the solar farm business changed from 16.9% for the year ended 31 December 2024 to negative gross profit margin of 22.5% for the year ended 31 December 2025. The change was mainly attributable to a lower contribution from renewable energy tariff subsidy income in the PRC.

Distribution and Selling Expenses

Distribution and selling expenses increased from approximately RMB290 million for the year ended 31 December 2024 to approximately RMB363 million for the year ended 31 December 2025. The increase was mainly due to increase in sales commission, partially offset by reduction of transportation cost of polysilicon products during the year.

Administrative Expenses

Administrative expenses amounted to approximately RMB1,613 million for the year ended 31 December 2025, representing a decrease of 13.0% from approximately RMB1,855 million for the corresponding period in 2024. The decrease was mainly due to reduction of salary and wage expenses and cost control policies implemented during the year.

Finance Costs

Finance costs amounted to approximately RMB467 million for the year ended 31 December 2025, representing a decrease of 24.4% from approximately RMB618 million for the corresponding period in 2024. The decrease was mainly due to the reduction in average interest-bearing debts during the year.

Impairment Losses Recognised on Financial Assets

The Group recognised impairment losses on financial assets of approximately RMB1,761 million for the year ended 31 December 2025 (2024: RMB989 million).

The impairment losses on financial assets for the year ended 31 December 2025 mainly comprised of impairment losses of trade related receivables of approximately RMB276 million (2024: RMB140 million) and impairment loss on other receivables of approximately RMB1,485 million (2024: approximately RMB850 million). The impairment loss on other receivables were mainly attributable to impairment loss of dividend receivable from a former associate and consideration receivable from disposal of an associate.

Other Gains, Net

For the year ended 31 December 2025, net gains of approximately RMB231 million in other gains (losses), net were recorded as compared to net gains of approximately RMB1,417 million for the year ended 31 December 2024.

The net gains mainly comprises of:

- (i) gain on disposal of an associate, 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 RMB790 million (2024: loss on disposal of interest in an associate (Xuzhou Fund) of approximately RMB185 million)
- (ii) impairment loss on property, plant and equipment of approximately RMB260 million (2024: loss of approximately RMB401 million)
- (iii) losses on fair value change of investments at FVTPL of approximately RMB262 million (2024: gains on fair value change of investments at FVTPL of approximately RMB37 million)
- (iv) deemed disposal gain of a subsidiary Taicang Qianyuan of approximately RMB25 million (2024: deemed disposal gain of a subsidiary Kunshan GCL Optoelectronic Material Co., Ltd* 昆山協鑫光電材料有限公司 (“**Kunshan GCL**”) of approximately RMB1,952 million)
- (v) loss on disposal of property, plant and equipment of approximately RMB20 million (2024: gain on disposal of property, plant and equipment of approximately RMB23 million)
- (vi) deemed disposal loss of an associate of approximately RMB6 million (2024: loss of approximately RMB19 million)
- (vii) exchange loss of approximately RMB38 million (2024: exchange gain of approximately RMB8 million)

* *English name for identification purpose only*

Income Tax Expenses/(Credit)

Income tax expenses for the year ended 31 December 2025 was approximately RMB227 million as compared with approximately RMB545 million of income tax credit for the year ended 31 December 2024. The changes were mainly due to recognition of deferred tax expenses from disposal of an associate during the year.

Loss Attributable to Owners of the Company

As a result of the above factors, loss attributable to owners of the Company amounted to approximately RMB2,868 million for the year ended 31 December 2025 as compared with a loss of approximately RMB4,750 million for the corresponding period in 2024.

NON-IFRS FINANCIAL MEASURES — ADJUSTED EBITDA

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

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

The following table sets forth a quantitative reconciliation of adjusted EBITDA for the years ended 31 December 2025 and 2024 to its most directly comparable IFRS measurement and loss for the year:

	2025	2024
	<i>RMB'million</i>	<i>RMB'million</i>
For the year ended 31 December:		
Loss for the year	(2,923)	(5,648)
Adjust: non-operating or non-recurring items:		
— Impairment loss of property, plant and equipment (Note a)	260	401
— Gain on fair value change of derivative financial instruments and held for trading investments (Note b)	(2)	(1)
— Gain on deemed disposal of subsidiaries (Note c)	(25)	(1,952)
— Loss on deemed disposal or partial disposal of associates (Note c)	6	19
— Loss/(gain) on fair value change of investments at FVTPL (Note b)	262	(37)
— Exchange losses (gain), net (Note b)	38	(8)
— Impairment losses recognised on financial assets (other receivable related items) (Note b)	1,484	850
— (Gain)/loss on disposal of and impairment loss on interest in an associate (Note c)	(790)	885
— Gain on disposal of associates' investments (Note c)	(268)	—
	(1,958)	(5,491)
Add:		
Finance costs	467	618
Income tax expense	227	(545)
Depreciation and amortisation	4,112	4,017
Adjusted EBITDA	<u>2,848</u>	<u>(1,401)</u>

Note a:

Impairment loss of property, plant and equipment recognised for the year ended 31 December 2025 was considered as non-cash items. We consistently presented the comparative amount for the year ended 31 December 2024.

Note b:

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

For impairment losses recognised on other receivable related items, as they are not related to normal business of the Company, we consider treating it as non-operating in nature.

Note c:

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

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

Property, Plant and Equipment

Property, plant and equipment decreased from approximately RMB34,761 million as at 31 December 2024 to approximately RMB31,015 million as at 31 December 2025. Decrease in property, plant and equipment was mainly attributable to depreciation charged during the year.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income increased from approximately RMB445 million as at 31 December 2024 to approximately RMB2,917 million as at 31 December 2025. Increase in financial assets at fair value through other comprehensive income was mainly attributable to addition of 4.76% equity interest in Zhonghuan Advanced Semiconductor Technology Co., Ltd* 中環領先半導體科技股份有限公司 (“**Zhonghuan Advanced**”) through acquisition of a subsidiary during the year.

Financial assets at fair value through other comprehensive income as at 31 December 2025 mainly consist of the below:

- The Group's investment in unlisted equity investments - Zhonghuan Advanced of approximately RMB2,479 million and SINO IC LEASING Co., Ltd* 蕊鑫融資租賃有限公司 (“SINO IC”) of approximately RMB422 million respectively;
- The Group's investment in listed equity investments - Lithium Argentina AG and Lithium America Corp. of approximately RMB16 million;

* *English name for identification purpose only*

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss decreased from approximately RMB2,771 million as at 31 December 2024 to approximately RMB2,661 million (including current and non-current part) as at 31 December 2025.

Financial assets at fair value through profit and loss as at 31 December 2025 mainly consist of the below:

Non-current assets:

- Unlisted equity investments mainly represents the investments in unlisted equity instruments issued by private entities established in the PRC and Hong Kong Special Administrative Region of approximately RMB637 million.
- Unlisted fund investments represents the investments in non-rating redeemable shares of private funds of approximately RMB481 million.
- Unlisted financial product investments issued by financial institutions and banks in the PRC of approximately RMB33 million.
- Investment in unsecured convertible bonds issued by Anyang Zhongyu Jinming Silicon Industry Co., Ltd.* (“**Zhongyu Jinming**”) 安陽市中豫錦明硅業有限公司, a private entity established in the PRC of approximately RMB287 million.
- Investment in the form of interests as limited partners in certain private entities, which held a portfolio of unlisted investments. The unlisted investments are mainly made up of private entities incorporated in the PRC and financial assets of approximately RMB148 million.

* *English name for identification purpose only*

Current assets:

Non-listed financial products issued by financial institutions and banks in the PRC and Hong Kong Special Administrative Region amounted to approximately RMB1,075 million.

Interests in Associates

Interests in associates decreased from approximately RMB5,578 million as at 31 December 2024 to approximately RMB3,247 million as at 31 December 2025. The decrease was mainly due to disposal of an associate and share of loss of associates during the year.

Interests in associates as at 31 December 2025 mainly consist of the below:

- The Group's 42.11% equity interest in Kunshan GCL of approximately RMB1,741 million;
- The Group's 6.42% equity interest in Inner Mongolia Zhonghuan GCL of approximately RMB629 million;
- The Group's 49.88% equity interest in Xuzhou Risheng of approximately RMB273 million;
- The Group's equity interest in Leshan Zhongping Polysilicon Photovoltaic Information Industry Investment Fund Partnership (Limited Partnership)* (樂山市仲平多晶硅光電信息產業基金合夥企業(有限合夥)) and Leshan Zhongping Nengxin Management Enterprise Management Consultancy Partnership (Limited Partnership)* (樂山市中平能鑫企業管理諮詢合夥企業(有限合夥)) of approximately RMB365 million in aggregate;
- The Group's 25% equity interest in Taicang Qianyuan of approximately RMB96 million; and
- The Group's 5.6% equity interest in GNE Group of approximately RMB67 million which include perpetual notes measured at fair value through other comprehensive income;

Trade and Other Receivables

Trade and other receivables increased from approximately RMB11,556 million as at 31 December 2024 to approximately RMB12,690 million as at 31 December 2025. The increase was mainly due to increase of trade and bill receivables during the year.

Trade and Other Payables

Trade and other payables decreased from approximately RMB10,967 million as at 31 December 2024 to approximately RMB10,947 million as at 31 December 2025. The slight decrease was mainly attributable to a reduction in construction payables, which was substantially offset by an increase in trade and bills payables during the year.

Balances with related companies

Amounts due from related companies decreased from approximately RMB791 million as at 31 December 2024 to approximately RMB679 million as at 31 December 2025. The decrease was mainly due to repayment of balances from related companies and provision made for balances from related companies during the year.

Amounts due to related companies decreased from approximately RMB312 million as at 31 December 2024 to approximately RMB252 million as at 31 December 2025. The decrease was mainly due to disposal of an associate and repayment of balances to related companies during the year.

Liquidity and Financial Resources

As at 31 December 2025, the total assets of the Group were approximately RMB75.9 billion, of which bank balances and cash amounted to approximately RMB9.29 billion and pledged and restricted bank deposits amounted to approximately RMB4.6 billion.

For the year ended 31 December 2025, the Group's main source of funding was cash generated from operating activities and financing activities.

Indebtedness

Details of the Group's indebtedness are as follows:

	As at 31 December 2025 <i>RMB million</i>	As at 31 December 2024 <i>RMB million</i>
Current liabilities		
Bank and other borrowings — due within one year	12,364	10,636
Lease liabilities — due within one year	42	55
	<u>12,406</u>	<u>10,691</u>
Non-current liabilities		
Bank and other borrowings — due after one year	6,047	8,353
Lease liabilities — due after one year	51	52
	<u>6,098</u>	<u>8,405</u>
Total indebtedness	18,504	19,096
Less: Bank balances and cash and pledged and restricted bank deposits	<u>(13,893)</u>	<u>(9,926)</u>
Net debt	<u><u>4,611</u></u>	<u><u>9,170</u></u>

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

	2025 <i>RMB million</i>	2024 <i>RMB million</i>
Secured	9,896	11,206
Unsecured	8,608	7,890
	18,504	19,096
Maturity profile of bank and other borrowings		
On demand or within one year	12,406	10,691
After one year but within two years	3,074	3,996
After two years but within five years	2,398	4,379
After five years	626	30
The Group's total bank and other borrowings	18,504	19,096

As at 31 December 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 31 December 2025	As at 31 December 2024
Current ratio	1.23	1.17
Quick ratio	1.16	1.08
Net debt to equity attributable to owners of the Company	11.6%	24.7%

Current ratio = Balance of current assets at the end of the year/balance of current liabilities at the end of the year

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

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

Policy risk

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

Credit Risk

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

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

Risk related to interest rate

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

Foreign currency risk

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

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

Risk related to disputes with joint venture partners

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

Pledge of or restrictions on assets

As at 31 December 2025, the following assets were pledged for certain bank and other borrowings, lease liabilities, or restrictions on assets, issuance of bills, short-term letters of credit for trade and other payables granted to the Group:

- Property, plant and equipment of RMB7.4 billion (31 December 2024: RMB8.0 billion)
- Right-of-use assets of approximately RMB0.3 billion (31 December 2024: RMB0.3 billion)
- Investment properties of approximately RMB0.3 billion (31 December 2024: RMB0.3 billion)
- Trade receivables and other receivables of approximately RMB5.1 billion (31 December 2024: RMB3.9 billion)
- Pledged and restricted bank deposits of approximately RMB4.6 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 31 December 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 31 December 2025, the Group's capital commitments in respect of purchase of property, plant and equipment contracted for but not provided amounted to approximately RMB1,085 million (2024: RMB1,889 million) and other commitments for investments in the form of equity contributions of approximately RMB355 million (2024: RMB568 million).

Contingencies

Financial guarantees contracts

As at 31 December 2025, the Group provided a total guarantee with maximum amount of approximately RMB510 million (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 RMB297 million (2024: RMB7 million).

Contingent liability

Save as disclosed in above, the Group did not have other significant contingent liabilities as at 31 December 2025 and 2024.

Material acquisitions and disposals

1. During the year the Group entered into a share transfer agreement to sell its 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**”) to an independent third party - Hefei Guocai Sanhao Fund at a consideration of RMB1.472 billion, as a result, a disposal gain of approximately RMB790 million was recognized during the year.
2. During the year the Group entered into a capital reduction agreement to reduce the capital of an associate, 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**”). After the capital reduction, the Group become the only limited partner while the other two limited partners agree to exit. As a result, Xuzhou Jincai has changed from an interest in associate to become a wholly-owned subsidiary of the Group. Xuzhou Jincai mainly hold 4.76% equity interest investment of Zhonghuan Advanced Semiconductor Technology Co., Ltd* 中環領先半導體科技股份有限公司 and the investment is classified as financial assets at fair value through other comprehensive income.

3. On 8 December 2025, the Group entered into the Partnership Agreement with certain investors for the establishment of the Wuhu GCL Zhichuang Enterprise Management Partnership (Limited Partnership)* (蕪湖協鑫智創企業管理合夥企業(有限合夥)) (the “**Limited Partnership**”) to acquire 42.469% equity interests of the Inner Mongolia Xinyuan Silicon Material Technology Co., Ltd.* (“**Inner Mongolia Xinyuan**”) 內蒙古鑫元硅材料科技有限公司. Inner Mongolia Xinyuan is a non wholly-owned subsidiary of the Company. Upon the establishment of the Limited Partnership, the Limited Partnership entered into the sale and purchase Agreements with each of Hongyuan Green Energy Co., Ltd.* (弘元綠色能源股份有限公司) (“**Hongyuan Green Energy**”) and Tibet Rui Hua Commercial Management Co., Ltd.* (西藏瑞華商業管理有限公司) (“**Tibet Ruihua**”) for the acquisitions of 42.469% equity interests of Inner Mongolia Xinyuan for an aggregate consideration of RMB2,010 million. For details, please refer to the announcements of the Company dated 8 December 2025 and 22 January 2026. Upon completion of the transaction, Inner Mongolia Xinyuan will continue to be a non wholly-owned subsidiary of the Company and its financial results will continue to be consolidated into the Group’s consolidated financial statement.

Save as disclosed above, there were no other significant acquisitions during the year ended 31 December 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 year ended 31 December 2025.

Significant Events and Business Development after Reporting Period

There were no significant event after the year ended 31 December 2025 and up to the date of this announcement.

Employees

We consider our employees to be our most important resource. As at 31 December 2025, the Group had approximately 8,120 employees (31 December 2024: 9,305 employees), in the PRC and overseas. Employees are remunerated with reference to individual performance, working experience, qualification and the prevailing industry practice. Apart from basic remuneration and the statutory retirement benefit scheme, employee benefits include but are not limited to discretionary bonuses, with share options granted to eligible employee.

DIVIDEND

The Board does not recommend the payment of any final dividend for the year ended 31 December 2025 (2024: Nil).

CODE ON CORPORATE GOVERNANCE PRACTICES

During the year ended 31 December 2025, the Company has complied with the code provisions of the Corporate Governance Code (the “**Code**”) as set out in Part 2 of Appendix C1 to the Listing Rules.

AUDIT COMMITTEE AND FINANCIAL INFORMATION

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

AUDITOR

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

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this preliminary announcement have been agreed by the Group’s auditor, Crowe (HK) CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by the Crowe (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Crowe (HK) CPA Limited on this preliminary announcement.

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 year ended 31 December 2025.

Pursuant to the announcements 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 had a long position and was interested through Asia Pacific Energy Fund Limited had 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, Mr. Zhu and Mr. Zhu Yufeng, being Mr. Zhu’s son and an executive Director of the Company, have been 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**”).

It has come to the Company’s attention that, following the 2025 July Announcement, Mr. Zhu and other relevant parties, filed the disclosure of interests forms under Part XV of the SFO. The Company has accordingly published an announcement on 14 September 2025 to update the market and to reflect all necessary changes to the Company’s previous disclosures in its relevant interim reports, annual reports, announcements and circulars published. For details, please refer to the announcement of the Company dated 14 September 2025.

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 his/her 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 the following actions:

- (a) the Company has established 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 has on the recommendation of its internal control consultant, arranged its legal advisors to highlight the provisions in the Model Code and disclosure of interest filing requirements under the SFO in the director training 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 has engaged an internal control consultant to conduct an independent internal control review in relation to the abovementioned incident. The internal control consultant did not identify any deficiencies in the Company's internal control system and the internal control consultant is of the view 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 year ended 31 December 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 announcements of the Company dated 19 December 2024 and 6 January 2025, respectively.

On 16 September 2025 (before trading hours), the Company entered into a subscription agreement and a placing agreement, in relation to the issue and placing of an aggregate of 4,735,651,000 Shares (collectively, “**Subscription Shares**”) at the subscription price of HK\$1.15 per Subscription Share (the “**2025 Placing II**”). On 19 November 2025, the Company completed the 2025 Placing II, the net proceeds of which, after taking into account all related costs, fees, expenses and commission, were approximately HK\$5,392 million. For details, please refer to the announcements of the Company in relation to the 2025 Placing II dated 16 September 2025, 25 September 2025, 10 October 2025, 7 November 2025 and 19 November 2025 respectively.

During the year ended 31 December 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).

Save as disclosed above, during the year ended 31 December 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

PUBLICATION OF INFORMATION ON HKEXNEWS WEBSITE

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

GLOSSARY OF TERMS

“Board” or “Board of Directors”	our board of Directors
“China” or “PRC”	the People’s Republic of China, for the purposes of this announcement, excludes Hong Kong and Macau Special Administrative Region of the PRC
“Company” or “GCL Tech”	GCL Technology Holdings Limited
“Director(s)”	director(s) of the Company or any one of them
“GNE” or “GCL New Energy”	GCL New Energy Holdings Limited, a limited liability company incorporated in Bermuda with its shares listed on the Stock Exchange (Stock Code: 451)
“GNE Group”	GNE and its subsidiaries
“Group”	the Company and its subsidiaries
“GW”	gigawatts
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Zhu”	Mr. Zhu Gongshan
“MT”	metric tonnes
“MW”	megawatts
“MWh”	megawatt hour

“Reporting Period”	for the year ended 31 December 2025
“Share(s)”	ordinary share(s) with nominal value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USA”	the United States of America
“W”	watts

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

Hong Kong, 30 March 2026

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

* *English name for identification purpose only*