

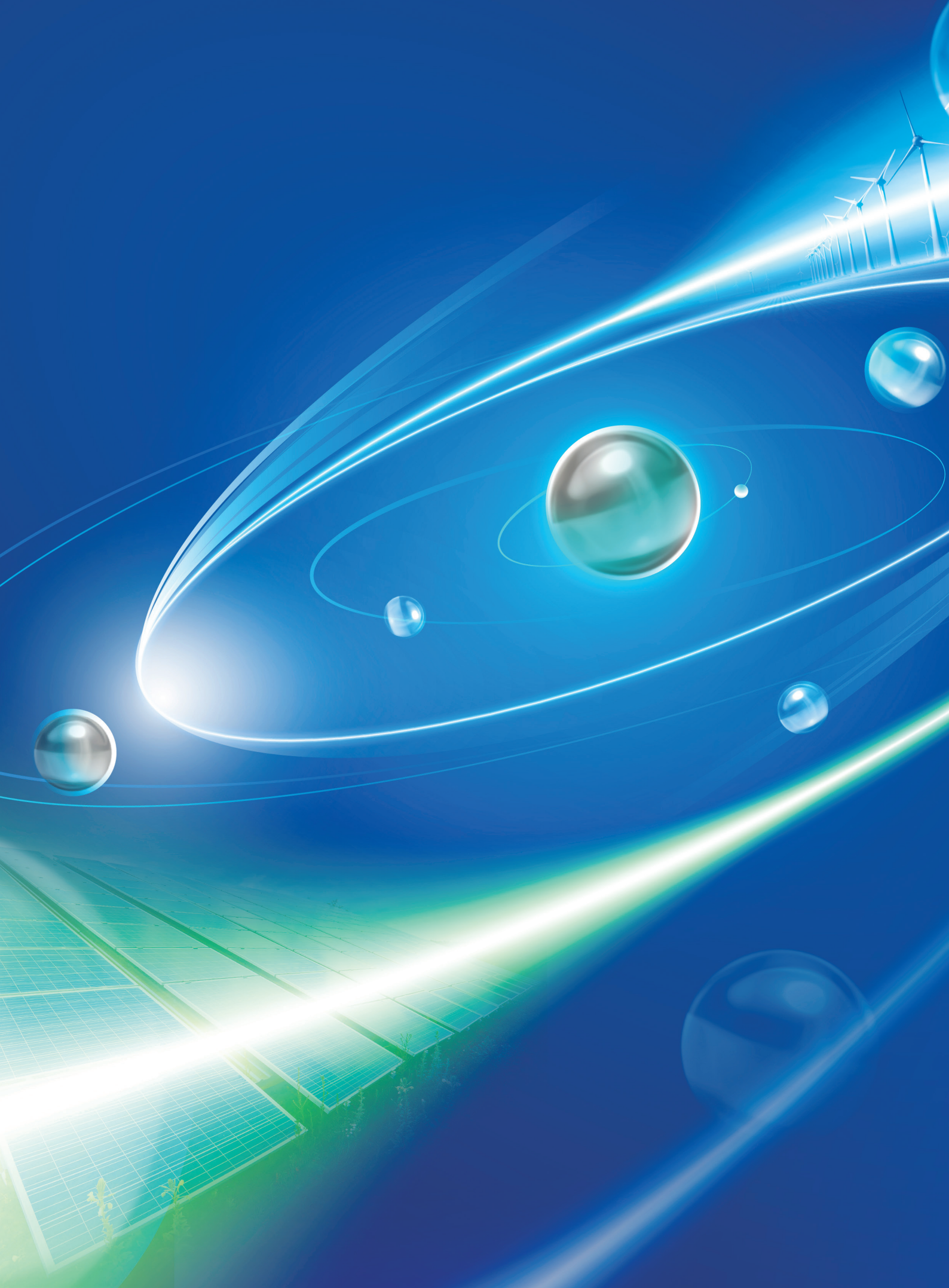


GCL Technology Holdings Limited
協鑫科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 3800)

ANNUAL REPORT
2025

Bringing **Green**
Power to Life





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FIVE-YEAR FINANCIAL SUMMARY

	For the year ended 31 December				2025 RMB'000
	2021	2022	2023	2024	
	RMB'000 (Restated)	RMB'000 (Restated)	RMB'000 (Restated)	RMB'000	
Continuing operations					
Revenue	16,868,378	35,930,485	33,700,479	15,097,560	14,424,933
Profit (loss) before tax	5,782,613	18,302,602	4,301,910	(6,192,948)	(2,696,495)
Income tax (expense) credit	(543,992)	(1,880,020)	(974,806)	544,996	(226,858)
Profit (loss) for the year from continuing operations	5,238,621	16,422,582	3,327,104	(5,647,952)	(2,923,353)
Profit (loss) for the year from discontinued operations	(537,614)	(942,631)	—	—	—
Profit (loss) for the year from continuing and discontinued operations	4,701,007	15,479,951	3,327,104	(5,647,952)	(2,923,353)
Profit (loss) for the year from continuing and discontinued operations attributable to:					
Owners of the Company	5,083,952	16,030,307	2,510,076	(4,750,396)	(2,867,891)
Non-controlling interests	(382,945)	(550,356)	817,028	(897,556)	(55,462)
	4,701,007	15,479,951	3,327,104	(5,647,952)	(2,923,353)
	At 31 December				2025 RMB'000
	2021	2022	2023	2024	
	RMB'000	RMB'000	RMB'000	RMB'000	
Total assets	64,097,914	85,564,468	82,768,172	74,874,157	75,882,769
Total liabilities	31,796,309	40,009,557	34,450,463	32,581,219	32,466,296
	32,301,605	45,554,911	48,317,709	42,292,938	43,416,473
Equity attributable to owners of the Company	29,026,013	42,682,274	42,587,016	37,177,048	39,866,666
Non-controlling interests	3,275,592	2,872,637	5,730,693	5,115,890	3,549,807
	32,301,605	45,554,911	48,317,709	42,292,938	43,416,473

PERFORMANCE HIGHLIGHTS

For the year ended 31 December

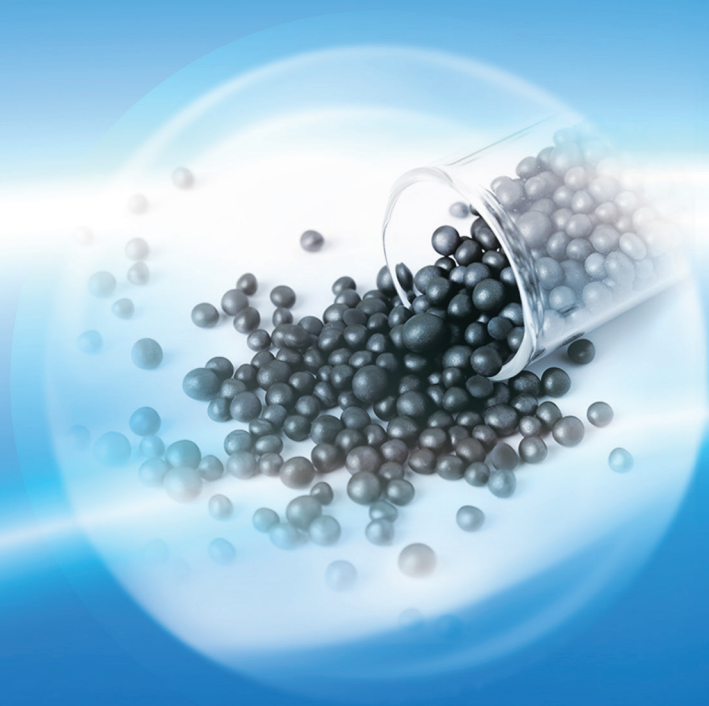
	2025 RMB'000	2024 RMB'000	Change RMB'000	% of change
Revenue				
Sales of polysilicon	9,852,767	8,673,317	1,179,450	13.6%
Sales of wafer	2,004,028	3,347,318	(1,343,290)	(40.1%)
Sales of electricity	84,044	140,402	(56,358)	(40.1%)
Sales of industrial Silicon	992,648	1,571,035	(578,387)	(36.8%)
Processing fees	290,014	387,909	(97,895)	(25.2%)
Others (Comprising the sales of ingots, silicon rods and silicon powder)	1,201,432	977,579	223,853	22.9%
	14,424,933	15,097,560	(672,627)	(4.5%)
Loss for the year attributable to owners of the Company	(2,867,891)	(4,750,396)	1,882,505	39.6%
	RMB Cents	RMB Cents	Change RMB Cents	% of change
Loss per share				
— Basic	(9.96)	(17.97)	8.01	44.6%
— Diluted	(9.96)	(17.97)	8.01	44.6%
	RMB million	RMB million	Change RMB million	% of change
Adjusted earnings (loss) before interest expense, tax, depreciation and amortization*	2,848	(1,401)	4,249	303.3%

* Definition of adjusted EBITDA/(LBITDA) is disclosed in the "Management Discussion and Analysis" Section.

As at 31 December

	2025 RMB'000	2024 RMB'000	Change RMB'000	% of change
Extracts of consolidated statement of financial position				
Equity attributable to owners of the Company	39,866,666	37,177,048	2,689,618	7.2%
Total assets	75,882,769	74,874,157	1,008,612	1.3%
Bank balances and cash, pledged and restricted bank deposits	13,892,600	9,926,379	3,966,221	40.0%
Indebtedness [#]	18,503,658	19,095,320	(591,662)	3.1%
Key financial ratios				
Current ratio	1.23	1.17	0.06	5.1%
Quick ratio	1.16	1.08	0.08	7.4%
Net debt to equity attributable to owners of the Company	11.6%	24.7%	(13.1%)	(53.0%)

[#] Indebtedness includes bank and other borrowings and lease liabilities.



GCL Technology Holdings Limited was established in 2006 and listed on the Main Board of the Hong Kong Stock Exchange in 2007 (stock code: 3800. HK), is a constituent stock of the Hang Seng Composite Index, a constituent stock of the Hang Seng China (Hong Kong-listed) 100 Index, and a constituent stock of the MSCI China All-Stock Index of MSCI, an international authoritative index agency. The Company has operations mainly in the United States, Hong Kong, Suzhou, Xuzhou, Leshan, Baotou, Zhongwei.

Shouldering the mission of “focusing on green development and continuously improving human living environment” and as the leading R&D and manufacturer of high-efficiency solar materials in world, the Company continues to break through the key technologies of the industry, promote the progress of the industry with technologies, lead the development direction of high-efficiency solar material technology, and has maintained a technology driver position in the polysilicon industry. The fluidized bed reactor (FBR)-based granular silicon technology with independent intellectual property rights developed by the Company after ten years of hard work has multiple advantages such as low cost, high quality and low carbon footprint, setting a record for the lowest silicon carbon footprint at home and abroad, and has become a green energy to promote deep carbon control and emission reduction in the photovoltaic industry.



COMPANY PROFILE



MAJOR EVENTS 2025

○ JANUARY

On January 3, the “Seeing the Future • 2024 7th Capital Market Summit Forum and Golden Jubilee Award Annual Ceremony (見未來 • 2024第七屆資本市場高峰論壇暨金禧獎年度頒獎盛典)” was held in Beijing. At the meeting, GCL Technology won three major awards: the “2024 New Quality Productivity Star (2024新質生產力之星)”, the “Golden Jubilee Award · 2024 Extraordinary Influence Company (金禧獎·2024非凡影響力公司)”, and the “Golden Jubilee Award · 2024 Extraordinary Competitiveness Company (金禧獎·2024非凡競爭力公司)”, which once again proved the Company’s active contribution and outstanding achievements in the exploration of new quality productivity.

On January 15, XUEQIU released the 2024 Golden List of Potential Companies. GCL Technology successfully made the list due to its sound and robust finances, continuous growth in profitability, and significant upward trend in brand reputation.

On the evening of January 21, GCL Technology issued an announcement related to the latest progress of its granular silicon business. In the fourth quarter of 2024, the Company’s cash cost of granular silicon once again broke the limit, creating a new industry low of only RMB28.17/kg, injecting a shot in the arm for the photovoltaic industry in the cold winter. At the same time, GCL Technology also stated in the announcement that the Company had completely withdrawn from relevant direct and indirect investments in Siemens-method polysilicon, and fully focused on the industrial development of its four major 100,000-ton granular silicon bases located in Xuzhou, Jiangsu; Leshan, Sichuan; Hohhot and Baotou, Inner Mongolia.

○ FEBRUARY

On February 24, the Baotou granular silicon base, a subsidiary of GCL Technology, obtained the carbon footprint certification from the Agence de l’environnement et de la maîtrise de l’énergie (ADEME), with carbon emissions of only 14.441 kilograms of carbon dioxide equivalent per kilogram of granular silicon. This figure is a significant reduction of 42% compared to the carbon footprint of 24.913 kilograms of carbon dioxide equivalent of the granular silicon produced at the Leshan base certified by the agency in August 2024, once again setting a new lowest carbon footprint record in the global polysilicon industry.

MARCH

On March 20, GCL Technology released its 2024 annual performance forecast, expecting an annual loss of RMB4.8 billion. Benefiting from the outstanding performance of the granular silicon business, the Company's loss was significantly reduced, and its performance stood at the median level among leading silicon material enterprises. GCL Technology also announced that Executive Directors including Zhu Gongshan, Zhu Zhanjun, Sun Wei, Lan Tianshi, and Yeung Man Chung had proactively and voluntarily reduced their annual remunerations. The total annual remuneration of all Executive Directors was reduced to approximately RMB16.4 million (for 2024) and approximately RMB16.3 million (for 2025). Compared to the RMB188 million in 2023, the remuneration reduction for Executive Directors exceeded 90%.

On March 21, on the last day of the 2025 China Enterprise Training and Development Annual Conference, the 14th Talent Development Elite Award Ceremony was grandly held. GCL Technology's "GCL Voyage Plan - Mid- and Senior-Level Executives Innovation Empowerment Training Camp (鑫遠航計劃——中高管創新賦能訓練營)" won the title of "Brand Learning Project (品牌學習項目)".

On March 26, Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd. was officially awarded the SA8000 certification certificate by Social Accountability International (SAI), becoming the first enterprise of GCL in the silicon material sector to open the door to international SA8000 certification, setting a new benchmark in the industry and injecting new momentum into the global development of the new energy industry.

On March 29th, GCL Technology held its 2024 annual results presentation in Suzhou. The Company's senior management, Zhu Gongshan, Chairman of the Board, Zhu Zhanjun, Vice Chairman of the Board, Lan Tianshi, joint CEO, Yeung Man Chung, Charles, CFO and the Company Secretary, Professor Shen Wenzhong, Independent Non-Executive Director, Jiang Limin, Chief Scientist of the Company, and Fan Bin, Chairman of Kunshan GCL, attended the presentation and interacted with domestic and foreign investors. Professor Shen delivered a report entitled "Cutting-edge Solar PV Technology and Development Trends".

MAJOR EVENTS 2025 (CONTINUED)

APRIL

On April 6, GCL Technology announced the latest progress of its solar material business. The EBITDA of the Company's solar material business (Earnings Before Interest, Taxes, Depreciation and Amortization) achieved RMB505 million (RMB, the same below) in the first quarter of 2025, taking the lead in the industry to achieve a stable positive cash flow. It is worth noting that GCL Technology also disclosed in the announcement that the average cash cost of granular silicon in the first quarter dropped again compared to RMB27.14/kg in January and February, reaching as low as RMB27.07/kg.

On April 16, the first "Red Key Cup" Party Building Empowering Enterprise Operation and Management Case Competition ("紅鑰匙杯"黨建賦能企業經營管理案例比武) (hereinafter referred to as the "Red Key Cup"), jointly organized by the Enterprise Party Building and Corporate Culture Working Committee of the China Culture Administration Association in collaboration with experts from relevant colleges and member enterprises, was held at the Party School of the Guizhou Provincial Committee of the CPC. The "Three Highlights of Party Building, Lighting Up GCL Technology (黨建三亮點亮協鑫科技)" case submitted by the Party-Masses and Corporate Culture Group of GCL Technology (協鑫科技黨群與企業文化組) stood out from more than 120 cases nationwide after a month-long preliminary selection and re-examination, and competed on the same stage with 8 central/state-owned enterprises and 1 private enterprise in the finals. With quantitative data, solid content, rich results, and excellent on-site presentation and defense, it was ultimately awarded the first prize of the "Red Key Cup", winning the first first-prize honor for a party building case awarded by a national-level association for GCL Technology.

On April 29, Inner Mongolia Xin Huan Silicon Energy Technology Co., Ltd., a subsidiary of GCL Technology Holdings Limited, brought good news: after authoritative certification by the Agence de l'environnement et de la maîtrise de l'énergie (ADEME), the full lifecycle carbon footprint of the Company's granular silicon products dropped to 18.050 kilograms of carbon dioxide equivalent per kilogram, far exceeding the industry average, and set a new global record for the lowest carbon footprint of a granular silicon production base (excluding industrial silicon).

MAY

On May 9, on the eve of the 9th "China Brand Day", the "9th China Listed Companies Brand Value List Presentation in 2025 (2025第九屆中國上市公司品牌價值榜發布會)" hosted by National Business Daily and academically supported by the China Enterprise Research Center of the School of Economics and Management at Tsinghua University was held in Shanghai. GCL Technology was honored as the "2025 Leading Private Brand of the Year among China's Listed Companies (2025中國上市公司年度民營領軍品牌)" due to its innovative breakthroughs and industry influence in the field of solar material.

On May 30, GCL Technology held its 2025 annual general meeting at the Suzhou Energy Center. Zhu Gongshan, Chairman of the Board of Directors and Co-Chief Executive Officer, Lan Tianshi, Co-Chief Executive Officer, Li Junfeng, Independent Non-Executive Director, Song Hao, Assistant Vice President, of GCL Technology and more than 10 shareholder representatives attended the meeting on-site.

MAJOR EVENTS 2025 (CONTINUED)

JUNE

On June 11, during the 18th (2025) International Photovoltaic Power Generation and Smart Energy Conference & Exhibition (Shanghai), GCL Technology and GoodWe officially signed a strategic cooperation agreement. The two parties will carry out in-depth cooperation centered on the R&D and application of low-carbon solar material to jointly promote the green and low-carbon transformation in the field of Building Integrated Photovoltaics (BIPV).

On June 13, during the 18th (2025) International Photovoltaic Power Generation and Smart Energy Conference & Exhibition (Shanghai), GCL Technology won the “Terawatt Diamond Award”, the highest honor in the SNEC Top 10 Highlights selection, relying on its granular silicon technology.

On June 18, at the “Listed Companies Sustainable Development Annual Conference and the 21st New Fortune Golden Board Secretary & the 8th New Fortune Best IR Hong Kong Listed Company Award Ceremony (上市公司可持續發展年會暨第二十一屆新財富金牌董秘、第八屆新財富最佳IR港股公司頒獎典禮)” hosted by New Fortune was held in Jiangyin, Jiangsu, GCL Technology won the “8th New Fortune Best IR Hong Kong Listed Company” award for its outstanding investor relations (IR) management and capital market performance, once again receiving high recognition from the industry.

JULY

On July 19, the 2025 Mid-year Economic Work Conference and “Outstanding Communist Party Members” Commendation Conference of Golden Concord Group was grandly held at the Suzhou GCL Energy Center. At the meeting, the Group Party Committee grandly commended 35 “Outstanding Communist Party Members” including Ding Hao. A total of 14 party members from GCL Technology were on the list, accounting for 40% of all “Outstanding Communist Party Members”.

On July 30, the “OFweek 2025 (16th) Solar Photovoltaic Industry Conference and Photovoltaic Industry Annual Selection Award Ceremony” hosted by OFweek was grandly held in Shenzhen. GCL Technology won the title of “11th Photovoltaic Industry Excellent Raw/Auxiliary Material Enterprise in OFweek Electronics Awards (維科杯·OFweek 第十一屆光伏行業卓越原材料/輔材企業)” relying on its world-leading granular silicon technology and green low-carbon contributions.

MAJOR EVENTS 2025 (CONTINUED)

AUGUST

On August 21, the Quality Management Center of GCL Technology held the 2025 Quality Month Activity Launch Ceremony and Proposal Briefing Session, comprehensively deploying various tasks for the Quality Month themed “Write what you do, do what you write”. Over 30 people, including the persons in charge of quality functions and event promotion personnel from various business divisions and directly affiliated companies, attended the meeting online.

On August 29, GCL Technology released its 2025 interim financial report. The Company’s revenue was RMB5.735 billion, with a gross loss of RMB700 million. It is worth noting that the Company’s EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) in the first half of the year was approximately RMB380 million, a year-on-year increase of 325.8%.

SEPTEMBER

On September 8, the 25th China International Fair for Investment and Trade, a major international exhibition themed on investment, grandly opened in Xiamen, Fujian. Delegations from more than 120 countries and regions and 11 international organizations attended the event. At the event, GCL Technology’s “cutting-edge technology” products FBR granular silicon and large-size perovskite modules made a stunning appearance, winning high-frequency attention and praise from domestic and foreign investment guests.

On September 16, GCL Technology, a leading photovoltaic high-tech granular silicon enterprise, issued an announcement declaring a financing agreement with Infini Capital, an internationally renowned investment institution. The Company will place approximately 4.736 billion shares through a private placement to raise HK\$5.446 billion (approximately US\$700 million), further consolidating the safety and stability of the Company’s equity structure.

On September 16, the Renshou County Party Committee and County Government of Sichuan Province specially sent a congratulatory letter to Golden Concord Group, congratulating Sichuan GCL Lithium Battery Technology Co., Ltd., a subsidiary of the Group, on its remarkable achievements after a year of process upgrades, quality improvements, and capacity ramping since it was put into production, relying on the globally original GCL-PHY one-step physical method process to manufacture new lithium iron phosphate materials.

OCTOBER

On October 10, the “Oriental Horizon” column broadcast simultaneously on CCTV’s General Channel and News Channel launched a multi-dimensional and matrix-style analytical report. Themed “Why have multiple departments intensively intervened to rectify price wars this year? The signal of “anti-involution” policies continues to strengthen”, it focused on GCL Technology’s responsibility and commitment in actively responding to the national “anti-involution” policy and striving to act as a typical representative driving the high-quality development of the industry, fully demonstrating GCL Technology’s leading effect in industry self-discipline, capacity optimization, and technological innovation.

On October 16, GCL Technology issued a voluntary announcement disclosing that the Company’s solar material business successfully achieved a counterattack in the third quarter of 2025, realizing a major performance turnaround, and took the lead in turning losses into profits within the industry, setting a vivid practical example for the national “anti-involution” strategic action. According to the announcement, GCL Technology’s solar material business recorded a profit of approximately RMB960 million during the period, representing a huge contrast with the loss of RMB1.81 billion for the corresponding period last year, demonstrating its strong resilience and sustainable capabilities against the backdrop of intensified industry competition.

On October 24, at the International Energy Transformation Forum, GCL’s technical strength once again won authoritative recognition—its two “cutting-edge technologies” granular silicon and perovskite, were awarded the honorary title of “Great Energy Products from China (中國能源好物)” by the National Energy Administration. This honor is not only an affirmation of GCL’s promotion of global energy transformation and technological progress, but also echoes the granular silicon achievements shared by Dr. Liu Tao at the Future Energy Conference, jointly confirming the hard strength of GCL’s technology, and indicating that the “Chinese wisdom” and “Chinese solutions” provided by GCL are becoming the core focus of the global energy sector.

On October 27, on the occasion of the 35th anniversary of Golden Concord Group, the finals of the “Hear · GCL Voice (聽見·鑫聲)” theme speech competition jointly hosted by the Group Trade Union and GCL University concluded successfully. As the core business segment of the Group, GCL Technology Holdings Limited performed particularly well at this cultural event. A total of 6 contestants successfully advanced to the finals, making it the enterprise unit with the largest number of participants, and won multiple honors with outstanding speech strength, highlighting the profound cultural heritage and talent vitality of GCL Technology.

MAJOR EVENTS 2025 (CONTINUED)

NOVEMBER

On November 8, the 2025 Xiamen Industrial Development Conference and Jinyuan Group Cup · Listed Companies (Hong Kong Stocks) Golden Bull Award (2025廈門產業發展大會暨金圓集團杯·上市公司 (港股) 金牛獎) ceremony was grandly held in Xiamen. As a leading enterprise in the global clean energy and new materials field, GCL Technology, along with well-known enterprises such as J&T Express and Leapmotor, won the “Overseas Innovation Golden Bull Award (出海創新金牛獎)” for its outstanding performance in globalization layout, overseas output of technology, and green innovation, becoming a benchmark model for technological innovation and global expansion in the Hong Kong stock market.

DECEMBER

On December 4, Inner Mongolia Xin Yuan Silicon Material Technology Co., Ltd. (Baotou Base), a subsidiary of GCL Technology, received a Life Cycle Assessment Verification Opinion Statement issued by the internationally authoritative certification organization British Standards Institution (BSI). The Company’s granular silicon product’s “cradle to gate” carbon footprint is only 14.2756 kg CO₂e/kg, significantly lower than the industry average, creating a new record for low-carbon production of silicon-based materials.

On December 8, GCL Technology issued a significant announcement, proposing to acquire a 42.469% equity interest in Inner Mongolia Xin Yuan Silicon Material Technology Co., Ltd. (hereinafter referred to as “Inner Mongolia Xin Yuan”) for a total consideration of RMB2.01 billion by establishing a limited partnership. After the completion of the transaction, GCL Technology’s shareholding in Inner Mongolia Xin Yuan will approach 100%, and the granular silicon capacity of this top enterprise in the industry will be fully consolidated, bringing a significant increase to the Company’s net profit attributable to the parent company, highlighting the Company’s strategic foresight in laying out high-quality assets at the bottom of the industry cycle.

Within a week from December 9 to December 12, the Company successively won the title of “Low-Carbon Role Model (低碳榜樣)” in the first “Qinglv Award (青綠獎)”, and the “New Energy and New Materials Outstanding Competitiveness Listed Company (新能源新材料卓越競爭力上市公司)” award in the “2025 15th Listed Companies Reputation List (2025第十五屆上市公司口碑榜)”. The grant of these two awards is a recognition by the industry and the capital market of the Company’s core strength in green transformation, technological innovation, and operational development, and also lays a solid foundation for the Company to continue deepening its industrial layout and expanding cooperation space.

On December 27, at the “2025 Forbes China Industry-Finance Pioneer Selection (2025福布斯中國產融先鋒評選)” award ceremony jointly hosted by Forbes China and Champion Master, GCL Technology won the “Industry-Finance Integration Leading Enterprise (產融結合領軍企業)” award for its outstanding practice and industry-leading role in the field of industry-finance integration, and the Company’s Co-Chief Executive Officer Lan Tianshi simultaneously won the “Industry-Finance Pioneer Leading Figure (產融先鋒領軍人物)” award.

CHAIRMAN'S STATEMENT AND CEO'S REVIEW OF OPERATIONS AND OUTLOOK



**Zhu
Gongshan**
Chairman

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.



CHAIRMAN'S STATEMENT AND CEO'S REVIEW OF OPERATIONS AND OUTLOOK (CONTINUED)

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.

1. China Photovoltaic Industry Association

CHAIRMAN'S STATEMENT AND CEO'S REVIEW OF OPERATIONS AND OUTLOOK (CONTINUED)

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 2.76 m² 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.

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.



CHAIRMAN'S STATEMENT AND CEO'S REVIEW OF OPERATIONS AND OUTLOOK (CONTINUED)

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.

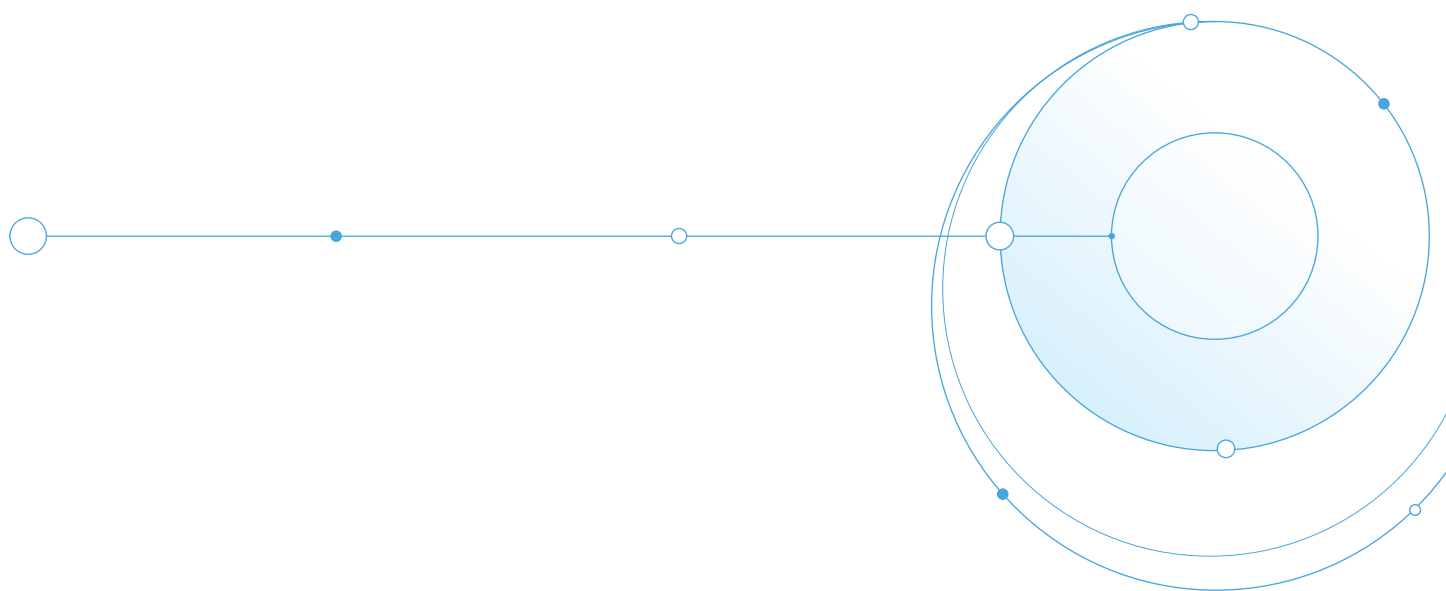
DIGITAL-INTELLIGENT TRANSFORMATION: AI RESHAPING CORPORATE DYNAMICS

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.

CHAIRMAN'S STATEMENT AND CEO'S REVIEW OF OPERATIONS AND OUTLOOK (CONTINUED)

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

To raise capital for the Company for its business development and to broaden the Shareholder base of the Company, 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, no less than six independent placees who would be professional investors 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**”). The aggregate nominal value of those 1,560,000,000 Shares under the Placing I was HK\$156,000,000. The closing price of the Share on 18 December 2024 was HK\$1.21 per Share. 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.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 <i>HK\$ million</i>	Utilisation during the year ended 31 December 2025 <i>HK\$ million</i>	Unutilised as at 31 December 2025 <i>HK\$ million</i>
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.

In order to provide the Group with further capital, to further broaden the Shareholder base of the Company, and to strengthen the financial position and market position of the Group, 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**”) to Infini Global Master Fund at the subscription price of HK\$1.15 per Subscription Share (the “**2025 Placing II**”). The Subscription Shares have an aggregate nominal value of HK\$473,565,100 based on a nominal value of HK\$0.1 per Share. The closing price of the Share on 15 September 2025 was HK\$1.26 per Share. 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.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 <i>HK\$ million</i>	Utilisation during the year ended 31 December 2025 <i>HK\$ million</i>	Unutilised as at 31 December 2025 <i>HK\$ million</i>
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.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 $\leq 0.5\text{ppbw}$ and 18 elements $\leq 1\text{ppbw}$.

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

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 statement and CEO's review of operations and outlook" section of this report.

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.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 Expense/(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.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

NON-IFRS FINANCIAL MEASURES — ADJUSTED EBITDA/(LBITDA)

Adjusted EBITDA/(LBITDA) is earnings (loss) 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/(LBITDA) 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/(LBITDA) have been presented in this annual report. 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/(LBITDA) for the years ended 31 December 2025 and 2024 to its most directly comparable IFRS measurement and loss for the year:

	2025 RMB'million	2024 RMB'million
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/(LBITDA)	2,848	(1,401)

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 (gain), net 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, associates or associates' investments, are consider 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

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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-voting 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.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 Crystal 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.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

	2025 RMB million	2024 RMB million
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



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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 material acquisitions or disposals of subsidiaries, associates or joint ventures during the year ended 31 December 2025.

Significant Investment

The Group did not hold any significant investment for the year ended 31 December 2025.

As at the date of this annual report and to the best of the knowledge of the Company, the Group has no future plan for material investments or capital assets in the coming year.

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 report.

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.

MAJOR INVESTOR RELATIONS ACTIVITIES

The management of the Company firmly believes that effective investor relations enhance investors' understanding of the Company, elevate corporate governance standards, and create shareholder value. We consistently prioritize creating long-term shareholder value in decision-making, fostering a healthy interactive ecosystem between management and the capital market to continuously promote a dynamic balance between the Company's intrinsic value and market value.

In 2025, we conducted a total of 985 online and offline roadshows with global investors (including 652 institutional roadshows), engaging with 4,995 participants. During the period, there were 368 exchanges with overseas institutional investors, involving 1,090 investors. In 2025, we organized up to 33 investor research sessions for domestic and overseas investors across the Company's major production bases and headquarters.

In 2025, we received first-time research coverage initiated by several top-tier foreign brokerages, including J.P. Morgan, UBS, Citibank, and BNP Paribas. During the period, we achieved full coverage by top-tier domestic and overseas brokerages, and the Company currently maintains research coverage from 15 overseas brokerages. These overseas brokerages published 58 investment research reports on the Company in 2025, significantly enhancing the Company's transparency in the international capital market.

In 2025, we participated in 18 investor strategy meetings hosted by overseas brokerages, conducting one-to-one or small-group closed-door meetings with over a hundred large international financial institutions. During the period, we completed multiple overseas roadshows for the Company's core management. The management personally traveled to the United States, the United Kingdom, France, Switzerland, Singapore, and Hong Kong, China, conducting candid and in-depth exchanges with the Company's overseas institutional shareholders and potential institutional investors.

We continued to produce in-depth industry research and benchmarking analysis reports, delivering various analytical reports to management from time to time, including post-trading reviews and capital market feedback reports, to enhance their understanding of the capital market and institutional investment strategies. We implemented IRM system tools such as Comein Finance and roadshow platforms for communication management and event coordination, established a comprehensive investor relations ecosystem, and fully embraced the capital market.



CORPORATE ENVIRONMENTAL POLICIES AND PERFORMANCE

Corporate Environmental Policies and Performance

As a leader in the global zero-carbon energy high-tech materials sector, GCL Technology has always embedded ESG into its corporate development DNA, integrating it throughout the entire process of strategic layout and innovative practice. Guided by the green orientation of “material carbon reduction, technological carbon governance, and full-chain decarbonization”, we place environmental protection and sustainable development at the core of our strategy. Amid the global energy transition and industrial restructuring, we practice the corporate mission of “dedicating to green growth to keep improving the human living environment”, building a solid foundation for long-term development with sound environmental management and excellent environmental performance.

In 2025, the Company continued the ESG development philosophy of “Infinity”, continuously improved the construction of the sustainable development system and full-process management, continuously optimized the ESG governance structure, and integrated the concept of sustainable development into all aspects of corporate operations. Simultaneously, we established a comprehensive carbon management system, scientifically coordinated carbon emission control work, and clarified carbon emission reduction targets and clear implementation pathways for each stage, providing solid support for the green and low-carbon transition.

Technology Infinity: Against the backdrop of the advancement of global “Dual Carbon” goals and the continuous improvement of the green trade system, low-carbon FBR granular polysilicon has provided key support for the industry to break through international green trade barriers. It has obtained carbon footprint certifications from China, France, Germany, and the UK, and created a new carbon emission record of 14.2756kgCO₂e/kg. Relying on its low-carbon nature, granular polysilicon can reduce the full lifecycle carbon emissions of photovoltaic modules from the source, and empower downstream customers to reduce Scope 3 emissions, helping the industrial chain achieve carbon neutrality goals and accelerating the progress of a zero-carbon world.

Green Infinity: The Company actively responds to global climate change challenges. Taking “low-carbon technological innovation, industrial ecological integration, digital and intelligent empowerment, and global climate impact” as its climate strategy, it has built a multi-dimensional action framework covering operations, value chains, full product lifecycles, and carbon removal. It has comprehensively established short-, medium-, and long-term greenhouse gas emission targets, and clearly proposed the long-term vision of achieving carbon neutrality at the operational level no later than 2040, and achieving carbon neutrality across the full value chain no later than 2050. Meanwhile, the Company systematically conducts climate risk identification and assessment across the full value chain, formulates targeted measures combining industrial characteristics, and continuously enhances climate resilience and sustainable development capabilities. By improving the environmental management system and deepening energy-saving technological transformations and process optimization, the Company achieved cumulative electricity savings of 71,317 MWh and annual water conservation of 3.7537 million metric tons this year. In 2025, Leshan GCL was successfully recognized as a national-level green factory, Jiangsu Zhongneng , Xuzhou Photovoltaic and Funing Photovoltaic continuously maintained the titles of national-level “Green Factory”.

CORPORATE ENVIRONMENTAL POLICIES AND PERFORMANCE (CONTINUED)

Talent Infinity: Under the philosophy of “One GCL”, GCL Technology fosters a diverse and inclusive, safe and healthy, and continuously learning organizational atmosphere. It improves talent development mechanisms to promote the mutual growth of individuals and the enterprise. The Company builds a talent pipeline development strategy, directionally attracting and cultivating talents through projects such as the “Starlight: Global Trainee” Program and “North Star: R&D PhD Hiring” Program, forming a stable talent pipeline. Simultaneously, it establishes a scientific remuneration, fair performance, and diversified incentive system, optimizes the working environment, and enhances employees’ sense of belonging. Relying on the “GCL 5 Journey Program” training system, it conducts systematic training by level and category, assisting employees in improving their skills and broadening their career development paths.

Value Infinity: The Company strictly adheres to governance standards and practices compliant operations, achieving a win-win situation for both economic and social value. We are committed to continuously improving the ESG management system, deeply integrating the ESG concept into our operations, strengthening the functions of the ESG Committee, and building a comprehensive management system to empower new quality productive forces with efficient governance. In terms of value chain management, we establish a sustainable development mechanism for the full lifecycle of the supply chain, conduct supervision and evaluation through the ISO 20400 Sustainable Procurement Guidelines, and join hands with suppliers to jointly formulate environmental targets, deepening green procurement and responsibility synergy. In terms of community co-construction, the Company actively fulfills its social responsibilities, builds an employee volunteer platform, and promotes the implementation of public welfare philanthropy and ecological protection. While creating economic value, it promotes the harmonious coexistence of the community and the environment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

For details, please refer to the Environmental, Social and Governance Report published separately by the Company.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

ZHU Gongshan (Chairman and Joint CEO), aged 68, is the founder of the Company. He has been an Executive Director and the Chairman of the Company since July 2006. Mr. Zhu Gongshan is also a member of the Strategy and Investment Committee of the Company and a director of several subsidiaries of the Company. He has been appointed as the Joint CEO of the Company since February 2025. He is also the chairman of Golden Concord Group Limited* (協鑫集團有限公司), a director of GCL System Integration Technology Co., Ltd. (協鑫集成科技股份有限公司), a company with its shares listed on the Shenzhen Stock Exchange (Stock Code: 002506) and GCL Energy Technology Co., Ltd. (協鑫能源科技股份有限公司), a company with its shares listed on the Shenzhen Stock Exchange (Stock Code: 002015). Mr. Zhu Gongshan is also an executive director and the chairman of GCL New Energy Holdings Limited, a company with its shares listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 00451). Mr. Zhu Gongshan is the father of Mr. Zhu Yufeng. Mr. Zhu Gongshan serves as a member of the 12th National Committee of the Chinese People's Political Consultative Conference (the "CPPCC"), a member of the 12th Jiangsu CPPCC, the vice chairman of the 11th Jiangsu Federation of Industry and Commerce (江蘇省工商聯), the chairman of Global Green Energy Industry Council (全球綠色能源理事會), the chairman of Asian Photovoltaic Industry Association (亞洲光伏產業協會), a deputy director of the Green and Low Carbon Development Promotion Committee of China Enterprise Confederation (中國企業聯合會企業綠色低碳發展推進委員會), an executive vice president of the Electric Vehicle and Energy Storage Branch of China Electricity Council (中國電力企業聯合會電動交通與儲能分會). Mr. Zhu concurrently serves as the chairman of the Global Energy Storage and Battery Council (全球儲能與電池理事會), chairman of the China New Energy Overseas Development Alliance (中國新能源海外發展聯盟), vice chairman of the China Energy Research Society (中國能源研究會), and the executive chairman of the ICC China Environment and Energy Commission (國際商會中國國家委員會環境與能源委員會), the vice chairman of China Federation of Overseas Chinese Entrepreneurs (中國僑商聯合會), the vice chairman of China Fortune Foundation Limited (中國富強基金會), the vice chairman of China Industrial Overseas Development & Planning Association (中國產業海外發展和規劃協會), the honorary chairman of Jiangsu Residents Association in Hong Kong (江蘇旅港同鄉聯合會), the honorary chairman of the Federation of HK Jiangsu Community Organisations (香港江蘇社團總會), the honorary chairman of Suzhou Federation of Industry and Commerce (蘇州市工商聯), the chairman of SNEC Hydrogen Energy Industry Alliance Council (SNEC氫能產業聯盟理事會) and the honorary chairman of the Nanjing University Board of Trustees, etc. Mr. Zhu has been given the "New China 70th New Energy Industry 10 Outstanding Contributors (新中國70周年新能源產業十大傑出貢獻人物)" award, the honours of "Chinese Enterprise Reform of 40 Years Reform and Opening Medal (改革開放四十年中國企業改革獎章)", the "Figure of Energy Revolution of 40 Years Reform and Opening (改革開放四十年能源變革風雲人物)", the "Leading Energy Entrepreneur of 40 Years Reform and Opening (改革開放四十年能源領袖企業家)" and the "25 Most Influential Entrepreneurs (最具影響力的25位企業家)", etc. Mr. Zhu graduated from Nanjing Electric Power College (南京電力專科學校) and obtained a diploma in electrical automation.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

ZHU Yufeng (Vice Chairman), aged 44, has been an Executive Director of the Company since September 2009 and is a member of the Remuneration Committee of the Company. Mr. Zhu Yufeng has been appointed as a Vice Chairman of the Board since September 2022. Mr. Zhu Yufeng is also a director of several subsidiaries of the Company. Mr. Zhu Yufeng is the son of Mr. Zhu Gongshan. Mr. Zhu Yufeng joined a subsidiary of the Company in 2006. He is responsible for human resources, administration and project tender of the Company. Mr. Zhu Yufeng currently is also the vice chairman and president of Golden Concord Group Limited* (協鑫集團有限公司), the chairman of GCL System Integration Technology Co., Ltd. (協鑫集成科技股份有限公司), a company with its shares listed on the Shenzhen Stock Exchange (Stock code: 002506) and GCL Energy Technology Co., Ltd. (協鑫能源科技股份有限公司), a company with its shares listed on the Shenzhen Stock Exchange (Stock code: 002015), an executive director and the vice chairman of GCL New Energy Holdings Ltd., a company with its shares listed on the Main Board of the Hong Kong Stock Exchange (Stock code: 00451). Mr. Zhu Yufeng is the vice chairman of China Electricity Council (中國電力企業聯合會), the vice president of China Electric Power Construction Association (中國電力設施企業協會), the vice president of General Chamber of Commerce of Jiangsu Province (江蘇省總商會), the president of Jiangsu Youth Chamber of Commerce (江蘇省青年商會), the founding president of Suzhou Chamber of Commerce in Hong Kong (香港蘇州商會), vice chairman of the 14th and 15th committee of Suzhou Federation of Industry and Commerce (蘇州市工商會), and a member of the 14th and 15th committees of CPPCC in Suzhou City (蘇州市政協). In addition, Mr. Zhu was honored with the “2017 Top Ten People of the Year for China New Energy (2017中國新能源十大年度人物)”, “2017 Virtuous Leadership Award (2017年度臻善領袖獎)”, “2021 China Energy Industry Leader (2021年度中國能源行業領軍人物)” and “2023 Jiangsu Financial Figures (2023江蘇財經人物)”, “Outstanding Entrepreneurs of 2023–2024” as selected by the China Enterprise Confederation and the China Entrepreneurs Association (中國企業聯合會、中國企業家協會2023-2024年度優秀企業家) and “Outstanding Builders of the Cause of Socialism with Chinese Characteristics among Non-Public Sector Entrepreneurs in Jiangsu Province for the Eight Session (第八屆江蘇省非公有制經濟人士優秀中國特色社會主義事業建設者)” etc. Mr. Zhu graduated from George Brown College (Business Administration Faculty).

ZHU Zhanjun (Vice Chairman), aged 56, has been an Executive Director of the Company since January 2015. He has been appointed as the Vice Chairman since February 2022. Mr. Zhu Zhanjun is a member of the Strategy and Investment Committee of the Company and also a director of several subsidiaries of the Company. Mr. Zhu Zhanjun has vast experience in the polysilicon and wafer business. He joined the Group in 2004 as a plant manager of one of the power plants and was promoted as the general manager in 2006. He was transferred to Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd.* (江蘇中能硅業發展有限公司), a subsidiary of the Company which manufactures polysilicon and acted as the deputy director-infrastructure in 2008. Mr. Zhu Zhanjun was promoted as the general manager of Jiangsu GCL Silicon Material Technology Development Co., Ltd.* (江蘇協鑫硅材料科技發展有限公司), a subsidiary of the Company in 2009 and was appointed as the Vice President of the Company in 2013, overseeing the Company’s ingot business and wafer business. Mr. Zhu Zhanjun is an engineer and obtained a master degree in business administration from China Europe International Business School* (中歐國際工商學院) in 2013. Mr. Zhu Zhanjun is currently the vice chairman of Golden Concord Group Limited* (協鑫集團有限公司).

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

SUN Wei (Vice Chairman), aged 54, has been an Executive Director of the Company since September 2016 and is currently, a member of the Nomination Committee of the Company and a director of several subsidiaries of the Company. Prior to this, Ms. Sun served as an Executive Director of the Company on two occasions, with term from November 2006 to July 2007 and from October 2007 to January 2015, during which she also acted as the Honorary Chairlady of Finance and Strategy of the Company. Ms. Sun has been appointed as Vice Chairman of the Company since February 2025. Ms. Sun is currently responsible for the corporate finance, financial strategy and management of the Group. She also currently serves as the vice chairman of Golden Concord Group Limited* (協鑫集團有限公司), a non-executive director of GCL New Energy Holdings Limited (whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited, Stock Code: 00451), a director of GCL System Integration Technology Co., Ltd. (協鑫集成科技股份有限公司), a company with its shares listed on the Shenzhen Stock Exchange, Stock Code: 002506), and the joint president of China Hong Kong Economic and Trading International Association (中國香港國際經貿合作協會). Ms. Sun was awarded a doctorate degree in business administration in 2005 and has over 30 years of extensive experience in corporate finance, financial strategy and management.

LAN Tianshi (Joint CEO), aged 45, has been serving as an Executive Director and Joint CEO of the Company since February 2022, and is also a member of the Environmental, Social and Governance Committee of the Company. He joined the Group in July 2007 and has successively held positions including professional technician, deputy factory manager, factory manager, assistant deputy general manager, deputy general manager, executive deputy general manager and general manager of Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd.* (江蘇中能硅業科技發展有限公司), a wholly-owned subsidiary of the Company. Mr. Lan currently also serves as a director of multiple affiliated companies of the Company and an executive director of Golden Concord Group Limited* (協鑫集團有限公司). Mr. Lan holds a bachelor's degree in chemical engineering and technology from Harbin Engineering University, a master's degree from Sichuan university, and a senior engineer certificate in petrochemical engineering issued by the Jiangsu Petrochemical Engineering Advanced Professional Technical Qualification Evaluation Committee (江蘇省石油化學工程高級專業技術資格評審專委會). He has more than 20 years of experience in chemical manufacturing and management.

YEUNG Man Chung, Charles (Chief Financial Officer and Company Secretary), aged 58, has been an Executive Director of the Company since September 2014. He is also a member of the Nomination Committee, Corporate Governance Committee, Strategy and Investment Committee, and Environmental, Social and Governance Committee of the Company. Mr. Yeung was appointed Chief Financial Officer of the Company in April 2014 and Company Secretary in March 2017, and also serves as a director of several subsidiaries of the Company. Prior to joining the Company in April 2014, Mr. Yeung was a Partner of Deloitte and served as the Leader of Corporate Finance Advisory Services for South China at the time of his departure. He also acted as a Part-Time Member of the Central Policy Unit of the Government of the Hong Kong Special Administrative Region (香港特別行政區中央政策組). Mr. Yeung holds a Bachelor of Business Administration degree majoring in Accounting. He is a member of the Hong Kong Institute of Certified Public Accountants and CPA Australia, and is also a Certified ESG Planner (CEP®), with over 30 years of experience in accounting, auditing, financial management and risk control. Mr. Yeung is primarily responsible for the financial management and reporting, corporate finance, taxation and risk management of the Company and its subsidiaries. He currently also serves as a Non-Executive Director of GCL New Energy Holdings Limited (shares listed on the Main Board of the Stock Exchange of Hong Kong Limited, stock code: 00451), a Vice President of Golden Concord Holdings Limited* (協鑫(集團)控股有限公司) and an independent non-executive director of ZXZN Qi-House Holdings Limited (shares listed on GEM of the Stock Exchange of Hong Kong Limited, stock code: 08395).

INDEPENDENT NON-EXECUTIVE DIRECTORS

HO Chung Tai, *SBS, MBE, S.B.St.J., JP*, aged 87, has been an Independent Non-Executive Director of the Company since September 2007. Dr. Ho is currently the Chairman of the Remuneration Committee, the Strategy and Investment Committee and the Corporate Governance Committee of the Company, and also a member of the Audit Committee, the Nomination Committee and the Environmental, Social and Governance Committee of the Company. Dr. Ho has over 60 years of extensive experience in the fields of civil, structural, energy, environmental and geotechnical engineering, as well as the direct management of large-scale engineering projects, including over 50 years in Hong Kong and 10 years in the United Kingdom. As project director, he was directly responsible for managing the HK\$3 billion (cost at the time) Electrification and Modernisation Project of the Kowloon-Canton Railway (East Rail Line) from the mid-70's till the early 80's; and also served as project director for all government-funded infrastructure works of Shatin New Town and Tseung Kwan O New Town from the early 1982 till the end of 1993. In addition, he has professional engineering and construction experience in fields such as tunnels, bridges, flyovers, roads, dockyards, wharves, jetties, hospitals, hotels, incinerators, high-rise commercial/residential buildings, slopes, reclamation, environmental studies and environmental protection projects. Dr. Ho is currently the honorary chairman and former chairman of the Nuclear Safety Advisory Committee of Guangdong Daya Bay Nuclear Power Station and Ling Ao Nuclear Power Station (廣東省大亞灣核電站及嶺澳核電站安全諮詢委員會), and also the former professional advisor (Architecture, Engineering and Surveying) to The Ombudsman of Hong Kong (香港申訴專員公署). He also actively participates in the promotion of innovative technologies such as graphene. Apart from his positions with the Company, Dr. Ho is also currently an independent non-executive director of the following listed companies in Hong Kong, namely: Chinlink International Holdings Limited (whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited, Stock Code: 00997) and AP Rentals Holdings Limited (whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited, Stock Code: 01496).

SHEN Wenzhong, aged 57, has been an independent Non-Executive Director of the Company since July 2015. He is currently the chairman of the Environmental, Social and Governance Committee of the Company, and a member of the Audit Committee and the Strategy and Investment Committee. Since 1999, Dr. Shen has served as a professor and doctoral supervisor of the Department of Physics and Astronomy, Shanghai Jiao Tong University. He was appointed as a Distinguished Professor of the Chang Jiang Scholars Programme at Shanghai Jiao Tong University in 2000, and has been the Director of the Solar Energy Research Institute of Shanghai Jiao Tong University since 2007. He has long been engaged in research in the photovoltaic and related fields, successively presiding over and participating in a number of national-level scientific and technological research projects, publishing academic papers in a number of internationally renowned academic journals, and authoring and editing a number of professional works in the photovoltaic field. Dr. Shen obtained his doctoral degree from the Shanghai Institute of Technical Physics, Chinese Academy of Sciences in 1995, and conducted postdoctoral research at Georgia State University in the United States from 1996 to 1999. He is currently the Honorary Chairman of the Shanghai Solar Energy Society. Apart from his positions with the Company, Dr. Shen also currently serves as a director of a number of domestic listed companies, including: director of Shanghai Optech Science and Technology Co., Ltd. (上海歐普泰科技創業股份有限公司) (listed on the Beijing Stock Exchange, stock code: 920414); and independent director of Zhejiang Bangjie Holding Group Co., Ltd. (浙江棒傑控股集團股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 002634), Hainan Drinda New Energy Technology Co., Ltd. (海南鈞達新能源科技股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 002865 and listed on The Stock Exchange of Hong Kong Limited, stock code: H02865) and Haitian Water Group Co., Ltd. (海天水利集團股份有限公司) (listed on the Shanghai Stock Exchange, stock code: 603759).

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

LI Junfeng, aged 69, has been appointed an Independent Non-Executive Director of the Company since November 2024. He is also a member of the Corporate Governance Committee, the Strategy & Investment Committee, the Environmental, Social and Governance Committee and Nomination Committee of the Company. Mr. Li has been committed to the research of energy economics and the theory of energy and environment. From 1982 to 2011, Mr. Li successively served as an intern researcher, associate researcher, deputy researcher and researcher of the Energy Research Institute under the National Development and Reform Commission (國家發展和改革委員會能源研究所). From 2011 to 2017, Mr. Li served as the director of the National Center for Climate Change Strategy and International Cooperation (國家應對氣候變化戰略研究和國際合作中心). Since 2021, Mr. Li has served as a standing director of the China Energy Research Society (中國能源研究會). Mr. Li is currently also a doctoral supervisor of Renmin University of China (中國人民大學). Mr. Li won the Zayed Future Energy Prize Lifetime Achievement Award in 2017. Mr. Li graduated from the Shandong Institute of Mining and Technology (山東礦業學院) in 1982 with a bachelor's degree in engineering.

YIP Tai Him, aged 55, has been an Independent Non-Executive Director of the Company since March 2009. He is the chairman of the Audit Committee and the Nomination Committee and is also a member of the Remuneration Committee, the Strategy and Investment Committee, the Corporate Governance Committee and the Environmental, Social and Governance Committee of the Company. Mr. Yip is a practising accountant in Hong Kong. He is also a member of the Institute of Chartered Accountants in England and Wales and the Association of Chartered Certified Accountants in the United Kingdom. He has over 30 years of experience in accounting, auditing, financial management and risk control. Mr. Yip is currently an independent non-executive director of the following listed companies in Hong Kong, namely, Shentong Robot Education Group Company Limited, a company with its shares listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 08206), Redco Properties Group Limited, a company with its shares listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 01622), Zhongchang International Holdings Group Limited, a company with its shares listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 00859) and Dongguan Rural Commercial Bank Co., Ltd., a company with its shares listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 09889) (the "Bank"). Mr. Yip submitted his resignation to the board of directors of the Bank on 21 March 2025 to resign from, among other things, the position of the independent non-executive director of the Bank due to his term of office reaching the prescribed limit. However, in accordance with the relevant laws and regulations, and the provisions of the articles of association of the Bank, Mr. Yip will continue to perform his duties until the date when the qualification of the newly appointed independent non-executive director of the Bank is approved. For details, please refer to the announcement of the Bank dated 21 March 2025.

* English name for identification only.

SENIOR MANAGEMENT

At the date of this report, the senior management of the Group is the above executive Directors, namely, Mr. Zhu Gongshan, Mr. Zhu Yufeng, Mr. Zhu Zhanjun, Ms. Sun Wei, Mr. Lan Tianshi and Mr. Yeung Man Chung, Charles.

CORPORATE GOVERNANCE REPORT

The Company is dedicated to achieve and maintain a high standard of corporate governance to maximize the Company's and the stakeholders' value, with continuous review and evaluation of the various systems and procedures are carried out to ensure their effectiveness. During 2025, the Company had organised two in-house Directors' trainings in corporate governance for the Directors and senior management of the Company. The Strategy and Investment Committee has reviewed and assessed its responsibility to cover evaluation of significant investment and disposal proposals. Other work done in relation to corporate governance during 2025 is delineated in this report.

During the Year, the Company has complied with the code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 of the Listing Rules, except as disclosed below.

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

CORPORATE CULTURE AND STRATEGY

GCL Technology endeavours to seize clean technology opportunities and consistently implements our mission of "dedicating to green growth and keep improving the human living environment". The Company embeds the ESG deeply into the development gene and establish and implement the full chain low-carbon management system guided by the Infinity ESG strategy and jointly build a sustainable industrial ecosystem with industrial chain partners, and is committed to building a "zero-carbon world" for a better human life with green technology.

The Group promotes its corporate culture in alignment with its core values and vision, which enables the Group to implement its long-term strategies and create sustainable value for its Shareholders and other stakeholders.

More information about the Group's core vision, core value, mission and corporate dream is set out in the 2025 ESG Report.

THE BOARD

Board Composition

As at the date of this report, there are ten Board members comprising, six executive Directors and four INEDs, with different gender, culture, professional background and/or extensive expertise and experience in the Group's business related industries.

Biographical details of the Directors are set out under the section headed "Biographical details of Directors and Senior Management" of this annual report on pages 38 to 42.



CORPORATE GOVERNANCE REPORT (CONTINUED)

Mr. Zhu Gongshan and Mr. Zhu Yufeng are beneficiaries of the Zhu Family Trust which is a substantial shareholder of the Company. Mr. Zhu Yufeng is the son of Mr. Zhu Gongshan. Each of Mr. Zhu Zhanjun, Ms. Sun Wei, Mr. Lan Tianshi and Mr. Yeung Man Chung, Charles holds management positions in the companies controlled by the Zhu Family Trust.

Save for the above and to the best knowledge of the Company, there is no financial, business, family or other material or relevant relationships among members of the Board and the substantial shareholders of the Company.

Each of the four INEDs has made a written confirmation to the Company of his independence with reference to the criteria and guidelines as set out in Rule 3.13 of the Listing Rules. Each Director has declared to the Company of his/her interests in any material contracts or other interest in the business of the Group or in any competing business with the Group. During the Year, the Company complied with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules which require the minimum number of INEDs and at least one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise.

Appropriate insurance to cover against liability of the Directors and officers of the Company has been arranged and renewed annually.

BOARD PROCESS AND EFFECTIVENESS

The Board is responsible for leading the Group's activities by determining strategic directions and business plan, exercising a number of reserved powers to oversee the operations and monitor the financial performance of the Group by determination of the annual budget, approving significant capital investment, ensuring the integrity of the Group's accounting and financial reporting system and to oversee management in the design, implementation and monitoring of the risk management and internal control systems of the Group and subject to the Listing Rules.

The management is responsible to implement the Board's decision within the delegated authority, to make investment proposal, report their performance regularly to the Board and ensure by continuous monitoring that the Group's risk management and internal control systems are effective. Key features of Board process:

- at least four regular Board meetings will be held each year, with additional meetings to be held as and when required. In 2025, there were four regular meetings and thirty-three non-regular meetings held by the Board;
- in respect of regular meetings, at least 14 days' notice was given to all Directors to give them an opportunity to attend. For all other meetings, reasonable notice was given;
- proposed agenda had been given to all Directors at least 14 days prior to the regular meetings to give them an opportunity to include matters in the agenda and the board papers were sent to all Directors at least 3 days before the meetings;
- all Directors were able to access to the advice and services of the Company Secretary, management and external professionals with a view to ensuring that board procedures, all applicable rules and regulations, were followed;

CORPORATE GOVERNANCE REPORT (CONTINUED)

- minutes of all Board meetings and committee meetings had been sent to all Directors for their comments and records respectively, within a reasonable time after the meetings were held; and
- a procedure had been adopted by the Company to enable the Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expense.

BOARD INDEPENDENCE EVALUATION

The Company has established a Board Independence Evaluation Mechanism which sets out the processes and procedures to ensure a strong independent element on the Board, which allows the Board effectively exercises independent judgment to better safeguard Shareholders' interests.

The objectives of the evaluation are to improve Board effectiveness, maximize strengths, and identify the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

Pursuant to the Board Independence Evaluation Mechanism, the Board will conduct annual review on its independence.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The INEDs are appointed for a specific term of office for three years. All Directors, including the INEDs, are subject to retirement by rotation and eligible for re-election at annual general meetings in accordance with the Company's Articles of Association, provided that every Director shall be retired at least once every three years. At the annual general meeting held on 31 May 2025, Ms. Sun Wei, Mr. Yeung Man Chung, Charles, Mr. Li Junfeng and Mr. Yip Tai Him had been retired and re-elected as Directors at such meeting.

NOMINATION OF DIRECTOR

Where vacancies arise at the Board or whenever any qualified professionals or individuals with relevant expertise and experience is likely to be invited to join the Board, the age, cultural background, gender, qualifications, experience and awards (if any) of the proposed candidate(s) will be put forward to the Nomination Committee for its consideration and decision whether to make recommendation to the Board. A nomination policy has been adopted by the Company.

RESPONSIBILITIES OF DIRECTORS

During the Year, the Directors had performed their responsibilities by attending and participating in various committees meetings, Board meetings and general meetings. In order to encourage the Director's active participation in the meetings, meeting materials will be and had been dispatched to the Directors in advance of the meetings (for all regular meetings, at least three days in advance) to allow them to have the chance to read and understand the issues to be discussed at the meetings. The Company will also circulate a monthly report to the Directors to keep them up-to-date of the status and position of the Group.

CORPORATE GOVERNANCE REPORT (CONTINUED)

There were 37 Board meetings and 1 annual general meeting held during the Year. The attendance of such meetings is shown in the table below:

Members of the Board	Number of Board meetings attended/held	Number of general meetings attended/held
Executive Directors		
Zhu Gongshan (<i>Chairman and Joint CEO</i>)	36/37	1/1
Zhu Yufeng (<i>Vice Chairman</i>)	36/37	1/1
Zhu Zhanjun (<i>Vice Chairman</i>)	37/37	1/1
Sun Wei (<i>Vice Chairman</i>)	37/37	1/1
Lan Tianshi (<i>Joint CEO</i>)	34/37	1/1
Yeung Man Chung, Charles (<i>Chief Financial Officer and Company Secretary</i>)	37/37	1/1
Independent Non-executive Directors		
Ho Chung Tai, Raymond	37/37	1/1
Shen Wenzhong	37/37	1/1
Li Junfeng	37/37	1/1
Yip Tai Him	37/37	1/1

DIRECTORS' INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Upon the appointment of new Directors, a comprehensive directors' handbook, which sets out the Company's business and a summary of the applicable laws, rules and regulations and key governance issues, will be and had been provided to each newly appointed Directors. A training regarding the rules and regulations applicable to directors of listed companies to observe during their services on Board will also be provided to each of the newly appointed Directors. During the Year, the Company had organised two in-house Directors' trainings for the Directors and the senior management of the Company to attend.

Ongoing updating the Directors and senior management of the Company on further developments and requirements of any applicable rules, regulations and laws or refreshing their knowledge and skills by providing briefings or arrangement of seminars had been adopted by the Company during the Year. In addition, understanding the business and operations of the Group is also important for the Directors to discharge their responsibilities.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The Directors acknowledged the importance of updating their professional development and refreshing their knowledge and skills. The Company encouraged the Directors to participate in any seminar or forum organised by professional bodies, independent auditors, solicitors, chambers and business organisations as well as reading relevant articles. Below is a table in accordance with the records maintained by the Company indicating the Directors had received the following training during the Year:

Directors	Corporate Governance/Updates on Laws, Rules & Regulations/ Accounting/Financial/Management or Other Professional Skills	
	Read Materials	Attend Seminars/ Briefings
Executive Directors		
Zhu Gongshan (<i>Chairman and Joint CEO</i>)	√	√
Zhu Yufeng (<i>Vice Chairman</i>)	√	√
Zhu Zhanjun (<i>Vice Chairman</i>)	√	√
Sun Wei (<i>Vice Chairman</i>)	√	√
Lan Tianshi (<i>Joint CEO</i>)	√	√
Yeung Man Chung, Charles (<i>Chief Financial Officer and Company Secretary</i>)	√	√
Independent Non-executive Directors		
Ho Chung Tai, Raymond	√	√
Shen Wenzhong	√	√
Li Junfeng	√	√
Yip Tai Him	√	√

CHAIRMAN AND JOINT CHIEF EXECUTIVE OFFICER

Mr. Zhu Gongshan has been the Chairman of the Board since September 2009, and was appointed as Joint Chief Executive Officer ("Joint CEO") of the Company with effect from February 2025. Mr. Zhu Yufeng and Ms. Sun Wei have been appointed as Vice Chairman of the Board with effect from September 2022 and February 2025 respectively. Mr. Zhu Zhanjun has been appointed as Vice Chairman of the Board, and Mr. Lan Tianshi has been appointed as an Executive Director and a Joint CEO of the Company, both with effect from February 2022.

The Board considers that vesting the roles of both the Chairman and the Joint CEO in Mr. Zhu Gongshan ensures that the Group has consistent leadership and can make and implement the business strategies of the Group more effectively. Therefore, the Board considers that the deviation from code provision C.2.1 of the Code is not inappropriate. In addition, under the supervision of the Board which, apart from Mr. Zhu Gongshan being the executive Director, comprises five other executive Directors and four independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and the Shareholders.



CORPORATE GOVERNANCE REPORT (CONTINUED)

The primary responsibilities of the Chairman are to provide leadership to the Board in setting the corporate objectives of the Company, to oversee the performance and effectiveness of the Board, to ensure compliance with applicable rules and regulations, and to take the lead in ensuring that the Board acts in the best interests of the Company and its Shareholders as a whole. In particular, the Chairman shall ensure that Board meetings are conducted effectively, including that all Directors receive timely, sufficient, accurate, complete and reliable information. The Chairman also assumes primary responsibility for ensuring that sound corporate governance practices and procedures are established and maintained. The Vice Chairman is responsible for assisting the Chairman in the daily management and operation of the Board.

The Joint CEOs are responsible for the strategic planning and management of the Company's daily operations, including financial management, technology and brand development.

The Chairman will meet with the non-executive Directors to discuss with them of any issues concerning the Company, without the presence of the executive Directors. During the Year, a meeting had been held among the Chairman and the INEDs.

DELEGATION BY THE BOARD

The Board delegates certain responsibilities to various committees which are discussed below. Each of these committees has its respective terms of reference, all of them are posted on the Stock Exchange's and the Company's websites.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the financial statements for each financial year, which give a true and fair view of the state of affairs of the Group and of the profits and cash flows of the Group in accordance with International Financial Reporting Standards, disclosure requirements of the Hong Kong Companies Ordinance and the Listing Rules. In preparing the financial statements for the Year, the Directors have selected suitable accounting policies and applied them consistently; made judgements and estimates which are reasonable and have prepared the financial statements on a going concern basis. The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position, results of operations, cash flows and changes in equity of the Group. The Independent Auditor's Report relating to their reporting responsibilities on the financial statements of the Company is set out from pages 94 to 99 of this annual report.

AUDIT COMMITTEE

The Audit Committee comprises three INEDs, namely Mr. Yip Tai Him, Ir. Dr. Ho Chung Tai, Raymond and Dr. Shen Wenzhong. Mr. Yip Tai Him, who is a practicing accountant in Hong Kong and a member of the Institute of Chartered Accountants in England and Wales and the Association of Chartered Certified Accountants in the United Kingdom, possesses extensive accounting experience and serves as the chairman of the committee.

The terms of reference of the Audit Committee, which has been updated on 4 January 2016, setting out the operation, authorities and responsibilities of the committee is available on the websites of the Company and the Stock Exchange. The major responsibilities of the Audit Committee includes:

- monitoring integrity of the financial statements, annual report and interim report;
- monitoring and assessing the risk management and internal control systems (including the adequacy of resources, qualifications and experience of accounting and financial reporting staff);

CORPORATE GOVERNANCE REPORT (CONTINUED)

- discussing the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems;
- considering any major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
- monitoring the independence of an external auditor;
- monitoring and assessing the performance of the external auditor, proposing to the Board the appointment or removal of the external auditor, and facilitating the communication between external auditor and internal audit function;
- reviewing any material queries raised by the external auditor to management about accounting records, financial accounts or systems of control, management's response and the Board's timely response; and
- acting as key representative body for overseeing the Company's relations with the external auditor.

Nine Audit Committee meetings were held during the Year and the attendance is set out in the following table:

Members of Audit Committee	Number of meetings attended/eligible to attend
Yip Tai Him (<i>Chairman</i>)	9/9
Ho Chung Tai, Raymond	8/9
Shen Wenzhong	9/9

The following work was performed by the Audit Committee during the Year and up to the date of this report:

- reviewed and approved the audit fees;
- assessed the independence of the external auditors;
- approved the scope of audit for the year ended 31 December 2025;
- reviewed the reports from the Auditor for the interim and year end;
- reviewed the 2025 audited financial statements and the results announcement;
- reviewed the report on the continuing connected transactions for the financial year ended 31 December 2024 and six months ended 30 June 2025;
- reviewed the interim and year end internal audit reports and concluded that the Group has effective risk management and internal control systems and the qualifications and experience of the Company's accounting staff and resources for financial reporting function are adequate;
- reviewed the corporate governance review report (including the compliance status of provisions in relation to risk management and internal audit under Appendix C1 of the Listing Rules) prepared by Internal Controls Consultant and reported to the Board of its conclusion and recommendation;
- recommended the election of the proposed external auditors at the forthcoming annual general meeting; and
- reviewed and approved certain non-audit services provided by the auditor.

The Audit Committee monitors the audit and non-audit services rendered to the Group by its external auditors and ensures that their engagement in other non-audit services will not impair their audit independence.

CORPORATE GOVERNANCE REPORT (CONTINUED)

For the year ended 31 December 2025, the total remuneration paid to the Crowe (HK) CPA Limited is analysed as follows:

Nature of Service	Fees (RMB'000)
Audit services	
— 2025 Annual audit	10,040
Non-audit services	
— 2025 Interim review	1,750

Risk Management and Internal Control

With assistance of the Corporate Governance Committee and the Audit Committee, the Board of the Company is responsible for monitoring and reviewing the effectiveness of the risk management and internal control systems of the Group (the "Systems") on an ongoing basis. The Systems implemented by the management and relevant parties of the Group aims to manage rather than eliminate risks of failure to achieve the following business objectives, and to only provide reasonable, but not absolute, assurance against material misstatement or loss:

- efficiency and effectiveness of operation
- reliability of financial reporting
- compliance with applicable laws and regulations
- effectiveness of risk management

Members of the Board and the management of the Company actively engage in the risk assessment, the review of response measures and the discussion with respect to major issues.

The Company has an internal audit department in place to be responsible for the implementation of risk management and internal control policies. In performing its responsibilities, the internal audit department has organized and coordinated the Company to identify and assess the risks exposed to the Group for the Board's consideration and motivate the management to design, implement and manage suitable internal control and risk management systems to facilitate policies adopted by the Board. In addition to the internal audit department, all employees are accountable for the implementation of risk management and internal control under each of scope of their responsibilities.

Systems Overview

Each business unit of the Group adopts the Systems during the ordinary course of business. The risk management portion within the Systems aims to provide clear and effective management procedures for each business units to identify, review and prioritize risks for the purpose of efficient resource allocation in conducting corresponding risk management. The management can also have an understanding of the significant risks exposed to the Group through the Systems, make and implement decisions on risk mitigation accordingly, in which enable its business to achieve a better performance. Further, the internal control portion within the Systems aims to offer a clear guidelines for each business unit to clarify the internal control objectives of each key business process and conduct regular review of the effectiveness of control activities adopted to achieve the control objectives.

Systems Structure and Communication Mechanism

The Board of the Company has been establishing the Audit Committee, which is currently comprised of 3 INEDs. Members of the Audit Committee have extensive experiences in the industry and ensure their full independence. The Company has also established and published the Terms of Reference for the Audit Committee, which expressly specifies the authorities and responsibilities of the Audit Committee, in accordance with the Listing Rules.

The Company has been adopting risk management and internal control systems at different levels of the Board, the senior management, the management center and its subsidiaries. The internal audit department is responsible for the overall planning and arrangement to carry out appraisal of the adequacy and effectiveness of internal control and risk management systems performed by the management center and the subsidiaries. Positions in relation to risk management and internal control are in place in some subsidiaries, which are responsible for organizing and carrying out specific work in risk management and internal control.

For the purpose of continuous monitoring of risk management and internal control by the Board and the management, the Company has established various communication channels, ensuring that relevant information is circulated in a timely and accurate manner among the Board and the management, and providing the Board with confirmation of implementation status on the Systems from the management:

- The internal audit department conducts risk assessment semi-annually. A comprehensive risk assessment questionnaire is completed by senior personnel of major business units respectively. Each risk assessment questionnaire is submitted to the internal audit department for consolidation, analysis and preparation of a risk assessment report. Major risk items are reported to the Board and management on a regular basis for oversight of the risk management; and
- The internal audit department reports regularly to the management, the Audit Committee and the Board with respect to risk management and internal control, ensuring the Board having known sufficient information for the fulfillment of its continuous responsibility for supervision.



CORPORATE GOVERNANCE REPORT (CONTINUED)

Review Procedure for Systems Effectiveness

The Audit Committee of the Company, on behalf of the Board, makes a comprehensive assessment of the effectiveness of risk management and internal control systems at least semi-annually. The Audit Committee has strictly implemented the supervision function of risk management and internal control during the Year in the following specific procedures:

- reviewed financial controls, internal control and risk management systems of the Company;
- discussed the risk management and internal control systems with the management to ensure that the management has performed its duty to have effective internal control and risk management systems. The discussion included whether the resources, staff qualification and experience, training and relevant budget of the Company in accounting, internal audit, and financial reporting functions, as to whether their relevant employee is sufficient or not;
- considered major investigation findings on risk management and internal control matters on its own initiative or as delegated by the Board and research on the management's response to these findings;
- ensured coordination between the internal and external auditors, and also ensure the internal audit function is sufficiently resourced and properly in place inside the Company, and review and supervise its effectiveness; and
- reported to the Board in relation to matters regarding code provision D.3 of the Code.

The management of the Company takes responsibilities for implementing risk management and internal control systems on an on-going basis and reporting the implementation position to the Audit Committee and the Board at least semi-annually. The management has primarily conducted the following works in relation to risk management and internal control during the Year:

- The Company has been establishing an internal audit policy to clearly define the scope, duties and responsibilities, as well as reporting protocol of its internal audit function;
- The Company has established a unified risk framework and completed risk pool, and carried out internal risk examination and risk assessments on a regular basis;
- The Company has carried out relevant activities to analyze and monitor the major risks, in terms of strategic, operational, financial, marketing, technological and compliance aspects, in responses to the recent changes in the policies of the photovoltaic industry in mainland China;
- The Company has carried out quantitative risk management regularly with the aim of optimising quantitative risk measurement indexes to support the risk assessment and risk monitoring procedures;
- The Company has conducted review of internal control system through combination of quantitative self-assessment by the business units and qualitative evaluation by the internal audit department, so as to continuously monitored the operation of the internal control system;

CORPORATE GOVERNANCE REPORT (CONTINUED)

- The Company has established risk-oriented internal audit work, effectively carried out the annual internal audit in accordance with the approved internal audit plan, regularly communicated with, and reported to, the management and the Audit Committee about significant findings from the annual internal audit and followed up the rectification matters; and
- The Company has appointed an independent professional consultant (the “External Consultant”) to assist the Audit Committee and the Board in conducting an independent review of the risk management and internal control systems of the Group for the Year.

The Audit Committee and the Board performed analysis and appraisal of the effectiveness and adequacy of the risk management and internal control systems of the Group through the outcome of the abovementioned review performed by the internal audit department and the External Consultant, considered and were of the opinion that the Group has maintained adequate and effective risk management and internal control systems for the Year.

Significant Risks and Management Program

During the current financial year, the Company conducted an overall risk assessment, updated the risk register, and analysed changes in risk outcomes compared with the previous year. Major operational risks identified as requiring continued attention include overcapacity, insufficient market demand, and price volatility.

The Group has implemented, among others, the following mitigation measures in response to these significant risks:

- Accelerating the execution of investment agreements and construction progress for overseas granular silicon projects, further enhancing the overseas industrial footprint and strengthening core competitive advantages along the global photovoltaic industry chain;
- Directing research and development resources toward products with high technological barriers and high value added, with a view to defining industry standards through technological advancement; and
- Expediting the development of a “second growth curve” represented by cathode materials and silicon carbon anodes, leveraging green and low cost technological advantages to enter the lithium battery new materials market.

Internal Controls for Handling Inside Information

An inside information committee has been set up since November 2012, which is currently comprises all executive Directors. The committee’s principal function is to determine whether any confidential information arises from time to time is inside information or not. If the committee recognises that the information constitutes inside information, it will report to the Board and recommend timely disclosure of such information pursuant to the relevant provisions under the Securities and Futures Ordinance and the Listing Rules. A monthly report of potential inside information, where appropriate, will be provided to the committee for continuous monitoring. A policy of inside information has been provided to the senior management of the Group for implementation. The senior management are encouraged to report to their superiors or the committee directly, in case of any incidents or information that constitutes as potential inside information when performing their duties.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT REMUNERATION COMMITTEE

The Remuneration Committee comprises two INEDs and one executive Director, namely Ir. Dr. Ho Chung Tai, Raymond (chairman of the committee), Mr. Yip Tai Him and Mr. Zhu Yufeng. The Board resolved to adopt that the Remuneration Committee has the duty to determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management. A copy of the terms of reference setting out the operation, authorities and responsibilities of the Remuneration Committee is available at the Company's and the Stock Exchange's websites.

The primary responsibilities of the Remuneration Committee include:

- determining, with delegated responsibility, the remuneration packages of individual executive Directors and senior management;
- making remuneration recommendations of non-executive Directors to the Board;
- recommending the remuneration policy and structure for all Directors and senior management to the Board for approval;
- reviewing and approving the compensation arrangement to executive Directors and senior management for any loss or termination of officer appointment to ensure that it is consistent with contractual terms and is fair and not excessive; and
- reviewing and approving matters relating to share schemes under chapter 17 of the Listing Rules.

Six meetings were held by the Remuneration Committee during the Year and the attendance is set out in the following table:

Members of Remuneration Committee	Number of meetings attended/held
Ho Chung Tai, Raymond (<i>Chairman</i>)	6/6
Yip Tai Him	6/6
Zhu Yufeng	6/6

The Remuneration Committee had performed the following work during the Year and up to the date of this report:

- reviewed and recommended the Board on the remuneration policy of the executive Directors and senior management of the Company;
- assessed the performance of the executive Directors;
- making remuneration recommendations of non-executive Directors of the Board;
- reviewed, considered and approved the remuneration package of the existing executive Directors and senior management;
- approved the adjustment of remuneration of the executive Directors; and
- reviewed and made recommendation to the Board on the granting of share awards to the senior management.

NOMINATION COMMITTEE

The Nomination Committee comprises three INEDs, namely Mr. Yip Tai Him (chairman of the committee), Ir. Dr. Ho Chung Tai, Raymond and Mr. Li Junfeng and two executive Directors, namely Ms. Sun Wei and Mr. Yeung Man Chung, Charles. A copy of the terms of reference setting out the operation, authorities and responsibilities of the Nomination Committee is available at the Company's and the Stock Exchange's websites.

The duties of the Nomination Committee include reviewing the structure, size and composition of the Board at least annually and make recommendations on any proposed changes to the Board, identifying and making recommendations to the Board on the selection of individual nominated for directorships, assessing the independence of INEDs, and making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors.

Three meetings were held by the Nomination Committee during the Year, the attendance is set out in the following table:

Members of Nomination Committee	Number of meetings attended/held
Yip Tai Him (<i>Chairman</i>)	3/3
Ho Chung Tai, Raymond	3/3
Li Junfeng (appointed on 25 June 2025)	N/A
Sun Wei (appointed on 25 June 2025)	N/A
Yeung Man Chung, Charles	3/3

During the meetings, the committee had reviewed, assessed or made recommendations to the Board (where suitable) on (i) the independence of the INEDs against the criteria and guidelines as set out in Rule 3.13 of the Listing Rules and concluded that all INEDs had complied with the criteria; (ii) structure, size and the composition of the existing Board members with reference to their age, sex, experience, their time commitment qualification and expertise against the business scope of the Company and reviewed board diversity policy (the "Board Diversity Policy") and workforce diversity policy of the Company, (iii) succession plan, (iv) assisted the board in maintaining a board skills matrix, and (v) made recommendations on any proposed changes to the Board to complement the Company's corporate strategy.

NOMINATION POLICY

The Company adopted a nomination policy (the "Nomination Policy") and Board Diversity Policy, with effect from 1 January 2019. A summary of the Nomination Policy is set out as follows:

1. Selection Criteria

The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate:

- Reputation for integrity
- Accomplishment and experience relevant in the principal activities of the group or photovoltaic and related industry
- Commitment in respect of available time and relevant interest
- Diversity in all its aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service

These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

2. Nomination Procedures

- 1 The secretary of the Nomination Committee shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also put forward candidates who are not nominated by Board members.
- 2 For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval.
- 3 Until the issue of the members' circular, the nominated persons shall not assume that they have been proposed by the Board to stand for election at the general meeting.

BOARD DIVERSITY POLICY

With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

More details on the employees' gender ratios of the Group are set out in the 2025 ESG Report of the Company. In line with the commitment and principles of the gender diversity of the Board, the Company will continue to promote gender diversity in its workforce as a whole and will review the gender diversity ratio of the senior workforce on a timely basis in accordance with the business development of the Group.

A summary of the Board Diversity Policy is set out as follows:

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board, having due regard to the benefits of diversity on the Board and also the needs of the Board without focusing, on a single diversity aspect. The Company will not consider diversity to be achieved for a single gender board.

- The Board would ensure that appropriate balance of gender diversity is achieved with the ultimate goal of bringing the Board to gender parity. The Board shall include at least one female director.
- The Board focuses on the capability of operation judgment, operation management and crisis management, so more than two-thirds of the Board be capable of the ability of relevant core businesses.
- The Company should arrange continuing diversified development for Directors so as to improve their decision-making quality, fulfill their supervisory responsibilities, and strengthen the functions of the Board.
- In addition to the Board level, the Company also advocates gender diversity across the workforce (including senior management) by establishing plans or measurable goals to achieve an appropriate balance between the composition of men and women.

The Company considers that the current composition of the Board, one out of its ten members being female, is characterised by diversity, whether considered in terms of gender, cultural, professional background and skills. The current Directors have extensive experience and skills relevant to the business of the Company.

The Board targets to maintain at least one female member, with the ultimate goal of achieving a diversity gender senior management. The Board will continue to seek opportunities to increase the proportion of female members over time as and when suitable candidates are identified.

The Company will continue to take steps to promote diversity at all levels of its workforce. Opportunities for employment, training and career development are equally opened to all eligible employees without discrimination. Employees of all genders in each department have the opportunity to participate in decision-making and reinforce gender equality awareness through training, publicity and other activities and eliminate gender stereotypes and prejudices in the workplace to ensure that all employees are provided with equal opportunities for career development based on their abilities and performance. Further details of gender ratio and labour force, please refer to “Environmental, Social and Governance Report” of the Company.

The Nomination Committee will review the Board Diversity Policy annually, to ensure the effectiveness of the Board Diversity Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

The Nomination Committee will monitor the implementation of the Board Diversity Policy by conducting review of the Board’s composition at least once annually taking into account the benefits of all relevant diversity aspects, and adhering to the Board Diversity Policy when making recommendation on any Board appointments. The Nomination Committee will also ensure that Board diversity is considered as part of the evaluation of the Board’s effectiveness.

OTHER COMMITTEE

Strategy and Investment Committee

During the Year, the Strategic and Investment Committee comprised seven members, four INEDs (Ir. Dr. Ho Chung Tai, Raymond (who is also the chairman of the committee), Dr. Shen Wenzhong, Mr. Li Junfeng and Mr. Yip Tai Him) and three executive Directors (Mr. Zhu Gongshan, Mr. Zhu Zhanjun and Mr. Yeung Man Chung, Charles). A copy of the terms of reference setting out the operation, authorities and responsibilities of such committee is available at the Company’s and the Stock Exchange’s websites.

The primary responsibilities of the Strategy and Investment Committee include:

- reviewing long-term strategic development plans;
- reviewing the annual performance of the Company and assessing implementation and progress of the long term strategic development plans;
- reviewing and recommending to the Board on opportunities of upgrading the facilities, expansion, mergers and acquisitions;
- reviewing and recommending to the Board with regard to the political, social and economic development in the PRC affecting or potentially affecting the business activities of the Group;
- reviewing and monitoring the relationship of the Company with its key strategic joint-venture partners or the relationship building with these partners; and
- reviewing, evaluation and recommendation to the Board of any significant investment and disposal proposals.

During the Year, the Strategy and Investment Committee (i) reviewed and reported to the Board the long-term strategic development plan of the Group; and (ii) reviewed certain investment proposals and reported to the Board of its conclusion at the Board meeting from time to time.

CORPORATE GOVERNANCE REPORT (CONTINUED)

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee comprises three INEDs, namely Ir. Dr. Ho Chung Tai, Raymond (chairman of the committee), Mr. Li Junfeng, Mr. Yip Tai Him and an executive Director, namely Mr. Yeung Man Chung, Charles. A copy of the terms of reference setting out the operation, authorities and responsibilities of the Corporate Governance Committee is available at the Company's website.

The duties of the Corporate Governance Committee includes:

- developing and reviewing the Company's policies and practices on corporate governance and make recommendations to the Board;
- reviewing and monitoring the training and continuous professional development of Directors and senior management;
- reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct applicable to employees and Directors; and
- reviewing the Company's compliance with the Code and disclosure in the Corporate Governance Report.

Two meetings were held by the committee during the Year, the attendance is set out in the following table:

Members of Corporate Governance Committee	Number of meetings attended/held
Ho Chung Tai, Raymond (<i>Chairman</i>)	2/2
Li Junfeng	2/2
Yip Tai Him	2/2
Yeung Man Chung, Charles	2/2

The committee had reviewed and evaluated the effectiveness of (i) the performance of certain policies and practices adopted by the Company, including the whistle-blowing policy, the inside information policy and discloseable transaction policy and connected transaction policy; (ii) the Board committees, including the Audit Committee, Remuneration Committee, Nomination Committee, Strategy and Investment Committee and Environmental, Social and Governance Committee; (iii) the policy in relation to the training and continuous professional development of Directors and senior management; (iv) the constitution, authority and responsibilities of the Strategy and Investment Committee which mainly deals with the investment proposals and make recommendations to the Board; and (v) the report on whistle-blowing policy. The committee concluded the adopted policies are effective.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Environmental, Social and Governance Committee comprises four INEDs, namely Dr. Shen Wenzhong (chairman of the committee), Ir. Dr. Ho Chung Tai, Raymond, and Mr. Li Junfeng, Mr. Yip Tai Him and two executive Directors namely Mr. Lan Tianshi, Mr. Yeung Man Chung, Charles. A copy of the terms of reference setting out the operation, authorities and responsibilities of Environmental, Social and Governance Committee is available at the Company's and the Stock Exchange's websites.

The duties of the Environmental, Social and Governance Committee includes:

- recommending and reviewing the Group's ESG management policies, vision, strategies and goals for the Board's approval;
- determining the criteria of selecting material ESG factors, identifying and continuously reviewing the list of material ESG factors, and determining the risks and opportunities that material ESG factors will bring to the Group (the "Materiality Assessment") with the assistance of the ESG working group. When conducting the Materiality Assessment, the committee shall fully consider the Group's strategies and current market conditions;
- monitoring the ESG working group to develop and implement external stakeholder engagement plans, as well as review and conduct the Materiality Assessment on the basis of investors' and stakeholders' opinions;
- approving ESG-related policies and practices drafted by the Company;
- reviewing and monitoring the Group's policies and practices in relation to material ESG topics and ensure that they are appropriate in the context of the size, business nature and scope of the Group; and
- evaluating and reviewing the applicability of policies related to material ESG topics of the Group once a year or as and when required, report to and provide amendment suggestions for the Board to ensure that they remain relevant and fit for purpose and compliant with the applicable legal and regulatory requirements and international standards.

One meeting was held by the Environmental, Social and Governance Committee during the Year, the attendance is set out in the following table:

Members of Environmental, Social and Governance Committee	Number of meetings attended/held
Shen Wenzhong (<i>Chairman</i>)	1/1
Ho Chung Tai, Raymond	1/1
Li Junfeng	1/1
Yip Tai Him	1/1
Lan Tianshi	1/1
Yeung Man Chung, Charles	1/1



CORPORATE GOVERNANCE REPORT (CONTINUED)

The committee had reviewed and evaluated the effectiveness of (i) the Group's ESG management policies, vision, strategies and goals with the assistance of management; (ii) provided advice on the actions to be taken to enhance the effectiveness of ESG management; and (iii) reviewed the annual ESG report (the "ESG Report") to ensure that the ESG Report has properly disclosed ESG risks faced by the Group, the measures taken and the progress of goals achieved in compliance with the Listing Rules, and made recommendation to the Board for the approval of the ESG Report.

DIVIDEND POLICY

The Company has adopted a dividend policy (the "Dividend Policy"). The Board would consider the following factors before declaring or recommending dividend to the Shareholders from time to time:

- (a) financial results of the Company;
- (b) Shareholders' interests;
- (c) general business conditions, strategies and future expansion needs;
- (d) the Company's capital requirements;
- (e) the payment of cash dividends to the Company from its subsidiaries;
- (f) possible effects on liquidity and financial position of the Company; and
- (g) the amount of profit can be distributed under applicable accounting standards and other factors that the Board may deem relevant and appropriate.

Any dividend declared by the Company shall be conducted in accordance with the Cayman Islands Companies Law, the Memorandum and Articles of Association of the Company and other applicable laws and regulations, and shall not affect the normal operation of the Company and its subsidiaries.

The Board will review the Dividend Policy, as appropriate, which will include an assessment of the effectiveness of the Dividend Policy and approve any amendments thereto if necessary.

The Board has approved the Share Buy-back and Cancellation or Dividend Payment Plan to conduct share buy-back and cancellation or dividend payment through (i) buy-back and cancellation by the Company of its ordinary shares from the open market, over the three years ending 31 December 2024, 31 December 2025 and 31 December 2026 and/or (ii) declaration and payment of dividends by the Company to Shareholders. Due to the fluctuation in the market conditions of the silicon material and in view of the excessive competition in the photovoltaic industry, 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, (i) no Share Buy-back and Cancellation has been conducted and (ii) no Dividend Payment has been made.

COMPLIANCE WITH MODEL CODE 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 announcement published by the Company on 28 July 2025 (the “2025 July Announcement”), 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;



CORPORATE GOVERNANCE REPORT (CONTINUED)

- (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.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Board recognises the importance of communication with shareholders and has adhered to its established communication policy. The general communication policy includes timely dispatch full and accurate information to shareholders and investment public by announcement, financial reports and circulars through the website of the Stock Exchange and the Company's website; maintain dialogue with shareholders by disclosing the way of communication to the Board and in relation to share registration matters, the contact of the share registrar in Hong Kong; and by convening the general meetings (if any) and annual general meeting. On 30 May 2025, the Company convened an annual general meeting. At the meeting, the Directors, members and/or chairman of the Board committees had attended and answer questions raised by the shareholders.

Directors and our Investor Relations team also communicated from time to time with analysts, fund managers, institutional shareholders and media while keeping the stringent standard of not disclosing inside information to any selective group. The Directors, executives together with our Investor Relations team held/participated in meetings, presentations and conference with them. Details of investor relations activities were further described under the section headed "Major Investor Relations Activities" of this report.

The Company has also implemented a number of new measures to further improve and expand communication channels for shareholders, including but not limited to the creation of a Q&A board on the Company's website for investors to submit questions directly in future and where other shareholders can see questions and responses publicly, and organised training for the Company's Investor Relations team to ensure timely and effective communication with shareholders through different channels including the Company's website, social media accounts and email address of the Company's Investor Relations team.

The Company considers that the implementation of the communication policy can facilitate effective communication with shareholders.

SHAREHOLDERS' RIGHTS

Procedures for members to convene extraordinary general meeting ("EGM") and putting forward proposals

The following procedures are subject to the Company's Articles of Association and applicable legislation and regulation.

1. Pursuant to Article 58 of the Articles of Association of the Company, any one or more members of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition.
2. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.
3. The requisitionist(s) shall deposit his/their requisition together with the proposals to be considered at such meeting at the principal place of business of the Company at Unit 1703B–1706, Level 17, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong or at any address notified by the Company from time to time and for the attention of the Chairman of the Board and the Company Secretary.
4. If the requisition is in order, the Company Secretary will ask the Board to convene an EGM by serving sufficient notice in accordance with the requirements under the Articles of Association to all the registered members. On the contrary, if the requisition is invalid, the members concerned will be advised of this outcome and accordingly, an EGM will not be convened as requested.
5. The notice period to be given to all the registered members for consideration of the proposal raised by the member(s) concerned at an EGM varies according to the nature of the proposal, as follows:
 - at least twenty-one (21) clear days' notice in writing if the proposal constitutes a special resolution of the Company, which cannot be amended other than to a mere clerical amendment to correct a patent error; and
 - at least fourteen (14) clear days' notice in writing if the proposal constitutes an ordinary resolution of the Company.

Members who have enquiries about the above procedures may write to the Company Secretary at Unit 1703B–1706, Level 17, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong or at any address notified by the Company from time to time.



CORPORATE GOVERNANCE REPORT (CONTINUED)

Procedures for a Member to Propose a Person for Election as a Director

The following procedures are subject to the Company's Articles of Association and applicable legislation and regulation.

1. If a member, who is duly qualified to attend and vote at the general meeting convened to deal with appointment/election of director(s), wishes to propose a person (other than the member himself/herself) for election as a director at that meeting, he/she can deposit a written notice at the Company's principal office at Unit 1703B–1706, Level 17, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong, or at any address notified by the Company from time to time for the attention of the Company Secretary of the Company.
2. In order for the Company to inform all members of that proposal, the written notice must state the full name of the person proposed for election as a director, his/her biographical details as required by Rule 13.51(2) of the Listing Rules, and be signed by the member concerned and that person indicating his/her willingness to be elected.
3. The period for lodgment of such a written notice will commence on the day after the despatch of the notice of the general meeting and end no later than seven (7) clear days prior to the date of such general meeting. If the notice is received less than fourteen (14) days prior to that general meeting, the Company will need to consider adjournment of the general meeting in order to (i) assess the suitability of the proposed candidate; and (ii) publish an announcement or circulate a supplementary circular in relation to the proposal to the members at least fourteen (14) days prior to the general meeting.

Members who have enquiries about the above procedures may write to the Company Secretary at Unit 1703B–1706, Level 17, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong or at any address notified by the Company from time to time.

ENQUIRIES TO THE BOARD

No procedure set in the Articles of Association of the Company is available for any member to put forward an enquiry to the Board. A member may, of course, at any time write to the board of directors of the Company at the Company's principal office at Unit 1703B–1706, Level 17, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong or at any address notified by the Company from time to time. In relation to share registration matters in Hong Kong, a member shall contact the branch share registrar in Hong Kong, namely Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

REPORT OF THE DIRECTORS

The directors of the Company (the “Directors” or the “Board”) submit their report together with the audited consolidated financial statements of GCL Technology Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year 2025 are principally engaged in the manufacturing and sale of polysilicon and wafers products, and developing, owning and operation of solar farms.

The particulars of the Group’s principal subsidiaries, interests in associates and interests in joint ventures are set out in notes 21, 22 and 52 of the consolidated financial statements, respectively.

BUSINESS REVIEW

The Group’s revenue is derived principally from the sales of polysilicon, wafer and electricity, which is primarily conducted in the PRC. An analysis of the Group’s performance for the year by operating segment is set out in note 6 to the consolidated financial statements.

A reasonable review of the Group’s business, including the important events affecting the Group that have occurred since the end of 2025 and the likely future developments of the Group’s business, is set out in the Chairman’s Statement, CEO’s Review of Operations and Outlook, and the Management Discussion and Analysis sections on pages 13 to 34 of this report. Potential risks and uncertainties faced by the Group are set out in the Management Discussion and Analysis section on pages 32 to 33 of this report, reviewed and assessed by the Board, which was set out in the Corporate Governance Report under the Risk Management and Internal Controls section on pages 50 to 53. Details about the Group’s financial risk management are set out in note 42 to the consolidated financial statements.

There was no incidence of non-compliance with the relevant laws and regulations in relation to the operations that have a significant impact on the Group’s business.

COMPLIANCE WITH LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the reporting period, there was no material breach of or non-compliance with the applicable of relevant laws and regulations by the Group.

The Company’s environmental policies and performance are set out in the Corporate Environmental Policies and Performance section on pages 36 to 37 of this report.



REPORT OF THE DIRECTORS (CONTINUED)

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and other comprehensive income from pages 100 to 101. The Directors do not recommend the payment of final dividend for the year ended 31 December 2025 (2024: Nil).

FINANCIAL SUMMARY

A summary of the consolidated results and of the assets and liabilities of the Group for the last five financial years is set out on page 2.

PROPERTY, PLANT AND EQUIPMENT

Movements in the property, plant and equipment of the Group during the year are set out in note 17 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the issued share capital of the Company during the year are set out in note 38 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

The distributable reserves of the Company as at 31 December 2025 amounted to approximately RMB36,303 million (2024: approximately RMB35,052 million).

BANK AND OTHER BORROWINGS

Particulars of the Group's bank and other borrowings are set out in note 33 to the consolidated financial statements.

DONATIONS

Donations by the Group for charitable and other purposes as at 31 December 2025 amounted to approximately RMB2 million (2024: approximately RMB2.3 million).

EQUITY-LINKED AGREEMENTS

Save for the share option schemes and the share award scheme described below with details of movements set out in note 48 to the consolidated financial statements, no equity-linked agreements were entered into by the Group during the year ended 31 December 2025, or subsisted at the end of the year 2025.

DIRECTORS

The directors of the Company during the year and up to the date of this report are:

Executive Directors

Mr. Zhu Gongshan (*Chairman and Joint CEO*)

Mr. Zhu Yufeng (*Vice Chairman*)

Mr. Zhu Zhanjun (*Vice Chairman*)

Ms. Sun Wei (*Vice Chairman*)

Mr. Lan Tianshi (*Joint CEO*)

Mr. Yeung Man Chung, Charles (*Chief Financial Officer and Company Secretary*)

Independent Non-executive Directors

Ir. Dr. Ho Chung Tai, Raymond

Dr. Shen Wenzhong

Mr. Li Junfeng

Mr. Yip Tai Him

In accordance with Articles 87(1) and (2) of the Articles of Association of the Company, Mr. Zhu Yufeng, Mr. Zhu Zhanjun, Mr. Lan Tianshi and Dr. Shen Wenzhong will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

The Company has received from each of its independent non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company has assessed their independence and considers that all the independent non-executive directors are independent in accordance with guidelines set out in the Listing Rules.



REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS' SERVICES CONTRACTS

Each of the independent non-executive directors has entered into a service contract with the Company for a fixed term of three years and will be terminated by not less than three months' notice in writing served by either party on the other. Upon the expiry of the notice period, the appointment will be terminated.

No Director proposed for re-election at the forthcoming annual general meeting has entered into any service agreements with any member of the Group which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTEREST IN CONTRACTS

Save as disclosed under the section headed "Connected Transaction and Continuing Connected Transactions" in this report of the Directors, no Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party, and which subsisted at the end of the year or at any time during the year.

PERMITTED INDEMNITY PROVISION

Subject to the applicable laws, the Directors, Company Secretary and other officers of the Company shall be indemnified out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses incurred by him or her in the execution of his or her duties or in relation thereto pursuant to the Company's Articles of Associations, provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons. Such provisions were in force during the course of the financial year ended 31 December 2025 and remained in force as of the date of this report.

REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ASSOCIATED COMPANY

As at 31 December 2025, the Directors and chief executive of the Company had the following interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) to be and were entered into the register required to be kept by the Company pursuant to Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of the Listing Rules:

Long position/short position in the shares and underlying shares of the Company:

Name of Director/ chief executive	Long/Short position	Number of ordinary shares held			Number of underlying Shares held	Total	Approximate percentage of issued share capital (note 5)
		Beneficiary of a trust	Corporate interests	Personal/ Family interests			
Zhu Gongshan	Long position	5,279,395,156 (note 1)	—	—	32,300,000 (note 2)	5,311,695,156	15.99%
	Short position	240,000,000 (note 3)	—	—	—	—	0.72%
Zhu Yufeng	Long position	5,279,395,156 (note 1)	—	—	27,010,755 (notes 2 & 4)	5,306,405,911	15.98%
	Short position	240,000,000 (note 3)	—	—	—	—	0.72%
Zhu Zhanjun	Long position	—	—	—	21,019,359 (notes 2 & 4)	21,019,359	0.06%
Sun Wei	Long position	—	—	5,723,000	21,012,189 (notes 2 & 4)	26,735,189	0.08%
Lan Tianshi	Long position	—	—	2,497,415	27,512,000 (note 4)	30,009,415	0.09%
Yeung Man Chung, Charles	Long position	—	—	—	24,700,000 (notes 2 & 4)	24,700,000	0.07%
Ho Chung Tai, Raymond	Long position	—	—	—	2,007,170 (notes 2 & 4)	2,007,170	0.01%
Yip Tai Him	Long position	—	—	—	2,007,170 (notes 2 & 4)	2,007,170	0.01%
Shen Wenzhong	Long position	—	—	—	1,000,000 (note 4)	1,000,000	0.00%
Li Junfeng	Long position	—	—	—	1,000,000 (note 4)	1,000,000	0.00%

Notes:

- (1) An aggregate of 5,279,395,156 shares of the Company are collectively held by Highexcel Investments Limited, Happy Genius Holdings Limited and Get Famous Investments Limited, which are wholly-owned by Golden Concord Group Limited, which in turn is wholly-owned by Asia Pacific Energy Holdings Limited. Asia Pacific Energy Holdings Limited is in turn wholly-owned by Asia Pacific Energy Fund Limited. Asia Pacific Energy Fund Limited is ultimately held under a discretionary trust with Credit Suisse Trust Limited as trustee and Mr. Zhu Gongshan and his family (including Mr. Zhu Yufeng, a Director of the Company and the son of Mr. Zhu Gongshan) as beneficiaries.



REPORT OF THE DIRECTORS (CONTINUED)

- (2) These are share options granted by the Company to the Directors, pursuant to the share option scheme adopted by the shareholders of the Company on 22 October 2007. Such granted share options can be exercised by the Directors at various intervals during the period from 15 March 2016 to 28 March 2026 at an exercise price of HK\$1.160 or HK\$1.324.
- (3) The short position was held as a result of an equity of derivative agreement entered by Happy Genius Holdings Limited.
- (4) These are award shares granted by the Company to the Directors, pursuant to the share award scheme adopted by the Company on 16 January 2017.
- (5) The total number of ordinary shares of the Company in issue as at 31 December 2025 is 33,216,469,973.

SHARE SCHEMES

SHARE OPTION SCHEMES

2007 Share Option Scheme

The Company adopted a share option scheme (the “2007 Share Option Scheme”) on 22 October 2007 which became effective on 13 November 2007. The purpose of the 2007 Share Option Scheme is to motivate personnel to optimize their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such personnel who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of executives of the Company, to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions. The 2007 Share Option Scheme shall be valid and effective for a period of 10 years from 22 October 2007, after which no further options will be granted or offered but the provisions of the 2007 Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any subsisting options granted prior to the expiry of the 10-year period or otherwise as may be required in accordance with the provisions of the 2007 Share Option Scheme. Since no further options could be granted under the 2007 Share Option Scheme after its expiry in 2017, there are no outstanding options available for issue under the 2007 Share Option Scheme. i.e. 0 representing approximately 0.0% of the number of issued shares as of the date of this annual report since last share option was expired as of the date of this report.

The eligible participants of the 2007 Share Option Scheme cover directors and management of the Group.

Upon expiry of the 2007 Share Option Scheme, no further options could be granted or offered but the provisions of this scheme shall remain in full force for the granted share options and remained outstanding. The total number of shares in respect of which options may be granted under the 2007 Share Option Scheme are not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company’s shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company’s shareholders.

REPORT OF THE DIRECTORS (CONTINUED)

At an extraordinary general meeting of the Company held on 26 November 2015, the shareholders of the Company approved the refreshment of the existing limit to an aggregate number of shares of the Company which may be allotted and issued pursuant to the exercise of options granted under the 2007 Share Option Scheme not exceeding 200,000,000 shares of the Company. During the year, no share options was granted, a total of 2,876,267 share options were lapsed or forfeited or cancelled and no share options were exercised. The outstanding share options under the 2007 Scheme Option Scheme as at 31 December 2025 are 33,770,577 share options. Particular of the 2007 Share Option Scheme, including the fair value of the share option at the date of grant, weight average closing price of the shares on the exercise date and the accounting standard adopted are set out in notes 48 and 2 to the consolidated financial statements.

Details of the share options outstanding and movements under the 2007 Share Option Scheme of the Company during the year are as follows:

Name or category of participant	Date of grant (note 1)	Exercise period	Exercise Price per share (HK\$)	Outstanding as at 1.1.2025	Number of options				Outstanding as at 31.12.2025
					Granted during the year	Lapsed or forfeited during the year	Cancelled during the year	Exercised during the year	
Directors/chief executive and their associates									
Zhu Yufeng	29.3.2016	18.4.2016 to 28.3.2026	1.324	1,510,755	—	—	—	—	1,510,755
Zhu Zhanjun	29.3.2016	18.4.2016 to 28.3.2026	1.324	2,719,359	—	—	—	—	2,719,359
Sun Wei	19.2.2016	15.3.2016 to 18.2.2026	1.16	1,712,189	—	—	—	—	1,712,189
Yeung Man Chung, Charles	29.3.2016	18.4.2016 to 28.3.2026	1.324	1,700,000	—	—	—	—	1,700,000
Ho Chung Tai, Raymond	29.3.2016	18.4.2016 to 28.3.2026	1.324	1,007,170	—	—	—	—	1,007,170
Yip Tai Him	29.3.2016	18.4.2016 to 28.3.2026	1.324	1,007,170	—	—	—	—	1,007,170
Successor of Zhu Qingsong (note 2)	29.3.2016	18.4.2016 to 28.3.2026	1.324	1,007,170	—	—	—	—	1,007,170
Employees and others	19.2.2016	15.3.2016 to 18.2.2026	1.16	23,565,823	—	(2,876,267)	—	—	20,689,556
	29.3.2016	18.4.2016 to 28.3.2026	1.324	2,417,208	—	—	—	—	2,417,208
Total				36,646,844	—	(2,876,267)	—	—	33,770,577

Notes:

- The vesting period under the 2007 Share Option Scheme is 20% of the share options granted on the year of grant, the first, second, third and fourth anniversary of the date of grant, respectively. All share options granted will be fully vested on the fourth anniversary of the date of grant.
- Mr. Zhu Qingsong passed away in 2021.

REPORT OF THE DIRECTORS (CONTINUED)

2022 Share Option Scheme

The Company adopted a new share option scheme (the “2022 Share Option Scheme”) on 9 March 2022 which became effective on 1 April 2022. The purpose of 2022 Share Option Scheme is to replace 2007 Share Option Scheme and to is to motivate personnel to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such personnel who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of directors (including independent non-executive directors) and executive of the Company, to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions. The maximum number of shares in respect of which options which may be issued upon exercise of all options to be granted under the 2022 Share Option Scheme and any other schemes of the Company shall not exceed 10% of the Company’s issued share capital on the date of the approval of the 2022 Share Option Scheme. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company’s shareholders.

As of the date this report, (i) no share options was granted under 2022 Share Option Scheme; and (ii) the total number of shares available for issue under 2022 Share Option Scheme is 2,709,901,044 Shares, representing approximately 8.16% of the Company’s number of issued shares as of the date of this annual report. No share options were outstanding under 2022 Share Option Scheme as at 31 December 2025. The total number of share options available for grant under the scheme mandate of the 2022 Share Option Scheme as at 1 January 2025 was 2,709,901,044 and as at 31 December 2025 was 2,709,901,044.

Under the 2022 Share Option Scheme, the exercise price shall be determined by the Board and notified to a proposed beneficiary at the time of offer of the option and shall be not less than whichever is the highest for (a) the nominal value of a share; (b) the closing price of the shares as stated in the Stock Exchange’s daily quotation sheet on the date of grant; and (c) the average closing price of the shares as stated in the Stock Exchange’s daily quotation sheet for the five business days immediately preceding the date of grant.

Under the 2022 Share Option Scheme, an option granted can only be exercised according to the following vesting schedule:

Vesting date	Cumulative percentage of Share a Grantee is entitled to subscribe under Options granted to him/her
1st anniversary of the Commencement Date	20%
2nd anniversary of the Commencement Date	40%
3rd anniversary of the Commencement Date	60%
4th anniversary of the Commencement Date	80%
5th anniversary of the Commencement Date	100%

Under the 2022 Share Option Scheme, the Company may grant options to directors, employees of the Company and its subsidiaries and qualifying grantees to subscribe for shares of the Company.

Unless otherwise terminated by the Board or the shareholders in general meeting in accordance with the terms of the 2022 Share Option Scheme, the 2022 Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption date. The remaining life of the 2022 Share Option Scheme is around 6 years.

SHARE AWARD SCHEME

The Company has adopted a share award scheme (the "Share Award Scheme") on 16 January 2017, in which Eligible Persons will be entitled to participate and pursuant to which ordinary shares of the Company (the "Shares") may be purchased by the Trustee from the market out of cash contributed by the Group and/or the Company may allot and issue new Shares to the Trustee pursuant to a Specific Mandate and such Shares would be held upon trust for the relevant Grantees until such Award Shares are vested in accordance with the rules of the Share Award Scheme (the "Scheme Rules").

Purpose

The purpose of the Share Award Scheme is, through the grant of award(s) ("Award(s)") of award Share(s) ("Award Share(s)") to certain Eligible Persons, to effectively attract, retain and incentivise core employees of the Group and align their interests and growth with the Group as a whole.

Eligible Persons

The Eligible Person under the Share Award Scheme is any individual who is an employee of any Group Company, (including any director holding a salaried employment or office in any Group Company); however, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to this Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in this Scheme and such individual shall therefore be excluded from the term Eligible Person.

Shares Available for Issue

As at the date of this report, the Directors have not been authorized under any specific mandate granted by the Shareholders to allot and issue any Shares for the purpose of the Share Award Scheme. Accordingly, as at the date of this report, no new Share was available for issue under the Share Award Scheme.

Maximum Limit

The maximum number of Shares that can be held by the Trustee under the Share Award Scheme is limited to 2 per cent. of the total number of issued Shares from time to time.

The maximum number of Award Shares which may be granted to a Grantee who is not a Director but unvested under the Share Award Scheme shall not exceed 0.1 per cent. of the total number of issued Shares from time to time.

The maximum number of Award Shares which may be granted to a Grantee who is a Director shall not, in aggregate, exceed 0.5 per cent. of the total number of issued Shares in any 12-month period.



REPORT OF THE DIRECTORS (CONTINUED)

Duration

Subject to any early termination as may be determined by the Board pursuant to the terms of the Scheme Rules, the Share Award Scheme shall be valid and effective for the period commencing on the Adoption Date until the later of (i) the 10th anniversary of the Adoption Date, and (ii) such date that all Awards outstanding are fully vested, settled, lapsed, forfeited or cancelled (as the case may be).

The remaining life of the Share Award Scheme is around 1 year.

Administration

The Share Award Scheme shall be subject to the administration of the Board, the Committee and the Trustee in accordance with the Scheme Rules and the Trust Deed.

Operation

Grant of Awards

The Board may, from time to time, at its absolute discretion, select any Eligible Persons to participate in the Share Award Scheme as Grantees, subject to the terms and conditions set out in the Scheme Rules. In determining the Grantees, the Board shall take into consideration matters including, but without limitation, the present and expected contribution of the relevant Grantees to the Group. A Grantee may be granted an Award by the Company during the Award Period which will vest over a period of time and on such other conditions to be determined by the Board in its absolute discretion.

Subject to the restrictions set out in the section headed "Restrictions" below, the Company shall:

- (i) pay to the Trustee monies and may give directions or a recommendation to the Trustee to apply such monies and/or such other net amount of cash derived from Shares held as part of the Trust Fund to acquire Shares or instruct the Trustee to reallocate any Returned Shares; and/or
- (ii) allot and issue new Shares to the Trustee pursuant to a Specific Mandate and in accordance with all applicable laws and regulations, including but not limited to the requirements of the Listing Rules and the Takeovers Code, to satisfy any Award made or any expected or potential Award to be made under the Share Award Scheme.

In the event that a Grantee ceases to be an Eligible Person at any time prior to the relevant vesting date by reason of: (i) resignation of the Grantee's employment, or (ii) retirement of the Grantee which is earlier than his/her normal retirement age as specified in his/her terms of employment with the Group, or (iii) termination of the Grantee's employment or contractual engagement with the Group by reason of redundancy, all unvested Awards made to the Grantee shall lapse and be forfeited immediately and all Award Shares vested (but not yet transferred to the Grantee) under the Award shall become immediately transferable to the Grantee.

In the event that a Grantee ceases to be an Eligible Person at any time prior to the relevant vesting date by reason of termination of the Grantee's employment or early termination of the contractual engagement with the Group by reasons of culpable termination or otherwise pursuant to law or employment or engagement contract, all unvested Awards made to the Grantee shall lapse and be forfeited immediately and all Award Shares vested (but not yet transferred to the Grantee) under the Award shall become Returned Shares.

In the event that a Grantee ceases to be an Eligible Person at any time prior to the relevant vesting date by reason of: (i) retirement of the Grantee at his/her normal retirement age as specified in his/her terms of employment with the Group, or (ii) winding-up of any member of the Group in which the Grantee is employed or is contractually engaged, or (iii) completion of the term of the Grantee's contract for provision of services, goods or otherwise with the Group pursuant to such contract terms, or (iv) completion of the term of the contract of the Grantee's engagement with the Group as contractual staff, all unvested Awards shall vest and become immediately transferable to the Grantee.

In the event that a Grantee ceases to be an Eligible Person at any time prior to the relevant vesting date by reason of death or loss of capacity of the Grantee, all unvested Awards shall vest immediately and be transferable to the legal personal representative of the Grantee.

If there occurs an event of change in control (as specified in the Takeovers Code from time to time) of the Company by way of merger or a privatisation of the Company by way of a scheme, or by way of offer to purchase the entire issued share capital of the Company, the Committee shall determine at its discretion whether the outstanding Award Shares shall vest in the relevant Grantee(s) and the time at which such outstanding Award Shares shall vest.

Restrictions

No Award shall be made to Grantees and no payments shall be made to the Trustees to purchase Shares and no directions or recommendations to acquire Shares shall be given to the Trustees under the Share Award Scheme and no new Shares shall be allotted and issued to the Trustee pursuant to a Specific Mandate, where any Director is in possession of unpublished inside information in relation to the Company or where dealings in the Shares by Directors are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time.

Voting Rights

For so long as the Trustee holds any of the Award Shares for the purpose of the Share Award Scheme under the Trust, the Trustee shall not exercise the voting rights in respect of any Shares held under the Trust (including but not limited to the Award Shares, any Returned Shares, any bonus Shares and any scrip Shares). Upon the Award Shares being transferred and released to the Grantee in accordance with the Scheme Rules, the Grantee shall be entitled to exercise all voting rights in respect of such Award Shares.

Dividends

A Grantee shall have no right to any dividend derived from the Award Shares which shall be retained by the Trustee for the benefit of the Share Award Scheme unless such Award Shares have been transferred and released to him/her in accordance with the Scheme Rules.



REPORT OF THE DIRECTORS (CONTINUED)

Transferability and other rights

Any Award granted under the Share Award Scheme but not yet vested shall be personal to the Grantee to whom it is made and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Award, or enter into any agreement to do so.

Termination

The Share Award Scheme shall terminate on:

- (i) such date after the expiry of the Award Period that all Awards outstanding are fully vested, settled, lapsed, forfeited or cancelled (as the case may be) in accordance with the terms and conditions set out in the Share Award Scheme; or
- (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Grantee thereunder.

Following the settlement, lapse, forfeiture or cancellation (as the case may be) of the last outstanding Award made or which can be made under the Share Award Scheme (whichever is later), the Trustee shall sell all the Shares remaining in the Trust within a reasonable time period as agreed between the Trustee and the Company after receiving notice of the settlement, lapse, forfeiture or cancellation (as the case may be) of such last outstanding Award (or such longer period as the Company may otherwise determine), and remit all cash and net proceeds of such sale referred herein and such other funds remaining in the Trust (after making appropriate deductions in respect of all disposal costs, expenses and other existing and future liabilities in accordance with the Trust Deed) to the Company. For the avoidance of doubt, the Trustee shall not transfer any Shares to the Company nor may the Company otherwise hold any Shares whatsoever (other than the proceeds in the sale of such Shares pursuant to this paragraph).

During the year, 271,732,888 Award Shares were granted under the Share Award Scheme.

REPORT OF THE DIRECTORS (CONTINUED)

The Share Award Scheme does not expressly stipulate the number of Award Shares that may be granted thereunder. In the event where any Award is to be satisfied by the allotment and issue of new Shares, the Board shall obtain a specific mandate from the shareholders of the Company at a general meeting. Accordingly, there is no upper limit of the number of Award Shares to be satisfied by existing Shares of the Company available for grant as at 1 January 2025 and 31 December 2025, whereas since the Board has not been authorized by the shareholders of the Company to allot and issue Shares under the Share Award Scheme pursuant to any specific mandate, the number of Award Shares to be satisfied by allotment and issue of new Shares of the Company available for grant as at 1 January 2025 and 31 December 2025 was nil. Particular of the Share Award Scheme, including the fair value of Award Shares of the date grant, weight average closing price of the share immediately, before the dates on which the Award Shares were vested and the accounting standard adopted are set out in notes 46 and 4 to the consolidated financial statements. Details of the Award Shares granted under the Share Award Scheme and the movements during the year are as follows:

			Number of Award Shares					
			as at 1 January 2025	Granted during the year	Vested during the year	Cancelled during the year	Lapsed during the year	Outstanding as at 31 December 2025
Name	Date of Grant	Vesting Period						
Directors								
Zhu Gongshan	6 July 2022	6.7.2022 to 5.7.2027	6,300,000 (note 1)	—	—	—	—	6,300,000
	24 December 2025	24.12.2025 to 23.12.2028	—	26,000,000 (note 4)	—	—	—	26,000,000
Zhu Yufeng	6 July 2022	6.7.2022 to 5.7.2027	3,500,000 (note 1)	—	—	—	—	3,500,000
	24 December 2025	24.12.2025 to 23.12.2028	—	22,000,000 (note 4)	—	—	—	22,000,000
Zhu Zhanjun	6 July 2022	6.7.2022 to 5.7.2027	3,300,000 (note 1)	—	—	—	—	3,300,000
	24 December 2025	24.12.2025 to 23.12.2028	—	15,000,000 (note 4)	—	—	—	15,000,000
Sun Wei	6 July 2022	6.7.2022 to 5.7.2027	3,300,000 (note 1)	—	—	—	—	3,300,000
	24 December 2025	24.12.2025 to 23.12.2028	—	16,000,000 (note 4)	—	—	—	16,000,000
Lan Tianshi	16 February 2022	16.2.2022 to 15.2.2027	7,512,000 (note 2)	—	—	—	—	7,512,000
	24 December 2025	24.12.2025 to 23.12.2028	—	20,000,000 (note 4)	—	—	—	20,000,000
Yeung Man Chung, Charles	6 July 2022	6.7.2022 to 5.7.2027	3,000,000 (note 1)	—	—	—	—	3,000,000
	24 December 2025	24.12.2025 to 23.12.2028	—	20,000,000 (note 4)	—	—	—	20,000,000
Ho Chung Tai, Raymond (note 6)	6 July 2022	6.7.2022 to 5.7.2027	500,000 (note 1)	—	—	—	—	500,000
	24 December 2025	24.12.2025 to 23.12.2028	—	500,000 (note 4)	—	—	—	500,000
Shen Wenzhong (note 6)	6 July 2022	6.7.2022 to 5.7.2027	500,000 (note 1)	—	—	—	—	500,000
	24 December 2025	24.12.2025 to 23.12.2028	—	500,000 (note 4)	—	—	—	500,000
Li Junfeng (note 6)	24 December 2025	24.12.2025 to 23.12.2028	—	1,000,000 (note 4)	—	—	—	1,000,000
Yip Tai Him (note 6)	6 July 2022	6.7.2022 to 5.7.2027	500,000 (note 1)	—	—	—	—	500,000
	24 December 2025	24.12.2025 to 23.12.2028	—	500,000 (note 4)	—	—	—	500,000
Other Employees								
	16 February 2022	16.2.2022 to 15.2.2027	155,008,000 (note 2)	—	—	—	—	155,008,000
	6 July 2022	6.7.2022 to 5.7.2027	55,230,000 (note 1)	—	—	—	—	55,230,000
	21 July 2023	21.7.2023 to 20.7.2027	4,296,000 (note 3)	—	—	—	—	4,296,000
	24 December 2025	24.12.2025 to 23.12.2028	—	150,232,888 (note 4)	—	—	—	150,232,888
Total			242,946,000	271,732,888	—	—	—	514,678,888

REPORT OF THE DIRECTORS (CONTINUED)

Notes:

1. Based on the closing price of HK\$3.83 per Share quoted on the Stock Exchange on 6 July 2022, the market value of the granting Award Shares (at grant price of HK\$0.86 per Award Share) is approximately HK\$293,109,900.
2. Based on the closing price of HK\$2.52 per Share quoted on the Stock Exchange on 16 February 2022, the market value of the granting Award Shares (at grant price of HK\$0.86 per Award Share) is approximately HK\$540,036,000.
3. Based on the closing price of HK\$1.59 per Share quoted on the Stock Exchange on 21 July 2023, the market value of the granting Award Shares (at grant price of HK\$0.86 per Award Share) is approximately HK\$6,830,640.
4. Based on the closing price of HK\$1.09 per Share quoted on the Stock Exchange on 24 December 2025, the market value of the granting Award Shares (at grant price of HK\$0.0 per Award Share) is approximately HK\$296,188,848.
5. The vesting is conditional upon the achievement or attainment of certain performance targets by the Company. Please refer to the announcements of the Company dated 16 February 2022, 6 July 2022, 21 July 2023 and 24 December 2025, respectively, for details.
6. Granting Award Share to the Independent Non-Executive Directors was approved by the board of the company and all Independent Non-Executive Directors was abstain from voting for the relevant resolution.

The number of shares that may be issued in respect of options and awards granted under all schemes of the Company during the financial year divided by the weighted average number of shares in issue for the year is approximately 0.12%.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2025, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had an interest or short position in the shares or underlying shares of the Company as recorded in the register kept pursuant to Section 336 of the SFO:

Long/short position in the shares and underlying shares of the Company

Name	Capacity/nature of interest	Long/Short Position	Number of shares/ underlying shares	Approximate percentage of issued share capital of the Company
				(Note 2)
Asia Pacific Energy Fund Limited	Interest in a controlled corporation (Note 1)	Long position	5,279,395,156	15.89%
		Short Position	240,000,000	0.72%

Notes:

1. An aggregate of 5,279,395,156 shares of the Company are collectively held by Highexcel Investments Limited, Happy Genius Holdings Limited and Get Famous Investments Limited, which are wholly-owned by Golden Concord Group Limited, which in turn is wholly-owned by Asia Pacific Energy Holdings Limited. Asia Pacific Energy Holdings Limited is in turn wholly-owned by Asia Pacific Energy Fund Limited. Asia Pacific Energy Fund Limited is ultimately held under a discretionary trust with Credit Suisse Trust Limited as trustee for Mr. Zhu Gongshan and his family (including Mr. Zhu Yufeng, a Director and the son of Mr. Zhu Gongshan) as beneficiaries.
2. The total number of ordinary shares of the Company in issue as at 31 December 2025 is 33,216,469,973.
3. Based on the public information available to the Company before publishing this Annual Report, on 17 April 2026, Credit Suisse Trust Limited ceased to be the trustee of the Zhu Family Trust, and Butterfield Trust (Asia) Limited succeeded the role of trustee of the Zhu Family trust.

REPORT OF THE DIRECTORS (CONTINUED)

Save as disclosed aforesaid, so far as is known to any Directors or chief executive of the Company, as at 31 December 2025, no other persons (other than a Director or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register kept pursuant to Section 336 of the SFO.

DIRECTOR'S INTEREST IN SIGNIFICANT CONTRACTS

Save as disclosed in the heading "Connected Transactions and Continuing Connected Transactions", there is no transaction, arrangement or contract of significance subsisting during or at the end of the year in which a director of the Company is or was materially interested, either directly or indirectly.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

The INEDs of the Company, have reviewed and considered the report from internal auditors in respect of the internal audit procedures taken and findings on the continuing connected transactions, confirmed that the continuing connected transactions for the year ended 31 December 2025 and that they were entered into:

- i. in the ordinary course of the business of the Group;
- ii. on normal commercial terms or better; and
- iii. in accordance with the relevant written agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the Company has engaged the auditor of the Company to conduct certain procedures in respect of the continuing connected transactions of the Group in accordance with the Hong Kong Standard on Assurance Engagement 3000 (Revised) "Assurance Engagement Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

The auditor has confirmed to the Board in writing that for the year ended 31 December 2025, the continuing connected transactions, which were entered into:

- a. have received the approval of the Board;
- b. have been in accordance with the pricing policies of the Company for transactions involving the provision of goods or services;
- c. have been in accordance with the relevant agreement governing such transactions; and
- d. have not exceeded the relevant announced cap amounts for the financial year ended 31 December 2025.



REPORT OF THE DIRECTORS (CONTINUED)

Details of the connected transactions and continuing connected transactions of the Company for the year ended 31 December 2025 that are subject to reporting and annual review requirements under the Listing Rules are as follows:

(A) Connected Transaction

Reference is made to the Company's announcement dated 8 December 2025 in relation to GCL Suzhou, GCL Xuzhou, Cinda, Xinsheng and Anyi entered into the Partnership Agreement for the establishment of the Limited Partnership to acquire 42.469% equity interests of the Target. The Target would continue to be a non wholly-owned subsidiary of the Company after the Acquisitions.

Pursuant to the Partnership Agreement, the size of the Limited Partnership shall be RMB2,064 million of which GCL Suzhou and Cinda, the limited partners, shall make capital contribution of RMB760 million and RMB1,300 million, respectively, while Xinsheng as GP1 and Anyi as GP2 and GCL Xuzhou as GP3, the general partners, shall make capital contribution of RMB1.0 million, RMB1.5 million and RMB1.5 million, respectively.

Upon the establishment of the Limited Partnership, the Limited Partnership would enter into the Sale and Purchase Agreements with each of Hongyuan Green Energy and Tibet Ruihua for the Acquisitions for an aggregate consideration of RMB2,010 million. As a result of the establishment of the Limited Partnership and the Acquisitions, the relevant parties entered into a series of other agreements.

As at 8 December 2025, as each of Hongyuan Green Energy and Tibet Ruihua was a connected person of the Company at the subsidiary level by virtue of being a substantial shareholder of the Target, a non wholly-owned subsidiary of the Company as at the date of announcement, the Acquisitions constitute connected transactions of the Company under Chapter 14A of the Listing Rules. An announcement dated 8 December 2025 setting out details of the above-mentioned transaction was issued by the Company.

(B) Continuing Connected Transactions

(1) Perpetual Notes Agreement with GNE

Reference is made to the Company's announcement dated 30 August 2022 and circular dated 6 September 2022 regarding, among other things, the continuation of existing perpetual notes agreement with GNE (the "Perpetual Notes Agreement").

On 18 November 2016, certain wholly-owned subsidiaries of the Company, including GCL Technology (Suzhou) Co., Ltd. (協鑫科技(蘇州)有限公司), Jiangsu GCL Silicon Material Technology Development Co., Ltd. (江蘇協鑫硅材料科技發展有限公司), Suzhou GCL Photovoltaic Technology Co., Ltd. (蘇州協鑫光伏科技有限公司), and Taicang GCL Photovoltaic Technology Co., Ltd. (太倉協鑫光伏科技有限公司) (as lenders) and Nanjing GCL New Energy Development Co., Ltd, an indirect wholly-owned subsidiary of GNE (as borrower), entered into the Perpetual Notes Agreement in the principal amount of RMB1,800,000,000. Following the completion of the distribution in specie of shares of GNE by the Company on 29 September 2022, Golden Concord Group, a substantial shareholder and a connected person of the Company, consolidated the financial results of GNE as its subsidiary pursuant to applicable accounting standards. Pursuant to Rule 14A.07(4) of the Listing Rules, GNE became an associate of Golden Concord Group as a connected person of the Company. Accordingly, the Perpetual Notes Agreement constitutes continuing connected transaction of the Company for the purposes of the Listing Rules.

Under the terms of the Perpetual Notes Agreement, the interest rate for the principal amount is 7.3% per annum for the first two years, 9% per annum for the third to fourth year and is capped at 11% per annum starting from the fifth year. Therefore, the maximum interest payment in the year ended 31 December 2025 is RMB200,750,000.

Further details on the principal terms of the Perpetual Notes Agreement are set out in the Company's announcement dated 30 August 2022 and circular dated 6 September 2022.

REPORT OF THE DIRECTORS (CONTINUED)

(2) Coal Supply Framework Agreement

Reference is made to the announcement dated 30 December 2022, in relation to:

On 30 December 2022, Jiangsu Zhongneng (as customer) and Suzhou GCL (as supplier) entered into the Coal Supply Framework Agreement, pursuant to which Suzhou GCL agreed to supply coal to Jiangsu Zhongneng for a period of three years commencing from 1 January 2023 and ending on 31 December 2025 ("Coal Supply Framework Agreement").

On 30 December 2022, the Zhu Family Trust was a substantial shareholder of the Company, and therefore was a connected person of the Company. As Suzhou GCL was ultimately held by the Zhu Family Trust, Suzhou GCL was an associate of the Zhu Family Trust and a connected person of the Company under Chapter 14A of the Listing Rules.

The transaction amount and the annual cap for the year ended 31 December 2025 under Coal Supply Framework Agreement were as follow:

Agreement	Transaction amount for the year ended 31 December 2025 (RMB)	Annual Cap for the year ended 31 December 2025 (RMB)
Coal Supply Framework Agreement	45,647,703	810,000,000

An announcement dated on 30 December 2022 setting out details of the above transactions was issued by the Company.

(3) Procurement Framework Agreement

- (i) Reference is made to the announcements dated 18 November 2021, 3 April 2023 and 19 May 2023, in relation to:

Jiangsu Zhongneng, a wholly-owned subsidiary of the Company (as seller), agreed to sell a total of not less than 97,500 metric tonnes of polysilicon materials and granular silicon to Wuxi Shangji and Hongyuan New Materials (as purchasers) for a term of five years commencing from 1 January 2022 and ending on 31 December 2026. On 19 May 2023, due to the increased minimum order quantity of polysilicon materials and granular silicon under the Procurement Framework Agreement, the seller and the buyer entered into the Supplemental Agreement to increase the Annual Caps for the year ending 31 December 2023, whereas all other terms and conditions of the Procurement Framework Agreement remained unchanged ("Hoyuang Procurement Framework Agreement").

REPORT OF THE DIRECTORS (CONTINUED)

On 3 April 2023, Wuxi Shangji was a substantial shareholder of Inner Mongolia Xin Yuan, a non-wholly-owned subsidiary of the Company established on 2 April 2021, and Hongyuan New Materials was a subsidiary of Wuxi Shangji. As the relevant percentage ratios (as defined under Rule 14A.09 of the Listing Rules) in respect of Inner Mongolia Xin Yuan were less than 10% for the period from 2 April 2021 (date of incorporation) to 31 December 2021, Inner Mongolia Xin Yuan was an insignificant subsidiary of the Company under Rule 14A.09 of the Listing Rules. Therefore, Wuxi Shangji and Hongyuan New Materials were not connected persons of the Company under the Listing Rules. Based on the annual results announcement of the Company for the financial year ended 31 December 2022, which was published by the Company on 30 March 2023, the relevant percentage ratios (as defined under Rule 14A.09 of the Listing Rules) in respect of Inner Mongolia Xin Yuan exceeded 10% for the financial year ended 31 December 2022, and Inner Mongolia Xin Yuan had ceased to be an insignificant subsidiary of the Company under Rule 14A.09 of the Listing Rules. Therefore, each of Wuxi Shangji and Hongyuan New Materials became a connected person of the Company at the subsidiary level under the Listing Rules.

The transaction amount and the annual cap for the year ended 31 December 2025 under the Hoyuang Procurement Framework Agreement were as follow:

Agreement	Transaction amount for the year ended 31 December 2025 (RMB)	Annual Cap for the year ended 31 December 2025 (RMB)
Hoyuang Procurement Framework Agreement	190,162,561	3,520,000,000

Announcements dated on 18 November 2021, 3 April 2023 and 19 May 2023 setting out details of the above transactions were issued by the Company.

(ii) **Reference is made to the announcement dated 15 March 2024, in relation to:**

The Group had entered into various recurring transactions with Tianjin Huanrui and Inner Mongolia Zhonghuan, respectively, pursuant to the Relevant Agreements, and the Group expects to continue such recurring transactions contemplated under the Relevant Agreements:

- (a) on 29 January 2021, the Company entered into the Cooperative Framework Agreement with Tianjin Huanrui (as supplemented by the Supplemental Agreement on 17 October 2022), pursuant to which the Company (by itself or through its subsidiaries) (as seller), agreed to sell a total of 350,000 metric tonnes of polysilicon to Tianjin Huanrui (as purchaser) for a term of five years commencing from 1 January 2022 and ending on 31 December 2026;

REPORT OF THE DIRECTORS (CONTINUED)

- (b) on 2 January 2024, Konca Solar, an indirect non-wholly-owned subsidiary of the Company, entered into the First Procurement Framework Agreement with Inner Mongolia Zhonghuan, pursuant to which Konca Solar (as purchaser) agreed to purchase a proposed annual order quantity of 12,000 metric tonnes of monocrystalline silicon ingots from Inner Mongolia Zhonghuan (as seller) for the term commencing from the date of the First Procurement Framework Agreement and ending on 31 December 2024; and
- (c) on 31 January 2024, Konca Solar, entered into the Second Procurement Framework Agreement and the Third Procurement Framework Agreement with Inner Mongolia Zhonghuan, pursuant to which Konca Solar (as purchaser) agreed to purchase a further proposed aggregate annual order quantity of 19,948 metric tonnes of monocrystalline silicon ingots from Inner Mongolia Zhonghuan (as seller) for the term commencing from the date of the Second Procurement Framework Agreement and the date of the Third Procurement Framework Agreement, respectively, and ending on 31 December 2024.

The above First Procurement Framework Agreement, the Second Procurement Framework Agreement and the Third Procurement Framework Agreement had expired on 31 December 2024.

On 15 March 2024, Tianjin Huanrui was a direct wholly-owned subsidiary of TCL and Inner Mongolia Zhonghuan was an indirect non-wholly-owned subsidiary of TCL. TCL is a subsidiary of TCL Technology. TCL Technology indirectly held 40% equity interest in Inner Mongolia Xinhuan, an indirect subsidiary of the Company established on 15 July 2022. As such, TCL Technology was a substantial shareholder of Inner Mongolia Xinhuan, and each of Tianjin Huanrui and Inner Mongolia Zhonghuan was an associate of TCL Technology. As the relevant percentage ratios (as defined under Rule 14A.09 of the Listing Rules) in respect of Inner Mongolia Xinhuan were less than 10% for the period from 15 July 2022 (date of establishment) to 31 December 2022, Inner Mongolia Xinhuan was an insignificant subsidiary of the Company under Rule 14A.09 of the Listing Rules. Therefore, each of Tianjin Huanrui and Inner Mongolia Zhonghuan was not a connected person of the Company under the Listing Rules.

Based on the annual results announcement of the Company for the financial year ended 31 December 2023, which was published by the Company on 15 March 2024, the relevant percentage ratios (as defined under Rule 14A.09 of the Listing Rules) in respect of Inner Mongolia Xinhuan exceeded 10% for the financial year ended 31 December 2023, and Inner Mongolia Xinhuan had ceased to be an insignificant subsidiary of the Company under Rule 14A.09 of the Listing Rules. Therefore, each of Tianjin Huanrui and Inner Mongolia Zhonghuan became a connected person of the Company at the subsidiary level under the Listing Rules.

REPORT OF THE DIRECTORS (CONTINUED)

The transaction amount and the annual cap for the year ended 31 December 2025 under above agreement were as follow:

Agreement	Transaction amount for the year ended 31 December 2025 (RMB)	Annual Cap for the year ended 31 December 2025 (RMB)
Cooperative Framework Agreement (as supplemented by the Supplemental Agreement)	2,597,290,552	5,600,000,000

An announcement dated 15 March 2024 setting out details of the above-mentioned transaction was issued by the Company.

(iii) **Reference is made to the announcements dated 15 March 2024 and 25 September 2025, in relation to:**

On 1 January 2025, Konca Solar, an indirect non-wholly-owned subsidiary of the Company (as purchaser) and Inner Mongolia Zhonghuan (as seller) entered into the Original Framework Agreement which serves as a cooperative framework agreement setting out the general principles and mechanism for business cooperation between the parties for the procurement of the Proposed Annual Order Quantity of 8,125 metric tonnes monocrystalline silicon ingots for the financial year ending 31 December 2025 as the parties were unable to set the Annual Cap in monetary amount at the relevant time. The Original Framework Agreement was subsequently amended and supplemented by the First Supplemental Agreement and the Second Supplemental Agreement on 31 March 2025 and 25 September 2025, which further, among other things, revise the pricing basis and set the Annual Cap for the transactions contemplated thereunder, respectively, and therefore, for the purpose of completeness, the Original Framework Agreement should be read together with the Supplemental Agreements as one agreement (i.e. 2025 Framework Agreement).

According to publicly available information, as at 25 September 2025, Inner Mongolia Zhonghuan was an indirect non-wholly-owned subsidiary of TCL. TCL was a subsidiary of TCL Technology. TCL Technology indirectly held 40% equity interest in Inner Mongolia Xinhuan, an indirect subsidiary of the Company. As such, TCL Technology was a substantial shareholder of Inner Mongolia Xinhuan and a connected person of the Company, and therefore Inner Mongolia Zhonghuan was an associate of TCL Technology and also a connected person of the Company. Accordingly, the 2025 Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

REPORT OF THE DIRECTORS (CONTINUED)

Since one or more of the applicable percentage ratios (other than the profits ratio) under Rule 14.07 of the Listing Rules calculated with reference to the Annual Cap exceeds 1% but are all less than 5% and the estimated aggregate transaction amount under the 2025 Framework Agreement was expected to be not less than HK\$3,000,000, the continuing connected transactions contemplated under the 2025 Framework Agreement were subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The transaction amount and the annual cap for the year ended 31 December 2025 under the above agreement were as follow:

Agreement	Transaction amount for the year ended 31 December 2025 (RMB)	Annual Cap for the ended 31 December 2025 (RMB)
2025 Framework Agreement	377,881,242	600,000,000

An announcement dated 15 March 2024 and 25 September 2025 setting out details of the above mentioned transaction was issued by the Company.

(iv) **Reference is made to the announcement dated 7 August 2025, in relation to:**

On 7 August 2025 (after trading hours), Jiangsu Zhongneng, an indirect wholly-owned subsidiary of the Company (as seller) and GCL System Integration (Suzhou) (as buyer) entered into the 2025 Silicon Material Products Sale Agreement, pursuant to which Jiangsu Zhongneng shall sell and GCL System Integration (Suzhou) shall purchase certain amount of silicon material products during the period from 7 August 2025 (being the date of the 2025 Silicon Material Products Sale Agreement) to 31 December 2025.

As at 7 August 2025, the Zhu Family Trust was a substantial shareholder and a connected person of the Company. GCL System Integration was ultimately controlled by Mr. Zhu. GCL System Integration (Suzhou) was a wholly-owned subsidiary of GCL System Integration. Accordingly, each of GCL System Integration and GCL System Integration (Suzhou) was a connected person of the Company and the transactions contemplated under the 2025 Silicon Material Products Sale Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

REPORT OF THE DIRECTORS (CONTINUED)

Pursuant to Rule 14A.81 of the Listing Rules, if a series of connected transactions were entered into or completed within a 12-month period or are otherwise related, these transactions shall be aggregated. Given that (i) the 2025 Wafer Sale Transactions and the 2025 Silicon Material Products Sale Transactions are conducted within the same 12-month period; (ii) the respective counterparty of the 2025 Wafer Sale Transactions (i.e. GCL System Integration) and the 2025 Silicon Material Products Sale Transactions (i.e. GCL System Integration (Suzhou)) are connected; and (iii) the nature of the respective products under the 2025 Wafer Sale Transactions and the 2025 Silicon Material Products Sale Transactions is similar and related, the 2025 Wafer Sale Transactions and the 2025 Silicon Material Products Sale Transactions shall be aggregated in accordance with Rule 14A.81 of the Listing Rules.

Since one or more of the applicable percentage ratios (other than the profits ratio) under Rule 14.07 of the Listing Rules in respect of the aggregate of the 2025 Revised Wafer Sale Cap and the 2025 Silicon Material Products Sale Cap exceeds 0.1% but are all less than 5% and the aggregate transaction amount of the 2025 Wafer Sale Agreement (as amended and supplemented by the Supplemental Agreement) and the 2025 Silicon Material Products Sale Agreement is expected to be not less than HK\$3,000,000, the continuing connected transactions contemplated under each of the 2025 Wafer Sale Agreement (as amended and supplemented by the Supplemental Agreement) and the 2025 Silicon Material Products Sale Agreement are subject to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The transaction amount and the annual cap for the year ended 31 December 2025 under the above agreement were as follow:

Agreement	Transaction amount for the year ended 31 December 2025 (RMB)	Annual Cap for the year ended 31 December 2025 (RMB)
Silicon Material Products Sale Agreement	0	450,000,000

An announcement dated 7 August 2025 setting out details of the above mentioned transaction was issued by the Company.

(4) Wafer Sale Agreement

Reference are made to the announcements dated 27 December 2024 and 7 August 2025, in relation to:

On 27 December 2024, GCL Technology Suzhou (as the seller), a wholly-owned subsidiary of the Company, and GCL System Integration (as the buyer) entered into the Wafer Sale Agreement, pursuant to which the Seller shall sell and the Buyer shall purchase certain quantities of wafers during the period from 1 January 2025 to 31 December 2025 ("Wafer Sale Agreement"). In the view of changing the procurement plan for wafer by the buyer, on 7 August 2025, the buyer and the sellers entered into the Supplement Agreement to, among other things, revise the annual cap to RMB250,000,000.

REPORT OF THE DIRECTORS (CONTINUED)

On 27 December 2024, the Zhu Family Trust is a substantial shareholder and a connected person of the Company. GCL System Integration was ultimately controlled by Mr. Zhu. Accordingly, GCL System Integration was a connected person of the Company and the transactions contemplated under the Wafer Sale Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The transaction amount and the annual cap for the year ended 31 December 2025 under Wafer Sale Agreement were as follow:

Agreement	Transaction amount for the year ended 31 December 2025 (RMB)	Annual Cap for the year ended 31 December 2025 (RMB)
Wafer Sale Agreement	94,100,746	250,000,000

Announcements dated 27 December 2024 and 7 August 2025 setting out details of the above transactions were issued by the Company.

(5) Guarantee Agreement

Reference is made to the announcements dated 15 March 2024 and 21 March 2024, in relation to:

On 15 December 2019, Jiangsu Zhongneng entered into the Guarantee Agreement with Xinjiang Goens, pursuant to which Jiangsu Zhongneng shall provide guarantee for the financing activities of Xinjiang Goens. As at the financial year ended 2023, the outstanding indebtedness of Xinjiang Goens which was guaranteed by Jiangsu Zhongneng is approximately RMB846 million, comprising the principal amount and interest payable by Xinjiang Goens pursuant to the Syndicated Loan Facility. The Syndicated Loan Facility would mature on 14 December 2025. Other than the Syndicated Loan Facility, there is no other outstanding indebtedness of Xinjiang Goens which is guaranteed by Jiangsu Zhongneng pursuant to the Guarantee Agreement. The term of the Guarantee Agreement shall end on the date which all outstanding indebtedness of Xinjiang Goens guaranteed under the Guarantee Agreement were repaid in full, being 14 December 2025, the maturity date of the Syndicated Loan Facility.

According to publicly available information, on 15 March 2024, Xinjiang Goens was held directly as to 34.5% equity interest by Xuzhou Fund. Xuzhou Fund directly held 10.14% equity interest in Leshan GCL, an indirect subsidiary of the Company. As such, Xuzhou Fund was a substantial shareholder of Leshan GCL, and Xinjiang Goens is an associate of Xuzhou Fund. As the relevant percentage ratios (as defined under Rule 14A.09 of the Listing Rules) in respect of Leshan GCL were less than 10% for each of the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022, Leshan GCL was an insignificant subsidiary of the Company under Rule 14A.09 of the Listing Rules. Therefore, Xinjiang Goens was not a connected person of the Company under the Listing Rules.

REPORT OF THE DIRECTORS (CONTINUED)

Based on the annual results announcement of the Company for the financial year ended 31 December 2023, which was published by the Company on 15 March 2024, the relevant percentage ratios (as defined under Rule 14A.09 of the Listing Rules) in respect of Leshan GCL exceeded 10% for the financial year ended 31 December 2023, and Leshan GCL had ceased to be an insignificant subsidiary of the Company under Rule 14A.09 of the Listing Rules. Therefore, Xinjiang Goens became a connected person of the Company at the subsidiary level under the Listing Rules.

The remaining loan amount and the annual cap for the year ended 31 December 2025 under the Guarantee Agreement were as follow:

	The remaining loan amount for the year ended 31 December 2025 (RMB)	Annual Cap for the year ended 31 December 2025 (RMB)
Agreement		
The outstanding guaranteed amount under the Guarantee Agreement	0	430,000,000

Announcements dated 15 March 2024 and 21 March 2024 setting out details of the above-mentioned guarantee agreement were issued by the Company.

(6) Lease Agreements

Reference are made to the announcements dated 30 September 2021 and 1 December 2025, in relation to:

In contemplation of the above expiry, since September 2023, Suzhou GCL Research (as landlord), an indirect subsidiary of the Company, and GCL Energy Technology Group (as tenant) have entered into the Previous Lease Agreements (which were expired as at 1 January 2025) and a series of the Existing Lease Agreements (which have been remained effective during the financial year ending 31 December 2025, and, on 1 December 2025 (after trading hours), further entered into certain New Lease Agreements).

Based on publicly available information as at 1 December 2025, the Zhu Family Trust was a substantial shareholder of the Company and a connected person of the Company. GCL Energy Technology was an indirect subsidiary of Concord Group. As such, each of GCL Xinke, GCL Power Sales, GCL Zero Carbon, GCL Intelligent Financial Consulting, GCL Intelligent Energy, Jiangsu GCL, Suzhou Xinyu and Zhejiang GCL was also an indirect subsidiary of Concord Group, which was in turn ultimately held by the Zhu Family Trust, and was therefore an associate of the Zhu Family Trust and a connected person of the Company. Accordingly, the transactions contemplated under the Lease Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

REPORT OF THE DIRECTORS (CONTINUED)

The rent amount received by the Group and the annual cap for the year ended 31 December 2025 under the above agreement were as follow:

Agreement	The rent amount received by the Group for the year ended 31 December 2025 (RMB)	Annual Cap for the year ended 31 December 2025 (RMB)
Lease Agreements	24,539,666	24,552,319.50

Announcements dated 30 September 2021 and 1 December 2025 setting out details of the above mentioned transaction was issued by the Company.

Save as disclosed above, no other related party transactions set out in the note 51 of the consolidated financial statements constitute connected transactions or continuing connected transactions that are required to be disclosed under Chapter 14A of the Listing Rules.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, the following Director is considered to have interest in the business which competes or is likely compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules:

Names of Director	Name of company in which the relevant Director has interest	Principal activities of the competing company	% interest in competing company
Mr. Zhu Yufeng	錫林郭勒中能硅業有限公司 Xilingol Zhongneng Silicon Co., Ltd.* (Dormant and inactive)	Intend to produce polysilicon ingot upon completion of construction	Mr. Zhu Yufeng, through companies controlled by him, holds 70% interest

Note: * English name for identification only

EMOLUMENT POLICY

The emolument policy of the Group to reward its employees is based on their performance, qualifications, competence and market comparables. Remuneration package generally comprises salary, contribution to pension schemes and bonuses relating to the profit of the relevant company and individual's performance. The remuneration package of the executive Directors and the senior management are also linked to the performance of the Group and the return to its shareholders. The remuneration policy of the executive Directors is reviewed by the Remuneration Committee of the Company.

The Group has adopted share option schemes and share award scheme as incentives to Directors, employees and eligible participants, details of the schemes are set out under the sections headed "Equity-settled Share Option Scheme" and "Equity-settled Share Award Scheme" in this report and in notes 48(a)(I) and 48(a)(II) respectively to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or relevant laws of the Cayman Islands which would oblige the Company offer new Shares on a pro rata basis to the existing shareholders.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group's largest supplier accounted for approximately 9.91% of total purchases. The five largest suppliers accounted for approximately 23.54% of the Group's total purchases.

During the year, the Group's largest customer accounted for approximately 14.92% of the Group's total sales. The five largest customers accounted for approximately 52.17% of the Group's total sales.

To the best knowledge of the Directors, no other Director or any of their associates or any shareholder who holds more than 5% of the ordinary shares of the Company has any interests in the suppliers or customers disclosed above.

* English name for identification only.

PURCHASES, 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 Buyback 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.

REPORT OF THE DIRECTORS (CONTINUED)

During the year ended 31 December 2025 and as at the date of this report, there were no treasury shares held by the Company (including any treasury shares held or deposited with Central Clearing and Settlement System).

Other than disclosed above, during the year ended 31 December 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).

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken in normal course of business are set out in note 51 to the consolidated financial statements. Details of the connected transactions/continuing connected transactions are set out under section of "Connected Transactions and Continuing Connected Transactions".

PUBLIC FLOAT

As at the date of this report, based on the information that is publicly available to the Company and within the knowledge of the Directors, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

CHANGES IN INFORMATION ON DIRECTORS

Other than as otherwise disclosed in this report, as at the date of this report, the changes in information required to be disclosed by the Director(s) of the Company pursuant to Rule 13.51B of the Listing Rules since the published of 2025 Interim Report are set out below:

Name of Director	Details of Change	Effective Date
Mr. Zhu Zhanjun	resigned as director of GCL Energy Technology Co., Ltd.	December 2025
Ir. Dr. Ho Chung Tai, Raymond	resigned as independent executive director of Deson Development International Holdings Limited	December 2025
Dr. Shen Wenzhong	appointed as independent director of Haitian Water Group Co., Ltd., a Company with its shares listed on the Shanghai Stock Exchange (Stock Code: 603759)	December 2025

AUDITOR

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

EVENTS AFTER REPORTING PERIOD

Details of the events after reporting period are set out in note 54 to the consolidated financial statements.

On behalf of the Board

Zhu Gongshan

Chairman

Hong Kong, 30 March 2026

Independent Auditor's Report



國富浩華（香港）會計師事務所有限公司
Crowe (HK) CPA Limited

香港 銅鑼灣 禮頓道77號 禮頓中心9樓
9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

TO THE SHAREHOLDERS OF GCL TECHNOLOGY HOLDINGS LIMITED

協鑫科技控股有限公司

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of GCL Technology Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 100 to 269, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<i>Impairment assessment of property, plant and equipment</i>	
Refer to notes 4, 5 and 17 to the consolidated financial statements.	Our procedures in relation to the impairment assessment of property, plant and equipment included:
As at 31 December 2025, the Group's carrying amount of property, plant and equipment was RMB31,015 million.	Obtaining an understanding of process of the Group's impairment assessment and the relevant key controls over the assessment of impairment of property, plant and equipment;
Management assesses related assets for potential impairment whenever there are indications that the carrying amount of an asset or a group of assets may not be recoverable. Management performed impairment assessment accordingly by determining the recoverable amount of the relevant cash-generating unit ("CGU") based on the higher of the value-in-use calculation and the fair value less cost of disposal.	- Obtaining the recoverable amount calculation of the CGUs prepared by the management and checking its mathematical accuracy; - Assessing the appropriateness of the key estimations and assumptions adopted in the discounted cash flows model for impairment assessments, including revenue growth rates, gross margin and discount rate applied;

Independent Auditor's Report (CONTINUED)

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
<i>Impairment assessment of property, plant and equipment (Continued)</i>	
The estimate of recoverable amount based on a value in use calculation and fair value less cost of disposal requires management to estimate the future cash flows expected to arise from the cash-generating unit, using discount cash flow model to calculate the present value. Key assumptions used in the calculation included the estimated growth rates and discount rate.	• Evaluating the reasonableness of source data, on a sample basis, to supporting evidence, such as selling prices;
Based on the impairment test, an impairment loss of RMB260 million was recognised on property, plant and equipment for the year ended 31 December 2025.	• Performing sensitivity analysis on the assumptions made by the management in determining the value in use of the CGUs; and
In view of the significance of these balances to the consolidated financial statements, and the significant management judgement and estimation uncertainty associated with the recoverable amount assessment of the CGUs, this is considered as a key audit matter.	• Assessing the reasonableness of the disclosures in the consolidated financial statements in respect of the impairment assessment with reference to the requirements of the prevailing accounting standards.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Crowe (HK) CPA Limited

Certified Public Accountants

Hong Kong, 30 March 2026

Chan Wai Dune, Charles

Practising Certificate Number P00712

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
Revenue	6	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	7	996,564	1,009,392
Other gains, net	8	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 recognised on financial assets	9	(1,760,720)	(989,434)
Finance costs	10	(466,607)	(618,384)
Share of losses of associates	21	(204,603)	(1,281,509)
Share of (losses) profits of joint ventures	22	(2,780)	27,106
Loss before tax		(2,696,495)	(6,192,948)
Income tax (expense) credit	11	(226,858)	544,996
Loss for the year	12	(2,923,353)	(5,647,952)
Other comprehensive expense			
<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)

Consolidated Statement of Profit or Loss and Other Comprehensive Income (CONTINUED)

For the year ended 31 December 2025

	NOTES	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
		(2,697)	2,834
Other comprehensive expense for the year, net of tax		(325,695)	(830,205)
Total comprehensive expense for the year		(3,249,048)	(6,478,157)
Loss for the year attributable to:			
Owners of the Company		(2,867,891)	(4,750,396)
Non-controlling interests		(55,462)	(897,556)
		(2,923,353)	(5,647,952)
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)
		(3,249,048)	(6,478,157)
Loss per share			
	16	2025 RMB cents	2024 RMB cents
— Basic		(9.96)	(17.97)
— Diluted		(9.96)	(17.97)

The notes on pages 111 to 269 form part of these consolidated financial statements.

Details of dividends distributed and proposed to owners of the Company are set out in note 15.

Consolidated Statement of Financial Position

At 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	17	31,014,773	34,761,153
Right-of-use assets	18	1,501,978	1,456,052
Investment properties	19	330,446	348,518
Intangible assets	20	65,412	63,019
Interests in associates	21	3,246,572	5,577,784
Interests in joint ventures	22	122,053	143,986
Financial assets at fair value through other comprehensive income	23	2,917,292	445,376
Financial assets at fair value through profit or loss	24	1,586,064	946,869
Deferred tax assets	37	853,745	1,111,441
Deposits and other receivables	26(a)	3,970,121	3,824,465
Pledged and restricted bank deposits	29	5,600	50,503
		45,614,056	48,729,166
CURRENT ASSETS			
Inventories	25	1,896,879	2,014,044
Trade and other receivables	26(b)	12,690,201	11,556,094
Amounts due from related companies	27	679,376	791,491
Financial assets at fair value through profit or loss	24	1,074,482	1,823,927
Held for trading investments	28	678	416
Tax recoverable		40,097	83,143
Pledged and restricted bank deposits	29	4,594,854	4,701,688
Bank balances and cash	29	9,292,146	5,174,188
		30,268,713	26,144,991

Consolidated Statement of Financial Position (CONTINUED)

At 31 December 2025

	<i>NOTES</i>	2025 RMB'000	2024 RMB'000
CURRENT LIABILITIES			
Trade and other payables	30	10,946,883	10,966,912
Amounts due to related companies	31	252,189	311,742
Contract liabilities	32	744,484	256,807
Bank and other borrowings	33	12,363,833	10,635,721
Lease liabilities	34	42,429	54,843
Derivative financial instruments	35	134,824	136,565
Deferred income	36	18,020	18,581
Tax payables		51,663	50,145
		24,554,325	22,431,316
NET CURRENT ASSETS		5,714,388	3,713,675
TOTAL ASSETS LESS CURRENT LIABILITIES		51,328,444	52,442,841
NON-CURRENT LIABILITIES			
Contract liabilities	32	5,339	35,339
Bank and other borrowings	33	6,046,780	8,352,509
Lease liabilities	34	50,616	52,247
Deferred income	36	205,143	29,216
Deferred tax liabilities	37	1,604,093	1,680,592
		7,911,971	10,149,903
NET ASSETS		43,416,473	42,292,938

Consolidated Statement of Financial Position (CONTINUED)

At 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
CAPITAL AND RESERVES			
Share capital	38	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		43,416,473	42,292,938

The consolidated financial statements on pages 111 to 269 were approved and authorised for issue by the board of directors on 30 March 2026 and are signed on its behalf by:

Zhu Gongshan
DIRECTOR

Yeung Man Chung, Charles
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company																
	Shares held										Non-controlling interests						
	Share capital RMB'000	Share premium RMB'000	Treasury share RMB'000 (Note i)	Share award reserve RMB'000 (Note ii)	Share for share award scheme RMB'000 (Note iii)	Capital redemption reserve RMB'000 (Note iv)	Investments revaluation reserve RMB'000	Other reserve RMB'000 (Note v)	Capital reserve RMB'000 (Note vi)	Statutory reserve funds RMB'000 (Note vii)	Special reserves RMB'000 (Note viii)	Share options reserve RMB'000 (Note ix)	Translation reserve RMB'000	Retained profits RMB'000	Sub-total RMB'000	Total RMB'000	
At 1 January 2025	2,342,638	15,301,339	—	379,178	(624,775)	39,453	(1,810,616)	(885,007)	67,251	4,130,098	(2,312,312)	50,353	14,048	20,485,400	37,177,048	5,115,890	42,292,938
Exchange differences on translation of financial statements of foreign operations	—	—	—	—	—	—	—	—	—	—	—	—	(3,011)	—	(3,011)	—	(3,011)
Reclassification of exchange differences upon: – deemed partial disposal of an associate	—	—	—	—	—	—	—	—	—	—	—	—	3	—	3	—	3
Fair value loss on financial assets at FVTOCI	—	—	—	—	—	—	(243,586)	—	—	—	—	—	—	—	(243,586)	—	(243,586)
Share of other comprehensive expense of associates	—	—	—	—	—	—	(79,412)	—	—	—	—	—	311	—	(79,101)	—	(79,101)
Loss for the year	—	—	—	—	—	—	—	—	—	—	—	—	—	(2,867,891)	(2,867,891)	(55,462)	(2,923,353)
Total comprehensive income/(expenses) for the year	—	—	—	—	—	—	(322,998)	—	—	—	—	—	(2,697)	(2,867,891)	(3,193,586)	(55,462)	(3,249,048)
Issue of new shares (note 38)	576,619	5,837,819	—	—	—	—	—	—	—	—	—	—	—	—	6,414,438	—	6,414,438
Transaction costs attributable to the issuance of new shares	—	(75,713)	—	—	—	—	—	—	—	—	—	—	—	—	(75,713)	—	(75,713)
Equity-settled share-based payment	—	—	—	58,404	—	—	—	—	—	—	—	—	—	—	58,404	—	58,404
Forfeitures of share options	—	—	—	—	—	—	—	—	—	—	—	(4,149)	—	4,149	—	—	—
Purchase of shares under share award scheme	—	—	—	—	(20,582)	—	—	—	—	—	—	—	—	—	(20,582)	—	(20,582)
Capital injection from non-controlling shareholders of subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	6,036	6,036
Acquisition of non-controlling interests	—	—	—	—	—	—	—	—	—	—	(493,343)	—	—	—	(493,343)	(1,516,657)	(2,010,000)
Transfer to reserves	—	—	—	—	—	—	120,310	—	—	6,940	—	—	—	(127,250)	—	—	—
At 31 December 2025	2,919,257	21,063,445	—	437,582	(645,357)	39,453	(2,013,304)	(885,007)	67,251	4,137,038	(2,805,655)	46,204	11,351	17,494,408	39,866,666	3,549,807	43,416,473

Consolidated Statement of Changes in Equity (CONTINUED)

For the year ended 31 December 2025

	Attributable to owners of the Company																
	Shares held										Attributable to owners of the Company						
	Share capital RMB'000	Share premium RMB'000	Treasury share RMB'000 (Note i)	Share award reserve RMB'000 (Note ii)	Share for share award scheme RMB'000 (Note iii)	Capital redemption reserve RMB'000 (Note iv)	Capital investments revaluation reserve RMB'000	Other reserve RMB'000 (Note v)	Capital reserve RMB'000 (Note vi)	Statutory reserve funds RMB'000 (Note vii)	Special reserves RMB'000 (Note viii)	Share options reserve RMB'000 (Note ix)	Translation reserve RMB'000	Retained profits RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2024	2,344,280	15,321,376	—	280,590	(624,775)	37,811	(977,577)	(1,222,352)	67,251	4,106,813	(2,373,201)	53,651	11,214	25,561,935	42,587,016	5,730,693	48,317,709
Exchange differences on translation of financial statements of foreign operations	—	—	—	—	—	—	—	—	—	—	—	—	2,914	—	2,914	—	2,914
Reclassification of exchange differences upon:	—	—	—	—	—	—	—	—	—	—	—	—	6	—	6	—	6
– deemed partial disposal of an associate	—	—	—	—	—	—	—	—	—	—	—	—	27	—	27	—	27
– deemed disposal of a subsidiary	—	—	—	—	—	—	(634,915)	—	—	—	—	—	—	—	(634,915)	—	(634,915)
Fair value loss on financial assets at FVTOCI	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share of other comprehensive expense of associates	—	—	—	—	—	—	(198,124)	—	—	—	—	—	(113)	—	(198,237)	—	(198,237)
Loss for the year	—	—	—	—	—	—	—	—	—	—	—	—	—	(4,750,396)	(4,750,396)	(897,556)	(5,647,952)
Total comprehensive income/(expenses) for the year	—	—	—	—	—	—	(833,039)	—	—	—	—	—	2,834	(4,750,396)	(5,580,601)	(897,556)	(6,478,157)
Equity-settled share-based payment	—	—	—	98,588	—	—	—	—	—	—	—	—	—	—	98,588	—	98,588
Equity-settled share-based payment recognised by a subsidiary (note 46(b))	—	—	—	—	—	—	—	25,974	—	—	—	—	—	—	25,974	22,861	48,835
Forfeitures of share options	—	—	—	—	—	—	—	—	—	—	—	(3,298)	—	3,298	—	—	—
Forfeitures of share options of an associate	—	—	—	—	—	—	—	—	—	—	—	—	—	1,657	1,657	—	1,657
Repurchase of shares	—	—	(21,679)	—	—	—	—	—	—	—	—	—	—	—	(21,679)	—	(21,679)
Cancellation of shares	(1,642)	(20,037)	21,679	—	—	1,642	—	—	—	—	—	—	—	(1,642)	—	—	—
Deemed disposal of partial interest in a subsidiary through disposal of an associate	—	—	—	—	—	—	—	—	—	—	56,964	—	—	—	56,964	230,079	287,043
Conversion of convertible bond to a non-controlling shareholder of a subsidiary (note 30(b))	—	—	—	—	—	—	—	5,652	—	—	8,621	—	—	—	14,273	24,669	38,942
Deemed disposal of a subsidiary (note 41)	—	—	—	—	—	—	—	305,719	—	—	(4,696)	—	—	(306,167)	(5,144)	5,144	—
Transfer to reserves	—	—	—	—	—	—	—	—	—	23,285	—	—	—	(23,285)	—	—	—
At 31 December 2024	2,342,638	15,301,339	—	379,178	(624,775)	39,453	(1,810,616)	(885,007)	67,251	4,130,098	(2,312,312)	50,353	14,048	20,485,400	37,177,048	5,115,890	42,292,938

Consolidated Statement of Changes in Equity (CONTINUED)

For the year ended 31 December 2025

Notes:

- (i) Treasury shares represent the amounts paid by the Group for repurchases of the ordinary shares of the Company. During the year ended 31 December 2024, 18,112,000 ordinary shares of the Company were repurchased by the Company at an aggregate consideration of approximately RMB21,679,000, which were recognised in equity as treasury shares. Those shares have been cancelled during the year ended 31 December 2024.
- (ii) Share options reserve and share award reserve comprise the portion of the grant date fair value of unexercised share options and award shares granted to directors of the Company and employees of the Group and others providing similar services that have been recognised in accordance with the accounting policy adopted for share-based compensation benefits.
- (iii) During 2017, 2018, 2022 and 2025, the Company paid in total of approximately RMB696,688,970 through a trustee ("Trustee") to purchase 554,498,888 shares of the Company in the market pursuant to the Share Award Scheme (the "Scheme") established on 16 January 2017 ("Adoption Date") by the board of directors of the Company (the "Directors"). Up to 31 December 2025, 39,820,000 shares were vested and transferred to the Award Grantees (as defined in note 48a(II)) under the Scheme. As at 31 December 2025, all the remaining 514,678,888 shares (2024: 484,678,888) shares were held by the Trustee. More details are set out in note 48a(II).
- (iv) Capital redemption reserve represents the par value of shares repurchased by the Company pursuant to section 37 of the Cayman Islands Companies Law.
- (v) Other reserve represents the equity (other than share capital) attributable to owners of the Company prior to the reverse acquisition, including share premium, capital reserve, contribution from a shareholder, other reserve, share options reserve, revaluation reserve and deficit. As the Company was accounted for as reverse acquisition by Universe Solar Energy Technology Inc (formerly known as GCL Solar Energy Technology Holding Inc.) ("Solar Energy") in 2009, such reserves attributable to owners of the Company were reclassified to other reserve upon the completion of the reverse acquisition.

Upon disposal of the non-solar power business in 2015, portion of the amount was realised and transferred to the share premium, share options reserve and accumulated profits of the Group.

Moreover, other reserve includes (i) the initial recognition of put options granted to non-controlling interests by subsidiaries and (ii) the portion attributable to the owners of the Company in relation to the equity settled share-based payments recognised by a subsidiary.

- (vi) Capital reserve represents the amount of contribution from former immediate holding company of Solar Energy of United States dollars ("US\$") 15,009,000 (equivalent to RMB126,029,000) net of the 500,000 ordinary shares of Solar Energy repurchased for a consideration of US\$7,000,000 (equivalent to RMB58,778,000) and cancelled prior to 2009.
- (vii) Pursuant to the relevant laws in the People's Republic of China (the "PRC"), each of the subsidiaries established in the PRC is required to transfer 5% – 10% of its profit after tax as per statutory financial statements (as determined by the management of the subsidiary) to the reserve funds (including the general reserve fund and enterprise development fund where appropriate). The general reserve fund is discretionary when the fund balance reaches 50% of the registered capital of the respective company and can be used to make up for previous years' losses or, expand the existing operations or can be converted into additional capital of the subsidiary. The enterprise development fund can only be used for development and is not available for distribution to shareholder.
- (viii) Special reserves represent (i) the difference between the consideration to acquire additional interests in subsidiaries and the respective share of the carrying amounts of the net assets acquired; (ii) the difference by which the non-controlling interests were adjusted and the fair value of consideration received in relation to the disposal of partial interest of a subsidiary; and (iii) change of interests in existing subsidiaries arising from restructuring.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES		
Loss before tax	(2,696,495)	(6,192,948)
Adjustments for:		
Finance costs	466,607	618,384
Interest income	(194,043)	(222,893)
Foreign exchange loss (gain), net	43,910	(11,004)
Depreciation of property, plant and equipment	3,961,968	3,814,377
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
Amortisation of deferred income	(19,581)	(28,881)
Loss (gain) on disposal of property, plant and equipment	19,951	(22,829)
Share of losses (profits) of joint ventures	2,780	(27,106)
Share of losses of associates	204,603	1,281,509
Loss on deemed partial disposal of associates	6,360	18,901
Gain on deemed disposal of a subsidiary	(25,129)	(1,952,207)
(Gain) loss on disposal of an associate	(790,188)	184,755
Share-based payment expenses	58,404	147,423
Gain on fair value change of held for trading investments	(275)	(2,895)
Loss (gain) on fair value change of financial assets at fair value through profit or loss ("FVTPL")	262,345	(36,830)
(Gain) loss on fair value change of derivative financial instruments	(1,741)	1,722
Impairment losses recognised on financial assets	1,760,720	989,434
Write-down of inventories	104,283	107,870
Impairment loss on property, plant and equipment	259,784	401,111
Write-back of other payables	(10,510)	(9,762)
Operating cash flows before movements in working capital	3,564,187	(739,060)

Consolidated Statement of Cash Flows (CONTINUED)

For the year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES (Continued)		
Decrease in inventories	147,881	695,895
Increase in trade and other receivables	(7,805,708)	(3,030,865)
Decrease in amounts due from related companies	105,292	13,000
Increase in trade and other payables	85,046	790,078
Decrease in amounts due to related companies	(55,671)	(386,501)
Increase/(decrease) in contract liabilities	457,677	(454,619)
Cash used in operations	(3,501,296)	(3,112,072)
Income taxes paid	(1,097)	(191,757)
NET CASH USED IN OPERATING ACTIVITIES	(3,502,393)	(3,303,829)
INVESTING ACTIVITIES		
Interest received	98,282	175,935
Proceeds from disposal of property, plant and equipment	172,337	62,917
Proceeds from disposal of right-of-use assets	—	27,972
Payments for construction and purchase of property, plant and equipment	(1,500,422)	(4,229,601)
Payments for right-of-use assets	(30,714)	(13,187)
Investments in associates	(4,500)	(1,239,903)
Capital reduction received from a Joint venture	1,397	—
Net cash outflow from acquisition of assets through acquisition of a subsidiary	(1,240,392)	—
Purchase of intangible assets	(30,123)	—
Dividend received from a joint venture	34,965	16,559
Dividend received from associates	—	1,096,910
Proceeds from disposal of an associate	1,472,000	10,000
Net cash outflow from deemed disposal of a subsidiary	(13)	(184,919)
Addition of financial assets at fair value through profit or loss ("FVTPL")	(5,853,232)	(5,691,250)
Proceeds from disposal of financial assets at FVTPL	5,686,539	5,479,073
Proceeds from disposal of held for trading investments	—	5,165
Withdrawal of pledged and restricted bank	11,067,754	8,110,631
Placement of pledged and restricted bank	(10,916,017)	(10,530,809)
Short-term loans to third parties	(1,491,281)	(746,308)
Short-term loans to a related party	(33,419)	—
Repayment of short-term loan from a third party	829,808	1,600,000
Proceeds received on maturity of note receivables	—	14,520
NET CASH USED IN INVESTING ACTIVITIES	(1,737,031)	(6,036,295)

Consolidated Statement of Cash Flows (CONTINUED)

For the year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
FINANCING ACTIVITIES		
Interest paid	(467,892)	(841,005)
New bank and other borrowings raised	3,742,667	8,289,949
New bank borrowings raised from discounted bills	7,706,483	5,694,686
Repayment of bank and other borrowings	(5,821,270)	(4,869,275)
Repayment of lease liabilities	(75,200)	(126,340)
Repayment to related companies	(3,882)	(436,881)
Proceeds from issue of new shares by the Company	6,414,438	—
Transaction costs attributable to issue of new shares	(75,713)	—
Purchase of shares of the Company under share award scheme	(20,582)	—
Repurchase of shares of the Company	—	(21,679)
Capital injection from non-controlling shareholders of subsidiaries	6,036	—
Acquisition of additional interests in a subsidiary	(2,010,000)	—
NET CASH FROM FINANCING ACTIVITIES	9,395,085	7,689,455
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,155,661	(1,650,669)
CASH AND CASH EQUIVALENTS AT 1 JANUARY, represented by		
— Bank balances and cash	5,174,188	6,821,328
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF BANK BALANCES AND CASH HELD IN FOREIGN CURRENCIES	(37,703)	3,529
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, represented by		
— Bank balances and cash	9,292,146	5,174,188

Note:

(i) Major non-cash transaction

During the year ended 31 December 2025, short-term bank borrowings drawn on discounted bills with recourse of approximately RMB6,205,497,000 (2024: RMB5,394,135,000) have been settled through bills discounted to the relevant financial institutions.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

I. GENERAL INFORMATION

GCL Technology Holdings Limited (the “Company”) is an exempted company with limited liability incorporated in the Cayman Islands on 12 July 2006 under the Companies Law, Cap 22 of the Cayman Islands. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 13 November 2007. The address of the registered office of the Company is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business is at Units 1703B–1706, Level 17, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries (together with the Company collectively referred to as the “Group”), associates and joint ventures are principally engaged in (1) the manufacturing and sales of polysilicon and wafers for the solar industry; and (2) the sales of electricity, development and operation of solar projects.

The functional and presentation currency of the Company is Renminbi (“RMB”).

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

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 (“IFRSs”), 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 values, 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.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Statement of compliance (Continued)

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.

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

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

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

Amendments to IAS 21	Lack of Exchangeability
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Except as described below, the application of the amendments to IFRS Accounting Standards has had no material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in these consolidated financial statements.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (Continued)

Amendments to HKAS 21 Lack of Exchangeability

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

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

The transition rules state that an entity is not permitted to apply the amendments retrospectively. The application of the amendments has no significant impact on the financial position and performance of the Group.

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

Up to the date of approval for issue of these consolidated financial statements, the IASB has issued a number of new and amendments to IFRS Accounting Standards which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these consolidated financial statements, as follows:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Annual Improvements to IFRS Accounting Standards - volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ¹
IFRS 18 and consequential amendments to other IFRS Accounting Standards	Presentation and Disclosure in Financial Statements ²
IFRS 19 and subsequent amendments	Subsidiaries without Public Accountability: Disclosures ²
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

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

² Effective for annual periods beginning on or after 1 January 2027

³ Effective for annual periods beginning on or after a date to be determined

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

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (Continued)

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.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (Continued)

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.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (Continued)

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.

4. MATERIAL ACCOUNTING POLICY INFORMATION

Material accounting policy information adopted by the Group is disclosed below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Basis of consolidation (Continued)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income ("OCI") are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interest (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in OCI in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments ("IFRS 9") or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Business combinations

Operation concentration test

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash equivalents, deferred tax assets, and goodwill resulting from the effect of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Asset acquisitions

When the Group acquires a subsidiary or group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Acquisitions of businesses

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

For business combinations in which the acquisition date is on or after 1 January 2022, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Conceptual Framework for Financial Reporting* issued by International Accounting Standards Board in March 2018 (the "Conceptual Framework") except for transactions and events within the scope of IAS 37 or IFRIC 21, in which the Group applies IAS 37 or IFRIC 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Business combinations (Continued)

Acquisitions of businesses (Continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date (see the accounting policy below);
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms. Right-of-use assets relating to leasehold lands in which the relevant acquires are the registered owners with full upfront lease payments measured at fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after reassessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and OCI of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Investments in associates and joint ventures (Continued)

When the Group ceases to have significant influence over an associate or a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in OCI in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in OCI by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in OCI relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e., when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers (Continued)

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

Revenue from sales of electricity is recognised at a point in time when the control of the electricity transferred, being at the point when electricity has generated and transmitted to the customer.

Operation and management service income, consultancy fee income and solar related supporting services income are recognised over time when services are rendered.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e., only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

As a practical expedient, if the Group has a right to consideration in an amount that corresponds directly with the value of the Group's performance completed to date, the Group recognises revenue in the amount to which the Group has the right to invoice.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Revenue from contracts with customers (Continued)

Variable consideration

For contracts that contain variable consideration in relation to sales of electricity to the grid companies which contain tariff adjustments related to solar power plants yet to be enlisted in the List (as defined in note 6) by the PRC government, the Group estimates the amount of consideration to which it will be entitled using the most likely amount.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (Continued)

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies practical expedient not to separate non-lease component from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

When the group obtains ownership of the underlying leased assets at the end of the lease term, upon exercising purchase options, the carrying amount of the relevant right-of-asset is transferred to property, plant and equipment.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Any difference between the initial fair value and the nominal value of the deposits at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate used to determine those payments, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, by discounting the revised lease payments using an unchanged discount rate, unless the change in lease payments results from a change in floating interest rates. In that case, the lessee shall use a revised discount rate that reflects changes in the interest rate. When there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option, the lease liability is remeasured by discounting the revised lease payments using a revised discount rate, being the interest rate implicit in the lease for the remainder of the lease term, or the relevant group entity's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined. When the lease liability is remeasured in either of these ways, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents lease liabilities as a separate line item in the consolidated statement of financial position. The current portion of long-term lease liabilities is determined as the principal portion of contractual payments that are due to be settled within twelve months after the reporting period.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease modifications

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications.

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification. When the modified contract contains one or more additional lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component. The associated non-lease components are included in the respective lease components.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Leases (Continued)

The Group as a lessor (Continued)

Allocation of consideration to components of a contract

When a contract includes both lease and non-lease components, the Group applies IFRS 15 “Revenue from Contracts with Customers” (“IFRS 15”) to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under IFRS 9 and initially measured at fair value.

Sale and leaseback transactions

The Group applies the requirements of IFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group.

The Group as a seller-lessee

For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee continues to recognise the assets and accounts for the transfer proceeds as other loans within the scope of IFRS 9.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group’s foreign operations are translated into the presentation currency of the Group (i.e., RMB) using exchange rate prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in OCI and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Foreign currencies (Continued)

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e., partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remains outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Government grants relating to compensation of expenses are deducted from the related expenses, other government grants are presented under "other income".

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Retirement benefit costs

Payments to defined contribution retirement benefit plans including state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Shares held for share award schemes

The consideration paid by the Trustee for purchasing the Company's shares from the market, including any directly attributable incremental cost, is presented as "Shares held for share award schemes" and the amount is deducted from total equity.

Share-based compensation benefits

The Group operates a number of share-based compensation plans (including share option schemes and share award schemes), under which the Group receives services from employees and other qualifying participants as consideration for equity instruments (including share options and award shares) of the Group. The fair value of the employee services and other qualifying participants' services received in exchange for the grant of equity instruments of the Group is recognised as an expense over the vesting period, i.e. the period over which all of the specified vesting conditions are to be satisfied and credited to equity.

For grant of share options and award shares under the Scheme to employees and others providing similar services, the total amount to be expensed is determined by reference to the fair value of the options and award shares under the Scheme granted by using option-pricing model, which includes the impact of market performance conditions but excludes the impact of service condition and non-market performance conditions.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Share-based compensation benefits (Continued)

Non-market performance and service conditions are included in assumptions about the number of options that are expected to become vested.

From the perspective of the Company, the grants of its equity instruments to employees of its subsidiaries are made in exchange for their services related to the subsidiaries. Accordingly, the share-based compensation expenses are treated as part of the "Amounts due from subsidiaries" in the Company's statement of financial position.

At the end of each reporting period, the Group revises the estimates of the number of options and award shares that are expected to ultimately vest. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement of the Group, with a corresponding adjustment to share options reserve and share award reserve respectively.

When the options are exercised, the proceeds received net of any directly attributable transaction costs and the amount previously recognised in share options reserve are credited to share capital (nominal value) and share premium. When the vested equity instruments are later forfeited prior to expiry date, the amount previously recognised in share options reserve will be transferred to accumulated profits.

When the share awards are exercised, the difference between the amount of the cost of shares purchased in open market recognised in "Shares held for share award scheme", and the proceeds received net of any directly attributable transaction costs and the amount previously recognised in share award reserve are credited to "accumulated profits".

If the terms of an equity-settled award are modified, at a minimum an expense for the services received is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employees and other qualifying participants, as measured at the date of modification.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit/loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised before they expire.

Deferred tax is not recognised for:

- temporary differences arising from goodwill not deductible for tax purposes,
- temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination) and do not give rise to equal taxable and deductible temporary differences;
- temporary differences related to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Taxation (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in OCI or directly in equity, in which case, the current and deferred tax are also recognised in OCI or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment used or planned to be used in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administration purposes (other than construction in progress as described below). Property, plant and equipment (other than construction in progress) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which include both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Intangible assets (Continued)

Internally-generated intangible assets – research and development expenditure (Continued)

- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gain or loss arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (Continued)

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs.

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or the CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU or a group of CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Treasury shares

Own equity instruments which are held by the Group (treasury shares) for cancellation are recognised directly in equity at cost. No gain or loss is recognised in the consolidated statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application of IFRS 9/initial recognition of a financial asset, the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in OCI if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 *Business Combinations* applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that is required to be measured at amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the investments revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, but will be transferred to accumulated profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other expenses, gains and losses, net" line item, unless the dividends clearly represent a recovery of part of the cost of the investment.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and financial guarantee contracts

The Group performs impairment assessment under expected credit losses ("ECL") model on financial assets measured at amortised cost (including trade and other receivables, amounts due from related companies, pledged and restricted bank deposits and bank balances) and financial guarantee which are subject to impairment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and amounts due from related companies (trade related), including those with significant financing component.

For all other instruments, the Group measures the loss allowance equals to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and financial guarantee contracts (Continued)

(i) Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g., a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast changes in technological, market, economic or legal environment that has a significant adverse effect on the debtor's ability to meet its obligation to the Group;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations;
- failure to make payments of principal or interest on their contractually due dates;
- significant increases in credit risk on other financial instruments of the same debtor;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements, which are expected to reduce the debtor's economic incentive to make scheduled contractual payments or to otherwise have an effect on the probability of a default occurring; and
- significant adverse changes in the expected performance and behaviour of the debtor.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and financial guarantee contracts (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the debtor;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- (e) significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- (f) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over three years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised as reversal of impairment in profit or loss in the period in which the recovery occurs.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and financial guarantee contracts (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The historical loss rates are adjusted to reflect current and forward-looking information.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instruments that is guaranteed. Accordingly, the expected loss is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For ECL on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

For financial guarantee contracts, the loss allowances are recognised at the higher of the amount of the loss allowance determined in accordance with IFRS 9; and the amount initially recognised less, where appropriate, cumulative amount of income recognised over the guarantee period.

Except for financial guarantee contracts, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and amounts due from related companies (trade related) where the corresponding adjustment is recognised through a loss allowance account.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to accumulated profits.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading or (ii) it is designated as at FVTPL.

A financial liability is held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, amounts due to related companies, bank and other borrowings are subsequently measured at amortised cost, using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. They are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The gain or loss on remeasurement to fair value is recognised in profit or loss unless the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which event the timing of the recognition in profit or loss depends on the nature of the item being hedged.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL in accordance with the policy set out above.

Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of Group or Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services of the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

Current tax and deferred tax

The Group is subject to income taxes mainly in the mainland of China. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

For temporary differences which give rise to deferred tax assets, the Group assesses the likelihood that the deferred tax assets could be recovered. Deferred tax assets are recognized based on the Group's estimates and assumptions that they will be recovered from taxable income arising from continuing operations in the foreseeable future.

As at 31 December 2025, the deferred tax assets and deferred tax liabilities were RMB853,745,000 (2024: RMB1,111,441,000) and RMB1,604,093,000 (2024: RMB1,680,592,000), respectively and the current tax recoverable and current tax payable were RMB40,097,000 (2024: RMB83,143,000) and RMB51,663,000 (2024: RMB50,145,000), respectively.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

b) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Useful lives and estimated impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based on the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of CGUs, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or revenue growth rates in the cash flow projections, could materially affect the recoverable amounts. Furthermore, the growth rates and discount rates in the cash flow projections are subject to greater uncertainties in the current year due to volatility in financial markets and solar industry, including potential disruptions in the Group's solar material business segment.

The Group has made substantial investment in property, plant and equipment. The machineries and equipment are vulnerable to changes in market conditions and vulnerable to changes in government policies.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

b) Key sources of estimation uncertainty (Continued)

i) Useful lives and estimated impairment of property, plant and equipment and right-of-use assets (Continued)

With the impairment indicators identified, the carrying amounts of the relevant CGUs may be higher than the recoverable amount which involves estimation uncertainty on assumptions of such recoverable amount.

Additionally, the Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment and right-of-use assets. These estimates are based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. The management will increase the depreciation charge where useful lives are expected to be shorter than previously estimated. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable lives and therefore depreciation expense in future periods.

As at 31 December 2025, the carrying amounts of property, plant and equipment and right-of-use assets, were approximately RMB31,015 million (2024: RMB34,761 million) and RMB1,502 million (2024: RMB1,456 million) respectively. During the year ended 31 December 2025, the Group recognised an impairment loss on property, plant and equipment amounting to approximately RMB260 million (2024: RMB401 million) (see note 17).

ii) Expected credit loss for financial assets measured at amortised cost

The management of the Group performs impairment assessment and estimates the amount of ECL for the financial assets measured at amortised cost based on internal and external credit ratings, ageing, repayment history and/or past due status of respective debtors. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and forward-looking information that is reasonable and supportable available without undue costs or effort. At the end of each reporting period, the internal credit ratings and historical observed default rates are reassessed and changes in the forward-looking information are considered. The provision of ECL is sensitive to changes in estimates. The information about the ECL is disclosed in note 42(b).

iii) Fair value measurement of financial instruments

Certain of the Group's financial assets and financial liabilities as described in note 43 are measured at fair values with fair values being determined based on unobserved inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could affect the reported fair values of these instruments. See note 43 for further disclosures.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

6. REVENUE AND 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 performance assessment, focuses on types of goods delivered or services provided. No operating segments have been aggregated in arriving at the reportable segments of the Group.

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

- a) Solar material business – mainly manufacture 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
Revenue from external customers	14,340,889	84,044	14,424,933
Segment loss	(2,085,374)	(472,123)	(2,557,497)
Unallocated income			59,923
Unallocated expenses			(125,734)
Loss on fair value change of financial assets at FVTPL			(206,721)
Gain on fair value change of held for trading investments (note 8)			275
Impairment losses 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			(6,360)
Loss for the year			(2,923,353)

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

6. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

Year ended 31 December 2024

	Solar material business RMB'000	Solar farm business RMB'000	Total RMB'000
Revenue from external customers	14,957,158	140,402	15,097,560
Segment loss	(5,346,555)	(267,032)	(5,613,587)
Unallocated income			49,614
Unallocated expenses			(94,367)
Gain on fair value change of financial assets at FVTPL			55,986
Gain on fair value change of held for trading investments (note 8)			2,895
Impairment losses recognised on financial assets			(7,848)
Share of loss of an associate			(42,444)
Share of profits of joint ventures			20,700
Loss on deemed partial disposal of an associate			(18,901)
Loss for the year			(5,647,952)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 4. Segment profit (loss) represents the profit (loss) of each 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.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

6. REVENUE AND SEGMENT INFORMATION (Continued)

Segment assets and liabilities

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

	2025 RMB'000	2024 RMB'000
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 interests in certain joint ventures and an associate) of the management companies and investment holding companies; and
- All liabilities are allocated to operating segments, other than unallocated corporate liabilities of the management companies and investment holding companies.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

6. REVENUE AND SEGMENT INFORMATION (Continued)

Other segment information (included in the segment profit or loss or segment assets or regularly provided to the CODM)

Year ended 31 December 2025

	Solar material business RMB'000	Solar farm business RMB'000	Unallocated RMB'000	Total RMB'000
Amount included in the measure of segment profit or loss or segment assets:				
Interests in joint ventures	—	—	122,053	122,053
Interests in associates	3,224,936	—	21,636	3,246,572
Share of profits (losses) of joint ventures	—	17,756	(20,536)	(2,780)
Share of losses of associates	(131,572)	—	(73,031)	(204,603)
Addition to property, plant and equipment, and right-of-use assets	908,906	95,911	24,040	1,028,857
Depreciation of property, plant and equipment	(3,986,484)	(85,146)	(25,337)	(4,096,967)
Depreciation of right-of-use assets	(94,663)	(1,310)	(8,659)	(104,632)
Depreciation of investment properties	(18,072)	—	—	(18,072)
Amortisation of intangible assets	(27,730)	—	—	(27,730)
Finance costs	(448,957)	(16,504)	(1,146)	(466,607)
Bank and other interest income	119,374	17,512	57,157	194,043
Gain on disposal of an associate	790,188	—	—	790,188
Gain (loss) on fair value change of financial instruments	(58,173)	4,290	(206,446)	(260,329)
Loss on disposal of property, plant and equipment	(19,951)	—	—	(19,951)
Write-down of inventories, net	(104,283)	—	—	(104,283)
Impairment losses recognised on financial assets	(1,497,164)	(269,884)	6,328	(1,760,720)
Impairment loss on property, plant and equipment	(76,562)	(183,222)	—	(259,784)
Gain on deemed disposal of a subsidiary	25,129	—	—	25,129
Loss on deemed disposal of an associate	—	—	(6,360)	(6,360)
Research and development costs	(848,747)	—	—	(848,747)
Income tax expense	(213,344)	(13,514)	—	(226,858)

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

6. REVENUE AND SEGMENT INFORMATION (Continued)

Other segment information (included in the segment profit or loss or segment assets or regularly provided to the CODM) (Continued)

Year ended 31 December 2024

	Solar material business RMB'000	Solar farm business RMB'000	Unallocated RMB'000	Total RMB'000
Amount included in the measure of segment profit or loss or segment assets:				
Interests in joint ventures	—	—	143,986	143,986
Interests in associates	5,477,072	—	100,712	5,577,784
Share of profits of joint ventures	—	6,406	20,700	27,106
Share of losses of associates	(1,239,065)	—	(42,444)	(1,281,509)
Addition to property, plant and equipment, and right-of-use assets	4,711,426	220	1,962	4,713,608
Addition to investment properties	4,000	—	—	4,000
Depreciation of property, plant and equipment	(3,785,936)	(85,073)	(25,026)	(3,896,035)
Depreciation of right-of-use assets	(134,973)	(1,309)	(11,922)	(148,204)
Depreciation of investment properties	(20,834)	—	—	(20,834)
Amortisation of intangible assets	(33,771)	—	—	(33,771)
Finance costs	(596,374)	(21,664)	(346)	(618,384)
Bank and other interest income	186,137	126	36,630	222,893
Gain (loss) on fair value change of financial instruments	(27,568)	6,690	58,881	38,003
Gain on disposal of property, plant and equipment	22,829	—	—	22,829
Write-down of inventories, net	(107,870)	—	—	(107,870)
Impairment losses recognised on financial assets	(853,798)	(127,788)	(7,848)	(989,434)
Impairment loss on property, plant and equipment	(312,318)	(88,793)	—	(401,111)
Gain on deemed disposal of a subsidiary	1,952,207	—	—	1,952,207
Loss on deemed disposal of an associate	—	—	(18,901)	(18,901)
Loss on disposal of an associate	(184,755)	—	—	(184,755)
Research and development costs	(1,102,444)	—	—	(1,102,444)
Income tax credit (expense)	557,956	(12,960)	—	544,996

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

6. REVENUE AND SEGMENT INFORMATION (Continued)

Revenue

(i) Disaggregation of revenue from contracts with external customers

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)	1,201,432	—	1,201,432
Total	14,340,889	84,044	14,424,933
Geographic markets			
The PRC	14,181,362	42,463	14,223,825
Others	159,527	41,581	201,108
Total	14,340,889	84,044	14,424,933
Timing of revenue recognition			
At a point in time	14,050,875	84,044	14,134,919
Over time	290,014	—	290,014
Total	14,340,889	84,044	14,424,933

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

6. REVENUE AND SEGMENT INFORMATION (Continued)

Revenue (Continued)

(i) Disaggregation of revenue from contracts with external customers (Continued)

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)	977,579	—	977,579
Total	14,957,158	140,402	15,097,560
Geographic markets			
The PRC	14,940,548	99,803	15,040,351
Others	16,610	40,599	57,209
Total	14,957,158	140,402	15,097,560
Timing of revenue recognition			
At a point in time	14,569,249	140,402	14,709,651
Over time	387,909	—	387,909
Total	14,957,158	140,402	15,097,560

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

6. REVENUE AND SEGMENT INFORMATION (Continued)

Revenue (Continued)

(ii) Performance obligations from contracts with customers

Revenue from the manufactures and sales of polysilicon, wafer, ingots and industrial silicon are recognised at a point in time upon goods are delivered and titles have passed. The Group generally grants credit period of approximately one month to customers from the invoice date. For those customers with continuous business relationships, the Group generally would enter into supply framework contracts and receive certain percentage of deposits as advance payments from these customers. Advances from customers are recognised as revenue upon orders are fulfilled. Sales agreements typically do not contain product warranties except for return and replacement of defective products within 30 days from delivery.

Processing income are recognised over time and measured based on output method upon sawing and cutting services are rendered to customers. The Group generally grants credit period of approximately one month to customers from the invoice date.

Revenue from sales of electricity is recognised at a point in time when electricity is generated and transferred to local power grid companies in the PRC and customer in the USA.

For sales of electricity substantially all of the revenue is derived from electricity sales to local grid companies in the PRC. The Group generally entered into power purchase agreements with local power grid companies with a term of one to five years which stipulate the price of electricity per watt hour. Revenue is recognised when control of the electricity has been transferred, being at the point when electricity has been generated and transmitted to the customer and the amount included tariff adjustments of approximately RMB28,529,000 recognised during the year ended 31 December 2025 (2024: RMB70,894,000). Except for trade receivables relating to tariff adjustment, the Group generally grants credit period of approximately one month to customers from the date of invoice in accordance with the relevant power purchase agreements between the Group and the respective local grid companies or oversea customers. The Group will complete the remaining performance obligations in accordance with the relevant terms as stipulated in the power purchase agreements and the remaining aggregated transaction price will be equal to the quantity of electricity that can be generated and transmitted to the customers times the stipulated price per watt hour.

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

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

6. REVENUE AND SEGMENT INFORMATION (Continued)

Revenue (Continued)

(ii) Performance obligations from contracts with customers (Continued)

In January 2020, the Several Opinions on Promoting the Healthy Development of Non-Hydro Renewable Energy Power Generation (Caijian 2020 No. 4)*《關於促進非水可再生能源發電健康發展的若干意見》(財建20204號) and the Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (Caijian 2020 No. 5)*《財政部國家發展改革委國家能源局關於印發〈可再生能源電價附加資金管理辦法〉的通知》(財建20205號) (the “2020 Measures”) were jointly announced by the Ministry of Finance, National Development and Reform Commission and National Energy Administration. In accordance with the new government policy as stipulated in the 2020 Measures, the PRC government has simplified the application and approval process regarding the registration of tariff adjustments for non-hydro renewable energy power plant projects into the Renewable Energy Tariff Subsidy List (可再生能源發電補助項目清單, the “List”). The state-owned grid companies will regularly announce the list based on the project type, time of grid connection and technical level of the solar power projects. For those on-grid solar power projects which have already started operation but yet to register into the List, these on-grid solar power projects are entitled to enlist into the List once they have met the conditions as stipulated on the Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加資金管理辦法) and completed the submission and application in the Platform.

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

* English name for identification only

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

6. REVENUE AND SEGMENT INFORMATION (Continued)

Revenue (Continued)

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

All revenue contracts with customers are for a period of one year or less, as permitted by practical expedient under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Geographical information

The Group's revenue from external customers by customer's location and information about its non-current assets by location of the assets are detailed below:

	Revenue from external customers		Non-current assets*	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
The PRC (Country of domicile)	14,223,825	15,040,351	37,337,647	41,956,479
India	140,704	379	—	—
Vietnam	18,230	16,231	—	—
The USA	41,839	40,599	216,981	249,503
Others	335	—	44,237	100,799
	201,108	57,209	261,218	350,302
	14,424,933	15,097,560	37,598,865	42,306,781

* Non-current assets excluded deferred tax assets and financial instruments.

Information about major customers

Revenue from the major customers which amounted to 10% or more of the Group's revenue is set out below:

	2025 RMB'000	2024 RMB'000
Customer A	2,152,170	2,818,674
Customer B	2,142,861	N/A
Customer C	1,477,668	N/A

The revenue is derived from solar material business segment.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

7. OTHER INCOME

	2025 RMB'000	2024 RMB'000
Government grants (note a)	224,357	243,191
Bank and other interest income (note b)	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 (note 51)	1,366	6,005
Others	2,158	5,392
	996,564	1,009,392

Note:

(a) Government grants

	2025 RMB'000	2024 RMB'000
Incentive subsidies (note (i))	204,776	214,310
Subsidies related to property, plant and equipment	19,317	23,524
Value-added tax refunds related to depreciable assets	264	5,357
	224,357	243,191

note (i) Incentive subsidies were received from the relevant PRC government for improvement of working capital and financial assistance to the operating activities to enhance the competitiveness in the industry. The amount also includes grants for relevant expenses incurred such as those for research and development activities and interest subsidies. The subsidies were granted on a discretionary basis to the Group during the year.

(b) These represent interest income on financial assets measured at amortised cost including an imputed interest income on dividend receivable from a former associate and consideration receivable from disposal of an associate of RMB35,918,000 (2024: RMB73,752,000) and RMB52,984,000 (2024: nil) respectively.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

8. OTHER GAINS, NET

	2025 RMB'000	2024 RMB'000
Exchange (losses) gains, net	(38,004)	8,389
(Loss) 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
Gain (loss) on fair value change of derivative financial instruments (note 35)	1,741	(1,722)
Impairment loss on property, plant and equipment (note 17)	(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 (note 41)	25,129	1,952,207
Gain (loss) on disposal of an associate (note 21(f))	790,188	(184,755)*
	230,889	1,416,661

* 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 RMB 185 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), the loss of approximately RMB700 million 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.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

9. IMPAIRMENT LOSSES RECOGNISED ON FINANCIAL ASSETS

	2025 RMB'000	2024 RMB'000
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
	1,760,720	989,434

Details of impairment assessment are set out in note 42(b).

10. FINANCE COSTS

	2025 RMB'000	2024 RMB'000
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
Total borrowing costs	466,948	636,290
Less: interest capitalised	(341)	(17,906)
	466,607	618,384

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%).

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

II. INCOME TAX EXPENSE/(CREDIT)

	2025 RMB'000	2024 RMB'000
Current tax		
PRC Enterprise Income Tax ("EIT")		
Provision for the year	41,930	287,869
Underprovision in prior years	3,731	12,067
	45,661	299,936
Deferred tax (note 37)	181,197	(844,932)
Income tax expense/(credit)	226,858	(544,996)

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

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

II. INCOME TAX EXPENSE/(CREDIT) (Continued)

Hong Kong Profits Tax is 16.5% for both years. No provision for Hong Kong Profits Tax has been recognised as the Group did not have 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 at rates of 5% or 10% applicable to 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 as dividends out of profits generated on or after 1 January 2008. Net deferred tax expenses of approximately RMB19,238,000 (2024: RMB139,674,000) relating to withholding tax on undistributed profits were credited to profit or loss for the current year.

A reconciliation of the tax charge/(credit) for the year to the loss before tax reported in the consolidated statement of profit or loss and other comprehensive income is as follows:

	2025 RMB'000	2024 RMB'000
Loss before tax	(2,696,495)	(6,192,948)
Tax at PRC EIT rate of 25% (Note)	(674,124)	(1,548,237)
Lower tax rates for specific provinces or enacted by local authorities	153,723	580,682
Effect of different tax rates in different jurisdictions	70,104	3,716
Tax effect of expenses not deductible for tax purpose	997,246	580,556
Tax effect of income not taxable for tax purpose	(129,334)	(556,972)
Tax effect of share of results of associates	20,839	316,770
Tax effect of share of results of joint ventures	1,407	(6,520)
Tax effect temporary difference not recognised	402,611	114,235
Tax effect of tax losses not recognised	102,024	191,889
Utilisation of tax losses previously not recognised	(690,933)	(60,978)
Effect of tax exemption and tax concessions granted to certain subsidiaries in the PRC	(11,198)	(32,530)
Withholding tax on undistributed profits	(19,238)	(139,674)
Underprovision in prior years, net	3,731	12,067
Income tax expense (credit)	226,858	(544,996)

Note: The PRC EIT rate is used as it is the domestic tax in the jurisdiction where the operation of the Group is substantially based.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

12. LOSS FOR THE YEAR

	2025 RMB'000	2024 RMB'000
Loss for the year has been arrived at after charging (crediting) the following items:		
Staff costs, including directors' remuneration		
Salaries, wages and other benefits	1,358,025	1,572,430
Share-based payments*	58,404	147,423
Retirement benefits scheme contributions	152,582	182,602
	1,569,011	1,902,455
Depreciation of property, plant and equipment (note 17)	4,096,967	3,896,035
Depreciation of right-of-use assets (note 18)	104,632	148,204
Depreciation of investment properties (note 19)	18,072	20,834
Amortisation of intangible assets (note 20)	27,730	33,771
Total depreciation and amortisation	4,247,401	4,098,844
Less: amounts absorbed in opening and closing inventories, net	(134,999)	(81,658)
	4,112,402	4,017,186
Write-down of inventories, net (note 25)	104,283	107,870
Auditors' remuneration		
– audit services	10,040	9,800
– other services	1,750	1,900
	11,790	11,700

* It was included share-based payment expenses of the Company of approximately RMB58,404,000 (2024: RMB98,588,000)

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and Chief Executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, is as follows:

Year ended 31 December 2025

Name of Director	Directors' fee RMB'000	Salaries and other benefits RMB'000	Performance-related bonuses RMB'000	Retirement benefits scheme contributions RMB'000	Share-based payments-share award (Note c) RMB'000	Total RMB'000
Executive Directors (note a)						
Mr. ZHU Gongshan	—	3,298	2,565	—	2,053	7,916
Mr. ZHU Yufeng	—	1,832	—	85	1,140	3,057
Mr. ZHU Zhanjun	—	2,600	600	183	1,075	4,458
Mr. LAN Tianshi	—	2,500	600	184	1,512	4,796
Ms. SUN Wei	—	2,570	2,382	262	1,075	6,289
Mr. YEUNG Man Chung, Charles	—	2,500	2,674	69	977	6,220
Independent Non-executive Directors (note b)						
Dr. HO Raymond Chung Tai	462	—	—	—	163	625
Mr. YIP Tai Him	365	—	—	—	163	528
Dr. SHEN Wenzhong	214	—	—	—	163	377
Mr. LI Junfeng	462	—	—	—	—	462
	1,503	15,300	8,821	783	8,321	34,728

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

Year ended 31 December 2024

Name of Director	Directors' fee RMB'000	Salaries and other benefits RMB'000	Performance-related bonuses RMB'000	Retirement benefits scheme contributions RMB'000	Share-based payments-share award (Note c) RMB'000	Total RMB'000
Executive Directors (note a)						
Mr. ZHU Gongshan	—	3,286	—	—	3,424	6,710
Mr. ZHU Yufeng	—	1,830	—	84	1,902	3,816
Mr. ZHU Zhanjun	—	2,600	—	200	1,794	4,594
Mr. LAN Tianshi	—	2,500	—	200	2,574	5,274
Ms. SUN Wei	—	2,700	—	355	1,794	4,849
Mr. YEUNG Man Chung, Charles	—	2,500	—	126	1,630	4,256
Independent Non-executive Directors (note b)						
Dr. HO Raymond Chung Tai	460	—	—	—	272	732
Mr. YIP Tai Him	364	—	—	—	272	636
Dr. SHEN Wenzhong	214	—	—	—	272	486
Mr. LI Junfeng	77	—	—	—	—	77
	1,115	15,416	—	965	13,934	31,430

Notes:

- (a) The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.
- (b) The independent non-executive directors' emoluments shown above were for their services as directors of the Company.
- (c) Details of movements of the share award scheme is set out in note 48(a)(II).

Bonuses are discretionary and are based on the performance of the Group or its subsidiaries for the year.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

14. FIVE HIGHEST PAID EMPLOYEES AND COMPENSATION OF KEY MANAGEMENT PERSONNEL

(a) Five highest paid employees

The five highest paid employees of the Group during the year included five directors (2024: five directors), details of whose remuneration are set out in note 13.

(b) Compensation of key management personnel

The remuneration of senior management personnel, comprising Directors' and Chief Executive's remuneration during the year was as follows:

	2025 RMB'000	2024 RMB'000
Short-term benefits	25,624	16,531
Post-employment benefits	783	965
Share-based payments	8,321	13,934
	34,728	31,430

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

15. DIVIDEND

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

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

16. 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 RMB'000	2024 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	(2,867,891)	(4,750,396)
	2025 '000	2024 '000
Weighted average number of ordinary shares		
Issued ordinary shares at 1 January	26,920,819	26,938,931
Effect of shares held by the Group under the Scheme (as defined in note 48(a)(II))	(506,542)	(484,679)
Effect of purchase and cancellation of treasury shares	—	(13,906)
Effect of placement of shares	2,387,373	—
Weighted average number of ordinary shares at 31 December	28,801,650	26,440,346
	2025 '000	2024 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	28,801,650	26,440,346

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

16. LOSS PER SHARE (Continued)

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 cancelation.

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 year 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.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

17. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Plant and machinery RMB'000	Aircraft RMB'000	Office equipment RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
COST							
At 1 January 2024	10,017,596	40,803,098	176,135	446,533	294,732	3,568,663	55,306,757
Additions	129,312	338,598	—	17,785	8,594	4,121,968	4,616,257
Transfers	1,123,247	4,737,390	—	75,241	6,322	(5,942,200)	—
Disposals	(136,714)	(632,383)	—	(68,516)	(21,728)	(2,911)	(862,252)
Deemed disposal of a subsidiary (note 41)	—	(219,480)	—	(11,653)	(578)	(83,088)	(314,799)
Transfer to investment properties (note 19)	(4,000)	—	—	—	—	—	(4,000)
Exchange differences	—	9,060	—	4	—	—	9,064
At 31 December 2024	11,129,441	45,036,283	176,135	459,394	287,342	1,662,432	58,751,027
Additions	13,289	167,490	—	5,733	1,662	665,869	854,043
Transfers	504,305	743,641	—	52,193	28,369	(1,328,508)	—
Disposals	(26,799)	(1,011,642)	—	(113,992)	(12,074)	—	(1,164,507)
Deemed disposal of a subsidiary (note 41)	(83,326)	—	—	(2)	—	—	(83,328)
Exchange differences	—	(13,617)	—	—	—	—	(13,617)
At 31 December 2025	11,536,910	44,922,155	176,135	403,326	305,299	999,793	58,343,618
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES							
At 1 January 2024	2,879,025	16,763,689	88,067	340,796	144,589	306,859	20,523,025
Depreciation expense	658,286	3,030,654	24,577	122,517	60,001	—	3,896,035
Eliminated on disposals	(72,417)	(637,725)	—	(51,917)	(13,753)	—	(775,812)
Impairment losses	—	364,701	—	35,347	1,063	—	401,111
Deemed disposed of a subsidiary (note 41)	—	(59,100)	—	(160)	(424)	—	(59,684)
Exchange differences	—	5,199	—	—	—	—	5,199
At 31 December 2024	3,464,894	19,467,418	112,644	446,583	191,476	306,859	23,989,874
Depreciation expense	672,966	3,323,271	24,577	11,410	64,743	—	4,096,967
Eliminated on disposals	(18,298)	(857,140)	—	(90,538)	(9,439)	—	(975,415)
Impairment losses	—	259,784	—	—	—	—	259,784
Deemed disposal of a subsidiary (note 41)	(33,851)	—	—	—	—	—	(33,851)
Exchange differences	—	(8,514)	—	—	—	—	(8,514)
At 31 December 2025	4,085,711	22,184,819	137,221	367,455	246,780	306,859	27,328,845
CARRYING AMOUNTS							
At 31 December 2025	7,451,199	22,737,336	38,914	35,871	58,519	692,934	31,014,773
At 31 December 2024	7,664,547	25,568,865	63,491	12,811	95,866	1,355,573	34,761,153

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment, except for construction in progress, are depreciated on a straight-line basis at the following rates per annum:

Buildings	Over the shorter of lease terms or 2%–8.33%
Plant and machinery	4%–25% or % calculated based on license period
Aircraft	$6\frac{2}{3}\%$
Office equipment	20%–33%
Motor vehicles	20%–30%

Impairment loss

(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 RMB259,784,000 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 RMB401,111,000 was recognised for property, plant and equipment during the year ended 31 December 2024.

- (b) Management performed impairment assessment by determining the recoverable amount of the relevant cash-generating unit ("CGU") based on the higher of the value-in-use calculation and the fair value less cost of disposal. The key assumptions for fair value less cost of disposal method include market price of the relevant assets. The key assumptions for future cash flow method include product prices (as well as revenue growth rates) and discount rates. For relevant CGUs engaged in the solar material and solar farm business with indicators of impairment, the Group determines their recoverable amounts based on the future cash flow method and an impairment loss of RMB259,784,000 (2024: RMB219,714,000) was made in the consolidated financial statements. The Group estimates that the annual revenue growth rates applied in the five-year forecast period range from 0% to 1% (2024: 0% to 105%) which is based on historical experience and market development. A long-term growth rate is 0% (2024: ranged from 0% to 2%) was adopted. Pre-tax discount rate of 11.9% (2024: 10.7% to 11.4%) was applied, reflecting the specific risks associated with the relevant CGUs. Based on these assumptions, the recoverable amounts of the relevant CGUs were approximately RMB237,000,000 (2024: RMB178,933,000).

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

17. PROPERTY, PLANT AND EQUIPMENT (Continued)

Impairment loss (Continued)

For the year ended 31 December 2024, in addition to the above, the directors made an impairment loss of RMB181,397,000 on the property, plant and equipment of relevant CGUs engaged in the wafer and solar material business by reference to the scrap value of the relevant machinery which under Level 2 of the fair value hierarchy. The impairment loss is made based on the management's historical experience and the average scrap value is estimated to be 4% of the carrying amount of the machinery. The recoverable amount of these relevant CGUs for the relevant assets are approximately RMB7,517,000.

18. RIGHT-OF-USE ASSETS

	2025 RMB'000	2024 RMB'000
Leasehold lands	1,434,805	1,402,847
Properties	47,643	47,818
Others	19,530	5,387
	1,501,978	1,456,052
Depreciation		
– Leasehold lands	63,742	63,025
– Properties	34,205	76,432
– Others	6,685	8,747
	104,632	148,204
Expenses relating to short-term leases	56,102	49,903
Total cash outflow for leases	131,302	176,243
Additions to right-of-use assets	174,815	97,351
Effect of foreign currency exchange differences	(357)	(240)
Disposal of leasehold land	23,901	34,307

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

18. RIGHT-OF-USE ASSETS (Continued)

For both years, the Group leased lands, properties and other equipment for its operations. Lease contracts were entered into for terms ranging from 2 to 50 years. Lease terms were negotiated on an individual basis and contained a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applied the definition of a contract and determined the period for which each contract was enforceable.

In addition, the Group owns several leasehold lands where its manufacturing facilities, solar farms and office buildings are primarily located. The Group is the registered owner of these property interests.

The Group regularly enters into short-term leases for offices, motor vehicles and staff quarters. As at 31 December 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases for which the short-term lease expense as disclosed above.

Details of the lease maturity analysis of lease liabilities are set out in notes 34 and 42(b).

Sale and leaseback transactions – seller-lessee

To better manage the Group's capital structure and financing needs, the Group sometimes enters into sale and leaseback arrangements in relation to machinery leases. The transfer of legal title to the solar farms, plant and equipment does not satisfy the requirements of IFRS standards to be accounted for as a sale of the solar farms, plant and equipment. During the years ended 31 December 2025 and 2024, there were no new borrowings in respect of such sale and leaseback arrangements. More details are set out in note 33.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

19. INVESTMENT PROPERTIES

	RMB'000
COST	
As at 1 January 2024	462,520
Transfer from property, plant and equipment (note 17)	4,000
As at 31 December 2024, 1 January 2025, and 31 December 2025	466,520
ACCUMULATED DEPRECIATION	
As at 1 January 2024	97,168
Provided for the year	20,834
As at 31 December 2024	118,002
Provided for the year	18,072
As at 31 December 2025	136,074
CARRYING AMOUNTS	
As at 31 December 2025	330,446
As at 31 December 2024	348,518

The investment properties are depreciated on a straight-line basis over the shorter of the lease terms of the leasehold land or 5% per annum.

The fair value of the Group's investment properties at 31 December 2025 and 2024 was approximately RMB465,101,000 and RMB397,031,000, respectively. The fair value was valued by direct comparison approach and was determined by the Directors with reference to recent market evidence of transaction prices for similar properties in similar locations and conditions and the fair value of the properties is categorised as level 2 measurement.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

20. INTANGIBLE ASSETS

	Technical know-how RMB'000
COST	
At 1 January 2024	1,073,177
Disposal	(42,795)
Deemed disposal of a subsidiary (note 41)	(25,957)
At 31 December 2024	1,004,425
Addition	30,123
At 31 December 2025	1,034,548
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSS	
At 1 January 2024	956,745
Disposal	(36,242)
Deemed disposal of a subsidiary (note 41)	(12,868)
Amortisation	33,771
At 31 December 2024	941,406
Amortisation	27,730
At 31 December 2025	969,136
CARRYING AMOUNTS	
At 31 December 2025	65,412
At 31 December 2024	63,019

Technical know-how are mainly acquired by solar material business from third parties in relation to technical know-how of hydrochlorination production techniques and hydrochlorination recycling system, fluidised bed reactor techniques, Continuous Czochralski monosilicon techniques, perovskite solar cells techniques and technical know-how on production of polysilicon and wafer products.

Technical know-how have definite useful lives and are amortised on a straight-line basis over 10 years.

The amortisation charge for the year is included in administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

21. INTERESTS IN ASSOCIATES

	2025 RMB'000	2024 RMB'000
Cost of investments in associate	3,810,118	5,177,618
Share of post-acquisition (losses) profits and OCI, net of dividends received	(608,499)	41,108
Perpetual notes classified as financial assets at fair value through other comprehensive income	44,953	359,058
	3,246,572	5,577,784

Details of the Group's principal associates at the end of the reporting period are as follows:

Name of company	Country of incorporation/ operation	Proportion of ownership interest				Principal activities
		2025		2024		
		Group's effective interest	Held by a subsidiary	Group's effective interest	Held by a subsidiary	
GNE (note a)	Bermuda/Hong Kong	5.59%	5.59%	6.2%	6.2%	New energy business
昆山協鑫光電材料有限公司 Kunshan GCL Optoelectronic Material Co., Ltd. ("Kunshan GCL") (note b)	PRC	42.11%	42.11%	44.23%	44.23%	Production and sales of perovskite solar cells
徐州金材股權投資合夥企業 Xuzhou Jincai Equity Investment Partnership (Limited Partnership)* ("Xuzhou Jincai") (note c)	PRC	NA	NA	47.37%	47.37%	Investment and asset management
內蒙古中環晶體材料有限公司 Inner Mongolia Zhonghuan-Crystal Material Co., Ltd.* ("Inner Mongolia Zhonghuan Crystal") (note d)	PRC	4.5%	6.42%	4.5%	6.42%	Production of silicon rods
徐州日晟低碳產業投資合夥企業(有限合夥) Xuzhou Risheng Low Carbon Industry Investment Partnership (Limited Partnership)* ("Xuzhou Risheng") (note e)	PRC	49.88%	49.88%	49.88%	49.88%	Investment and asset management
江蘇鑫華半導體材料科技有限公司 Jiangsu Xinhua Semiconductor Material Technology Co., Ltd* ("Jiangsu Xinhua") (note f)	PRC	NA	NA	24.55%	24.55%	Production and trading of semiconductor polysilicon

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

21. INTERESTS IN ASSOCIATES (Continued)

Name of company	Country of incorporation/ operation	Proportion of ownership interest				Principal activities
		2025		2024		
		Group's effective interest	Held by a subsidiary	Group's effective interest	Held by a subsidiary	
樂山市仲平多晶硅光電信息產業基金合夥企業 (有限合夥) Leshan Zhongping Polysilicon Photovoltaic Information Industry Investment Fund Partnership (Limited Partnership)* ("Leshan Fund") (note g)	PRC	14.78%	14.78%	14.78%	14.78%	Investment and asset management
樂山市中平能鑫企業管理諮詢合夥企業 (有限合夥) Leshan Zhongping Nengxin Enterprise Management Consultancy Partnership (Limited Partnership)* ("Zhongping Nengxin") (note h)	PRC	66.65%	66.65%	66.65%	66.65%	Investment and asset management

* English name for identification only

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

21. INTERESTS IN ASSOCIATES (Continued)

MATERIAL ASSOCIATES

Summarised financial information of material associates

(a) GNE

	2025 RMB'000	2024 RMB'000
Non-current assets	5,033,395	3,815,256
Current assets	1,687,075	2,278,334
Current liabilities	(1,149,042)	(710,109)
Non-current liabilities	(1,436,239)	(554,717)
Net assets	4,135,189	4,828,764

	2025 RMB'000	2024 RMB'000
Revenue	1,062,567	1,107,755
Loss for the year	(1,148,019)	(222,740)
Other comprehensive income (expense) for the year	5,572	(1,526)
Total comprehensive expense for the year	(1,142,447)	(224,266)
Dividend received by the Group during the year	—	—

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

21. INTERESTS IN ASSOCIATES (Continued)

MATERIAL ASSOCIATES (Continued)

Summarised financial information of material associates (Continued)

(a) GNE (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in GNE recognised in the consolidated financial statements is set out below:

	2025 RMB'000	2024 RMB'000
Net assets of GNE	4,135,189	4,828,764
Less: Non-controlling interests of GNE	(3,687,565)	(3,140,522)
Share options reserve of GNE	(41,602)	(62,499)
Convertible bond reserve	(29,506)	—
Equity attributable to owners of GNE	376,516	1,625,743
Proportion of the Group's ownership interest in GNE	5.59%	6.20%
The Group's share of net assets of GNE	21,047	100,712
Perpetual notes classified as financial assets at fair value through other comprehensive income (Note iii)	44,953	359,058
Carrying amount of the Group's interest in GNE	66,000	459,770
Fair value (quote market price)	70,372	39,018

Note:

- (i) During the year ended 31 December 2025, GNE completed the issuance of 153,400,000 shares at HK\$0.45 per share as part of consideration acquisition of a business. Following the issuance of these shares, the Group's equity interest in GNE diluted from 6.2% to 5.59%. A loss of RMB6,360,000 on deemed disposal was recognised in the profit or loss.
- (ii) During the year ended 31 December 2024, GNE completed a share placing of 233,487,154 shares at HK\$0.26 per share, raising net proceeds of HK\$59.7 million. Upon completion of this placement, the Group's equity interest in GNE decreased from 7.44% to 6.2%. The Group's interest subsequently decreased from 6.2% to 5.59% due to the 2025 share placement detailed in note (i) above. The Directors have assessed of the Group to exercise significant influence over GNE which is therefore clarified as an associate of the Group based on the following reasons:
 - (a) The Group remains the third largest shareholder of GNE, and the first and the second largest shareholders are the Company's controlling shareholder and its subsidiary, respectively;
 - (b) The remaining shareholdings of GNE are widely dispersed;
 - (c) Under the Bermuda Companies Act, any shareholder holding not less than 5% of the paid-up share capital of GNE, (or a group of not less than one hundred shareholders) may submit a written request to move a resolution at the annual general meeting. The Group remains one of only three shareholders individually holding not less than 5% of paid-up share capital of GNE.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

21. INTERESTS IN ASSOCIATES (Continued)

MATERIAL ASSOCIATES (Continued)

Summarised financial information of material associates (Continued)

(a) GNE (Continued)

Notes:

- (iii) On 18 November 2016, 南京協鑫新能源發展有限公司 Nanjing GCL New Energy Development Co. Ltd* ("Nanjing GCL New Energy"), an indirect wholly-owned subsidiary of GNE, entered into a perpetual notes agreement with certain wholly-owned subsidiaries of the Company (the "Lenders"). Nanjing GCL New Energy issued perpetual notes of RMB800,000,000 and RMB1,000,000,000 in November and December 2016, respectively and key terms are as follows:

Interest rate

Interest rate is 7.3% per annum for the first two years, 9% per annum for the third to fourth years and 11% per annum starting from the fifth year.

Maturity date

There is no maturity date.

Repayment terms

The distribution shall be paid on the 21st day of the last month of each quarter (the "Distribution Payment Date"). Nanjing GCL New Energy shall have the right to defer any distribution due and payable indefinitely by notifying the Lenders five working days before the Distribution Payment Date, and there is no compound interest on the deferred distribution payment. If Nanjing GCL New Energy chooses to defer distribution payment, for as long as there is any deferred distribution payment not yet paid in full, Nanjing GCL New Energy is not permitted to declare and pay dividends to its shareholders. The Lenders shall have no right at any time to request repayment of the perpetual notes from Nanjing GCL New Energy, but Nanjing GCL New Energy shall have the right, but not the obligations, to repay the perpetual notes amount by notifying the Lenders in writing five working days before the repayment of the perpetual notes at par value.

Classification of perpetual notes

The perpetual notes are classified as equity instruments in the GNE's consolidated financial statements as GNE does not have a contractual obligation to deliver cash or other financial assets arising from the issue of the perpetual notes. Any distributions made by Nanjing GCL New Energy to the holders are recognised in equity in the consolidated financial statements of GNE. The perpetual notes are classified as financial assets at fair value through other comprehensive income by the Group. Before Distribution in Specie, the perpetual notes were fully eliminated in the consolidated financial statements of the Group and included in the Group's interest in GNE.

(b) Kunshan GCL

	2025 RMB'000	2024 RMB'000
Non-current assets	1,207,617	470,261
Current assets	497,596	492,064
Current liabilities	(296,288)	(798,067)
Non-current liabilities	(1,605,144)	(34,195)
Net (liabilities) assets	(196,219)	130,063

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

21. INTERESTS IN ASSOCIATES (Continued)

MATERIAL ASSOCIATES (Continued)

Summarised financial information of material associates (Continued)

(b) Kunshan GCL (Continued)

	2025 RMB'000	From 16 November 2024 (the date of completion of deemed acquisition of Kunshan GCL as an associate) to 31 December 2024 RMB'000
Revenue	7,282	149
Loss and total comprehensive expense for the year	332,826	101,329
Dividend received by the Group during the period	—	—

The following table reconciles the summarised financial information of Kunshan GCL to the carrying amount of the Group's interest as recognised in the consolidated financial statements:

	2025 RMB'000	2024 RMB'000
Net (liabilities) assets of Kunshan GCL	(196,219)	130,063
Proportion of the Group's ownership interest in Kunshan GCL	42.11%	44.23%
The Group's share of net (liabilities) assets of Kunshan GCL	(82,628)	57,526
Goodwill	1,824,107	1,824,107
Carrying amount of the Group's interest in Kunshan GCL	1,741,479	1,881,633

- (i) During the year ended 31 December 2025, third-party interests subscribed to approximately RMB5.4 million in new registered capital of Kunshan GCL for a consideration of RMB6.7 million. Following the completion of this subscription, the Group's equity interest in Kunshan GCL was diluted from 44.23% to 42.11%.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

21. INTERESTS IN ASSOCIATES (Continued)

MATERIAL ASSOCIATES (Continued)

Summarised financial information of material associates (Continued)

(b) Kunshan GCL (Continued)

- (ii) 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.

(c) Xuzhou Jincai

	2025 RMB'000	2024 RMB'000
Non-current assets	N/A	2,293,298
Current assets	N/A	9,957
Current liabilities	N/A	—
Non-current liabilities	N/A	—
Net assets	N/A	2,303,255

	From 1 January 2025 to 19 December 2025 (date of acquisition) RMB'000	From 21 February 2024 (the date of acquisition) to 31 December 2024 RMB'000
Revenue	—	—
Profit and total comprehensive income for the period	147,676	—
Dividend received by the Group during the year	—	—

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

21. INTERESTS IN ASSOCIATES (Continued)

MATERIAL ASSOCIATES (Continued)

Summarised financial information of material associates (Continued)

(c) Xuzhou Jincai (Continued)

The following table reconciles the summarised financial information of Xuzhou Jincai to the carrying amount of the Group's interest recognised in the consolidated financial statements:

	2025 RMB'000	2024 RMB'000
Net assets of Xuzhou Jincai	N/A	2,303,255
Proportion of the Group's ownership interest in Xuzhou Jincai	N/A	47.37%
The Group's share of net assets of Xuzhou Jincai	N/A	1,091,052
Carrying amount of the Group's interest in Xuzhou Jincai	N/A	1,091,052

Note:

- (i) On 1 December 2025, Xuzhou Jincai entered into agreements with certain other investors (excluding the Group) pursuant to which Xuzhou Jincai repurchased their ownership interests. Following completion of the repurchase, the Group's equity interest in Xuzhou Jincai increased from 47.37% to 100%. As the Group provided funding to Xuzhou Jincai for the repurchase, the transaction is, in substance, a purchase of additional ownership interests by the Group. Further details of the acquisition are disclosed in note 40.
- (ii) During the year ended 31 December 2024, the Group entered into agreements with two independent third parties to acquire their 47.37% equity interest in Xuzhou Jincai for a total consideration of RMB1,091,052,000. In accordance with the provisions of the limited partnership agreement, the authority over the investment and operational activities of Xuzhou Jincai is vested solely in the investment committee and the executive partner appointed under the limited partnership agreement. The Group's voting rights in partnership meetings are proportionate to its equity interest. Based on these arrangements, the Directors considered that the Group has significant influence over Xuzhou Jincai, and accordingly, the investment has been classified as an associate of the Group.

(d) Inner Mongolia Zhonghuan Crystal

	2025 RMB'000	2024 RMB'000
Non-current assets	5,332,505	6,874,652
Current assets	3,221,459	2,782,733
Current liabilities	(1,161,422)	(1,282,523)
Non-current liabilities	(2,148,806)	(2,097,465)
Net assets	5,243,736	6,277,397

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

21. INTERESTS IN ASSOCIATES (Continued)

MATERIAL ASSOCIATES (Continued)

Summarised financial information of material associates (Continued)

(d) Inner Mongolia Zhonghuan Crystal (Continued)

	2025 RMB'000	2024 RMB'000
Revenue	2,566,937	5,175,734
Loss and total comprehensive income for the year	1,033,661	1,079,679
Dividend received by the Group during the year	—	—

The following table reconciles the summarised financial information of the Production Line Inner Mongolia Zhonghuan Crystal to the carrying amount of the Group's interest recognised in the consolidated financial statements:

	2025 RMB'000	2024 RMB'000
Net assets of the Production Line of Inner Mongolia Zhonghuan Crystal	5,243,736	6,277,397
Proportion of the Group's ownership interest in the Production Line of Inner Mongolia Zhonghuan Crystal	12%	12%
The Group's share of net assets of the Production Line of Inner Mongolia Zhonghuan Crystal	629,248	753,288
Carrying amount of the Group's interest in Inner Mongolia Zhonghuan Crystal	629,248	753,288

Note:

According to an agreement signed between the shareholders, a non-wholly owned subsidiary 高佳太陽能股份有限公司 holds approximately 6.2% registered capital in Inner Mongolia Zhonghuan Crystal which shares 12% equity interest in a production line of Inner Mongolia Zhonghuan Crystal (the "Production Line").

As at 31 December 2025 and 2024, the Group retained the right to appoint two out of seven directors to the board of Inner Mongolia Zhonghuan Crystal. Based on the board structure, the Directors considered that the Group possesses significant influence over Inner Mongolia Zhonghuan Crystal. Accordingly, the investment in Inner Mongolia Zhonghuan Crystal continues to be classified as an associate of the Group.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

21. INTERESTS IN ASSOCIATES (Continued)

MATERIAL ASSOCIATES (Continued)

Summarised financial information of material associates (Continued)

(e) Xuzhou Risheng

	2025 RMB'000	2024 RMB'000
Non-current assets	1,367,939	856,923
Current assets	1,504,425	13,352
Current liabilities	(2,324,826)	—
Non-current liabilities	—	—
Net assets	547,538	870,275

	2025 RMB'000	2024 RMB'000
Revenue	—	—
Loss and total comprehensive expense for the year	(310,243)	(569,092)
Dividend received by the Group during the year	—	—

The following table reconciles the summarised financial information of Xuzhou Risheng to the carrying amount of the Group's interest recognised in the consolidated financial statements is set out below:

	2025 RMB'000	2024 RMB'000
Net assets of Xuzhou Risheng	547,538	870,275
Proportion of the Group's ownership interest in Xuzhou Risheng	49.88%	49.88%
The Group's share of net assets of Xuzhou Risheng	273,112	427,861
Carrying amount of the Group's interest in Xuzhou Risheng	273,112	427,861

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

21. INTERESTS IN ASSOCIATES (Continued)

MATERIAL ASSOCIATES (Continued)

Summarised financial information of material associates (Continued)

(e) Xuzhou Risheng (Continued)

Note:

During the year ended 31 December 2023, the Group entered into a limited partnership agreement with independent third parties to establish an investment fund, 徐州日晟低碳產業投資合夥企業(有限合夥) ("Xuzhou Risheng"). As at 31 December 2025, the Group had contributed RMB721,000,000 (2024: RMB721,000,000), representing 49.88% equity interest in Xuzhou Risheng.

Pursuant to the limited partnership agreement, the authority over the investment and operational decisions of Xuzhou Risheng is vested solely in the investment committee established and an executive partner appointed under the limited partnership agreement, respectively. The Group holds one-fifth of the voting rights in the investment committee meeting of Xuzhou Risheng according to the limited partnership agreement. Based on the arrangement, the Directors considered that the Group has significant influence over Xuzhou Risheng. Accordingly, the investment in Xuzhou Risheng is classified as an associate of the Group.

(f) Jiangsu Xinhua

	2025 RMB'000	2024 RMB'000
Non-current assets	N/A	3,884,454
Current assets	N/A	1,885,176
Current liabilities	N/A	(1,435,208)
Non-current liabilities	N/A	(1,064,232)
Net assets	N/A	3,270,190

	From 1 January 2025 to 17 September 2025 (date of disposal) RMB'000	2024 RMB'000
Revenue	1,158,396	1,107,940
Profit and total comprehensive income for the year	77,380	64,484
Dividend received by the Group during the year	—	7,145

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

21. INTERESTS IN ASSOCIATES (Continued)

MATERIAL ASSOCIATES (Continued)

Summarised financial information of material associates (Continued)

(f) Jiangsu Xinhua (Continued)

The following table reconciles the summarised financial information of Jiangsu Xinhua to the carrying amount of the Group's interest recognised in the consolidated financial statements:

	2025 RMB'000	2024 RMB'000
Net assets of Jiangsu Xinhua	N/A	3,270,190
Less: Non-controlling interest of Jiangsu Xinhua	N/A	(584,684)
Equity attributable to owners of Jiangsu Xinhua	N/A	2,685,506
Proportion of the Group's ownership interest in Jiangsu Xinhua	N/A	24.55%
The Group's share of net assets of Jiangsu Xinhua	N/A	654,050
Carrying amount of the Group's interest in Jiangsu Xinhua	N/A	654,050

Note:

- (i) 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. The disposal was completed during the year for a total cash consideration of RMB1,472,000,000, which was fully received upon completion. As a result of the transaction, the Group recognised a gain on disposal of an associate of RMB790,189,000 in the profit or loss as follows:

	RMB'000
Cash consideration	1,472,000
Carrying amount of the entire interest in Jiangsu Xinhua at the date of disposal	(681,812)
Gain on disposal of interest in an associate included in other gains (losses), net (note 8)	790,188

- (ii) In April 2016, the Group entered into an investment agreement ("Investment Agreement") with an independent investor ("Partner").

Pursuant to the Investment Agreement, the Partner has the right to request the Group to repurchase the equity interest in Jiangsu Xinhua held by the Partner at the cost of investment of the Partner plus interest at applicable rate if Jiangsu Xinhua fails to fulfil certain conditions. Further details of the put options are set out in note 35(b).

According to the articles of association of Jiangsu Xinhua, the relevant activities were no longer required unanimous consent of the parties sharing control and the Group was given the right to appoint two out of nine directors of the board of directors of Jiangsu Xinhua. The Directors considered that the Group can exercise significant influence over Jiangsu Xinhua after the revised article and association and Jiangsu Xinhua is therefore reclassified as an associate since 2022.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

21. INTERESTS IN ASSOCIATES (Continued)

INDIVIDUALLY IMMATERIAL ASSOCIATES

Aggregate information of individually immaterial associates that are accounted for using equity method is as follows:

	2025 RMB'000	2024 RMB'000
Aggregate amounts of the Group's share of		
– Profit for the year	259,607	7,719
– Other comprehensive expense	(148,757)	(198,124)
Total comprehensive income (expense)	110,850	(190,405)
Aggregate carrying amount of individually immaterial associates	536,144	310,130
Dividend received by the Group during the year	—	—

(g) Leshan Fund

The Group holds a 14.78% equity interest in Leshan Fund. Under the terms of the limited partnership agreement, the Group has the right to appoint two out of seven members on the investment committee, which is responsible for directing the investment activities of Leshan Fund.

The Group's ability to participate in key decision-making through its representation on the investment committee provides it with significant influence over Leshan Fund. Therefore, Leshan Fund is accounted for as an associate in the Group's financial statements, and its results are recognized under the equity method of accounting.

(h) Zhongping Nengxin

Although the Group holds 66.7% equity interest in Zhongping Nengxin. The principal activities of Zhongping Nengxin are to invest in Leshan Fund and silicon production related projects.

Although the Group holds a 66.7% equity interest in Zhongping Nengxin, it does not have control over the entity. Under the terms of the limited partnership agreement, all investment and operational decisions are exclusively managed by the appointed investment manager, limiting the Group's ability to direct relevant activities. Additionally, the Group's voting rights in partnership meetings are restricted to one-third when it comes to amending the agreement.

Given these factors, the Directors have determined that the Group does not meet the criteria for control as defined under applicable accounting standards. Instead, the Group has the ability to exercise significant influence over Zhongping Nengxin, which is sufficient to classify it as an associate. Accordingly, Zhongping Nengxin is accounted for under the equity method in the Group's financial statements.

* English name for identification only

All of the associates are accounted for using the equity method in these consolidated financial statements.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

22. INTERESTS IN JOINT VENTURES

Details of the Group's interests in joint ventures are as follows:

	2025 RMB'000	2024 RMB'000
Cost of unlisted investment in joint ventures	323,156	324,553
Share of post-acquisition loss and OCI, net of dividends received	(201,103)	(180,567)
	122,053	143,986

Details of each of the Group's major ventures at the end of the reporting period are as follows:

Name of company	Country of incorporation/ operation	Proportion of ownership interest				Principal activities
		2025		2024		
		Group's effective interest	held by a subsidiary	Group's effective interest	held by a subsidiary	
SA Equity Holdco S.a.r.l ("SA Equity") (note a)	Luxembourg/ South Africa	51%	51%	51%	51%	Investment holding of photovoltaic power generation projects in South Africa
蘇州協鑫景世豐股權投資管理有限公司 Suzhou GCL Jingshifeng Investment Management Co., Ltd.* ("Jingshifeng") (note b)	PRC	63%	63%	63%	63%	Investment and asset management
江蘇連泉景世豐投資基金 (有限合夥) Jiangsu Jiequan Jingshifeng Investment Fund (Limited Partnership)* ("Jiequan Jingshifeng") (note c)	PRC	55.32%	55.32%	55.32%	55.32%	Investment and asset management
MIT GCL Investment Limited	Cayman Islands/ Hong Kong	50%	50%	50%	50%	Investment holding

* English name for identification only

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

22. INTERESTS IN JOINT VENTURES (Continued)

Notes:

- (a) As at 31 December 2025 and 2024, the Group held a 51% equity interest in SA Equity, an investment holding company. SA Equity, in turn, holds a 76% equity interest in Solar Reserve GCL Soutdrift PV1 Proprietary Limited and Solar Reserve GCL Humansrus PV1 Proprietary Limited which collectively indirectly own a 25% equity interest in a 150MW photovoltaic power plant in South Africa. In accordance with the terms of the subscription agreement between the Group and the other shareholder. Decisions relating to the relevant activities of SA Equity require unanimous consent from both parties, SA Equity is assessed to be subject to joint control and is accounted for as a joint venture of the Group.
- (b) As at 31 December 2025 and 2024, the Group held a 63% equity interest in Jingshifeng. In accordance with the terms of the agreement with other shareholders, decisions relating to relevant activities of Jingshifeng require approval by a two-thirds majority vote. Based on this requirement, the Directors have concluded that the Group does not have unilateral control but shares joint control over Jingshifeng. Therefore, Jingshifeng is accounted for as a joint venture of the Group.
- (c) As of 31 December 2025 and 2024, the Group held a 55.32% equity interest in Jiequan Jingshifeng. According to the partnership agreement governing Jiequan Jingshifeng, decisions on the relevant activities require a two-thirds majority vote. Having considered these contractual arrangement, the Directors determined that the Group exercise joint control rather than unilateral control over Jiequan Jingshifeng. Consequently, the investment is classified and accounted for as a joint venture in the Group.

* English name for identification only

All joint ventures have been accounted for using the equity method in these consolidated financial statements. In the opinion of Directors of the Company, none of the joint ventures were considered individually material for the years ended 31 December 2025 and 2024. The aggregate information of joint ventures is as follows:

Aggregate information of joint ventures that are not individually material

	2025 RMB'000	2024 RMB'000
Aggregate amounts of the Group's share of		
— (Losses) profits for the year	(2,780)	27,106
— Other comprehensive income	—	—
— Total comprehensive (expense)/income	(2,780)	27,106

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 RMB'000	2024 RMB'000
Listed equity investments		
— Lithium Argentina AG and Lithium America Corp.	16,017	9,376
Unlisted equity investment		
— 蕊鑫融資租賃有限公司	422,496	436,000
— 中環領先半導體科技股份有限公司	2,478,779	—
	2,917,292	445,376

The equity investments are not held for trading purpose but are maintained for long-term strategic purpose. The Board has elected to designate these equity investments as FVTOCI as they believe that recognising short-term fluctuations in these equity investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these equity investments for long-term purposes and realising their performance potential in the long run.

The shares of Lithium Argentina AG and Lithium America Corp. are listed on both the New York Stock Exchange and Toronto Stock Exchange.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 RMB'000	2024 RMB'000
Non-current assets		
Unlisted investments (note a)	148,157	161,212
Unlisted equity investments (note b)	636,897	785,657
Unlisted fund investments (note c)	481,544	—
Unlisted financial product investments (note d)	32,775	—
Convertible bond investment (note e)	286,691	—
	1,586,064	946,869
Current assets		
Unlisted financial product investments (note d)	1,074,482	1,823,927
	2,660,546	2,770,796

Notes:

- (a) The Group invested in the form of interests as limited partners in certain private entities, which held a portfolio of unlisted investments. The primary objective of the investments is to earn income and for capital gain. Pursuant to investment agreements, the beneficial interests held by the Group in these unlisted investments are in the form of participating shares or interests which primarily provide the Group with the share of returns from the unlisted investments but not any decision making power nor any voting right to involve in and control the daily operation. The unlisted investments are mainly made up of private entities incorporated in the PRC and financial assets.
- (b) The unlisted equity investments mainly represent the investments in unlisted equity instruments issued by private entities established in the PRC, Hong Kong and Singapore.
- (c) The unlisted fund investments represent the investments in non-voting, redeemable shares of private investment funds.
- (d) The unlisted investments represent the financial products issued by financial institutions and banks in PRC and Hong Kong. The Directors consider the fair values of the unlisted investments, which are based on the prices provided by the financial institutions and banks, that is the prices they would pay to redeem the financial products at the end of the reporting period, approximated their carrying values.
- (e) The Group invested in unsecured convertible bonds issued by 安陽市中豫錦明硅業有限公司 (“中豫錦明”), a private entity established in the mainland China at a face value of RMB283,000,000. 中豫錦明 is principally engaged in metal silicon powder processing. The convertible bonds shall be for a term of two years, bearing interest at the PRC one-year LPR per annum with the conversion price at RMB14. The Group can exercise the conversion at the maturity date.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

25. INVENTORIES

	2025 RMB'000	2024 RMB'000
Raw materials	688,126	852,738
Work in progress/Semi-finished goods	406,653	730,569
Finished goods	802,100	430,737
	1,896,879	2,014,044

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount of inventories sold	12,881,821	17,383,067
Write-down of inventories	104,283	107,870
	12,986,104	17,490,937

26. DEPOSITS AND OTHER RECEIVABLES/TRADE AND OTHER RECEIVABLES

(a) Deposits and other receivables

	2025 RMB'000	2024 RMB'000
Deposits for acquisitions of property, plant and equipment	162,586	315,327
Dividend receivable from a former associate (note (i))	2,278,841	2,242,924
Consideration receivables		
— Disposal of an associate (note (ii))	1,377,589	1,324,605
— Disposal of subsidiaries	19,944	19,944
Other receivable (note (iii))	447,940	447,940
Loan to a third party (note 26(b)(ii))	1,200,000	—
	5,486,900	4,350,740
Less: allowance for expected credit loss	(1,516,779)	(526,275)
	3,970,121	3,824,465

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

26. DEPOSITS AND OTHER RECEIVABLES/TRADE AND OTHER RECEIVABLES (Continued)

(a) Deposits and other receivables (Continued)

Notes:

(i) Dividend receivable from a former associate

On 29 December 2023, Xingjiang 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 the 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 (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 35,917,000 (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).

(ii) Consideration receivable from disposal of an associate

As at 31 December 2025, the carrying amount of RMB1,377,589,000 (2024: RMB1,324,605,000) represents the present value of remaining balance of consideration receivable of RMB1,490,000,000 from the disposal of an associate, namely Xuzhou Fund during the year ended 31 December 2024 which shall be settled within three years following the completion of the industrial and commercial change registration according to the terms under the 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).

(iii) Other receivable

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

Subsequent to the reporting period, the Group entered into a termination agreement with the entity, and the advance of RMB447,940,000 was refunded to the Group in full.

* English name for identification only

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

26. DEPOSITS AND OTHER RECEIVABLES/TRADE AND OTHER RECEIVABLES (Continued)

(b) Trade and other receivables

	2025 RMB'000	2024 RMB'000
Trade and bill receivables (note (i))		
— Bill receivables	8,655,711	6,127,822
— Trade receivables	1,686,500	1,190,125
Less: allowance for expected credit loss	(471,454)	(195,134)
	1,215,046	994,991
	9,870,757	7,122,813
Deposits, other receivables and prepayments:		
— Refundable value-added tax	631,537	988,928
— Dividend receivable from a former associate, first tranche (note 26(a)(i))	904,000	904,000
— Prepayments	1,053,997	1,270,578
— Short-term loans to third parties (note (ii))	207,781	746,308
— Note receivables (note (iii))	163,031	167,143
— Deposits in the Trustee	81,992	84,060
— Other deposits	240,216	249,461
— Others	352,117	547,310
	3,634,671	4,957,788
Less: allowance for expected credit loss	(815,227)	(524,507)
	2,819,444	4,433,281
	12,690,201	11,556,094

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

26. DEPOSITS AND OTHER RECEIVABLES/TRADE AND OTHER RECEIVABLES (Continued)

(b) Trade and other receivables (Continued)

Notes:

(i) Trade receivables

The Group generally grants a credit period of approximately one month from the invoice date to solar material customers with possible extension 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 customers and approximately one month for power grid companies in the PRC, from the date of invoice in accordance with the respectively electricity sales contracts.

An aging analysis of trade receivables, net of allowance for expected credit loss, presented based on the invoice date at the end of the reporting period, is as follows:

	Solar farm business		Solar material business		Total	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Unbilled (Note)	202,032	455,834	—	—	202,032	455,834
Within 3 months	3,950	2,287	528,687	137,535	532,637	139,822
3 to 6 months	—	—	97,905	44,014	97,905	44,014
Over 6 months	—	—	382,472	355,321	382,472	355,321
	205,982	458,121	1,009,064	536,870	1,215,046	994,991

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

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

	2025 RMB'000	2024 RMB'000
0–90 days	19,998	18,430
91–180 days	25,317	28,015
181–365 days	86,806	33,175
Over 365 days	69,911	376,214
	202,032	455,834

As at 31 December 2025, certain bills receivable were discounted/endorsed by the Group. The Group continued to recognise their full carrying amount at the end of the reporting period and details are disclosed in note 45. All bills received by the Group were with a maturity period of less than one year.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

26. DEPOSITS AND OTHER RECEIVABLES/TRADE AND OTHER RECEIVABLES (Continued)

(b) Trade and other receivables (Continued)

Notes: (Continued)

(i) Trade receivables

The directors closely monitor the credit quality of trade and other receivables and considered the trade and other receivables, which are of a good credit quality in view of the good historical repayment record.

As at 31 December 2025, included in the Group's trade receivables balance (excluding sales of electricity and bills held by the Group for future settlement) were debtors with aggregate carrying amount of approximately RMB704,182,000 (2024: RMB419,519,000) which were past due as at the reporting date. Out of the past due balances, approximately RMB402,972,000 (2024: RMB398,123,000) had been past due 121 days or more but was not considered as in default as part of such receivables was either supported by letters of credit issued by banks or offset by advances from customers or substantially settled subsequent to the end of the reporting period.

As at 31 December 2025, included in these trade receivables arising from sales of electricity were debtors with aggregate carrying amount of RMB2,005,000 (2024: RMB2,284,000) which was past due as at the end of the reporting date. These trade receivables related to a number of customers for whom there was no recent history of default.

The Group did not hold any collaterals over all balances.

(ii) Loans to third parties

	Note	2025 RMB'000	2024 RMB'000
Non-current assets			
Loan A	(i)	1,200,000	—
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)	36,904	—
		207,781	746,308
Total		1,407,781	746,308

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

26. DEPOSITS AND OTHER RECEIVABLES/TRADE AND OTHER RECEIVABLES (Continued)

(b) Trade and other receivables (Continued)

Notes: (Continued)

(ii) Loans to third parties(Continued)

- (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 loan 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.

(iii) 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.

Details of impairment assessment of the trade and other receivables are set out in note 42(b).

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

27. AMOUNTS DUE FROM RELATED COMPANIES

	2025			2024		
	Trade related RMB'000 (Note a)	Non-trade related RMB'000	Total RMB'000	Trade related RMB'000 (Note a)	Non-trade related RMB'000	Total RMB'000
Amounts due from companies controlled by Mr. Zhu and his family (Note b)	70,237	41,829	112,066	94,258	8,410	102,668
Less: allowance for expected credit loss	(27,374)	—	(27,374)	(25,424)	—	(25,424)
	42,863	41,829	84,692	68,834	8,410	77,244
Amounts due from associates (Note c)	146,910	537,566	684,476	237,038	528,400	765,438
Less: allowance for expected credit loss	(81,320)	(8,609)	(89,929)	(49,858)	(18,987)	(68,845)
	65,590	528,957	594,547	187,180	509,413	696,593
Amounts due from joint ventures (Note d)	25	—	25	25	17,210	17,235
Amounts due from non-controlling shareholders (Note d)	112	—	112	419	—	419
	108,590	570,786	679,376	256,458	535,033	791,491

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

27. AMOUNTS DUE FROM RELATED COMPANIES (Continued)

Notes:

- (a) Trade balances with related parties

Trade balances due from related companies are unsecured, non-interest-bearing and with a normal credit period of 30 days (2024: 30 days).

The aging analysis of trade balances due from companies controlled by Mr. Zhu and his family, associates and joint ventures, and non-controlling shareholders, net of allowance for expected 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 RMB'000	2024 RMB'000
Within 3 months	11,454	146,884
3 to 6 months	12,390	7,911
More than 6 months	84,746	101,663
	108,590	256,458

- (b) The amounts of non-trade balances due from companies controlled by Mr. Zhu and his family including 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 remaining balances are unsecured, non-interest-bearing and without fixed terms of repayment. The maximum outstanding debit balances during 2025 is approximately RMB41,829,000 (2024: RMB8,410,000).
- (c) The amount of non-trade balances due from associates included consideration receivable of RMB528,400,000 (2024: RMB528,400,000) from the partial disposal of an associate, namely Inner Mongolia Zhonghuan Crystal in the previous years. The amount would be settled by the buyer upon the Group's full contribution of the agreed capital to the associate. The remaining balance is unsecured, interest free and without fixed terms of repayment.
- (d) The non-trade related balances due from joint ventures and non-controlling shareholder of a subsidiary of the Group are unsecured, interest free and without fixed terms of repayment.

Details of impairment assessment of amounts due from related companies are set out in note 42(b).

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

28. HELD FOR TRADING INVESTMENTS

	2025 RMB'000	2024 RMB'000
Equity securities listed in Hong Kong at fair value	678	416

29. PLEDGED AND RESTRICTED BANK DEPOSITS AND BANK BALANCES

	2025			2024		
	Current RMB'000	Non- current RMB'000	Total RMB'000	Current RMB'000	Non- current RMB'000	Total RMB'000
Pledged bank deposits	2,514,185	5,600	2,519,785	2,489,623	5,600	2,495,223
Restricted bank deposits	2,080,669	—	2,080,669	2,212,065	44,903	2,256,968
	4,594,854	5,600	4,600,454	4,701,688	50,503	4,752,191

Pledged bank deposits

Pledged bank deposits represent balances placed with banks as collaterals for banking facilities granted to the Group. As at 31 December 2025, including RMB2,514,185,000 (2024: RMB2,489,623,000) was pledged in respect of short-term borrowings classified as current assets, and RMB5,600,000 (2024: RMB5,600,000) securing long-term borrowings classified as non-current assets.

These pledged bank deposits bore fixed interest rates ranging from 0.85% to 3.2% per annum (2024: 0.2% to 2%).

Restricted bank deposits

Restricted bank deposits are mainly used to secure bills and letters of credit for trade and other payables, carried fixed rates ranging from 0.85% to 1.75% (2024: 1.75% to 2.8%) per annum. As at 31 December 2025, the restricted bank deposits of RMB99,252,000 utilized to secure Short-term borrowings classified as current assets. As at 31 December 2024, the restricted bank deposits of RMB44,903,000 utilized to secure long-term borrowings classified as non-current assets.

Bank balances

Bank balances carry interest at floating rates which range from 0.05% to 4% (2024: 0.1% to 4.7%) per annum or fixed rates which range from 2.15% to 4% (2024: 2.3% to 5%) per annum.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

30. TRADE AND OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
Trade and bills payables (note a)	4,830,488	4,335,759
Construction payables (note a)	4,688,140	5,395,521
Other payables	342,613	310,002
Salaries and bonus payable	524,095	360,921
Other tax payables	125,589	59,082
Interest payables	9,352	16,600
Accruals	426,606	489,027
	10,946,883	10,966,912

Note:

- (a) The trade and construction payables includes bills payable of RMB2,699,729,000 and RMB95,537,000 respectively, (2024: RMB2,492,955,000 and RMB67,388,000 respectively). The Group endorsed certain bills to creditors, details of which are set out in note 45.

All these bills were with a maturity period of less than one year.

* English name for identification only

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

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

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

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

31. AMOUNTS DUE TO RELATED COMPANIES

	2025			2024		
	Trade related RMB'000 (Note a)	Non-trade related RMB'000	Total RMB'000	Trade related RMB'000 (Note a)	Non-trade related RMB'000	Total RMB'000
Amounts due to companies controlled by Mr. Zhu and his family (Note b)	10,762	5,702	16,464	10,777	8,590	19,367
Amounts due to associates (Note c)	205,879	11,981	217,860	262,577	7,513	270,090
Amounts due to non-controlling shareholders (Note c)	17,865	—	17,865	22,285	—	22,285
	234,506	17,683	252,189	295,639	16,103	311,742

Notes:

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

An aging analysis of amounts due to 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 RMB'000	2024 RMB'000
Within 3 months	142,596	212,704
3 to 6 months	3,024	31,334
More than 6 months	88,886	51,601
	234,506	295,639

- (b) The non-trade related balances due to companies controlled by Mr. Zhu and his family were unsecured, interest free and without fixed terms of repayment.
- (c) The non-trade related balances due to associates and non-controlling shareholders of the subsidiaries of the Group are unsecured, interest free and without fixed terms of repayment.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

32. CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
Sales of polysilicon and wafer		
Current	744,484	256,807
Non-current	5,339	35,339
	749,823	292,146

The Group enters into supply framework contracts with customers as part of its ongoing business relationships received advance payments or deposits upon the execution of these contracts. These receipts are recognised as contract liabilities at the inception of the agreement, with revenue recognition deferred until the performance obligations are satisfied through the fulfillment of the specific orders.

Contract liabilities are classified as current or non-current based on the expected timing of the satisfaction of the performance obligations; specifically, the portions attributed to purchase of goods within one year are classified as current, while those expected to be utilised beyond the twelve-month period are classified as non-current.

Movements in contract liabilities:

	2025 RMB'000	2024 RMB'000
At 1 January	292,146	746,765
Decrease in contract liabilities resulting from revenue recognised during the year that was included in the opening balance	(256,807)	(525,528)
Increase in contract liabilities due to billing in advance for sales of polysilicon and wafer	714,484	70,909
At 31 December	749,823	292,146

The increase in contract liabilities as at 31 December 2025 was mainly attributable to higher average selling prices of solar materials toward year end.

The following table shows how much of the revenue recognised relates to brought-forward contract liabilities and how much relates to performance obligations that were satisfied in prior periods:

	2025 RMB'000	2024 RMB'000
Revenue recognised that was included in the contract liabilities at the beginning of the year	256,807	525,528

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

33. BANK AND OTHER BORROWINGS

The bank and other borrowings are repayable as follows:

	Bank loans		Other loans		Total	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Within one year	12,257,486	10,526,446	106,347	109,275	12,363,833	10,635,721
More than one year, but not exceeding two years	2,787,208	3,863,764	106,192	106,347	2,893,400	3,970,111
More than two years, but not exceeding five years	2,943,990	4,043,233	209,390	321,365	3,153,380	4,364,598
More than five years	—	17,800	—	—	—	17,800
	5,731,198	7,924,797	315,582	427,712	6,046,780	8,352,509
	17,988,684	18,451,243	421,929	536,987	18,410,613	18,988,230

	2025 RMB'000	2024 RMB'000
Representing:		
Secured	9,895,422	11,901,980
Unsecured	8,515,191	7,086,250
	18,410,613	18,988,230

The secured bank and other loans are secured by assets disclosed in note 47.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

33. BANK AND OTHER BORROWINGS (Continued)

The other loans of approximately RMB421,929,000 (2024: RMB536,987,000), represent financing arrangements entered into with financial institutions in respect of assets subject to lease terms ranging from 1 to 5 years (2024: 1 to 5 years). Under these arrangements, legal title to the relevant equipment was transferred to the financial institutions, while the Group continued to operate and manage the equipment without any involvement from the financial institutions. The Group holds an option to repurchase the equipment at a nominal consideration upon expiry of the respective leases. Based on their substance, the arrangements do not constitute sale and leaseback transactions notwithstanding their legal form.

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

	2025	2024
Fixed-rate borrowings	2.3% to 4.85%	2.5% to 3.45%
Variable-rate borrowings	LPR -1.00% to +0.90%	LPR -1.00% to +1.80%

The Group discounted certain bills arising from future settlement of trade receivable with recourse to banks for short-term financing. At 31 December 2025, the associated borrowings amounted to approximately RMB4,886,325,000 (2024: RMB3,385,339,000). Further details please refer to note 45.

The Group is required to comply with certain restrictive financial and other covenants and undertaking requirements. As at 31 December 2025, none of the covenants relating to drawn down facilities had been breached (2024: RMB nil).

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

34. LEASE LIABILITIES

	2025 RMB'000	2024 RMB'000
The lease liabilities were repayable as follows:		
Within one year	42,429	54,843
Within a period of more than one year but not exceeding two years	23,939	26,081
Within a period of more than two years but not exceeding five years	16,676	13,795
Within a period of more than five years	10,001	12,371
	93,045	107,090
Analysed as		
Current liabilities	42,429	54,843
Non-current liabilities	50,616	52,247
	93,045	107,090

35. DERIVATIVE FINANCIAL INSTRUMENTS

	2025 RMB'000	2024 RMB'000
Written put options of interests in an associate		
—Kunshan GCL Optoelectronic Material Co., Ltd* ("Kunshan GCL") (Note a)	120,426	118,871
Written put options of interests in a former associate		
— Jiangsu Xiuhua Semiconductor Materials Technology Co., Ltd* ("Jiangsu Xinhua") (Note b)	14,398	17,694
	134,824	136,565

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

35. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

(a) Written put options of interest in an associate, Kunshan GCL

On 16 November 2024, the Group entered into a new shareholder agreement ("2024 Kunshan Shareholder Agreement") with Kunshan GCL, certain new and existing investors of Kunshan GCL mentioned in 2024 Kunshan Shareholder Agreement, pursuant to which the certain new and existing investors agreed to subscribe for approximately RMB9 million new registered capital of Kunshan GCL at a cash consideration of RMB344 million, representing 8.41% of the enlarged registered capital of Kunshan GCL. As a result, the Group lost control over Kunshan GCL but retained significant influence. Kunshan GCL ceased to be a subsidiary of the Group and has become an associate of the Group after completion of the transaction. For details, please refer to Note 41(b).

New put options have been granted to certain new and existing investors of Kunshan GCL under 2024 Kunshan Shareholder Agreement alongside previously issued put options. Under the 2024 Kunshan Shareholder Agreement, the redemption price is equal to the sum of (i) investment cost made by the new and existing investor; (ii) 8% to 10% required annual rate of return on the investment cost from the date of investment; and (iii) the share of accumulated unpaid dividends of Kunshan GCL during the investment period, under the certain circumstances including:

- i) If Kunshan GCL fails to submit an application for a qualified initial public offering ("IPO") by 31 December 2028, or fails to complete an IPO at a mutually agreed stock exchange by 30 June 2029;
- ii) If there is a significant breach by Kunshan GCL on the relevant terms of the 2024 Kunshan Shareholder Agreement or actions brought by the Kunshan GCL resulting in significant adverse impact to Kunshan GCL and Kunshan GCL fails to remediate such breach within the period required by the new investor;
- iii) If Kunshan GCL fails to meet operation target as set out in the previous agreements signed with the shareholders of Kunshan GCL within a specified timeframe.

During the year ended 31 December 2025, the Group performed a remeasurement of the derivative's fair value. Consequently, fair value loss of RMB1,555,000 was recognised in profit or loss.

During the year ended 31 December 2024, the written put options over non-controlling interests recognised as other financial liabilities of Kunshan GCL issued by Kunshan GCL with a carrying amount of RMB483,530,000 were disposed of upon the deemed disposal of Kunshan GCL on 16 November 2024 (note 41(b)). The written put options over non-controlling interests of Kunshan GCL issued by Kunshan GCL's holding company with a carrying amount of RMB132,917,000 as at 16 November 2024 were remeasured at a fair value amounting to RMB12,435,000. The gain on remeasurement of these written put options of RMB120,482,000 was included in the calculation of the gain on deemed disposal of a subsidiary. After the deemed disposal, Kunshan GCL became an associate of the Group, these written put options with a fair value of RMB12,435,000 were classified as derivative financial instruments and measured at fair value instead of amortised cost.

Details of the inputs and key assumptions adopted in the fair value measurement are described in note 43(a).

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

35. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

(b) Written put options of interest in a former associate, Jiangsu Xinhua

In April 2016, the Group entered into an Investment Agreement granting the Partner a put option requiring the Group to repurchase its equity interest in Jiangsu Xinhua at cost plus interest at applicable rate under the following circumstances:

- (i) If Jiangsu Xinhua fails to complete a qualified initial public offering (“IPO”) within the agreed period;
- (ii) If Jiangsu Xinhua meets the listing requirements but fails to complete a qualified IPO due to external factors;
- (iii) If Jiangsu Xinhua fails to achieve the polysilicon production standards stipulated in the Investment Agreement within a specified timeframe (replaced in a late agreement, as noted below); or
- (iv) If there is a significant breach of the Investment Agreement by the Group, or actions by the Group that have a significant adverse impact on the Jiangsu Xinhua, where the Group fails to remedy such breach within the required period.

A supplementary agreement executed in December 2024 extended the IPO deadline from 31 December 2023 to 31 December 2026.

The Directors recognised the written put option as a derivative financial instrument initially at fair value with subsequent changes in fair value recorded in profit or loss. For the year ended 31 December 2025, a fair value gain of RMB3,296,000 (2024: fair value loss of RMB1,722,000) was recognised in profit or loss.

Details of the inputs and key assumptions adopted in the fair value measurement are described in note 43(a).

* English name for identification purpose only

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

36. DEFERRED INCOME

	2025 RMB'000	2024 RMB'000
Deferred income related to government grants:		
Subsidies related to property, plant and equipment (note a)	223,163	47,533
Value-added tax refunds related to depreciable assets (note b)	—	264
Total	223,163	47,797
Less: current portion	(18,020)	(18,581)
Non-current portion	205,143	29,216

Notes:

- (a) The Group received government subsidies for capital expenditure incurred for the plant and machinery. The amounts are deferred and amortised over the estimated useful lives of the respective assets.
- (b) The Group received value-added tax refunds on purchases of domestic manufactured plant and machinery. The amounts are deferred and amortised over the estimated useful lives of the respective plant and machinery.

37. DEFERRED TAXATION

Deferred tax assets and liabilities are netted off when the taxes relate to the same taxation authority and where offsetting is legally enforceable. The following amounts, determined after appropriate offsetting, are shown separately in the consolidated statement of financial position:

	2025 RMB'000	2024 RMB'000
Deferred tax assets	853,745	1,111,441
Deferred tax liabilities	(1,604,093)	(1,680,592)
	(750,348)	(569,151)

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

37. DEFERRED TAXATION (Continued)

The components of deferred tax assets (liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Right-of-use assets RMB'000	Property, plant and equipment RMB'000	Withholding tax on undistributed profits RMB'000	Unrealised profits on inventories RMB'000	Lease liabilities RMB'000	Tax losses RMB'000	Others RMB'000	Total RMB'000
At 1 January 2024	(19,565)	(850,666)	(1,009,101)	2,607	19,565	406,663	36,414	(1,414,083)
Credit (charge) to profit or loss (note 11)	18,000	315,788	139,674	(2,607)	(18,102)	378,080	14,099	844,932
At 31 December 2024	(1,565)	(534,878)	(869,427)	—	1,463	784,743	50,513	(569,151)
Credit (charge) to profit or loss (note 11)	1,565	32,874	19,238	—	(1,463)	(254,899)	21,488	(181,197)
At 31 December 2025	—	(502,004)	(850,189)	—	—	529,844	72,001	(750,348)

Under the tax laws of the PRC, withholding tax is applicable on dividends declared in respect of profits generated by the PRC subsidiaries from 1 January 2008 onwards.

Deferred tax assets are recognised in respect of tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of approximately RMB6,772,815,000 (2024: RMB7,400,461,000) to carry forward against future taxable income. As at 31 December 2025, tax losses of approximately RMB460,219,000 (2024: RMB469,666,000) arising in Hong Kong do not expire under the current tax legislation. Unrecognised tax losses of approximately RMB5,253,933,000 (2024: RMB5,963,821,000) arising in the PRC may be carried forward for a period of five years, or ten years for entities qualifying as High and New Technology Enterprises, in accordance with the EIT Law and related regulations. The remaining tax losses arising from the USA and Luxembourg amounted to approximately RMB1,058,663,000 (2024: RMB966,974,000), of which approximately RMB879,437,000 (2024: RMB791,738,000) do not expire under the relevant local tax legislation and approximately RMB179,226,000 (2024: RMB175,236,000) may be carried forward for a period of 9 to 17 years.

At the end of the reporting period, the Group had deductible temporary differences mainly in respect of impairment of certain assets in aggregate of approximately RMB10,893,513,000 (2024: RMB9,319,786,000). A deferred tax asset had been recognised in respect of approximately RMB1,083,380,000 (2024: RMB1,226,204,000) of such deductible temporary differences. No deferred tax asset has been recognised for the remaining deductible temporary differences of approximately RMB9,810,133,000 (2024: RMB8,093,582,000) as management has determined it is not probable that sufficient taxable profit will be available in the future against which these deductible temporary differences can be utilised.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

38. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000RMB'000	
Ordinary shares of HK\$0.1 each			
Authorised			
At 1 January 2024, 31 December 2024 and 31 December 2025	50,000,000	5,000,000	5,000,000
Issued and fully paid			
At 1 January 2024	26,938,931	2,693,893	2,344,280
Cancellation of shares (note a)	(18,112)	(1,811)	(1,642)
At 31 December 2024	26,920,819	2,692,082	2,342,638
Issue of shares on placements (note b)	6,295,651	629,565	576,619
At 31 December 2025	33,216,470	3,321,647	2,919,257

Notes:

(a) Purchase of own shares:

In March 2024, the Company repurchased and cancelled its own 18,112,100 ordinary shares on the Stock Exchange of Hong Kong Limited at an aggregate consideration of HK\$23,827,000 (equivalent to approximately RMB21,679,000). Accordingly, the issued share capital of the Company was reduced by the nominal value of these shares. The premium payable on repurchase was charged against the share premium. An amount equivalent to the nominal value of the shares cancelled was transferred from retained profits to the capital redemption reserve.

Month of repurchase	Number of shares repurchased	Price paid per share		Aggregate consideration paid HK\$'000
		Highest	Lowest	
		HK\$	HK\$	
March 2024	18,112,000	1.32	1.31	23,827

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

38. SHARE CAPITAL (Continued)

Notes: (Continued)

(b) Issuance of shares:

On 3 January 2025, a placement of 1,560,000,000 new shares of the Company at a price HK\$1.0 per share was completed. The net proceeds amounted to approximately HK\$1,530,323,000 (equivalent of approximately RMB1,416,939,000). The Company intends to apply the net proceeds for capital expenditure and general working capital purposes.

On 6 October 2025, 10 October 2025, 7 November 2025 and 19 November 2025, a placement of 4,735,651,000 new shares of the Company at a price HK\$1.15 per share was completed. The net proceeds amounted to HK\$5,393,307,000 (equivalent of approximately RMB4,921,786,000). The Company intends to utilize the net proceeds for capital expenditure, repayment of bank loans and general working capital purposes.

All shares issued during the years ended 31 December 2025 and 2024 rank *pari passu* in all respects with the then existing shares of the Company.

39. CHANGES IN INTERESTS IN SUBSIDIARIES WITHOUT A LOSS OF CONTROL

a) Inner Mongolia Xin Yuan

During the year ended 31 December 2025, the Group acquired additional equity interests in Inner Mongolia Xin Yuan for a total consideration of RMB2,010,000,000. Following this transaction, the Group's equity interest in Inner Mongolia Xin Yuan was increased from 56.77% to 99.19%. The Group recognised a decrease in non-controlling interests of RMB1,516,657 and a corresponding decrease in special reserve of RMB493,343,000 in the equity attributable to owners of the Company. The effect of these changes in ownership interest on the equity attributable to the owners of the Company during the year is summarised as follows:

	RMB'000
Carrying amount of non-controlling interests acquired	1,516,657
Consideration paid to non-controlling interests	(2,010,000)
Amount recognised in special reserve	(493,343)

b) Leshan GCL

During the year ended 31 December 2024, following the completion of disposal of Xuzhou Fund (an associate of the Group) which held 10% of registered capital of Leshan GCL New Energy Technology Co., Ltd.* ("Leshan GCL") 樂山協鑫新能源科技有限公司, a subsidiary of the Group, the Group's effective interest (including those interests held indirectly through associates) in Leshan GCL decreased from 74.1% to 65.7% as at 31 December 2024. The relevant carrying amount of non-controlling interest is recognised in the special reserve in the consolidated statement of changes in equity.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

40. ACQUISITION OF ASSETS THROUGH ACQUISITION OF A SUBSIDIARY

As disclosed in Note 21(c), the Group previously held a 47.37% ownership interest in Xuzhou Jincai, which was accounted for as an associate using the equity method. On 19 December 2025, the Group provided a loan of RMB1,241,000,000 to Xuzhou Jincai for the purpose of repurchase of its part of equity interest through capital reduction. Following completion of repurchase, the Group's equity interest in Xuzhou Jincai increased from 47.37% to 100%. Upon completion of the acquisition, Xuzhou Jincai became a subsidiary of the Group.

The major assets of Xuzhou Jincai comprised a 4.76% equity interest in 中環領先半導體科技股份有限公司, classified as financial assets measured at fair value through other comprehensive income. The directors determined that the acquisition of assets through the acquisition of a subsidiary does not constitute a business combination; therefore, the carrying amount of the previously held 47.37% ownership interest was included as part of the cost of the acquisition and was not remeasured at the date of acquisition.

The following summarizes the amounts of assets recognized in the Group's consolidated financial statements at the date of acquisition:

	RMB'000
Financial assets at fair value through other comprehensive income	2,401,398
Cash and cash equivalents	608
Total identifiable assets acquired	2,402,006

Total cost for the acquisition comprises:

	RMB'000
Deemed consideration of assets through capital reduction of an associate	1,241,000
Add: Carrying amount of the Group's previously held 47.37% ownership interest in Xuzhou Jincai at the date of acquisition	1,161,006
Total	2,402,006

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

40. ACQUISITION OF ASSETS THROUGH ACQUISITION OF A SUBSIDIARY (Continued)

Analysis of net cash outflow of cash and cash equivalents in respect of the acquisition of Xuzhou Jincai:

	RMB'000
Cash consideration paid through loan to an associate	(1,241,000)
Less: Cash and cash equivalents acquired	608
Net cash outflow	(1,240,392)

The total cost for the acquisition was allocated to the individual identifiable assets based on their relative fair values at the date of transaction. The fair value of the 4.76% equity interest in 中環領先半導體科技有限公司 classified as financial assets at fair value through other comprehensive income acquired was determined by the directors with reference to the valuation carried out by an independent valuer, Shanghai Orient Appraisal Co. Ltd.

41. DEEMED DISPOSAL OF A SUBSIDIARY

a) Taicang Qianyuan

On 5 June 2025, the Group entered into a shareholder agreement with Taicang Qianyuan Solar Technology Company Limited 太倉驀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 of 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 injected into Taicang Qianyuan and 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 new majority investor under the shareholders agreement to direct the relevant activities of Taicang Qianyuan. Consequently, the Group lost control over Taicang Qianyuan but retained significant influence. Upon completion of the transaction, Taicang Qianyuan ceased to be a subsidiary of the Company and was reclassified as an associate. The Group recognised a gain on deemed disposal of a subsidiary of approximately RMB25 million.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

41. DEEMED DISPOSAL OF A SUBSIDIARY (Continued)

a) Taicang Qianyuan (Continued)

Details of the net assets of Taicang Qianyuan at the date of deemed disposal were as follows:

	RMB'000
Property, plant and equipment	49,477
Right-of-use assets	23,901
Trade and other receivables	3,996
Bank balances and cash	13
Trade and other payables	(6,453)
Net assets of Taicang Qianyuan disposed of	70,934
Fair value of the remaining interest in Taicang Qianyuan	96,063
Less: Net assets of Taicang Qianyuan disposed of	(70,934)
Gain on deemed disposal of a subsidiary	25,129
An analysis of the net cash outflow in respect of the deemed disposal is as follows	
Consideration received	—
Less: Bank balances and cash disposed of	(13)
	(13)

b) Kunshan GCL

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 for approximately RMB9 million in new registered capital of Kunshan GCL for a total 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 had been injected into Kunshan GCL. Consequently, 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. Upon completion of the transaction, Kunshan GCL ceased to be a subsidiary of the Company and was reclassified as an associate. Accordingly, the Group recognised a gain on deemed disposal of a subsidiary of approximately RMB1,952 million.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

41. DEEMED DISPOSAL OF A SUBSIDIARY (Continued)

b) Kunshan GCL (Continued)

Details of the net liabilities of Kunshan GCL at the date of deemed disposal were as follows:

	RMB'000
Property, plant and equipment	255,115
Right-of-use assets	6,335
Intangible assets	13,089
Inventories	7,289
Trade and other receivables	79,322
Prepayment	15,556
Pledged and restricted bank deposits	21,092
Bank balances and cash	184,919
Trade and other payables	(80,043)
Bills payables	(842)
Deferred income	(28,372)
Lease liabilities	(6,812)
Other financial liabilities	(483,530)
Net liabilities of Kunshan GCL disposed of	(16,882)
Fair value of the remaining interest in Kunshan GCL	1,926,450
Less: A newly issued written put option over an equity interest in an associate recognised as derivative financial liabilities (Note 35(a)) as a result of the deemed disposal	(106,436)
Fair value of total consideration	1,820,014
Add: Net liabilities of Kunshan GCL disposed of	16,882
Less: Non-controlling interests	(5,144)
Less: Exchange reserve	(27)
Add: Gain on remeasurement of written put option over non-controlling interests upon deemed disposal	120,482
Gain on deemed disposal of a subsidiary	1,952,207
An analysis of the net cash outflow in respect of the deemed disposal is as follows	
Consideration received	—
Less: Cash and cash equivalents disposed of	(184,919)
Net cash outflow	(184,919)

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2025 RMB'000	2024 RMB'000
Financial assets		
Financial assets at amortised cost		
Deposits and other receivables	3,807,535	3,509,138
Amounts due from related companies	679,376	791,491
Trade and other receivables	11,004,667	9,296,588
Pledged and restricted bank deposits	4,600,454	4,752,191
Bank balances and cash	9,292,146	5,174,188
	29,384,178	23,523,596
Financial assets at fair value		
Held for trading investments	678	416
Financial assets at FVTPL	2,660,546	2,770,796
Financial assets at FVTOCI	2,917,292	445,376
Perpetual notes classified as financial assets at FVTOCI	44,953	359,058
	5,623,469	3,575,646
	35,007,647	27,099,242
Financial liabilities		
Financial liabilities at amortised cost		
Bank and other borrowings	18,410,613	18,988,230
Trade and other payables	10,821,294	10,907,830
Amounts due to related companies	252,189	311,742
Lease liabilities	93,045	107,090
	29,577,141	30,314,892
Financial liabilities at fair value		
Derivative financial instruments	134,824	136,565
	134,824	136,565
	29,711,965	30,451,457

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Management provides services to the Group's business units, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

Management reports periodically to the Directors who monitor risks and implemented policies to mitigate exposures.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it measures and manages the risks.

Market risk

Foreign currency risk management

The Group's exposure to foreign currency risk arose from certain pledged and restricted bank deposits and bank balances, bank and other borrowings, lease liabilities, trade and other receivables and trade and other payables, amounts due from/to related companies, that are denominated in foreign currencies. The Group currently does not have a currency risk hedging policy. However, the management monitors foreign currency risk exposure by closely monitoring the movement of foreign currency rates and considers hedging against it should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Assets		Liabilities	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
The Group				
EUR	15,326	17,889	—	—
HK\$	2,906,528	571,580	22,991	14,912
US\$	35,279	152,337	—	33,558
JPY	—	8	—	33,161
Inter-company balances				
RMB	—	1,262	1,545,922	1,544,987
HK\$	24,677	20,871	—	—
US\$	26,552	26,597	—	—

The foreign currency assets in 2025 and 2024 mainly related to the HK\$, US\$, JPY and EUR denominated pledged and restricted bank deposits, bank balances, trade and other receivables and amounts due from related companies, as set out in notes 26, 27 and 29.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Foreign currency risk management (Continued)

The foreign currency liabilities in 2025 and 2024 mainly related to the HK\$, US\$ and JPY denominated trade and other payables, bank and other borrowing and lease liabilities as set out in notes 30, 33, and 34, respectively.

The Directors considered that the foreign currency risk arose from the inter-company balances that are denominated in foreign currencies as at 31 December 2024 are insignificant.

Foreign currency sensitivity analysis

The following sensitivity analysis details the Group's sensitivity to a 5% (2024: 5%) increase or decrease in the functional currency of the respective entities against the relevant foreign currencies. 5% (2024: 5%) is the sensitivity rate used when reporting foreign currency risk internally to management and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2024: 5%) change in foreign currency rates. The sensitivity analysis also includes inter-company balances where the denomination of the balance is in a currency other than the functional currency of the lender or the borrower. Where the functional currency of the respective entities had strengthened 5% (2024: 5%) against the relevant foreign currencies, profit or loss of the respective year would be affected as follows. For a 5% (2024: 5%) weakening of the functional currency of the respective entities against the relevant foreign currency, there would be an equal and opposite impact on profit or loss for the respective year.

The Group

	JPY RMB'000	EUR RMB'000	HK\$ RMB'000	US\$ RMB'000
2025				
Increase in loss for the year	—	(575)	(108,133)	(1,323)
2024				
Decrease/(increase) in loss for the year	1,243	(671)	(20,875)	(4,454)

Inter-company balances

	HK\$ RMB'000	US\$ RMB'000
2025		
Decrease/(increase) in loss for the year	57,972	(996)
2024		
Decrease/(increase) in loss for the year	57,890	(997)

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Interest rate risk management

The Group is exposed to fair value interest rate risk in relation to fixed-rate amounts due from (to) related companies, pledged and restricted bank deposits and bank and other borrowings (see notes 27, 31, 29 and 33 for details of the above financial instruments, respectively). The Group currently has not entered into interest rate swaps to hedge against its exposure to changes in fair values of such financial assets and financial liabilities.

The Group is also exposed to cash flow interest rate risk in relation to variable-rate restricted bank deposits and bank balances and variable-rate bank borrowings (see notes 29 and 33).

The management has considered the Group's exposure to cash flow interest rate risk in relation to variable-rate pledged and restricted bank deposits and bank balances (see note 29) to be limited because the current market interest rates on general deposits are relatively low and stable.

It is the Group's policy to maintain an appropriate level between its fixed-rate and variable-rate borrowings so as to minimise the fair value and cash flow interest rate risk.

The following table, as reported to the management of the group, details the interest rates risk profile of the group's borrowings at the end of the reporting period:

	2025 RMB'000	2024 RMB'000
Fixed rate borrowings:		
Lease liabilities	93,045	107,090
Bank and other borrowings	10,326,543	7,267,634
	10,419,588	7,374,724
Variable rate borrowings:		
Bank and other borrowings	8,084,070	11,720,596
	8,084,070	11,720,596

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the Group's exposure to interest rates for non-derivative instruments. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. The following sensitivity analysis is used when reporting interest rate risk internally to management and represents management's assessment of the reasonably possible change in interest rates.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

Variable-rate borrowings

If interest rates had been 50 basis points higher/lower on the lending benchmark interest rate stipulated by Benchmark Rate and all other variables were held constant, the Group's loss for the year ended 31 December 2025 would have increased/decreased by approximately RMB30,315,000 (2024: loss for the year would have decreased/increased by approximately RMB43,952,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate borrowings. The Group's exposure to cash flow interest rate risk has increased during the current year mainly due to the increase in variable-rate borrowings. On the other hand, the Group's exposure to fair value interest rate risk has decreased during the year mainly due to the decrease in fixed-rate borrowings.

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("IBORs") with alternative nearly risk-free rates. As at 31 December 2025 and 2024, the Group has no LIBOR bank loans that may be subject to the interest rate benchmark reform. The Group is closely monitoring the transition to new benchmark interest rates.

Other price risk

The Group is exposed to price risk through its quoted and unquoted investments measured at FVTPL and measured at FVTOCI. The Group's equity price risk is mainly concentrated on equity instruments. The Group has monitored the price risk and will consider hedging the risk exposure should the need arise.

Other price risk sensitivity analysis

Other than sensitivity analysis of certain investments as disclosed in note 42(a), sensitivity on other investments is not provided as the amount is considered insignificant.

Credit risk and impairment assessment

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's credit risk is primarily attributable to deposits, trade and other receivables, amounts due from related companies, pledged and restricted bank deposits and bank balances.

Except for the financial guarantees given by the Group as set out below and in note 51, the Group does not provide any other guarantees which expose the Group to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the end of the reporting period is disclosed below and in note 51.

The Group does not hold any collateral or other credit enhancements to cover its credit risk associated with its financial assets and financial guarantee contracts.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Trade receivables and amounts due from related companies (trade related)

In order to minimise the credit risk, each major operating business has a policy of credit control in place under which credit evaluations of customers are performed on all customers requiring credit.

Credit terms are granted to customers which are either secured by bills or with letters of credit issued by banks or good credit quality customers. The management also has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regard, the Directors consider that the Group's credit risk is significantly reduced. In addition, the Group performs impairment assessment under ECL model on trade balances individually or collectively.

Credit risk on sales of polysilicon and wafer products is not significant as the major customers are listed entities with good repayment history, and significant portion of trade receivables are either secured by bills or with letters of credit issued by banks or advance payments from customers.

Trade receivables arising from sales of electricity are mainly due from the local grid companies in various provinces in the PRC. The management considers the probability of default by taking into the account the past default experience of the debtors, adjusted for general economic conditions of the solar industry and an assessment of both current as well as forecast direction of market conditions at the reporting date. Accordingly, the management is of the opinion that the credit risk of trade receivables is limited.

In respect of tariff receivables, management performs impairment assessments on a periodic basis in accordance with the expected credit loss model. Based on these assessments, management has determined that certain receivables that were previously not credit-impaired have been reassessed as credit-impaired. This reassessment is primarily driven by prolonged delays in tariff subsidy settlements by grid companies and the fact that certain projects remain subject to reassessment for inclusion in the tariff subsidy list. As a result, the credit risk of these receivables has increased significantly, reflecting a deterioration in credit quality and management's assessment of their recoverability. The credit risk associated with the remaining tariff adjustment receivables is considered limited, based on management's assessment of recoverability and historical settlement records with the counterparties.

For sales of polysilicon and wafer, the Group's concentration of credit risk by geographical location is mainly the PRC, which accounted for approximately 100% of the trade receivables arising from sales of polysilicon and wafer as at 31 December 2025 and 2024.

For sales of electricity, the Group's concentration of credit risk by geographical location is mainly the PRC, which accounted for over 99% (2024: 99%) of the trade receivables arising from sales of electricity as at 31 December 2025.

As at 31 December 2025 and 2024, the Group had concentration of credit risk mainly on related companies which are under common control and known to the Group. The gross carrying amount of amounts due from the aforesaid related companies (trade related) was approximately RMB70,237,000 (2024: RMB94,258,000).

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Other receivables and amounts due from related companies (non-trade related)

The credit quality of other receivables and amounts due from related companies (non-trade related) excluding prepayments has been assessed with reference to historical information about the counterparties' past payment histories and financial position. The Directors closely monitor the credit quality of other receivables and amounts due from related companies (non-trade related) and consider those amounts, which are neither past due nor impaired, are of good credit quality in view of the good historical repayment record of such parties.

In addition, the Group performs impairment assessment under ECL model on these balances individually.

For the purpose of impairment assessment of other receivables, dividend receivables from a former associate, loan receivables, note receivables, consideration receivables, amounts due from related companies (non-trade related), the loss allowance is measured at an amount equals to 12-month ECL. In determining the ECL for these assets, the Directors have taken into account the financial position of the counterparties, the industries they operate, as well as their latest available operating results, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

As at 31 December 2025 and 2024, the Group had concentration of credit risk on other receivables and amount due from related companies (non-trade related) as the gross carrying amount of consideration receivable and dividend receivable from a former associate/an associate as at 31 December 2025 were approximately RMB1,378 million (2024: RMB1,325 million) and RMB3,183 million (2024: RMB3,147 million). As at 31 December 2025 and 2024, the Group has no other significant concentration of credit risk on other receivables and the amounts due from related companies (non-trade nature).

Pledged and restricted bank deposits and bank balances

The Group's exposure to credit risk arising from pledged and restricted bank deposits and bank balances is limited because the counterparties are reputable banks and other financial institutions with high credit ratings assigned by international credit rating agencies in the PRC, Hong Kong and the USA.

The Group assessed 12-month ECL for bank balances and pledged and restricted bank deposits by reference to information relating to the probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the ECL on bank balances and pledged and restricted bank deposits is considered to be insignificant.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Financial guarantee contracts

For financial guarantee contracts, the maximum amount that the Group has guaranteed under the respective contracts was RMB510,000,000 (2024: RMB510,000,000 provided to third parties and related party) if the guarantees were called upon in their entirety. The details of the financial guarantees provided to the related parties are set out in note 51. The credit risks on financial guarantee contracts is limited as either the underlying borrowings are adequately secured by assets of the relevant borrowers or the relevant borrowers are with good historical repayment record.

At the end of the reporting period, the Directors performed impairment assessments on these financial guarantee contracts, and concluded that there has been no significant increase in credit risk since their initial recognition. Loss allowance is measured at 12-month ECL. In the opinion of the Directors, the fair value of the guarantees was considered insignificant at initial recognition, and the ECLs as at 31 December 2025 and 2024 were insignificant.

The Group's internal credit risk grading assessment comprising the following categories:

Internal credit rating	Description	Trade receivables/ amounts due from related companies (trade related)	Other financial assets
Low risk	The counterparty has a low risk of default	Lifetime ECL (not credit-impaired)	12-month ECL
Medium risk	Debtor frequently repays after due dates but usually settles in full	Lifetime ECL (not credit-impaired)	12-month ECL
High risk	There has been significant increase in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL (not credit-impaired)	Lifetime ECL (not credit-impaired)
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL (credit-impaired)	Lifetime ECL (credit-impaired)
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets and financial guarantee contracts, which are subject to ECL assessment:

		External credit	Internal credit		Gross carrying amount	
	Notes	rating	rating	12-month ECL or lifetime ECL	2025 RMB'000	2024 RMB'000
Financial assets at amortised costs						
Trade receivables						
— goods and services (excluding sales of electricity)	26(b)	Baa2–Aaa (2024: Baa2–Aaa)*	Low risk (Note a, b)	Lifetime ECL (not credit-impaired)	8,655,711	6,127,822
		N/A	(Note a, c)	Lifetime ECL (not credit-impaired)	1,091,004	610,249
		N/A	Loss (Note a, c)	Lifetime ECL (credit-impaired)	88,225	51,136
Trade receivables — sales of electricity	26(b)	N/A	(Note a, c)	Lifetime ECL (not credit-impaired)	48,350	528,740
		N/A	Loss (Note a, c)	Lifetime ECL (credit-impaired)	458,921	—
					10,342,211	7,317,947
Amounts due from related companies (trade related)	27	N/A	Low risk (Note a, d)	Lifetime ECL (not credit-impaired)	47,685	216,519
		N/A	High risk (Note a, d)	Lifetime ECL (not credit-impaired)	65,935	80,527
		N/A	Loss (Note a, d)	Lifetime ECL (credit-impaired)	103,664	34,694
					217,284	331,740
Amounts due from related companies (non-trade related)	27	N/A	Low risk (Note d)	12-month ECL	579,395	554,020
Other receivables						
— Dividend receivable from a former associate	26(a), 26(b)	N/A	High risk (Note e, f)	Lifetime ECL (not credit-impaired)	—	3,146,924
			Loss (Note e, f)	Lifetime ECL (credit-impaired)	3,182,841	—
— Consideration receivable from — Disposal of an associate	26(a)	N/A	Low risk (Note e)	12-month ECL	—	1,324,605
			High risk (Note e)	Lifetime ECL (not credit-impaired)	1,377,589	—
— Disposal of subsidiaries	26(a)	N/A	High risk (Note e)	Lifetime ECL (not credit-impaired)	19,944	19,944
— Other receivable	26(a)	N/A	Low risk (Note e)	12-month ECL	447,940	447,940
— Long-term loans to third parties	26(a)	N/A	Low risk (Note e)	12-month ECL	1,200,000	—
— Short-term loans to third parties	26(b)	N/A	Low risk (Note f, h)	12-month ECL	207,781	746,308
— Note receivables	26(b)	N/A	Low risk (Note f)	12-month ECL	—	167,143
			Loss (Note f)	Lifetime ECL (credit-impaired)	163,031	—
— Deposits in the Trustee	26(b)	N/A	Low risk (Note f)	12-month ECL	81,992	84,060
— Other deposits	26(b)	N/A	Low risk (Note f)	12-month ECL	90,216	99,461
	26(b)	N/A	Loss (Note f)	Lifetime ECL (credit-impaired)	150,000	150,000
					240,216	249,461
— Others	26(b)	N/A	Low risk (Note f)	12-month ECL	340,047	347,449
	26(b)	N/A	Loss (Note f)	Lifetime ECL (credit-impaired)	12,070	199,861
					352,117	547,310
Pledged and restricted bank deposits	29	N/A or Ba1–Aaa (2024: N/A or Ba1–Aaa)	Low risk (Note g)	12-month ECL	4,600,454	4,752,191
Bank balances	29	Ba3–Aaa (2024: Ba3–Aaa)	Low risk	12-month ECL	9,292,146	5,174,188
Financial guarantee contracts	46, 51	N/A	Low risk (Note i)	12-month ECL	510,000	510,000

* These represent credit rating grades of the relevant banks which issued the bills.

The amounts represent the maximum amount of the Group has guaranteed under the respective contracts.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Notes:

- For trade receivables and amounts due from related companies (trade related), the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances, credit-impaired or to be settled by bills, the Group determines the ECL on these items collectively for debtors, grouped by internal credit rating.
- Trade receivables with bills received from customers amounted to approximately RMB8,655,711 (2024: RMB6,127,822,000) as at 31 December 2025. The Directors consider the ECL for these trade receivables is insignificant because the bills are issued by reputable banks with high credit ratings assigned by international credit rating agencies in the PRC.
- The following table provides information about the exposure to credit risk for trade receivables.

Solar material business

	Gross carrying amount RMB'000	2025 Range of loss rate	Loss allowance RMB'000	Gross carrying amount RMB'000	2024 Range of loss rate	Loss allowance RMB'000
Collectively assessed						
Internal credit rating						
Low risk	633,332	0%-2.5%	922	182,456	0.5%-2.5%	1,723
Medium risk	222,660	10%	22,266	235,286	10%	23,529
High risk	235,012	25%	58,753	192,507	25%	48,127
	1,091,004		81,941	610,249		73,379
Individually assessed						
Internal credit rating						
Loss	88,225	100%	88,225	51,136	100%	51,136
	88,225		88,225	51,136		51,136
Subtotal	1,179,229		170,166	661,385		124,515

Solar farm business

	Gross carrying amount RMB'000	2025 Average loss rate	Loss allowance RMB'000	Gross carrying amount RMB'000	2024 Average loss rate	Loss allowance RMB'000
Individually assessed						
Internal credit rating						
Low risk	4,683	5%	232	422,817	4.2%	17,916
Medium risk	43,667	18%	7,860	—	—	—
High risk	—	—	—	105,923	49.8%	52,703
Loss	458,921	63.9%	293,196	—	—	—
Subtotal	507,271		301,288	528,740		70,619
Total	1,686,500		471,454	1,190,125		195,134

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Notes: (Continued)

(c) (Continued)

Trade balances due from related companies

	2025			2024		
	Gross carrying amount RMB'000	Average loss rate	Loss allowance RMB'000	Gross carrying amount RMB'000	Average loss rate	Loss allowance RMB'000
Individually assessed						
Internal credit rating						
Low risk	95,889	12.5%	11,973	216,519	5.5%	11,847
High risk	17,731	22.0%	3,898	80,527	47.5%	38,249
Loss	103,664	89.5%	92,823	34,694	72.6%	25,186
Total	217,284		108,694	331,740		75,282

The estimated loss rates are based on any historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information (for example, the current and forecasted economic growth rates in the PRC, which reflect the general economic conditions of the industry in which the debtors operate) that is available without undue cost or effort. Such forward-looking information is used by the management of the Group to assess both the current as well as the forecast direction of conditions at the reporting date. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

The Group always measures the loss allowance for trade receivables for sales of electricity, including those with significant financing component at an amount equal to lifetime ECL. The estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under simplified approach:

Trade receivables

	Solar material business			Solar farm business			
	Lifetime ECL (not credit-impaired) RMB'000	Lifetime ECL (credit-impaired) RMB'000	Subtotal RMB'000	Lifetime ECL (not credit-impaired) RMB'000	Lifetime ECL (credit-impaired) RMB'000	Subtotal RMB'000	Total RMB'000
At 1 January 2024	10,637	46,785	57,422	3,555	—	3,555	60,977
Impairment loss recognised	62,742	10,039	72,781	67,064	—	67,064	139,845
Written off	—	(5,688)	(5,688)	—	—	—	(5,688)
At 31 December 2024	73,379	51,136	124,515	70,619	—	70,619	195,134
Transfer to credit-impaired	—	—	—	(63,113)	63,113	—	—
Impairment loss recognised	8,562	37,089	45,651	586	230,083	230,669	276,320
At 31 December 2025	81,941	88,225	170,166	8,092	293,196	301,288	471,454

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Notes: (Continued)

- (d) For trade amounts due from related companies, debtors with significant balances with gross carrying amounts of approximately RMB202,356,000 (2024: RMB300,913,000) as at 31 December 2025 were assessed individually, in which the Directors considered the receivables of gross carrying amount of approximately RMB103,664,000 (2024: RMB34,694,000) from related companies were credit-impaired because there was a default of payment from the counterparty. An accumulated impairment loss of RMB92,823,000 (2024: RMB25,186,000) was recognised as at 31 December 2025 for such receivables. During the year ended 31 December 2025, the Group has recognised impairment loss of RMB33,412,000 on trade amounts due from related companies (2024: RMB54,075,000). Credit risk of the remaining amounts due from related companies (trade related) is considered not significant because the related companies either has repayment history or is well established.

Amounts due from related companies (trade related)

	Lifetime ECL -Low risk (not credit-impaired) RMB'000	Lifetime ECL -High risk (not credit-impaired) RMB'000	Lifetime ECL (credit-impaired) RMB'000	Total RMB'000
At 1 January 2024	—	—	21,207	21,207
Impairment loss recognised	11,847	38,249	3,979	54,075
At 31 December 2024	11,847	38,249	25,186	75,282
Transferred to credit-impaired	(9,949)	(25,490)	35,439	—
Impairment loss recognised/ (reversed)	(456)	1,670	32,198	33,412
At 31 December 2025	1,442	14,429	92,823	108,694

Amounts due from related companies (non-trade related)

As included in the amounts due from related companies (non-trade related), there was a balance due from an associate with significant carrying amount of approximately RMB528,400,000 which was subject to individual impairment assessment as at 31 December 2025. The Directors assessed and considered the ECL by reference to the historical payment pattern, financial position of the related parties and aging period of the balance. An accumulated impairment loss of RMB8,609,000 (2024: RMB18,987,000) was recognised as at 31 December 2025 for such receivable. During the year ended 31 December 2025, the Group has reversed an impairment loss of RMB10,378,000. Credit risk of the remaining amounts due from companies controlled by Mr. Zhu and his family is considered as limited because the related companies are with repayment history or with positive operating results/cashflows.

The following table shows movement in ECL that has been recognised for amounts due from related companies (non-trade related):

	12-month ECL Amount due from an associate RMB'000	Companies controlled by Mr. Zhu and his family RMB'000
At 1 January 2024	—	—
Impairment loss recognised	18,987	—
At 31 December 2024 and 1 January 2025	18,987	—
Impairment loss reversed	(10,378)	—
At 31 December 2025	8,609	—

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Notes: (Continued)

(e) The following table shows movement in ECL that has been recognised for deposit and other receivables in note 26(a).

	Lifetime ECL-Loss (credit- impaired)	Lifetime ECL-High risk (not credit-impaired)			12-month ECL			
	Dividend receivable from a former associate (Note i) RMB'000	Dividend receivable from a former associate (Note i) RMB'000	Consideration receivables from disposal of subsidiaries RMB'000	Consideration receivables from disposal of an associate (Note ii) RMB'000	Consideration receivables from disposal of an associate (Note ii) RMB'000	Other receivable RMB'000	Loan to a third party RMB'000	Total RMB'000
At 1 January 2024	—	—	—	—	—	—	—	—
Impairment loss recognised	—	465,926	6,789	—	20,059	33,501	—	526,275
At 31 December 2024	—	465,926	6,789	—	20,059	33,501	—	526,275
Transfer	465,926	(465,926)	—	20,059	(20,059)	—	—	—
Impairment loss recognised (reversed)	739,919	—	914	282,656	—	(33,501)	516	990,504
At 31 December 2025	1,205,845	—	7,703	302,715	—	—	516	1,516,779

- (i) The carrying amount of dividend receivable from a former associate of RMB3,182,841,000 (2024: RMB 3,146,924,000) as at 31 December 2025 was assessed individually. During the year ended 31 December 2024, the Group identified the credit risk for this receivable has increased significantly due to the evolving energy market conditions and challenges resulting in deterioration in the operating results of the former associate and certain outstanding balance has been past due at the end of the reporting period. Accordingly, the directors assessed that such balance is of high credit risk and measured the lifetime ECL (not credit-impaired). During the year ended 31 December 2024, the Group has recognised an impairment loss of RMB635,793,000 (for non-current and current portions of RMB465,926,000 and RMB169,867,000 (note 42(b)(f)) respectively) for such receivable. During the year ended 31 December 2025, the former associate did not repay the past due dividend receivable owed to the Group and continued to incur operating losses. The financial position of the former associate further deteriorated compared to 2024. In light of the adverse financial performance and weakened financial position, the directors assessed that the credit risk of such further increased and measured the Lifetime ECL (credit-impaired) and recognised an additional impairment loss of RMB1,048,402,000 (for non-current and current positions of RMB739,919,000 and RMB308,483,000 respectively) against the dividend receivable from the former associate for the year ended 31 December 2025.
- (ii) The carrying amount of consideration receivable for disposal of an associate of RMB1,377,589,000 (2024: 1,324,605,000) as at 31 December 2025 was assessed individually. As at 31 December 2024, the receivable was not past due and the directors assessed the counterparty has a low risk of default by reference to the background of the debtor and aging period of the balance. As at 31 December 2025, the directors determined that credit risk had increased significantly driven by the deteriorate in industry condition in the PRC. Taking into consideration of the value of the collateral supporting the obligation payable to the Group, the Group has recognised an additional impairment loss of RMB282,656,000 for the year ended 31 December 2025 (2024: RMB20,059,000).

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Notes: (Continued)

(f) The following table shows movement in ECL that has been recognised for other receivables in note 26(b).

	12-month ECL				Lifetime ECL-High risk (not credit-impaired)		Lifetime ECL-Loss (credit-impaired)			
	Short term				Dividend receivable from a former associate		Dividend receivable from a former associate		Note 42	
	Other receivables	to third parties	Note receivables	Other deposits	(b)(e)(ii)	Other deposits	(b)(e)(ii)	Other receivables	Other receivables	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	—	—	—	—	—	89,669	—	—	189,585	279,254
Impairment loss recognised	3,507	213	1,059	—	169,867	60,331	—	—	15,275	250,252
Written off	—	—	—	—	—	—	—	—	(4,999)	(4,999)
At 31 December 2024	3,507	213	1,059	—	169,867	150,000	—	—	199,861	524,507
Transfer	—	—	(1,059)	—	(169,867)	—	169,867	1,059	—	—
Impairment loss recognised/(reversed)	6,966	(213)	—	1,303	—	—	308,483	161,972	(7,649)	470,862
Written off	—	—	—	—	—	—	—	—	(180,142)	(180,142)
At 31 December 2025	10,473	—	—	1,303	—	150,000	478,350	163,031	12,070	815,227

(ii) During the year ended 31 December 2025, changes in the loss allowance for other receivables of the Group are mainly due to the increase in credit risk of the dividend receivable from a former associate with gross carrying amounts of RMB3,182,842,000. During the year ended 31 December 2024, changes in the loss allowance for other receivables of the Group are mainly due to the increase in credit risk of other deposits with gross carrying amounts of RMB3,146,924,000.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Notes: (Continued)

- (g) For purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

As at 31 December 2025 and 2024, the balance of other receivables and pledged deposits was not past due and the internal credit rating was considered as low risk. These are measured at 12-month ECL (not credit-impaired). Therefore, the ECL of balances of other receivables and pledged deposits was considered to be insignificant.

- (h) In relation to the short-term loans to third parties of RMB80,000,000 (2024: RMB656,308,000), the management is of the opinion that the probability of default of the relevant counterparties is insignificant since the ultimate controlling party of the third parties is the PRC government. The Directors assessed the probability of default of the short-term loan by taking into the account the financial position of the borrowers and perform assessment of both current as well as forecast direction of market conditions at the reporting date. The Directors closely monitor the credit quality of the short-term loans and consider those amounts, which are neither past due nor impaired. Accordingly, the management is of the opinion that the credit risk of the short term loans is limited and the ECL of the balance was considered insignificant.

- (i) For financial guarantee contracts, the gross carrying amount represents the maximum amount that the Group has guaranteed under the relevant contracts. The Directors assessed and considered the ECL for the financial guarantee contracts is insignificant.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings to ensure unutilised banking facilities are adequate and ensures compliance with loan covenants or to obtain waiver from the relevant banks if the Group is not able to satisfy any of the covenant requirements.

The Group's current assets exceeded its current liabilities by approximately RMB5,714 million as at 31 December 2025 (2024: 3,714 million). Further, the Group had cash and cash equivalents of RMB9,292 million (2024: RMB5,174 million) with total borrowings due within one year amounted to RMB12,406 million (2024: RMB10,691 million).

The Group finances its capital intensive operations by short-term and long-term bank and other borrowings and shareholders' equity.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities and the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest dates on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the contractual repayment dates.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The tables include both interest and principal cash flows. To the extent that interest are at floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

Liquidity and interest risk tables

	Weighted average interest rate %	On demand or within 1 year RMB'000	1-2 years RMB'000	2-5 years RMB'000	Over 5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
At 31 December 2025							
Non-derivative financial liabilities							
Trade and other payables	—	10,821,294	—	—	—	10,821,294	10,821,294
Amounts due to related companies	—	252,189	—	—	—	252,189	252,189
Bank and other borrowings							
— fixed-rate	0.61%	8,632,365	424,131	1,300,000	—	10,356,496	10,326,543
— variable-rate	2.96%	3,806,036	2,733,177	1,889,627	—	8,428,840	8,084,070
Lease liabilities	5.91%	46,535	26,606	22,363	7,195	102,699	93,045
Sub-total		23,558,419	3,183,914	3,211,990	7,195	29,961,518	29,577,141
Derivative financial instrument							
Put options classified as derivative financial instruments (note 35)	—	1,118,992	—	—	—	1,118,992	134,824
Financial guarantee contracts (Note below)	—	510,000	—	—	—	510,000	—

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity and interest risk tables (Continued)

	Weighted average interest rate %	On demand or within 1 year RMB'000	1–2 years RMB'000	2–5 years RMB'000	Over 5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
At 31 December 2024							
Non-derivative financial liabilities							
Trade and other payables	—	10,907,830	—	—	—	10,907,830	10,907,830
Amounts due to related companies	—	311,742	—	—	—	311,742	311,742
Bank and other borrowings							
— fixed-rate	0.71%	6,592,408	496,605	231,035	—	7,320,048	7,267,634
— variable-rate	3.40%	4,441,017	3,700,344	4,305,785	18,401	12,465,547	11,720,596
Lease liabilities	5.91%	58,602	25,755	15,521	13,433	113,311	107,090
Sub-total		22,311,599	4,222,704	4,552,341	31,834	31,118,478	30,314,892
Derivative financial instrument							
Put options classified as derivative financial instruments (note 35)	—	1,033,987	—	—	—	1,033,987	136,565
Financial guarantee contracts (Note below)	—	510,000	—	—	—	510,000	—

The amounts included above for variable-rate borrowings are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

As at 31 December 2025 and 2024, the Group has no bank and other borrowings that are repayable on demand due to breach of loan covenants.

Note:

The amounts disclosed above for financial guarantee contract represent the maximum exposure to loss, assuming the Group was required to settle the full guaranteed obligations upon demand by the counterparties. At the end of the reporting period, the management has assessed that the outflow of economic benefits is not probable, consequently, it is considered more likely than not that no liability will arise under the arrangements. However, this estimate is inherently subject to uncertainty, as the actual obligation depends on the probability of the counterparties invoking the guarantees such an event is contingent upon the underlying credit performance of the guaranteed financial receivables and the occurrence of credit losses within the counterparties portfolios.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

43. FAIR VALUE MEASUREMENTS

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

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

Financial assets/financial liabilities	Fair value as at 31 December		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of significant unobservable inputs to fair value
	2025 RMB'000	2024 RMB'000				
a) Financial assets at fair value through other comprehensive income						
i) Listed equity investments	16,017	9,376	Level 1	Quoted bid price in an active market.	N/A	N/A
ii) Unlisted equity investments	422,496	436,000	Level 3	Adjusted net assets value	Net assets value	An increase in the net assets value would result in an increase in fair value, and vice versa
iii) Unlisted equity investments (note a)	2,478,779	—	Level 3	Market approach price to book ratio	Adjusted P/B multiple of 2.4	The higher the multiple, the higher the fair value, and vice versa
	2,917,292	445,376				
iii) Perpetual note included in interests in associates (note b)	44,953	359,058	Level 3	Modified discounted cash flow method, the key input is discount rate.	Discount rate 22% (2024: 15.54%)	The higher the discount rate, the lower the fair value, and vice versa
b) Financial assets at fair value through profit or loss						
i) Unlisted investments	148,157	161,212	Level 3	Adjusted net assets value	Net assets value	An increase in the net assets value would result in an increase in fair value, and vice versa
ii) Unlisted equity investments (note c)	327,233	398,886	Level 3	Adjusted net assets value	Net assets value	An increase in the net assets value would result in an increase in fair value, and vice versa
	309,664	386,771	Level 3	Income approach	Long-term revenue growth rates, taking into account management's experience and knowledge of market conditions of the specific industries at 0% (2024: 0%).	The higher the long term growth rate, the higher the fair value, and vice versa
	636,897	785,657			Discount rate, taking into account of weighted average cost of capital (WACC) determined using a Capital Asset Pricing Model at 10.16% (2024: 9.64%).	The higher the discount rate, the lower the fair value, and vice versa
iii) Unlisted fund investments	481,544	—	Level 2	Quoted price from the fund managers	N/A	N/A
iv) Unlisted financial product investments	688,837	891,751	Level 2	Quoted price from third party financial institutions and determined with reference to the fair value of underlying investments which mainly composed of listed shares and bonds.	N/A	N/A
	418,420	932,176	Level 2	Quoted price from third party financial institutions	N/A	N/A
	1,107,257	1,823,927				

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

43. FAIR VALUE MEASUREMENTS (Continued)

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

Financial assets/financial liabilities	Fair value as at 31 December		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of significant unobservable inputs to fair value
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Audited)				
v) Convertible bond investment (note d)	286,691	—	Level 3	Binomial Option Pricing Model	Expected volatility of 48.93%	The higher the expected volatility, the higher the fair value, and vice versa
					Risk free rate of 1.40%	The higher the risk free rate, the lower the fair value, and vice versa
					Probability to exercise of 30%	The higher the probability to exercise, the higher the fair value, and vice versa
c) Held for trading investments						
i) Listed equity securities	678	416	Level 1	Quoted bid price in an active market	N/A	N/A
d) Derivative financial instruments						
i) Put option of interest in a former associate (note e)	14,398	17,694	Level 3	Binomial Option Pricing Model	Expected volatility of 44.43% - 45.85% (2024: 40.2% - 44.16%)	The higher the expected volatility, the higher the fair value, and vice versa
					Risk free rate of 1.40% - 1.43% (2024: 1.37% to 1.45%)	The higher the risk free rate, the lower the fair value, and vice versa
					Probability to exercise of 50% (2024: 30%)	The higher the probability to exercise, the higher the fair value, and vice versa
ii) Put option of interest in an associate (note f)	120,426	118,871	Level 3	Binomial Option Pricing Model	Expected volatility of 49.21% - 50.28% (2024: 48.81% - 49.35%)	The higher the expected volatility, the higher the fair value, and vice versa
					Risk free rate of 1.67% - 1.71% (2024: 1.88% to 1.90%)	The higher the risk free rate, the lower the fair value, and vice versa
					Probability to exercise of 40% (2024: 40%)	The higher the probability to exercise, the higher the fair value, and vice versa
	134,824	136,565				

Notes:

- If the adjusted price-to-book ratio was 5% higher/lower while all other variables were held constant, the fair value of the unlisted equity investment would increase by approximately RMB123,950,000/decrease by approximately RMB123,921,000.
- If the discount rate used was multiplied by 10% higher/lower while all the other variables were held constant, the fair value of the perpetual note at FVTOCI would decrease by approximately RMB13,195,000/increase by approximately RMB19,837,000 for the year ended 31 December 2025 (2024: the fair value of the perpetual note at FVTOCI would increase by approximately RMB51,965,000/increase by approximately RMB66,806,000).

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

43. FAIR VALUE MEASUREMENTS (Continued)

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

Notes: (Continued)

- (c) For the unlisted equity investment under income approach, if the discount rate was 5% higher/lower while all other variables were held constant, the fair value of the unlisted equity investment would decrease by approximately RMB8,552,000/increase by approximately RMB9,441,000 (2024: the fair value of the derivative financial instruments would decrease by approximately 6,773,000/increase by approximately RMB7,479,000).

- (d) If the expected volatility of the underlying shares was 5% higher/lower while all the other variables were held constant, the fair value of the convertible bond investments at FVTPL would increase by approximately RMB83,000/decrease by approximately RMB83,000.

If the risk free rate used was multiplied by 5% higher/lower while all the other variables were held constant, the fair value of the convertible bond investments at FVTPL would decrease by approximately RMB78,000/increase by approximately RMB9,194,000.

If the probability used was 10% higher/lower while all the other variable were held constant, the fair value of the convertible bond investments at FVTPL would increase by approximately RMB1,276,000/decrease approximately RMB1,276,000.

- (e) If the expected volatility of the underlying shares was 5% higher/lower while all the other variables were held constant, the fair value of the derivative financial instruments would increase by approximately RMB2,337,000/decrease by approximately RMB1,898,000 for the year ended 31 December 2025 (2024: the fair value of the derivative financial instruments would increase by approximately RMB5,425,000/decrease by approximately RMB4,702,000).

If the risk free rate used was multiplied by 5% higher/lower while all the other variables were held constant, the fair value of the derivative financial instruments would decrease by approximately RMB52,000/increase by approximately RMB52,000 for the year ended 31 December 2025 (2024: the fair value of the derivative financial instruments would increase by approximately RMB90,000/decrease by approximately RMB90,000).

If the probability used was 30% higher/10% lower while all the other variables were held constant, the fair value of the derivative financial instruments would increase by approximately RMB8,639,000/decrease by approximately RMB2,880,000 for the year ended 31 December 2025 (2024: the fair value of the derivative financial instruments would increase by approximately RMB17,808,000/decrease by approximately RMB5,936,000).

- (f) If the expected volatility of the underlying shares was 5% higher/lower while all the other variables were held constant, the fair value of the derivative financial instruments would increase by approximately RMB4,087,000/decrease by approximately RMB4,169,000 for the year ended 31 December 2025 (2024: fair value of the derivative financial instruments would increase by approximately RMB8,866,000/decrease by approximately RMB8,859,000).

If the risk free rate used was multiplied by 5% higher/lower while all the other variables were held constant, the fair value of the derivative financial instruments would decrease by approximately RMB964,000/increase by approximately RMB971,000 for the year ended 31 December 2025 (2024: fair value of the derivative financial instruments would decrease by approximately RMB1,185,000/increase by approximately RMB1,174,000).

If the probability used was 30% higher/10% lower while all the other variables were held constant, the fair value of the derivative financial instruments would increase by approximately RMB80,168,000/decrease by approximately RMB26,723,000 for the year ended 31 December 2025 (2024: fair value of the derivative financial instruments would increase by approximately RMB79,161,000/decrease by approximately RMB26,387,000).

There is no transfer among the different levels of the fair value hierarchy for the years ended 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

43. FAIR VALUE MEASUREMENTS (Continued)

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

The Directors consider that the carrying amounts of financial assets and financial liabilities and associated interest receivables and interest payables recorded at amortised cost in the consolidated financial statements approximate their fair values.

Included in other expenses, gains and losses set out in note 8, a net loss of RMB260,329,000 is related to financial assets and financial liabilities measured at FVTPL held during 31 December 2025 (2024: a net gain of RMB38,003,000).

Fair value hierarchy as at 31 December 2025

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Held for trading investments	678	—	—	678
Financial assets at FVTPL	—	1,588,801	1,071,745	2,660,546
Financial assets at FVTOCI	16,017	—	2,901,275	2,917,292
Perpetual notes classified as equity instrument at FVTOCI included in interests in associates	—	—	44,953	44,953
Total	16,695	1,588,801	4,017,973	5,623,469
Financial liabilities				
Put options classified as derivative financial instruments	—	—	134,824	134,824

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

43. FAIR VALUE MEASUREMENTS (Continued)

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

Fair value hierarchy as at 31 December 2024

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Held for trading investments	416	—	—	416
Financial assets at FVTPL	—	1,823,927	946,869	2,770,796
Financial assets at FVTOCI	9,376	—	436,000	445,376
Perpetual notes classified as equity instrument at FVTOCI included in interests in associates	—	—	359,058	359,058
Total	9,792	1,823,927	1,741,927	3,575,646
Financial liabilities				
Put options classified as derivative financial instruments	—	—	136,565	136,565

(b) Reconciliation of Level 3 fair value measurements

	Financial liabilities		Financial assets			
	Put options classified as derivative financial instruments RMB'000	Unlisted investments/equity investments measured at FVTPL RMB'000	Convertible bond investment measurement at FVTPL RMB'000	Unlisted equity investments measured at FVTOCI RMB'000	Perpetual note classified as financial assets at FVTOCI (included in Interests in associates) RMB'000	Total RMB'000
At 1 January 2025	(136,565)	946,869	—	436,000	359,058	1,741,927
Gain (loss) recognised in profit or loss	1,741	(73,209)	3,691	—	—	(69,518)
Gain (loss) recognised in other comprehensive income	—	—	—	63,877	(314,105)	(250,228)
Initial recognition	—	4,261	283,000	2,401,398	—	2,688,659
Transfer to interests in associates	—	(14,598)	—	—	—	(14,598)
Redemption	—	(78,269)	—	—	—	(78,269)
At 31 December 2025	(134,824)	785,054	286,691	2,901,275	44,953	4,017,973

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

43. FAIR VALUE MEASUREMENTS (Continued)

(b) Reconciliation of Level 3 fair value measurements (Continued)

	Financial liabilities			Financial assets			Total
	Put options classified as derivative financial instruments	Convertible bond to a non-controlling shareholder of a subsidiary	Total	Unlisted investments/equity investments measured at FVTPL	Unlisted equity investments measured at FVTOCI	Perpetual note classified as financial assets at FVTOCI (included in Interests in associates)	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	(15,972)	(84,212)	(100,184)	844,203	420,566	998,002	2,262,771
Loss recognised in profit or loss	(1,722)	—	(1,722)	(39,471)	—	—	(39,471)
Gain (loss) recognised in other comprehensive income	—	—	—	—	15,434	(638,944)	(623,510)
Initial recognition	(106,436)	—	(106,436)	142,137	—	—	142,137
Reclassified from other financial liabilities	(12,435)	—	(12,435)	—	—	—	—
Derecognised upon conversion	—	84,212	84,212	—	—	—	—
At 31 December 2024	(136,565)	—	(136,565)	946,869	436,000	359,058	1,741,927

	2025 RMB'000	2024 RMB'000
Total losses for the period included in profit or loss for assets and liabilities held at the end of the reporting period which were included in other gains, net (note 8)	(67,777)	(41,193)

Fair value measurements and valuation processes

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent they are available. Where Level 1 inputs are not available, the Group adopts valuation techniques disclosed in note 43(a) or engages third party qualified valuers to perform the valuation of the put options classified as derivative financial instruments and unlisted debt and equity instruments measured at FVTPL and FVOCI and at the end of the reporting period which fair value gain or losses were included in other expenses, gain and losses, net and other comprehensive income. The Directors work closely with the qualified valuers to establish appropriate valuation techniques and inputs to the model. The management of the Group reports the findings to the Directors every half year to explain the cause of fluctuations in the fair value of the assets and liabilities.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed above.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

44. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2024.

The capital structure of the Group consists of net debt, which mainly includes loans from related companies, bank and other borrowings, lease liabilities, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising issued share capital and reserves.

The Directors review the capital structure on a regular basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debts or the redemption of existing debt.

The Group monitors capital using gearing ratio, which is total interest-bearing debts, less cash and cash equivalents divided by total equity. The Group's policy is to maintain the gearing ratio at an appropriate level.

	2025 RMB'000	2024 RMB'000
Total interest-bearing debts		
Bank and other borrowings	18,410,613	18,988,230
Lease liabilities	93,045	107,090
	18,503,658	19,095,320
Pledged and restricted bank deposits	(4,600,454)	(4,752,191)
Bank balances and cash	(9,292,146)	(5,174,188)
Net debt	4,611,058	9,168,941
Total equity	43,416,473	42,292,938
Net debt to equity ratio	10.6%	21.7%

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

45. TRANSFERS OF FINANCIAL ASSETS

During the year, the Group endorsed certain bills received from customers to settle payables relating to purchase of plant and machinery, construction costs and trade and other payables. The Group also discounted certain bills received from customers to banks for financing purposes.

As at 31 December 2025 and 2024, certain bills received by the Group were either discounted to banks or endorsed to creditors, on a full recourse basis. As the Group retained significant risks and rewards relating to these bills, derecognition criteria under the applicable financial reporting standards were not met. Accordingly, the Group continued to recognise the full carrying amount of the related trade receivables, and the proceeds received were accounted for as secured borrowings or the amounts outstanding with the creditors remain to be recognised as trade and other payables. These financial assets are measured at amortised cost in the consolidated statement of financial position.

At 31 December 2025

	Bills discounted to banks with full recourse RMB'000	Bills endorsed to creditors with full recourse RMB'000	Total RMB'000
Carrying amount of transferred assets	4,886,325	2,028,626	6,914,951
Carrying amount of associated liabilities	(4,886,325)	(2,028,626)	(6,914,951)
Net position	—	—	—

At 31 December 2024

	Bills discounted to banks with full recourse RMB'000	Bills endorsed to creditors with full recourse RMB'000	Total RMB'000
Carrying amount of transferred assets	3,385,339	1,207,162	4,592,501
Carrying amount of associated liabilities	(3,385,339)	(1,207,162)	(4,592,501)
Net position	—	—	—

The Directors consider that the carrying amounts of the endorsed and discounted bills approximate their fair values.

The finance costs recognised for bills discounted to banks were included in interest on bank and other borrowings (note 10).

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

46. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Commitments

	2025 RMB'000	2024 RMB'000
Capital commitments		
Capital expenditure in respect of acquisitions of property, plant and equipment contracted for but not provided for	1,084,717	1,889,000
Other commitments		
Commitment to contribute share capital to investments in associates contracted for but not provided for	269,000	568,000
Commitment to contribute share capital to investments at FVTPL contracted for but not provided for	85,903	—
	1,439,620	2,457,000

(b) Contingent liabilities

From time to time, the Group is exposed to claims arising in the ordinary course of business. Having assessed the nature and circumstances of these matters, and with the reference to the legal opinions obtained, the Directors consider the likelihood of any significant outflow of economic benefits in settling such claims is remote. Accordingly, no provision for contingent liabilities has been recognised.

Other than the financial guarantee contracts provided by the Group as at 31 December 2025 and 2024, as disclosed in note 51, and guarantee of approximately RMB510 million (2024: RMB510 million) provided to several banks and financial institution in respect of banking and other facilities of an associate, of which the outstanding loan balances amounted approximately RMB297 million (2024: RMB7 million), the Group had no other material contingent liabilities as at 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

47. PLEDGE OF OR RESTRICTIONS ON ASSETS

Pledge of assets

At the end of the reporting period, the Group had pledged the following assets to secure credit facilities of the Group:

	2025 RMB'000	2024 RMB'000
Bank and other borrowings secured by:		
Pledged and restricted bank deposits	2,519,785	2,540,126
Right-of-use assets	268,068	266,959
Investment properties	296,524	348,518
Property, plant and equipment	7,439,520	7,950,538
Trade receivables and other receivables	4,915,452	3,791,405
Total	15,439,349	14,897,546

Certain subsidiaries have pledged their rights to collect fees from the sales of electricity. As at 31 December 2025, the trade receivables associated with these pledged fee collection rights amounted to approximately RMB29,127,000 (2024: RMB380,605,000).

In addition to the pledged assets above, there are restricted bank deposits of approximately RMB1,981,417,000 (2024: RMB2,212,065,000) and trade receivables of approximately RMB136,085,000 (2024: RMB102,603,000) which had been pledged to secure the issuance of bills and short-term letters of credit for trade and other payables.

Restrictions on assets

In addition, lease liabilities of approximately RMB93,045,000 (2024: RMB107,090,000) were recognised against related right-of-use assets of approximately RMB88,584,000 (2024: RMB102,407,000) as at 31 December 2025. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessors. Leased assets may not be used as security for borrowing purposes.

48. SHARE-BASED PAYMENT TRANSACTIONS

(a) The Company

(i) Equity-settled share option scheme

On 22 October 2007, a Share Option Scheme ("2007 Share Option Scheme") was adopted by the Company pursuant to the resolution of the sole shareholder. Under the schemes, the Company may grant options to directors, employees of the Company and its subsidiaries and qualifying grantees to subscribe for shares of the Company. Options granted are exercisable during the period after the respective vesting date to the last day of the ten-year period after the grant date. Upon expiry of the 2007 Share Option Scheme, no further options could be granted or offered but the provisions of this scheme shall remain in full force for the granted share options and remained outstanding.

The total number of shares in respect of which options may be granted under the 2007 Share Option Scheme are not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

The exercise price is determined by the Directors and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the shares of the Company for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

Pursuant to the terms of the Share Option Scheme, the exercise price and number of share options were being adjusted as a result of the determination of entitlements to a rights issue of the Company on 26 January 2016. Details of the adjustments are disclosed in the announcement of the Company on 26 January 2016.

At 31 December 2025, the number of shares in respect of which options had been granted, exercisable and remained outstanding under the 2007 Share Option Scheme was 33,770,577 (2024: 36,646,844) shares, representing 0.10% (2024: 0.14%) of the issued share capital of the Company at that date.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

48. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) The Company (Continued)

(i) Equity-settled share option scheme (Continued)

On 1 April 2022, a new share option scheme ("2022 Share Option Scheme") was adopted by the Company pursuant to the resolution of the shareholders of the Company and the 2022 Share Option Scheme shall be valid and effective for a period of 10 years commencing on 1 April 2022. Under the 2022 Share Option Scheme, the Company may grant options to directors, employees of the Company and its subsidiaries and qualifying grantees to subscribe for shares of the Company. Options granted under 2022 Share Option Scheme can only be exercised according to the following vesting schedule upon the following anniversaries of the grant dates of the options: up to 20% of the shares issuable under the option upon the first anniversary; 40% upon the second anniversary; 60% upon the third anniversary; 80% upon the fourth anniversary and 100% upon the fifth anniversary.

The total number of shares in respect of which options may be granted under the 2022 Share Option Scheme and any other share option schemes of the Company are not permitted to exceed 10% of the shares of the Company as at the date on which the 2022 Share Option Scheme is adopted. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

The exercise price is determined by the Directors and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the shares of the Company for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

As 31 December 2025 and 2024, no shares in respect of which options has been granted, exercisable and remained outstanding under 2022 Share Option Scheme.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

48. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) The Company (Continued)

(I) Equity-settled share option scheme (Continued)

Movements of share options granted during the year are as follows:

(i) 2007 Share Option Scheme

2025

	Exercise price	Date of grant (Note 1)	Exercisable period	Number of shares issuable under options					Outstanding at 31 December 2025
				Outstanding at 1 January 2025	Granted	Exercised	Lapsed or forfeited	Cancelled	
Directors	HK\$1.160	19.02.2016	15.03.2016 to 18.02.2026	1,712,189	—	—	—	—	1,712,189
	HK\$1.324	29.03.2016	18.04.2016 to 28.03.2026	7,944,454	—	—	—	—	7,944,454
Employees and others	HK\$1.160	19.02.2016	15.03.2016 to 18.02.2026	23,565,823	—	—	(2,876,267)	—	20,689,556
	HK\$1.324	29.03.2016	18.04.2016 to 28.03.2026	3,424,378	—	—	—	—	3,424,378
				36,646,844	—	—	(2,876,267)	—	33,770,577
Exercisable at				36,646,844					33,770,577
1 January 2024/									
31 December 2024									
Weighted average exercise price (HK\$)				1.21			1.16		1.22

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

48. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) The Company (Continued)

(i) Equity-settled share option scheme (Continued)

(i) 2007 Share Option Scheme (Continued)

2024

	Exercise price	Date of grant (Note 1)	Exercisable period	Number of shares issuable under options					Outstanding at 31 December 2024
				Outstanding at 1 January 2024	Granted	During the year Exercised	Lapsed or forfeited	Cancelled	
Directors	HK\$1.160	19.02.2016	15.03.2016 to 18.02.2026	1,712,189	—	—	—	—	1,712,189
	HK\$1.324	29.03.2016	18.04.2016 to 28.03.2026	7,944,454	—	—	—	—	7,944,454
Employees and others	HK\$2.867	24.03.2014	26.05.2014 to 23.03.2024	2,618,642	—	—	(2,618,642)	—	—
	HK\$1.160	19.02.2016	15.03.2016 to 18.02.2026	23,565,823	—	—	—	—	23,565,823
	HK\$1.324	29.03.2016	18.04.2016 to 28.03.2026	3,424,378	—	—	—	—	3,424,378
				39,265,486	—	—	(2,618,642)	—	36,646,844
Exercisable at 1 January 2024/ 31 December 2024				39,265,486					36,646,844
Weighted average exercise price (HK\$)				1.32			2.867		1.21

Notes:

1. The vesting period of share options under the 2007 Share Option Scheme is 20% of the share options granted on the year of grant, the first, second, third and fourth anniversary of the date of granted, respectively.
2. The share options outstanding at 31 December 2025 had a weighted average remaining contractual life of 0.17 years (2024: 1.17 years).

48. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) The Company (Continued)

(II) Equity-settled share award scheme

Share award scheme

The Company adopted a share award scheme (the "Scheme") on the 16 January 2017 (the "Adoption Date") for a duration of the later of (i) the 10th anniversary of the Adoption Date, and (ii) such date that all awards outstanding are fully vested, settled, lapsed, forfeited or cancelled. The purpose of the Scheme is, through the grant of the share awards to certain of the Directors and employees ("Eligible Persons") of the Group, to effectively attract, retain and incentivise core employees of the Group and align their interests and growth with the Group as a whole.

The Company has entered into a trust deed with the Trustee for the purpose of facilitating the purchase, holding and sale of shares in the Group for the benefit of the Eligible Persons of the Group. The maximum number of shares that can be held by the Trustee under the Scheme is limited to 2% of the issued share capital of the Company from time to time. All the shares purchased by the Group through the Trustee on the Stock Exchange are recorded as shares held for the share award scheme in the Group's reserves and are for the Scheme only.

The Board of the Company may, from time to time, at its absolute discretion, select any Eligible Persons to participate in the Scheme as grantees ("Award Grantees"), subject to the terms and conditions set out in the rule of the Scheme. In determining the Award Grantees, the Board shall take into consideration matters including, but without limitation, the present and expected contribution of the relevant Award Grantees to the Group. An Award Grantee may be granted an award by the Company during the award period which will vest over a period of time and on such other conditions to be determined by the Board in its absolute discretion.

During the years ended 31 December 2025, 2023 and 2022, board of directors of the Company has resolved to award an aggregate of 271,732,888, 4,296,000 and 290,830,000 award shares, respectively, (the "Award Shares") at a grant price of HK\$Nil, HK\$0.86 and HK\$0.86 per award share, respectively, to directors and employees of the Group pursuant to the terms and conditions of the Scheme.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

48. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) The Company (Continued)

(II) Equity-settled share award scheme (Continued)

Share award scheme (Continued)

Subject to the satisfaction of the vesting conditions of the Award Shares, the Trustee will transfer the Award Shares to the grantees within one month from the date of vesting notice.

The vesting of the Award Shares is subject to the satisfaction of the vesting conditions including certain corporate and personal performance and other service conditions.

Under certain circumstances, all unvested Award Shares and all vested Award Shares (but not yet transferred to the grantees) shall lapse immediately, and the grantees shall also, at the request of the Company, return the equivalent cash of the difference (or part of the difference) between (i) the share price of the Company at the date of exercise of the Award Shares vested and transferred to the grantees under the rules of the Scheme and (ii) the exercise price, within a certain period of time.

The Board may from time to time while the Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the award to be vested thereunder. Details of the Scheme are set out in the announcement of the Company dated 16 January 2017. For the purpose of the Scheme, the Company purchased its own ordinary shares through the Trustee from the open market. Movements in the number of treasury shares held through the Trustee are as follows:

Month of purchase	Number of ordinary shares	Aggregate consideration paid HK\$'000	Equivalent aggregate consideration paid RMB'000
At 1 January 2024 and 31 December 2024	484,678,888	718,815	624,775
April 2025	30,000,000	22,325	20,582
At 31 December 2025	514,678,888	741,140	645,357

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

48. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) The Company (Continued)

(II) Equity-settled share award scheme (Continued)

Share award scheme (Continued)

Movements in the number of award shares granted under the Share Award Scheme during the year and their related weighted average fair values are as follows:

2025

					Number of Award shares						
					Fair value per award share at the grant date	Unvested at 1 January 2025	During the year				Unvested at 31 December 2025
Exercise price	Date of grant	Vesting period		Granted		Vested	Lapsed	Cancelled			
Directors	HK\$0.86	16.02.2022	16.02.2022 to 15.02.2024 (note)	HK\$1.92	1,878,000	—	—	—	—	1,878,000	
			16.02.2022 to 15.02.2025 (note)	HK\$1.97	1,878,000	—	—	—	—	1,878,000	
			16.02.2022 to 15.02.2026	HK\$2.00	1,878,000	—	—	—	—	1,878,000	
			16.02.2022 to 15.02.2027	HK\$2.02	1,878,000	—	—	—	—	1,878,000	
	HK\$0.86	06.07.2022	06.07.2022 to 05.07.2023 (note)	HK\$2.98	4,180,000	—	—	—	—	4,180,000	
			06.07.2022 to 05.07.2024 (note)	HK\$3.13	4,180,000	—	—	—	—	4,180,000	
			06.07.2022 to 05.07.2025 (note)	HK\$3.19	4,180,000	—	—	—	—	4,180,000	
			06.07.2022 to 05.07.2026	HK\$3.23	4,180,000	—	—	—	—	4,180,000	
	HK\$0.00	24.12.2025	06.07.2022 to 05.07.2027	HK\$3.27	4,180,000	—	—	—	—	4,180,000	
			24.12.2025 to 23.12.2026	HK\$1.09	—	40,095,000	—	—	—	40,095,000	
			24.12.2025 to 23.12.2027	HK\$1.09	—	40,095,000	—	—	—	40,095,000	
			24.12.2025 to 23.12.2028	HK\$1.09	—	41,310,000	—	—	—	41,310,000	
Employee and others	HK\$0.86	16.02.2022	16.02.2022 to 15.02.2024 (note)	HK\$1.92	38,752,000	—	—	—	—	38,752,000	
			16.02.2022 to 15.02.2025 (note)	HK\$1.97	38,752,000	—	—	—	—	38,752,000	
			16.02.2022 to 15.02.2026	HK\$2.00	38,752,000	—	—	—	—	38,752,000	
			16.02.2022 to 15.02.2027	HK\$2.02	38,752,000	—	—	—	—	38,752,000	
	HK\$0.86	06.07.2022	06.07.2022 to 05.07.2023 (note)	HK\$2.98	11,046,000	—	—	—	—	11,046,000	
			06.07.2022 to 05.07.2024 (note)	HK\$3.13	11,046,000	—	—	—	—	11,046,000	
			06.07.2022 to 05.07.2025 (note)	HK\$3.19	11,046,000	—	—	—	—	11,046,000	
			06.07.2022 to 05.07.2026	HK\$3.23	11,046,000	—	—	—	—	11,046,000	
	HK\$0.86	21.07.2023	06.07.2022 to 05.07.2027	HK\$3.27	11,046,000	—	—	—	—	11,046,000	
			21.07.2023 to 20.07.2024 (note)	HK\$0.79	1,074,000	—	—	—	—	1,074,000	
			21.07.2023 to 20.07.2025 (note)	HK\$0.94	1,074,000	—	—	—	—	1,074,000	
			21.07.2023 to 20.07.2026	HK\$1.12	1,074,000	—	—	—	—	1,074,000	
	HK\$0.00	24.12.2025	21.07.2023 to 20.07.2027	HK\$1.17	1,074,000	—	—	—	—	1,074,000	
			24.12.2025 to 23.12.2026	HK\$1.09	—	49,576,853	—	—	—	49,576,853	
			24.12.2025 to 23.12.2027	HK\$1.09	—	49,576,853	—	—	—	49,576,853	
			24.12.2025 to 23.12.2028	HK\$1.09	—	51,079,182	—	—	—	51,079,182	
					242,946,000	271,732,888	—	—	—	514,678,888	
Exercisable at 1 January 2025/ 31 December 2025					—					—	
Weighted average exercise price (HK\$)					0.86					0.41	

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

48. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) The Company (Continued)

(II) Equity-settled share award scheme (Continued)

Share award scheme (Continued)

Movements in the number of award shares granted under the Share Award Scheme during the year and their related weighted average fair values are as follows:

2024

					Number of Award shares					
				Fair value per award share at the grant date	Unvested at 1 January 2024	Granted	During the year			Unvested at 31 December 2024
	Exercise price	Date of grant	Vesting period				Vested	Lapsed	Cancelled	
Directors	HK\$0.86	16.02.2022	16.02.2022 to 15.02.2024 (note)	HK\$1.92	1,878,000	—	—	—	—	1,878,000
			16.02.2022 to 15.02.2025 (note)	HK\$1.97	1,878,000	—	—	—	—	1,878,000
			16.02.2022 to 15.02.2026	HK\$2.00	1,878,000	—	—	—	—	1,878,000
			16.02.2022 to 15.02.2027	HK\$2.02	1,878,000	—	—	—	—	1,878,000
	HK\$0.86	06.07.2022	06.07.2022 to 05.07.2023 (note)	HK\$2.98	4,180,000	—	—	—	—	4,180,000
			06.07.2022 to 05.07.2024 (note)	HK\$3.13	4,180,000	—	—	—	—	4,180,000
			06.07.2022 to 05.07.2025 (note)	HK\$3.19	4,180,000	—	—	—	—	4,180,000
			06.07.2022 to 05.07.2026	HK\$3.23	4,180,000	—	—	—	—	4,180,000
		06.07.2022 to 05.07.2027	HK\$3.27	4,180,000	—	—	—	—	4,180,000	
Employee and others	HK\$0.86	16.02.2022	16.02.2022 to 15.02.2024 (note)	HK\$1.92	38,752,000	—	—	—	—	38,752,000
			16.02.2022 to 15.02.2025 (note)	HK\$1.97	38,752,000	—	—	—	—	38,752,000
			16.02.2022 to 15.02.2026	HK\$2.00	38,752,000	—	—	—	—	38,752,000
			16.02.2022 to 15.02.2027	HK\$2.02	38,752,000	—	—	—	—	38,752,000
	HK\$0.86	06.07.2022	06.07.2022 to 05.07.2023 (note)	HK\$2.98	11,046,000	—	—	—	—	11,046,000
			06.07.2022 to 05.07.2024 (note)	HK\$3.13	11,046,000	—	—	—	—	11,046,000
			06.07.2022 to 05.07.2025 (note)	HK\$3.19	11,046,000	—	—	—	—	11,046,000
			06.07.2022 to 05.07.2026	HK\$3.23	11,046,000	—	—	—	—	11,046,000
			06.07.2022 to 05.07.2027	HK\$3.27	11,046,000	—	—	—	—	11,046,000
	HK\$0.86	21.07.2023	21.07.2023 to 20.07.2024 (note)	HK\$0.79	1,074,000	—	—	—	—	1,074,000
			21.07.2023 to 20.07.2025 (note)	HK\$0.94	1,074,000	—	—	—	—	1,074,000
			21.07.2023 to 20.07.2026	HK\$1.12	1,074,000	—	—	—	—	1,074,000
			21.07.2023 to 20.07.2027	HK\$1.17	1,074,000	—	—	—	—	1,074,000
					242,946,000	—	—	—	—	242,946,000
Exercisable at					—					—
1 January 2024/										
31 December 2024										
Weighted average exercise price (HK\$)					0.86					0.86

Note: Given the current business environment, in view of uncertainty as to whether such vesting conditions (including the Company's business targets) can be achieved, the Share Award Committee recommended to the Board and the Board approved that the vesting of the Relevant Award Shares be postponed to April 2026 after the publication of the annual results of the Company for the financial year ended 31 December 2025 where upon the Board will re-evaluate and determine the revised vesting proposal of the Relevant Award Shares based on the level of achievement of the Company's business targets. In the opinion of the directors of the Company, the financial impact of the modification of terms of these Award Shares was insignificant.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

48. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) The Company (Continued)

(II) Equity-settled share award scheme (Continued)

Share award scheme (Continued)

The weighted average grant date fair value per unit for unvested award shares at 31 December 2025 was RMB1.44 (2024: RMB1.94).

For unvested award shares at the end of the reporting period, the exercise price was nil to HK\$0.86 (2024: HK\$0.86) per share.

The fair value of award shares granted during the years ended 31 December 2025, 2023 and 2022 was estimated as at the date of grant, using a binomial model, taking into account the terms and conditions upon which the award shares were granted. The following table lists the inputs to the model used:

Maturity date	Award shares granted on 24 December 2025				Award shares granted on 21 July 2023				Award shares granted on 16 February 2022					Award shares granted on 6 July 2022				
	Tranche 1 23 December 2026	Tranche 2 23 December 2027	Tranche 3 23 December 2028	Tranche 4 11 August 2024	Tranche 1 11 August 2025	Tranche 2 11 August 2026	Tranche 3 11 August 2027	Tranche 4 11 August 2028	Tranche 1 9 March 2023	Tranche 2 9 March 2024	Tranche 3 9 March 2025	Tranche 4 9 March 2026	Tranche 5 9 March 2027	Tranche 1 27 July 2023	Tranche 2 27 July 2024	Tranche 3 27 July 2025	Tranche 4 27 July 2026	Tranche 5 27 July 2027
	1	2	3	4	1	2	3	4	1	2	3	4	5	1	2	3	4	5
Fair value per award share as at the grant date	HK\$1.09	HK\$1.09	HK\$1.09	HK\$0.79	HK\$0.94	HK\$1.12	HK\$1.17		HK\$1.76	HK\$1.92	HK\$1.97	HK\$2.00	HK\$2.02	HK\$2.98	HK\$3.13	HK\$3.19	HK\$3.23	HK\$3.27
Expected volatility	57.45%	63.65%	58.09%	48.77%	68.92%	86.18%	82.45%		97.38%	102.87%	90.39%	82.50%	76.52%	82.77%	99.10%	90.54%	83.54%	78.08%
Expected dividend yield	0%	0%	0%	0%	0%	0%	0%		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Share price (grant date)	HK\$1.09	HK\$1.09	HK\$1.09	HK\$1.59	HK\$1.59	HK\$1.59	HK\$1.59		HK\$2.52	HK\$2.52	HK\$2.52	HK\$2.52	HK\$2.52	HK\$3.80	HK\$3.80	HK\$3.80	HK\$3.80	HK\$3.80
Exercise price	HK\$0.00	HK\$0.00	HK\$0.00	HK\$0.86	HK\$0.86	HK\$0.86	HK\$0.86		HK\$0.86	HK\$0.86	HK\$0.86	HK\$0.86	HK\$0.86	HK\$0.86	HK\$0.86	HK\$0.86	HK\$0.86	HK\$0.86
Risk-free interest rate	2.47%	2.44%	2.42%	4.38%	4.10%	3.83%	3.66%		0.47%	0.86%	1.25%	1.42%	1.60%	2.08%	2.18%	2.29%	2.33%	2.38%
Award share life	1	2	3	1	2	3	4		1	2	3	4	5	1	2	3	4	5

The expected volatilities were based on the historic volatility (calculated based on the expected life of the award share), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends were based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate. Risk-free interest rates were based on Generic Hong Kong Government Bond's yield.

The closing prices of the Company's shares immediately before the grant date of the award shares granted on 16 February 2022, 6 July 2022, 21 July 2023 and 24 December 2025 were HK\$2.42, HK\$3.83, HK\$1.58 and HK\$1.09, respectively.

During the year ended 31 December 2025, share-based payment expenses in respect of the Award Shares of RMB58,404,000 (2024: 98,588,000) have been recognised in profit or loss. The unvested award shares outstanding at 31 December 2025 had a weighted average remaining contractual life of 1.3 years (2024: 0.97 years).

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

48. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(b) Equity incentive management scheme of Kunshan GCL

Kunshan GCL adopted an equity incentive scheme in May 2023 for the purpose of providing incentives to eligible directors, senior management and employees of Kunshan GCL (the “Eligible Persons of Kunshan GCL”) (the “Kunshan GCL Equity Incentive Management Scheme”).

The board of directors of Kunshan GCL may, from time to time, at its absolute discretion, select any Eligible Persons of Kunshan GCL to participate in the Kunshan GCL Equity Incentive Management Scheme, subject to the terms and conditions set out in the rule of the Kunshan GCL Equity Incentive Management Scheme.

Under the Kunshan GCL Equity Incentive Management Scheme, capital of RMB10,466,664 which represents up to 10% of the fully diluted equity of Kunshan GCL may be issued to three limited partnerships incorporated in the PRC as shareholding platforms (the “Shareholding Platforms”) at a price equal to RMB 1 for every RMB 1 capital of Kunshan GCL (the “**Subscription Price**”). The Eligible Persons of Kunshan GCL become limited partners of the Shareholding Platforms and hold equity interest in Kunshan GCL indirectly through the Shareholding Platforms.

During the year ended 31 December 2023, capital of RMB947,924, RMB947,924 and RMB3,762,075, total of RMB5,657,923 (the “**Kunshan GCL Incentive Equity**”) which represents up to 5.41% of the fully diluted equity of Kunshan GCL had been issued to the Shareholding Platforms for a director of the Company, a director of Kunshan GCL and employees of Kunshan GCL, respectively, pursuant to the terms and conditions of the Kunshan GCL Equity Incentive Management Scheme.

The fair value of RMB25.26 for every RMB1 of the Kunshan GCL Incentive Equity granted during the year ended 31 December 2023 was estimated at the date of grant by making reference to the price of latest capital injection by investors into Kunshan GCL, less the Subscription Price.

The vesting of the Kunshan GCL Incentive Equity is subject to the satisfaction of the vesting conditions including certain corporate and personal performance and other service conditions.

Subject to the satisfaction of the vesting conditions of the Kunshan GCL Incentive Equity, the Eligible Persons of Kunshan GCL shall be entitled to transfer their interest in the Shareholding Platforms to the executive partner or other specified limited partners of the Shareholding Platforms, or other persons who meet the conditions of the Kunshan GCL Equity Incentive Management Scheme, or to dispose of the equity interest in Kunshan GCL in market through the Shareholding Platforms.

In case the Eligible Persons of Kunshan GCL fail to meet the vesting condition, the board of directors of Kunshan GCL has a right to callback partially or wholly equity interest held by the Eligible Persons of Kunshan GCL in the Shareholding Platforms by transferring their interest in the Shareholding Platforms to the executive partner or other specified limited partners of the Shareholding Platforms, or other persons who meet the conditions of the Kunshan GCL Equity Incentive Management Scheme, at a price of the paid-up capital of Shareholding Platforms contributed by the Eligible Persons of Kunshan GCL, plus dividend and distribution (if any) paid by Kunshan GCL to the Shareholding Platforms.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

48. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(b) Equity incentive management scheme of Kunshan GCL (Continued)

During the year ended 31 December 2024, share-based payment expenses in respect of the Kunshan GCL Equity Incentive Management Scheme of RMB48,835,000 have been recognised in profit or loss.

49. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flow were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Interest payables RMB'000 (note 30)	Amounts due to related companies (non-trade) RMB'000 (note 31)	Bank and other borrowings RMB'000 (note 33)	Lease liabilities RMB'000 (notes 34)	Other financial liabilities RMB'000	Total RMB'000
At 1 January 2024	45,813	679,094	15,267,005	146,371	525,695	16,663,978
Financing cash flows	(29,213)	(663,154)	8,529,841	(126,340)	—	7,711,134
Exchange realignment	—	—	—	(149)	—	(149)
Finance costs (note 10)	—	163	567,613	9,856	40,752	618,384
Interest capitalised (note 10)	—	—	17,906	—	—	17,906
Initial recognition	—	—	—	—	50,000	50,000
New leases entered	—	—	—	84,164	—	84,164
Non-cash settlement of discounted bills	—	—	(5,394,135)	—	—	(5,394,135)
Deemed disposal of a subsidiary	—	—	—	(6,812)	(604,012)	(610,824)
Reclassified to derivative financial instruments	—	—	—	—	(12,435)	(12,435)
At 31 December 2024	16,600	16,103	18,988,230	107,090	—	19,128,023
Financing cash flows	(7,248)	1,418	5,167,397	(75,200)	—	5,086,367
Exchange realignment	—	—	—	(361)	—	(361)
Finance costs (note 10)	—	162	460,142	6,303	—	466,607
Interest capitalised (note 10)	—	—	341	—	—	341
New leases entered	—	—	—	55,213	—	55,213
Non-cash settlement of discounted bills	—	—	(6,205,497)	—	—	(6,205,497)
At 31 December 2025	9,352	17,683	18,410,613	93,045	—	18,530,693

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

50. RETIREMENT BENEFITS SCHEMES

(a) The PRC

The Group's full-time employees in the PRC are covered by a government sponsored defined contribution pension scheme, and are entitled to a monthly pension from their retirement dates. The PRC Government is responsible for the pension liability to these retired employees. The Group is required to make annual contributions to the retirement plan at a rate of 20% (2024: 20%) of employees' salaries, which are charged to profit or loss as an expense when the contributions are due.

(b) Hong Kong

The Group participates in a pension scheme, which was registered under the Mandatory Provident Fund Schemes Ordinance (the "MPF Ordinance"), for all its employees in Hong Kong. The scheme is a defined contribution scheme and is funded by contributions from employers and employees according to the provisions of the MPF Ordinance.

Pursuant to the Hong Kong Employment Ordinance, the Group has the obligation to pay long service payment ("LSP") to qualifying employees in Hong Kong upon retirement, subject to a minimum of 5 years' employment period, based on the formula of "last monthly wages (before termination of employment) $\times$ 2/3 $\times$ years of service". Last monthly wage is capped at \$22,500 while the amount of long service payment shall not exceed \$390,000. This obligation is accounted for as a post-employment defined benefit plan. The Mandatory Provident Fund Schemes Ordinance permits the withdrawal of accrued benefits derived from an employer's MPF contributions for the purpose of offsetting LSP payable to an employee under the Employment Ordinance. The LSP obligation, if any, is presented on a net basis.

Starting from 1 May 2025, the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "2022 Amendment Ordinance") came into effect, which abolishes the statutory right of an employer to reduce its LSP payable to a Hong Kong employee by drawing on its mandatory contributions to the MPF scheme. Separately, a 25-year scheme to provide a subsidy for employers' costs in relation to the post-transition portion of the LSP has been implemented with effect on 1 May 2025.

Among other things, upon the abolition of the offsetting mechanism takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory MPF contributions (irrespective of the contributions made before, on or after the Transition Date) to reduce the LSP in respect of an employee's service from the Transition Date. However, where an employee's employment commenced before the Transition Date, the employer can continue to use the above accrued benefits to reduce the LSP in respect of the employee's service up to that date; in addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee's monthly salary immediately before the Transition Date and the years of service up to that date.

The abolition of the Mandatory Provident Fund – Long Service Payment offsetting mechanism in Hong Kong does not have any material impact to the Group.

As at 31 December 2025 and 2024, the amount of provision for long service payment obligation is insignificant.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

50. RETIREMENT BENEFITS SCHEMES (Continued)

During the year ended 31 December 2025, total amounts contributed by the Group to the schemes in the PRC and Hong Kong, and charged to profit or loss for continuing operations, which represent contributions payable to the schemes by the Group at rates specified in the rules of the schemes, are approximately RMB152,582,000 (2024: RMB182,602,000).

51. RELATED PARTY DISCLOSURES

Other than as disclosed elsewhere in the consolidated financial statements, the Group entered into the following material transactions with related parties during the year:

	2025 RMB'000	2024 RMB'000
Transactions with companies in which Mr. Zhu Gongshan and his family have control:		
Sales of wafer and other materials	83,886	246,024
Rental income	29,813	32,375
Management fee income	5,394	7,522
Related utility service fee income	4,758	5,866
Service fee income	179	61
Service fee expense	(5,364)	(19,657)
Interest expense	(162)	(163)
Acquisitions of property, plant of equipment	—	(2,552)
Rental expense	(8,559)	(7,699)
Purchase of coal	(40,396)	(53,502)
Electricity expense	(2,584)	(1,637)
Purchase of water	(4)	(197)
Purchase of other raw materials	(2,415)	(23)

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

51. RELATED PARTY DISCLOSURES (Continued)

	2025 RMB'000	2024 RMB'000
Transactions with joint ventures and associates:		
Sales of polysilicon and other raw materials	27,657	315,612
Management fee and related utility service fee income	107,323	141,443
Rental income	8,258	10,840
Service fee income	7,608	17,996
Processing fee income	3,047	5,293
Guarantee fee income	1,366	6,005
Purchase of polysilicon	(266)	(146,176)
Purchase of silicon rods	(334,408)	(681,807)
Acquisitions of property, plant of equipment	(13,013)	(118,844)
Electricity fee expenses	(309)	(935)
Consultancy service fee expense	(6,367)	(8,346)
Fund management expense	(10,988)	(12,863)
Purchase of industrial silicon powder	(181,341)	(518,700)
Purchase of steam	—	(92)
Purchase of other raw materials	(643)	(260)
Transactions with other related parties (note a):		
Sales of polysilicon and other raw materials	2,466,773	1,357,259
Processing fee income	—	1,388
Acquisitions of property, plant of equipment	—	(17)
Purchase of steam	(2,530)	(3,690)
Service fee expense	(4,630)	(4,091)

Note a: The other related parties represent the non-controlling shareholders and the fellow subsidiaries of non-controlling shareholders of subsidiaries of the Company.

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).

Details regarding balances and other arrangements with related parties are presented in the consolidated statement of financial position and further elaborated in notes 27, 31 and 39.

* English name for identification only

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

52. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(a) General information of subsidiaries

Details of the Group's principal subsidiaries at the end of the reporting period are set out below.

Name of subsidiary	Place of establishment/ operations	Particulars of issued share capital/ paid-up capital	Attributable effective interest held by the Company		Principal activities
			2025 %	2024 %	
Directly held:					
Incorporated in the Cayman Islands					
Universe Solar Energy Holdings Inc. 環宇光伏電力控股有限公司	Cayman Islands/ Hong Kong	US\$10,500	100	100	Investment holding
Incorporated in the BVI					
Elite Time 傑泰環球有限公司	BVI/Hong Kong	US\$1	100	100	Investment holding
Indirectly held:					
Solar material business					
Established in the PRC					
江蘇中能硅業科技發展有限公司 Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd.*	PRC	RMB11,026,056,334	100	100	Manufacture and sale of polysilicon
江蘇協鑫硅材料科技發展有限公司 Jiangsu GCL Silicon Material Technology Development Co., Ltd.*	PRC	RMB3,099,650,000	100	100	Manufacture and sale of ingot and wafer
高佳太陽能股份有限公司 Konca Solar Cell Co., Ltd.*	PRC	RMB1,184,570,000	70.19	70.19	Manufacture and sale of ingot and wafer
蘇州協鑫光伏科技有限公司 Suzhou GCL Photovoltaic Technology Co., Ltd.*	PRC	RMB990,298,120	100	100	Manufacture and sale of wafer
協鑫科技 (蘇州)有限公司 GCL-Poly (Suzhou) New Energy Co., Ltd.*	PRC	RMB5,548,871,503	100	100	Investment holding and trading of wafer
河南協鑫光伏科技有限公司 Henan GCL Photo voltaic Technology Co., Ltd.*	PRC	RMB373,500,000	100	100	Manufacture and sale of ingot

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

52. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Name of subsidiary	Place of establishment/ operations	Particulars of issued share capital/ paid-up capital	Attributable effective interest held by the		Principal activities
			Company		
			2025 %	2024 %	
Indirectly held: (Continued)					
Solar material business (Continued)					
Established in the PRC (Continued)					
阜寧協鑫光伏科技有限公司 Funing GCL Photovoltaic Technology Co., Ltd.*	PRC	RMB312,621,612	100	100	Manufacture and sale of solar products
寧夏協鑫晶體科技發展有限公司 Ningxia GCL Monocrystalline Silicon Technology Development Co., Ltd.	PRC	RMB301,000,000	100	100	Manufacture and sale of solar products
內蒙古鑫元硅材料科技有限公司 Inner Mongolia Xin Yuan Silicon Material Technology Co., Ltd.* ("Inner Mongolia Xin Yuan")	PRC	RMB3,767,500,000	56.77	56.77	Manufacture and sale of polysilicon
內蒙古鑫環硅能科技有限公司 Inner Mongolia Xin Huan Silicon Energy Technology Co., Ltd.* ("Inner Mongolia Xin Huan")	PRC	RMB4,500,000,000	60	60	Manufacture and sale of polysilicon
樂山協鑫新能源科技有限公司 Leshan GCL New Energy Technology Co., Ltd.* ("Leshan GCL ") ^(Note i)	PRC	RMB3,050,000,000	45.90	45.90	Manufacture and sale of polysilicon
江蘇蘇能光伏科技發展有限公司 Jiangsu Suneng Photovoltaic Technology Development Co., Ltd.*	PRC	RMB1,562,000,000	100	100	Investment holding
徐州協鑫低碳產業投資合夥企業 (有限合夥) Xuzhou GCL Low Carbon Industry Investment Partnership (Limited Partnership)*	PRC	RMB2,158,600,000	100	100	Equity investment, investment management, asset management
蘇州協鑫工業應用研究院有限公司 GCL Applied Industrial Research Institute (Suzhou) Ltd.*	PRC	RMB240,000,000	100	100	Research and development and sales of solar related products
蘇州協鑫商業管理有限公司 Suzhou GCL Business Management Co., Ltd.*	PRC	RMB130,000,000	100	100	Business management, real estate development and real estate consulting service

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

52. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

Name of subsidiary	Place of establishment/ operations	Particulars of issued share capital/ paid-up capital	Attributable effective interest held by the		Principal activities
			Company		
			2025 %	2024 %	
Indirectly held: (Continued)					
寧夏協鑫光伏科技有限公司 Ningxia GCL Photovoltaic Technology Co., Ltd.*	PRC	RMB595,000,000	100	100	Manufacture and sale of polysilicon
四川協鑫新能源科技發展有限公司 Sichuan GCL New Energy Technology Development Co., Ltd.*	PRC	RMB155,000,000	100	100	Research and development and sales of electronic special materials
Incorporated in Hong Kong					
GCL Solar Energy Technology Holdings Limited 協鑫光伏電力科技控股有限公司	Hong Kong	HK\$1	100	100	Investment holding
Richmore International Development Limited 富多國際發展有限公司	Hong Kong	HK\$1	100	100	Investment holding
Corner Star Limited 各星有限公司	Hong Kong	HK\$1	100	100	Own a technical know-how
Solar farm business					
Established in the PRC					
桑日協鑫光伏科技有限公司 Sangri GCL Photovoltaic Technology Co., Ltd.*	PRC	RMB62,000,000	100	100	Operation of solar farm
徐州協鑫光伏電力有限公司 Xuzhou GCL Solar Energy Co., Ltd.*	PRC	RMB84,000,000	100	100	Operation of solar farm
江蘇國能新能源科技有限公司 Jiangsu Guoneng Solar Technology Co., Ltd.*	PRC	RMB10,000,000	100	100	Operation of solar farm
蘇州協鑫光伏電力科技有限公司 Suzhou GCL Photovoltaic Technology Co., Ltd.*	PRC	RMB422,000,000	100	100	Investment holding
大同縣協鑫光伏電力有限公司 Datong Xian GCL Solar Energy Co., Ltd.*	PRC	RMB144,600,000	100	100	Operation of solar farm
大同縣鑫能光伏電力有限公司 Datong Xian Xinneng Solar Energy Co., Ltd.*	PRC	RMB32,600,000	100	100	Operation of solar farm
Incorporated in Hong Kong					
GCL Solar Energy Limited	Hong Kong	HK\$1	100	100	Investment holding
Incorporated in the USA					
GCL Solar Energy, Inc.	USA	US\$200	100	100	Construction and sale of solar farm projects
Incorporated in Luxembourg					
Berimor Investments S.a.r.l.	Luxembourg/ Hong Kong	EUR12,500	100	100	Investment holding

* English name for identification only

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

52. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(a) General information of subsidiaries (Continued)

- (i) Despite the Group indirectly holds less than 50% of the effective equity interest of Leshan GCL, the Group is able to exercise control over the Leshan GCL by having entered into an acting in concert agreement with the non-controlling shareholders ("Leshan Acting in Concert Agreement"). Pursuant to the Leshan Acting in Concert Agreement, when dealing with affairs related to Leshan GCL requiring consideration and approval by shareholders at general meetings, the non-controlling shareholders shall vote in accordance with the instruction of the Group, except: (i) any connected transactions between the Group and Leshan GCL; or (ii) any matter that obviously harms the interest of Leshan GCL or the non-controlling shareholders.

The above table lists the subsidiaries of the Group which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities as at 31 December 2025 and 2024.

(b) Details of non-wholly-owned subsidiaries that have material non-controlling interests

The table below provides information on the Group's subsidiaries with material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests of non-controlling interests		(Loss) profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2025	2024	2025	2024	2025	2024
				RMB'000	RMB'000	RMB'000	RMB'000
Inner Mongolia Xin Huan	PRC	40%	40%	26,668	(339,272)	1,424,327	1,397,660
Leshan GCL	PRC	54.1%	54.1%	(37,132)	(128,185)	1,543,613	1,668,675
Inner Mongolia Xin Yuan	PRC	NA	43.23%	NA	(213,529)	NA	1,510,998
Individually immaterial subsidiaries of the Group with non-controlling interests				(10,464)	(680,986)	2,967,940	4,577,333
				(44,998)	(216,570)	581,867	538,557
				(55,462)	(897,556)	3,549,807	5,115,890

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

52. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(b) Details of non-wholly-owned subsidiaries that have material non-controlling interests (Continued)

As at 31 December 2025, Inner Mongolia Xin Huan and Leshan GCL (2024: Inner Mongolia Xin Yuan, Inner Mongolia Xin Huan and Leshan GCL) were subsidiaries of the Group with material non-controlling interests. The summarised financial information below represents amounts before intra-group elimination.

i) Summarised financial information of Inner Mongolia Xin Huan

	2025 RMB'000	2024 RMB'000
Non-current assets	6,866,795	7,557,927
Current assets	2,274,464	2,204,289
Current liabilities	(2,950,801)	(2,351,075)
Non-current liabilities	(2,607,610)	(3,894,962)
Net assets	3,582,848	3,516,179
Non-controlling interests of Inner Mongolia Xin Huan	1,424,327	1,397,660
Revenue	3,462,562	2,468,474
Profit (loss) and total comprehensive income (loss) for the year	66,669	(848,179)
Profit (loss) and total comprehensive income (loss) attributable to non-controlling interests	26,668	(339,272)
Dividend paid to non-controlling interests	—	—
Cash inflow from operating activities	961,233	1,312,708
Cash inflow (outflow) from investing activities	96,638	(1,781,739)
Cash (outflow) inflow from financing activities	(749,309)	604,063
Net cash inflow	308,562	135,032

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

52. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(b) Details of non-wholly-owned subsidiaries that have material non-controlling interests (Continued)

(ii) Summarised financial information of Leshan GCL

	2025 RMB'000	2024 RMB'000
Non-current assets	5,612,077	6,293,871
Current assets	1,761,063	2,041,296
Current liabilities	(1,986,394)	(1,093,164)
Non-current liabilities	(827,703)	(2,246,198)
Net assets	4,559,043	4,995,805
Non-controlling interests of Leshan GCL (Note a)	1,543,613	1,668,675
Revenue	1,465,654	2,493,056
Loss and total comprehensive loss for the year	(436,762)	(864,095)
Loss and total comprehensive loss attributable to non-controlling interests	(37,132)	(128,185)
Dividend paid to non-controlling interests	—	—
Cash outflow from operating activities	(36,782)	(265,415)
Cash (outflow) inflow from investing activities	(105,481)	81,289
Cash (outflow) inflow from financing activities	(336,434)	232,399
Net cash (outflow) inflow	(478,697)	48,273

Note (a): The remaining 54.1% interests in Leshan GCL is held by Leshan Fund as to 41.0%, an associate of the Group, and Xuzhou Fund as to 13.1%.

The non-controlling interests of Leshan GCL represented the sharing of net assets not attributable to the Group, either directly or indirectly through the interest held by Leshan Fund. The non-controlling interest is allocated based on the sharing policy under terms of limited partnership agreements of Leshan Fund and Zhongping Nengxin, which the net assets of Leshan GCL is allocated to different shareholders according to the priority and respective required rate of return on their investments in Leshan Fund and Zhongping Nengxin.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

52. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Continued)

(b) Details of non-wholly-owned subsidiaries that have material non-controlling interests (Continued)

iii) Summarised financial information of Inner Mongolia Xin Yuan

	2024 RMB'000
Non-current assets	8,404,394
Current assets	3,060,077
Current liabilities	(5,826,543)
Non-current liabilities	(2,069,531)
Net assets	3,568,397
Non-controlling interests of Inner Mongolia Xin Yuan	1,510,998
Revenue	5,986,036
Loss and total comprehensive loss for the year	(487,194)
Loss and total comprehensive loss attributable to non-controlling interests	(213,529)
Dividend paid to non-controlling interests	—
Cash inflow from operating activities	776,022
Cash outflow from investing activities	(891,197)
Cash outflow from financing activities	(369,489)
Net cash outflow	(484,664)

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

53. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

Statement of financial position

	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS		
Interests in subsidiaries	14,451,511	18,438,769
Amounts due from subsidiaries (Note)	6,733,361	6,860,157
	21,184,872	25,298,926
CURRENT ASSETS		
Prepayments and deposits	61,900	85,911
Amounts due from subsidiaries (Note)	15,204,084	11,497,195
Loan receivable from a related company	33,419	—
Bank balances and cash	2,641,248	356,943
	17,940,651	11,940,049
CURRENT LIABILITIES		
Other payables	25,635	—
NET CURRENT ASSETS	17,915,016	11,940,049
TOTAL ASSETS LESS CURRENT LIABILITIES	39,099,888	37,238,975
NET ASSETS	39,099,888	37,238,975
CAPITAL AND RESERVES		
Share capital (note 38)	2,919,257	2,342,638
Reserves	36,180,631	34,896,337
TOTAL EQUITY	39,099,888	37,238,975

Note: As at 31 December 2025, the non-current portion of amounts due from subsidiaries included the amount of RMB6,733,361,000 (2024: RMB6,860,157,000) that are non-interest bearing and are not expected to be realised within twelve months from the end of the reporting period and are considered to be quasi-equity loan. ECL for amounts due from subsidiaries and bank balances are assessed on a 12-month ECL basis as there had been no significant increase in credit risk since initial recognition and impairment allowance is considered to be insignificant.

Notes to the Consolidated Financial Statements (CONTINUED)

For the year ended 31 December 2025

53. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

Movement in the Company's reserves

	Share premium RMB'000	Shares held for share award scheme RMB'000	Capital redemption reserve RMB'000	Investments revaluation reserve RMB'000	Treasury shares RMB'000	Share award reserve RMB'000	Capital reserve RMB'000	Share options reserve RMB'000	(Accumulated losses)/ Retained earnings RMB'000	Total RMB'000
At 1 January 2024	36,263,293	(624,775)	37,811	(93,157)	—	280,590	19,206	53,651	3,691,590	39,628,209
Loss for the year	—	—	—	—	—	—	—	—	(4,810,423)	(4,810,423)
Loss and total comprehensive expense for the year	—	—	—	—	—	—	—	—	(4,810,423)	(4,810,423)
Forfeitures of share options	—	—	—	—	—	—	—	(3,298)	3,298	—
Repurchase of share	—	—	—	—	(21,679)	—	—	—	—	(21,679)
Cancellation of shares	(20,037)	—	1,642	—	21,679	—	—	—	(1,642)	1,642
Equity-settled share-based payment	—	—	—	—	—	98,588	—	—	—	98,588
At 31 December 2024	36,243,256	(624,775)	39,453	(93,157)	—	379,178	19,206	50,353	(1,117,177)	34,896,337
Loss for the year	—	—	—	—	—	—	—	—	(4,515,634)	(4,515,634)
Loss and total comprehensive expense for the year	—	—	—	—	—	—	—	—	(4,515,634)	(4,515,634)
Issue of new shares (note 38)	5,837,819	—	—	—	—	—	—	—	—	5,837,819
Transaction cost with attributable to the issuance of new shares	(75,713)	—	—	—	—	—	—	—	—	(75,713)
Forfeitures of share options	—	—	—	—	—	—	—	(4,149)	4,149	—
Purchase of shares under share award scheme	—	(20,582)	—	—	—	—	—	—	—	(20,582)
Equity-settled share-based payment	—	—	—	—	—	58,404	—	—	—	58,404
At 31 December 2025	42,005,362	(645,357)	39,453	(93,157)	—	437,582	19,206	46,204	(5,628,662)	36,180,631

Note: Differences between the reserves of the Company and of the Group, as disclosed in the consolidated statement of changes in equity, represented the consolidation adjustments arising from the reverse acquisition by GCL Solar in 2009. For more details, please refer to 2009 annual report of the Group.

54. EVENTS AFTER REPORTING PERIOD

No significant events occurred subsequent to the reporting period and up to the date of approval of these consolidated financial statements.

CORPORATE INFORMATION

Chairman

Zhu Gongshan

Executive Directors

Zhu Gongshan (*Chairman & Joint CEO*)

Zhu Yufeng (*Vice Chairman*)

Zhu Zhanjun (*Vice Chairman*)

Sun Wei (*Vice Chairman*)

Lan Tianshi (*Joint CEO*)

Yeung Man Chung, Charles (*CFO and Company Secretary*)

Independent Non-executive Directors

Ho Chung Tai, Raymond

Shen Wenzhong

Yip Tai Him

Li Junfeng

Composition of Board Committees

Audit Committee

Yip Tai Him (*Chairman*)

Ho Chung Tai, Raymond

Shen Wenzhong

Remuneration Committee

Ho Chung Tai, Raymond (*Chairman*)

Yip Tai Him

Zhu Yufeng

Nomination Committee

Yip Tai Him (*Chairman*)

Ho Chung Tai, Raymond

Li Junfeng

Sun Wei

Yeung Man Chung, Charles

Corporate Governance Committee

Ho Chung Tai, Raymond (*Chairman*)

Li Junfeng

Yip Tai Him

Yeung Man Chung, Charles

Strategy & Investment Committee

Ho Chung Tai, Raymond (*Chairman*)

Zhu Gongshan

Shen Wenzhong

Li Junfeng

Yip Tai Him

Zhu Zhanjun

Yeung Man Chung, Charles

Environmental, Social and Governance Committee

Shen Wenzhong (*Chairman*)

Ho Chung Tai, Raymond

Li Junfeng

Yip Tai Him

Lan Tianshi

Yeung Man Chung, Charles

Company Secretary

Yeung Man Chung, Charles

Authorized Representatives

Zhu Zhanjun

Yeung Man Chung, Charles

Auditor

Crowe (HK) CPA Limited

9/F Leighton Centre

77 Leighton Road

Causeway Bay

Hong Kong

Registered Office

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Principal Place of Business in Hong Kong

Unit 1703B–1706, Level 17
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

Cayman Islands Principal Share Registrar and Transfer Office

Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586
Gardenia Court
Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
17/F Far East Finance Centre
16 Harcourt Road
Hong Kong

Legal Advisers to the Company

As to Hong Kong law

Freshfields Bruckhaus Deringer
55th Floor
One Island East
Taikoo Place, Quarry Bay
Hong Kong

Morgan, Lewis & Bockius
Suite 1902-09, 19th Floor
Edinburgh Tower, The Landmark
15 Queen's Road Central
Hong Kong

Minter Ellison LLP
Level 32, Wu Chung House
213 Queen's Road East
Hong Kong

JINGTIAN & GONGCHENG LLP
Suites 3203-3207, 32/F,
Edinburgh Tower, The Landmark
15 Queen's Road Central
Hong Kong

As to Cayman Islands law

Conyers Dill & Pearman
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Company's Website



www.gcltech.com



INFORMATION FOR INVESTORS

Listing Information

Listing: Main Board of the Hong Kong Stock Exchange Limited
Stock Code: 3800

Share Information

Board Lot Size: 1,000 shares
Issued Shares as at 31 December 2025: 33,216,469,973 shares

Enquiries Contact

Tel : (HK) (852) 2526 8368/(PRC) (86) 51268533900
Fax : (852) 2536 9638
E-mail : IR-3800@gcl-power.com
Address : Unit 1703B–1706, Level 17
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

GLOSSARY OF TERMS

In this report, the following expressions have the meanings set out below unless defined in the context of this report:

"Board" or "Board of Directors"	board of Directors
"China" or "PRC"	the People's Republic of China, for the purposes of this report, excludes Hong Kong and Macau Special Administrative Region of the PRC
"Company" or "GCL Technology" or "GCL Tech"	GCL Technology Holdings Limited (協鑫科技控股有限公司) (formerly known as GCL-Poly Energy Holdings Limited (保利協鑫能源控股有限公司)), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3800)
"Director(s)"	director(s) of the Company or any one of them
"GCL Solar Energy"	GCL Solar Energy Limited, a company incorporated in Hong Kong with limited liability, which is a subsidiary of the Company
"GCL System Integration"	GCL System Integration Technology Co., Ltd (協鑫集成科技股份有限公司) (a company incorporated in the PRC with its shares listed on the SME Board of the Shenzhen Stock Exchange) (stock code: 002506)
"GNE"	GCL New Energy Holdings Limited (協鑫新能源控股有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 451), which is an associate company of the Company.
"Group"	GCL Tech and its subsidiaries
"GW"	gigawatts
"Hong Kong"	Hong Kong Special Administration Region of the PRC
"INED(s)"	independent non-executive Director(s)
"Jiangsu Zhongneng"	Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd.* (江蘇中能硅業科技發展有限公司), a company incorporated in the PRC and a subsidiary of the Company
"Kunshan GCL"	Kunshan GCL Optoelectronic Material Co. Ltd* (昆山協鑫光電材料有限公司)
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Mr. Zhu"	Mr. Zhu Gongshan, the Chairman and an executive Director
"Mr. Zhu Yufeng"	son of Mr. Zhu and an executive Director



GLOSSARY OF TERMS (CONTINUED)

"MT"	metric tonnes
"MW"	megawatts
"MWh"	megawatt hour
"PRC"	the People's Republic of China
"PV"	photovoltaic
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Suzhou GCL Research"	Suzhou GCL Industrial Applications Research Co., Ltd.* (蘇州協鑫工業應用研究院有限公司), a subsidiary of the Company and a company established in the PRC
"U.S."	United States of America
"W"	watts
"Xinjiang Goens"	Xinjiang Goens Energy Technology Co., Limited* (新疆戈恩斯能源材料科技有限公司), a company incorporated in the PRC
"Zhu Family Trust"	the discretionary trust known as "Asia Pacific Energy Fund", of which Mr. Zhu and his family (including Mr. Zhu Yufeng, an executive Director and son of Mr. Zhu) are beneficiaries

* English name for identification only

