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

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3800)

ANNOUNCEMENT OF THE INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2026	2025	% of change
	RMB'million	*RMB'million*	
	(Unaudited)	(Unaudited)	
Revenue	**5,776.7**	5,734.7	0.7%
Gross loss	**(433.7)**	(700.2)	(38.1)%
Loss for the period attributable to owners of the Company	**(2,081.3)**	(1,776.1)	17.2%
Basic loss per share	**RMB(6.37) cents**	RMB(6.35) cents	
Diluted loss per share	**RMB(6.42) cents**	RMB(6.35) cents	

The board of directors (the "**Board**" or the "**Directors**") of GCL Technology Holdings Limited (the "**Company**" or "**GCL Tech**" or "**GCL**") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2026 together with the comparative figures for the corresponding period in the previous year as follows:

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

FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Six months ended 30 June	
		2026	2025
	NOTES	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**5,776,702**	5,734,660
Cost of sales and services rendered		**(6,210,367)**	(6,434,908)
Gross loss		**(433,665)**	(700,248)
Other income		**311,062**	461,672
Distribution and selling expenses		**(174,982)**	(103,887)
Administrative expenses		**(675,886)**	(624,509)
Research and development costs		**(368,759)**	(353,017)
Impairment losses recognised on financial assets		**(298,274)**	(264,330)
Finance costs		**(266,478)**	(273,405)
Other (losses) gains, net	*5*	**(287,506)**	9,257
Share of losses of associates		**(211,478)**	(250,367)
Share of profits (losses) of joint ventures		**633**	(30)
Loss before tax	*7*	**(2,405,333)**	(2,098,864)
Income tax credit	*6*	**112,437**	42,184
Loss for the period		**(2,292,896)**	(2,056,680)
Other comprehensive expense for the period:			
Items that will not be reclassified to profit or loss:			
Fair value loss on financial assets at fair value through other comprehensive income*		**(864,446)**	(72,968)
Share of other comprehensive expense of associates		**—**	(120,229)
		(864,446)	(193,197)

		Six months ended 30 June	
		2026	2025
	NOTES	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		**(3,335)**	4,868
Share of other comprehensive income (expense) of an associate		**(365)**	20
Reclassification adjustment of cumulative exchange reserve upon deemed partial disposal of an associate		**—**	3
		(3,700)	4,891
Other comprehensive expense for the period, net of tax		**(868,146)**	(188,306)
Total comprehensive expense for the period		**(3,161,042)**	(2,244,986)
Loss for the period attributable to:			
Owners of the Company		**(2,081,347)**	(1,776,108)
Non-controlling interests		**(211,549)**	(280,572)
		(2,292,896)	(2,056,680)
Total comprehensive expense for the period attributable to:			
Owners of the Company		**(2,949,493)**	(1,964,414)
Non-controlling interests		**(211,549)**	(280,572)
		(3,161,042)	(2,244,986)
		RMB cents	*RMB cents*
Loss per share	9		
– Basic		**(6.37)**	(6.35)
– Diluted		**(6.42)**	(6.35)

* For the six months ended 30 June 2026, the fair value loss on financial assets at fair value through other comprehensive income primarily arose from the fair value change of approximately RMB852,151,000 in respect of the Group's 4.41% equity interest in Zhonghuan Advanced Semiconductor Technology Co., Ltd. ("**Zhonghuan Advanced**") held during the period. The decline in fair value of Zhonghuan Advanced was primarily with reference to the valuation level derived from its capital increase transaction to introduce a strategic investor, Guotou Jixin (Beijing) Equity Investment Fund (Limited Partnership) (國投集新(北京)股權投資基金(有限合夥)) (hold by National Integrated Circuit Industry Investment Fund Phase III Co., Ltd. (國家集成電路產業投資基金三期股份有限公司)) and another market transaction.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2026

	NOTES	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**29,828,622**	31,014,773
Right-of-use assets		**1,627,425**	1,501,978
Investment properties		**319,711**	330,446
Intangible assets		**51,326**	65,412
Interests in associates		**2,942,206**	3,246,572
Interests in joint ventures		**106,608**	122,053
Financial assets at fair value through profit or loss		**1,963,285**	1,586,064
Financial assets at fair value through other comprehensive income		**2,068,023**	2,917,292
Deferred tax assets		**862,804**	853,745
Deposits and other receivables	*10*	**3,538,855**	3,970,121
Pledged and restricted bank deposits		**5,600**	5,600
		43,314,465	45,614,056
CURRENT ASSETS			
Inventories		**1,661,640**	1,896,879
Trade and other receivables	*10*	**9,529,463**	12,690,201
Amounts due from related companies	*12*	**682,420**	679,376
Financial assets at fair value through profit or loss		**705,640**	1,074,482
Held for trading investments		**692**	678
Tax recoverable		**83,109**	40,097
Pledged and restricted bank deposits		**4,251,055**	4,594,854
Bank balances and cash		**9,723,627**	9,292,146
		26,637,646	30,268,713

	NOTES	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
CURRENT LIABILITIES			
Trade and other payables	*11*	**8,900,872**	10,946,883
Amounts due to related companies	*12*	**211,905**	252,189
Contract liabilities		**144,288**	744,484
Bank and other borrowings		**10,711,497**	12,363,833
Convertible bonds		**972,424**	—
Lease liabilities		**35,607**	42,429
Derivative financial instruments		**81,064**	134,824
Deferred income		**30,359**	18,020
Tax payables		**48,002**	51,663
		21,136,018	24,554,325
NET CURRENT ASSETS		**5,501,628**	5,714,388
TOTAL ASSETS LESS CURRENT LIABILITIES		**48,816,093**	51,328,444
NON-CURRENT LIABILITIES			
Contract liabilities		**5,339**	5,339
Bank and other borrowings		**6,033,239**	6,046,780
Lease liabilities		**58,303**	50,616
Deferred income		**190,457**	205,143
Deferred tax liabilities		**1,454,298**	1,604,093
		7,741,636	7,911,971
NET ASSETS		**41,074,457**	43,416,473
CAPITAL AND RESERVES			
Share capital		**2,919,257**	2,919,257
Reserves		**33,649,849**	36,947,409
Equity attributable to owners of the Company		**36,569,106**	39,866,666
Non-controlling interests		**4,505,351**	3,549,807
TOTAL EQUITY		**41,074,457**	43,416,473

NOTES:

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting as issued by the International Accounting Standards Board (the "**IASB**") and the applicable disclosure requirements of the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The condensed consolidated interim financial statements do not include all the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards ("**IFRSs**") as issued by the IASB and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2025.

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

Except as described in note 3, the accounting policies and methods of computation used in the condensed consolidated interim financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's consolidated financial statements for the year ended 31 December 2025, which have been prepared in accordance with IFRSs.

3. APPLICATION OF AMENDMENTS TO IFRSs

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

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

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the "**Amendments**"). The Amendments include:

- Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognised on the 'settlement date' and an accounting policy choice is introduced (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date

- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed

- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments

- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income.

The amendments had no impact on the Group's interim condensed financial statements.

Annual Improvements to IFRS accounting Standards – Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS Accounting Standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The amendments had no impact on the Group's interim condensed financial statements.

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

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Naturedependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity, and they:

- Clarify the application of the 'own-use' requirements for in-scope contracts

- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in -scope contracts

- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows

The amendments had no impact on Group's interim condensed financial statements.

In addition, since the Group issued a convertible bond during the period, an additional accounting policy described below is adopted by the Group:

Convertible Bond

The convertible bond was designated as financial liabilities at fair value through profit or loss by the management, the amount of change in fair value of the financial liabilities that is attributable to change in the credit risk of that liabilities shall be presented in other comprehensive income, the remaining amount of change in the fair value of liabilities shall be presented in the profit or loss.

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

IFRS 18 and consequential amendments to other IFRS Accounting Standards	Presentation and Disclosure in Financial Statements
IFRS 19 and subsequent amendments	Subsidiaries without Public Accountability: Disclosures
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

4. SEGMENT INFORMATION

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

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

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

(a) Solar material business – mainly manufactures and sales of polysilicon and wafer products to companies operating in the solar industry.

(b) Solar farm business – operates solar farms located in the United States of America (the "**USA**") and The People's Republic of China (the "**PRC**").

Segment revenue and results

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

Six months ended 30 June 2026

	Solar material business *RMB'000* (Unaudited)	Solar farm business *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Segment revenue from external customers	**5,730,972**	**45,730**	**5,776,702**
Segment loss	**(2,103,907)**	**(14,902)**	**(2,118,809)**
Unallocated income			**28,500**
Unallocated expenses			**(220,846)**
Loss on fair value change of financial assets at fair value through profit or loss ("**FVTPL**")			**(14,946)**
Gain on fair value change of held for trading investments			**14**
Gain on fair value change of convertible bonds			**34,183**
Share of losses of an associate			**(5,218)**
Share of profit of joint ventures			**633**
Impairment losses recognised on financial assets			**(844)**
Gain on deemed partial disposal of an associate			**4,437**
Loss for the period			**(2,292,896)**

Six months ended 30 June 2025

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

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

Segment assets and liabilities

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

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Segment assets		
Solar material business	**64,896,530**	70,315,059
Solar farm business	**1,015,882**	1,059,663
Total segment assets	**65,912,412**	71,374,722
Financial assets at FVTPL	**1,428,815**	1,318,597
Financial assets at fair value through other comprehensive income ("**FVTOCI**")	**18,899**	16,017
Held for trading investments	**692**	678
Interest in an associate	**20,489**	21,635
Interests in joint ventures	**106,608**	122,053
Unallocated bank balances and cash	**2,296,038**	2,886,864
Unallocated corporate assets	**168,158**	142,203
Consolidated assets	**69,952,111**	75,882,769
Segment liabilities		
Solar material business	**27,622,567**	32,135,927
Solar farm business	**232,104**	278,108
Total segment liabilities	**27,854,671**	32,414,035
Convertible bonds	**972,424**	—
Unallocated corporate liabilities	**50,559**	52,261
Consolidated liabilities	**28,877,654**	32,466,296

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

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

- All liabilities are allocated to operating segments, other than convertible bonds and unallocated corporate liabilities of the management companies and investment holding companies.

Disaggregation of revenue from contracts with external customers

Six months ended 30 June 2026

Segments	**Solar material business** *RMB'000* **(Unaudited)**	**Solar farm business** *RMB'000* **(Unaudited)**	**Total** *RMB'000* **(Unaudited)**
Types of goods or services			
Sales of polysilicon	**3,886,629**	**—**	**3,886,629**
Sales of wafer	**696,041**	**—**	**696,041**
Sales of industrial silicon	**344,111**	**—**	**344,111**
Sales of electricity	**—**	**45,730**	**45,730**
Processing fees	**146,895**	**—**	**146,895**
Others (including the sales of ingots, silicon rods and silicon powder)	**657,296**	**—**	**657,296**
Total	**5,730,972**	**45,730**	**5,776,702**

Six months ended 30 June 2025

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

Geographical information

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
The PRC	**5,643,896**	5,687,633
Others	**132,806**	47,027
	5,776,702	5,734,660

5. OTHER (LOSSES) GAINS, NET

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Exchange loss, net	**(104,603)**	(397)
Loss/gain on fair value change of financial assets at FVTPL	**(26,146)**	32,451
Gain/(loss) on fair value change of held for trading investments	**14**	(78)
Gain/(loss) on fair value change of derivative financial instruments	**53,760**	(15,632)
Gain on fair value change of convertible bonds	**34,183**	—
Impairment loss on property, plant and equipment	**(171,866)**	—
Loss on deemed partial disposal of associates	**(72,848)**	(6,360)
Gain on deemed disposal of a subsidiary	**—**	25,129
Loss on disposal of property, plant and equipment	**—**	(25,856)
	(287,506)	9,257

6. INCOME TAX CREDIT

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax		
PRC Enterprise Income Tax ("**EIT**")		
Provision for the period	**3,429**	7,116
Underprovision in prior periods	**43,282**	3,790
	46,711	10,906
Deferred tax (note)	**(159,148)**	(53,090)
	(112,437)	(42,184)

Note: The deferred tax during the period mainly comprised of (i) reversal of the deferred tax liability on withholding tax previously recognised on undistributed profits of subsidiaries, and (ii) release of deferred tax liabilities arising from taxation temporary differences on relevant property, plant and equipment as a result of depreciation charged during the period.

7. LOSS BEFORE TAX

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss before tax for the period has been arrived at after charging (crediting) the following items:		
Depreciation of property, plant and equipment	**1,963,039**	2,065,418
Depreciation of right-of-use assets	**53,231**	58,183
Depreciation of investment properties	**10,735**	10,633
Amortisation of other intangible assets	**14,971**	13,652
Total depreciation and amortisation	**2,041,976**	2,147,886
(Less) add: amounts absorbed in opening and closing inventories, net	**(3,361)**	57,141
	2,038,615	2,205,027

8. DIVIDEND

The Board did not recommend an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

9. LOSS PER SHARE

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss		
Loss for the period attributable to owners of the Company for the purpose of calculation of basic loss per share	**(2,081,347)**	(1,776,108)
Less: Effect of gain on fair value change of convertible bonds	**(34,183)**	—
Loss for the period attributable to owners of the Company for the purpose of calculation of diluted loss per share	**(2,115,530)**	(1,776,108)

	Six months ended 30 June	
	2026	2025
	'000	*'000*
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares		
Issued ordinary shares at 1 January	**33,216,470**	26,920,819
Effect of ordinary shares held by the Group under the share award scheme	**(514,679)**	(498,270)
Effect of placement of ordinary shares	**—**	1,542,762
Effect of treasury shares	**(40,661)**	—
Weighted average number of ordinary shares at 30 June	**32,661,130**	27,965,311

	Six months ended 30 June	
	2026	2025
	'000	*'000*
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares (diluted)		
Weighted average number of ordinary shares for the purpose of calculation of basic loss per share	**32,661,130**	27, 965,311
Effect of conversion of convertible bonds	**291,276**	—
Weighted average number of ordinary shares for the purpose of calculation of diluted loss per share	**32,952,406**	27, 965,311

For the six months ended 30 June 2026 and 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, (ii) the effect of the 727,388,000 treasury shares purchased by the Group from market, and (iii) the effect of the placement of ordinary shares.

Diluted loss per share for the six months ended 30 June 2026 is calculated by adjusting (i) the loss attributable to owners of the Company for gain on fair value change of convertible bonds and (ii) the weighted average number of ordinary shares for shares that would have been issued assuming the conversion of the convertible bonds.

The calculation of diluted loss per share for the six months ended 30 June 2026 and 2025 did not assume the exercise of share options and award shares granted by the Company nor the share options, award shares and written put options granted by the associates, since the exercise prices were higher than the average market price of shares, their exercise would result in a decrease in the loss per share or had an insignificant effect on the calculation of the Group's diluted loss per share.

Subsequent to 30 June 2026 and up to the date of approval of these condensed consolidated interim financial statements, the Company repurchased additional 331,000,000 ordinary shares. These repurchases were completed after the reporting period and accordingly have not been reflected in the weighted average number of ordinary shares used in calculating the basic and diluted loss per share for the six months ended 30 June 2026.

10. DEPOSITS AND OTHER RECEIVABLES/TRADE AND OTHER RECEIVABLES

(i) Deposits and other receivables

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Deposits for acquisitions of property, plant and equipment	**348,105**	162,586
Dividend receivable from a former associate *(Note a)*	**2,278,841**	2,278,841
Consideration receivables		
— Disposal of an associate *(Note b)*	**1,404,871**	1,377,589
— Disposal of subsidiaries	**19,944**	19,944
Other receivables *(Note c)*	**—**	447,940
Loan to a third party *(Note 10(ii)(b))*	**1,200,000**	1,200,000
	5,251,761	5,486,900
Less: allowance for expected credit losses	**(1,712,906)**	(1,516,779)
	3,538,855	3,970,121

(a) Dividend receivable from a former associate

On 29 December 2023, Xinjiang Goens Energy Technology Co., Limited ("**Xinjiang Goens**"), a former associate approved a dividend distribution totalling RMB4,473,334,000 to Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd., an indirect wholly-owned subsidiary of the Company, in conjunction with a reduction of registered capital. The dividend distribution is structured into two tranches. The first tranche of RMB1,993,765,000 should have been settled 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 shall be settled 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 30 June 2026 and 31 December 2025, the carrying amount of RMB2,278,841,000 represents the present value of second tranche dividend receivable under non-current assets. The amount of RMB904,000,000 is the outstanding balance of first tranche dividend receivable under current assets as at 30 June 2026 and 31 December 2025. As the remaining balance of the first tranche dividend receivable is overdue and in default, the management assessed its recoverability and recognised a total expected credit loss of RMB262,192,000 (six months ended 30 June 2025: RMB173,017,000) on both tranches for six months ended 30 June 2026.

As at 30 June 2026, the Group recognised a total expected credit loss of RMB1,946,387,000 on the entire dividend receivable. (31 December 2025: RMB1,684,195,000).

(b) Consideration receivables from disposal of an associate

As at 30 June 2026, the carrying amount of RMB1,404,871,000 (31 December 2025: RMB1,377,589,000) represented the present value of remaining balance of consideration receivable of RMB1,490,000,000 from the disposal of an associate, namely 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**") during the year ended 31 December 2025 which shall be settled within three years following the completion of the industrial and commercial change registration according to 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 six months ended 30 June 2026, an imputed interest income of RMB27,282,000 (six months ended 30 June 2025: RMB26,232,000) has been recognised in the profit or loss.

The management determined that credit risk had increased significantly since initial recognition, primarily driven by the deterioration in industry conditions in the PRC. Consequently, the management assessed its recoverability and recognised an expected credit loss of RMB302,715,000 at 31 December 2025 and a further impairment loss of RMB8,403,000 was recognised during the six months ended 30 June 2026.

(c) Other receivables

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

During the six months ended 30 June 2026, the Group entered into a termination agreement with the entity, and the advance payment of RMB447,940,000 was fully refunded to the Group.

(ii) Trade and other receivables

	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
Trade receivables *(Note a)*		
— Bill receivables	**5,417,366**	8,655,711
— Trade receivables	**1,519,121**	1,686,500
Less: allowance for expected credit losses	**(471,356)**	(471,454)
	1,047,765	1,215,046
	6,465,131	9,870,757
Deposits, other receivables and prepayments:		
— Refundable value-added tax	**580,529**	631,537
— Dividend receivables from a former associate, first tranche *(Note 10(i)(a))*	**904,000**	904,000
— Prepayments	**1,192,945**	1,053,997
— Short-term loans to third parties *(Note b)*	**353,515**	207,781
— Note receivables *(Note c)*	**163,031**	163,031
— Deposits in the trustee	**83,845**	81,992
— Other deposits	**240,227**	240,216
— Other	**462,875**	352,117
	3,980,967	3,634,671
Less: allowance for expected credit losses	**(916,635)**	(815,227)
	3,064,332	2,819,444
	9,529,463	12,690,201

Notes:

(a) Trade and bill receivables

The Group generally grants a credit period of approximately one month from the invoice date to solar material customers with possible 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 credit period of approximately one week and one month for overseas customers and power grid companies in the PRC from the date of invoice in accordance with the respectively electricity sales contracts.

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

	2026	2025
	RMB'000	*RMB'000*
Unbilled *(Note)*	**210,553**	202,032
Within 3 months	**357,851**	532,637
3 to 6 months	**90,845**	97,905
Over 6 months	**388,516**	382,472
	1,047,765	1,215,046

Note: Amount represents unbilled basic tariff receivables for 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.

All bills received by the Group are with a maturity period of less than one year. As at 30 June 2026, bill receivables of approximately RMB3.0 billion (31 December 2025: approximately RMB4.9 billion) were pledged to the bank as security for certain bank and other borrowings granted to the Group.

(b) Loan to third parties

	Note	**2026**	2025
		RMB'000	*RMB'000*
Non-current assets			
Loan A	(i)	**1,200,000**	1,200,000
Current assets			
Loan B	(ii)	**80,000**	80,000
Loan C	(iii)	**86,855**	90,877
Loan D	(iv)	**70,459**	—
Other loans	(v)	**116,201**	36,904
		353,515	207,781
		1,553,515	1,407,781

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

The 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) The Group and a government-related entity in the PRC 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 to be repaid on 31 December 2026.

(iii) 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 RMB86,855,000 (2025: 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. Upon receipt of the agreed interest, 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 June 2026, the Group and a third party entered into a loan agreement pursuant to which the Group lent a short-term loan of HK$81,000,000 (approximately RMB70,459,000). The loan is non-trade in nature, secured, bears interest at 9% per annum and was originally repayable on 29 June 2027.

(v) The Group and certain third parties entered into loan agreements pursuant to which the Group lent certain short-term loans with principal amounts ranged from HK$10,000,000 to HK$60,000,000 (approximately ranged from RMB8,690,000 to RMB52,140,000). The loans are non-trade in nature, unsecured, bear interest at a range of 8%-10% per annum. The repayment terms for these loans are within one year, calculated from the date of loans to be granted or renewed.

(c) Note receivables

The amount represents the notes issued by a third party and subscribed by the Group. The notes are non-trade in nature, unsecured, bear interest at 8% per annum, and mature within one year from their respective subscription dates. In 2025, the note issuer encountered financial difficulties. The management assessed that the amount was not recoverable and a full impairment has been recognised as at 30 June 2026 and 31 December 2025.

11. TRADE AND OTHER PAYABLES

As at 30 June 2026, trade and other payables amounted to approximately RMB8,900,872,000 (31 December 2025: RMB10,946,883,000). Included within this balance were trade payables (excluding settlement notes provided by the Group) of approximately RMB1,764,675,000 (31 December 2025: RMB2,130,759,000).

The credit period for trade payables is within 3 to 6 months (31 December 2025: 3 to 6 months).

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

	As at 30 June 2026 ***RMB'000*** **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Within 3 months	**934,581**	1,194,456
3 to 6 months	**661,451**	809,321
More than 6 months	**168,643**	126,982
	1,764,675	2,130,759

12. AMOUNTS DUE FROM/DUE TO RELATED COMPANIES

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Amounts due from related companies		
— Trade related	**109,437**	108,590
— Non-trade related (Note)	**572,983**	570,786
	682,420	679,376

Note: Balance mainly included consideration receivable from the disposal of an associate of RMB520,000,000, net of allowances for expected credit losses (2025: RMB520,000,000) and a loan receivable of RMB32,136,000 (2025: RMB33,419,000), which is secured by a personal guarantee provided by Mr. Zhu Gongshan ("**Mr. Zhu**") , bearing a fixed interest rate of 9% per annum and repayable on 26 November 2026.

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

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**19,048**	11,454
3 to 6 months	**13,561**	12,390
More than 6 months	**76,828**	84,746
	109,437	108,590

The trade balance due from related companies are unsecured, non-interest bearing and with a normal credit period of 30 days (31 December 2025: 30 days).

	As at 30 June 2026 *RMB'000* (Unaudited)	As at 31 December 2025 *RMB'000* (Audited)
Amounts due to related companies		
— Trade related	**205,847**	234,506
— Non-trade related	**6,058**	17,683
	211,905	252,189

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

	As at 30 June 2026 *RMB'000* (Unaudited)	As at 31 December 2025 *RMB'000* (Audited)
Within 3 months	**9,944**	142,596
3 to 6 months	**5,313**	3,024
More than 6 months	**190,590**	88,886
	205,847	234,506

The trade balance due to related companies are unsecured, non-interest bearing and with a normal credit period of 30 days (31 December 2025: 30 days).

CHAIRMAN'S STATEMENT AND CEO REVIEW OF OPERATIONS AND OUTLOOK

Standing at the critical intersection of the global energy transition and the AI computing revolution, photovoltaics (PV) has transformed from a singular power generation unit into a scenario-defined, cross-domain integrated, and universally valuable energy carrier. Power generation and consumption are deeply synergized, while energy storage systems are evolving towards longer-duration storage and longer service lives. Together, PV and energy storage constitute the energy foundation of the silicon-based era. With the accelerated popularization of electric vehicles, the rapid iteration of embodied AI, the explosive growth of data centers, and chips advancing beyond the limits of Moore's Law, computing power and electric power are co-evolving and deeply integrating. The value of electricity is no longer merely the silent fuel for AI. Rather, it can be converted through the flow of bits into digital commodities that can be traded globally. The industrial paradigm revolution, strengthening computing with electricity, promoting electricity with computing, and synergizing computing and electricity, is now unstoppable. The three major materials of silicon, lithium, and carbon are mutually reinforcing and coupling, converging PV power generation, electrochemical energy storage, electric power, and computing power onto the same technological evolutionary path. Based on these profound insights, the Group officially established its new-stage development strategy in May 2026: transitioning from a "single-item champion in granular polysilicon" to a "globalized multi-product new energy material platform". We are building a diversified industrial matrix characterized by the isomorphism of "silicon, lithium, and carbon", and implementing a dual-wheel drive of "One Body, Two Wings" endogenous growth and globalized industrial expansion. The year 2026 is not only the turning point for PV-storage grid parity, PV-storage co-lifespan, and PV-storage-computing integration, but also the opening year for the Group to secure its strategic position in the ecosystem of power generation, energy storage and energy consumption within the next-generation energy system.

At present, the domestic PV industry remains deeply mired in a cyclical narrative. The model relying solely on resource input, scale expansion, and low-price competition is no longer sustainable, urgently calling for a thorough supply-side structural reform. The phased mismatch between installation growth and demand following last year's installation rush, coupled with the industry's prolonged and ineffective low-price involution, caused the polysilicon industry to fall into involution once again in the first half of 2026, with prices plummeting below the cash costs of most enterprises. Standing in mid-2026, through the joint efforts of government departments and institutions, including the Ministry of Industry and Information Technology, the National Development and Reform Commission, the State Administration for Market Regulation, and the China Photovoltaic Industry Association, mandatory energy consumption standards and group standards for cost calculation have been successively rolled out. Subsequently, GCL Tech and another seven major polysilicon producers signed an "Anti-Involution Initiative" in Shanghai. They jointly committed that the selling prices of PV products shall not fall below their full costs, voluntarily accepted supervisory enforcement, and strictly implemented energy consumption standards to eliminate inefficient, high-consumption, and outdated production capacities. Under the combined effects of multiple measures, the vicious cycle of "production means loss" within the industry is being broken. Market expectations have significantly improved, and polysilicon selling prices are gradually returning to rational levels.

GCL Tech has consistently advocated for and actively participated in anti-involution actions, calling for a dual-wheel drive of legislative enforcement and industry self-regulation. We deeply understand that only by adhering to its low-carbon nature and continuous technological iteration can the PV move beyond low-price competition, break free from the cycle of irrational competition, and achieve sustainable and steady development. In the first half of 2026, the Group continued the overarching policy established in 2025, placing "cash is king" above all operational decisions. We flexibly adjusted operating loads based on the market supply and demand, maintained our inventory at the industry's lowest level, held firmly to our operational baseline, refused to sell at prices below cash costs and refrained from participating in ineffective involution. As of the end of June 2026, the Group's asset-liability ratio stood at approximately 41.28%. Bank balances and cash reached approximately RMB9.724 billion, reflecting a financial position that remained firmly within the top tier of the industry.

Perovskite, as the most disruptive third-generation PV technology, carries the Group's aspirations to "pioneer space-based energy" as the industry's next frontier. Perovskite-silicon tandem modules made therefrom will achieve absolute generational breakthroughs in efficiency, cost and low-carbon attributes, thereby putting an end to low-level redundant construction in the photovoltaic industry and elevating industry competition to a healthy track defined by original innovation and core technologies. In the first half of 2026, world's first GW-scale perovskite-silicon tandem module production line of Kunshan GCL Optoelectronic Material Co., Ltd ("**Kunshan GCL**") entered stable operation. The conversion efficiency of the 2,042 cm^2 pilot-line tandem module reached 30.23%, and the rigid single-junction steady-state efficiency reached 23.70%, with more than ten core indicators continuously leading globally. Technological breakthroughs are accelerating commercialization: the perovskite business has been the first to move from technological validation into a new stage of commercial delivery with progress continues to be made in engineering reliability, mass production and system cost optimisation, setting a new benchmark for the industry. Since the beginning of 2026, it has secured multiple megawatt-scale commercial orders and collaborated with China Huaneng to commission several demonstration power stations. In August 2026, the Company completed its Series D1 financing of over RMB100 million, cumulatively raising over RMB1 billion in strategic investments from CATL, TCL, Tencent, Temasek, and others. The synchronous dance of "materials and aerospace" has commenced: Kunshan GCL has entered into partnerships with AZSPACE, CASC and phenosolar, amongst others. Perovskite modules are expected to be progressively installed on satellites in the second half of the year to commence in-orbit testing. Upon successful validation of radiation-resistant encapsulation, the Group expects to enter the aerospace application market within five years.

From granular polysilicon to perovskite, generational leaps are reshaping the upper limits of efficiency; from the ground to deep space, scenario expansions are breaking spatial boundaries. Under PV-storage integration, PV redefines the marginal boundaries of energy, while energy storage anchors system efficiency — the ceiling of power system efficiency is tied to breakthroughs in energy storage materials. The Group adheres to the underlying logic of "good batteries use good materials", deeply cultivating high-compaction cathode material technology, and officially entered the stage of commercial value realization in the first half of 2026: the 200,000-metric-tonne lithium iron phosphate (LFP) cathode project at the Leshan base was successfully completed and commissioned in June 2026, achieving profitability since commencing production (note). The Company utilizes the unique GCL-PHY iron red process technology, which was granted to the Group on a royalty free basis by GCL Group Limited* (協鑫集團有限公司) (the "**GCL Group**"), an associate of a substantial shareholder of the Company, and its products offer a significant advantage in compacted density, and such extremely simplified physical one-step process reduces carbon emissions by 48% compared to traditional wet-process routes and achieves green production across the full life cycle. The product matrix covers third-and-a-half to fifth-generation high-compaction lithium iron phosphate — C16 and other mature products have obtained bulk certification from leading battery companies and entered scaled supply; the C18 fifth-generation high-compaction product deeply aligns with 800V high-voltage fast charging and vehicles with a 1,000-kilometer ultra-long range, directly targeting core demand for high-end power batteries; the customized C10L product caters to large-capacity residential and commercial/industrial long-duration energy storage scenarios, achieving both ultra-long cycle life and ultimate energy efficiency. GCL-PHY iron red process cathode materials have become an industry-recognized preferred core raw material for the new generation of power and energy storage batteries and have successfully entered overseas markets, providing a China-based solution to meet compliance requirements in Europe and the United States, including the EU's new Battery Regulation and the carbon-related requirements under the Carbon Border Adjustment Mechanism (CBAM). Leveraging its dual advantages of high quality and low-carbon environmental performance, the Group has successfully entered the overseas high-end battery materials market. At this stage, the Group's lithium battery materials business is accelerating toward large-scale volume growth, marching into the industry's leading tier, with bulk orders and letters of intent from major customers, and having locked in production capacity for the near future. Meanwhile, the Group will always anchor on technological iteration rather than scale, focusing on high-end and frontier areas — the GCL-PHY iron red process is being refined and moving towards the fifth-and-a-half generation; new processes such as improved lithium iron phosphate method and LFP-NCM blending are being explored in depth; and forward-looking research on sodium-ion battery materials has also been initiated.

With the scaled mass production of cathode materials, the layout in lithium battery materials continues to deepen, and the strategic value of the silane process as the main axis is further manifested in the anode materials sector. The Group's total silane gas capacity of 600,000 metric-tonne ranks first globally, with external sales capacity accounting for one-quarter of the domestic market. Relying on the self-produced electronic-grade silane gas and Chemical Vapor Deposition (CVD) processes, the high-specific-capacity silicon-carbon anode, perfected through years of rigorous R&D, combines the triple advantages of high

Note: The specific financial impact to the Group shall be subject to audit by the Company's auditors and the relevant details will be disclosed by the Group in its results announcements at the appropriate time.

quality, low cost, and low carbon emissions. It is compatible with cutting-edge applications such as 4680 large cylindrical cells, high-end energy storage, and solid-state batteries. Currently, the Group's silicon-carbon anode pilot line deployed in Xuzhou has entered the pilot stage and the leading downstream battery manufacturers have simultaneously commenced the validation process for the samples delivered to them. Subsequently, the Group plans to include technological transformation and production switching for the granular polysilicon production lines in Leshan and Xuzhou. The Group will leverage flexible retrofitting of existing assets to tap into the high-growth track of next-generation anode materials.

Building on the layout in the PV and energy storage fields, the Group further expand its material capabilities to the computing power side. The Group is accelerating the deployment of high-end silicon-based and carbon-based new materials, such as third-generation semiconductor materials, high-purity synthetic quartz sand, and optical fiber preforms. This builds a closed-loop industry for the synergized development of power generation, energy storage, and computing, tapping into the highly lucrative track of AI computing base materials. Among them, silicon carbide substrates are primarily used in high-voltage, high-frequency, and high-temperature scenarios like new energy vehicle electronic controls and base stations. Silicon nitride powder are applied in new energy vehicle motor bearings and power device substrates. High-purity synthetic quartz sand serves as the core base material for electronic glass fiber cloth, and optical fiber preforms are used for high-speed optical signal transmission in optical communication networks and AI data centers. Several products above have entered the supply chains of domestic semiconductor and computing hardware customers, providing China-made substitute support from underlying materials to core hardware for "computing-electricity synergy".

Centering on this strategic transformation, the Group's overseas layout is advancing continually with the establishment of granular polysilicon plants in North America and mineral exploration in Africa progressing at an accelerated pace. The Group is building a "multi-regional, multinode, localized" global supply chain and production system. The global supply chain is currently forming a "dual-tier structure"—the mass market is determined by the cost curve, while the premium market is determined by compliance packages, traceability packages, and low-carbon packages. Guided by ESG values, the Group deeply embeds low-carbon attributes into its silicon-based and carbon-based new material matrix, strengthening its competitiveness and influence in the global market through green competitiveness. During the Reporting Period, guided by the principles of "low-carbon technology innovation, industrial ecosystem integration, digital intelligent empowerment, and global climate impact", the Group formulated a three-stage progressive action roadmap for 2023–2050, set clear targets of achieving carbon neutrality in operations by 2040 and across the entire value chain by 2050, achieved its short-term climate targets ahead of schedule, established a management system aligned with mainstream international climate disclosure standards, and broke down the emission reduction pathway into individual operating units and key process stages. On the supply chain front, the ISO 20400 sustainable procurement system was in regular operation, and ESG audits were extended upstream. On the finance front, the Group implemented its first sustainability-linked loan, establishing a value transmission pathway of "low-carbon technology — ESG performance — financing cost optimisation". On the governance front, a Group-wide digital ESG data management platform was established, enabling dynamic collection and monitoring of key indicators.

The Group adheres to long-termism and steadfastly practises the principle of "researching one generation, applying one generation, and reserving two generations". During the Reporting Period, the Group further established incentive and development mechanisms for its research and development team to consolidate the foundation of innovation, simultaneously adopting project co-investment, patent bonuses and long-term equity incentives, and implementing a dual-track talent recruitment approach comprising "young scientists + industry leaders", thereby building a full-chain talent pipeline spanning from basic research to industrial commercialisation. In addition, the Group systematically upgraded its intellectual property governance: establishing dual-track protection of patents and trade secrets for AI training data and generated content, while encrypting and solidifying core processes, formulas, and know-how as technical secrets. We institutionalized the ownership, attribution, and disclosure rules for AI-assisted inventions to prevent a "patent vacuum" in the AI era. Addressing the risks of reverse engineering and data leaks after migrating data to the cloud, the Group protects data sovereignty through technological safeguards and strengthens its technological barriers. In the first half of 2026, the Company's R&D expenses amounted to approximately RMB369 million, accounting for 6.38% of total revenue. New patent applications reached 138, and authorized patents reached 124, among which 88 were invention patents, demonstrating significant progress in the Group's R&D efforts.

From R&D and management innovation to the implementation of strategic transformation and the continuous expansion of the silicon-lithium-carbon materials landscape, the common driving force behind these developments is the deep integration of AI tools across the entire business value chain — AI has become the core cornerstone for driving the Group's high-quality growth and building differentiated competitiveness. On the R&D end, we have driven the digital and modular application, quality enhancement, and cost reduction of FBR granular polysilicon through AI simulation optimization and digital-intelligent empowerment. The GCL perovskite AI high-throughput embodied intelligence agent optimizes material formulations and processes using an AI brain, breaking the traditional paradigm of "experience + trial and error". This is equivalent to over 100 R&D personnel working continuously on a 24/7 basis, achieving a testing efficiency variance of less than 0.75%. "AI + Manufacturing" accomplishes an efficiency revolution and operational certainty. The battery boron diffusion process AI large model, virtual robots, AI ion regulation technology, "digital employees", AI power prediction technology and other digital-intelligent tools have driven the Group to achieve a leap from experience-driven to data-driven operations, and from mass production to flexible customization. On the management end, we have constructed an AI capability map covering finance, risk control, human resources, supply chain, new energy operations, and power trading, establishing a full stack privatized "AI + Business Assistant" system.

Finally, I would like to pay the highest tribute to the Company's Board of Directors, management, and all colleagues for their dedication and hard work in the first half of 2026. I also express my deepest gratitude to the Company's shareholders, partners, and all sectors of society for their long-term trust and support. In the second half of 2026, GCL Tech will seize policy opportunities, rewarding our shareholders' long-term trust and expectations with a robust operational foundation that transcends industry cycles. Looking ahead, with lithium battery materials, perovskites, and semiconductor silicon-based materials serving as new growth curves, the Company will embrace the vast sea of stars of the global energy transition and the AI industrial revolution.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The first half of 2026 was the most concentrated period of pressure for the PV industry in recent years. The average prices of polysilicon and wafers fell below the cash costs of most enterprises. Price depression and high polysilicon inventory in the market exerted pressure on the selling prices and sales volumes of the Company's granular polysilicon. Centered on the strategic axis of "silicon-lithium-carbon isomorphism", the Company continuously consolidated the core technological foundation of granular polysilicon and accelerated the incubation and capacity implementation of new businesses such as LFP cathodes, perovskites, silicon-carbon anodes, and semiconductor materials, demonstrating robust operational resilience during this critical window of policy-driven industry reshaping.

Results of the Group

For the six months ended 30 June 2026, the revenue and gross loss of the Group were approximately RMB5,777 million and RMB434 million, respectively. For the six months ended 30 June 2025, the revenue and gross loss of the Group were approximately RMB5,735 million and RMB700 million, respectively.

The Group recorded a loss attributable to owners of the Company of approximately RMB2,081 million, as compared with approximately RMB1,776 million for the corresponding period in 2025.

Segment Information

The Group is principally engaged in the manufacture and sale of polysilicon and wafer products and the ownership and operation of solar farms. The Group has identified the following reportable operating segments:

Solar material business	–	mainly manufactures and sells polysilicon and wafer products to companies operating in the solar industry.
Solar farm business	–	operates solar farms located in the USA and the PRC.

Business Review

Solar Material Business

Production

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

Revenue from solar materials business

For the six months ended 30 June 2026, revenue from external customers of the solar material business amounted to approximately RMB5,731 million, representing an increase of 1.2% from approximately RMB5,665 million for the corresponding period in 2025.

Polysilicon Segment

As of 30 June 2026,

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

Selling price - The average external selling price (excluding tax) of granular polysilicon was approximately RMB31.97 per kilogram in the first half of 2026.

Costs – The average production cash cost (excluding taxes) for granular polysilicon in the first half of 2026 was RMB25.23 per kilogram, ranking top level in the industry.

Granular Polysilicon Quarterly Costs and Selling Price

Granular Polysilicon	Unit	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2
Cash Cost (incl. R&D)	RMB/kg	27.07	25.31	24.16	24.03	25.37	25.09
External Sales Average Price (tax excl.)	RMB/kg	31.60	29.14	37.60	42.91	38.83	28.81

Granular polysilicon quality continued to improve, and downstream customer penetration significantly strengthened in the first half of 2026

The Group continues to deepen its efforts in granular polysilicon quality enhancement and efficiency improvement, new technology development, and new material incubation. On one hand, it breaks through with low-carbon and high-efficiency solutions, with its carbon footprint consistently setting new records among global silicon-based materials and contributing green premiums across the entire photovoltaic value chain. The commercial-scale production of self-developed catalysts, silicon powder substitution, and cold hydrogenation process upgrades have been implemented in an orderly manner, reducing the steam consumption per ton of granular silicon to within 10 t/t SiH_4. On the other hand, the Group leverages quality and cost as its shield to navigate the industry downturn. Purity has comprehensively reached and surpassed the requirements for N-type electronic-grade monocrystalline silicon wafers. Downstream customers have achieved 100% feeding of the Group's granular polysilicon in large-size monocrystalline ingot pulling, and customer adhesion to the Group's granular polysilicon continues to strengthen, resulting in an increasingly close and stable cooperative relationship between both parties.

In the first half of 2026, the Group's market share in the polysilicon market reached 23.12% by production volume and its market share by external sales volume is estimated to have ranked first, reaching a record high. In the first half of 2026, the top five customers for granular polysilicon accounted for 34%, 26%, 12%, 6% and 5% of total shipments respectively, reflecting a robust customer base.

Changes in Total Metal Impurity Content of Granular Polysilicon Products in the First Half of 2026

The quality level of the Company's granular polysilicon products achieved continuous breakthroughs. The proportion of products with a total metal impurity content of 5 elements ≤0.3ppbw surged substantially from 77.3% in Q2 2025 to 99.18% in Q2 2026, marking the basic realization of scaled and stable mass production of high-purity products. Based on the more stringent measurement standard of total metal impurities of 18 elements ≤1ppbw, the product proportion also rose from 91.8% in Q2 2025 to 99.56% in Q2 2026. The metal impurity control capabilities for granular polysilicon continue to break through strict industry requirements, further validating our mass production capabilities and quality stability for high-purity products.

Indicators	**2025 Q1**	**2025 Q2**	**2025 Q3**	**2025 Q4**	**2026 Q1**	**2026 Q2**
Metal 5 elements ≤0.5ppbw	95.3%	94.2%	93.7%	98.0%	98.56%	99.45%
Metal 5 elements ≤0.3ppbw	—	77.3%	81.3%	96.1%	97.81%	99.18%
Metal 18 elements ≤1ppbw	91.2%	91.8%	91.5%	97.8%	98.97%	99.56%

Changes in Turbidity Levels of Granular Polysilicon Products in the First Half of 2026

Regarding turbidity, the Company continuously pushed forward refined product optimization. Granular polysilicon has largely achieved turbidity levels below 100 NTU across the board, and the proportion of products with turbidity ≤70 NTU has also surged by approximately 40 percentage points, from 57.4% in Q2 2025 to 97.26% in Q2 2026, realizing a remarkable improvement in product turbidity levels. As turbidity continues to drop, the application adaptability of granular polysilicon products in downstream cell manufacturing processes is further enhanced, providing stronger raw material support for improving N-type wafer production efficiency and unit output.

The continuous improvement of the above indicators signifies that the Company's granular polysilicon has gradually established a refined and systematic quality control framework covering key metrics such as metal impurities and turbidity, continuously propelling product quality levels toward higher standards. Currently, the turbidity optimization results have earned widespread recognition from downstream customers. The overall crystal breakage rate is now comparable to the mass production levels of rod silicon during the same period, further helping customers improve their unit output. This reflects that the quality optimization results of granular polysilicon have moved beyond laboratory and single-indicator improvements, gradually translating into actual economic benefits for downstream customers in mass production applications.

Indicators	**2025 Q1**	**2025 Q2**	**2025 Q3**	**2025 Q4**	**2026 Q1**	**2026 Q2**
Turbidity ≤100NTU	97.7%	98.6%	98.0%	98.8%	99.48%	99.59%
Turbidity ≤70NTU	45.0%	57.4%	66.1%	91.0%	93.21%	97.26%

Ingot & Wafer Slicing Segment

As of 30 June 2026, the Group had an annual mono-silicon crystal pulling capacity of 16 GW (with continuous upgrades to the crystal pulling process and equipment, the production yield has increased to 187 ± 1 kg per day per unit.) and an annual wafer production capacity of 30 GW (31 December 2025: 35 GW, the decline was due to the Company closing down some inefficient production capacity in response to market conditions). During the period, the Group produced a total of 12.56 GW of wafers and sold 12.31 GW of wafers (including 6.22 GW of self-operated production and 6.09 GW of OEM production).

Process Optimization and Quality Control — During the period, the Group's ingot and wafer slicing segment continued to advance process optimization alongside cost reduction and efficiency enhancement. The proportion of wafers in the core resistivity range (1.0–1.4 Ω•cm) stably remained above 97%. Centering on core quality indicators, the Group continuously optimized the mono-silicon growth process in the pulling stage, further improving the concentration and uniformity of ingot resistivity. In the slicing stage, leveraging wheelbase modifications and the iteration of fine-wire technologies, the Group's slicing process capabilities have gradually surpassed industry benchmarks.

Cost Reduction and Efficiency Enhancement Results — During the period, all processes within the Company's ingot and wafer slicing segment achieved cost reductions: cash processing costs for pulling dropped by approximately 5.45% year-on-year, and cash processing costs for slicing dropped by approximately 0.55% year-on-year. In a market environment where product prices continuously face pressure, the Group buffered the impact of pricing on profitability and consolidated the segment's relative cost competitiveness through process improvements, parameter optimization, and scaled mass production.

Core R&D Project — During the period, the Group's single-furnace output reached 4,300 kg, and the silicon ingot diameter reached 162 mm, both exceeding established target requirements, laying a critical foundation for the industrial mass production of larger-diameter silicon ingots in the next stage.

Industrial Silicon Segment

As the core raw material for polysilicon production, the stable supply and cost control of the industrial silicon business have a direct impact on the overall competitiveness of the Company's solar material business. During the reporting period, centering on the mainline of "stabilizing production, reducing consumption, and ensuring controlled safety", the industrial silicon segment continuously advanced process optimization and equipment transformation.

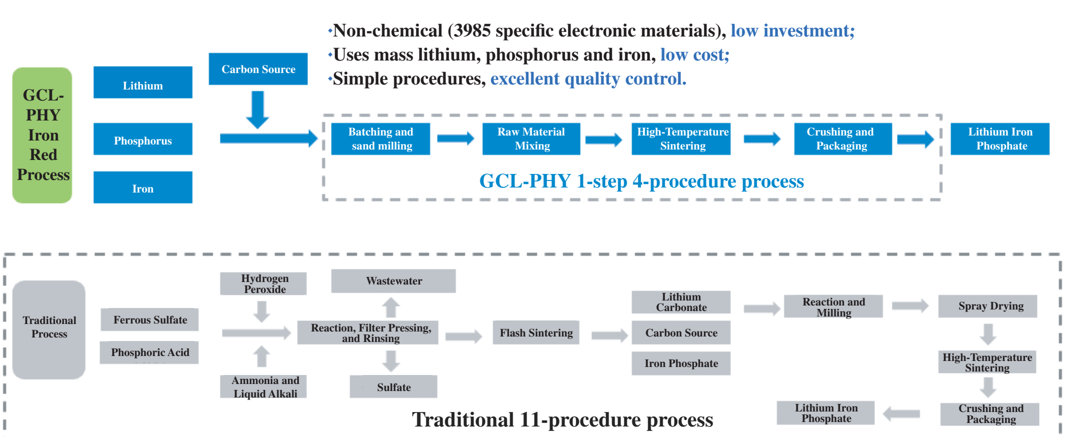
During the reporting period, influenced by the cyclical supply-demand imbalance in the photovoltaic industry and the downward price trend in the industrial silicon market, the production and sales scale of silicon lumps and silicon powder shrank year-on-year. Facing external market pressures, the segment sought to buffer the impact of declining prices on operations through measures such as flexibly adjusting operating loads, optimizing raw material procurement structures, and promoting intensive management.

Cathode Material Segment

For the six months ended 30 June 2026, the Company has expanded into the cathode material business, primarily through its non-wholly owned subsidiary, Leshan Xinneng New Materials Technology Co., Ltd.* (樂山鑫能新材料科技有限責任公司) ("**Leshan Xinneng**"), which manufactures and sells lithium iron phosphate cathode materials. As at 30 June 2026, the Group held a direct or indirect equity interest of 30% in Leshan Xinneng. Pursuant to the shareholders' agreement and acting in concert agreement entered into between the Company and certain local state-owned industrial guidance funds and financial consortia in the Leshan High-Tech Zone, the Company holds a majority of seats on the Board of Leshan Xinneng and exercises control over Leshan Xinneng; consequently, Leshan Xinneng is included within the scope of consolidation in the Group's financial statements. As at 30 June 2026, Leshan Xinneng entered a phase of continuous and stable production, marking a key turning point in the commercialization of the Company's cathode material business.

GCL-PHY Physical Iron Red Process Route

Leshan Xinneng's lithium iron phosphate cathode materials employ the GCL-PHY iron red process route, which has been developed by the GCL Group over several years and is granted on a royalty free basis to the Group. This process uses high-quality iron sources (iron red powder), phosphorus sources (phosphoric acid/phosphate), and lithium sources (lithium carbonate or lithium hydroxide) as core raw materials. It is innovatively realized through an "iron red physical route" and an "extremely simplified 4-step solid-phase process". The high-purity micro-nano iron oxide red (Fe_2O_3) used by GCL-PHY iron red possesses moderate particle hardness and regular morphology, allowing the materials to spontaneously form dense single-crystal or quasi-single-crystal particles during physical mixing and high-temperature solid-phase diffusion reactions. Consequently, the LFP cathode material produced by this process has a significant advantage in terms of compaction density compared with the wet process. Meanwhile, the GCL-PHY physical iron red method can be completed in just 4 steps: "iron red batching and sand milling, solid-phase mixing, high-temperature calcination (using a new type of tunnel kiln), and ultrafine jet milling". Utilizing new kiln temperature field controls, it eliminates the multi-step washing, drying, and calcination required by traditional wet processes, drastically cutting environmental and water treatment costs, with sintering temperatures and comprehensive energy consumption significantly lower than traditional processes.



Product Generational Layout and Compaction Density Evolution

The Group's lithium iron phosphate cathode materials are categorized into multiple generations such as C3, C7, C10, C15, C16, and C18 based on compaction density ranges and process generations, corresponding to Generation 3.5, Gen 4, Gen 4.5, Gen 5, and so on. In collaboration with GCL Lithium Battery's R&D team, centered on continuous innovation in precursor development, formulation design, and secondary sintering processes, the Group constantly improve primary particle controllability, compaction density, specific capacity, powder resistivity, and material processability to craft industry benchmark products. The Company has completed the R&D and downstream sampling of its fifth-generation product (2.70 g/cm^3); and plans to launch a Gen 5.5 high-compaction product in the second half of 2026, reaching 2.73–2.75 g/cm^3, seamlessly matching downstream demands for "high energy density + long cycle life" battery cells.

Product Model	**C3 - High Energy Efficiency**	**C7 - High Compaction**	**C10 - High Compaction High Power**	**C15 - High Capacity High Power**	**C16 - High Compaction Type**	**C18 - Ultra-High Compaction Type**
Key Physio-Chemical Indicators	Powder Compaction: 2.48g/cm^3 Normal Temp 0.5P Energy Efficiency: 96%	Powder Compaction: 2.55g/cm^3	Powder Compaction: 2.58g/cm^3 1C 3.2V platform 92%	1C 147mAh/g 3.2V platform 93.4%	Powder Compaction: 2.65g/cm^3 1C 141m Ah/g	Powder Compaction: 2.68g/cm^3 1C discharge 142.3mAh/g
D10/um	0.47	0.43	0.4	0.5	0.52	0.48
D50/um	0.99	1.03	1	1	1.1	1.48
D90/um	2.3	2.85	2.9	2.35	3.46	5.18
BET/m^2/g	2.3	12.9	14.3	14.2	14.4	14.02
C/%	1.18	1.19	1.12	1.12	1.14	1.19
3T Powder Compaction g/cm^3	2.48	2.55	2.58	2.53	2.65	2.69
pH	10.2	9.9	9.61	9.64	9.78	9.82
0.1C Charge Capacity mAh/g	162.6	162.5	162.6	162.9	162.45	162.9
0.1C Discharge Capacity mAh/g	158.4	159.9	160.2	161	160.5	160.9
First Efficiency %	97.4	98.4	98.5	98.8	98.8	98.8
1C Discharge Capacity mAh/g	138	140.5	143	147	142	142.3
Discharge Capacity mAh/g 3.2V Platform %	90%	91.50%	93%	93.4%	92.1%	94.4%

Capacity, Production, and Sales

For the six months ended 30 June 2026, under the Group's cathode material business, specifically the first phase of the Leshan base with an annual capacity of 200,000 tons was commissioned and commenced shipments in June 2026, with an average selling price (including tax) of RMB60,320/ton, which has achieved profitability since the commencement of operation. Full capacity operation is expected to be reached by the end of October 2026.

Based on the Group's internal estimates, for the six months ended 30 June 2026, the revenue scale of the cathode materials business was relatively small, primarily because the period was mainly the capacity construction and ramp-up stage for cathode materials, with production commencing relatively late. With subsequent capacity ramp-up and the release of economies of scale, the cathode material business is expected to have a positive impact on the Group's financial performance.

Solar Farm Business

Overseas Solar Farms

As at 30 June 2026, the solar farm business includes 18 MW of solar farms in the USA. Besides, 150 MW solar farms in South Africa, which partners with China-Africa Development Fund, with the total effective ownership of 9.7% held by the Group.

PRC Solar Farms

As at 30 June 2026, the solar farm business also includes 5 solar farms in the PRC, with both installed capacity and attributable installed capacity at 133.0 MW.

Sales Volume and Revenue

For the six months ended 30 June 2026, the electricity sales volume of solar farm business overseas and in the PRC were 12,755 MWh and 73,042 MWh, respectively (six months ended 30 June 2025: 12,846 MWh and 92,551 MWh, respectively).

For the six months ended 30 June 2026, revenue of the solar farm business was approximately RMB46 million (six months ended 30 June 2025: approximately RMB70 million). The decrease was mainly attributable to a lower contribution from renewable energy tariff subsidy income in the PRC.

Outlook

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

Financial Review

Revenue

Revenue for the six months ended 30 June 2026 amounted to approximately RMB5,777 million, representing an increase of 0.7% as compared with approximately RMB5,735 million for the corresponding period in 2025.

Gross Profit Margin

The Group's overall gross profit margin was a negative 7.5% for the six months ended 30 June 2026, compared with a negative 12.2% for the six months ended 30 June 2025. Gross loss amounted to approximately RMB434 million for the six months ended 30 June 2026, compared with approximately RMB700 million for the corresponding period in 2025. The improvement in negative gross profit margin was mainly due to increase in average selling price of granular polysilicon products compared with the corresponding period in 2025.

For the six months ended 30 June 2026, the negative gross profit margin of the solar material business was approximately 7.5%, compared with 12.7% for the six months ended 30 June 2025.

Other Income

Other income amounted to approximately RMB311 million for the six months ended 30 June 2026, compared with approximately RMB462 million for the corresponding period in 2025. It mainly comprised bank and other interest income of approximately RMB127 million, government grants of approximately RMB74 million, sales of scrap materials of approximately RMB73 million and rental income of approximately RMB23 million.

Distribution and Selling Expenses

Distribution and selling expenses increased from approximately RMB104 million for the six months ended 30 June 2025 to approximately RMB175 million for the six months ended 30 June 2026.

Administrative Expenses

Administrative expenses amounted to approximately RMB676 million for the six months ended 30 June 2026, representing an increase of 8.2% from approximately RMB625 million for the corresponding period in 2025. The increase was mainly due to increase in share-based payment expense resulting from newly granted award shares at the end of 2025.

Impairment Losses Recognised on Financial Assets

The Group recognised impairment losses on financial assets under the expected credit loss model of approximately RMB298 million for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately RMB264 million). For details, please refer to Impairment Loss on Financial Assets under IFRS 9 Expected Credit Loss Model section of this announcement.

Other (Losses)/Gains, Net

For the six months ended 30 June 2026, net losses of approximately RMB288 million were recorded under other (losses) gains, net, as compared with net gains of approximately RMB9 million for the six months ended 30 June 2025.

The net losses mainly comprised:

(i) impairment loss on property, plant and equipment of approximately RMB172 million (six months ended 30 June 2025: nil);

(ii) exchange loss of approximately RMB105 million (six months ended 30 June 2025: approximately RMB0.4 million).

(iii) deemed partial disposal loss of associates of approximately RMB73 million (six months ended 30 June 2025: approximately RMB6 million);

(iv) net loss on fair value change of investments at FVTPL of approximately RMB26 million (six months ended 30 June 2025: net gain of approximately RMB32 million);

(v) Approximately RMB54 million gain on fair value change of derivative financial instruments (six months ended 30 June 2025: loss of approximately RMB16 million);

(vi) Gain on fair value change of convertible bonds of approximately RMB34 million (six months ended 30 June 2025: nil);

(vii) no gain or loss on disposal of property, plant and equipment (six months ended 30 June 2025: loss of approximately RMB26 million); and

(viii) no gain or loss on deemed disposal of a subsidiary (six months ended 30 June 2025: gain of approximately RMB25 million).

Finance Costs

Finance costs for the six months ended 30 June 2026 were approximately RMB266 million, representing a decrease of 2.5% as compared with approximately RMB273 million for the corresponding period in 2025.

Share of Loss of Associates

The Group's share of losses of associates for the six months ended 30 June 2026 was approximately RMB211 million, mainly contributed by the following associates:

- Share of loss of approximately RMB91 million from Xuzhou Risheng Low Carbon Industry Investment Partnership (Limited Partnership)* (徐州日晟低碳產業投資合夥企業 (有限合夥)) ("**Xuzhou Risheng**");

- Share of loss of approximately RMB48 million from 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))("**Leshan Zhongping**") 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) ("**Leshan Zhongping Nengxin**"); and

- Share of loss of approximately RMB63 million from Inner Mongolia Zhonghuan Crystal Material Co., Ltd.* (內蒙古中環晶體材料有限公司) ("**Inner Mongolia Zhonghuan Crystal**").

Income Tax Credit

Income tax credit for the six months ended 30 June 2026 was approximately RMB112 million, as compared with approximately RMB42 million for the corresponding period in 2025. The increase was mainly due to reversal of the deferred tax liability on withholding tax previously recognised on undistributed profits of subsidiaries and release of deferred tax liabilities arising from taxation temporary differences on relevant property, plant and equipment as a result of depreciation charged during the six month ended 30 June 2026.

Loss Attributable to Owners of the Company

As a result of the above factors, the loss attributable to owners of the Company amounted to approximately RMB2,081 million for the six months ended 30 June 2026, as compared with approximately RMB1,776 million for the corresponding period in 2025.

Property, Plant and Equipment

Property, plant and equipment decreased from approximately RMB31,015 million as at 31 December 2025 to approximately RMB29,829 million as at 30 June 2026. The decrease was mainly attributable to depreciation and impairment losses recognised during the six months ended 30 June 2026.

Financial Assets at Fair Value Through Other Comprehensive Income

Financial assets at fair value through other comprehensive income decreased from approximately RMB2,917 million as at 31 December 2025 to approximately RMB2,068 million as at 30 June 2026. The decrease was mainly attributable to the change in fair value of 4.41% 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**") during the six months ended 30 June 2026.

Financial assets at fair value through other comprehensive income as at 30 June 2026 mainly consist of the below:

- The Group's investment in unlisted equity investments - Zhonghuan Advanced of approximately RMB1,627 million and SINO IC LEASING Co., Ltd* (芯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 RMB19 million;

Financial Assets at Fair Value Through Profit and Loss

Financial assets at fair value through profit and loss increased from approximately RMB2,661 million as at 31 December 2025 to approximately RMB2,669 million (including current and non-current part) as at 30 June 2026.

Financial assets at fair value through profit and loss as at 30 June 2026 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 RMB938 million.

- Unlisted fund investments represents the investments in non-voting redeemable shares of private funds of approximately RMB597 million.

- Investment in unsecured convertible bonds issued by Anyang Zhongyu Jinming Silicon Industry Co., Ltd.* (安陽市中豫錦明硅業有限公司) ("**Zhongyu Jinming**"), 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 RMB141 million.

Current Assets:

Unlisted financial products issued by financial institutions and banks in the PRC and Hong Kong Special Administrative Region amounted to approximately RMB706 million.

Interests in Associates

Interests in associates decreased from approximately RMB3,247 million as at 31 December 2025 to approximately RMB2,942 million as at 30 June 2026. The decrease was mainly due to the share of losses of associates recorded during the six months ended 30 June 2026.

Interests in associates as at 30 June 2026 mainly consist of the below:

- The Group's 39.75% equity interests in Kunshan GCL Optoelectronic Material Co., Ltd* (昆山協鑫光電材料有限公司) of approximately RMB1,664 million;

- The Group's 6.42% equity interest in Inner Mongolia Zhonghuan Crystal of approximately RMB566 million;

- The Group's 49.88% equity interest in Xuzhou Risheng of approximately RMB182 million.

- The Group's equity interest in Leshan Zhongping and Leshan Zhongping Nengxin of approximately RMB317 million in aggregate;

- The Group's 25% equity interest in Taicang Qianyuan Solar Technology Company Limited (太倉騫源光伏科技有限公司) of approximately RMB95 million; and
- The Group's 4.9% equity interests in Dynasty Digital Holdings Limited of approximately RMB50 million which include perpetual notes classified as financial assets at fair value through other comprehensive income.

Trade and Other Receivables

Trade and other receivables decreased from approximately RMB12,690 million as at 31 December 2025 to approximately RMB9,529 million as at 30 June 2026. The decrease was mainly due to decrease in bills receivables during the six months ended 30 June 2026.

Trade and Other Payables

Trade and other payables decreased from approximately RMB10,947 million as at 31 December 2025 to approximately RMB8,901 million as at 30 June 2026. The decrease was mainly due to decrease in trade payable during the six months ended 30 June 2026.

Balances with Related Companies

Amounts due from related companies increased from approximately RMB679 million as at 31 December 2025 to approximately RMB682 million as at 30 June 2026.

Amounts due to related companies decreased from approximately RMB252 million as at 31 December 2025 to approximately RMB212 million as at 30 June 2026. The decrease was mainly due to repayment of balances to related companies during the six months ended 30 June 2026.

Liquidity and Financial Resources

As at 30 June 2026, the total assets of the Group were approximately RMB70.0 billion, of which pledged and restricted bank deposits and bank balances and cash amounted in aggregate to approximately RMB14.0 billion.

For the six months ended 30 June 2026, the Group's main source of funding was cash generated from operating and financing activities.

Issuance of the 2026 Convertible Bonds

On 7 May 2026, GCL Solar Star Investment Limited, a wholly-owned subsidiary of the Company, completed the issue of convertible bonds in an aggregate principal amount of US$148 million with the guarantee provided by the Company (the "**2026 Convertible Bonds**"). The last closing price of the ordinary shares of HK$0.1 each in the capital of the Company (the "**Shares**") as quoted on the Stock Exchange on the trading day on which the subscription agreement was signed (i.e. 29 April 2026) was HK$0.95 per Share, and the initial conversion price is HK$1.21 per Share. Based on such initial conversion price and assuming full conversion of the 2026 Convertible Bonds at the initial conversion price, the 2026 Convertible Bonds will be convertible into a maximum of 958,562,976 new Shares.

The gross proceeds from the issue of the 2026 Convertible Bonds were US$148 million. The net proceeds from the issue of the 2026 Convertible Bonds were approximately US$145 million (equivalent to approximately HK$1,137 million). The Group intends to apply all of the net proceeds towards general corporate purposes and repayment of debts. Based on such net proceeds and assuming the full conversion of the 2026 Convertible Bonds, the net price per new Share be approximately HK$1.19. The 2026 Convertible Bonds have been offered and sold to no less than six independent placees (who are independent individual, corporate and/or institutional investors).

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$1,137 million from the 2026 Convertible Bonds:

	Intended use of the net proceeds	**Utilised during the six months ended 30 June 2026**	**Unutilised as at 30 June 2026**
	HK$ million	*HK$ million*	*HK$ million*
General corporate purpose	840	550	290
Repayment of indebtedness, of which			
– Repayment of offshore loan and related interest	217	10	207
– Repayment of interests of the Convertible Bonds	80	—	80
	297	10	287
Total	1,137	560	577

Use of Proceeds from Placing of New Shares

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 relevant placing agent 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 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 2025 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 2025 Placing I, after taking into account all related costs, fees, expenses and commission of the 2025 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.

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	**Unutilised as at 31 December 2025**	**Utilised during the six months ended 30 June 2026**	**Unutilised as at 30 June 2026**
	HK$ million	*HK$ million*	*HK$ million*	*HK$ million*
Capital expenditure in respect of solar related business	918	—	—	—
General working capital	612	108	108	—
Total	1,530	108	108	—

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, the Company entered into a subscription agreement in relation to the issue 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.

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

	Intended use of the net proceeds *HK$ million*	**Unutilised as at 31 December 2025** *HK$ million*	**Utilised during the six months ended 30 June 2026** *HK$ million*	**Unutilised as at 30 June 2026** *HK$ million*
Capital expenditure				
Structural adjustment of polysilicon production capacity *(note 1)*	1,800	1,800	—	1,800
Enhancement of the R&D and production capacity of silane gas and related materials *(note 2)*	905	824	639	185
Optimization of the Company's capital structure	800	—	—	—
General working capital	400	400	400	—
Repayment of bank loan	1,487	599	599	—
Total	5,392	3,623	1,638	1,985

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 expected the proceeds to be fully utilised on or before 31 December 2026.

Indebtedness

Details of the Group's indebtedness are as follows:

	As at 30 June 2026 *RMB Million*	As at 31 December 2025 *RMB Million*
Current liabilities		
Bank and other borrowings	**10,711**	12,364
Lease liabilities	**36**	42
Convertible bonds	**972**	—
	11,719	12,406
Non-current liabilities		
Bank and other borrowings	**6,033**	6,047
Lease liabilities	**58**	51
	6,091	6,098
Total indebtedness	**17,810**	18,504
Less: Bank balances and cash and pledged and restricted bank deposits	**(13,980)**	(13,893)
Net debt	**3,830**	4,611

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

	As at 30 June 2026 *RMB million*	As at 31 December 2025 *RMB million*
Secured	**8,804**	9,896
Unsecured	**9,006**	8,608
	17,810	18,504

As at 30 June 2026, 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 borrowings carried interest rates with reference to the Secured Overnight Financing Rate.

Key Financial Ratios of the Group

	As at 30 June 2026	As at 31 December 2025
Current ratio	**1.26**	1.23
Quick ratio	**1.18**	1.16
Net debt to total equity attributable to owners of the Company	**10.5%**	11.6%

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

Policy Risk

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

Credit Risk

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

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

Risk Related to Interest Rate

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

Foreign Currency Risk

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

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

Risk Related to Disputes with Joint Venture Partners

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

Pledge of or Restrictions on Assets

As at 30 June 2026, the following assets were pledged or restricted for certain bank and other borrowings, lease liabilities, issuance of bills, short-term letters of credit for settlement of trade and other payables granted to the Group:

— Property, plant and equipment of approximately RMB7.9 billion (31 December 2025: RMB7.4 billion)

— Right-of-use assets of approximately RMB0.4 billion (31 December 2025: RMB0.3 billion)

— Investment properties of approximately RMB0.3 billion (31 December 2025: RMB0.3 billion)

— Trade and bill receivables of approximately RMB3.1 billion (31 December 2025: RMB5.1 billion)

— Pledged and restricted bank deposits of approximately RMB4.3 billion (31 December 2025: RMB4.6 billion)

In addition, lease liabilities of approximately RMB0.1 billion are recognised with related right-of-use assets of approximately RMB0.1 billion as at 30 June 2026 (31 December 2025: lease liabilities of approximately RMB0.1 billion are recognised with related right-of-use assets of approximately RMB0.1 billion).

Capital and Other Commitments

As at 30 June 2026, the Group's capital commitments in respect of purchase of property, plant and equipment contracted for but not provided amounted to approximately RMB900 million (31 December 2025: RMB1,085 million) and other commitments to contribute share capital to investments of approximately RMB355 million (31 December 2025: RMB355 million).

Financial Guarantees Contracts

As at 30 June 2026, the Group provided a total guarantee with maximum amount of approximately RMB510 million (31 December 2025: 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 RMB319 million (31 December 2025: RMB297 million).

Contingent Liability

As at 30 June 2026 and 31 December 2025, the Group and the Company did not have any significant contingent liabilities.

Material Acquisitions and Disposals and Significant Investments

Save as disclosed elsewhere in this announcement, there were no other significant acquisitions and disposals during the six months ended 30 June 2026, nor did it have any significant investments.

Impairment Loss on Financial Assets under IFRS 9 Expected Credit Loss Model

During the six months ended 30 June 2026, the Group recognised an impairment loss on financial assets of approximately RMB298 million (for the six months ended 30 June 2025: RMB264 million representing the expected credit losses mainly on dividend receivable from a former associate and trade receivable from solar power plant) representing the expected credit losses mainly on dividend receivable from a former associate.

Basis of Expected Credit Losses ("**ECL**") assessment under IFRS 9

The impairment of financial assets were assessed in accordance with IFRS 9 Financial Instruments, which requires the Group to recognise expected credit losses based on a three-stage approach depending on changes in credit risk since initial recognition:

- Stage 1 (12-month ECL): For financial assets where credit risk have not increased significantly since initial recognition, the Group measures ECL based on 12-month expected credit losses, representing the portion of lifetime ECL expected to result from default events within 12 months after the reporting date.

- Stage 2 (Lifetime ECL without credit impairment): For financial assets where there have been a significant increase in credit risk since initial recognition but which are not credit-impaired, the Group measures ECL based on lifetime expected credit losses, representing the expected credit losses resulting from all possible default events over the expected life of the financial assets.

- Stage 3 (Lifetime ECL with credit impairment): For financial assets that are credit-impaired (i.e., objective evidence of impairment exists).

Calculation method of ECL

The ECL is derived from the three fundamental credit metrics; Probability of Default ("**PD**"), Loss Given Default ("**LGD**") and Exposure at Default ("**EAD**"). Mathematically, the ECL is calculated as the product of these three metrics (EAD x PD x LGD), adjusted for the time value of money and forward-looking macroeconomic factors.

For individually significant receivables, the Group performed an individual ECL assessment by estimating the expected future cash flows discounted at the original effective interest rate, incorporating forward-looking information and counterparty-specific credit risk assessments.

For financial assets that are not individually significant, the Group applied a collective assessment approach using a provision matrix based on historical loss experience adjusted for current economic conditions and reasonable and supportable forward-looking information (e.g., GDP growth forecasts, industry-specific economic indicators).

The Group identified dividend receivables due from a former associate is credit-impaired. The counterparty experienced the following challenges:

- Deterioration of company financial performance; and
- Adverse changes in polysilicon market

In light of the deteriorating financial position of that associate, the prolonged overdue status of the first tranche dividend receivable and the absence of a clear repayment plan, as at 31 December 2025, the Group had classified these receivables as Stage 3 (lifetime ECL with credit impairment) under the IFRS 9 three-stage model. During the six months ended 30 June 2026, the circumstances described above persisted, and these receivables remained classified as Stage 3, resulting in an ECL allowance of approximately RMB262 million during the period ended 30 June 2026. As at 30 June 2026, the Group recognised a total expected credit loss of RMB1,946 million on the entire dividend receivable from former associate (As at 31 December 2025: approximately RMB1,684 million).

In measuring the aforesaid ECL of dividend receivable from a former associate, the Group incorporated the following key assumptions:

- Probability of Default (PD): As at 30 June 2026 and as at 31 December 2025, the PD of 100% was applied to the entire outstanding dividend receivable due to default of the first tranche dividend receivable that should have been settled earlier. This constitutes objective evidence of credit impairment for the entire dividend receivable and to reflect the counterparty ongoing liquidity distress.

- Loss Given Default (LGD): As at 30 June 2026, an LGD of approximately 61.2% (31 December 2025: approximately 52.9%) was applied. The LGD was estimated by reference to Moody's Annual Default Study for historical senior unsecured bond recovery rates of comparable rating categories, together with a fundamental financial analysis of the counterparty to evaluate the net realisable value of its assets against its liabilities and determine the expected residual recovery.

- Exposure at Default (EAD): Generally approximated by the gross carrying amount of the entire dividend receivable.

Compared with the ECL assessment as at 31 December 2025, there was no change in the valuation methodology.

The ECL allowance has been recognised in the consolidated statement of profit or loss under the line item "Impairment losses recognised on financial assets".

Credit risk management and mitigation

The Group has strengthened its credit risk management practices during the period in response to the challenging economic environment, including:

- Enhanced due diligence procedures for new counterparties and collection of deposit arrangements, including credit checks and financial statement analysis
- Regular review of outstanding receivables and escalation procedures for overdue amounts
- Obtaining additional security, guarantees, or collateral where practicable for significant non-trade receivables
- Active monitoring of counterparty credit ratings and industry developments to identify early warning indicators of credit deterioration

Significant Events and Business Development After the Reporting Period

Save as disclosed above, the Group has no significant events and business development after the reporting period.

Employees

We consider our employees to be our most important resource. As at 30 June 2026, the Group had approximately 7,695 employees (31 December 2025: 8,536 employees) in PRC and overseas. Employees are remunerated with reference to individual performance, working experience, qualification and the prevailing industry practice. Apart from basic remuneration and the statutory retirement benefit scheme, employee benefits including but not limited to discretionary bonuses, with share options or share awards granted to eligible employees. Total staff costs (including Directors' emoluments, retirements benefits scheme contributions and share options scheme and share award scheme expenses) for the six months ended 30 June 2026 was approximately RMB774 million (for the six months ended 30 June 2025: RMB708 million).

Dividend

The Board did not recommend an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

CODE ON CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 June 2026, the Company has complied with the code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

MODEL CODE FOR SECURITIES TRANSACTIONS

The Board has adopted the model code for securities transactions by directors of listed issuers (the "**Model Code**") as set out in Appendix C3 of the Listing Rules. Having made specific enquiry of all Directors, each of the Directors confirmed that he/she has complied with the required standard of dealings as set out in the Model Code throughout the six months ended 30 June 2026.

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

On 15 March 2024, the Board approved a plan (the "**Share Buy-back and Cancellation or Dividend Payment Plan**") to conduct (i) buy-back and cancellation by the Company of its Shares from the open market over the three years ending 31 December 2026; and/or (ii) declaration and payment of dividends by the Company to its shareholders ("**Dividend Payment**"). The implementation of the Share Buy-back and Cancellation or Dividend Payment Plan is subject to prevailing market conditions and final approval of the Board at the relevant time. For details, please refer to the announcements of the Company dated 15 March 2024 and 13 December 2024, respectively. During the six months ended 30 June 2026, no Dividend Payment was made by the Company.

During the six months ended 30 June 2026, the Company repurchased a total of 727,388,000 Shares on the Stock Exchange at an aggregate price of approximately HK$510,456,000, and those repurchased Shares were held as treasury shares.

As at 30 June 2026, the Company held 727,388,000 treasury shares (including any treasury shares held or deposited with Central Clearing and Settlement System), which are intended to be used in accordance with the applicable rules and regulations, including but not limited to sale for cash, transfer and cancellation.

Save as disclosed above, during the six months ended 30 June 2026, 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).

AUDITOR'S AND AUDIT COMMITTEE'S REVIEW

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2026 have been reviewed by the Group's external auditor, Crowe (HK) CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410 issued by the Hong Kong Institute of Certified Public Accountants and by the Audit Committee of the Company which consists of three independent non-executive Directors, namely Mr. Yip Tai Him, Ir. Dr. Ho Chung Tai, Raymond and Dr. Shen Wenzhong. The Group's external auditor and Audit Committee of the Company expressed no disagreement with the accounting policies and principles adopted by the Group.

PUBLICATION OF 2026 INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the websites of the Company (www.gcltech.com) and the Stock Exchange (www.hkexnews.hk). The 2026 Interim Report containing all the information as required by the Listing Rules will be despatched to the shareholders and made available for review on the same websites in due course.

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

Hong Kong, 28 August 2026

* *English names for identification purposes only*

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