GCL Technology Holdings Limited
協 鑫 科 技 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3800)

ANNOUNCEMENT OF AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

Financial Highlights

	Year ended 31 December		
	2022	2021	% of changes
	RMB'million	*RMB'million*	
		(Restated)	
Continuing operations			
Revenue	**35,930.5**	16,868.4	113.0%
Gross profit	**17,495.5**	5,573.9	213.9%
Profit for the year attributable to owners of the Company	**16,393.7**	5,241.1	212.8%
Basic earnings per share	**RMB61.34 cents**	RMB21.32 cents	187.7%
Diluted earnings per share	**RMB61.21 cents**	RMB21.29 cents	187.5%
Discontinued operations			
Loss for the year attributable to owners of the Company	**(363.4)**	(157.2)	131.2%
Continuing and discontinued operations			
Profit for the year attributable to owners of the Company	**16,030.3**	5,083.9	215.3%
Basic earnings per share	**RMB59.98 cents**	RMB20.68 cents	190.0%
Diluted earnings per share	**RMB59.86 cents**	RMB20.65 cents	189.9%

The Board recommended the payment of a final dividend of HK$0.06 per share for the year ended 31 December 2022 (2021: nil), subject to the approval of the shareholders at the forthcoming annual general meeting of the Company.

Note: Discontinued operation represents the business of GNE. During the year, upon the distribution in specie of shares of GNE, GNE becomes an associate of the Group and the new energy business has been classified as discontinued operation.

RESULTS

The board of directors (the "**Board**" or the "**Directors**") of the Company announces the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2022 together with the comparative figures for the corresponding period in the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTES	**2022** ***RMB'000***	2021 *RMB'000* *(Restated)*
Continuing operations			
Revenue	*3*	**35,930,485**	16,868,378
Cost of sales		**(18,434,966)**	(11,294,404)
Gross profit		**17,495,519**	5,573,974
Other income	*5*	**975,631**	692,274
Distribution and selling expenses		**(142,916)**	(98,058)
Administrative expenses		**(1,706,283)**	(1,364,232)
Finance costs	*4*	**(239,507)**	(324,733)
Reversal of impairment losses (impairment losses) under expected credit loss model, net	*6*	**235,855**	(278,503)
Other expenses, gains and losses, net	*7*	**(2,344,362)**	(892,252)
Share of profits of associates		**4,116,548**	2,552,175
Share of losses of joint ventures		**(87,883)**	(78,032)
Profit before tax		**18,302,602**	5,782,613
Income tax expense	*8*	**(1,880,020)**	(543,992)
Profit for the year from continuing operations	*9*	**16,422,582**	5,238,621
Discontinued operation			
Loss for the year from discontinued operation	*15*	**(942,631)**	(537,614)
Profit for the year		**15,479,951**	4,701,007

	2022 *RMB'000*	2021 *RMB'000* *(Restated)*
Other comprehensive income (expense)		
Items that will not be reclassified to profit or loss:		
Fair value gain on investments in equity instruments at fair value through other comprehensive income	**64,215**	20,610
Share of other comprehensive income of associates	**67,530**	22,402
	131,745	43,012
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**76,490**	5,098
Share of other comprehensive income of an associate	**(941)**	—
Reclassification of exchange differences upon deemed disposal of subsidiaries	**(3,013)**	—
	72,536	5,098
Other comprehensive income for the year	**204,281**	48,110
Total comprehensive income for the year	**15,684,232**	4,749,117
Profit (loss) for the year attributable to:		
Owners of the Company		
– from continuing operations	**16,393,668**	5,241,186
– from discontinued operation	**(363,361)**	(157,234)
	16,030,307	5,083,952
Non-controlling interests		
– from continuing operations	**28,914**	(2,565)
– from discontinued operation	**(579,270)**	(380,380)
	(550,356)	(382,945)
	15,479,951	4,701,007
Total comprehensive income (expense) for the year attributable to:		
Owners of the Company	**16,202,796**	5,126,565
Non-controlling interests	**(518,564)**	(377,448)
	15,684,232	4,749,117

	NOTES	**2022**	2021
		RMB cents	*RMB cents*
			(Restated)
Earnings per share	*11*		
From continuing and discontinued operations			
– Basic		**59.98**	20.68
– Diluted		**59.86**	20.65
From continuing operations			
– Basic		**61.34**	21.32
– Diluted		**61.21**	21.29

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2022

	NOTES	**2022** **RMB'000**	2021 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**26,530,692**	18,292,536
Right-of-use assets		**1,570,978**	2,299,036
Investment properties		**378,493**	56,494
Intangible assets		**150,944**	179,870
Interests in associates		**14,985,018**	9,605,159
Interests in joint ventures		**201,383**	693,944
Investments at fair value through profit or loss		**707,027**	296,410
Equity instruments at fair value through other comprehensive income		**30,309**	41,683
Deferred tax assets		**575,871**	107,985
Deposits, prepayments and other non-current assets		**2,611,651**	2,179,398
Contract assets		**—**	40,941
Amounts due from related companies – non-trade related		**—**	24,481
Pledged and restricted bank and other deposits		**251,206**	464,640
		47,993,572	34,282,577
CURRENT ASSETS			
Inventories		**2,587,348**	950,575
Trade and other receivables	*12*	**23,621,398**	17,527,363
Amounts due from related companies – trade related	*14*	**221,067**	213,999
Amounts due from related companies – non-trade related		**567,682**	361,288
Investments at fair value through profit or loss		**253,845**	421,790
Held for trading investments		**3,035**	1,473
Tax recoverable		**137,533**	88,027
Pledged and restricted bank and other deposits		**3,543,342**	2,765,122
Bank balances and cash		**6,635,646**	6,702,316
		37,570,896	29,031,953
Assets classified as held for sale		**—**	783,384
		37,570,896	29,815,337

	NOTES	2022 RMB'000	2021 RMB'000
CURRENT LIABILITIES			
Trade and other payables	*13*	**19,580,904**	13,853,080
Amounts due to related companies – trade related	*14*	**219,923**	254,876
Amounts due to related companies – non-trade related		**3,276,441**	2,489,143
Loans from related companies		**—**	32,325
Contract liabilities		**1,113,281**	896,128
Bank and other borrowings – due within one year		**9,419,358**	5,022,964
Lease liabilities – due within one year		**104,904**	316,819
Notes payables – due within one year		**—**	467,305
Derivative financial instruments and other financial liabilities		**392,292**	112,759
Deferred income		**29,479**	53,355
Tax payables		**181,888**	155,774
		34,318,470	23,654,528
Liabilities associated with assets classified as held for sale		**—**	562,365
		34,318,470	24,216,893
NET CURRENT ASSETS		**3,252,426**	5,598,444
TOTAL ASSETS LESS CURRENT LIABILITIES		**51,245,998**	39,881,021
NON-CURRENT LIABILITIES			
Contract liabilities		**136,200**	36,000
Bank and other borrowings – due after one year		**3,806,496**	3,559,912
Lease liabilities – due after one year		**46,179**	468,301
Notes payables – due after one year		**—**	2,648,062
Deferred income		**85,515**	455,183
Deferred tax liabilities		**1,616,697**	411,958
		5,691,087	7,579,416
NET ASSETS		**45,554,911**	32,301,605
CAPITAL AND RESERVES			
Share capital		**2,359,838**	2,359,030
Reserves		**40,322,436**	26,666,983
Equity attributable to owners of the Company		**42,682,274**	29,026,013
Non-controlling interests		**2,872,637**	3,275,592
TOTAL EQUITY		**45,554,911**	32,301,605

NOTES:

1. BASIS OF PREPARATION

Statement of compliance

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

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

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

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

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

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

2. APPLICATION OF NEW AND AMENDMENTS TO THE IFRS STANDARDS

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

In the current year, the Group has applied the following amendments to IFRS Standards issued by the IASB for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2022 for the preparation of the consolidated financial statements:

- Amendments to IFRS 3, Reference to the Conceptual Framework
- Amendments to IFRS 16, COVID-19-Related Rent Concessions beyond 30 June 2021
- Amendments to IAS 16, Property, plant and equipment: Proceeds before intended use
- Amendments to IAS 37, Provisions, contingent liabilities and contingent assets: Onerous contracts — cost of fulfilling a contract
- Amendments to IFRSs, Annual Improvements to IFRSs 2018-2020

Except for the impacts of the adoption of the amended IFRSs discussed below, the application of the amendments in the current year has no significant impact on the Group's consolidated financial statements.

Amendments to IFRS 3 Reference to the Conceptual Framework

The Group has applied the amendments to business combinations for which the acquisition date was on or after 1 January 2022. The amendments update a reference in IFRS 3 *Business Combinations* so that it refers to the *Conceptual Framework for Financial Reporting 2018* (the "Conceptual Framework") instead of *Framework for the Preparation and Presentation of Financial Statements* (replaced by the *Conceptual Framework for Financial Reporting 2010*), add a requirement that, for transactions and events within the scope of IAS 37 or IFRIC-Int 21, an acquirer applies IAS 37 or IFRIC-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination and add an explict statement that an acquirer does not recognise contingent assets acquired in a business combination.

Amendments to IAS 16, Property, plant and equipment: Proceeds before intended use

The amendments prohibit an entity from deducting the proceeds from selling items produced before that asset is available for use from the cost of an item of property, plant and equipment. Instead, the sales proceeds and the related costs should be included in profit and loss. The amendments do not have a material impact on these financial statements as the Group does not sell items produced before an item of property, plant and equipment is available for use.

Amendments to IAS 37, Provisions, contingent liabilities and contingent assets: Onerous contracts — cost of fulfilling a contract

The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

Previously, the Group included only incremental costs when determining whether a contract was onerous. In accordance with the transitional provisions, the Group has applied the new accounting policy to contracts for which it has not yet fulfilled all its obligations at 1 January 2022, and has concluded that none of them is onerous.

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

The Group has not early applied the following new and amendments to IFRS Standards that have been issued but are not yet effective:

IFRS 17	Insurance Contracts and the related Amendments[1]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants[2]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to IAS 8	Definition of Accounting Estimates[1]
Amendments to IAS 12	Deferred tax related assets and liabilities arising from a single transaction[1]
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback[2]

1 Effective for annual periods beginning on or after 1 January 2023.

2 Effective for annual periods beginning on or after 1 January 2024.

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

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

Amendments to IAS 1 Classification of Liabilities as Current or Non-current ("2020 Amendments") and Non-current Liabilities with Covenants ("2022 Amendments")

The 2020 amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that:

  (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and

  (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date; and

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying IAS 32 *Financial Instruments: Presentation ("HKAS 32")*.

The 2022 Amendments modify the requirements introduced by the 2020 Amendments on how an entity classifies debt and other financial liabilities with covenants as current or non-current. The 2022 Amendments specify that only covenants with which the entity is requited to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting period. Covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

The 2022 Amendments also specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if the entity classify liabilities arising from loan arrangements as non-current when the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period.

The 2022 Amendments also defer the effective date of the 2020 Amendments to annual reporting periods beginning on or after 1 January 2024. The 2022 Amendments, together with the 2020 Amendments, are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted.

Based on the Group's outstanding liabilities as at 31 December 2022 and the related terms and conditions stipulated in the agreements between the Group and the relevant lenders, the application of the amendments will not result in a reclassification of the Group's liabilities.

Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies

IAS 1 is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

IFRS Practice Statement 2 Making Materiality Judgements (the "Practice Statement") is also amended to illustrate how an entity could judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement to help entities apply its "four-step materiality process" to accounting policy disclosures.

The directors of the Company do not expect the amendments will have material impact on the financial position or performance of the Group. The impacts of application on disclosures or presentation, if any, will be disclosed in the Group's future consolidated financial statements.

Amendments to IAS 8 Definition of Accounting Estimates

The amendments define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". Accounting policies may require items in financial statements to be measured in a way that involves measurement uncertainty – that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information.

In addition, the concept of changes in accounting estimates in IAS 8 is retained with the additional clarifications.

3. SEGMENT INFORMATION

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

Continuing operations

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

— Solar farm business – manages and operates solar farms located in the United States of America (the "USA") and the PRC. These solar farms were constructed or acquired by the Group prior to obtaining a controlling stake in GNE.

Discontinued operation

— New energy business – represents the business operations of GNE, which is principally engaged in the development, construction, operation and management of solar farms. Upon the completion of distribution in specie of shares of GNE during the year, GNE becomes an associate of the Group and the new energy business segment has been classified as discontinued operation.

Segment revenue and results

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

Year ended 31 December 2022

	Continuing Operations			Discontinued operation	
	Solar material business *RMB'000*	**Solar farm business** *RMB'000*	**Sub-total** *RMB'000*	**New energy business** *RMB'000*	**Total** *RMB'000*
Segment revenue	35,713,515	216,970	35,930,485	828,607	36,759,092
Elimination of inter-segment revenue	—	—	—	(9,038)	(9,038)
Revenue from external customer	35,713,515	216,970	35,930,485	819,569	36,750,054
Segment profit (loss)	16,535,166	33,897	16,569,063	(956,091)	15,612,972
Unallocated income			113,693	—	113,693
Unallocated expenses			(50,069)	—	(50,069)
Gain on fair value change of investments at FVTPL			5,592	—	5,592
Gain on fair value change of held for trading investments			392	—	392
Impairment loss under expected credit loss model			(147,445)	—	(147,445)
Share of losses of an associate			(29,076)	—	(29,076)
Share of losses of joint ventures			(26,108)	—	(26,108)
Operating expenses allocation for segment reporting purpose (Note)			(13,460)	13,460	—
Profit (loss) for the year			16,422,582	(942,631)	15,479,951

Year ended 31 December 2021

	Continuing operations			Discontinued operation	
	Solar material business *RMB'000*	Solar farm business *RMB'000*	Sub-total *RMB'000*	New energy business *RMB'000*	Total *RMB'000*
Segment revenue	16,653,431	214,947	16,868,378	2,844,899	19,713,277
Elimination of inter-segment revenue	—	—	—	(15,299)	(15,299)
Revenue from external customers	16,653,431	214,947	16,868,378	2,829,600	19,697,978
Segment profit (loss)	5,350,148	45,995	5,396,143	(580,675)	4,815,468
Unallocated income			31,304	24,110	55,414
Unallocated expenses			(92,103)	—	(92,103)
Gain on fair value change of investments at FVTPL			7,589	—	7,589
Loss on fair value change of held for trading investments			(1,873)	—	(1,873)
Impairment losses under expected credit loss model			(103,506)	—	(103,506)
Share of profits of joint ventures			20,018	—	20,018
Operating expenses allocation for segment reporting purpose (Note)			(18,951)	18,951	—
Profit (loss) for the year			5,238,621	(537,614)	4,701,007

Note: The operating results of new energy business included allocated corporate expenses.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit (loss) represents the profit (loss) of each respective segment excluding unallocated income, unallocated expenses, certain impairment losses under expected credit loss model, net, change in fair value of certain financial assets at FVTPL, change in fair value of held for trading investments, shares of profits (losses) of interests in certain joint ventures and 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:

	2022	2021
	RMB'000	*RMB'000*
Segment assets		
Solar material business	**81,800,878**	44,607,760
Solar farm business	**1,911,745**	1,903,182
Total segment assets relating to continuing operations	**83,712,623**	46,510,942
Assets relating to discontinued operation	**—**	15,888,176
Investments at FVTPL	**418,457**	409,462
Equity instruments at FVTOCI	**30,309**	41,683
Held for trading investments	**3,035**	1,473
Interest in an associate	**231,753**	—
Interests in joint ventures	**189,222**	242,768
Unallocated bank balances and cash	**685,554**	632,082
Unallocated corporate assets	**293,515**	371,328
Consolidated assets	**85,564,468**	64,097,914
Segment liabilities		
Solar material business	**39,299,711**	22,123,122
Solar farm business	**668,363**	715,717
Total segment liabilities relating of continuing operations	**39,968,074**	22,838,839
Liabilities relating to discontinued operation	**—**	8,855,862
Unallocated corporate liabilities	**41,483**	101,608
Consolidated liabilities	**40,009,557**	31,796,309

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

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

- All liabilities are allocated to operating segments, other than liabilities relating to discontinued operation and unallocated corporate liabilities of the management companies and investment holding companies; and

- Upon the completion of distribution in specie of shares of GNE (note 10) during the year ended 31 December 2022, GNE becomes an associate of the Group and the interest in GNE accounted for using equity method has been classified as "unallocated assets" and the perpetual notes classified as financial assets at fair value through other comprehensive income has been included in the segment assets of solar material segment.

Disaggregation of revenue from contracts with external customers from continuing operations

For the year ended 31 December 2022

Segments	**Solar material business** *RMB'000*	**Solar farm business** *RMB'000*	**Total** *RMB'000*
Types of goods or services			
Sales of wafer	14,045,577	—	14,045,577
Sales of electricity	—	216,970	216,970
Sales of polysilicon	17,661,338	—	17,661,338
Processing fees	2,793,280	—	2,793,280
Others (comprising the sales of ingots)	1,213,320	—	1,213,320
Total	35,713,515	216,970	35,930,485

For the year ended 31 December 2021

Segments	**Solar material business** *RMB'000*	**Solar farm business** *RMB'000*	**Total** *RMB'000* *(Restated)*
Types of goods or services			
Sales of wafer	8,456,880	—	8,456,880
Sales of electricity	—	214,947	214,947
Sales of polysilicon	5,964,921	—	5,964,921
Processing fees	1,665,103	—	1,665,103
Others (comprising the sales of ingots)	566,527	—	566,527
Total	16,653,431	214,947	16,868,378

Geographical information

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

	2022	2021
	RMB'000	*RMB'000*
		(Restated)
The PRC	**35,258,305**	16,107,047
Others	**672,180**	761,331
	35,930,485	16,868,378

4. FINANCE COSTS

	2022	2021
	RMB'000	*RMB'000*
		(Restated)
Continuing operations		
Interest on financial liabilities at amortised cost		
— bank and other borrowings	**215,567**	292,010
— loans from related companies	**4,440**	—
— other financial liabilities	**15,859**	—
Interest on lease liabilities	**14,554**	38,236
Total borrowing costs	**250,420**	330,246
Less: interest capitalised	**(10,913)**	(5,513)
	239,507	324,733

There was no borrowing costs capitalised during the years ended 31 December 2022 and 2021 from the general borrowing pool.

5. OTHER INCOME

	2022	2021
	RMB'000	*RMB'000*
Continuing operations		*(Restated)*
Government grants	**105,292**	90,178
Bank and other interest income	**100,809**	61,950
Sales of scrap materials	**708,179**	419,182
Management and consultancy fee income	**7,799**	12,778
Rental income	**41,699**	47,168
Write back of other payables	**3,257**	54,113
Compensation income	**694**	4,818
Recovery of bad debt written off	**5,424**	—
Others	**2,478**	2,087
	975,631	692,274

6. REVERSAL OF IMPAIRMENT LOSSES (IMPAIRMENT LOSSES) UNDER EXPECTED CREDIT LOSS MODEL, NET

	2022	2021
	RMB'000	*RMB'000*
Continuing operations		*(Restated)*
Impairment losses reversed (recognised), net, in respect of		
— trade receivables – goods and services	**301,008**	(16,147)
— other receivables	**(65,153)**	(262,356)
	235,855	(278,503)

7. OTHER EXPENSES, GAINS AND LOSSES, NET

	2022	2021
	RMB'000	*RMB'000*
Continuing operations		*(Restated)*
Research and development costs	**1.685,721**	1,040,606
Exchange (gains)/losses, net	**(139,971)**	59,443
Loss on fair value change of investments at FVTPL	**81,050**	51,902
(Gain)/loss on fair value change of held for trading investments	**(392)**	1,873
Loss on fair value change of derivative financial instruments	**3,604**	20,566
(Gain)/loss on fair value change of convertible bond payable	**(11,773)**	35,180
Impairment loss on property, plant and equipment *(Note)*	**804,115**	61,303
Loss on disposal of property,plant and equipment	**164,793**	42,080
Gain on partial disposal/deemed disposal of an associate and a joint venture	**(201,537)**	(398,475)
Gain on disposal of subsidiaries, net	**(41,248)**	(16,134)
Gain on disposal of right-of-use assets	**—**	(6,092)
	2,344,362	892,252

Note: In face of the new energy changes and market challenges, the Director resolved that the Group will withdraw from the production of rod silicon with high cost in an orderly manner and shift the limited production capacity to granular silicon with high profit margin so as to maximize the Group's profit with limited production capacity. During the year ended 31 December 2022, the Directors resolved that the production of rod silicon will be completely suspended by the end of 2023. The Directors conducted a review of the recoverable amount of the cash generating unit ("CGU") of the rod silicon business unit in solar material segment to which the property, plant and equipment belonged as at 31 December 2022. The recoverable amount of this CGU has been determined based on a value in use calculation with reference to the valuation report of an independent valuer. Accordingly, an impairment provision of approximately RMB804 million was made in respect of the relevant property, plant and equipment of the solar material business segment for the year ended 31 December 2022.

8. INCOME TAX EXPENSE

	2022	2021
	RMB'000	*RMB'000*
Continuing operations		*(Restated)*
PRC Enterprise Income Tax ("**EIT**")		
Current tax	**1,193,390**	129,781
Overprovision in prior years	**(20,326)**	(702)
PRC dividend withholding tax	**—**	—
	1,173,064	129,079
USA Federal and State Income Tax		
Current tax	**118**	340
Underprovision in prior years	**26**	6
	144	346
Deferred tax	**706,812**	414,567
	1,880,020	543,992

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

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

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

Federal and State income tax rates in the USA were calculated at 21% and 8.84%, respectively, for both years.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduced the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million is taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The Directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

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

9. PROFIT FOR THE YEAR

	2022	2021
	RMB'000	*RMB'000*
Continuing operations		*(Restated)*
Profit for the year has been arrived at after charging (crediting) the following items:		
Staff costs, including directors' remuneration		
Salaries, wages and other benefits	**1,752,682**	1,010,596
Retirement benefits scheme contributions	**131,457**	91,762
Share-based payment expenses	**185,068**	—
Total staff costs*	**2,069,207**	1,102,358
Depreciation of property, plant and equipment	**1,778,717**	1,208,464
Depreciation of right-of-use assets	**177,240**	189,788
Depreciation of investment properties	**17,085**	4,655
Amortisation of other intangible assets	**33,682**	33,474
Total depreciation and amortisation	**2,006,724**	1,436,381
Less: amounts absorbed in opening and closing inventories, net	**(50,237)**	(768)
	1,956,487	1,435,613
Auditors' remuneration	**13,450**	11,934

10. DIVIDEND

	2022	2021
	RMB'000	*RMB'000*
Special interim dividend by way of distribution of shares in GNE *(Note 1)*	**1,963,482**	—
Proposed final dividend proposed after the end of the reporting period of HK$6.0 cents per ordinary share (2021: Nil) *(Note 2)*	**1,423,154**	—

Notes:

(1) On 30 August 2022, a conditional special interim dividend was declared by the Board of the Company through a distribution in specie of 8,639,024,713 ordinary shares of GNE ("**DIS shares**") (approximately 31% of the issued capital of GNE) on the basis of 318 GNE shares for every 1,000 shares of the Company held by the shareholders of the Company ("**Distribution in Specie**"). The resolutions in relation to Distribution in Specie were passed by shareholders of the Company at the extraordinary general meeting of the Company held on 22 September 2022 and the DIS shares were distributed to the shareholders of the Company during the year ended 31 December 2022.

(2) The proposed final dividend proposed after the end of the reporting period is subject to the approval of the Company's shareholders at the forthcoming annual general meeting and has not been recognised as a liability at the end of the reporting period.

The total final dividend payable is based on the total number of shares (adjusted for the ordinary shares purchased by the Trustee from the market pursuant to the share award scheme) as at the date of approval of these financial statements by the board of directors which includes the cancellation of shares subsequent to the end of the reporting period.

11. EARNINGS (LOSS) PER SHARE

From continuing and discontinued operations

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

	2022	2021
	RMB'000	*RMB'000*
Earnings		
Earnings for the purpose of basic and diluted earnings per share (Profit for the year attributable to owners of the Company)	**16,030,307**	5,083,952

	2022	2021
	'000	*'000*
		(Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**26,726,344**	24,580,155
Effect of dilutive potential ordinary shares		
— Share options issued by the Company	**25,403**	37,606
— Award shares granted by the Company	**28,991**	—
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**26,780,738**	24,617,761

For the years ended 31 December 2022, the weighted average number of ordinary shares for the purpose of calculation of basic earnings per share had been adjusted for (i) the effect of the 524,498,888 ordinary shares (2021: 322,998,888 ordinary shares) purchased by the Trustee from the market pursuant to the share award scheme and (ii) the effect of the 31,625,000 treasury shares (2021: nil) purchased by the Group from market.

Diluted earnings per share for the years ended 31 December 2022 and 2021 is calculated by adjusting the weighted average number of ordinary shares in issue during the period with the weighted average number of ordinary shares deemed to be issued assuming the dilutive impact of certain share options and award shares granted. In addition, certain share options and award shares granted were not assumed to be exercised as they would have an anti-dilutive impact on the earnings per share.

Diluted earnings per share for the years ended 31 December 2022 and 2021 did not assume the exercise of share options granted by GNE since the exercise would result in increase in earnings per share for 2022 and 2021. In addition, the convertible bond issued and put options granted by a subsidiary to non-controlling shareholders of a subsidiary have no dilutive effect on the earnings per share for the years ended 31 December 2022 and 2021.

From continuing operations

The calculation of the basic and diluted earnings per share from continuing operations attributable to the owners of the Company is based on the following data:

Earnings figures are calculated as follows:

	2022	2021
	RMB'000	*RMB'000*
		(Restated)
Profit for the year attributable to owners of the Company	**16,030,307**	5,083,952
Add: Loss for the year from discontinued operation attributable to owners of the Company	**363,361**	157,234
Earnings for the purpose of basic and diluted earnings per share		
Profit for the year from continuing operations attributable to owners of the Company	**16,393,668**	5,241,186

From discontinued operations

Basic loss per share from the discontinued operations is RMB1.36 cents per share (2021: RMB0.64 cent per share) based on the loss for the year from the discontinued operation attributable to owners of the Company of RMB363,361,000 (2021: RMB157,234,000) and the denominators set out above for basic earnings per share.

Diluted loss per share from discontinued operation is RMB1.35 cents per share (2021: RMB0.64 cents per share) based on the loss for the year from discontinued operation attributable to owners of the Company of RMB363,361,000 (2021: RMB157,234,000) and the denominators set out above for diluted earnings per share.

12. TRADE AND OTHER RECEIVABLES

	2022	2021
	RMB'000	*RMB'000*
Trade and bill receivables *(Note a):*		
— Bill receivables	**17,853,765**	9,319,903
— Trade receivables	**979,834**	2,288,579
	18,833,599	11,608,482
Other receivables:		
— Refundable value-added tax	**1,463,673**	311,583
— Consideration receivables	**441,525**	1,322,236
— Receivables for modules procurement	**—**	62,800
— Prepayments	**920,380**	686,458
— Amounts due from former subsidiaries *(Note b)*	**42,490**	2,917,863
— Short-term loan to a third party	**1,617,362**	—
— Others	**789,248**	1,788,638
	24,108,277	18,698,060
Less: allowance for credit losses (Trade)	**(79,509)**	(94,804)
Less: allowance for credit losses (Non-Trade)	**(407,370)**	(1,075,893)
	23,621,398	17,527,363

Notes:

(a) The Group allows a credit period of approximately one month from the invoice date for trade receivables (excluding those arising from sales of electricity) and may further extend it for 3 to 6 months for settlement through bills issued by banks and financial institutions obtained from trade customers.

The following is an aging analysis of trade receivables (excluding sales of electricity and bills held by the Group for future settlement), net of allowances for credit losses, presented based on the invoice date at the end of the reporting period:

	2022	2021
	RMB'000	*RMB'000*
Within 3 months	**478,009**	185,580
3 to 6 months	**5,521**	642
Over 6 months	**17,929**	78,420
	501,459	264,642

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

The following is an aging analysis of trade receivables arising from sales of electricity (excluding bills held by the Group for future settlement), net of allowances for credit losses, presented based on the invoice date at the end of the reporting period:

	2022	2021
	RMB'000	*RMB'000*
Unbilled *(Note)*	**396,464**	1,492,086
Within 3 months	**1,856**	108,200
3 to 6 months	**546**	72,706
Over 6 months	**—**	256,141
	398,866	1,929,133

Note: Amount represents unbilled basic tariff receivables for solar power plants operated by the Group, and tariff adjustment receivables of those solar power plants already registered in the Renewable Energy Tariff Subsidy List. The Directors expect the unbilled tariff adjustments would be generally billed and settled within one year from the end of the reporting period.

All bills received by the Group are with a maturity period of less than one year.

(b) The amount represents amounts due from former subsidiaries of which the Group disposed of the entire interests during the years ended 31 December 2022 and 2021. The amounts are non-trade in nature, unsecured, non-interest bearing and have no fixed term of repayment.

13. TRADE PAYABLES

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:

	2022	2021
	RMB'000	*RMB'000*
Within 3 months	**3,345,033**	2,664,015
3 to 6 months	**4,605,580**	3,226,551
More than 6 months	**82,921**	48,410
	8,033,534	5,938,976

14. BALANCES WITH RELATED COMPANIES

The following is an aging analysis of amounts due from related companies, associates and joint ventures (trade related), net of allowance of credit losses, at the end of the reporting period, presented based on the invoice date which approximated the respective revenue recognition dates:

	2022	2021
	RMB'000	*RMB'000*
Within 3 months	**127,935**	190,472
3 to 6 months	**4,659**	5,130
More than 6 months	**88,473**	18,397
	221,067	213,999

The following is an aging analysis of amounts due to related companies, associates and a joint venture (trade related) at the end of the reporting period, presented based on the invoice date:

	2022	2021
	RMB'000	*RMB'000*
Within 3 months	**117,865**	247,622
3 to 6 months	**32**	2,769
More than 6 months	**102,026**	4,485
	219,923	254,876

Note: The amounts due from/to related companies are unsecured, non-interest bearing and the credit period for trade-related balances are normally within 30 days (2021: 30 days).

15. DISCONTINUED OPERATION

As set out in note 10, a special interim divided by way of distribution of shares of shares of GNE was declared and distributed to the shareholders during the year ended 31 December 2022. Upon the completion of Distribution in Specie, the Group's effective interest in GNE was changed from 44.44% to 7.44%. The principal activities of GNE are the development, contruction, operation and management of solar farms, which represent a separate line of major business and the Distribution in Specie constitutes the classification of GNE's operation as discontinued operation. Accordingly, the results of new energy business are presented as a discontinued operation in the consolidated financial statements.

The loss for the period/year from the discontinued operations is analysed as follows:

	2022	2021
	RMB'000	*RMB'000*
Revenue	**819,569#**	2,829,600#
Cost of sales	**(446,143)#**	(1,055,989)#
Gross profit	**373,426**	1,773,611
Other income	**57,309#**	74,597#
Other gains and losses, net	**(532,029)**	(153,411)
Impairment loss on expected credit loss model, net	**(138,867)**	(60,515)
Administrative expenses	**(362,458)#**	(670,030)#
Share of profits of associates	**112,511**	99,461
Share of profits of joint ventures	**—**	16
Finance costs	**(438,196)**	(1,578,409)
Loss before tax	**(928,304)**	(514,680)
Income tax expense	**(17,340)**	(47,044)
Loss after tax	**(945,644)**	(561,724)
Elimination of intra-group interest capitalised by GNE	**—**	24,110*
Reclassification of exchange differences upon completion of Distribution in Specie	**3,013**	—
Loss from discontinued operation	**(942,631)**	(537,614)

* For the year ended 31 December 2021, the impairment loss on property, plant and equipment of GNE was reduced by RMB24,110,000 in respect of the elimination of the intra-group interest charged by the Group and capitalised by GNE Group.

\# The inter-company transactions between continuing operations of the Group and GNE Group before Distribution in Specie have been eliminated against the revenue, cost of sales, other income and administrative expenses of discontinued operation.

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

Since the industrial revolution, the world economic development has been highly dependent on oil, coal and other fossil fuels. The resources are relentlessly consumed and on the verge of scarcity. The earth ecosystem and human living environment have been under constant pressure, which has led to a series of problems such as intensified geopolitical conflicts and frequent global extreme climate events, seriously threatening the sustainable development of human society. Breaking through the resources bottleneck and promoting the new "industrial revolution" with the "energy revolution" has become the primary task for mankind. Therefore, it is urgent to vigorously develop clean and renewable energy, continuously improve energy supply, and continuously reduce emissions and carbon.

In recent years, the non-renewable resources consumption has led to weak total energy growth[1], but the installed capacity of clean energy, represented by photovoltaics, continues to grow at a high speed, and becomes the dominant incremental energy supply. In 2022, the global new installed photovoltaics capacity was 255GW, up 40% year-on-year[2], and the global annual compound growth rate of photovoltaic installed capacity reached 23% in 2013-2022. Among them, China contributed 87.4GW of newly installed capacity, accounting for 39%[3] of total, with a year-on-year increase of 59.3%[4] and a 10-year compound growth rate of 26%. In 2023, the global newly installed photovoltaic capacity is expected to exceed 400GW, of which China is forecast to be over 120GW, an expected increase of more than 40%. Under the background of extreme climate change and the long-term governments' strategic support for new energy installations, we predict that by 2030, the annual new installed photovoltaic capacity will reach 1 terawatt level.

Major economies are stepping up the formulation and implementation of carbon border trade policies, and low-carbon emission requirements will become the new international trade rule in the future. In February 2023, the European Union formally adopted the Carbon Border Adjustment Mechanism (CBAM), and will impose "carbon tariffs" on products in six major fields including electricity in 2026. In 2022, the Clean Competition Act (CCA) was submitted to the Congress of the United States, which proposed that the US should adjust its carbon border on energy-intensive imported products from 2024, and also encouraged the decarbonisation of American manufacturing industry. In the future, international carbon tariffs will become the core component of the world trade system, which will undoubtedly lead to the further increase of the traditional energy generation cost. Therefore, it is the only way for enterprises who want to lock in future competitive advantages to gain footprint in green manufacturing and build an internationally recognized "zero-carbon factory".

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1 "BP Statistical Review of World Energy (2021 Edition)" saw a 10-year annual compound growth of 1.9% in disposable energy consumption in 2009-2019, and the negative growth in 2020 due to the pandemic was not included in the statistical scope.

2 Bloomberg "1Q 2023 Global PV Market Outlook"

3 According to the Analysis and Forecast Report on the 2023 National Power Supply and Demand Situation by China Electricity Council, the 2022 newly installed power generation capacity in China was 200 million kW.

4 National Energy Administration and CPIA

At present, global trade disputes are intensifying. Some countries and regions, such as India and the United States, have successively adopted trade protection and industrial support policies, trying to establish and improve their domestic manufacturing systems and reduce their dependence on China's photovoltaic capacity. India has announced a new round of Production Linked Incentive (PLI) Scheme to develop 65GW capacity in India through financial incentives. The United States has successively introduced a series of trade protection measures and political means, such as anti-dumping of photovoltaic products, Sections 201 and 301, in an effort to restrict and suppress the photovoltaic products export of China. Meanwhile, the United States passed the Inflation Reduction Act (IRA), which provided a series of tax and subsidy measures on both the supply and demand sides of photovoltaics, including the manufacturing tax credit for solar photovoltaic materials at the photovoltaic manufacturing end, and increasing the proportion and duration of tax credit to stimulate local photovoltaic demand, attract photovoltaic enterprises to set up factories in the United States, and help them rebuild the local photovoltaic industry chain. Recently, the European Commission announced the Green Deal Industrial Plan (GDIP), which plans to optimize the regulatory environment, financing channels, industrial skills and trade openness of the EU photovoltaic industry in order to achieve a more flexible supply chain. The governments' promotion of the photovoltaic supply chain localization is not only a challenge but also a new opportunity to broaden the international market for China photovoltaic enterprises with global leading technological advantages. Therefore, it is an important task and a severe challenge for China photovoltaic enterprises to steadily accelerate the strategic layout of overseas production capacity, broaden overseas financing channels, establish dialogues with global capital markets, and accelerate the absorption and training of international talents.

Business Review for 2022

In 2022, GCL Technology produced a total of 104,723 MT of polysilicon (excluding the output of associate companies) and 46.66 GW of monocrystalline silicon, up 120% and 22.4% year-on-year. For the year ended 31 December 2022, the Company recorded revenue from continuing operations of RMB35,931 million, an increase of 113.0% compared with the corresponding period in 2021; the gross profit was approximately RMB17,496 million, an increase of 213.9% compared with the corresponding period in 2021. The profit attributable to shareholders of the Company from both continuing operations and discontinued operations was approximately RMB16,030 million, and the basic earnings per share was approximately RMB59.98 cents. The Board recommended the payment of a final dividend of HK$0.06 per share for the year ended 31 December 2022, resulting in a total distributed profit of HK$1,593 million[5].

5 Subject to the approval of the shareholders at the forthcoming annual general meeting of the Company.

GCL Technology reduced its shareholding in GCL New Energy to maximize its long-term value

In the whole photovoltaic industry chain, GCL Technology continues to take the lead by virtue of technological innovation. However, as the GCL New Energy achieved its light-asset strategy transformation, GCL Technology gradually changed from the downstream business alone of the photovoltaic industry chain to other diversified clean energy businesses. The operational and financial synergy between the two companies gradually weakened.

Considering the overall development sustainability and shareholders' returns, the Group aims to concentrate on strengthening resources to develop the core business of polysilicon materials, create long-term value for shareholders, make the photovoltaic upstream business structure more clear, prominent and competitive, enhance the investment attraction and truly leverage the value of the stock market. As such, GCL Technology completed the distribution of GCL New Energy ordinary shares by way of distribution in specie ("**DIS Shares**") to qualified shareholders on September 29, 2022, and the Group's shareholding in GCL New Energy decreased from 44.44% to 7.44%. As GCL New Energy is no longer included in the Group's consolidated statements, the Group had an enhanced transparency in financial position, which will help the capital market to re-evaluate the GCL Technology's growth potential and profitability, and assist the Group to better play its inherent long-term potential and maximize its long-term value.

Openness and win-win cooperation to build a new photovoltaic industry ecosystem

With the continuous iteration of photovoltaic technology, the standardized production technology has gradually led to homogeneous industry competition, and many enterprises have adopted integrated strategies to maintain their competitive advantages. However, the Company has adopted a unique way to focus on breaking the industry bottleneck, promoting differentiated competition with technological progress, and building an open industrial ecosystem with an open, cooperation and win-win attitude. Following the deep cooperation of Baotou granular silicon project with industry and capital players, the Company joined hands with its joint ventures Xinhua Semiconductor, TCL Technology and Tianjin Zhonghuan Semiconductor in April 2022 to build a production base of 100,000 tons of granular silicon and 10,000 tons of semiconductor-grade polysilicon in Hohhot, to jointly explore a new cooperation mode and collaborate to build a new photovoltaic industry ecosystem.

Exploring the new technology direction, and empowering "GCL Technology" with innovative technology

Technology is the "first energy". GCL Technology has continuously broken through key technologies in the industry, and promoted the industry progress with technology. In 2022, the Company continued to strengthen its technology gene, took technology industrialization as the main theme, improved the technology management system, cultivated technological talents, explored new technology directions, increased investment in technology research, and realized technological fission:

In 2022, the Company invested RMB1.686 billion in R&D, up 61.96% year-on-year, accounting for 4.59% of the annual revenue, up 0.69 percentage point year-on-year. In 2022, the Company filed 139 new patent applications, including 41 invention patents; and obtained 108 authorized patents, including 3 invention patents.

Since the start of the polysilicon project, the Company is based on its own products and technology, actively participates in the establishment of various silicon material standards. Since 2013, the Company has led and participated in the formulation of 39 standards, of which the Company led and participated in the formulation of 3 and 3 SEMI international standards respectively; led and participated in the formulation of 7 and 15 national standards respectively; led and participated in the formulation of 2 and 4 industry standards respectively; led and participated in the formulation of 3 and 2 group standards respectively. The Company has become a veritable principal maker of polysilicon industry standards. In 2022, the Company led the formulation of 1 national standard, which has been approved and will be released soon. The four industry standards the Company led in formulation have also been completed, and are expected to be examined and approved by the end of 2023.

On 29 December 2022, the "FBR-based Granular Silicon Large-Scale Low-Carbon Production Technology (硅烷流化床顆粒硅規模化低碳生產技術) " of the Company won the First Prize of China Non-ferrous Metals Industry Science and Technology Award (中國有色金屬工業科學技術一等獎). As a leading technology of cutting-edge silicon-based materials in the world, FBR-based granular silicon has been officially listed as the key task of advanced technology in the "14th Five-Year Plan for Scientific and Technological Innovation in the Energy Sector (《「十四五」能源領域科技創新規劃》)" issued by the Ministry of Science and Technology and the National Energy Administration with clear recognition and authoritative certification from the national level in the form of policy planning documents.

The granular silicon technology application demonstration project is a key measure for GCL Technology to lead the photovoltaic industry innovation and technological revolution, plays an important role in the GCL Technology transformation and upgrading and strongly enhances its competitiveness. On the basis of Xuzhou Photovoltaic 5GW granular silicon monosilicon application demonstration project, the Company newly started Ningxia GCL Photovoltaic 5GW granular silicon N-type monosilicon demonstration project, which was successfully put into production on November 25th, 2022, marking the arrival of the mass production era of successful granular silicon application on N-type products. In fact, the Company has been continuously developing and breaking through key technologies in recent years, such as "CCZ+ granular silicon application + N-type + large-size slicing", around the downstream application scenarios and industrial granular silicon ecosystem.

The large-scale granular silicon application in demonstration projects has brought significant cost and quality advantages. Practice has proved that granular silicon products have good fluidity, and can perfectly replace monosilicon feeding. Meanwhile, the granular silicon morphology is better than that of monosilicon feeding, as the particles with a size of about 2mm have good fluidity. At the same time, granular materials also have many advantages, such as large single feeding amount, high melting efficiency, no crushing and low impurities. Due to the excellent quality and matching appearance and performance of granular silicon, it has brought cost advantages to crystal pulling production in the production of application demonstration projects, and the comprehensive cost of granular silicon wafer products takes the lead in the industry. At present, the granular silicon application demonstration project has been equal in the unit yield and electrochemical performance to that of first-class rod silicon, and can have more excellent performance in electrochemical performance in the future.

GCL Technology has always adhered to the innovative R&D concept of "one generation in production, one generation in R&D, one generation in reserve and one generation in nurture", quickly realized the landing of granular silicon production capacity, and accelerated the research and development of a new generation of granular silicon technology, research and development reserves of CCZ and other new technologies and exploration of perovskite and other cutting-edge technological directions.

Jiangsu Xinhua Semiconductor Technology Co., Ltd. (Xinhua Semiconductor), jointly initiated by the Group and the China Integrated Circuit Industry Investment Fund (CICF) Co., Ltd., has become the largest domestic electronic-grade polysilicon manufacturer for semiconductor industry. The electronic-grade polysilicon for large-scale integrated circuits has broken the foreign technology and markets monopoly and filled the gap in the domestic industry. As the leading unit, the Company participated in the revision of the national electronic-grade polysilicon standard.

CCZ technology independently developed by the Company (namely continuous Czochralski monosilicon technology) further optimizes the application scenario with granular silicon as raw material, bringing more rapid progress space for monosilicon production. It is characterized by simultaneous feeding - melting - crystal pulling in a monosilicon furnace, which can save time for the cooling and feeding of crystal rods. At present, the GCL CCZ monosilicon crystal pulling furnace can reach the yield of 185kg/d (kg/day), and has realized the pilot production capacity of 200MW (megawatts). With the large-scale promotion of N-type monosilicon and large-diameter monosilicon, CCZ will show more prominent technical advantages.

The new generation of photovoltaic perovskite solar cells is considered as one of the most promising solar cell technologies in the future because of its advantages of higher theoretical conversion efficiency, faster iteration speed, short process flow, low raw material cost and lower production energy consumption. The photoelectric conversion efficiency has reached 16% and is expected to exceed 18% by the end of 2023. On 18 January 2023, GCL Optoelectronic obtained the 3C certification of perovskite module BIPV photovoltaic glass issued by China Quality Certification Center (CQC), which took an important step to explore the domestic building photovoltaic market. The certified unit products submitted by the Company have successfully passed the tests of moisture resistance, heat resistance, radiation resistance, falling ball impact peeling performance, shotgun impact performance, etc., and successfully obtained the 3C certification, which indicates that the new perovskite module products developed by GCL Optoelectronic for BIPV (Building Integrated Photovoltaics) market have obtained the "passport" to enter the China market.

Full digitalization promotion leads to gorgeous "Digital GCL" transformation

The Company's key project bases make full use of the innovative achievements of industrial interconnection, intelligent manufacturing and digital twin, deepen the production system digitalization, provide accurate, timely and reliable data support for production process, technology and quality optimization, reduce management costs and improve production efficiency. Relying on Xuzhou Digital Center, the granular silicon project makes use of the automatic, intelligent and intensive central control system, cloud big data platform, the whole-chain mass data intelligent analysis and application, enables advanced technologies such as AR Hawkeye system, thermal imaging inspection system and unmanned aerial vehicle system to release their potential, remotely controls all core bases in Sichuan, Inner Mongolia and other areas, promotes rapid granular silicon modular replication, and realizes strategic goal modeling, business value modeling, process system modularization and digital production and operation. Many subsidiaries of the Company have been listed as "Intelligent Demonstration Factory" and "Industrial Internet Benchmark Factory" at or above the provincial level for several times, and their demonstration and leading role in the industry has been increasing day by day.

GCL Technology embeds digital transformation into business management, realizes collaborative management and control of core business processes such as R&D, production, supply chain, sales and finance, improves lean management, reduces operating costs, and effectively provides data analysis and decision-making support for various business management. The Company has built digitalized headquarters, and established four mobile applications, namely, fund analysis, financial analysis, expense analysis and talent portrait. By managing the cockpit, the Company has realized all-round control of penetrating management and progressive analysis. The Company uses the big data platform for business modeling, strengthens data sharing, consolidates the data base, strengthens the analysis and mining of various business management and production data, establishes a benchmarking management with upstream and downstream enterprises in the industry, realize the asset digitalization and digital capitalization, and promote the gradual transformation and upgrading of GCL Technology from real economy to digital economy.

Practicing green manufacturing to lead the green industry development with a "Green GCL"

Photovoltaic products are amplifiers of electric energy, and the energy consumption of product manufacturing is the fulcrum of amplifying photovoltaic power generation. Polycrystalline silicon is the "major consumer" of electricity in photovoltaic manufacturing. To control and reduce production energy consumption scientifically and effectively will serve as a fulcrum to incite the green industry development. In 2022, the average comprehensive power consumption of polysilicon industry was 60kWh/kg-Si, the average steam consumption was 15.0kg/kg-Si, and the per capita output was 58 tons/(person-year)[6]. At present, the Company is leading in the industry in all the data of Siemens rod-shaped silicon. The comprehensive power consumption of granular silicon has been optimized to 13.8 kWh/kg-Si, the steam consumption to 15.3 kg/kg-Si, and the per capita output to 133 tons/(person-year). According to the 2022 granular silicon output of 45,598 metric tons, the Company can save 2.1 billion kWh of electricity for China and reduce 1.18 million tons[7] of carbon emissions for the industry.

While continuously promoting energy conservation and emission reduction in the value chain, the Company also continuously improves and optimizes its own environmental performance. The subsidiaries have obtained a number of green and low-carbon certifications. Suzhou GCL passed the certification of Jiangsu Provincial Green Factory. Through steam reuse, Baotou factory significantly reduced energy consumption in the production process and effectively saved energy resources. Leshan GCL not only produced raw materials for green photovoltaic products, but also used 100% clean energy in the production process, and obtained the Clean Energy Consumption Certificate issued by Sichuan Electric Power Trading Center, which further enhanced GCL's green production influence in the industry.

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6 China Photovoltaic Industry Development Roadmap (2022-2023)

7 The emission intensity of unit power generation in China is 0.558kg/kWh, data source: "Annual Development Report of National Electric Power Industry 2012".

Facing the future global market, the carbon footprint certification system has been continuously improved in all links of the photovoltaic industry chain, and the application of low-carbon products has opened up a new competition track for module products. In July 2022, the large-size PERC module produced with granular silicon has been certified by France in carbon footprint, with an average carbon footprint of 400-450 kg CO2/kW, which is approximately 10%-20% lower than that of the same model module products without granular silicon, and has obvious low-carbon advantages. The wide application of granular silicon will help the Company's customers to explore the national and regional markets around the globe that focus on carbon footprint, and obtain obvious market benefits. As the only raw material product that helps measure the carbon emission rights of the photovoltaic industry chain, the low-carbon property of granular silicon is a key link to optimize the full-scale carbon emission measurement of the photovoltaic industry, and also the core technology for the photovoltaic industry to implement technical carbon reduction. It is conducive for enterprises to establish a carbon price risk response mechanism, cope with the overall operating costs due to the rising carbon price costs, and fully empower customers.

Advancing management reform to optimize human resource management efficiency

Talent is the primary task and top priority of GCL Technology. In the new cycle, the Company will make great efforts to optimize the organizational structure, and continue to strengthen the human resources system construction, optimize the human resources management efficiency and improve the return on human capital investment, focusing on "talent management, value distribution, efficiency improvement and cultural construction", according to the strategic planning and project construction progress. In terms of "talent cultivation", the Company will continue to strengthen the introduction, training, incentives and retention of four types of core talents, namely, "inter-disciplinary management talents with one specialty and many skills, R&D technical talents, high-skilled industrial workers and international talents". Meanwhile, the Company will build an internal talent supply chain through major special projects such as "joint chain leader system", "craftsmen assessment and employment" and " global management trainee introduction", and make a good talent layout in advance for key projects and key development areas, so that talent reserves can be prepared in advance for the project implementation. In terms of "value distribution", the Company stimulates the employees' motivation and value creation by creating a fair and just assessment culture, constructing a short-, medium-and long-term cash-out mechanism and leading salary strategies. For core management, R&D and technical talents, the Company adopts the partnership form and long-term incentive plans such as stocks and options to promote the achievement of organizational goals and realize talent retention. During the year, the Company awarded 290 million shares to core and outstanding personnel at a price of HK$0.86 per share twice. In the aspect of "efficiency improvement", the Company has built an internal human efficiency management system through digital means, distributed the human efficiency improvement goal to production units such as workshops and sections, carried out vertical benchmarking with history, and horizontal benchmarking with leading peers in the industry, so as to promote organizational efficiency improvement through management improvement. In terms of "cultural construction", the Company will improve the working environment, implement employee care plan and welfare system, and enhance employees' work experience, to make employees feel "happier" at work, and continue to create a "family culture" with temperature and influence.

Launching share repurchase to give back long-term value to shareholders

In the second half of 2022, the Company's share price was also at a low level, affected by the international economic environment and the continuous sluggishness of the Hong Kong stock market. In response, the Company launched a share repurchase plan for employee incentives and cancellation. In September 2022, the Company repurchased a total of approximately 200 million shares according to the share incentive plan for employee incentives. In December, the Company further repurchased 31.625 million shares for cancellation.

The Company's share repurchase and cancellation show its confidence in its future development prospects and high recognition of its value. We believed that the Company will further improve the long-term incentive mechanism, fully mobilize the initiative of the core backbone and outstanding employees, cultivate loyalty, enhance operational management capabilities, promote industrial development, and give back long-term value to shareholders.

Making improvements both internally and externally and addressing in symptoms and root causes to strengthen environmental, social and governance performance and improvement

Regarding corporate governance, GCL Technology continued to optimize the Group governance level from multiple dimensions such as compliance, responsibility, transparency, equality, efficiency and diversity under the effective guidance of its long-term governance objectives. The Company deeply integrated ESG governance into the development strategy and practice, and established the Environment, Society and Governance Committee (ESG Committee) to directly manage ESG-related work, forming a three-level ESG governance structure: the Board or Directors, the ESG Committee and the ESG working group, furthering the Board and the management participation in ESG work, and continuously improving its ESG management level and construction ability.

In terms of environmental responsibility, the Company integrated the green development concept into the whole production management process from the perspectives of system construction, management innovation, awareness improvement and technical iteration, and launched green and low-carbon management in the process of production and operation in an all-round way. Meanwhile, under the global green and low-carbon development trend, the Company has also promoted the deep carbon control and emission reduction in photovoltaic industry through the continuous innovation of low-carbon silicon-based material FBR granular silicon, and kept promoting the green renewable energy development with the innovation of low-carbon silicon-based granular silicon, to drive energy saving and carbon reduction through technological innovation, and deeply integrate company development and innovation with the "dual carbon" goal.

In 2022, GCL Technology actively made reference to the Task Force on Climate-Related Financial Disclosure (TCFD) to carry out the work to deal with climate change, fully considered the potential impact of national climate action and global energy transformation trend on the industry, carefully identified and analyzed its own climate risks and opportunities, and further formulated targeted countermeasures to enhance the Company's adaptability and operational resilience in the face of climate change.

With regard to social responsibility, GCL Technology has always been committed to creating value for customers, building a platform for employees, giving back to the society, and working hand in hand with partners to create a sustainable industry ecosystem. In terms of talent development, the Company will focus on optimizing the talent structure and strengthening the talent echelon construction to create a stable talent supply chain for its global development. In terms of giving back to the society, GCL Technology has always been committed to building a social responsibility matrix, pursuing the sustainable development, establishing a close connection between the Company and communities in all directions, promoting the co-construction and sharing between communities and the Company, driving social growth and helping achieve economic prosperity.

Technological GCL, the future has come

The year of 2023 is the first year for the new government's administration, and also a crucial year for the implementation of the "14th Five-Year Plan". The photovoltaic industry will enter the "unlimited" supply state for the first time after a wide range of fare and low price grid access, gradually breaking the supply restrictions at the product end. The low cost and high convenience advantages of photovoltaic power generation are increasingly favored by energy investment and even the consumer market. It is estimated that the incremental photovoltaic installed capacity for the whole year will exceed 100GW for the first time, and the new blue ocean of China photovoltaic industry has been unveiled to us.

In the face of brand-new energy changes and market challenges, GCL Technology will, as always, adhere to the long-term principle of not making quick money or profiteering, be open, inclusive and achieve win-win situation through cooperation, and strive to solve the bottleneck problems in high-quality polysilicon production capacity. The Company will seek progress and upgrading while maintaining stability, promote innovation through digital empowerment, aim to win the future through change, pay close attention to management, strengthen financial stability, and work hard to improve quality and significantly reduce costs. We will withdraw from Siemens rod silicon production field in an orderly manner and deepen green production, continue to promote the matrix construction of FBR capacity of 10,000 tons, and double the market share of granular silicon. The Group will strive to realize CCZ process mass production and perovskite technology commercialization, carry out international strategic discussions, speed up the overseas R&D layout, integrate global R&D resources, and employ technological innovation to promote the early realization of the "double carbon" strategic goal.

I sincerely thank the Board of Directors, management team and all employees for their hard work and silent dedication in 2022, and I also deeply thank the shareholders and partners for their long-term support.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

In 2022, the Group's solar material business carried forward the growing trend in 2021 and continued a strong growth during the year. Benefit from the "carbon emissions peaking and carbon neutrality" goals, price of polysilicon products remained at a relatively high level during the year. As such, the Group achieved a remarkable financial performance with impressive growth of revenue and significant increase in profits comparing with year ended 31 December 2021.

Results of the Group

The operation of GCL New Energy Holdings Limited ("GNE") Group was presented as a discontinued GNE operation in the consolidated financial statements during the year and its comparative figures have been restated accordingly, For details information, please refer to "Discontinued Operation" section of this announcement.

For the year ended 31 December 2022, the revenue and gross profit of the Group from continuing operations were approximately RMB35,930 million and RMB17,495 million, respectively, representing an increase of 113.0% and 213.9% respectively as compared with approximately RMB16,868 million and RMB5,574 million for the year ended 31 December 2021.

The Group recorded a profit attributable to the owners of the Company from continuing operations of approximately RMB16,394 million in 2022 respectively, as compared to the profit attributable to owners of the Company of approximately RMB5,241 million in 2021 respectively.

Business Review

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

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

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 the solar wafer production. In the solar industry supply chain, wafers are further processed by downstream manufacturers to produce solar cells and modules.

Polysilicon

On 31 December 2022, the Group had an effective polysilicon production capacity of 185,000 MT: 1) The effective granular silicon production capacity was continuously released, from 30,000 MT at the beginning of the year to 140,000 MT at the end of the year. Among them, Xuzhou base added 30,000 MT of module production capacity, which was put into production in only 8 months of construction; Leshan base has achieved 60,000 MT of qualified production capacity despite of adverse factors such as the pandemic, delayed suppliers' delivery due to electricity restrictions, and delayed construction period, and its customer evaluation ranked among the best in polysilicon industry; Baotou base was put into production as scheduled and reached 20,000 MT of capacity under unfavorable objective factors. 2) Siemens rod silicon production capacity remained unchanged at 45,000 MT.

At the present, the Company is still releasing granular silicon production capacity, with effective granular silicon production capacity of 180,000 MT and the total effective polysilicon production capacity fulfilling 225,000 MT.

For the year ended 31 December 2022, the Group produced a total of 104,723 MT of polysilicon (excluding the output of 64,501 MT from associated companies), which increased by 120% compared with 47,610 MT in the same period in 2021, including 59,124 MT of rod silicon and 45,599 granular silicon, up 46.1% and 537.3% year on year. Each base output reached the level planned at the beginning of the year, except for the Leshan base, the infrastructure of which was delayed for about one quarter due to factors such as the epidemic and power cuts.

Wafer

On 31 December 2022, the Group continuously improved the slicing efficiency through technical improvement, and the silicon wafer production capacity increased from 50GW at the beginning of the year to 55 GW. In July 2022, Ningxia Zhongwei 5GW granular silicon N-type demonstration project started, was completed and put into production in November 2022, and the monosilicon crystal pulling capacity increased to 14 GW.

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[8] Due to seasonal factors, the year-end inventories of the Company were improved, which completed all the sales as at the date of the announcement.

For the year ended 31 December 2022, the Group produced a total of 46,660 MW of silicon wafers (including 27,789 MW of OEM silicon wafers), with a year-on-year increase of 22.4%.

Sales Volume and Revenue

During the reporting period, the Group shipped 93,900[9] MT of polysilicon (including internal sales 12,239MT), and sold 46,312MW of wafers (including OEM wafer of 27,704 MW), representing an increase of 96.4 % and 21.7%, respectively, as compared with 47,804 MT of polysilicon and 38,049 MW of wafers for the corresponding year in 2021.

For the year ended 31 December 2022, the Company adopts the sales strategy of "same price for same quality" for rod silicon and granular silicon, and the average foreign selling price (excluding tax) of rod silicon was approximately RMB228.5 (equivalent to US$33.0) per kilogram.

Revenue from external customers of the solar materials business amounted to approximately RMB35,714 million for the year ended 31 December 2022, representing an increase of 114.5 from RMB16,653 million in 2021. It was mainly attributable to lower costs resulting from polysilicon technology innovations and increased shipments due to increased capacity.

Steady increase in production capacity and quality boosted the industry's conversion efficiency

Among the new polysilicon production capacity in 2022, the granular silicon of GCL achieved the best cost, quality and output rate in the industry, with the effective production capacity from 30,000 tons at the beginning of the year to 140,000 tons at the end of the year, and the increase of 110,000 tons accounted for 22.7%[9] of the annual effective production capacity increased in the industry, ranking first in the industry. With the increase of the effective output of granular silicon, the product quality has also improved rapidly: the proportion of products with total metal content < 3ppbw of granular silicon has increased from 18.3% in the first quarter to 80.3% in the fourth quarter, and has increased to 96% currently, and the proportion of products with total metal content ≤ 1ppbw has exceeded 75%[10], fully meeting the needs of the N-type era.

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9 According to customer feedback and the actual use of the Company, the total metal content <1ppbw can fully meet the production requirements of n-type silicon wafers

10 Affected by regional production capacity, the Company's comprehensive electricity price of granular silicon production in 2022 was about RMB0.57/kwH (including tax) ; As granular silicon production capacity has gradually landed in areas with low electricity prices, the comprehensive electricity price of granular silicon production will continue to decrease.

Changes in total metal (5 elements) impurity content of granular silicon products in 2022

Total metal impurity content	**<3ppbw**	**3-5ppbw**	**5-8ppbw**	**>8ppbw**
2022Q 1	18.25%	9.96%	17.69%	54.10%
2022Q 2	21.07%	20.74%	22.60%	35.59%
2022Q 3	55.02%	12.45%	8.04%	24.49%
2022Q 4	80.29%	11.42%	6.07%	2.21%

Note: Currently, the total metal (18 elements) impurity content of the Company's granular silicon products is controlled < 3ppbw, which far exceeds the industry average.

Changes in total metal (5 elements) impurity content of granular silicon products in Xuzhou base in 2023

Total metal impurity content	**≤1ppbw**	**1-3ppbw**	**3-5ppbw**	**5-8ppbw**
January	33%	51%	8%	4%
February	41%	44%	7%	3%
The first week of March	35%	38%	8%	6%
The second week of March	63%	29%	3%	3%
The third week of March	75%	21%	3%	1%

Based on the production data feedback from customers, we can see that with the increase of the dosing ratio of GCL granular silicon, the unit output and life of minority carriers have increased, and the user stickiness has also been significantly improved.

Top five customer purchase list for 901A in 2022

Customer	**2022 Q1**[11]	**2022 Q2**	**2022 Q3**	**2022 Q4**
Customer A	a	171%a	183%a	736%a
Customer B	b	263%b	379%b	410%b
Customer C	c	229%c	272%c	405%c
Customer D	d	251%d	289%d	457%d
Customer E	e	510%e	784%e	1,748%e

In 2022, with the gradual release of granular silicon production capacity, purchase volume of customers increased rapidly.

[11] The shipments of Q2, Q3 and Q4 of the top five customers in 2022 are shown with Q1 shipments as the base data.

Cost and Segment Gross Profit

For polysilicon and wafer production, reducing energy and raw material costs is the core priority of cost control, therefor, the production capacity layout of polysilicon and wafer is mostly located in low electricity price areas. In recent years, the intermittent shortage of energy supply and the rise in electricity prices have become a clear trend, resulting in an upward trend in the cost of polysilicon and wafer industries. The FBR technology greatly reduces the energy consumption for production in the polysilicon industry, thereby continuing to promote the continuous reduction of industry costs and thickening industry profits.

During the year, the gross profit margin of our solar material business was 48.7%, of which the unit gross profit of FBR-based granular silicon was RMB183.1[11]/kg (Profit of the by-product of granular silicon included), which reached the top level in the industry. In February 2023, the cash cost of granular silicon production in the Company's Xuzhou base was RMB37.29[12]/kg and the manufacturing costs was RMB43.73/kg, and the leadinng advantage has continued to expand and the profitable edges is continuously highlighted.

Solar farm business

Overseas Solar Farms

As at 31 December 2022, the solar farm business includes 18 MW of solar farms in the USA. Besides, there were 150 MW solar farms in South Africa, which was partnered with CAD Fund and with the total effective ownership of 9.7% owned by the Group.

PRC Solar Farms

As at 31 December 2022, the Solar Farm business also includes 5 solar farms in the PRC, with both installed capacity and attributable installed capacity at 133.0 MW.

[11] The comprehensive electricity price of granular silicon production in the Company's Xuzhou base is RMB0.57/kwH (including tax).

[12] The comprehensive electricity price of granular silicon production in the Company's Xuzhou base is RMB0.65/kWh (including tax).

Sales Volume and Revenue

For the year ended 31 December 2022, the electricity sales volume of the solar farm business overseas and in the PRC were 26,920 MWh and 196,918 MWh respectively (2021: 26,371 MWh and 191,209 MWh, respectively).

For the year ended 31 December 2022, revenue for the solar farm business was approximately RMB217 million (2021: RMB215 million).

Group's Outlook

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

Financial Review

Continuing operations

Revenue

Revenue for the year ended 31 December 2022 amounted to approximately RMB35,930 million, representing an increase of 113% as compared with approximately RMB16,868 million for the corresponding year in 2021. The increase was mainly due to the increase in revenue in solar material business as a result of the increase in selling prices of solar products

Gross Profit Margin

The Group's overall gross profit margin for the year ended 31 December 2022 was 48.7%, as compared with 33% for the corresponding year in 2021.

Gross profit margin for the solar material business increased significantly from 32.9% for the year ended 31 December 2021 to 48.7% for the year ended 31 December 2022.

The gross profit margin for the solar farm business increased from 43.7% for the year ended 31 December 2021 to 52.7% for the year ended 31 December 2022.

Distribution and Selling Expenses

Distribution and selling expenses increased from approximately RMB98 million for the year ended 31 December 2021 to approximately RMB143 million for the year ended 31 December 2022.

Administrative Expenses

Administrative expenses amounted to approximately RMB1,706 million for the year ended 31 December 2022, representing an increase of 25.1% from approximately RMB1,364 million for the corresponding year in 2021. The increase was mainly due to the increase of salary and wage expenses and share based payment expenses in relation to share award scheme charged during the year.

Finance Costs

Finance costs amounted to approximately RMB240 million for the year ended 31 December 2022, representing a decrease of 26.2% from approximately RMB325 million for the corresponding year in 2021. The decrease was mainly due to the decrease of average bank and other borrowings balances during the year.

Reversal of impairment losses/(impairment losses) under expected credit loss model, net

The Group recognised approximately RMB236 million reversal gain under expected credit loss model, net of impairment losses, for the year ended 31 December 2022 (2021: impairment losses of RMB279 million).

The reversal of impairment losses under expected credit loss model, net for the year ended 31 December 2022 mainly comprised of reversal of impairment losses of trade related receivables of approximately RMB301 million (2021: impairment losses of approximately RMB16 million) and impairment loss on non-trade related receivables of approximately RMB65 million (2021: impairment losses of approximately RMB262 million).

Other Expenses, Gains and Losses, Net

For the year ended 31 December 2022, net losses of approximately RMB2,344 million in other expenses, gains and losses were recorded as compared to net losses of approximately RMB892 million for the year ended 31 December 2021. The increase of net losses was mainly due to increase of research and development cost, increase of impairment loss on property, plant and equipment. The net losses mainly comprises of:

(i) research and development costs of approximately RMB1,686 million (2021: RMB1,041 million)

(ii) impairment loss on property, plant and equipment approximately RMB804 million (2021: RMB61 million)

(iii) gain on disposal of subsidiaries of approximately RMB41 million (2021: net profit of RMB16 million)

(iv) gain on disposal of an associate and deemed disposal of a joint venture of approximately RMB202 million (2021: RMB398 million)

(v) loss on fair value change of derivative financial instruments and convertible bonds to a non-controlling shareholder of a subsidiary approximately RMB8.2 million (2021: loss on fair value change of approximately RMB56 million)

(vi) loss on fair value change of investments at FVTPL approximately RMB81 million (2021: loss on fair value change of approximately RMB52 million)

(vii) loss on disposal of property, plant and equipment of approximately 165 million (2021: RMB42 million)

Share of Profits of Associates

The Group's share of profits of associates for the year ended 31 December 2022 was approximately RMB4,117 million, mainly contributed by following associates:

- Share of profit of approximately RMB3.2 billion from Xinjiang GCL New Energy Materials Technology Co., Ltd.* (新疆協鑫新能源材料科技有限公司) ("**Xinjiang GCL**");

- Share of profit of approximately RMB0.85 billion from Xuzhou Zhongping GCL Industrial Upgrading Equity Investment Fund LLP* (徐州中平協鑫產業升級股權投資基金(有限合夥) ("**Zhongping GCL**"); and

- Share of profit of approximately RMB76 million from Inner Mongolia Zhonghuan — GCL Solar Material Co., Ltd.* (內蒙古中環協鑫光伏材料有限公司) ("**Mongolia Zhonghuan GCL**").

Income Tax Expense

Income tax expense for the year ended 31 December 2022 was approximately RMB1,880 million as compared with approximately RMB544 million of income tax expense for the year ended 31 December 2021. The increase in income tax expenses mainly due to increase in profit for the year during the year.

Profit attributable to Owners of the Company

As a result of the above factors, profit attributable to owners of the Company from continuing operations amounted to approximately RMB16,394 million for the year ended 31 December 2022 as compared with a profit of approximately RMB5,241 million for the corresponding period in 2021.

The loss attributable to owners of the Company for the year from discontinued operations amounted to approximately RMB 363 million for the year ended 31 December 2022 as compared with a loss of approximately RMB157 million for the year ended 31 December 2021.

The profit attributable to owners of the Company from both continuing operations and discontinued operations amounted to approximately RMB16,030 million for the year ended 31 December 2022 as compared with a profit of approximately RMB5,084 million for the year ended 31 December 2021.

NON-IFRS FINANCIAL MEASURES — Adjusted EBITDA

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

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

The following table sets forth a quantitative reconciliation of adjusted EBITDA for the years ended 31 December 2022 and 2021 to its most directly comparable IFRS measurement and profit before tax:

Continuing operations:	**2022** ***RMB'million***	2021 *RMB'million*
For the year ended 31 December:		
Profit for the year	**16,423**	5,239
Adjust: non-operating or non-recurring items:		
— Impairment loss of property, plant and equipment (note a)	**804**	61
— Loss on fair value change of derivative financial instruments and held for trading investments, net (note b)	**3**	22
— Gain on disposal of subsidiaries, net (note c)	**(41)**	(16)
— (Gain)/loss on fair value of convertible bonds to a non-controlling shareholder of a subsidiary (note b)	**(12)**	35
— Gain on disposal of an associate and deemed disposal of a joint venture (note c)	**(202)**	(398)
— Loss on fair value change of investments at FVTPL (note b)	**81**	52
— Exchange (gains)/losses, net (note b)	**(140)**	60
— Impairment losses under expected credit loss model, net of reversal (non-trade related) (note b)	**65**	262
	16,981	5,317
Add:		
Finance costs	**240**	325
Income tax expense	**1,880**	544
Depreciation and amortisation	**1,956**	1,436
Adjusted EBITDA	**21,057**	7,622

Note a:

Impairment loss of property, plant and equipment recognized for the year ended 31 December 2022 was considered as non-cash items. We consistently presented the comparative amount for the year ended 31 December 2021.

Note b:

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

For impairment losses under expected credit loss model, net of reversal for non-trade related balances, as they are not related to normal business of the Company, we consider treating it as non-operating in nature.

Note c:

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

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

Property, Plant and Equipment

Property, plant and equipment increased from approximately RMB18,293 million as at 31 December 2021 to approximately RMB26,531 million as at 31 December 2022. Increase in property, plant and equipment was mainly attributable to capital investment in granular silicon production base partially offset by impairment loss made, depreciation charged and distribution in specie of GNE shares during the year.

Interests in Associates

Interests in associates increased from RMB9.6 billion as at 31 December 2021 to RMB15 billion as at 31 December 2022. The increase was mainly due to share of profits of associates during the year.

Interests in associates as at 31 December 2022 mainly consists of below:

- The Group has 38.5% equity interest in Xinjiang GCL of approximately of RMB8.0 billion;
- The Group has 40.27% equity interest in Zhongping GCL of approximately of RMB2.8 billion, Zhongping GCL directly holds 34.5% equity interest in Xinjiang GCL;
- The Group has 6.42% equity interest in Mongolia Zhonghuan GCL of approximately RMB0.8 billion;
- The Group equity interest in Leshan Zhongping Polysilicon Photovoltaic Information Industry Investment Fund Partnership (Limited Partnership)* (樂山市仲平多晶硅光電信息產業基金合夥企業 (有限合夥)) and Leshan Zhongping Nengxin Enterprise Management Consultancy Partnership (Limited Partnership)* 樂山市中平能鑫企業管理諮詢合夥企業 (有限合夥) of approximately RMB71 million and RMB0.32 billion respectively;
- The Group has 28.05% equity interest in Jiangsu Xinhua of approximately RMB0.4 billion; and
- The Group has 7.44% equity interests in GNE Group of approximately RMB2.3 billion which include perpetual note classified as financial assets at fair value through other comprehensive income.

* *English name for identification only*

Trade and Other Receivables

Trade and other receivables increased from approximately RMB17,527 million as at 31 December 2021 to approximately RMB23,621 million as at 31 December 2022. The increase was mainly due to increase of bill receivables in trade nature balances of solar material business.

Trade and Other Payables

Trade and other payables increased from approximately RMB13,853 million as at 31 December 2021 to approximately RMB19,581 million as at 31 December 2022. The increase was mainly due to an increase in trade and construction payables during the year.

Balances with related companies

The related companies included associates, joint ventures and shareholder of non-controlling interest of the Group and companies controlled by Mr. Zhu Gongshan and his family members which hold in aggregate approximately 23.62% (2021: 23.51%) of the Company's share capital as at 31 December 2022 and exercise significant influence over the Company.

Amounts due from related companies increased from approximately RMB600 million as at 31 December 2021 to approximately RMB789 million as at 31 December 2022. The increase was mainly due to increase in amount due from associates during the year.

Amounts due to related companies increased from approximately RMB2,744 million as at 31 December 2021 to approximately RMB3,496 million as at 31 December 2022. The increase was mainly due to increase in amount due to associates during the year.

Liquidity and Financial Resources

As at 31 December 2022, the total assets of the Group were about RMB85.6 billion, of which the aggregate restricted and unrestricted cash and bank balances and other deposits amounted to approximately RMB10.4 billion.

For the year ended 31 December 2022, the Group's main source of funding was cash generated from operating activities.

Utilization of Proceeds from Placing

The Company completed three rounds of fund raising in 2021, including (i) a placement of 3,900,000,000 new shares of the Company at a price of HK$1.08 per share with net proceeds of approximately HK$4.148 billion in January 2021 (the "January 2021 Placing"); (ii) a top-up placing and subscriptions of 2,000,000,000 new shares of GNE at a price of HK$0.455 per share with net proceeds of approximately HK$895 million (the "February 2021 Top-up Placing"); and (iii) a placement of 2,036,588,000 new shares of the Company at a price of HK$2.49 per share with net proceeds of approximately HK$4.994 billion in the February 2021 (the "February 2021 Placing").

As at 31 December 2022, the utilization of net of proceeds above are as following:

For January 2021 Placing, the net proceeds was used for (i) reduction of existing borrowing levels and gearing level and adjustment of the debt structure of approximately HK$1.674 billion; (ii) development of FBR based granular silicon production business and production capacity of approximately HK$ 1.95 billion; and (iii) general corporate purposes of approximately HK$395 million. It is expected that the unutilized fund of amount HK$129 million to be fully utilized on or before 31 December 2023.

For February 2021 Top-up Placing, all of the net proceeds was used for repayment of borrowings.

For the February 2021 Placing, the net proceeds was used for capital expenditure and general working capital purposes approximately HK$4.418 billion and HK$61 million respectively. It is expected that the unutilized fund of amount HK$515 million to be fully utilized on or before 31 December 2024.

On 4 August 2022, the Company and GNE completed a top-up placing and subscriptions of 2,275,000,000 new shares of GNE at a price of HK$0.138 per share with net proceeds of approximately HK$310 million. GNE intends to apply 90% of the amount to support the cost relating to the investment, research and development of natural gas, LNG and integrated energy project management business and to develop the operation and maintenance ("O&M") services for other energy sectors, and the remaining 10% as the general working capital of GNE.

Indebtedness

Details of the Group's indebtedness are as follows:

	As at 31 December 2022 *RMB Million*	As at 31 December 2021 *RMB Million*
Current liabilities		
Bank and other borrowings — due within one year	**9,419**	5,023
Other financial liabilities	**294**	—
Lease liabilities — due within one year	**105**	317
Notes payables — due within one year	**—**	467
Loans from related parties — due within one year	**—**	32
	9,818	5,839
Non-current liabilities		
Bank and other borrowings — due after one year	**3,806**	3,560
Lease liabilities — due after one year	**46**	468
Notes payables — due after one year	**—**	2,648
	3,852	6,676
Indebtedness for solar power plants projects classified as held for sale		
Loan from a related company — due within one year	**—**	—
Bank and other borrowings — due within one year	**—**	128
Bank and other borrowings — due after one year	**—**	327
Lease liabilities	**—**	10
	—	465
Total indebtedness	**13,670**	12,980
Less: Bank balances and cash and pledged and restricted bank and other deposits	**(10,430)**	(9,932)
Bank balances and cash and pledged bank deposits and other deposits classified as assets held for sale	**—**	(23)
Net debt	**3,240**	3,025

Below is a table showing the bank and other borrowings structure and maturity profile of the Group.

	2022	2021
	RMB million	*RMB million*
Secured	**8,605**	7,828
Unsecured	**4,620**	755
	13,225	8,583
Maturity profile of bank and other borrowings		
On demand or within one year	**9,419**	5,023
After one year but within two years	**1,424**	1,496
After two years but within five years	**2,194**	1,345
After five years	**188**	719
Group's total bank and other borrowings	**13,225**	8,583

As at 31 December 2022, RMB bank and other borrowings carried floating interest rates with reference to the Benchmark Borrowing Rate of The People's Bank of China and the LPR (Loan Prime Rate). USD bank and other borrowings carried interest rates with reference to the London Interbank Offer Rate.

Key Financial Ratios of the Group

	As at 31 December 2022	As at 31 December 2021
Current ratio	**1.09**	1.23
Quick ratio	**1.02**	1.19
Net debt to equity attributable to owners of the Company	**7.6%**	10.4%

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

Policy risk

Policies made by the Chinese Government have a pivotal role in the solar power industry. Any alternation in the preferential tax policies, on-grid tariff subsidies, generation dispatch priority, incentives, upcoming issuance of green certificates, laws and regulations would cause substantial impact on the solar power industry. Although the Chinese Government has been supportive in aiding the growth of the renewable industry by carrying out a series of 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 policy makers in order to reduce the adverse impact of policy changes on the Group.

Credit Risk

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

In order to minimize the credit risk on sales of polysilicon and wafer products, the Group reviews the recoverable amount of each individual trade receivables periodically to ensure that adequate expected credit losses are made. Credit risk of sales of electricity is not significant as most of the revenue is recognised from the subsidiaries of State Grid Corporation of China (the "**State Grid**"). The State Grid is a state-owned enterprise in China, which possesses low default risk.

Risk related to interest rate

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

Foreign currency risk

Most of the Group's businesses are located in the PRC and the presentation currency of the consolidated financial statements of the 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.

Risk related to supplier concentration

The Group's wafer business are exposed to concentration risk of reliance on our major suppliers for the supply of the semi solar products, and any shortage of, or delay in, the supply may significantly impact our business and results of operation.

However, the largest supplier was associate of the Group, the Group was able to exercise significant influence on the operation of the associate, this enable the Group to monitor the above risks continually.

Pledge of or restrictions on assets

As at 31 December 2022, the following assets were pledged for certain bank and other borrowings, lease liabilities, or restrictions on assets, issuance of bills, short-term letters of credit for trade and other payables granted to the Group and bank and other borrowings of a joint venture of the Group:

— Property, plant and equipment of RMB3.2 billion (31 December 2021: RMB7.7 billion)

— Right-of-use assets of approximately RMB0.5 billion (31 December 2021: RMB0.7 billion)

— Investment properties of approximately RMB0.3 billion (31 December 2021: RMB0.06 billion)

— Trade receivables and contract assets of approximately RMB8.6 billion (31 December 2021: RMB3.2 billion)

— Pledged and restricted bank and other deposits of approximately RMB3.8 billion (31 December 2021: RMB3.2 billion)

In addition, lease liabilities of approximately RMB0.15 billion are recognised with related right-of-use assets of approximately RMB0.14 billion as at 31 December 2022 (31 December 2021: lease liabilities of approximately RMB0.8 billion are recognised with related right-of-use assets of approximately RMB1.4 billion).

Capital and other Commitments

As at 31 December 2022, the Group's capital commitments in respect of purchase of property, plant and equipment contracted for but not provided amounted to approximately RMB10,225 million respectively (2021: RMB8,847 million) and other commitments to contribute share capital to investments of approximately RMB166 million (2021: RMB960 million).

Contingencies

Financial guarantees contracts

As at 31 December 2022, the Group provided guarantees to its investments at fair value through profit or loss for certain of their bank and other borrowings in proportional to the Group's interest in those investments with amount of approximately RMB71 million. (31 December 2021: the Group guaranteed GNE's subsidiaries of amount approximately RMB 996 million).

As at 31 December 2022, the Group provided a total guarantee with maximum amount of approximately RMB2,500 million and nil (31 December 2021: RMB3,319 million and RMB900 million) to several banks and financial institutions in respect of banking and other facilities of Xinjiang GCL and Jiangsu Xinhua, associates of the Group respectively.

Contingent liability

As at 31 December 2022 and 2021, the Group and the Company did not have any significant contingent liabilities.

Material acquisitions and disposals

1. On 28 July 2022, GNE and the placing agents entered into a placing agreement, pursuant to which 2,275,000,000 new shares of GNE are being issued and placed to placees at HK$0.138 per share with an aggregate value of approximately HK$314 million. The transaction has been completed in August 2022. As a result, the group's equity interest in GNE was reduced from 49.24% to 44.44%.

   Further details of the above disposal is set out in the announcement of the Company dated 28 July 2022,

2. During the year, the Company completed a conditional special interim dividend by way of distribution in specie of shares in GNE. Upon completion of the Proposed Distribution in Specie, the Company was reduced its shareholding in GNE from approximately 44.44% to approximately 7.44%.

   Further details of the above disposal is set out in the Company's announcement dated 30 August 2022 and 11 October 2022, circular dated 6 September 2022 and 11 October 2022.

Save as disclosed in above, there were no other significant acquisitions during the year ended 31 December 2022, or plans for material acquisitions as at the date of this report, nor were there other material acquisitions and disposals of subsidiaries during the year ended 31 December 2022.

Significant Events and Business Development after Reporting Period

There were no significant events and business development after the year ended 31 December 2022 and up to the date of this announcement.

Employees

We consider our employees to be our most important resource. As at 31 December 2022, the Group had approximately 11,527 employees (31 December 2021: 8,863 employees), excluding the employee of the GNE Group, in the PRC and overseas. Employees are remunerated with reference to individual performance, working experience, qualification and the prevailing industry practice. Apart from basic remuneration and the statutory retirement benefit scheme, employee benefits include but are not limited to discretionary bonuses, with share options granted to eligible employee.

DIVIDEND

Special Interim Dividend

On 30 August 2022, a conditional special interim dividend was declared by the Board of the Company which was satisfied through a distribution in specie of 8,639,024,713 ordinary shares of GNE ("**DIS shares**") (approximately 31% of the issued capital of GNE) on the basis of 318 GNE shares for every 1,000 shares of the Company held by the shareholders of the Company ("**Distribution in Specie**"). The resolutions in relation to Distribution in Specie were passed by shareholders of the Company at the extraordinary general meeting of the Company held on 22 September 2022 and the DIS shares were distributed to the shareholders of the Company during the year ended 31 December 2022.

Final Dividend

The Board recommended the payment of a final dividend of HK$0.06 per share for the year ended 31 December 2022 (2021: nil), subject to the approval of the shareholders at the forthcoming annual general meeting of the Company.

Record Date for Final Dividend Entitlement and Closure of Register of Members

The circular containing details of the Record Date for final dividend entitlement, the Closure of Register of Members and relevant arrangement in related to distribution of final dividend is expected to be sent to shareholders of the Company by end of April 2023.

CODE ON CORPORATE GOVERNANCE PRACTICES

During the year ended 31 December 2022, the Company has complied with the code provisions of the Corporate Governance Code as set out in Part 2 of Appendix 14 of the Listing Rules.

AUDIT COMMITTEE AND FINANCIAL INFORMATION

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

AUDITOR

Following the resignation of Deloitte Touche Tohmatsu as the auditor of the Company with effect from 14 May 2021, Crowe (HK) CPA Limited was appointed as the auditor of the Company with effect from 29 June 2021 to fill the casual vacancy and re-appointed as the auditor of the Company at the annual general meeting of the Company held on 31 May 2022.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in this preliminary announcement have been agreed by the Group's auditor, Crowe (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by the Crowe (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Crowe (HK) CPA Limited on this preliminary announcement.

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

During the year ended 31 December 2022, the Company repurchased a total of 31,625,000 shares of the Company (the "**Repurchased Shares**") on the Stock Exchange respectively on 22, 23 and 30 December 2022 at an aggregate consideration (including transaction cost) of approximately HK$63 million. The Repurchased Shares were subsequently cancelled on 16 January 2023.

During the year ended 31 December 2022, the trustee of the share award scheme adopted by the Company on 16 January 2017 has purchased a total of 201,500,000 ordinary shares of the Company on the Stock Exchange at a total consideration of approximately HK$500 million.

Other than disclosed above, during the year ended 31 December 2022, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Board has adopted the model code for securities transactions by Directors (the "**Model Code**") as set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all Directors, they confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the year ended 31 December 2022.

PUBLICATION OF INFORMATION ON HKEXNEWS WEBSITE

This announcement is published on the websites of the Company (www.gcltech.com) and HKEXnews (www.hkexnews.hk). The Annual Report containing all the information as required by Appendix 16 to the Listing Rules will be despatched to the Shareholders and made available for review on the same websites in due course.

GLOSSARY OF TERMS

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

"PV"	photovoltaic
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"USA"	the United States of America
"W"	watts

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

Hong Kong, 30 March 2023

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

* *English name for identification only*