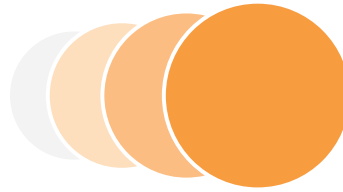


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GOLDEN SOLAR

GOLDEN SOLAR NEW ENERGY TECHNOLOGY HOLDINGS LIMITED

金陽新能源科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1121)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

The board (the “Board”) of directors (the “Directors”) of Golden Solar New Energy Technology Holdings Limited (the “Company”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2024 (the “Period”), together with the unaudited comparative figures for the corresponding period in 2023 and the relevant explanatory notes as set out below.

The condensed consolidated interim results are unaudited, but have been reviewed by the audit committee of the Company (the “Audit Committee”).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

		Six months ended 30 June	
	<i>Notes</i>	2024	2023
		RMB'000	RMB'000
		(unaudited)	(unaudited)
REVENUE	4	127,481	155,516
Cost of sales		<u>(114,214)</u>	<u>(130,286)</u>
GROSS PROFIT		13,267	25,230
Other net income and gains	4	8,407	11,567
Reversal of impairment loss on trade receivables		245	–
Selling and distribution expenses		(13,668)	(11,076)
General and administrative expenses		(124,303)	(94,483)
Impairment loss on inventories		(4,812)	(4,173)
Research and development costs		(32,801)	(49,417)
Amortisation of intangible assets		(8)	(214)
Finance costs	5	(4,229)	(2,165)
Fair value loss on financial liabilities at fair value through profit or loss		–	(321)
Fair value gain/(loss) on investment properties	10	<u>57</u>	<u>(228)</u>
LOSS BEFORE TAX	6	(157,845)	(125,280)
Income tax expense	7	<u>(339)</u>	<u>(1,081)</u>
LOSS FOR THE PERIOD AND TOTAL COMPREHENSIVE EXPENSES FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>(158,184)</u>	<u>(126,361)</u>
LOSS PER SHARE	9		
– Basic (RMB)		<u>(0.087)</u>	<u>(0.073)</u>
– Diluted (RMB)		<u>(0.087)</u>	<u>(0.073)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		30 June 2024	31 December 2023
	<i>Notes</i>	RMB'000	RMB'000
		(unaudited)	(audited)
NON-CURRENT ASSETS			
Property, plant and equipment		216,560	203,964
Investment properties	<i>10</i>	66,100	66,043
Right-of-use assets		59,246	71,087
Intangible assets		30	38
		<hr/> 341,936	<hr/> 341,132
CURRENT ASSETS			
Inventories		104,044	138,183
Trade and bills receivables	<i>11</i>	110,118	155,321
Prepayments, deposits and other receivables		96,055	83,570
Financial assets at fair value through profit or loss		100	720
Pledged deposits		–	2,426
Cash and bank balances		80,913	142,643
		<hr/> 391,230	<hr/> 522,863
CURRENT LIABILITIES			
Trade and bills payables	<i>12</i>	43,895	79,592
Deposits received, other payables and accruals		38,614	47,589
Short-term borrowings	<i>13</i>	100,200	100,200
Contract liabilities		14,261	8,751
Deferred income		3,270	3,386
Lease liabilities		24,093	21,424
Income tax payable		513	400
		<hr/> 224,846	<hr/> 261,342
NET CURRENT ASSETS		<hr/> 166,384	<hr/> 261,521
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 508,320	<hr/> 602,653

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)**As at 30 June 2024*

		30 June 2024	31 December 2023
	<i>Notes</i>	RMB'000	RMB'000
		(unaudited)	(audited)
NON-CURRENT LIABILITIES			
Deferred income		7,580	9,187
Lease liabilities		35,067	47,279
Deferred tax liability		4,432	5,193
		<u>47,079</u>	<u>61,659</u>
NET ASSETS			
		<u>461,241</u>	<u>540,994</u>
EQUITY			
Share capital	<i>14</i>	120,862	120,960
Reserves		340,379	420,034
TOTAL EQUITY			
		<u>461,241</u>	<u>540,994</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Attributable to owners of the Company										
	Reserves										Total equity
	Share capital	Treasury stock	Share premium	Contributed surplus	Statutory surplus fund	Exchange fluctuation reserve	Capital redemption reserve	Share options reserve	Accumulated losses	Total reserves	
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
As at 1 January 2023 (audited)	113,799	-	1,320,815	141,376	95,478	155	524	154,444	(1,181,791)	531,001	644,800
Loss and total comprehensive expenses for the period	-	-	-	-	-	-	-	-	(126,361)	(126,361)	(126,361)
Issue of shares upon exercise of share options	7,161	-	57,068	-	-	-	-	(14,966)	-	42,102	49,263
Equity-settled share-based payments	-	-	-	-	-	-	-	62,050	-	62,050	62,050
Lapse of share options	-	-	-	-	-	-	-	(1,833)	1,833	-	-
Exchange difference arising from translation of foreign operations	-	-	-	-	-	(3)	-	-	-	(3)	(3)
As at 30 June 2023 (unaudited)	<u>120,960</u>	<u>-</u>	<u>1,377,883</u>	<u>141,376</u>	<u>95,478</u>	<u>152</u>	<u>524</u>	<u>199,695</u>	<u>(1,306,319)</u>	<u>508,789</u>	<u>629,749</u>

For the six months ended 30 June 2024

	Attributable to owners of the Company										
	Reserves										Total equity
	Share capital	Treasury stock	Share premium	Contributed surplus	Statutory surplus fund	Exchange fluctuation reserve	Capital redemption reserve	Share options reserve	Accumulated losses	Total reserves	
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
As at 1 January 2024 (audited)	120,960	(4,326)	1,377,883	141,376	95,478	156	524	300,053	(1,491,110)	420,034	540,994
Loss and total comprehensive expenses for the Period	-	-	-	-	-	-	-	-	(158,184)	(158,184)	(158,184)
Equity-settled share-based payments	-	-	-	-	-	-	-	80,218	-	80,218	80,218
Lapse of share options	-	-	-	-	-	-	-	(2,836)	2,836	-	-
Repurchase of own shares	-	(1,783)	-	-	-	-	-	-	-	(1,783)	(1,783)
Cancellation of shares repurchased	(98)	4,633	(4,535)	-	-	-	-	-	-	98	-
Exchange difference arising from translation of foreign operations	-	-	-	-	-	(4)	-	-	-	(4)	(4)
As at 30 June 2024 (unaudited)	<u>120,862</u>	<u>(1,476)</u>	<u>1,373,348</u>	<u>141,376</u>	<u>95,478</u>	<u>152</u>	<u>524</u>	<u>377,435</u>	<u>(1,646,458)</u>	<u>340,379</u>	<u>461,241</u>

NOTES:

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company's principal places of business are located in Huoju Industrial Zone, Jiangnan Town, Licheng District, Quanzhou City, Fujian Province, the People's Republic of China ("PRC") and Room 504, 5/F, OfficePlus @Sheung Wan, 93-103 Wing Lok Street, Sheung Wan, Hong Kong. The ordinary shares of the Company (the "Shares") were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 28 January 2011.

The principal activity of the Company is investment holding. The Group is engaged in the manufacture and sale of slippers, sandals, casual footwear, graphene-based ethylene-vinyl acetate ("EVA") foam material ("Graphene-based EVA Foam Material") and slippers ("Graphene-based Slippers"), graphene deodorizing and sterilizing chips for air purifiers and air conditioners ("Sterilizing Chips"), graphene air sterilizers, cast monocrystalline silicon ("Cast-mono") wafers, Cast-mono heterojunction ("HJT") solar cells and modules, HJT back contact ("HBC") solar cells, HBC flexible modules and bendable solar awnings. An analysis of the Group's performance for the Period by business segment is set out in note 3 to this interim financial results.

In the opinion of the Directors, the immediate holding company and the ultimate holding company of the Company are Best Mark International Limited and Market Dragon Investments Limited, respectively, which were incorporated in the British Virgin Islands. Its ultimate controlling party is Mr. Chiu Hsin-Wang.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements (the "Interim Financial Statements") for the six months ended 30 June 2024 have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting issued by the International Accounting Standards Board ("IASB") and the disclosure requirements under Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The Interim Financial Statements should be read in conjunction with the annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

2. BASIS OF PREPARATION *(continued)*

The Interim Financial Statements have been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements as detailed below:

In the Period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the annual periods beginning on 1 January 2024 for the preparation of the Group's Interim Financial Statements:

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRSs in the Period has had no material impact on the Group's financial positions and performance for the current and prior periods and on the disclosures set out in the Interim Financial Statements.

The Group has not early applied the following new or revised IFRSs that have been issued but are not yet effective.

Amendments to IAS 21	Lack of Exchangeability ¹
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments ²
IFRS 18	Presentation and Disclosure in Financial Statements ³
IFRS 19	Subsidiaries without Public Accountability: Disclosures ³

¹ Annual periods beginning on or after 1 January 2025

² Annual periods beginning on or after 1 January 2026

³ Annual periods beginning on or after 1 January 2027

The above new standards, new interpretations and amended standards are not expected to have a material impact on the historical financial information of the Group.

3. SEGMENT INFORMATION

Information reported to the Directors, being the chief operating decision maker (the “CODM”), for the purposes of resource allocation and assessment of segment performance, focuses on types of goods or services delivered or provided. Specifically, the Group’s reportable and operating segments are as follows:

- (a) the Boree branded products segment manufactures and sells Boree branded slippers, sandals and casual footwear (“Boree Products”);
- (b) the graphene-based products segment applied the technology know-how by applying graphene in the production of Graphene-based EVA Foam Material, Graphene-based Slippers, Sterilizing Chips and graphene air sterilizers (collectively as “Graphene-based Products”) and provision of service;
- (c) the Original Equipment Manufacturer (“OEM”) segment produces slippers for branding and resale by others; and
- (d) the photovoltaic products segment manufactures and sells Cast-mono wafers, Cast-mono HJT solar cells and modules, HBC solar cells, HBC flexible modules and bendable solar awnings (collectively as “Photovoltaic Products”).

The CODM monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment result, which is a measure of adjusted result before tax.

The segment profit or loss represents the profit earned by or loss from each segment without allocation of interest income, other unallocated net income and gains, fair value change on financial assets/financial liabilities at fair value through profit or loss (“FVTPL”), reversal of impairment loss on trade receivables, fair value change on investment properties, finance costs as well as corporate and other unallocated expenses.

3. SEGMENT INFORMATION *(continued)*

Segment assets exclude certain property, plant and equipment, investment properties, certain prepayments, deposits and other receivables, financial assets at FVTPL, pledged deposits and cash and bank balances as these assets are managed on a group basis.

Segment liabilities exclude deposits received, other payables and accruals, short-term borrowings, certain deferred income, income tax payable and deferred tax liability as these liabilities are managed on a group basis.

Period ended 30 June 2024

	Boree Products RMB'000 (unaudited)	Graphene- based Products RMB'000 (unaudited)	OEM RMB'000 (unaudited)	Photovoltaic Products RMB'000 (unaudited)	Total RMB'000 (unaudited)
Segment revenue					
Sales and provision of service	<u>1,997</u>	<u>2,288</u>	<u>111,172</u>	<u>12,024</u>	<u>127,481</u>
Segment results	<u>(421)</u>	<u>221</u>	<u>14,019</u>	<u>(63,726)</u>	<u>(49,907)</u>
<i>Reconciliation:</i>					
Interest income					708
Other unallocated net income and gains					7,199
Reversal of impairment loss on trade receivables					245
Corporate and other unallocated expenses					(111,918)
Fair value gain on investment properties					57
Finance costs					<u>(4,229)</u>
Loss before tax					<u><u>(157,845)</u></u>

3. SEGMENT INFORMATION *(continued)*

As at 30 June 2024

	Boree Products <i>RMB'000</i> (unaudited)	Graphene- based Products <i>RMB'000</i> (unaudited)	OEM <i>RMB'000</i> (unaudited)	Photovoltaic Products <i>RMB'000</i> (unaudited)	Total <i>RMB'000</i> (unaudited)
Segment assets	<u>2,056</u>	<u>11,384</u>	<u>114,724</u>	<u>456,412</u>	<u>584,576</u>
<i>Reconciliation:</i>					
Corporate and other unallocated assets					<u>148,590</u>
Total assets					<u><u>733,166</u></u>
Segment liabilities	<u>778</u>	<u>5,189</u>	<u>43,434</u>	<u>75,408</u>	<u>124,809</u>
<i>Reconciliation:</i>					
Corporate and other unallocated liabilities					<u>147,116</u>
Total liabilities					<u><u>271,925</u></u>

Period ended 30 June 2023

	Boree Products <i>RMB'000</i> (unaudited)	Graphene- based Products <i>RMB'000</i> (unaudited)	OEM <i>RMB'000</i> (unaudited)	Photovoltaic Products <i>RMB'000</i> (unaudited)	Total <i>RMB'000</i> (unaudited)
Segment revenue					
Sales and provision of service	<u>961</u>	<u>809</u>	<u>111,253</u>	<u>42,493</u>	<u>155,516</u>
Segment results	<u>(500)</u>	<u>(3,141)</u>	<u>22,166</u>	<u>(17,536)</u>	<u>989</u>
<i>Reconciliation:</i>					
Interest income					1,827
Other unallocated net income and gains					9,240
Reversal of impairment loss on trade receivables					–
Corporate and other unallocated expenses					(134,622)
Fair value loss on financial liabilities at FVTPL					(321)
Fair value loss on investment properties					(228)
Finance costs					<u>(2,165)</u>
Loss before tax					<u><u>(125,280)</u></u>

3. SEGMENT INFORMATION *(continued)*

As at 31 December 2023

	Boree Products <i>RMB'000</i> (audited)	Graphene- based Products <i>RMB'000</i> (audited)	OEM <i>RMB'000</i> (audited)	Photovoltaic Products <i>RMB'000</i> (audited)	Total <i>RMB'000</i> (audited)
Segment assets	<u>573</u>	<u>15,831</u>	<u>172,621</u>	<u>461,521</u>	650,546
<i>Reconciliation:</i>					
Corporate and other unallocated assets					<u>213,449</u>
Total assets					<u><u>863,995</u></u>
Segment liabilities	<u>248</u>	<u>5,917</u>	<u>74,936</u>	<u>83,940</u>	165,041
<i>Reconciliation:</i>					
Corporate and other unallocated liabilities					<u>157,960</u>
Total liabilities					<u><u>323,001</u></u>

Geographical information

(a) Revenue from external customers

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
PRC (principal place of operations)	8,099	8,238
United States of America (“US”)	102,866	104,134
South America	45	596
Europe	6,760	37,525
South East Asia	1,331	478
Other countries	8,380	4,545
	<u>127,481</u>	<u>155,516</u>

The revenue information above is based on the locations of goods delivered.

3. SEGMENT INFORMATION (continued)

(b) Non-current assets

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
PRC (principal place of operations)	341,922	341,114
Hong Kong	14	18
	<u>341,936</u>	<u>341,132</u>

The non-current assets information above is based on the locations of the assets.

Information about major customers

Revenue from customers of the corresponding periods contributing over 10% of the total sales of the Group are as follows:

	Six months ended 30 June 2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Customer A	58,873	60,086
Customer B	44,087	42,508
Customer C*	4,639	36,899

* Revenue from Customer C contributed less than 10% of the total sales of the Group for the Period.

Customers A and B are in the OEM segment and customer C is in Photovoltaic Products segment.

4. REVENUE, OTHER NET INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts and provision of service.

4. REVENUE, OTHER NET INCOME AND GAINS (continued)

An analysis of revenue, other net income and gains is as follows:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue		
Recognised at a point in time		
Sale of goods and provision of service	<u>127,481</u>	<u>155,516</u>
Other net income and gains		
Interest income	708	1,827
Sales of scrap materials	118	229
Rental income from investment properties less outgoing expenses of RMB Nil (2023: RMB Nil)	2,401	2,297
Rental income under operating leases	183	160
Subsidy income*	1,795	1,105
Exchange gain, net	2,985	5,418
Gain on disposal of items of property, plant and equipment	–	12
Subcontracting income	–	354
Others	<u>217</u>	<u>165</u>
	<u>8,407</u>	<u>11,567</u>

* There are no unfulfilled conditions or contingencies relating to these subsidies.

5. FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interest on bank loans and other borrowings	2,085	1,910
Interest on lease liabilities	1,791	31
Effective interest on deferred rental income	<u>353</u>	<u>224</u>
	<u>4,229</u>	<u>2,165</u>

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting) the following items:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Cost of inventories sold	<u>114,214</u>	<u>130,286</u>
Depreciation of property, plant and equipment	9,526	8,103
Depreciation of right-of-use assets	11,841	1,179
Employee benefit expenses (including directors' remuneration):		
Wages and salaries	56,133	46,211
Equity-settled share-based payments	80,218	62,050
Staff welfares	1,955	1,785
Contributions to retirement benefits schemes	<u>5,191</u>	<u>3,691</u>
	<u>143,497</u>	<u>113,737</u>
Gross rental income from investment properties	(2,401)	(2,297)
Less: direct operating expenses incurred for investment properties (including generated and did not generated rental income during the period)	<u>–</u>	<u>–</u>
	<u>(2,401)</u>	<u>(2,297)</u>
Impairment loss on intangible assets	281	–
Loss on write-off of items of property, plant and equipment	<u>2</u>	<u>650</u>

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
PRC Enterprise Income Tax		
Charge for the period	1,017	402
Under-provisions in prior years	83	717
Deferred tax	(761)	(38)
	<hr/>	<hr/>
Total tax expense for the period	339	1,081
	<hr/> <hr/>	<hr/> <hr/>

No provision for Hong Kong profits tax has been provided as the Group did not generate any assessable profits arising in Hong Kong for the Period (2023: Nil). Taxes on profits assessable in the PRC have been calculated at the prevailing rates, based on existing legislation, interpretations and practices in respect thereof.

8. DIVIDEND

No dividend was proposed for the periods ended 30 June 2024 and 2023 and since the end of the reporting period.

9. LOSS PER SHARE

The calculation of basic loss per share of the Company is based on the consolidated loss for the Period attributable to owners of the Company of approximately RMB158,184,000 (2023: RMB126,361,000) and the weighted average number of Shares of 1,814,277,795 (2023: 1,731,235,299) in issue during the Period.

The weighted average number of Shares used to calculate the basic loss per share for the Period included the 1,814,373,608 Shares as at 1 January 2024 (being 1,815,659,608 Shares in issue as at 1 January 2024 deducting 1,286,000 Shares repurchased in December 2023 and cancelled during the Period), 90,000 Shares repurchased and cancelled during the Period and 434,000 Shares repurchased in June 2024 on the Stock Exchange and such Shares were not cancelled as at 30 June 2024.

The weighted average number of Shares used to calculate the basic loss per share for the period ended 30 June 2023 included the 1,711,959,608 Shares in issue as at 1 January 2023 and 103,700,000 Shares issued during the period ended 30 June 2023 in respect of the exercise of share options.

During the periods ended 30 June 2024 and 2023, diluted loss per share does not assume the exercise of the Company's share options as the exercise of the Company's share options would result in a decrease in loss per share, and is regarded as anti-dilutive.

10. INVESTMENT PROPERTIES

	<i>RMB'000</i>	
As at 1 January 2023		66,251
Fair value loss on investment properties		<u>(208)</u>
As at 31 December 2023 and 1 January 2024		66,043
Fair value gain on investment properties		<u>57</u>
As at 30 June 2024		<u><u>66,100</u></u>
	30 June	31 December
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
Representing:		
Leasehold land	36,195	35,649
Building	29,905	30,394
	<u><u>66,100</u></u>	<u><u>66,043</u></u>

The Group's properties located in the PRC are leased to a third party to earn rentals or for capital appreciation purposes.

The fair values of the Group's investment properties as at 30 June 2024 and 31 December 2023 had been arrived at on the basis of a valuation carried out by Quanzhou Heyi Assets and Real Estate Appraisal Co., Ltd, an independent professional valuer. In estimating the fair value of the investment properties, the management of the Group has considered the highest and best use of the investment properties.

The Group has pledged the leasehold land of investment properties with a net carrying amount of approximately RMB36,195,000 (31 December 2023: RMB35,649,000) to secure general banking facilities granted to the Group.

11. TRADE AND BILLS RECEIVABLES

The Group's trading terms with its customers are mainly on credit. The credit period offered to its customers is generally for a period of one to three months (31 December 2023: one to three months). The Group seeks to apply strict control over its outstanding receivables and has a credit control department to monitor credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade and bills receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade and bills receivables are non-interest-bearing.

An aging analysis of the Group's trade and bills receivables, net of allowance for credit losses as at the end of the reporting period, based on the invoice dates, is as follows:

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Within 3 months	73,746	125,502
4 to 6 months	32,114	16,959
Over 6 months	4,258	12,860
	<u>110,118</u>	<u>155,321</u>

12. TRADE AND BILLS PAYABLES

An aging analysis of the Group's trade and bills payables as at the end of the reporting period, based on the invoice dates, is as follows:

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Within 3 months	29,786	64,493
Over 3 months	14,109	15,099
	<u>43,895</u>	<u>79,592</u>

The trade and bills payables are non-interest-bearing and are normally settled on six months terms (31 December 2023: six months). The Group has no bills payable as at 30 June 2024. Bills payable of approximately RMB2,426,000 were secured by the Group's pledged deposits amounted to approximately RMB2,426,000 as at 31 December 2023.

13. SHORT-TERM BORROWINGS

	30 June 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Secured bank loans repayable within one year	<u>100,200</u>	<u>100,200</u>

- (a) At 30 June 2024 and 31 December 2023, the loans were denominated in Renminbi and bore interest rates ranging from:

Six months ended 30 June 2024	3.70% – 4.55% per annum
Year ended 31 December 2023	3.70% – 4.55% per annum

- (b) At 30 June 2024, the secured bank loans of the Group were secured by a pledge of the Group's buildings with carrying amount of approximately RMB1,968,000 (31 December 2023: RMB1,973,000), leasehold land of right-of-use assets and the leasehold land of investment properties with carrying amounts of approximately RMB3,679,000 (31 December 2023: RMB3,752,000) and approximately RMB36,195,000 (31 December 2023: RMB35,649,000) respectively. In addition, the bank loans were secured by guarantees provided by an independent third party, a Director and a pledge of properties of his son as at 30 June 2024 and 31 December 2023.

14. SHARE CAPITAL

The details of the authorised and issued share capital of the Company are as follows:

	Number of ordinary shares of US\$0.01 each	Nominal value of ordinary shares RMB'000
Authorised:		
As at 1 January 2023, 31 December 2023, 1 January 2024 and 30 June 2024	<u>5,000,000,000</u>	<u>342,400</u>
Issued and fully paid:		
As at 1 January 2023	1,711,959,608	113,799
Issue of Shares upon exercise of share options	<u>103,700,000</u>	<u>7,161</u>
As at 31 December 2023 and 1 January 2024	1,815,659,608	120,960
Shares repurchased and cancelled	<u>(1,376,000)</u>	<u>(98)</u>
As at 30 June 2024	<u>1,814,283,608</u>	<u>120,862</u>

During the Period, the Company cancelled 1,286,000 Shares repurchased in December 2023. Besides, the Company repurchased 524,000 Shares on the Stock Exchange with a total cash consideration of approximately HK\$1,963,000 (equivalent to approximately RMB1,783,000). The lowest and highest repurchased price per Share is HK\$3.66 and HK\$4.06 respectively. All repurchases were executed in January and June 2024. 90,000 Shares of the repurchased Shares have been cancelled and deducted from the share capital and share premium within shareholders' equity, and the remaining 434,000 repurchased Shares were recorded as treasury stock as at 30 June 2024.

During the year ended 31 December 2023, the Company repurchased 1,286,000 Shares on the Stock Exchange with a total cash consideration of approximately HK\$4,752,000 (equivalent to approximately RMB4,326,000). The lowest and highest repurchased price per Share is HK\$3.56 and HK\$3.90 respectively. All repurchases were executed in December 2023. None of the repurchased Shares had been cancelled and deducted from the share capital and share premium within shareholders' equity, and the repurchased Shares were recorded as treasury stock as at 31 December 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Period, the revenue of the Group decreased by approximately RMB28.0 million or approximately 18.0% to approximately RMB127.5 million (2023: RMB155.5 million), which was mainly attributable to the decrease in revenue of the Photovoltaic Products business. The gross profit of the Group during the Period decreased by approximately 47.4% to approximately RMB13.3 million and the gross profit margin of the Group for the Period decreased to approximately 10.4% as compared to approximately 16.2% for the corresponding period in 2023, which was mainly due to the decrease in gross profit margin for OEM business.

Regarding the OEM business, the Group still faced worsening macroeconomic factors such as domestic inflation and sluggish consumer demand in the US and the threat of fierce price reduction competition from manufacturers in Southeast Asian countries, thus the gross profit was negatively affected and this is the major reason for the decrease in gross profit and gross profit margin for the Group during the Period.

For the Photovoltaic Products business, the decrease in sales was mainly due to most solar companies engaged in price competition to secure orders in the first half of 2024. In order to maintain the competitiveness of the Group's products, the Group has been continuously developing advanced technologies. In the second half of 2023 to the first half of 2024, the Group has upgraded the existing HJT production lines to the higher conversion efficiency and cost-advantageous exclusive patented HBC solar cell technology. In the first half of 2024, the sales volume of the Photovoltaic Products business was temporarily affected due to the transition from old to new technology products.

The Group recorded a net loss for the Period of approximately RMB158.2 million, as compared with the net loss of approximately RMB126.4 million of the corresponding period in 2023. The net loss was mainly attributable to i) general and administrative expenses of approximately RMB124.3 million during the Period which mainly included the equity-settled share-based payments of approximately RMB80.2 million during the Period which was incurred due to the grant of share options by the Company in 2022 and 2023. Such expense is a non-cash accounting item and has no impact on the cash flow of the Group; ii) research and development costs of approximately RMB32.8 million during the Period, which was mainly incurred due to the upgrade of the existing HJT production lines to the higher conversion efficiency and cost-advantageous exclusive patented HBC solar cell technology; iii) selling and distribution expenses of approximately RMB13.7 million during the Period as the Group devoted more resources in marketing and promotional activities to explore overseas markets of flexible Photovoltaic Products; net off by gross profit of approximately RMB13.3 million during the Period.

FINANCIAL REVIEW

Revenue by Product Category

	Six months ended 30 June		Increase/ (decrease) % change
	2024 <i>RMB'000</i> (unaudited)	2023 <i>RMB'000</i> (unaudited)	
Revenue (Boree Products)	1,997	961	107.8%
Revenue (Graphene-based Products)	2,288	809	182.8%
Revenue (OEM Business)	111,172	111,253	(0.1%)
Revenue (Photovoltaic Products)	12,024	42,493	(71.7%)
Revenue (Total)	<u>127,481</u>	<u>155,516</u>	<u>(18.0%)</u>

Boree Products

Revenue from the manufacture and sale of Boree branded slippers, sandals and casual footwear (“Boree Products”) increased by approximately 107.8% to approximately RMB2.0 million during the Period (2023: RMB0.9 million) because of the increase in online sales.

Graphene-based Products

Revenue from the manufacture and sale of Graphene-based Products increased by approximately 182.8% to approximately RMB2.3 million during the Period (2023: RMB0.8 million) as the sales of sterilizing modules for air conditioning system increased during the Period.

OEM Business

For the OEM business, the Group still faced worsening macroeconomic factors such as domestic inflation and sluggish consumer demand in the US. Nevertheless, with the effort of the Group’s sales team, the revenue only slightly dropped by approximately 0.1% to approximately RMB111.2 million for the Period (2023: RMB111.3 million). However, the gross profit of OEM business was negatively affected by the continuing decrease in demand from major customers in the US, and the threat of fierce price reduction competition from manufacturers in Southeast Asian countries.

Photovoltaic Products

Revenue from the manufacture and sale of Photovoltaic Products for the Period decreased by approximately 71.7% to approximately RMB12.0 million as compared to approximately RMB42.5 million of the corresponding period in 2023. The decrease in sales was mainly due to most solar companies engaged in price competition to secure orders in the first half of 2024. In order to maintain the competitiveness of the Group's products, the Group has been continuously developing advanced technologies. In the second half of 2023 to the first half of 2024, the Group has upgraded the existing HJT production lines to the higher conversion efficiency and cost-advantageous exclusive patented HBC solar cell technology. The Group has also become the inventor of the low-cost, high-efficiency back-contact ("BC") next-generation high-efficiency battery technology, with a complete patent licensing system. During the Period, the sales volume of the Photovoltaic Products business was temporarily affected due to the transition from old to new technology products. Once the BC technology promotion is completed in the second half of 2024, it is expected that it will contribute to the growth of the Photovoltaic Products business.

Selling and Distribution Expenses

During the Period, selling and distribution expenses increased by approximately 23.4% to approximately RMB13.7 million as compared to approximately RMB11.1 million of the corresponding period in 2023, which accounted for approximately 10.7% (2023: 7.1%) of the Group's revenue for the Period. The increase was mainly attributable to the increase in allocation of resources in marketing and promotional activities during the Period to explore overseas markets of flexible Photovoltaic Products.

General and Administrative Expenses

General and administrative expenses recorded an increase of approximately RMB29.8 million or approximately 31.6% to approximately RMB124.3 million for the Period (2023: RMB94.5 million), which was mainly attributable to (i) increase of equity-settled share-based payments of approximately RMB18.2 million to approximately RMB80.2 million during the Period in comparison to approximately RMB62.1 million in the corresponding period in 2023 due to the grant of share options by the Company in 2022 and 2023; (ii) increase in wages and salaries of approximately RMB9.9 million as more senior management and administrative staff were recruited to support the manufacture and sale of Photovoltaic Products; and (iii) increase in depreciation of right-of-use assets of approximately RMB10.6 million as an indirect wholly-owned subsidiary of the Company, as the lessee entered into a lease agreement for the lease of the factory and ancillary facilities as production base of Cast-mono wafers in Xuzhou for an initial term of 3 years from 1 November 2023 to 31 October 2026. As the entering into of lease agreement was recognized as an acquisition of right-of-use assets in November 2023, the depreciation during the Period increased substantially.

Research and Development Costs

During the Period, research and development costs decreased by approximately RMB16.6 million to approximately RMB32.8 million (2023: RMB49.4 million). During the Period, the Group mainly focused to upgrade the existing HJT production lines to the higher conversion efficiency and cost-advantageous exclusive patented HBC solar cell technology while in the corresponding period in 2023, research and development activities mainly focused on developing new products like HJT solar awnings and development of the HBC solar cells for the production of HBC flexible modules.

Liquidity and Financial Resources

During the Period, net cash outflow from operating activities of the Group amounted to approximately RMB26.0 million (2023: RMB28.3 million). As at 30 June 2024, cash and bank balances were approximately RMB80.9 million, representing a decrease of approximately 43.3% as compared with approximately RMB142.6 million as at 31 December 2023. As at 30 June 2024, approximately 19.8%, 23.2% and 57.0% of the Group's cash and bank balances were denominated in Hong Kong dollars, Renminbi and US dollars respectively. As at 30 June 2024, the short-term borrowings of the Group were approximately RMB100.2 million (31 December 2023: RMB100.2 million). All loans were denominated in Renminbi with fixed interest rates and repayable within one year.

As at 30 June 2024, the gearing ratio of the Group was 57.9% (31 December 2023: 58.7%). Gearing ratio was calculated as total debt divided by the total equity. Total debts refer to the total liabilities minus the sum of tax payable and deferred tax liability.

Capital Structure

As at 1 January 2024, the Company had 1,815,659,608 Shares in issue and a paid-up capital of approximately RMB120,960,000. During the Period, the Company cancelled 1,376,000 Shares of repurchased Shares. As at 30 June 2024, the Company had 1,814,283,608 Shares in issue and a paid-up capital of approximately RMB120,862,000.

Significant Investments, Material Acquisitions and Disposals of Subsidiaries, Associated Companies and Joint Ventures

During the Period, the Group did not have any other significant investments, material acquisitions and disposals of subsidiaries, associated companies and joint ventures.

Pledge of Assets

As at 30 June 2024, the Group did not have any bills payables. As at 31 December 2023, the bills payables were secured by a pledge of the Group's deposits amounting to approximately RMB2.4 million. As at 30 June 2024, the bank borrowings of the Group were secured by a pledge of the Group's buildings with carrying amount of approximately RMB2.0 million (31 December 2023: RMB2.0 million), leasehold land of right-of-use assets and the leasehold land of investment properties with carrying amounts of approximately RMB3.7 million (31 December 2023: RMB3.8 million) and approximately RMB36.2 million (31 December 2023: RMB35.6 million) respectively.

Contingent Liabilities

As at 30 June 2024 and 31 December 2023, there were no material contingent liabilities.

Foreign Exchange Risk

During the Period, the revenue of the Group was mainly denominated in US dollars, European dollars and Renminbi. The cost of sales and operating expenses were mainly denominated in Renminbi. Management of the Group monitors the foreign exchange risk and will consider hedging significant foreign currency risk exposure if necessary.

Human Resources

As at 30 June 2024, the Group had a total of approximately 890 employees (31 December 2023: 1,090 employees), with total staff costs for the Period, including directors' remuneration, amounted to approximately RMB143.5 million (2023: RMB113.7 million). The Group's emolument policies are based on the merit, qualifications and competence of individual employee and are reviewed by the remuneration committee periodically. The emoluments of the Directors are recommended by the remuneration committee and are decided by the Board, having regard to the Group's operating results, individual performance and comparable market statistics. The Company also adopted a share option scheme on 2 July 2021 (which was terminated with effect from 16 June 2023) and a new share option scheme on 16 June 2023 to motivate and reward its Directors and eligible employees.

Use of Net Proceeds From 2022 Placing

As disclosed in the Company's announcements dated 30 December 2021 and 14 January 2022, and subsequent change in use of proceeds as disclosed in the announcement dated 13 June 2024, the Company placed a total of 50,000,000 new Shares through a placing agent to two places at the placing price of HK\$10 per placing share (the "2022 Placing") which was completed on 14 January 2022. The closing market price was HK\$10.3 per Share on the date on which the terms of the 2022 Placing were fixed. The gross proceeds and net proceeds (after deducting the placing commission and other related expenses and professional fees) from the 2022 Placing were approximately HK\$500,000,000 (equivalent to approximately RMB409,050,000) and approximately HK\$497,850,000 (equivalent to approximately RMB407,291,000) respectively. The net placing price, after deducting relevant expenses, were approximately HK\$9.96 per placing share.

The Directors considered that the 2022 Placing represented a good opportunity for the Company to raise additional capital and hence strengthen the Company's capital base for the business operations of the Group without incurring interest costs.

The utilisation of the net proceeds of the 2022 Placing as at 30 June 2024 is set out as follows:

Nature	Intended use of the net proceeds <i>RMB'000</i>	Remaining balance of the unutilised net proceeds as at 1 January 2024 <i>RMB'000</i>	Revised use of remaining balance of the net proceeds <i>RMB'000</i>	Amount of the revised net proceeds utilised during the period ended 30 June 2024 <i>RMB'000</i>	Balance of the net proceeds utilised as at 30 June 2024 <i>RMB'000</i>
(1) Procurement costs of raw materials and subcontracting fee for production of the Cast-mono wafers and solar modules	156,952	–	13,000	13,000	–
(2) Modification of the casting silicon furnaces	61,358	52,844	1,000	680	320
(3) Procurement of other peripheral production equipment	49,086	3,473	10,000	8,276	1,724
(4) Procurement of production equipment for HBC solar cells and modules and flexible modules	14,726	8,757	40,000	14,990	25,010
(5) Procurement costs of raw materials for the flexible modules	2,454	–	10,000	6,070	3,930
(6) Potential strategic equity investment to establish a Cast-mono HJT photovoltaic cell and module manufacturing facility	40,905	40,905	–	–	–
(7) General working capital	81,810	–	31,979	31,979	–
Total:	<u>407,291</u>	<u>105,979</u>	<u>105,979</u>	<u>74,995</u>	<u>30,984</u>

Note:

It is expected that the remaining balances of the unutilised net proceeds will be utilised on or before 31 December 2024.

BUSINESS REVIEW AND FUTURE PROSPECTS

During the Period, the revenue of the Group decreased by approximately RMB28.0 million or approximately 18.0% to approximately RMB127.5 million (2023: RMB155.5 million), which was mainly attributable to the decrease in revenue of the Photovoltaic Products business.

OEM Business

The Group still faced worsening macroeconomic factors such as domestic inflation and sluggish consumer demand in the US. Nevertheless, with the effort of the Group's sales team, the revenue only slightly dropped by approximately 0.1% to approximately RMB111.2 million during the Period. Due to the threat of fierce price reduction competition from manufacturers in Southeast Asian countries, the revenue of the OEM business in the second half of 2024 is expected to decrease in comparison with the second half of 2023.

Photovoltaic Products Business

The revenue decreased by approximately 71.7% to approximately RMB12.0 million during the Period. The decrease in sales was mainly due to most solar companies engaged in price competition to secure orders in the first half of 2024. In order to maintain the competitiveness of the Group's products, the Group has been continuously developing advanced technologies. In the second half of 2023 to the first half of 2024, the Group has upgraded the existing HJT production lines to the higher conversion efficiency and cost-advantageous exclusive patented HBC solar cell technology. In the first half of 2024, the sales volume of the Photovoltaic Products business was temporarily affected due to the transition from old to new technology products. Once the BC technology promotion is completed in the second half of 2024, it is expected that it will contribute to the growth of the Photovoltaic Products business. It is expected that while other mainstream technologies are still in the price reduction competition stage, the Group's HBC solar cell technology, which has a higher conversion efficiency than the other mainstream technologies, will continue to be able to command a higher sales price and hence enjoy a price premium in the US and Europe in the same way as the HJT technology in the past few years.

In the first half of 2024, the Group continued to devote resources in the business of flexible solar modules, solar awnings and HBC solar cells and achieved the following objectives:

1. In collaboration with multiple top-tier recreational vehicle ("RV") brands, top-tier RV accessories suppliers and awning manufacturers in the US, the Group completed the product certification for its flexible solar modules and solar awnings, as well as obtaining good reputation for the power generation capability for flexible solar modules. Currently, the Group is working with these partners to commercialize the products and expect to generate orders within the next few months.

2. The Group's flexible solar modules obtained the international authoritative Underwriter Laboratories Inc. ("UL") certification in early June 2024, marking the first step for the related products to enter the US residential application market.
3. The second flexible mass production facility of the Group was completed in the first half of 2024 and is expected to commence operations in the third quarter of 2024. Our current first flexible production facility in use is also expected to complete recent orders from Australia in September 2024, with shipments expected to be made to Australia in the same month.
4. The Group obtained several important patents and established a patent system for hybrid passivation cells technology, based on which it plans to expand the influence of HBC solar cells in the photovoltaic industry.

It is expected that in the second half of 2024, besides continuing shipments to Australia, the Group will promptly generate orders for the aforementioned US and European RV products and commence production and shipments. Besides, the Group plans to start manufacturing HBC solar cells for traditional glass modules in September 2024, with the first facility expected to be jointly established with domestic modules suppliers. The Group's goal is to establish a HBC solar cells and modules cluster based on exclusive patents, selectively partner with modules manufacturers who have high-end overseas channels to establish joint venture, so as to exclusively supply to them HBC solar cells which will then be used to manufacture modules and sell to overseas. Ultimately, the Group aims to provide more efficient and cost-competitive HBC products to overseas high-margin markets, creating technological differentiation from highly homogeneous products, which face significant price-cutting competition in the market.

OTHER INFORMATION

Interim Dividend

The Directors do not recommend the payment of any interim dividend for the Period (for the six months ended 30 June 2023: Nil).

Corporate Governance

The Board and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, successful business growth and enhancing shareholders' value.

Throughout the Period, the Company has complied with the code provisions as set out in the Corporate Governance Code contained in Part 2 of Appendix C1 to the Listing Rules. The Company periodically reviews its corporate governance practices to ensure continuous compliance.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules as the required standard for securities transactions by the Directors. The Company has made specific enquiries of all the Directors and each of them confirmed that they have complied with the required standards set out in the Model Code during the Period.

REVIEW BY AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely Dr. Zhang Baoping, Mr. Chen Shaohua and Professor Zhao Jinbao, and Mr. Chen Shaohua is the chairperson of the audit committee. The unaudited Interim Financial Statements have been reviewed by the Audit Committee with no disagreement.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

As the Board considered that the price of the Shares did not reflect their intrinsic value, and share repurchase could reflect the Board’s confidence in the Company’s development prospects, the Company repurchased on the Stock Exchange a total number of 524,000 Shares at a total consideration of approximately HK\$1,963,000 (equivalent to approximately RMB1,783,000). Out of these repurchased Shares, 90,000 Shares had been cancelled and deducted from the share capital and share premium within shareholders’ equity during the Period and the remaining 434,000 Shares were recorded as treasury stock as at 30 June 2024.

Details of the share repurchases are as follows:

Month	Total number of Shares	Price paid per share		Aggregate consideration (HK\$’000)
		Highest (HK\$)	Lowest (HK\$)	
January 2024	90,000	3.95	3.66	339
June 2024	434,000	4.06	3.68	1,624
Total	<u>524,000</u>			<u>1,963</u>

Save as disclosed above, during the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury stock).

MATERIAL EVENTS AFTER THE PERIOD UNDER REVIEW

There were no material subsequent events since 30 June 2024, being the end of the Period under review.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement of the Company for the Period is available for viewing on the website of the Stock Exchange and the website of the Company at <http://www.goldensolargroup.com>. The interim report of the Company will be available to shareholders of the Company and page on the aforementioned websites in due course.

On behalf of the Board
Golden Solar New Energy Technology Holdings Limited
Kang Chuang
Chairman

Hong Kong, 30 August 2024

As at the date of this announcement, the executive Directors are Mr. Kang Chuang and Mr. Zheng Jingdong; the non-executive Director is Ms. Lin Weihuan; and the independent non-executive Directors are Dr. Zhang Baoping, Mr. Chen Shaohua and Professor Zhao Jinbao.