



REPORT OF THE DIRECTORS

The directors of the Company (the “Directors” or the “Board”) submit their report together with the audited consolidated financial statements of GCL Technology Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year 2022 are principally engaged in the manufacturing and sale of polysilicon and wafers products, and developing, owning and operation of solar farms.

The particulars of the Group’s principal subsidiaries, interests in associates and interests in joint ventures are set out in notes 55, 20 and 21 of the consolidated financial statements, respectively.

BUSINESS REVIEW

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

A fair review of the Group’s business, including the important events affecting the Group that have occurred since the end of 2022 and the likely future developments of the Group’s business, is set out in the Chairman’s Statement, CEO’s Review of Operations and Outlook, and the Management Discussion and Analysis sections on pages 14 to 42 of this report. Potential risks and uncertainties faced by the Group are set out in the Management Discussion and Analysis section on pages 39 to 40 of this report, reviewed and assessed by the Board, which was set out in the Corporate Governance Report under the Risk Management and Internal Controls section on pages 58 to 61. Details about the Group’s financial risk management are set out in note 44 to the consolidated financial statements.

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

COMPLIANCE WITH LAWS AND REGULATIONS

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

The Company’s environmental policies and performance are set out in the Corporate Environmental Policies and Performance section on pages 44 to 45 of this report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2022 are set out in the consolidated statement of profit or loss and other comprehensive income from pages 102 to 104.



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) which will be payable on or about 29 June 2023 to all persons registered as holders of ordinary shares of the Company on 8 June 2023 subject to approval at the forthcoming annual general meeting. The register of members will be closed from 5 June 2023 to 8 June 2023, both dates inclusive.

FINANCIAL SUMMARY

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

PROPERTY, PLANT AND EQUIPMENT

Movements in the property, plant and equipment of the Group during the year are set out in note 16 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the issued share capital of the Company during the year are set out in note 40 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

The distributable reserves of the Company as at 31 December 2022 amounted to approximately RMB40,282 million (2021: approximately RMB27,549 million).

BANK AND OTHER BORROWINGS

Particulars of the Group’s bank and other borrowings are set out in note 36 to the consolidated financial statements.

DONATIONS

Donations by the Group for charitable and other purposes as at 31 December 2022 amounted to approximately RMB13,210,000 (2021: approximately RMB180,000).



REPORT OF THE DIRECTORS (CONTINUED)

EQUITY-LINKED AGREEMENTS

Save for the share option schemes and the share award scheme described below with details of movements set out in note 49 to the consolidated financial statements, no equity-linked agreements were entered into by the Group during the year ended 31 December 2022, or subsisted at the end of the year 2022.

DIRECTORS

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

Executive Directors

Mr. Zhu Gongshan (*Chairman*)

Mr. Zhu Yufeng (*Vice Chairman*)

Mr. Zhu Zhanjun (*Vice Chairman and Joint CEO*)

Mr. Lan Tianshi (*Joint CEO*)

Ms. Sun Wei

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

Mr. Zheng Xiongjiu (*resigned on 18 August 2022*)

Independent Non-executive Directors

Ir. Dr. Ho Chung Tai, Raymond

Mr. Yip Tai Him

Dr. Shen Wenzhong

Mr. Wong Man Chung, Francis (*resigned on 31 May 2022*)

Mr. Zhu Zhanjun has been appointed as the Vice Chairman and re-designated as a Joint CEO; and Mr. Lan Tianshi has been appointed as an executive Director and a Joint CEO with effect from 21 February 2022.

Mr. Wong Man Chung, Francis has resigned as an independent non-executive Director of the Company with effect from 31 May 2022, as he intended to devote more time to his other work commitments. For the details of resignation of Mr. Wong Man Chung, Francis, please refer to the Company's announcement dated 31 May 2022.

Mr. Zheng Xiongjiu has resigned as an executive Director of the Company with effect from 18 August 2022, as he intended to focus and devote more time on his other work commitments outside of the Company and its subsidiaries. For the details of resignation of Mr. Zheng Xiongjiu, please refer to the Company's announcement dated 18 August 2022.

Mr. Zhu Yufeng has been appointed as the Vice Chairman with effect from 9 September 2022.

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



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

DIRECTORS' SERVICES CONTRACTS

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

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

DIRECTORS' INTEREST IN CONTRACTS

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

PERMITTED INDEMNITY PROVISION

Subject to the applicable laws, every Directors, Company Secretary and other officers of the Company shall be indemnified out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses incurred by him or her in the execution of his or her duties or in relation thereto pursuant to the Company's Articles of Associations, provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons. Such provisions were in force during the course of the financial year ended 31 December 2022 and remained in force as of the date of this report.



REPORT OF THE DIRECTORS (CONTINUED)

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

As at 31 December 2022, the Directors and chief executive of the Company had the following interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) to be and were entered into the register required to be kept by the Company pursuant to Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of the Listing Rules:

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

Name of Director/ chief executive	Long/Short position	Number of ordinary shares held				Number of underlying Shares held	Total	Approximate percentage of issued share capital (note 5)
		Beneficiary of a trust	Corporate interests	Personal/ Family interests				
Zhu Gongshan	Long position	6,405,332,156 (note 1)	—	—	6,300,000 (note 2)	6,411,632,156	23.65%	
	Short position	240,000,000 (note 3)	—	—	—		0.88%	
Zhu Yufeng	Long position	6,405,332,156 (note 1)	—	—	5,010,755 (notes 2 & 4)	6,410,342,911	23.64%	
	Short position	240,000,000 (note 3)	—	—	—		0.88%	
Zhu Zhanjun	Long position	—	—	3,400,000	6,019,359 (notes 2 & 4)	9,419,359	0.03%	
Lan Tianshi	Long position	—	—	1,500,000	9,390,000 (note 4)	10,890,000	0.04%	
Sun Wei	Long position	—	—	5,723,000	5,012,189 (notes 2 & 4)	10,735,189	0.03%	
Yeung Man Chung, Charles	Long position	—	—	—	4,700,000 (notes 2 & 4)	4,700,000	0.01%	
Ho Chung Tai, Raymond	Long position	—	—	—	1,507,170 (notes 2 & 4)	1,507,170	0.00%	
Yip Tai Him	Long position	—	—	—	1,507,170 (notes 2 & 4)	1,507,170	0.00%	
Shen Wenzhong	Long position	—	—	—	500,000 (note 4)	500,000	0.00%	

Notes:

- (1) An aggregate of 6,405,332,156 shares of the Company are collectively held by Highexcel Investments Limited, Happy Genius Holdings Limited and Get Famous Investments Limited, which are wholly-owned by Golden Concord Group Limited, which in turn is wholly-owned by Asia Pacific Energy Holdings Limited. Asia Pacific Energy Holdings Limited is in turn wholly-owned by Asia Pacific Energy Fund Limited. Asia Pacific Energy Fund Limited is ultimately held under a discretionary trust with Credit Suisse Trust Limited as trustee and Mr. Zhu Gongshan and his family (including Mr. Zhu Yufeng, a Director of the Company and the son of Mr. Zhu Gongshan) as beneficiaries.



- (2) These are share options granted by the Company to the Directors, pursuant to the share option scheme adopted by the shareholders of the Company on 22 October 2007. Such granted share options can be exercised by the Directors at various intervals during the period from 15 March 2016 to 28 March 2026 at an exercise price of HK\$1.160 or HK\$1.324.
- (3) The short position was held as a result of an equity of derivative agreement entered by Happy Genius Holdings Limited.
- (4) These are award shares granted by the Company to the Directors, pursuant to the share award scheme adopted by the Company on 16 January 2017.
- (5) The total number of ordinary shares of the Company in issue as at 31 December 2022 is 27,108,497,973.

SHARE SCHEMES

SHARE OPTION SCHEME

2007 Share Option Scheme

The Company adopted a share option scheme (the "2007 Share Option Scheme") on 22 October 2007 which became effective on 13 November 2007. The purpose of the 2007 Share Option Scheme is to motivate personnel to optimize their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such personnel who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group, and additionally in the case of executives of the Company, to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions. The 2007 Share Option Scheme shall be valid and effective for a period of 10 years from 22 October 2007, after which no further options will be granted or offered but the provisions of the 2007 Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any subsisting options granted prior to the expiry of the 10-year period or otherwise as may be required in accordance with the provisions of the 2007 Share Option Scheme. Since no further options could be granted or offered under the 2007 Share Option Scheme after its expiry in 2017, the number of shares available for issue under the 2007 Share Option Scheme are the same as the number of outstanding options, i.e. 44,832,763, representing approximately 0.17% of the number of issued shares as of the date of this annual report.

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

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



REPORT OF THE DIRECTORS (CONTINUED)

At an extraordinary general meeting of the Company held on 26 November 2015, the shareholders of the Company approved the refreshment of the existing limit to an aggregate number of shares of the Company which may be allotted and issued pursuant to the exercise of options granted under the 2007 Share Option Scheme not exceeding 200,000,000 shares of the Company. During the year, no share options was granted, a total of 806,170 share options were lapsed and a total of 9,487,525 share options were exercised. The outstanding share options under the 2007 Scheme Option Scheme as at 31 December 2022 are 44,832,763 share options. Particular of the 2007 Share Option Scheme, including the fair value of the share option at the date of grant and weight average closing price of the shares on the exercise date are set out in note 49 to the consolidated financial statements.

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

Name or category of participant	Date of grant (note 1)	Exercise period	Exercise Price per share (HK\$)	Outstanding as at 1.1.2022	Number of options				Outstanding as at 31.12.2022
					Granted during the year	Lapsed or forfeited during the year	Cancelled during the year	Exercised during the year	
Directors/chief executive and their associates									
Zhu Yufeng	29.3.2016	18.4.2016 to 28.3.2026	1.324	1,510,755	—	—	—	—	1,510,755
Zhu Zhanjun	29.3.2016	18.4.2016 to 28.3.2026	1.324	2,719,359	—	—	—	—	2,719,359
Sun Wei	19.2.2016	15.3.2016 to 18.2.2026	1.16	1,712,189	—	—	—	—	1,712,189
Yeung Man Chung, Charles	29.3.2016	18.4.2016 to 28.3.2026	1.324	1,700,000	—	—	—	—	1,700,000
Zheng Xiongjiu (note 2)	19.2.2016	15.3.2016 to 18.2.2026	1.16	2,517,924	—	—	—	(2,517,924)	0
Ho Chung Tai, Raymond	29.3.2016	18.4.2016 to 28.3.2026	1.324	1,007,170	—	—	—	—	1,007,170
Yip Tai Him	29.3.2016	18.4.2016 to 28.3.2026	1.324	1,007,170	—	—	—	—	1,007,170
Successor of Zhu Qingsong (note 3)	29.3.2016	18.4.2016 to 28.3.2026	1.324	1,007,170	—	—	—	—	1,007,170
Employees and others									
	5.7.2013	16.9.2013 to 4.7.2023	1.630	5,025,330	—	—	—	(523,374)	4,501,956
	24.3.2014	26.5.2014 to 23.3.2024	2.867	2,618,642	—	—	—	—	2,618,642
	19.2.2016	15.3.2016 to 18.2.2026	1.16	31,279,239	—	(806,170)	—	(5,841,925)	24,631,144
	29.3.2016	18.4.2016 to 28.3.2026	1.324	3,021,510	—	—	—	(604,302)	2,417,208
Total				55,126,458		(806,170)	—	(9,487,525)	44,832,763

Notes:

- 1 The vesting period under the 2007 Share Option Scheme is 20% of the share options granted on the year of grant, the first, second, third and fourth anniversary of the date of grant, respectively. All share options granted will be fully vested on the fourth anniversary of the date of grant.
- 2 Mr. Zheng Xiongjiu resigned as a director of the Company in August 2022.
- 3 Mr. Zhu Qingsong passed away in 2021.



2022 Share Option Scheme

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

As of the date this report, (i) no share options was granted under 2022 Share Option Scheme; and (ii) the total number of shares available for issue under 2022 Share Option Scheme is 2,709,901,044 Shares, representing approximately 10% of the Company’s number of issued shares as of the date of this annual report. No share options were outstanding under 2022 Share Option Scheme as at 31 December 2022.

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

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

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

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



REPORT OF THE DIRECTORS (CONTINUED)

Unless otherwise terminated by the Board or the shareholders in general meeting in accordance with the terms of the 2022 Share Option Scheme, the 2022 Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption date. The remaining life of the 2022 Share Option Scheme is around 9 years.

SHARE AWARD SCHEME

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

Purpose

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

Eligible Persons

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

Shares Available for Issue

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

Maximum Limit

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

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

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



Duration

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

The remaining life of the Share Award Scheme is around 4 years.

Administration

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

Operation

Grant of Awards

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

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

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

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

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



REPORT OF THE DIRECTORS (CONTINUED)

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

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

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

Restrictions

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

Voting Rights

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

Dividends

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



Transferability and other rights

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

Termination

The Share Award Scheme shall terminate on:

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

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

During the year, a total of 290,830,000 Award Shares were granted to 233 participants under the Share Award Scheme.



REPORT OF THE DIRECTORS (CONTINUED)

The Share Award Scheme does not expressly stipulate the number of Award Shares that may be granted thereunder. In the event where any Award is to be satisfied by the allotment and issue of new Shares, the Board shall obtain a specific mandate from the shareholders of the Company at a general meeting. Accordingly, there is no upper limit of the number of Award Shares to be satisfied by existing Shares of the Company available for grant as at 1 January 2022 and 31 December 2022, whereas since the Board has not been authorized by the shareholders of the Company to allot and issue Shares under the Share Award Scheme pursuant to any specific mandate, the number of Award Shares to be satisfied by allotment and issue of new Shares of the Company available for grant as at 1 January 2022 and 31 December 2022 was nil. Details of the Award Shares granted under the Share Award Scheme and the movements during the year are as follows:

Name	Date of Grant	Vesting Period	Number of Award Shares					Outstanding as 31 December 2022	
			as at 1 January 2022	granted during the year	vested during the year	lapsed during the year	canceled during the year		exercised during the year
Directors									
Zhu Gongshan	6 July 2022	6.07.2022 to 5.07.2027	0	6,300,000 (note1)	—	—	—	—	6,300,000
Zhu Yufeng	6 July 2022	6.07.2022 to 5.07.2027	0	3,500,000 (note1)	—	—	—	—	3,500,000
Zhu Zhanjun	6 July 2022	6.07.2022 to 5.07.2027	0	3,300,000 (note1)	—	—	—	—	3,300,000
Lan Tianshi	16 February 2022	16.02.2022 to 15.02.2027	0	9,390,000 (note2)	—	—	—	—	9,390,000
Sun Wei	6 July 2022	6.07.2022 to 5.07.2027	0	3,300,000 (note1)	—	—	—	—	3,300,000
Yeung Man Chung, Charles	6 July 2022	6.07.2022 to 5.07.2027	0	3,000,000 (note1)	—	—	—	—	3,000,000
Ho Chung Tai, Raymond (note3)	6 July 2022	6.07.2022 to 5.07.2027	0	500,000 (note2)	—	—	—	—	500,000
Yip Tai Him (note3)	6 July 2022	6.07.2022 to 5.07.2027	0	500,000 (note1)	—	—	—	—	500,000
Shen Wenzhong (note3)	6 July 2022	6.07.2022 to 5.07.2027	0	500,000 (note1)	—	—	—	—	500,000
Other Employees	16 February 2022	16.02.2022 to 15.02.2027	0	204,910,000 (note2)	—	—	—	—	204,910,000
	6 July 2022	6.07.2022 to 5.07.2027	0	55,630,000 (note1)	—	—	—	—	55,630,000

Notes

- Based on the closing price of HK\$3.83 per Share quoted on the Stock Exchange on 6 July 2022, the market value of the granting Award Shares (at grant price of HK\$0.86 per Award Share) is approximately HK\$293,109,900. The details of accounting standard adopted is set out in note 49.
- Based on the closing price of HK\$2.52 per Share quoted on the Stock Exchange on 16 February 2022, the market value of the granting Award Shares (at grant price of HK\$0.86 per Award Share) is approximately HK\$540,036,000. The details of accounting standard adopted is set out in note 49.
- Granting Award Share to the Independent Non-Executive Directors was approved by the board of the company and all Independent Non-Executive Directors was abstain from voting for the relevant resolution.

The number of shares that may be issued in respect of options and awards granted under all schemes of the Company during the financial year divided by the weighted average number of shares in issue for the year is approximately 1.07%.



INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2022, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had an interest or short position in the shares or underlying shares of the Company as recorded in the register kept pursuant to Section 336 of the SFO:

(i) Long position in the shares and underlying shares of the Company

Name	Capacity/nature of interest	Number of shares/ underlying shares	Approximate percentage of issued share capital of the Company (Note 2)
Asia Pacific Energy Fund Limited	Interest in a controlled corporation (Note 1)	6,405,332,156	23.62%

Notes:

- An aggregate of 6,405,332,156 shares of the Company are collectively held by Highexcel Investments Limited, Happy Genius Holdings Limited and Get Famous Investments Limited, which are wholly-owned by Golden Concord Group Limited, which in turn is wholly-owned by Asia Pacific Energy Holdings Limited. Asia Pacific Energy Holdings Limited is in turn wholly-owned by Asia Pacific Energy Fund Limited. Asia Pacific Energy Fund Limited is ultimately held under a discretionary trust with Credit Suisse Trust Limited as trustee for Mr. Zhu Gongshan and his family (including Mr. Zhu Yufeng, a Director and the son of Mr. Zhu Gongshan) as beneficiaries.
- The total number of ordinary shares of the Company in issue as at 31 December 2022 is 27,108,497,973.

Save as disclosed aforesaid, so far as is known to any Directors or chief executive of the Company, as at 31 December 2022, no other persons (other than a Director or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register kept pursuant to Section 336 of the SFO.

DIRECTOR'S INTEREST IN SIGNIFICANT CONTRACTS

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



CONNECTED TRANSACTIONS & CONTINUING CONNECTED TRANSACTIONS

The INEDs of the Company, have reviewed and considered the report from internal auditors in respect of the internal audit procedures taken and findings on the continuing connected transactions, confirmed that the continuing connected transactions for the year ended 31 December 2022 and that they were entered into:

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

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

The auditor has confirmed to the Board in writing that for the year ended 31 December 2022, the continuing connected transactions, which were entered into:

- a. have received the approval of the Board;
- b. have been in accordance with the pricing policies of the Company for transactions involving the provision of goods or services;
- c. have been in accordance with the relevant agreement governing such transactions; and
- d. have not exceeded the relevant announced cap amounts for the financial year ended 31 December 2022.



Details of the connected transactions and continuing connected transactions of the Company for the year ended 31 December 2022 that are subject to reporting and annual review requirements under the Listing Rules are as follows:

(A) Connected Transactions

The following is summary of transaction which was disclosed in the announcement of the Company during the year ended 31 December 2022:

(1) The Heads of Agreement dated 19 December 2021 Entered into between GNE Hong Kong and Poly-GCL Petroleum

Reference is made to the joint announcement of the Company and GCL New Energy Holdings Limited (“GNE”) dated 19 December 2021 in relation to the heads of agreement (“HOA”) entered into between GCL New Energy Hong Kong Investment Limited (“GNE Hong Kong”) (as purchaser) and POLY-GCL Petroleum Group Limited (“POLY-GCL Petroleum”) (as supplier) in respect of the transaction that GNE Hong Kong pay the deposit to POLY-GCL Petroleum under HOA.

As at 19 December 2021, GNE was a subsidiary of the Company. Mr. Zhu Gongshan and Mr. Zhu Yufeng are both executive directors of GCL-Poly and are therefore connected persons of GCL-Poly. As POLY-GCL Petroleum is an associate (as defined under the Listing Rules) of Mr. Zhu Gongshan and Mr. Zhu Yufeng, POLY-GCL Petroleum are connected persons of the Company and the payment of the Deposit by GNE Hong Kong under the HOA constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

GNE Hong Kong is an indirect wholly-owned subsidiary of GNE. As at the date of this joint announcement, Mr. Zhu Yufeng is an executive director of GNE and is a connected person of GNE. As POLY-GCL Petroleum is an associate (as defined under the Listing Rules) of Mr. Zhu Yufeng, POLY-GCL Petroleum is a connected person of GNE and the payment of the deposit by GNE Hong Kong under the HOA constitutes a connected transaction for GNE under Chapter 14A of the Listing Rules.

Pursuant to the HOA, GNE Hong Kong (an indirect wholly-owned subsidiary of GNE) and POLY-GCL Petroleum shall endeavor to procure the conditions precedent to be fulfilled on or before the last day of the three months from the date of the HOA (i.e. 18 March 2022).

As the conditions precedent to the HOA have not been fulfilled on 18 March 2022, the HOA has expired and no deposit or any other compensation or amounts shall be payable by GNE Hong Kong to POLY-GCL Petroleum.

The respective boards of directors of the Company and GNE are of the view that the expiration of the HOA would have no material adverse impact on the financial and operational position of the Company and GNE.

Joint announcements dated 19 December 2021 and 20 March 2022 setting out details of the above-mentioned transaction were issued by the Company and GNE.



(2) Investment Agreement dated 8 August 2022 entered into between Hefei GCL System Integration New Energy Technology Co., Ltd., GCL System Integration, GCL System Integration (Suzhou) and GCL Technology Suzhou

Reference is made to announcement of the Company dated 8 August 2022 in relation to, GCL Technology Suzhou, a wholly-owned subsidiary of the Company, has entered into the Investment Agreement with the Hefei GCL System Integration New Energy Technology Co., Ltd. (“Hefei GCL System”), GCL System Integration and GCL System Integration (Suzhou).

Pursuant to the Investment Agreement, GCL Technology Suzhou agreed to (i) acquire 8% of the total registered capital of the Hefei GCL System after the Reorganisation and Merger (being registered capital of RMB154.32 million in the Hefei GCL System) from GCL System Integration at a consideration of RMB200 million and (ii) subscribe for the registered capital of RMB154.32 million in the Hefei GCL System at a consideration of RMB200 million.

On 8 August 2022, GCL Technology Suzhou has also entered into the Shareholders’ Agreement with Hefei GCL System, GCL System Integration and GCL System Integration (Suzhou) to set forth the respective rights and obligations in connection with the Hefei GCL System.

As informed by GCL System Integration, on 8 August 2022, Nantong Zhongjin (being an Independent Third Party to the Company) entered into the Equity Financing Transaction Agreements with the Hefei GCL System, GCL System Integration and GCL System Integration (Suzhou) to subscribe for the registered capital of RMB115.74 million in Hefei GCL System at a consideration of RMB150 million.

Upon the completion of the Reorganisation and Merger and the Initial Series A Transactions, it is estimated that the Company will, through GCL Technology Suzhou, hold the registered capital of Hefei GCL System of RMB308.64 million, representing approximately 14.03% of the equity interest of Hefei GCL System as enlarged by the capital increase pursuant to the Reorganisation and Merger and the Initial Series A Transactions. The Company will treat the Transactions as an equity investment in the financial statement of the Group. As such, the Hefei GCL System, Jurong GCL System Integration and Leshan GCL System Integration will not become subsidiaries of the Company upon the Reorganisation and Merger and the Initial Series A Transactions.

According to the Investment Agreement, upon occurrence of Repurchase Events, GCL Technology Suzhou shall be entitled to require GCL System Integration to acquire all or part of its equity interests in the Hefei GCL System Integration New Energy Technology Co., Ltd. held as a result of the transactions under the Investment Agreement by written notice, and GCL System Integration shall acquire such equity interests in cash.



As at the date of this announcement, the Zhu Family Trust is the substantial shareholder and a connected person of the Company. GCL System Integration (Suzhou) and Hefei GCL System are both the wholly-owned subsidiaries of GCL System Integration, which is in turn ultimately controlled by Mr. Zhu. Accordingly, each of GCL System Integration, GCL System Integration (Suzhou) and Hefei GCL System is therefore a connected person of the Company and the Transactions constitute connected transactions of the Company under Chapter 14A of the Listing Rules. In accordance with Rule 14A.76(2) of the Listing Rules, as the highest applicable percentage ratio in respect of the Transactions, on an aggregate basis, exceeds 0.1% but is less than 5%, it is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As (i) Mr. Zhu and Mr. Zhu Yufeng, son of Mr. Zhu, are beneficiaries of the Zhu Family Trust and (ii) Ms. Sun Wei is a director of GCL System Integration, Mr. Zhu, Mr. Zhu Yufeng and Ms. Sun Wei have abstained from voting on the resolutions of the Board in respect of the approval of the Transactions. In addition, Mr. Zhu Zhanjun and Mr. Yeung Man Chung, Charles have also abstained from voting on the resolutions of the Board in respect of the approval of the Transactions to avoid potential conflict of interest from a good corporate governance perspective. Save for the Directors mentioned above, none of the other Directors has a material interest or potential conflict of interest in the Transactions, and therefore none of them was required to abstain from voting on the relevant resolutions of the Board.



(3) Six Coal Supply Agreements in 2022 entered into between Jiangsu Zhongneng Polysilicon and Suzhou GCL

Reference is made to announcements of the Company dated 19 September 2022 and 30 December 2022 in relation to Coal Supply Agreements entered into between Jiangsu Zhongneng Polysilicon Technology Development Co., Ltd. (“Jiangsu Zhongneng”), an indirect wholly-owned subsidiary of the Company (as customer) and Suzhou GCL Energy Technology Co., Ltd. (“Suzhou GCL”) (as supplier), including:

- (i) the First Coal Supply Agreement on 4 June 2022 for the supply of 19,025.80 tonnes of coal at a total consideration of RMB22,557,967;
- (ii) the Second Coal Supply Agreement on 30 June 2022 for the supply of 19,213.43 tonnes of coal at a total consideration of RMB22,097,275;
- (iii) the Third Coal Supply Agreement on 27 July 2022 for the supply of 4,991.40 tonnes of coal at a total consideration of RMB5,553,232;
- (iv) the Fourth Coal Supply Agreement on 19 September 2022 for the supply of approximately 25,000 tonnes of coal at a total consideration of RMB27,820,000;
- (v) the Fifth Coal Supply Agreement on 20 October 2022 for the supply of approximately 20,000 tonnes of coal at a total consideration of tonnes of coal at a total consideration of RMB27,820,000; and
- (vi) the Sixth Coal Supply Agreement on 30 December 2022 for the supply of approximately 35,000 tonnes of coal at a total consideration of tonnes of coal at a total consideration of RMB46,592,000.

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

The above-mentioned connected transactions were one-off transaction.



(B) Continuing Connected Transactions

Details of the continuing connected transactions of the Company for the year ended 31 December 2022 are as follows:

(1) Steam supply

The Group entered into the following agreement dated 31 July 2020:

Reference is made to the announcement dated 31 July 2020, in relation to:

Yangzhou GCL and Yangzhou Power entered into the Yangzhou Steam Supply Agreement (“2020 Yangzhou Steam Supply Agreement”) dated 31 July 2020 in relation to the supply of steam by Yangzhou Power to Yangzhou GCL after the expiry of the Existing Yangzhou Steam Supply Agreement on 31 May 2020.

On 31 July 2020, Zhu Gongshan Family Trust effectively holds 40.8% equity interests in Yangzhou Power, therefore, Yangzhou Power is an associate of Mr. Zhu and a connected person of the Company. Accordingly, the transaction contemplated under the Supplemental Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

The transaction amounts and the revised annual caps for the year ended 31 December 2022 under the New Yangzhou Steam Supply Agreement (as supplemented by the Supplemental Agreement) were as follows:

Agreement	Transaction amount for the year ended 31 December 2022 (RMB)	Annual Cap for the year ended 31 December 2022 (RMB)
2020 Yangzhou Steam Supply Agreement	nil	6,740,230

An announcement dated 31 July 2020 setting out details of the above-mentioned transaction was issued by the Company.



(2) Lease of property

Reference is also made to the announcement dated 30 September 2021 in relation to a Leases Agreement.

Suzhou GCL Research, entered into the following lease agreements as landlord, dated 30 September 2021:

1. GCL Energy Technology as tenant in relation to the leasing of the East, South and West 3 Zones of 3/F Headquarter for use as offices for a term of two years commencing from 1 October 2021 to 30 September 2023 (the "New GCL Energy Technology Lease Agreement for Headquarter");
2. GCL Power Sales as tenant in relation to the leasing of the North Zone of 3/F Headquarter for use as offices for a term of two years commencing from 1 October 2021 to 30 September 2023 (the "GCL Power Sales Lease Agreement"); and
3. GCL Intelligent Energy as tenant in relation to the leasing of the North Eastern Zone of 3/F Headquarter for use as offices for a term of one year commencing from 1 October 2021 to 30 September 2022 (the "GCL Intelligent Energy Lease Agreement").

3/F Research Building is spare space in the property of the Group. The leasing of such spare space could bring additional rental income to the Group.

As at 30 September 2021, the Zhu Family Trust is the shareholder and a connected person of the Company. Each of GCL Energy Technology, GCL Power Sales and GCL Intelligent Energy is an indirect subsidiary of Golden Concord Group, which is in turn ultimately held by the Zhu Family Trust, and is therefore an associate of the Zhu Family Trust and a connected person of the Company as defined under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Lease Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The transaction amounts and the revised annual caps for the year ended 31 December 2022 under the New GCL Energy Technology Lease Agreement for Headquarter, GCL Power Sales Lease Agreement and GCL Intelligent Energy Lease Agreement were as follows:

Agreements	Transaction amount for the year ended 31 December 2022 (RMB)	Annual Cap for the year ended 31 December 2022 (RMB)
New GCL Energy Technology Lease Agreement for Headquarter	15,927,570	15,927,570
GCL Power Sales Lease Agreement	1,147,500	1,147,500
GCL Intelligent Energy Lease Agreement	907,200	907,200



An announcement dated 30 September 2021 setting out details of the above-mentioned transactions were issued by the Company.

Perpetual Notes Agreement with GNE

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

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

Under the terms of the Perpetual Notes Agreement, the interest rate for the principal amount is 7.3% per annum for the first two years, 9% per annum for the third to fourth year and is capped at 11% per annum starting from the fifth year. Therefore, the maximum interest payment in the year ended 31 December 2022 is RMB210,000,000.00.

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

Save as disclosed above, no other related party transactions set out in the note 53 of the consolidated financial statements constitute connected transactions or continuing connected transactions that are required to be disclosed under Chapter 14A of the Listing Rules.



REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

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

Note: * English name for identification only

EMOLUMENT POLICY

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

The Group has adopted share option schemes and share award scheme as incentives to Directors, employees and eligible participants, details of the schemes are set out under the section headed "Option Schemes" and "Share Award Scheme" in this report and in notes 49a(I) and 49a(II) respectively to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

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



MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group's largest supplier accounted for approximately 22.7% of total purchases. The five largest suppliers accounted for approximately 43.1% of the Group's total purchases.

One of the five largest suppliers of the Company was Xinjiang GCL New Energy Materials Technology Co., Limited* (新疆協鑫新能源材料科技有限公司) ("Xinjiang GCL"). As at 31 December 2022, (i) a wholly-owned subsidiary of the Company held 38.5% interest in Xinjiang GCL; and (ii) an associated company of the Company held 34.5% interests in Xinjiang GCL.

During the year, the Group's largest customers accounted for approximately 16.6% of the Group's total sales. The five largest customers accounted for approximately 47.4% of the Group's total sales.

As at 31 December 2022, Mr. Zhou Gongshan and Mr. Zhu Yufeng had interest in the Company as disclosed under the section of "Director's and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and Associated Company".

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

PURCHASES, 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.

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken in normal course of business are set out in note 53 to the consolidated financial statements. Details of the connected transactions/continuing connected transactions are set out under section of "Connected Transactions and Continuing Connected Transactions"

PUBLIC FLOAT

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



REPORT OF THE DIRECTORS (CONTINUED)

CHANGES IN INFORMATION ON DIRECTORS

As at the date of this report, the changes in information required to be disclosed by the Director(s) of the Company pursuant to Rule 13.51(B) of the Listing Rules since the published of 2022 Interim Report are set out below:

Name of Director	Details of Change	Effective Date
Ms. Sun Wei	<ul style="list-style-type: none">Resigned as a director of GCL Energy Technology Co., Ltd.	February 2023

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.

EVENTS AFTER REPORTING PERIOD

Details of the events after reporting period are set out in note 51 to the consolidated financial statements.

On behalf of the Board

Zhu Gongshan

Chairman

Hong Kong, 30 March 2023