福萊[redacted]限公司

Fl[redacted]ass Group Co., Ltd.

Contents

Corporate Information

DIRECTORS

Executive directors

Mr. Ruan Hongliang
(Chairman of the Board of Directors)
Ms. Jiang Jinhua
Ms. Ruan Zeyun (appointed on 24 July 2023)
Mr. Wei Yezhong
Mr. Shen Qifu

Independent non-executive directors

Ms. Xu Pan
Ms. Hua Fulan
Ms. Ng Yau Kuen Carmen

SUPERVISORS

Mr. Zheng Wenrong
(Chairman of the Board of Supervisors)
Mr. Shen Fuquan
Mr. Zhu Quanming
Ms. Niu Liping
Ms. Zhang Huizhen

AUDIT COMMITTEE

Ms. Xu Pan *(Chairman)*
Ms. Hua Fulan
Ms. Ng Yau Kuen Carmen

REMUNERATION COMMITTEE

Ms. Xu Pan *(Chairman)*
Mr. Ruan Hongliang
Ms. Hua Fulan

NOMINATION COMMITTEE

Ms. Xu Pan *(Chairman)*
Mr. Ruan Hongliang
Ms. Hua Fulan

STRATEGIC DEVELOPMENT COMMITTEE

Mr. Ruan Hongliang *(Chairman)*
Mr. Wei Yezhong
Ms. Xu Pan

RISK MANAGEMENT COMMITTEE

Mr. Ruan Hongliang *(Chairman)*
Ms. Jiang Jinhua
Ms. Hua Fulan

COMPANY SECRETARY

Ms. Ruan Zeyun

AUTHORISED REPRESENTATIVES

Mr. Ruan Hongliang
Ms. Ruan Zeyun

REGISTERED OFFICE, HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

1999 Yunhe Road
Xiuzhou District
Jiaxing
Zhejiang Province
People's Republic of China (the "PRC")

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 6, 11/F, Prosperity Place
6 Shing Yip Street, Kwun Tong
Kowloon
Hong Kong

CORPORATE WEBSITE

www.flatgroup.com.cn

LEGAL ADVISERS AS TO HONG KONG LAW

Morgan, Lewis & Bockius

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants LLP

PRINCIPAL BANKERS

Bank of China Limited
China CITIC Bank Corporation Limited
Industrial and Commercial Bank of China Limited
DBS Bank Limited

H SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Management Discussion and Analysis

BUSINESS OVERVIEW

Flat Glass Group Co., Ltd. (the "Company") and its subsidiaries (together with the Company, the "Group") are principally engaged in the manufacturing and sales of various glass products, including PV glass, float glass, architectural glass and household glass. The production facilities of the Group are strategically located in Jiaxing, Zhejiang Province, Fengyang County, Chuzhou, Anhui Province in the PRC and Haiphong, Vietnam. The Group mainly sells glass products to customers in areas including China, Korea, India, Germany, Turkey, Mexico, the United States and Southeast Asia.

1. Domestic Expansion

Due to the boost of the photovoltaic industry, the penetration rate of large-size glass and thin glass is elevating. At present, the phase IV project of the Group's production base in Anhui has been under construction. In addition, the Group plans to build four photovoltaic glass furnaces with a daily melting capacity of 1,200 tons in Nantong City, Jiangsu Province, which currently has passed the hearing approval with accelerating construction.

2. Update on A Share Convertible Bonds Issuance

On 16 June 2021, the Company announced the plan to issue A share convertible bonds in the PRC for a total amount of not more than RMB4,000 million ("A Share Convertible Bonds") which are convertible into new A shares of the Company ("A Shares"). According to the result of the review published on the website of CSRC, the Company's application for the proposed issuance of A share convertible bonds has been approved and written approval from CSRC was received by the Company. The issuance of A Share Convertible Bonds was completed in May 2022. The A Share Convertible Bonds were with a nominal value of RMB100 and were issued at par with a term of six years. The subscription funds for the A Share Convertible Bonds totaled RMB4,000,000,000.00. After deducting the issuance fee of RMB23,078,799.67, the net funds raised were RMB3,976,921,200.33. As of the date of 30 June 2023, 54,000 convertible bonds of the Company were converted into 1,207 A Shares.

3. The Issuance of A Shares to Specific Subscribers

On 1 June 2022, the Board approved the proposed non-public issuance of A shares which was also approved by shareholders at the 2022 first extraordinary general meeting, the 2022 first A share class meeting and the 2022 first H share class meeting held on 29 July 2022. In November 2022, the Company received the "Approval in Relation to the Non-public Issuance of Shares by Flat Glass Group Co., Ltd. (Zheng Jian Xu Ke [2022] No. 2742)" (《關於核准福萊特玻璃集團股份有限公司非公開發行股票的批覆》(證監許可[2022]2742號)) from the CSRC, which approved the Company's proposed non-public issuance of not more than 509,068,000 new A Shares. The proposed extension of the validity period of the resolution relating to the Issuance of A Shares to Specific Subscribers and the proposed extension of the validity period of the mandate to the Board to deal with matters relating to the Issuance of A Shares to Specific Subscribers were approved by shareholders at the 2023 first extraordinary general meeting, the 2023 first A share class meeting and the 2023 first H share class meeting held on 24 July 2023. The Company completed the procedures for registration, custodian and restricted sale relating to the new A Shares under the Issuance of A Shares to Specific Subscribers at China Securities Depository and Clearing Corporation Limited Shanghai Branch on 1 August 2023, pursuant to which a total of 204,429,301 A Shares were issued. Upon the completion of the Issuance of A Shares to Specific Subscribers, the total issued Shares of the Company increased from 2,146,894,461 Shares to 2,351,323,762 Shares, of which the total issued A Shares increased from 1,696,894,461 Shares to 1,901,323,762 Shares, and the total issued H Shares remained unchanged at 450,000,000 Shares. The total issued Shares of the Company mentioned above include Shares converted from the convertible bonds of the Company listed on the Shanghai Stock Exchange ("SSE") from 28 November 2022 to 1 August 2023.

SHARE OPTION SCHEME

A Share Option Incentive Scheme

On 17 August 2021, the Company announced the plan to implement an A share option incentive scheme (the "Scheme").

The principal terms of the Scheme are as follows:

a. Purpose of the Scheme

As incentive or rewards to eligible participants for their contribution to the Company to further improve the corporate governance structure of the Company, establish and enhance the long-term incentive and constraint mechanism of the Company, attract and retain talents, fully mobilize the proactiveness and creativities of the senior and mid-level management and technical personnel of the Company, effectively promote the cohesiveness of the core team and the core competitiveness of the enterprise, effectively align the interests of shareholders, the Company and the core management team, enabling all parties to focus on the long-term development of the Company, and ensure the achievements of the development strategies and operation objectives of the Company.

b. Eligible participants of the Scheme

Participants of the Scheme are the senior and mid-level management and technical personnel of the Company (including subsidiaries) as at the date of the announcement of the draft Scheme published on the website of the SSE. The Remuneration Committee prepared a list of eligible scope of the participants of the Scheme and the list was reviewed and confirmed by the Supervisory Committee. None of the participants of the Scheme is a director or supervisor of the Company.

c. Total number of Shares available for issue under the Scheme and percentage to the issued share capital

The number of share options proposed to be granted under the Scheme is 5,947,858, representing approximately 0.28% of the total issued share capital of 2,146,893,254 shares of the Company (the "Shares") as at the date of approval, among which, the first grant of share options consists of 5,353,072 Shares, representing approximately 0.25% of the total issued share capital of 2,146,893,254 Shares as at the date of approval and 90% of the total number of share options under the grant; the reserved share options (the "Reserved Share Options") consist of 594,786 Shares, representing approximately 0.03% of the total issued share capital of 2,146,893,254 Shares as at the date of approval and 10% of the total number of share options under the grant.

The total number of shares available for issue under the Scheme is 1,049,094, being 0.04% of the issued shares as at the date of this interim results announcement.

d. Maximum entitlement of each participant under the Scheme

The total number of Shares to be granted under the Scheme to any one of the above participants during the Validity Period (as defined below) will not exceed 1.00% of the Company's total share capital. The total number of target shares involved in the Scheme during the Validity Period (as defined below) will not exceed 10.00% of the total share capital of the Company when the Scheme was submitted to the Shareholders' general meeting. The Reserved Share Options shall not exceed 20.00% of the total share options available under the Scheme. If the participants voluntarily waive the benefits granted due to personal reasons, the Board shall make corresponding adjustments to the number of shares options granted.

e. The minimum period for which an option must be held before it can be exercised

Upon the fulfillment of conditions of the exercise of the share options under the Scheme, In accordance with the relevant requirements of the Accounting Standards for Business Enterprises No. 11 – Share-based Payments (企業會計準則第11號 – 股份支付) and the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments (企業會計準則第22號 – 金融工具確認和計量), the Company uses the Black-Scholes model (BS model) as the pricing model, and the Company uses this model to make an estimation on the fair value of the share options granted based on 17 August 2021 (official calculation will be conducted at the time of grant). The specific parameters are selected as follows:

(i) Price of target shares: RMB42.89 per share (closing price on 17 August 2021)

(ii) Validity Period: 1 year, 2 years, 3 years, 4 years and 5 years, respectively (period commencing from Date of Grant and ending on the first date of exercise for each respective period)

(iii) Historic volatility: 14.73%, 17.44%, 18.71%, 17.92% and 16.55% (annualized volatility for the corresponding period of SSE Composite Index)

(iv) Risk-free interest rate: 1.50%, 2.10% and 2.75% (based on one-year, two-year, three-year, three-year and above RMB deposit benchmark interest rate, respectively, of financial institutes developed by the People's Bank of China)

The details of movement in share options granted under the Scheme during the six months ended 30 June 2023 are as follows:

						Number of share options				
Grantees	Date of grant	Exercise price (RMB)	Exercise period and exercisable portion of the share options granted	Vesting schedule of the share options granted	Outstanding as at 1 January 2023	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Outstanding as at 30 June 2023
Mr. Zhu Yuping [Note 1]	19 November 2021	44.02 [Note 2]	Note 3	Note 4	40,000	Nil	Nil	Nil	Nil	40,000
Other 282 Employees	19 November 2021	44.02 [Note 2]	Note 3	Note 4	5,205,472	Nil	Nil	Nil	Nil	5,205,472
Total					5,245,472	–	–	–	–	5,245,472

Notes:

1. Mr. Zhu Yuping (祝宇平) is the son of Mr. Zhu Quanming (祝全明), a supervisor of the Company thus a connected person of the Company.

2. The exercise price under the First Grant of share options shall not be less than the nominal value of the Shares and in principle the higher of:

(i) the average trading price of the A Shares on the trading day immediately preceding the date of announcement of the Scheme (draft), being RMB44.02 per Share;

(ii) the average trading price of the A Shares for the 120 trading days immediately preceding the date of announcement of the Scheme (draft), being RMB34.90 per Share.

3. Upon the fulfillment of conditions of the exercise of the share options under the Scheme, the share options

The total outstanding share options as at 1 January 2023 and 30 June 2023 were 5,245,472 and 5,245,472, respectively. For the date of grant, vesting period, exercise period and exercise price of the relevant outstanding options as at 30 June 2023, please refer to the above paragraphs. In 2021, the Board granted 5,341,072 share options to 288 Participants under the first grant. Before completion of registration of the share options on 13 January 2022, 5 participants gave up where 95,600 share options were cancelled, resulting the adjusted number of participants as 283 with the adjusted first grant of share options as 5,245,472 share options. During the six months ended 30 June 2023, there were no options granted or exercised under the Scheme. According to the Scheme, participants who will be granted with the reserved share options shall be ascertained within 12 months after the consideration and approval of the Scheme by the shareholders' general meeting. During the six months ended 30 June 2023, as no participants are ascertained after the lapse of 12 months, the reserved share options, i.e. 606,786 share options, lapsed.

The number of options available for grant under the Scheme at 1 January 2023 and 30 June 2023 is nil and nil, respectively. There is no service provider sublimit under the Scheme.

The number of shares that may be issued in respect of options granted under all schemes of the Company during the six months ended 30 June 2023 divided by the weighted average number of shares in issue for the year is 0.24%.

INDUSTRY OVERVIEW

Industry Review

Installed capacity grew rapidly at home and abroad with the easing of supply chain bottlenecks

In the first half of 2023, the supply bottlenecks in the PV industry chain were greatly relieved with the accelerated expansion of silicon production. The prices dropped from the highest level, making the module price drop from RMB2.x/W to RMB1.x/W. The cost of downstream power stations decreased, achieving a significant increase in the return rate. The silicon price hit its bottom, directly boosting the demand for modules and stimulating the rapid growth of downstream installed capacity. According to statistics released by the National Energy Administration on 31 July 2023, China's installed capacity of renewable energy hit 1.322 billion KW by the end of June, exceeding the coal-fired power generating capacity historically, accounting for approximately 48.8% of China's total installed capacity. The centralized power stations with high price sensitivity saw an explosive growth due to the decrease in the installed cost. According to statistics released by the National Energy Administration, in the first half of 2023, the PV installed capacity was 78.42 GW, representing a year-on-year increase of 154%. The centralized and distributed installed capacity were split roughly fifty-fifty. The centralized installed capacity was 37.46 GW, representing a year-on-year increase of 234%, and the distributed installed capacity was 40.96 GW, representing a year-on-year increase of 108%. In terms of modules, the module production exceeded 204 GW, representing a year-on-year increase of 65%, and the export volume reached 108 GW, representing a year-on-year increase of 37.3%.

PV installation not only achieved a stronger-than-expected growth in Chinese market but also spanned across the rest of the world. The installed capacity has developed rapidly as always in the established markets such as Europe, the United States, Brazil and other regions. In the first half of the year, the modules exported to Europe exceeded 50GW, among which the Netherlands accounted for more than 50%. In addition, many countries has raised the installed capacity forecast. The Ministry of Ecological Transition (MITECO) in Spain has updated its National Energy and Climate Plan with an increased target for PV installation to 76GW by 2030, up nearly 95% from previous 39 GW; Portugal has raised the PV installation target to 20.4 GW by 2030, up more than 125% from previous 9GW. The number of GW-scale markets across the globe also continues to hit record highs.

Profits improved with moderate costs reduction despite the pressure on the supply and demand sides

In the past two years, many new players entered the industry. Especially, the large increase in industry production capacity in 2022 caused a supply increase in the first half of 2023. In the first half of 2023, PV glass industry still faced intensive competition. From the perspective of supply side in the future, the release of future production capacity will be decreased with the change of factors including policy environment. Silicon price will remain high in certain months and show signs of a rebound. The phased price game in the industrial chain will cause a demand callback in the short-term. Therefore, in the first half of 2023, the price of PV glass was relatively stable and remained low as compared with the same periods in the previous two years.

In the first quarter of 2023, the Group's overall profits squeezed due to high costs of various expenditures of PV glass. In the second quarter, the Group's profits improved slightly with major raw materials and fuel prices falling moderately as compared with the first quarter.

Future Outlook

Improve market share through active expansion of PV glass production capacity

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Consolidate competitive advantage through constant costs reduction

Large furnaces of 1,000 tons and above account for nearly 90% of the existing production lines of the Group. Compared to small furnaces, large furnaces have more stable combustion and temperature inside and lower unit consumption, thereby helping further improve finished product ratio. Therefore, the Group will independently develop daily large furnaces based on the existing furnace scale. After breaking through the technology bottlenecks of large furnaces, the Group will further reduce costs and strengthen its competitive advantage in the PV glass industry.

While realizing cost reduction, the Group has stepped up efforts on research and development by adhering to innovation, so as to launch the aesthetic glass products, satisfying the downstream customers' needs for diversity and aesthetics of PV glass products. Moreover, such products have solved the glass color difference problem of all-black PV modules of distributed roof project, and significantly improved the appearance of the modules featuring both beautiful and efficient.

To sum up, the Group will endeavor to improve the production line layout capacity by following the development of industry demands, so as to better provide quality products that meet downstream demands. In addition, the Group will strive to constantly decrease cost and increase efficiency through improving process, technology, and productivity, so as to ensure the sustainable development and competitiveness of the Group in the global PV glass market.

In the future, leveraging its scale, resources and technology advantages, the Company will continue its sound operations, endeavoring to maintain a leading position in the industry.

FINANCIAL REVIEW

For the six months ended 30 June 2023, the supply bottlenecks in the PV industry chain were greatly relieved with the accelerated expansion of silicon production, stimulating the rapid growth of downstream installed capacity. The Group benefited from the demand growth in the PV glass market and the release of new production capacity, and its operating revenue reached a new high. For the six months ended 30 June 2023, the amounts of operating revenue of the Group were RMB9,678.4 million, which increased by 32.50% as compared to the same period of 2022 of RMB7,304.5 million. On the other hand, the large increase in industry production capacity in 2022 caused a supply increase in the first half of 2023, the PV glass industry still faced intensive competition. In the first quarter of 2023, the Group's overall profits squeezed due to high costs of various expenditures of PV glass. In the second quarter, the Group's profits improved slightly with major raw materials and fuel prices falling moderately. The net profit of the Group for the six months ended 30 June 2023 was RMB1,085.4 million, representing an increase of 8.25% as compared to the same period of 2022 of RMB1,002.7 million.

REVENUE

The following table sets out the breakdown of revenue of the Group by product type and geographical location:

Product type	Six months ended 30 June 2023 RMB'000	(%)	Six months ended 30 June 2022 RMB'000	(%)
PV glass	**8,786,856.98**	**90.79**	6,468,102.10	88.55
Float glass	**171,486.28**	**1.77**	154,622.63	2.12
Household glass	**153,739.44**	**1.59**	180,626.50	2.47
Architectural glass	**262,976.21**	**2.72**	319,281.96	4.37
Mineral products	**272,461.91**	**2.82**	161,935.17	2.22
Other business	**30,902.53**	**0.31**	19,922.98	0.27
Total	**9,678,423.35**	**100.00**	7,304,491.34	100.00

Location	Six months ended 30 June 2023 RMB'000	Six months ended 30 June 2022 RMB'000
Mainland China	**7,519,092.24**	5,896,527.53
Other countries in Asia (exclude China)	**1,931,373.41**	1,165,341.16
Europe	**117,265.25**	101,446.16
North America	**102,983.24**	128,647.29
Others	**7,709.21**	12,529.20
Total	**9,678,423.35**	7,304,491.34

For the six months ended 30 June 2023, the revenue of sales of the Group amounted to RMB9,678.4 million, increased by 32.50% as compared with the same period of 2022 of RMB7,304.5 million. Among them, the revenue of sales of PV glass amounted to RMB8,786.9 million, increased by 35.85% as compared with the same period of 2022 of RMB6,468.1 million, mainly due to the increase in sales volume resulted from the release of new production capacity of PV glass, which was partially offset by the decrease in average sales price. In terms of sales location, for the six months ended 30 June 2023, the sales revenue in Mainland China amounted to RMB7,519.1 million, increased by 27.52% as compared with the same period of 2022 of RMB5,896.5 million; overseas sales revenue amounted to RMB2159.3 million, increased by 53.36% as compared with the same period of 2022 of RMB1,408.0 million. In the first half of 2023, the sales revenue from overseas regions presented a faster growth than Chinese mainland regions, mainly due to the increase in demand from overseas market and the growth of overseas sales volume.

OPERATING COSTS

The operating costs of the Group for the six months ended 30 June 2023 was RMB7,828.0 million, representing an increase of 38.54% as compared to the operating costs of RMB5,650.5 million for the same period of 2022. The increase was mainly due to the increase in sales volume of PV glass, partial of which was enhanced by significant increase in costs of raw materials and energy.

GROSS PROFIT AND GROSS PROFIT MARGIN

The gross profit of the Group for the six months ended 30 June 2023 was RMB1,850.4 million, representing an increase of 11.87% from RMB1,654.0 million in the same period of last year. The gross profit margin of the Group for the six months ended 30 June 2023 was 19.12%, representing a decrease of 3.52 percentage points from the gross profit margin of 22.64% in the same period of last year. The decrease in gross margin was mainly due to the decrease in gross margin of PV glass. The main reasons are as follows: 1. the average selling price of PV glass decreased as compared with the same period last year, due to the increase of supply of industry capacity supply; 2. the price of major raw materials including soda ash and natural gas remained high. The Group is committed to improving the process and efficiency to achieve cost decreasing and benefit increasing, and making up for part of pressure from the rising cost, so as to maintain the industry competitiveness.

On the other hand, in the first half of 2023, given the weak demand from the Chinese market, the average selling price of float glass decreased but the average cost of raw materials and energy soared, which caused a slump in the gross margin of float glass, and also impacted the overall gross profit.

The following table sets out gross profit of main products of the Group:

Production type	Six months ended 30 June 2023 Gross profit RMB'000	Six months ended 30 June 2023 Gross profit margin (%)	2023 Six months ended 30 June 2022 Gross profit RMB'000	2023 Six months ended 30 June 2022 Gross profit margin (%)
PV glass	**1,758,944.10**	**20.02**	1,488,648.70	23.02
Float glass	**-44,938.19**	**-26.21**	5,323.60	3.44
Household glass	**11,726.28**	**7.63**	39,818.60	22.04
Architectural glass	**19,657.80**	**7.48**	59,949.80	18.78
Mineral products	**80,080.42**	**29.39**	43,811.10	27.05
Other business	**24,950.78**	**80.74**	16,430.90	82.47
Total	**1,850,421.19**	**19.12**	1,653,982.70	22.64

SALES EXPENSES

For the six months ended 30 June 2023, the sales expenses amounted to RMB41.2 million, representing a decrease of 17.10% from RMB49.7 million for the six months ended 30 June 2022. The decrease was mainly due to the decrease in pallet expenses.

ADMINISTRATIVE EXPENSES

For the six months ended 30 June 2023, the administrative expenses of the Group were RMB120.5 million, representing a decrease of 4.67% from RMB126.4 million for the six months ended 30 June 2022, which basically remains stable.

RESEARCH AND DEVELOPMENT COSTS

For the six months ended 30 June 2023, the research and development costs of the Group were RMB286.5 million, representing an increase of 12.31% from RMB255.1 million for the six months ended 30 June 2022. The increase was mainly due to the increase of research and development projects, including the self-developed equipment to optimize production processes and ultra-thin, ultra-transparent, aesthetic glass and other technologies.

FINANCIAL COSTS

For the six months ended 30 June 2023, the financial costs of the Group amounted to RMB156.5 million, representing an increase of 103.78% from RMB76.8 million for the six months ended 30 June 2022. The increase was mainly due to the increase in borrowing interest, including interest expenses of A Share convertible bonds.

INCOME TAX EXPENSE

For the six months ended 30 June 2023, the income tax expenses of the Group amounted to RMB99.1 million, representing an increase of 4.65% from RMB94.7 million for the six months ended 30 June 2022, which basically remains stable.

EBITDA AND NET PROFIT

For the six months ended 30 June 2023, the EBITDA of the Group (earnings before interests, taxes, depreciation and amortization) increased by RMB493.4 million from RMB1,794.4 million for the six months ended 30 June 2022 to RMB2,287.8 million. The Group's EBITDA margin was 23.64% for the six months ended 30 June 2023 as compared with 24.57% for the same period of 2022.

For the six months ended 30 June 2023, the net profit increased by RMB82.7 million from RMB1,002.7 million for the same period of 2022 to RMB1,085.4 million.

ASSETS AND EQUITY

As at 30 June 2023, the total assets amounted to RMB36,093.5 million, which increased by RMB3,711.8 million, or 11.46% from RMB32,381.7 million as at 31 December 2022. As at 30 June 2023, the shareholders' equity amounted to RMB15,179.7 million, which increased by RMB1,147.3 million, or 8.18% from RMB14,032.4 million as at 31 December 2022.

FINANCIAL RESOURCES AND LIQUIDITY

As at 30 June 2023, the current ratio was 1.46 as compared with 1.18 as at 31 December 2022.

For the six months ended 30 June 2023, the Group's main sources of funding were proceeds from A share convertible bonds, cash from operating activities and credit financing provided by banks.

ASSET-LIABILITY RATIO

As at 30 June 2023, the Group's asset-liability ratio (asset-liability ratio equals to total debt divided by total asset as of the end of the year or period multiplied by 100%) was 57.94%, increased by 1.27 percentage as compared to 56.67% as at 31 December 2022.

CAPITAL EXPENDITURES

As at 30 June 2023, total capital expenditures of the Group amounted to approximately RMB1,706.6 million (as at 30 June 2022: RMB4,992.7 million), involving the purchase of fixed assets, construction in progress and intangible assets for PV glass projects.

Corporate Governance and Other Information

Compliance with Corporate Governance Code

In the opinion of the board (the "Board") of directors ("Directors") of the Company, the Company had complied with the code provisions in the Corporate Governance Code as set forth in Part 2 of Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") except for code provision C.2.1 during the period from 1 January 2023 to 6 June 2023.

Under code provision C.2.1 of the Corporate Governance Code, the role of the chairman and chief executive should be separated and should not be performed by the same individual. Mr. Ruan Hongliang holds both position from 1 January 2023 to 6 June 2023. Throughout the Group's business history of over 25 years, Mr. Ruan Hongliang has held the key leadership position of the Group and has been deeply involved in the formulation of corporate strategies and management of business and operations of the Group. On 6 June 2023, the Board appointed Ms. Ruan Zeyun as the President after the resignation of Mr. Ruan as the President.

Model Code for Securities Transactions by Directors and Supervisors

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors and supervisors of the Company. Directors and supervisors of the Company are reminded of their obligations under the Model Code on a regular basis. Following specific enquiries by the Group, all of the Directors and supervisors of the Company have confirmed that they had complied with the required standard set out in the Model Code throughout the period from 1 January 2023 to 30 June 2023.

Interests and Short Positions of Directors, Supervisors and Chief Executives

As at 30 June 2023, the interests and short positions of Directors, supervisors and chief executives of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interest or short position which the Directors or the chief executive were taken or deemed to have under such provisions) and the Model Code contained in the Listing Rules, were as follows:

Shareholder	Number of shares held	Class	Nature of interest	Approximate percentage of shareholding in the relevant class of shares[1]	Approximate percentage of shareholding in the total share capital of the Company[2]
Directors					
Mr. Ruan Hongliang[3]	1,052,510,500(L)	A shares	Beneficial owner and parties acting in concert	62.03%	49.02%
	100,578,590(S)	A shares	Beneficial owner and parties acting in concert	5.93%	4.68%
	1,569,000(L)	H shares	Beneficial owner and parties acting in concert	0.35%	0.07%
Ms. Jiang Jinhua [3]	1,052,510,500(L)	A shares	Beneficial owner and parties acting in concert	62.03%	49.02%
	100,578,590(S)	A shares	Beneficial owner and parties acting in concert	5.93%	4.68%
	1,569,000(L)	H shares	Beneficial owner and parties acting in concert	0.35%	0.07%
Mr. Wei Yezhong	15,600,600(L)	A shares	Beneficial owner	0.92%	0.73%
Mr. Shen Qifu	10,400,400(L)	A shares	Beneficial owner	0.61%	0.48%
Supervisors					
Mr. Zheng Wenrong	47,099,375(L)	A shares	Beneficial owner	2.78%	2.19%
Mr. Shen Fuquan	31,201,200(L)	A shares	Beneficial owner	1.84%	1.45%
Mr. Zhu Quanming	23,351,200(L)	A shares	Beneficial owner	1.38%	1.09%
	7,850,000(S)	A shares	Beneficial owner	0.46%	0.37%

Notes:

(1) The calculation is based on the total number of 1,696,894,461 A Shares or 450,000,000 H Shares of the Company in issue as at 30 June 2023.

(2) The calculation is based on the total number of 1,696,894,461 A Shares and the total number of 450,000,000 H Shares (i.e. a total of 2,146,894,461 Shares) in issue as at 30 June 2023.

(3) Mr. Ruan Hongliang is the spouse of Ms. Jiang Jinhua. As at 30 June 2023, Mr. Ruan Hongliang owns 404,108,400 A Shares and 485,000 H Shares. Ms. Jiang Jinhua owns 299,281,600 A Shares and 111,000 H Shares. Ms. Ruan Zeyun is the spouse of Mr. Zhao Xiaofei, and the daughter of Mr. Ruan Hongliang and Ms. Jiang Jinhua. Ms. Ruan Zeyun owns 344,320,500 A Shares and 973,000 H Shares. Mr. Zhao Xiaofei owns 4,800,000 A Shares. As at 30 June 2023, Mr. Ruan Hongliang, Ms. Jiang Jinhua, and Ms. Ruan Zeyun owns 5,000,000, 5,000,000 and 5,000,000 A share convertible bonds, respectively, which are convertible into 11,439,030, 11,439,030 and 11,439,030 A shares, respectively. As at 30 June 2023, such A share convertible bonds were all pledged to a lender other than a qualified lender as security for certain borrowings. Pursuant to a concert party agreement dated 19 September 2016 entered into among Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Zeyun and Mr. Zhao Xiaofei, each of Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Zeyun and Mr. Zhao Xiaofei is considered to be interested in 1,052,510,500 A Shares and 1,569,000 H Shares under the SFO.

Save as disclosed above, as at 30 June 2023, to the knowledge of the Company, none of the Directors, supervisors and the chief executive of the Company had or was deemed under the SFO to have any interests or short positions in any of the shares or the underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO or to be notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2023, the persons or corporations, other than the Directors, supervisors and the chief executive of the Company, who had an interest or short position in the Shares, underlying Shares or debentures of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

Shareholder	Number of Shares held	Class	Nature of Interest	Approximate percentage of shareholding in the relevant class of Shares [1]	Approximate percentage of shareholding in the total share capital of the Company [2]
Ms. Ruan Zeyun[3]	1,052,510,500(L)	A shares	Beneficial owner and parties acting in concert	62.03%	49.02%
	100,578,590(S)	A shares	Beneficial owner and parties acting in concert	5.93%	4.68%
	1,569,000(L)	H shares	Beneficial owner and parties acting in concert	0.35%	0.07%
Mr. Zhao Xiaofei [3]	1,052,510,500(L)	A shares	Beneficial owner and parties acting in concert	62.03%	49.02%
	100,578,590(S)	A shares	Beneficial owner and parties acting in concert	5.93%	4.68%
	1,569,000 (L)	H shares	Beneficial owner and parties acting in concert	0.35%	0.07%
JPMorgan Chase & Co.[4]	61,328,470(L) 13,604,450(S) 4,451,546(P)	H shares	Interest of controlled corporation, investment manager, security interest in shares and approved	13.63% 3.02% 0.99%	2.86% 0.63% 0.21%
BlackRock, Inc. [5]	40,141,331(L) 4,183,000(S)	H shares	Interest of controlled corporation	8.92% 0.93%	1.87% 0.19%
Pacific Asset Management Co., Ltd.	31,525,000(L)	H shares	Investment manager	7.01%	1.47%
Shanghai Greenwoods Asset Management Company Limited [6]	27,042,000(L)	H shares	Investment manager	6.01%	1.26%
Xizang Jingning Corporate Management Company Limited [6]	27,042,000(L)	H shares	Interest of controlled corporation	6.01%	1.26%

Shareholder	Number of Shares held	Class	Nature of Interest	Approximate percentage of shareholding in the relevant class of Shares [(1)]	Approximate percentage of shareholding in the total share capital of the Company [(2)]
FMR LLC[(7)]	25,276,006(L)	H shares	Interest of controlled corporation	5.62%	1.18%
CICC Pucheng Investment Co., Ltd.	23,870,000(L)	H shares	Beneficial owner	5.30%	1.11%
China International Capital Corporation Limited [(8)]	22,573,000(L)	H shares	Interest of controlled corporation	5.02%	1.05%
Public Investment Fund	22,549,000(L)	H shares	Interest of controlled corporation	5.01%	1.05%

Notes:

(1) The calculation is based on the total number of 1,696,894,461 A Shares or 450,000,000 H Shares, as the case may be, in issue as at 30 June 2023.

(2) The calculation is based on the total number of 1,696,894,461 A Shares and the total number of 450,000,000 H Shares (i.e. a total of 2,146,894,461 Shares) in issue as at 30 June 2023.

(3) Mr. Ruan Hongliang is the spouse of Ms. Jiang Jinhua. As at 30 June 2023, Mr. Ruan Hongliang owns 404,108,400 A Shares and 485,000 H Shares. Ms. Jiang Jinhua owns 299,281,600 A Shares and 111,000 H Shares. Ms. Ruan Zeyun is the spouse of Mr. Zhao Xiaofei, and the daughter of Mr. Ruan Hongliang and Ms. Jiang Jinhua. Ms. Ruan Zeyun owns 344,320,500 A Shares and 973,000 H Shares. Mr. Zhao Xiaofei owns 4,800,000 A Shares. As at 30 June 2023, Mr. Ruan Hongliang, Ms. Jiang Jinhua, and Ms. Ruan Zeyun owns 5,000,000, 5,000,000 and 5,000,000 A share convertible bonds, respectively, which are convertible into 11,439,030, 11,439,030 and 11,439,030 A shares, respectively. As at 30 June 2023, such A share convertible bonds were all pledged to a lender other than a qualified lender as security for certain borrowings. Pursuant to a concert party agreement dated 19 September 2016 entered into among Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Zeyun and Mr. Zhao Xiaofei, each of Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Zeyun and Mr. Zhao Xiaofei is considered to be interested in 1,052,510,500 A Shares and 1,569,000 H Shares under the SFO.

(4) JPMorgan Chase & Co. held relevant interests and short positions through a series of its controlled corporations, including holding of certain unlisted derivatives (cash settlement: 8,096,000 shares (long positions) and 358,000 shares (short positions)).

(5) BlackRock, Inc. indirectly held relevant interests and short positions through a series of its controlled corporations, including holding of certain unlisted derivatives (cash settlement: 15,000 Shares (long positions) and 2,298,000 Shares (short positions)).

(6) Xizang Jingning Corporate Management Company Limited held 100% equity interest in Shanghai Greenwoods Asset Management Company Limited.

(7) FMR LLC indirectly held relevant interests through a series of its controlled corporations.

(8) China International Capital Corporation Limited indirectly held relevant interests through a series of its controlled corporations.

Save as disclosed above, as at 30 June 2023, so far as is known to the Directors, there is no other person (other than the Directors, supervisors or the chief executive of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the period from 1 January 2023 to 30 June 2023.

ISSUANCE OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuance of A Share Convertible Bonds

To further expand the capacity and maintain the leading technology and scale advantage of the Company's core product PV glass, while enhancing the financial strength and meet the working capital requirements of the Company, the Company proposed to issue A share convertible corporate bonds in the PRC, with total proceeds of no more than RMB4 billion. The relevant resolution was approved at the Board meeting held on 16 June 2021, and was approved at the 2021 second extraordinary general meeting, the 2021 second A share class meeting and the 2021 second H shareholders class meeting of the Company on 20 August 2021. On 16 June 2021, the announcement in relation to the issuance of A shares convertible bonds was published on the website of the Hong Kong Stock Exchange and the closing price of A share on that day was RMB29.53 per share. The target investors of the A Share Convertible Bonds are natural persons, legal persons, securities investment funds and other investors who meet the requirements under the laws, and who have maintained securities accounts with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited (except those prohibited by the state laws and regulations in the PRC). It was reported to the China Securities Regulatory Commission ("CSRC") on 8 November 2021 and it was approved by CSRC in March 2022. The issuance of A Share Convertible Bonds was completed in May 2022. The A share Convertible Bonds under this issuance were with a nominal value of RMB100 and were issued at par. The Company completed the issue of 40 million convertible bonds. The subscription funds for the A Share Convertible Bonds under this issuance totaled RMB4,000,000,000.00. After deducting the issuance fee of RMB23,078,799.67, the net funds raised were RMB3,976,921,200.33.

The total net proceeds from the public issuance of A Share Convertible Bonds by the Company amounted to approximately RMB3,976.92 million. As at 30 June 2023, the use of such proceeds were as follows:

Use for	**Percentage of net proceeds**	**Amount of net proceeds**	**Amount utilized**	**Amount unutilized**
		RMB'0,000	RMB'0,000	RMB'0,000
Annual production of 750,000 tons of solar equipment ultra-thin and ultra-high-transparent panel manufacturing project	48.91%	194,500.00	130,102.82	64,397.18
Distributed PV power generation construction project	15.97%	63,492.12	0.00	63,492.12
Annual production of 15 million square meters of solar PV ultra-white glass technical transformation project	4.95%	19,700.00	18,077.77	1,622.23
Working capital	30.17%	120,000.00	120,000.00	0.00
Total	100%	397,692.12	268,180.59	129,511.53

The amount unutilized is excepted to be fully utilized by the Company according to its use of proceeds plan for such proceeds by December 2024. As of the date of the interim results announcement, the Directors confirm that the proceeds were used and are proposed to be used according to the intentions previously disclosed.

Taxation

For non-resident enterprise shareholders of A shares except the above-mentioned QFII, listed companies shall withhold and pay enterprise income tax at a rate of 10% pursuant to the requirements of the Tentative Measures for Administration of Withholding at the Source of Income Tax of Non-resident Enterprises (Guo Shui Fa [2009] No. 3) (《非居民企業所得稅源泉扣繳管理暫行辦法》(國稅發[2009]3號)) and the Response of the State Administration of Taxation Concerning Questions on Enterprise Income Tax over Dividend of B-shares and Other shares Received by Non-resident Enterprises (Guo Shui Han [2009] No. 394) (《國家稅務總局關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》(國稅函[2009]394號)). Non-resident enterprise shareholders entitled to preferential tax treatment shall make registration in accordance with the relevant provisions of the tax treaties.

Pursuant to the requirements of the Notice of the Ministry of Finance, the State Administration of Taxation and the CSRC on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《財政部、國家稅務總局、中國證監會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), listed companies shall withhold an income tax at the rate of 10% on dividends from the A shares of the company invested by Hong Kong investors (including enterprises and individuals) through the SSE, and apply for withholding via the competent tax authorities (before the Hong Kong Securities Clearing Company Limited is able to provide details such as investor identities and holding periods to China Securities Depository and Clearing Corporation Limited, the policy of differentiated rates of taxation based on holding periods will temporarily not be implemented). For investors who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may, or may entrust a withholding agent to, apply to the competent tax authority of the listed company for the entitlement of the rate under such tax treaty. Upon approval by the competent tax authority, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded.

Pursuant to the requirements of the Notice of the Ministry of Finance, the State Administration of Taxation and the CSRC on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No. 127) (《財政部、國家稅務總局、中國證監會關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), listed companies shall withhold an income tax at the rate of 10% on dividends from the A shares of the company invested by Hong Kong investors (including enterprises and individuals) through the Shenzhen Stock Exchange, and apply for withholding via the competent tax authorities (before the Hong Kong Securities Clearing Company Limited is able to provide details such as investor identities and holding periods to China Securities Depository and Clearing Corporation Limited, the policy of differentiated rates of taxation based on holding periods will temporarily not be implemented). For investors who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may, or may entrust a withholding agent to, apply to the competent tax authority of the listed company for the entitlement of the rate under such tax treaty. Upon approval by the competent tax authority, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded.

Holders of H shares

In accordance with the requirements of the Circular on Certain Issues Concerning the Policies of Individual Income Tax (Cai Shui Zi [1994] No. 020) (《關於個人所得稅若干政策問題的通知》(財稅字[1994]020號)) promulgated by the Ministry of Finance and the State Administration of Taxation on May 13, 1994, overseas individuals are, as an interim measure, exempted from the PRC individual income tax for dividends or bonuses received from foreign-invested enterprises.

Pursuant to the requirements of the Notice of the State Administration of Taxation on Matters Concerning Withholding Enterprise Income Tax When China Resident Enterprises Distribute Dividends to Foreign Non-resident Enterprise shareholders of H shares (Guo Shui Han [2008] No. 897) (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)), distributing dividends to foreign nonresident enterprise shareholders of H shares for 2008 and for the years onwards shall be subject to the enterprise income tax withheld at a uniform rate of 10%. Upon receipt of such dividends, an overseas non-resident enterprise shareholder may apply to the competent tax authorities for relevant treatment under the tax treaties (arrangements) in person or through a proxy or a withholding agent and provide evidence in support of its status as a beneficial owner as defined in the tax treaties (arrangements). Upon verification by the competent tax authorities, the difference between the tax levied and the amount of tax payable as calculated at the tax rate under the tax treaties (arrangements) will be refunded.

According to the requirements of the Notice on the Tax Policies Concerning the Pilot Program of the Shanghai-Hong Kong Stock Connect published by the Ministry of Finance, the State Administration of Taxation and the CSRC (Cai Shui [2014] No. 81) (《財政部、國家稅務總局、中國證監會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), H-share companies shall withhold an individual income tax at the rate of 20% on dividends from the H shares of the company invested by mainland individual investors on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect. For dividends of the shares listed on the Hong Kong Stock Exchange received by mainland securities investment funds from investment through the Shanghai-Hong Kong Stock Connect, individual income tax shall be calculated in accordance with the above requirements. For dividends of the shares listed on the Hong Kong Stock Exchange received by mainland enterprise investors from investment through the Shanghai-Hong Kong Stock Connect, H-share companies shall not withhold income tax of dividends, and mainland enterprise investors shall report and pay the tax amount by themselves. In particular, the dividends received by resident enterprises in mainland which hold H shares for at least 12 consecutive months shall be exempted from enterprise income tax according to law.

According to the requirements of the Notice on the Tax Policies Concerning the Pilot Program of the Shenzhen Hong Kong Stock Connect published by the Ministry of Finance, the State Administration of Taxation and the CSRC (Cai Shui[2016] No. 127) (《財政部、國家稅務總局、中國證監會關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), H-share companies shall withhold an individual income tax at the rate of 20% on dividends from the H shares of the company invested by mainland individual investors on the Hong Kong Stock Exchange through the Shenzhen-Hong Kong Stock Connect. For dividends of the shares listed on the Hong Kong Stock Exchange received by mainland securities investment funds from investment through the Shenzhen-Hong Kong Stock Connect, individual income tax shall be calculated in accordance with the above requirements. For dividends of the shares listed on the Hong Kong Stock Exchange received by mainland enterprise investors from investment through the Shenzhen-Hong Kong Stock Connect, H-share companies shall not withhold income tax of dividends, and mainland enterprise investors shall report and pay the tax amount by themselves. In particular, the dividends received by resident enterprises in mainland which hold H shares for at least 12 consecutive months could be exempted from enterprise income tax according to law.

The shareholders of the Company shall pay the relevant tax and/or are entitled to tax reliefs in accordance with the above requirements.

DIVIDENDS

For the six months ended 30 June 2023, the Board recommended an ordinary interim dividend of RMB0.238 per share (before tax) (the "2023 Interim Dividend") and is subject to the approval by the extraordinary general meeting of shareholders of the Company ("the EGM") to be convened. As the date of the EGM is yet to be set, the Company will announce in due course the details of the dates of closure of register of members, the record date and the payment date in a separate announcement.

Dividends on A Shares will be paid in RMB and dividends on H Shares will be paid in Hong Kong dollars. The exchange rate for the dividend to be paid in Hong Kong dollars will be the mean of the exchange rates of Hong Kong dollars to RMB as announced by the People's Bank of China during the five business days prior to the date of the EGM.

REVIEW OF THE INTERIM REPORT BY THE AUDIT COMMITTEE OF THE COMPANY

The Company's interim report for the six months ended 30 June 2023 has not been audited but has been reviewed by the Company's audit committee, comprising its three independent non-executive Directors.

Consolidated Balance Sheet

RMB

Items	Note (V)	30 June 2023	31 December 2022
Current assets:			
Cash at bank and on hand	1	**3,745,914,546.52**	2,932,152,844.19
Trading financial assets	2	**2,000,000.00**	2,000,000.00
Bills receivables	3	**2,799,317,994.94**	2,505,753,674.34
Trade receivables	4	**3,041,044,241.19**	2,811,090,070.19
Financing receivables	5	**2,017,866,151.11**	784,825,969.52
Advance payment	6	**160,509,930.79**	578,012,656.23
Other receivables	7	**131,671,462.67**	101,299,773.96
Inventories	8	**2,655,646,475.21**	2,396,316,964.60
Assets held for sale		–	35,107,159.30
Other current assets	9	**174,457,714.33**	234,733,656.64
Total current assets		**14,728,428,516.76**	12,381,292,768.97
Non-current assets:			
Long-term equity investments	10	**96,178,807.63**	82,753,089.96
Investment properties	11	**26,093,289.82**	17,370,760.63
Fixed assets	12	**13,519,340,281.27**	11,225,965,058.08
Construction in progress	13	**763,626,881.64**	1,874,354,593.74
Right-of-use asset	14	**198,116,779.30**	194,194,008.63
Intangible assets	15	**3,477,477,534.56**	3,783,656,023.65
Long-term prepaid expenses		**121,243,473.08**	15,689,934.37
Deferred tax assets	16	**150,589,346.26**	92,555,237.76
Other non-current assets	17	**3,012,361,472.44**	2,713,891,130.26
Total non-current assets		**21,365,027,866.00**	20,000,429,837.08
Total assets		**36,093,456,382.76**	32,381,722,606.05

RMB

Items	Note (V)	30 June 2023	31 December 2022
Current liabilities:			
Short-term borrowings	18	**3,330,022,359.98**	3,095,354,079.23
Derivative financial liabilities	19	**2,164,609.64**	1,765,968.98
Bills payables	20	**730,792,817.56**	964,727,516.59
Trade payables	21	**4,557,172,754.60**	4,100,044,464.81
Contract liabilities	22	**102,899,989.59**	115,048,763.64
Payroll payable	23	**70,726,579.50**	102,797,701.22
Tax payable	24	**116,165,827.82**	186,516,829.00
Other payables	25	**143,946,966.35**	655,490,858.12
Including: Interests payable		**16,732,869.23**	16,887,442.02
Dividends payable		**1,357,000.00**	2,737,023.00
Non-current liabilities due within one year	26	**1,019,030,412.87**	1,302,218,275.31
Other current liabilities		**10,756,420.35**	9,449,715.18
Total current liabilities		**10,083,678,738.26**	10,533,414,172.08
Non-current liabilities:			
Long-term borrowings	27	**6,741,267,500.00**	3,889,070,000.00
Bonds payables	28	**3,670,646,944.66**	3,588,678,749.97
Lease liabilities	29	**11,860,366.08**	11,926,193.55
Long-term payables	30	**134,537,051.96**	137,660,340.97
Estimated liabilities		**6,457,941.49**	6,457,941.49
Deferred income	31	**62,707,198.45**	58,535,568.54
Deferred tax liabilities	16	**202,626,032.43**	123,532,426.28
Total non-current liabilities		**10,830,103,035.07**	7,815,861,220.80
Total liabilities		**20,913,781,773.33**	18,349,275,392.88

RMB

Items	Note (V)	30 June 2023	31 December 2022
Shareholders' equity			
Share capital	32	**536,723,615.25**	536,723,491.75
Other equity instruments	33	**491,728,876.11**	491,731,580.66
Capital reserve	34	**4,875,075,857.11**	4,864,749,251.17
Less: Treasury stock	35	**21,846,600.00**	23,806,600.00
Other comprehensive income	36	**84,492,394.08**	42,350,277.12
Special reserve	37	**35,836,812.93**	28,583,407.89
Surplus reserve	38	**268,361,745.88**	268,361,745.88
Undistributed profit	39	**8,908,631,913.70**	7,823,754,058.70
Total equity attributable to shareholders of the parent company		**15,179,004,615.06**	14,032,447,213.17
Minority interests		**669,994.37**	–
Total shareholders' equity		**15,179,674,609.43**	14,032,447,213.17
Total liabilities and shareholders' equity		**36,093,456,382.76**	32,381,722,606.05

Balance Sheet of the Parent Company

RMB

Items	Note (XV)	30 June 2023	31 December 2022
Current assets:			
Cash at bank and on hand		**1,334,034,885.31**	1,344,936,876.17
Trading financial assets		**2,000,000.00**	2,000,000.00
Bills receivable		**1,120,413,861.28**	978,734,026.78
Trade receivables	1	**853,181,068.15**	866,961,465.37
Financing receivables		**744,258,732.62**	352,288,693.13
Advance payment		**63,349,564.92**	223,591,163.60
Other receivables	2	**1,742,571,935.31**	1,796,012,370.71
Inventories		**574,777,263.49**	550,731,004.00
Other current assets		**13,848,745.39**	30,915,492.40
Total current assets		**6,448,436,056.47**	6,146,171,092.16
Non-current assets:			
Long-term equity investments	3	**4,192,928,607.03**	4,175,936,572.86
Investment properties		**9,438,264.39**	–
Fixed assets		**2,882,124,229.22**	2,806,194,051.34
Construction in progress		**114,400,794.98**	311,715,690.72
Intangible assets		**384,208,831.33**	390,586,647.85
Long-term prepaid expenses		**34,623,152.25**	7,149,939.45
Other non-current assets		**7,341,595,283.22**	7,015,771,026.31
Total non-current assets		**14,959,319,162.42**	14,707,353,928.53
Total assets		**21,407,755,218.89**	20,853,525,020.69

RMB

Items	Note (XV)	30 June 2023	31 December 2022
Current liabilities:			
Short-term borrowings		**1,491,958,459.98**	1,582,350,831.00
Bills payables		**124,975,316.36**	756,215,273.27
Trade payables		**1,090,183,857.31**	1,224,166,055.55
Contract liabilities		**17,413,834.79**	10,618,004.63
Payroll payable		**25,689,988.58**	40,625,739.50
Tax payable		**9,973,123.84**	30,206,386.78
Other payables		**1,143,739,148.92**	1,411,260,098.53
Including: Interest payable		**8,314,494.84**	13,081,277.67
Dividends payable		**1,357,000.00**	2,737,023.00
Non-current liabilities due within one year		**383,861,250.00**	500,330,000.00
Other current liabilities		**1,642,577.78**	1,380,340.60
Total current liabilities		**4,289,437,557.56**	5,557,152,729.86
Non-current liabilities:			
Long-term borrowings		**4,392,467,500.00**	2,775,070,000.00
Bonds payables		**3,670,646,944.66**	3,588,678,749.97
Deferred income		**17,065,335.47**	8,833,570.90
Deferred income tax liability		**56,260,410.06**	46,362,774.56
Total non-current liabilities		**8,136,440,190.19**	6,418,945,095.43
Total liabilities		**12,425,877,747.75**	11,976,097,825.29

RMB

Items	Note (XV)	30 June 2023	31 December 2022
Shareholders' equity:			
Share capital		**536,723,615.25**	536,723,491.75
Other equity instruments		**491,728,876.11**	491,731,580.66
Capital reserve		**4,875,075,857.11**	4,864,749,251.17
Less: Treasury stock		**21,846,600.00**	23,806,600.00
Other comprehensive income		**(3,859,245.09)**	-1,086,203.62
Surplus reserve		**268,361,745.88**	268,361,745.88
Undistributed profit		**2,835,693,221.88**	2,740,753,929.56
Total shareholders' equity		**8,981,877,471.14**	8,877,427,195.40
Total liabilities and shareholders' equity		**21,407,755,218.89**	20,853,525,020.69

Consolidated Income Statements

RMB

Items			Note (V)	For the six months ended 30 June 2023	For the six months ended 30 June 2022
I.	**Operating revenue**		40	**9,678,423,349.74**	7,304,491,338.96
	Including: Operating revenue			**9,678,423,349.74**	7,304,491,338.96
II.	**Operating costs**		40	**8,517,769,516.48**	6,203,831,172.59
	Including: Operating costs			**7,828,002,160.09**	5,650,508,668.44
		Taxes and surcharges	41	**84,960,558.56**	45,449,665.35
		Selling expenses	42	**41,199,585.98**	49,650,173.34
		General and administrative expenses	43	**120,524,957.28**	126,399,595.74
		Research and development expenses	44	**286,539,318.55**	255,054,636.60
		Financial expenses	45	**156,542,936.02**	76,768,433.12
		Including: Interest expenses		**248,289,348.87**	120,102,101.64
		Interest income		**31,712,351.86**	25,481,363.85
	Add:	Other income	46	**27,715,344.53**	40,868,360.92
		Investment income	47	**12,019,302.67**	4,199,843.60
		Including: Gains on investment in associates and joint ventures		**13,425,717.67**	3,582,923.6
		Profit arising from changes in fair value	48	**-398,640.66**	-3,660,869.06
		Credit impairment loss	49	**-906,628.62**	-28,631,879.47
		Asset impairment loss	50	**-15,019,996.98**	-6,723,522.16
		Gains on disposal of assets	51	**-81,426.03**	-9,150,998.74
III.	**Operating profit**			**1,183,981,788.17**	1,097,561,101.46
	Add: Non-operating income		52	**1,376,967.75**	2,092,103.81
	Less: Non-operating expenses		53	**911,601.21**	2,254,370.81

RMB

Items	Note (V)	**For the six months ended 30 June 2023**	For the six months ended 30 June 2022
IV. Total profit		**1,184,447,154.71**	1,097,398,834.46
Less: Income tax expense	54	**99,079,305.34**	94,650,957.67
V. Net profit		**1,085,367,849.37**	1,002,747,876.79
(I) Classified on a going concern basis			
1. Net profit from continuing operation		**1,085,367,849.37**	1,002,747,876.79
(II) Classified by attribution of the ownership			
1. Net profit attributable to shareholders of the parent company		**1,084,877,855.00**	1,002,747,876.79
2. Profit or loss attributable to minority interests		**489,994.37**	
VI. Other comprehensive income, net of tax		**42,142,116.96**	-11,274,093.02
(I) Other comprehensive income, net of tax attributable to the owner of parent company			
1. Other comprehensive income that cannot be reclassified to profit or loss			
2. Other comprehensive income that will be reclassified to profit or loss		**42,142,116.96**	-11,274,093.02
(1) Exchange differences on foreign currency financial statements translation		**50,278,035.81**	-12,352,432.99
(2) Changes in fair value of financing receivables		**-8,135,918.85**	1,078,339.97

RMB

Items	Note (V)	**For the six months ended 30 June 2023**	For the six months ended 30 June 2022
VII. Total comprehensive income		**1,127,509,966.33**	991,473,783.77
(I) Attributable to the shareholders of the parent company		**1,127,019,971.96**	991,473,783.77
(II) Attributable to the minority interests		**489,994.37**	–
VIII. Earnings per share			
(I) Basic earnings per share		**0.51**	0.47
(II) Diluted earnings per share		**0.51**	0.44

For the business combination under common control effected in the current period, the net profit recognized by the merged party before the combination was RMB0, and the net profit recognized by the merged party in the previous period was RMB0.

Income Statements of the Parent Company

RMB

Items			Note (XV)	For the six months ended 30 June 2023	For the six months ended 30 June 2022
I.	**Operating revenue**		4	**2,574,352,580.32**	2,364,194,413.72
	Less:	Operating costs	4	**2,180,762,674.83**	1,951,593,318.84
		Taxes and surcharges		**9,050,025.08**	3,634,539.87
		Selling expenses		**13,482,154.26**	19,135,579.80
		General and administrative expenses		**57,223,963.12**	69,871,990.97
		Research and development expenses		**107,582,866.56**	85,360,429.83
		Financial expenses		**110,484,071.95**	6,265,338.85
		Including: Interest expenses		**182,422,799.62**	71,407,412.96
		Interest income		**16,366,863.41**	13,340,110.93
	Add:	Other income	5	**5,753,339.59**	9,529,261.87
		Investment income		**5,512,034.17**	2,293,819.60
		Including: Gains on investment in associates and joint ventures		**5,512,034.17**	2,293,819.60
		Credit impairment loss		**4,018,894.97**	-8,110,426.25
		Asset impairment loss		**-6,204,239.42**	-3,932,514.57
		Gains on disposal of assets		**-100,504.15**	401,795.49
II.	**Operating profit**			**104,746,349.68**	228,515,151.70
	Add:	Non-operating income		**90,578.14**	867,335.51
	Less:	Non-operating expenses		**–**	1,275,851.39
III.	**Total profit**			**104,836,927.82**	228,106,635.82
	Less:	Income tax expenses		**9,897,635.50**	19,282,786.35

RMB

Items	Note (XV)	**For the six months ended 30 June 2023**	For the six months ended 30 June 2022
IV. Net profit		**94,939,292.32**	208,823,849.47
(I) Net profit from continuing operation		**94,939,292.32**	208,823,849.47
V. Other comprehensive income, net of tax		**-2,773,041.47**	-165,704.49
(I) Other comprehensive income that will be reclassified to profit or loss		**-2,773,041.47**	-165,704.49
1. Changes in fair value of receivables financing		**-2,773,041.47**	-165,704.49
VI. Total comprehensive income		**92,166,250.85**	208,658,144.98

Consolidated Statements of Cash Flow

RMB

Items	Note (V)	**For the six months ended 30 June 2023**	For the six months ended 30 June 2022
I. Cash flow from operating activities:			
Cash received from sale of goods or rendering of services		**4,433,746,077.34**	3,038,800,978.84
Cash received from refunds of taxes		**193,600,120.14**	67,399,490.94
Cash received relating to other operating activities	55(1)	**70,060,219.16**	123,781,925.79
Subtotal of cash inflows		**4,697,406,416.64**	3,229,982,395.57
Cash paid for goods and services		**4,511,418,989.23**	1,551,673,945.49
Cash paid to and on behalf of employee		**449,642,476.01**	334,286,062.44
Cash paid for payments of taxes and surcharges		**290,924,977.37**	235,588,722.86
Cash paid relating to other operating activities	55(2)	**290,770,140.14**	202,168,255.91
Subtotal of cash outflows		**5,542,756,582.75**	2,323,716,986.70
Net cash flow from operating activities		**-845,350,166.11**	906,265,408.87
II. Cash flow from investing activities:			
Cash received from disposal of investments		–	200,000,000.00
Cash received from returns on investments		**396,585.00**	1,460,670.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		**25,012,501.41**	4,044,620.93
Cash received relating to other investing activities	55(3)	**82,663,360.93**	14,489,983.85
Subtotal of cash inflows		**108,072,447.34**	219,995,274.78
Cash paid to purchase fixed assets, intangible assets and other long-term assets		**1,706,607,448.63**	2,188,693,239.71
Cash paid relating to investment		–	700,000,000.00
Net cash paid for acquisition of subsidiaries and other operating		–	2,803,965,670.84
Cash paid relating to other investing activities	55(4)	**75,515,646.37**	46,849,962.30
Subtotal of cash outflows		**1,782,123,095.00**	5,739,508,872.85
Net cash flow from investing activities		**-1,674,050,647.66**	-5,519,513,598.07

RMB

Items	Note (V)	**For the six months ended 30 June 2023**	For the six months ended 30 June 2022
III. Cash flow from financing activities:			
Cash received from capital contribution		**180,000.00**	–
Including: Cash received by subsidiaries through absorbing investments of minority shareholders		**180,000.00**	
Cash received from issued bonds		–	3,978,000,000.00
Cash received from borrowings		**7,460,703,309.36**	4,085,382,666.84
Cash received relating to other financing activities	55(5)	**463,958,512.35**	466,542,322.25
Subtotal of cash inflows		**7,924,841,821.71**	8,529,924,989.09
Cash paid for payment of borrowings		**3,973,771,077.00**	2,208,375,500.00
Cash paid for distribution of dividends, and profits or payment of interest		**197,009,122.92**	92,732,448.31
Cash paid relating to other financing activities	55(6)	**370,719,825.78**	496,112,910.71
Subtotal of cash outflows		**4,541,500,025.70**	2,797,220,859.02
Net cash flow from financing activities		**3,383,341,796.01**	5,732,704,130.07
IV. Effect of foreign exchange rate changes on cash and cash equivalents		**34,828,221.22**	23,638,751.01
V. Net increase in cash and cash equivalents		**898,769,203.46**	1,143,094,691.88
Add: Cash and cash equivalents at the beginning of the period	56(2)	**2,319,081,464.51**	2,101,730,679.46
VI. Cash and cash equivalents at the end of the period	56(2)	**3,217,850,667.97**	3,244,825,371.34

Statements of Cash Flow of the Parent Company

RMB

Items	Note	For the six months ended 30 June 2023	For the six months ended 30 June 2022
I. Cash flow from operating activities:			
Cash received from sale of goods or rendering of services		**827,363,388.16**	788,861,444.80
Cash received from refunds of taxes		**22,162,012.81**	4,593,212.60
Cash received relating to other operating activities		**27,068,467.81**	34,354,347.21
Subtotal of cash inflows		**876,593,868.78**	827,809,004.61
Cash paid for goods and services		**1,066,809,711.44**	810,338,583.44
Cash paid to and on behalf of employee		**162,674,296.93**	106,759,256.97
Cash paid for payments of taxes and surcharges		**49,641,746.64**	34,502,346.92
Cash paid relating to other operating activities		**75,662,575.16**	84,347,262.63
Subtotal of cash outflows		**1,354,788,330.17**	1,035,947,449.96
Net cash flow from operating activities		**-478,194,461.39**	-208,138,445.35
II. Cash flow from investing activities:			
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		**5,594,159.54**	1,304,506.44
Cash received relating to other investing activities		**239,845,754.97**	2,006,266,142.87
Subtotal of cash inflows		**245,439,914.51**	2,007,570,649.31
Cash paid to purchase fixed assets, intangible assets and other long-term assets		**529,170,215.75**	435,769,660.39
Cash paid relating to investment		**–**	300,000,000.00
Net cash invested in establishment of subsidiary or other operating units		**532,427,600.00**	2,284,052,400.00
Cash paid relating to other investing activities		**442,964,930.06**	2,649,637,730.51
Subtotal of cash outflows		**1,504,562,745.81**	5,669,459,790.90
Net cash flow from investing activities		**-1,259,122,831.30**	-3,661,889,141.59

RMB

Items	Note	For the six months ended 30 June 2023	For the six months ended 30 June 2022
III. Cash flow from financing activities:			
Cash received from capital contribution			
Cash received from issued bonds		**–**	3,978,000,000.00
Cash received from borrowings		**4,373,830,855.93**	3,149,547,866.84
Cash received relating to other financing activities		**378,828,394.92**	267,681,541.07
Subtotal of cash inflows		**4,752,659,250.85**	7,395,229,407.91
Cash paid for payment of borrowings		**2,605,071,250.00**	1,421,394,000.00
Cash paid for distribution of dividends, and profits or payment of interest		**119,368,384.08**	52,818,566.82
Cash paid relating to other financing activities		**109,968,460.03**	221,263,681.40
Subtotal of cash outflows		**2,834,408,094.11**	1,695,476,248.22
Net cash flow from financing activities		**1,918,251,156.74**	5,699,753,159.69
IV. Effect of foreign exchange rate changes on cash and cash equivalents		**10,154,183.94**	5,498,339.01
V. Net increase in cash and cash equivalents		**191,088,047.99**	1,835,223,911.76
Add: Cash and cash equivalents at the beginning of the period		**918,983,312.20**	445,104,022.54
VI. Cash and cash equivalents at the end of the period		**1,110,071,360.19**	2,280,327,934.29

Consolidated Statements of Changes in Shareholders' Equity

RMB

Items	The half year for 2023										
	Equity attributable to the owners of the parent company										
	Share capital	Other equity instruments	Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Subtotal	Minority interests	Total shareholders' equity
I. Closing balance of the last year	536,723,491.75	491,731,580.66	4,864,749,251.17	23,806,600.00	42,350,277.12	28,583,407.89	268,361,745.88	7,823,754,058.70	14,032,447,213.17		14,032,447,213.17
II. Opening balance of the current half year	536,723,491.75	491,731,580.66	4,864,749,251.17	23,806,600.00	42,350,277.12	28,583,407.89	268,361,745.88	7,823,754,058.70	14,032,447,213.17	-	14,032,447,213.17
III. Increase/decrease for the current period	123.50	-2,704.55	10,326,605.94	-1,960,000.00	42,142,116.96	7,253,405.04	-	1,084,877,855.00	1,146,557,401.89	669,994.37	1,147,227,396.26
(I) Total comprehensive income					42,142,116.96			1,084,877,855.00	1,127,019,971.96	489,994.37	1,127,509,966.33
(II) Contribution and withdrawal of capital by shareholders	123.50	-2,704.55	10,326,605.94	-1,992,200.00	-	-	-	-	12,316,224.89	180,000.00	12,496,224.89
1. Common shares contributed by owners				-1,992,200.00					1,992,200.00	180,000.00	2,172,200.00
2. Contribution of capital by other equity instrument owners	123.50	-2,704.55	22,903.50						20,322.45		20,322.45
3. Amount of share-based payment included in owner's equity			10,303,702.44						10,303,702.44		10,303,702.44
(III) Profit distribution				32,200.00					-32,200.00		-32,200.00
1. Appropriation to surplus reserve											-
2. Appropriation to shareholders				32,200.00					-32,200.00		-32,200.00
(IV) Special reserve						7,253,405.04			7,253,405.04		7,253,405.04
1. Withdrew in the period						8,343,785.43			8,343,785.43		8,343,785.43
2. Used in the period						-1,090,380.39			-1,090,380.39		-1,090,380.39
IV. Closing balance of the current period	536,723,615.25	491,728,876.11	4,875,075,857.11	21,846,600.00	84,492,394.08	35,836,812.93	268,361,745.88	8,908,631,913.70	15,179,004,615.06	669,994.37	15,179,674,609.43

RMB

For the six months ended 30 June 2022

Equity attributable to the owners of the parent company

Items	Share capital	Other equity instrument	Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Subtotal	Minority interest	Total shareholders' equity
I. Closing balance of the last year	536,723,313.50	–	4,832,768,261.83	32,096,200.00	-7,613,180.72	17,266,053.61	268,361,656.75	6,194,759,167.82	11,810,169,072.79		11,810,169,072.79
II. Opening balance of the current half year	536,723,313.50	–	4,832,768,261.83	32,096,200.00	-7,613,180.72	17,266,053.61	268,361,656.75	6,194,759,167.82	11,810,169,072.79	–	11,810,169,072.79
III. Increase/decrease for the current period	–	333,235,286.91	15,842,999.03	-1,992,200.00	29,889,259.45	6,350,203.03	–	1,002,747,876.79	1,390,057,825.21	–	1,390,057,825.21
(I) Total comprehensive income					29,889,259.45			1,002,747,876.79	1,032,637,136.24	–	1,032,637,136.24
(II) Contribution and withdrawal of capital by shareholders	–	333,235,286.91	15,842,999.03	-1,992,200.00	–	–	–	–	351,070,485.94	–	351,070,485.94
1. Common shares contributed by owners				-1,992,200.00					1,992,200.00	–	1,992,200.00
2. Contribution of capital by other equity instrument owners	–	333,235,286.91							333,235,286.91		333,235,286.91
3. Amount of share-based payment included in owner's equity			15,842,999.03						15,842,999.03		15,842,999.03
(III) Profit distribution				–					–		–
1. Appropriation to surplus reserve											–
(IV) Special reserve						6,350,203.03			6,350,203.03		6,350,203.03
1. Withdrew in the period						6,557,571.38			6,557,571.38		6,557,571.38
2. Used in the period						-207,368.35			-207,368.35		-207,368.35
IV. Closing balance of the current period	536,723,313.50	333,235,286.91	4,848,611,260.86	30,104,000.00	22,276,078.73	23,616,256.64	268,361,656.75	7,197,507,044.61	13,200,226,898.00	–	13,200,226,898.00

Statements of Changes in Shareholders' Equity of the Parent Company

RMB

For the six months ended 30 June 2023

Items	Share capital	Other equity instruments	Capital reserve	Less: Treasury stock	Other comprehensive income	Surplus reserve	Undistributed profit	Total shareholders' equity
I. Closing balance of the last year	536,723,491.75	491,731,580.66	4,864,749,251.17	23,806,600.00	-1,086,203.62	268,361,745.88	2,740,753,929.56	8,877,427,195.40
II. Opening balance of the current year	536,723,491.75	491,731,580.66	4,864,749,251.17	23,806,600.00	-1,086,203.62	268,361,745.88	2,740,753,929.56	8,877,427,195.40
III. Increase/decrease for the current year	123.50	-2,704.55	10,326,605.94	-1,960,000.00	-2,773,041.47	–	94,939,292.32	104,450,275.74
(I) Total comprehensive income					-2,773,041.47		94,939,292.32	92,166,250.85
(II) Contribution and withdrawal of capital by shareholders	123.50	-2,704.55	10,326,605.94	-1,992,200.00	–	–	–	12,316,224.89
1. Common shares contributed by owners				-1,992,200.00				1,992,200.00
2. Contribution of capital by other equity instrument owners	123.50	-2,704.55	22,903.50					20,322.45
3. Amount of share-based payment included in owner's equity			10,303,702.44					10,303,702.44
(III) Profit distribution	–	–	–	32,200.00	–	–	–	-32,200.00
1. Appropriation to surplus reserve								
2. Appropriation to shareholders				32,200.00				-32,200.00
IV. Closing balance of the current half year	536,723,615.25	491,728,876.11	4,875,075,857.11	21,846,600.00	-3,859,245.09	268,361,745.88	2,835,693,221.88	8,981,877,471.14

RMB

Items	Share capital	Other equity instruments	Capital reserve	Less: Treasury stock	Other comprehensive income	Surplus reserve	Undistributed profit	Total shareholders' equity
	For the six months ended 30 June 2022							
I. Closing balance of the last year	536,723,313.50		4,832,768,261.83	32,096,200.00	-609,915.05	268,361,656.75	2,894,223,275.67	8,499,370,392.70
II. Opening balance of the current year	536,723,313.50	–	4,832,768,261.83	32,096,200.00	-609,915.05	268,361,656.75	2,894,223,275.67	8,499,370,392.70
III. Increase/decrease for the current year	**–**	**333,235,286.91**	**15,842,999.03**	**-1,992,200.00**	**-165,704.49**	**–**	**208,823,849.47**	**559,728,630.92**
(I) Total comprehensive income					-165,704.49		208,823,849.47	208,658,144.98
(II) Contribution and withdrawal of capital by shareholders	–	333,235,286.91	15,842,999.03	-1,992,200.00	–	–	–	351,070,485.94
1. Common shares contributed by owners				-1,992,200.00				1,992,200.00
2. Contribution of capital by other equity instrument owners		333,235,286.91						333,235,286.91
3. Amount of share-based payment included in owner's equity			15,842,999.03					15,842,999.03
(III) Profit distribution								–
1. Appropriation to surplus reserve								
IV. Closing balance of the current year	536,723,313.50	333,235,286.91	4,848,611,260.86	30,104,000.00	-775,619.54	268,361,656.75	3,103,047,125.14	9,059,099,023.62

Notes to the Financial Statements

(I) CORPORATION INFORMATION

1. Company Overview

Flat Glass Group Co., Ltd. (the "Company") was established on 24 June 1998 with

As approved by the China Securities Regulatory Commission, the Company publicly issued 14.50 million A share convertible corporate bonds (the "Convertible Bonds") with a par value of RMB100 each on 27 May 2020. The total amount of this issuance is RMB1,450,000,000.00 and the term is 6 years. Pursuant to the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and other relevant regulations and the Prospectus of A Share Convertible Corporate Bond through Public Issuance of Flat Glass Group Co., Ltd., the Convertible Bonds can be converted into the RMB ordinary shares (A shares) of the Company from 3 December 2020. The initial conversion price is RMB13.56 per share. The Company will adjust the conversion price based on the prospectus upon the occurrence of distribution of stock dividend, capitalisation issue, issuance of new shares (excluding the increase in share capital due to the convertible corporate bonds in this issuance), rights issue or distribution of cash dividend. On 9 November 2020, the Company adjusted the conversion price to RMB13.48 per share based on the A-share restricted share incentive scheme and 2020 interim profit distribution proposal. On 28 January 2021, the Company adjusted the conversion price to RMB14.15 per share due to the non-public issuance of RMB ordinary shares (A shares). During the period from 3 December 2020 to 27 January 2021, the convertible bonds of the Company amounting to RMB1,358,240,000.00 were converted into 100,754,542 RMB ordinary shares (A shares) at a conversion price of RMB13.48 per share. During the period from 28 January 2021 to 29 January 2021, the convertible bonds of the Company amounting to RMB89,057,000.00 were converted into 6,293,565 RMB ordinary shares (A shares) at a conversion price of RMB14.15 per share. During the period from 3 December 2020 to 23 December 2020, the closing prices of shares of the Company for at least 15 trading days out of any 30 consecutive trading days during the conversion period were no less than 130% (130% inclusive) of the prevailing conversion price, triggering the conditional redemption terms of convertible bonds. On 23 December 2020, the Resolution on Early Redemption of Flat Convertible Bonds by the Company was considered and approved at the 28th meeting of the fifth session of the Board, under which the Company decided to exercise the early redemption right of Flat Convertible Bonds, and redeemed all the Flat Convertible Bonds registered on the redemption registration date with the redemption registration date of 29 January 2021. As of 29 January 2021, the convertible bonds in an amount of RMB1,447,297,000.00 have been converted into RMB ordinary shares (A shares), and the cumulative number of converted shares amounted to 107,048,107 shares (including: conversion of 86,648,788.00 shares in 2020, which expanded the registered capital by RMB21,662,197.00 and capital reserve by RMB1,162,828,718.24; and conversion of 20,399,319.00 shares, which expanded the registered capital by RMB5,099,829.75 and capital reserve by RMB278,934,138.94), and the non-converted convertible bonds of RMB2,703,000.00 have been redeemed by the Company. Due to the conversion of convertible bonds, the registered capital of the Company increased by RMB26,762,026.75, the number of shares increased by 107,048,107 shares and the capital reserve increased by RMB1,441,762,857.18.

As considered and approved at the 20th meeting of the fifth session of the Board, 2020 first extraordinary general meeting, 2020 second A shareholders class meeting and 2020 second H shareholders class meeting of the Company, and approved by the Approval of the Non-public Issuance of Shares of Flat Glass Group Co., Ltd. (CSRC Approval [2020] No. 2648) issued by China Securities Regulatory Commission, the Company was permitted to issue not more than 450,000,000 RMB ordinary shares (A shares) by way of non-public issuance. As of 7 January 2021, the Company has completed the non-public issuance of 84,545,147 RMB ordinary shares (A shares) at a par value of RMB0.25 per share at an issue price of RMB29.57 per share with the total amount of funds raised of RMB2,499,999,996.79. The net proceeds were RMB2,483,081,943.69 after deducting the issue cost of RMB16,918,053.10, of which the amount of RMB21,136,286.75 and RMB2,461,945,656.94 was included in total share capital and capital reserve, respectively. All payments of subscription amounts were made by cash in Renminbi. Due to the non-public issuance of A shares, the registered capital of the Company increased by RMB21,136,286.75, the number of shares increased by 84,545,147 shares and the capital reserve increased by RMB2,461,945,656.94.

On 25 May 2021, the Company held the second meeting of the sixth session of the Board, at which the Resolution in relation to the Reserved Grant of the Restricted A Shares to Participants was considered and approved to grant restricted shares to three participants. The participants actually subscribed for 700,000 RMB ordinary shares (A shares), with a par value of RMB0.25 per share at a grant price of RMB14.23 per share. Upon the completion of the above grant of restricted shares, the registered capital of the Company became RMB536,723,313.50.

As approved by the China Securities Regulatory Commission, the Company publicly issued 40 million A share convertible corporate bonds with a par value of RMB100 each on 20 May 2022. The total amount of this issuance is RMB4,000,000,000.00 and the term is 6 years. Pursuant to the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and other relevant regulations and the Prospectus of A Share Convertible Corporate Bond through Public Issuance of Flat Glass Group Co., Ltd., the Convertible Bonds can be converted into the RMB ordinary shares (A shares) of the Company from 28 November 2022. The initial conversion price is RMB43.94 per share. The Company will adjust the conversion price based on the prospectus upon the occurrence of distribution of stock dividend, capitalisation issue, issuance of new shares (excluding the increase in share capital due to the convertible corporate bonds in this issuance), rights issue or distribution of cash dividend. On 23 November 2022, the Company adjusted the conversion price to RMB43.71 per share based on the 2022 interim profit distribution proposal. During the period from 28 November 2022 to 30 June 2023, the convertible bonds of the Company amounting to RMB54,000 were converted into 1,207 RMB ordinary shares (A shares) at a conversion price of RMB43.71 per share. Due to the conversion of convertible bonds, the registered capital of the Company increased by RMB301.75, the number of shares increased by 1,207 shares and the capital reserve increased by RMB55,303.64.

The principal activities of the Company and its subsidiaries (the "Group") are the manufacturing and sales of glass products.

The de facto controllers of the Company are Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Zeyun and Mr. Zhao Xiaofei, of whom Mr. Ruan Hongliang and Ms. Jiang Jinhua are directors of the Company.

2. Scope of the Consolidated Financial Statements

On 28 August 2023, the Company's company and consolidated financial statements have been approved by the Board of Directors of the Company.

Details of the scope of consolidated financial statements of the Group are set out in Note (VII) " Interests in other entities".

(II) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. Basis of preparation

The Group has implemented the Accounting Standards for Business Enterprises and other relevant regulations issued by the Ministry of Finance (hereinafter referred to as the "CASBE") and has also disclosed relevant financial information in accordance with the Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No.15 – General Provisions on Financial Reporting (revised in 2014). In addition, the financial statements also include disclosures required by the Companies Ordinance and the Listing Rules of the stock exchange of Hong Kong.

Going concern

The Group has assessed the ability to continue as a going concern for a 12-month period since 30 June 2023 and is not aware of any events or conditions that may cast significant doubt upon the ability to continue as a going concern. So the financial statements have been prepared on a going concern basis.

Basis of accounting and principle of measurement

The Group has adopted accrual basis for accounting measurement. Except some financial instruments are measured at fair value, the financial statements are based on historical cost. If the assets are impaired, corresponding provisions for impairment shall be made according to relevant regulations.

Under the historical cost convention, assets are measured at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of acquisition. Liabilities are measured according to the amount of payment or assets actually received due to the assumption of current obligations, or the contract amount of the current obligation, or in accordance with the amount of cash or cash equivalents expected to be paid in daily activities to meet liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using valuation technique. Fair value measured and disclosed in the financial statements are determined according to the above basis.

The fair value measurement is divided into three levels based on the observability of the inputs of the fair value and the importance of the inputs to the fair value measurement as a whole:

- Level 1 inputs are the unadjusted quoted prices of the same assets or liabilities in the active market that can be obtained on the measurement date.

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.

- Level 3 inputs are unobservable inputs for the relevant asset or liability.

2. Going concern

The financial statements have been prepared on a going concern basis.

(III) SIGNIFICANT ACCOUNTS POLICIES AND ACCOUNTING ESTIMATES

The principal activities of the Group are the manufacturing and sales of glass products. Therefore, the accounting policies for recognition of revenue, impairment of financial instruments, depreciation of fixed assets and amortization of intangible assets are based on the characteristics of the glass manufacturing industry. For details, please refer to Notes.

1. Statement of Compliance with CASBE

The financial statements of the Company have been prepared in accordance with the CASBE, and present truly and completely the Company's financial position, the results of operations, the changes in shareholders' equity and the cash flows and other relevant information.

2. Accounting Period

The accounting year of the Group is the calendar year, i.e. from 1 January to 31 December of each year.

3. Operating Cycle

Operating cycle refers to the period from the purchase of assets used for processing to the realization of cash or cash equivalents. The Group's operating cycle usually takes approximately 12 months.

4. Functional Currency

The currency used by the Company in preparing the financial statements is RMB.

5. Accounting Methods of Business Combination Involving Enterprises under Common Control and Not Involving Enterprises under Common Control

5.1 Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

5.2 Business combinations not involving enterprises under common control and goodwill

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties both before and after the combination.

The cost of combination is measured at the aggregate of the fair values, at the acquisition date, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer in exchange for control of the acquiree. The intermediary fees incurred by the acquirer in respect of auditing, legal services, valuation and consultancy services, etc. and other related administrative expenses attributable to the business combination are charged to profit or loss in the period in which they are incurred.

The identifiable assets, liabilities and contingent liabilities of the acquiree that meet the recognition conditions acquired by the acquirer in a business combination, are measured at their fair values at the acquisition date.

Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised as an asset as goodwill and is initially measured at cost. Where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer firstly reassesses the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of combination. If after that reassessment, the cost of combination is still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets acquired in the combination, the difference is recognised in profit or loss.

Goodwill occurred as a result of combination shall be recognised separately in the consolidated financial statements and measured at cost less accumulated impairment provision.

Assets and liabilities acquired in a business combination are measured at their carrying amount of the combined party at the combination date. The difference between the carrying amount of the net assets acquired by the combining party and the carrying amount of the consideration paid for the combination (or the aggregate face value of the shares issued) is adjusted to share premium under capital reserve, if the share capital premium is insufficient to offset the difference, the retained earnings will be adjusted.

The costs that are directly attributable to the business combination are charged to profit or loss in the period in which they are incurred.

6. Preparation of Consolidated Financial Statements

The scope of consolidation for the consolidated financial statements is determined based on control. Control refers to the power that the investor has over the investee; it means that the investor enjoys variable returns by taking part in the relevant activities of the investee and is capable of using its power over the investee to influence the amount of return. In case of changes in the relevant elements involved in the aforesaid definition of control as a result of the changes in facts and circumstance, the Group will conduct re-assessment.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

For a subsidiary disposed of by the Group, the operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated income statement and consolidated statement of cash flows, as appropriate.

For a subsidiary acquired through a business combination not involving enterprises under common control, the operating results and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated income statement and consolidated statement of cash flows, as appropriate.

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving enterprises under common control or the party being absorbed under merger by absorption are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the beginning of the earliest reporting period or from the date when they first came under the common control of the ultimate controlling party are included in the consolidated income statement and consolidated statement of cash flows, as appropriate.

The significant accounting policies and accounting periods adopted by the subsidiaries are determined in accordance with the Company's unified accounting policies and accounting periods.

The impact of internal transactions between the Company and its subsidiaries and

8. Translation of Foreign Currency Business and Financial Statements Denominated in Foreign Currency

8.1 Foreign currency business

Foreign currency transactions are translated at the spot exchange rate on the date of transaction at initial recognition.

At the balance sheet date, foreign currency monetary items are translated into RMB using the spot exchange rates at the balance sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the balance sheet date and those on initial recognition or at the previous balance sheet date are recognised in profit or loss for the period, except that: (1) exchange differences related to special borrowings denominated in foreign currency eligible for capitalization shall be capitalized into the cost of the related assets during the capitalization period; (2) exchange differences on hedging instruments for the purpose of hedging against foreign currency risk are accounted for using hedge accounting; and (3) exchange differences arising from changes in carrying amount (other than amortised cost) of monetary items at fair value through comprehensive income are recognised in other comprehensive income.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated to functional currency at the spot exchange rate at the date of the transaction. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the foreign exchange rate at the date the fair value is determined. The difference between the translated functional currency amount and the original functional currency amount is treated as changes in fair value (including changes in exchange rates) and is recognised in profit or loss or as other comprehensive income.

8.2 Translation of foreign currency financial statements

For the purpose of preparing the consolidated financial statements, the foreign currency financial statements of overseas operations are translated into RMB financial statements using the following method: all assets and liabilities in the balance sheet are translated at the spot exchange rate at the balance sheet date; equity items converted at the spot exchange rate at the time of occurrence; all items in the income statement and items reflecting the amount of profit distribution are translated at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions; the difference between assets and the sum of liabilities and shareholders' equity after translation is recognised in other comprehensive income and included in shareholders' equity.

Cash flows arising from a transaction in foreign currency and the cash flows of a foreign subsidiary are translated at an exchange rate which approximates the spot exchange rate on the date of the cash flows. The effect of exchange rate changes on cash and cash equivalents is regarded as a reconciliation item and presented separately in the statement of cash flows as "effect of exchange rate changes on cash and cash equivalents".

The opening balances and the actual figures of prior year are presented at the translated amounts in the prior year's financial statements.

9. Financial Instruments

The Group recognises a financial asset or a financial liability when it becomes a party to a financial instrument contract.

Where financial assets are purchased or sold in a regular way, assets to be received and liabilities to be borne are recognised on the date of transaction, or assets sold are derecognised on the date of transaction.

Financial assets and financial liabilities are initially measured at fair value. For financial assets and financial liabilities at fair value through profit or loss, the related transaction costs are directly recognised in profit or loss in the period in which they are incurred. For other categories of financial assets and financial liabilities, the related transaction costs are included in the initially recognised amount. When the Group initially recognizes receivables that do not contain a significant financing component or do not consider the financing component in a contract not exceeding one year in accordance with the Accounting Standards for Business Enterprises No. 14 – Revenue (the "Revenue Standard"), the Group initially measures the receivables at the transaction price as defined in the Revenue Standard.

Effective interest rate method is the method that is used in the calculation of the amortised cost of a financial asset or a financial liability and in the allocation and recognition of the interest revenue or interest expense in profit or loss over the relevant period.

The effective interest rate is the rate that discounts estimated future cash flows through the expected duration of a financial asset or a financial liability to the carrying amount of the financial asset or to the amortised cost of the financial liability. In determining the effective interest rate, the expected cash flow is estimated on the basis of all contractual terms of the financial asset or financial liability (such as early repayment, extension, call options or other similar options, etc.) without taking into account the expected credit loss.

The amortised cost of a financial asset or a financial liability is the amount initially recognised for a financial asset or a financial liability net of principal repaid, plus or less the cumulative amortised amount arising from amortization of the difference between the amount initially recognised and the amount at the maturity date using the effective interest method, net of cumulative loss allowance (only applicable to financial assets).

9.1 Classification, recognition and measurement of financial assets

Subsequent to initial recognition, the Group's financial assets of various categories are subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL").

If the contractual terms of the financial asset stipulate that the cash flows generated on a specific date are solely payments of the principal and the interest on the principal amount outstanding and the financial asset is managed by the Group in a business model aimed at collecting contractual cash flows, the Group shall classify the financial asset into the financial asset measured at amortised cost. Such financial assets mainly include cash and bank balances, bills receivable and receivables, other receivables, etc.

If the contractual terms of the financial asset stipulate that the cash flows generated on a specific date are solely payments of the principal and the interest on the principal amount outstanding and the financial asset is managed by the Group in a business model aimed at both collecting contractual cash flows and selling such financial assets, the Group shall classify the financial asset into the financial asset at FVTOCI. These financial assets were classified as bills receivable at fair value through other comprehensive income when obtaining, and presented under receivables financing.

On initial recognition, the Group may, based on an individual financial asset, irrevocably designate a non-tradable equity instrument investment other than contingent consideration recognised in business combination not involving enterprises under common control as financial asset at FVTOCI. Such financial assets are presented as other equity instrument investments.

The Group's purpose of holding the financial assets is for trading if one of the following conditions is satisfied:

- The purpose of acquiring the financial assets is to sell the assets in the near future.

- The relevant financial assets are part of a portfolio of identified financial instruments that are centrally managed on initial recognition, and there is objective evidence of actually a recent short-term profit-taking model.

- The relevant financial assets are derivatives, except for derivatives defined under financial guarantee contracts and derivatives designated as effective hedging instruments.

Financial assets at FVTPL include financial assets classified as at FVTPL and financial assets designated as at FVTPL.

- Financial assets that do not meet the classification criteria for financial assets at amortised cost or financial assets at FVTOCI are classified as financial assets at FVTPL.

On initial recognition, the Group may irrevocably designate a financial asset as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch or when the criteria for the hybrid contract with embedded derivatives are met.

Except for derivative financial assets, financial assets at FVTPL are presented as held-for-trading financial assets.

9.1.1 Financial assets measured at amortised cost

Financial asset at amortised cost is subsequently measured at amortised cost using the effective interest method. Gains or losses arising from derecognition, impairment or amortization are recognised in profit or loss.

The Group recognises interest income on financial assets measured at amortised cost using the effective interest method. The Group determines the interest income based on the carrying amount of financial assets multiplied by the effective interest rate, except for:

- For purchased or originated credit impaired financial assets, the Group recognises their interest income based on amortised cost and credit-adjusted effective interest rate of such financial assets since initial recognition.

- For purchased or originated financial assets without credit impairment but with credit impairment incurred in subsequent periods, the Group calculates and determines its interest income based on amortised cost087 epTc 0.0ffect 6sGres aris7me

9.1.2 Financial assets classified as at FVTOCI

Except for impairment losses or gains related to financial assets at FVTOCI, interest income calculated using the effective interest method and exchange gains and losses are recognised in profit or loss, changes in fair value of the financial assets are recognised in other comprehensive income. The amount of the financial assets included in profit or loss for each period shall be equal to the amount deemed as measured at amortised cost and included in profit or loss for each period. Upon derecognition of the financial assets, cumulative gains or losses previously recognised in other comprehensive income are transferred and reclassified into profit or loss for the period.

After the non-tradable equity instrument investment is designated as a financial asset at FVTOCI, the changes in fair value of the financial asset are recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gains or losses previously recognised in other comprehensive income are transferred from other comprehensive income and recognised in retained earnings. During the period that the Group holds these non-tradable equity instrument, the dividend income is recognised and included in profit or loss when the Group's right to receive dividends has been established and the economic benefits associated with the dividends are likely to flow into the Group and the amount of the dividends can be reliably measured.

9.1.3 Financial assets at FVTPL

Financial assets at FVTPL shall be subsequently measured at fair value. Gains or losses from change in fair value and dividends and interest income related to such financial assets shall be recognised in profit or loss.

9.2 Impairment of financial instruments

The Group performs impairment accounting for financial assets measured at amortised cost and financial assets at FVTOCI based on expected credit losses ("ECL") and recognises loss allowance.

The Group measures the loss reserves of all commercial acceptance, bills receivable and trade receivable formed due to the income standard in accordance with the amount equivalent to lifetime ECL.

For other financial instruments, except for purchased or originated credit impaired financial assets, at each balance sheet date, the Group assesses changes in credit risk of relevant financial instruments since initial recognition. If the credit risk on the financial instrument has increased significantly since initial recognition, the Group measures its loss allowance at an amount equal to lifetime ECL of the financial instrument. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to next 12-month ECL of the financial instrument. Except for financial assets measured at FVTOCI, the increased or reversed amount of credit loss provision shall be included in profit and loss for the period as impairment loss or gain. The Group recognises credit loss provision for financial assets at FVTOCI in other comprehensive income and recognises loss/gain on impairment in profit or loss for the period, without reducing the carrying amount of the financial assets presented in the balance sheet.

The Group measured loss allowance at an amount equal to the lifetime ECL of the financial instruments in the previous accounting period. However, as at the balance sheet date for the current period, for the above financial instruments, due to failure to qualify as significant increase in credit risk since initial recognition, the Group measures loss allowance for the financial instrument at an amount equal to next 12-month ECL at the balance sheet date for the current period, and the relevant reversal amount of loss allowance is included in profit or loss for the current period as an impairment gain.

9.2.1 Significant increase in credit risk

The Group uses reasonable and supportable forward-looking information that is available to determine whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the risk of a default occurring on the financial instrument as at the balance sheet date with the risk of a default occurring on the financial instrument as at the date of initial recognition. For loan commitments and financial guarantee contracts, the Group uses the date on which it becomes the party making the irrevocable undertaking as the initial recognition date when applying provisions for financial instrument impairment.

The Group will take the following factors into consideration when assessing whether the credit risk has significantly increased:

(1) Whether the external market indicators of credit risk for the same financial instrument or similar financial instruments with same expected life have changed significantly. These indicators include: credit spread, credit default swap prices for borrowers.

(2) Whether the debtor's internal credit rating is actually lowered or is expected to be lowered.

(3) Adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its debt obligations.

(4) Whether the actual or expected operating results of the debtor has changed significantly.

(5) Whether the regulatory, economic or technological environment in which the debtor is located has undergone significant adverse changes.

Irrespective of a significant increase in credit risk since above assessment, the credit risk of the financial instrument is considered to have increased significantly when the contractual payments are past due more than 30 days (inclusive).

As at the balance sheet date, if the Group judges that the financial instrument solely has lower credit risk, the Group will assume that the credit risk of the financial instrument has not significantly increased since initial recognition. If the default risk of a financial instrument is

Based on the Group's internal credit risk management, the Group considers an event of default occurs when information proposed internally or obtained externally indicates that the debtor of the financial instrument is unable to pay its creditors (including the Group) in full (without taking into account any guarantees obtained by the Group).

Irrespective of the above assessment, the Group presumes that default has occurred when the contractual payments for a financial instrument are past due for more than 90 days (inclusive).

9.2.3 Determination of ECL

The Group uses impairment matrix to determine the credit loss of related financial instruments on the basis of combination of bills receivable, financing receivables, trade receivable and other receivables. The Group divides financial instruments into different groups based on common risk features. The common credit risk features adopted by the Group include: type of financial instruments, credit risk rating, initial recognition date, etc.

The Group determines ECL of relevant financial instruments according to the following methods:

- For financial assets, the credit loss shall be the present value of the difference between the contractual cash flow to be received by the Group and the expected cash flow to be received.

- As for the financial assets with credit impairment occurred on the balance sheet date but not purchased or generated, the credit loss is the difference between the book balance of the financial assets and the present value of the estimated future cash flow discounted at the original effective interest rate.

The factors reflected in the Group's methods of measuring ECL of financial instruments include: the unbiased probability weighted average amount determined by evaluating a series of possible results; the time value of money; the reasonable and supportable information about past events, current situation and future economic situation forecast that is available without undue costs or efforts on the balance sheet date.

9.2.4 Write-down of financial assets

When the Group no longer reasonably expects that the contractual cash flow of the financial assets can be recovered in whole or in part, the book balance of the financial assets shall be written down directly. Such write down constitutes derecognition of related financial assets.

9.3 Transfer of financial assets

A financial asset is derecognised when one of the following conditions is met: (1) the contractual rights to receive the cash flows from the financial asset expire; (2) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset has been transferred to the transferee; or (3) the financial asset has been transferred, although the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it does not retain control over the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, it retains control of the financial asset, it recognises the financial asset to the extent of its continuing involvement in the transferred financial asset and recognises the related liability accordingly. The Group measures the related liabilities in the following ways:

- If the transferred financial asset is measured at amortised cost, the carrying amount of the related liability is the carrying amount of the continuing involvement in the transferred financial asset less the amortised cost of the rights retained by the Group (if the Group retains the rights due to the transfer of the financial asset) plus the amortised cost of the obligations assumed by the Group (if the Group assumes the obligations due to the transfer of the financial asset), and the related liability is not designated as financial liability at FVTPL.

- If the transferred financial asset is measured at fair value, the carrying amount of the related liability is the carrying amount of the continuing involvement in the transferred financial asset less the fair value of the rights retained by the Group (if the Group retains the rights due to the transfer of the financial asset) plus the fair value of the obligations assumed by the Group (if the Group assumes the obligations due to the transfer of the financial asset), the fair value of the rights and the obligations shall be the fair value at the time of measurement on an independent basis.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, especially for a financial asset classified at amortised cost and financial asset classified as at FVTOCI, the difference between the carrying amount of the financial asset transferred and the sum of the consideration received from the transfer and any cumulative gain or loss that has been previously recognised in other comprehensive income is recognised in profit or loss for the period. While regarding non-trading equity instruments designated as at FVTOCI by the Group, cumulative gains or losses previously recognized in other comprehensive income are transferred and included in retained earnings.

If part of the transferred financial asset satisfies the derecognition criteria, the carrying amount of the financial asset as a whole is allocated between the part that is derecognised and the part that continues to be recognised, based on the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised and any cumulative gain or loss allocated to the part derecognised that has been previously recognised in other comprehensive income is recognised in profit or loss. If the transferred financial asset is the non-tradable equity instrument investment designated as at FVTOCI, cumulative gain or loss that has been recognised in other comprehensive income should be removed from other comprehensive income but be recognised in retained earnings.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group will continuously recognise the transferred financial asset in its entirety. Considerations received should be recognised as a financial liability.

9.4 Classification and measurement of financial liabilities and equity instruments

Based on the contractual terms of the financial instruments issued and the economic substance rather than only the form of legal contracts reflected, along with the definition of financial liabilities and equity instruments, the Group classifies the financial instruments or its components as financial liability or equity instrument at initial recognition.

9.4.1 Classification, recognition and measurement of financial liabilities

The Group may designate, on initial recognition, a financial liability as at FVTPL if one of the following conditions is satisfied: (1) such designation eliminates or significantly reduces an accounting mismatch; (2) manage and evaluate the financial liability portfolio or the portfolio of financial assets and financial liabilities at fair value based on the risk management or investment strategy as stated in the official written documents of the Group, and report to key management of the Group internally; or (3) a qualified hybrid contract containing embedded derivatives.

Held-for-trading financial liabilities are subsequently measured at fair value, and any gains or losses arising from changes in fair value and dividends or interest expenses paid on the financial liabilities are recognised in profit or loss for the period.

For financial liabilities designated at fair value through profit or loss, changes in the fair value of such financial liabilities arising from changes in the Group's own credit risk are recognized in other comprehensive income and changes in other fair values are recognized in profit or loss in the current period. On de-recognition of the financial liability, the cumulative change in fair value attributable to changes in own credit risk previously recognized in other comprehensive income is transferred to retained earnings. Dividends or interest expenses related to these financial liabilities are recognized in profit or loss for the period. If the treatment of the effects of changes in the own credit risk of such financial liabilities as described above would cause or enlarge an accounting mismatch in profit or loss, the Group recognizes the entire gain or loss on such financial liabilities (including the amount of the effect of changes in own credit risk) in profit or loss for the period.

9.4.1.2 Other financial liabilities

Other financial liabilities other than financial liabilities arising from the transfer of financial assets that do not qualify for derecognition or continuing involvement in the transferred financial assets and financial guarantee contracts are classified as financial liabilities at amortised cost and subsequently measured at amortised cost, with gains or losses arising from derecognition or amortization recognised in profit or loss for the period.

When the Group and a counterparty modify or renegotiate a contract that does not result in derecognition of a financial liability subsequently measured at amortised cost but result in changes in contractual cash flows, the Group recalculates the carrying amount of the financial liability and recognises any related gains or losses in profit or loss for the period. In recalculating the financial liability, the Group determines the carrying amount of the renegotiated or modified contractual cash flows at the present value discounted at the original effective interest rate of the financial liability. For all costs or expenses incurred in connection with the modification or renegotiation of a contract, the Group adjusts the modified carrying amount of the financial liability and amortises it over the remaining period of the modified financial liability.

9.4.1.2.1 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Subsequent to initial recognition, financial guarantee contracts that are not designated as financial liabilities at FVTPL are measured at the higher of the amount of loss provision and the amount initially recognized less cumulative amortization amount determined in accordance with the relevant regulations set out in Revenue Standard.

9.4.2 Derecognition of financial liabilities

The Group derecognises a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged. Where an agreement between the Group as borrower and lender is signed to replace the original financial liability and the contractual terms of the new financial liability and the original financial liability are substantially different, the Group derecognised the original financial liability and recognised the new financial liability.

On derecognition of a financial liability in its entirety or partially, the difference between the carrying amount of the part derecognised and the consideration paid (including any non-cash asset transferred or new financial liability assumed) is recognised in profit or loss for the period.

9.4.3 Equity instruments

Equity instruments are any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued (including refinancing), repurchased, sold or cancelled by the Group are treated as changes in equity. Changes in fair value of equity instruments is not recognised by the Group. Transaction costs related to equity transactions are deducted from equity.

The Group recognises the distribution to holders of the equity instruments as profit distribution, dividends paid do not affect total amount of shareholders' equity.

9.5 Derivative instruments

Derivative instruments including forward foreign exchange contracts, foreign exchange option contracts, etc. Derivatives are initially measured at fair value on the signing dates of the relevant contracts and subsequently measured at fair value.

9.6 *Offsetting financial assets and financial liabilities*

Financial assets and financial liabilities are offset and the net amount is presented in balance sheet when the Group has a legally enforceable right to set off the recognised financial assets and financial liabilities, and the Group intends to settle with net amount, or realise the financial asset and settle the financial liability simultaneously. Otherwise, the financial assets and financial liabilities will be presented separately in balance sheet and will not be mutually set off.

9.7 *Reclassification of financial instruments*

When the Group changes the business model to manage the financial assets, all of the financial assets affected will be reclassified and no financial liabilities will be reclassified.

The financial assets are reclassified by the Group and are accounted for prospectively since the date of reclassification (i.e. the first date of the first reporting period after the business model of which the financial assets are reclassified by the enterprise is changed).

Where a financial asset at FVTOCI is reclassified as a financial asset at amortised cost by the Group, the accumulated gains or losses previously recognised in other comprehensive income are transferred out and the fair value is adjusted as the fair value at the date of reclassification. The adjusted fair value is recognised as the new carrying amount, as if the financial asset had been measured at amortised cost. The reclassification of the financial asset does not affect the measurement of its effective interest rate and expected credit loss.

9.8 Convertible bonds

The convertible bonds issued by the Group which contain liabilities and conversion options, shall be split upon initial recognition and recognised separately. Of which, conversion options for settlement of fixed amount of cash or other financial assets in exchange for fixed amount of self-equity instruments is accounted for as equity instruments.

On initial recognition, the fair value of the liability portion is determined at current market prices similar to those of bonds without conversion options. The difference between the overall issue price of convertible bonds and the fair value of the liability portion shall be taken as the value of the conversion options of the bondholders to convert the bonds into equity instruments and recorded in other equity instruments.

In the subsequent measurement, the liability portion of convertible bonds are measured at amortised cost using the effective interest rate method. The value of the conversion option divided into equity instruments continues to be retained in the equity instruments. No loss or gain is incurred when a convertible bond expires or is converted.

The transaction costs incurred in issuing convertible bonds shall be apportioned between the liability component and the equity component according to their respective fair value. Transaction costs related to the equity component are directly recorded in the equity instruments; transaction costs related to the liability component are recorded in the carrying amount of the liability and amortized over the term of the convertible bonds using the effective interest rate method.

10. Financing receivables

For notes receivable classified as at FVTOCI, the portion within one year (inclusive) from the date of acquisition is presented as financing receivables. For details of the relevant accounting policies, please refer to Notes.

11. Inventories

11.1 Classification of inventories

The Group's inventories mainly include raw materials, low-value consumables, works in progress and finished goods, etc. Inventories are initially measured at cost, which comprises purchase costs, processing costs and other expenses incurred in bringing the inventories to their current location and condition.

11.2 Pricing of inventories delivered

The actual cost of inventories upon delivery is calculated using the weighted average method.

11.3 Determination of net realisable value of inventories

At the balance sheet date, inventories are measured at the lower of cost and net realisable value. If the net realisable value is below the cost of inventories, a provision for impairment of inventories is made.

Net realisable value is the estimated selling price of inventories in the ordinary course of business less the estimated costs to completion, estimated selling expenses and related taxes. Net realisable value of inventories is determined on the basis of clear evidence obtained, taking into account the purpose of holding inventories and the effect of events after the balance sheet date.

Provision for impairment of inventories is made based on the excess of cost over net realisable value of individual inventory item.

After the provision for impairment of inventories is made, if the circumstances that previously caused inventories to be written-off no longer exist so that the net realisable value of inventories is higher than their carrying amount, the original provision for impairment of inventories is reversed and the reversed amount is recognised in profit or loss for the period.

11.4 Inventory system

The inventory system is a perpetual inventory system.

11.5 Amortization of low-value consumables

Low-value consumables are amortised using one-off write-off method.

12. Assets Held for Sale

A non-current asset or disposal group is classified as asset held for sale when the carrying amount of the asset is recovered principally through a sale transaction (including an exchange of non-monetary assets with commercial substance) rather than through continuing use.

Non-current assets or disposal groups held for sale are required to satisfy the following conditions: (1) an immediate sale can be made under the current conditions according to the practice of selling such assets or disposal groups in similar transactions; and (2) it is highly probable that a sale will occur, that is, the Group has made a resolution on a sale plan and obtained a definite purchase commitment, and the sale is expected to be completed within one year.

The Group measures non-current assets or disposal groups held for sale at the lower of carrying amount and fair value less costs to sell. If the carrying amount is higher than the net amount of the fair value less costs to sell, the carrying amount shall be written-off to the fair value less costs to sell, the amount written-off is recognised as an impairment loss of assets and included in profit or loss for the period, and the provision for impairment of assets held for sale is made simultaneously. Where there is an increase in the net amount of fair value less costs to sell of non-current assets held for sale at the subsequent balance sheet date, the amount previously written-off should be recovered and reversed in the amount of impairment loss recognised for the assets after being classified as held for sale, and the reversed amount is included in profit or loss for the period.

Depreciation or amortization shall not be made for non-current assets in the non-current assets or disposal groups held for sale. The interest of liabilities and other expenses in the disposal groups held for sale shall be continuously recognised.

The equity investments in associates are classified in whole or in part as assets held for sale. The part of such equity investments in associates classified as held for sale will cease to calculate using equity method from the date of being classified as held for sale.

13. Long-term Equity Investments

13.1 Basis of determination of joint control and significant influence

Control refers to the power of investor over the investee, who enjoys variable returns by participating in the relevant activities of the investee, and has the ability to use the power over the investee to influence the amount of returns. Joint control refers to the joint control over an arrangement according to relevant agreements, and the related activities of the arrangement can only be decided after the consensus of the parties sharing the control. Significant influence refers to the power to participate in the decision-making of the financial and operational policies of the investee, but cannot control or jointly control the formulation of these policies with other parties. In determining whether it is possible to exercise control over or exert significant influence over the invested entities, it has taken into account the potential voting right factors such as the current convertible bonds and the current executable warrants of the invested entities held by the investor and other parties.

13.2 Determination of initial investment cost

For a long-term equity investment acquired through a business combination involving enterprises under common control, the initial investment cost is the attributable share of the carrying amount of the owners' equity of the acquiree in the consolidated financial statements of the ultimate controlling party at the date of combination. The difference between the initial investment cost of a long-term equity investment and the carrying amount of cash paid, non-cash assets transferred and liabilities assumed is adjusted to capital reserve. If the capital reserve is insufficient to offset the difference, the retained earnings shall be adjusted. Where the consideration of the combination is satisfied by the issue of equity securities, the initial investment cost is the attributable share of the carrying amount of the owners' equity of the acquiree in the consolidated financial statements of the ultimate controlling party at the date of combination, and the total nominal value of the shares issued is recognised as share capital. The difference between the initial investment cost of a long-term equity investment and the total nominal value of the shares issued is adjusted to capital reserve. If the capital reserve is insufficient to offset the difference, the retained earnings shall be adjusted. Other comprehensive income recognised for the previously held equity investments by accounting treatment of equity method or investments in non-trading equity instruments designated as at FVTOCI is not subject to accounting treatment temporarily.

For a long-term equity investment acquired through a business combination not involving enterprises under common control, the initial investment cost is the combination cost at the date of acquisition. If the equity investment previously held was classified as investments in non-trading equity instruments designated as at FVTOCI, the difference between the fair value and carrying amount, together with the accumulated fair value previously included in other comprehensive income are transferred to retained earnings.

The intermediary expenses incurred by the acquirer or purchaser in respect of auditing, legal services, valuation and consultancy services, etc. and other related administrative expenses attributable to the business combination are recognised in profit or loss in the period in which they are incurred.

The long-term equity investment acquired other than through a business combination is initially measured at its cost.

13.3 Subsequent measurement and recognition of profit or loss

13.3.1 Long-term equity investments accounted for using the cost method

Long-term equity investments in subsidiaries are accounted for using the cost method in the financial statements of the Company. A subsidiary is an investee that is controlled by the Group.

Long-term equity investments accounted for using the cost method are measured at initial investment cost. When additional investment is made or the investment is recouped, the cost of the long-term equity investment is adjusted accordingly. The current investment income is recognised in accordance with the cash dividends or profit distributions declared by the investee.

13.3.2 Long-term equity investment accounted for by equity method

When adopting equity method accounting, the investment income and other comprehensive income shall be recognised separately according to the share of net profit or loss and other comprehensive income realised by the invested entity, and the carrying amount of long-term equity investment shall be adjusted at the same time; the carrying amount of long-term equity investment shall be reduced accordingly by calculating the portion to be enjoyed according to the profit or cash dividend declared by the invested entity; the carrying amount of long-term equity investment shall be adjusted and included in the capital reserve for other changes in the owner's rights and interests of the invested entity except net profit or loss, other comprehensive income and profit distribution. When recognising the share of the net profit or loss of the invested entity, the net profit of the invested entity shall be adjusted and recognised on the basis of the fair value of the identifiable assets of the invested entity at the acquisition date. If the accounting policies and periods adopted by the invested entity are inconsistent with those of the Company, the financial statements of the invested entity shall be adjusted in accordance with the accounting policies and period of the Company. The investment income and other comprehensive income shall be recognised accordingly. For transactions between the Group and associates, the assets invested or sold do not constitute business, and the unrealised gains and losses of internal transactions are offset by the shareholding attributable to the Group. On this basis, the investment gains and losses are recognised. However, the unrealised internal transaction losses between the Group and the invested entity shall not be offset if they belong to the impairment losses of the transferred assets.

The Group discontinues recognising its share of net losses of the invested entity after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the invested entity is reduced to zero. In addition, if the Group has incurred obligations to assume additional losses of the invested entity, estimated liability is recognised according to the expected obligation, and recorded as investment loss for the period. Where net profits are subsequently made by the invested entity, the Group resumes recognising its share of those profits only after its share of the profits exceeds the share of losses previously not recognised.

13.4 Disposal of long-term equity investments

On disposal of a long-term equity investment, the difference between the carrying amount and the actual purchase price is recognised in profit or loss for the period.

14. Investment Properties

Investment properties are properties held for the purpose of earning rentals or capital appreciation, or both. Investment properties include leased land use rights, land use rights held and prepared for transfer after appreciation, buildings leased out, etc.

Investment properties are initially measured at cost. Subsequent expenditures related to an investment property shall be included in cost of investment property only when the economic benefits associated with the asset will likely flow to the Group and its cost can be measured reliably. All other subsequent expenditures on an investment property shall be included in profit or loss for the current year when incurred.

The Group adopts the cost model for subsequent measurement of investment properties, and investment properties are depreciated or amortised based on the same policy consistent with houses and buildings or land use rights.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals.

When an investment property is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the property net of the carrying amount and related taxes is recognised in profit or loss for the period.

15. Fixed Assets

(1) Conditions of recognition

Fixed assets are tangible assets that are held for use in the production of goods

16. Construction in Progress

Construction in progress is measured at actual cost, which includes various construction expenditures incurred during the construction period, capitalized borrowing costs before the construction is ready for its intended use and other relevant costs. Construction in progress is not depreciated. Construction in progress is transferred to fixed asset while it is ready for its intended use.

17. Borrowing Costs

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised when expenditures for the asset are being incurred, borrowing costs are being incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. The capitalisation of qualifying assets under construction or production ceases when the assets are ready for their intended use or sale. The remaining borrowing costs are recognised as expenses in the period in which they are incurred.

Where funds are borrowed under a special borrowing, the amount to be capitalised is the actual interest expense incurred on that borrowing for the period less any interest income earned from depositing the unused borrowing funds into bank or any investment income on the temporary investment of those funds. Where funds are borrowed under a general borrowing, the amount capitalised is determined by applying the weighted average of the excess amounts of cumulative expenditures on the asset over the special borrowings multiplied by the capitalization rate of the general borrowings used. The capitalization rate is determined based on the weighted average interest rate of the general borrowings. During the capitalisation period, the exchange differences on special foreign currency borrowings are all capitalised; the exchange differences on general-purpose foreign currency borrowings are recognised in profit or loss for the period.

18. Intangible assets

(1) Methods, Useful life, Impairment Test

Class	Amortization method	Useful life (Years)	Residual Value Rate (%)
Land use rights	Straight line method	42–50	–
Pollutant discharge rights	Straight line method	5–20	–
Mining rights	Output method	–	–
Software	Straight line method	5–10	–
Energy consumption rights	Intangible assets with an indefinite useful life are not amortised		

At the end of the year, the useful life and amortization method of intangible assets with finite useful lives are reviewed and adjusted if necessary.

For the impairment test of intangible assets, please refer to Note.

(2) *Internal research and development expenditures*

Expenditures incurred in the research stage are recognised in profit or loss for the period.

Expenditures incurred in the development stage are recognised as intangible assets only when all of the following conditions are satisfied, and the expenditures in the development stage that does not meet all of the following conditions are recognized in profit or loss for the period:

(1) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

(2) The intention to complete the intangible asset and use or sell it;

(3) The way in which the intangible asset generates economic benefits, including the ability to prove that there is a market for the product produced using the intangible asset or the intangible asset itself has a market, and prove its usefulness if the intangible asset will be used internally;

(4) Adequate technical, financial and other resources to complete the development of the intangible asset and to use or sell the intangible asset;

(5) The ability to measure reliably the expenditures attributable to the intangible asset during its development.

If the expenditures cannot be distinguished between the research stage and development stage, the Group recognises all of them in profit or loss for the period. The cost of the intangible asset formed by internal development activities only includes the total expenditure incurred from the time when the capitalization conditions are met to the time when the intangible asset reaches the intended purpose. The expenditures that have been expensed into profit and loss before the capitalization conditions are met for the same intangible asset in the development process will not be adjusted.

19. Impairment of Long-term Assets

The Group assesses at each balance sheet date whether there is any indication that long-term equity investments, investment properties, fixed assets, construction in progress measured using the cost method and intangible assets with finite useful lives may be impaired. If an impairment indication exists, the recoverable amount is estimated. Intangible assets with indefinite useful life and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that the assets may be impaired.

If the estimated recoverable amount of an asset is based on a single asset and it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of the asset group shall be determined on the basis of the asset group to which the asset belongs. The recoverable amount is the higher of an asset's or asset Group's fair value less costs of disposal and the present value of the estimated future cash flows.

If the recoverable amount of an asset is less than its carrying amount, a provision for impairment of the asset is made based on the difference and recognised in profit or loss for the period.

An impairment loss once recognised shall not be reversed in a subsequent accounting period.

20. Long-term Deferred Expenses

Long-term deferred expenses are expenses which have incurred but shall be amortised over the current period and subsequent periods of more than one year. Long-term deferred expenses are amortised evenly over the estimated benefit period.

21. Contract Liabilities

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract assets and contract liabilities under common contract are presented on a net basis.

22. Employee Compensation

(1) Accounting for short-term employee compensation

In the accounting period in which an employee has rendered services, the Group recognises the short-term employee compensation actually incurred as liabilities, and includes in profit or loss for the period or related asset costs. The employee benefits expenses incurred by the Group are recognised in profit or loss for the period or related asset costs based on the actual amount when actually incurred. The non-monetary employee benefits expenses are measured at fair value.

In determining the corresponding amount of employee compensation, social security contributions such as medical insurance, work injury insurance and maternity insurance and housing funds, as well as labour union running expenses and employee education expenses provided by the Group are calculated according to the prescribed provision bases and percentages during the accounting period in which the employees provide services to the Group, and the corresponding liabilities are recognised, and included in profit or loss for the period or related asset costs.

(2) Accounting for post-employment benefits

Post-employment benefits are all defined contribution plans.

In the accounting period in which an employee has rendered service, the Group recognises the amount payable under the defined contribution plan as a liability, and includes in profit or loss for the period or related asset costs.

(3) Accounting for termination benefits

When the Group provides termination benefits to employees, employee compensation liabilities arising from termination benefits are recognised in profit or loss at the earlier of the following dates: when the Group cannot unilaterally withdraw the termination benefits provided because of an employee termination plan or a layoff proposal, or when the Group confirms the costs or expenses related to the restructuring involving the payment of dismiss benefits.

23. Provisions

24.2 Accounting treatment in relation to implementation, modification and termination of share-based payment plan

When the Group modifies the share-based payment plan, and if such modification increases the fair value of the equity instruments granted, the increase in services received will be recognised accordingly following the increase in fair value of the equity instruments. If the modification increases the number of the equity instruments granted, the increase in fair value of the equity instruments will be recognized accordingly as the increase in services received. The increase in fair value of the equity instruments refers to the difference in fair value on the date of modification before and after the modification in respect of the equity instruments. If the modification reduces the total fair value of the share-based payments or adopts any form that is unfavorable to employees to modify the terms and conditions of the share-based payment plan, accounting treatment will be continued to be conducted in respect of the services received and the modification will be deemed to have never occurred, unless the Group had cancelled part or all of the equity instruments granted.

During the pending period, if the equity instruments granted are cancelled, the Group will undertake an accelerated vesting in respect of the cancelled equity instruments that had been granted, include the remaining amount that shall be recognised during the pending period in the profit and loss for the period immediately and recognise capital reserve accordingly. Where employees or other parties are permitted to choose to fulfill non-vesting conditions but have not fulfilled during the pending period, the Group will treat the granted equity instruments as cancelled.

25. Revenue

The Group's revenue is mainly derived from the sales of glass products, which mainly include photovoltaic glass, household glass, architectural glass, float glass and mining products, etc. Revenue from other business mainly represents rental income from properties and sales income of materials.

The Group recognises revenue based on the transaction price allocated to such performance obligation when a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. A performance obligation represents the commitment that a good and service that is distinct shall be transferred by the Group to the customer. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to a customer.

For the performance obligations to be performed during a certain period of time, the Group recognises revenue over time by reference to the progress of a performance obligation if one of the following criteria is met: (1) the customer receives and consumes the economic benefits brought by the Group while performing obligations; (2) the customer can control the goods under construction during the performance of the Group; (3) the goods produced during the performance of the Group have irreplaceable uses, and the Group has the right to receive payment for the part of the completed performance so far throughout the contract period. Otherwise, the Group will recognise revenue at the time point when the customer obtains control over relevant goods or services.

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27. **Deferred Income Tax Assets/Deferred Income Tax Liabilities**

Income tax expenses comprise current income tax expense and deferred income tax expense.

27.1 Current income tax

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

27.2 Deferred income tax assets and deferred income tax liabilities

For temporary differences between the carrying amount of certain assets or liabilities and their tax base, or between the carrying amount of those items that are not recognised as assets or liabilities but the tax base can be determined according to tax laws and their tax base, deferred income tax assets and deferred income tax liabilities are recognised using the balance sheet liability method.

Deferred income tax is generally recognised for all temporary differences. However, as for deductible temporary differences, deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. In addition, for temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction (not a business combination) that affects neither the accounting profit nor taxable profit (or deductible loss) at the time of transaction, no deferred tax asset or liability is recognised.

For deductible losses and tax credits in subsequent years that can be carried forward, deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilised.

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

At the balance sheet date, deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled according to the requirements of tax laws.

Current and deferred income tax expenses or income are recognised in profit or loss for the period, except when they arise from transactions or events that are directly recognised in other comprehensive income or in shareholders' equity, in which case they are recognised in other comprehensive income or in shareholders' equity; and when they arise from business combinations, in which case they are adjusted to the carrying amount of goodwill.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is probable that sufficient taxable profits will not be available to offset the benefits of deferred income tax assets. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

27.3 Offsetting of income tax

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

28. Lease

Lease is defined as a contract that the lessor transfers the right-of-use of assets to the lessee within a certain period of time in exchange for consideration.

For a contract entered into or changed after the date of initial adoption, the Group assesses whether the contract is or contains lease on the commencement or changing date of the contract. The Group does not reassess unless the terms and conditions of the contract are changed.

28.1 The Group as lessee

28.1.1 Separation of leases

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

28.1.2 Right-of-use assets

Except for short-term leases and leases of low value assets, the Group recognises right-of-use assets at the commencement date of the lease. The lease commencement date refers to the starting date for the lessor to provide leased assets for use by the Group. Right-of-use assets are initially measured at cost. Such cost includes:

- the amount of the initial measurement of the lease liability;

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

The Group accrues depreciation for the right-of-use assets according to the relevant depreciation regulations of Accounting Standards for Business Enterprises No. 4 – Fixed Assets. Right-of-use assets are depreciated within the remaining useful lives when the Group is reasonably certain to obtain the ownership of leased assets at the end of the lease term. The depreciation is provided during the period between the lease term and the remaining useful lives of the leased assets if it is not.

The Group determines whether the right-of-use assets are impaired and performs accounting treatment for recognised impairment loss according to the relevant regulations of Accounting Standard for Business Enterprise No. 8 – Impairment of Assets.

28.1.3 Lease liabilities

Except for short-term leases, the Group initially measures the lease liability at the present value of lease payments that are unpaid at the lease commencement date. In calculating the present value of lease payments, the Group uses the interest rate implicit in the lease as discount rate, and adopts the incremental borrowing rate if the interest rate implicit in the lease is not readily determinable.

The lease payments refer to the amount paid by the Group to the lessor in relation to the right to use the leased asset during the lease term, including fixed payments and in-substance fixed payments.

The Group calculates the interest expense of lease liabilities for each period of the lease term at a fixed periodic interest rate and includes it in profit and loss for the period or related asset costs after the lease commencement date.

28.1.4 Short-term leases and low-value leases

For short-term leases of machinery and equipment, the Group chooses the right-of-use assets and lease liabilities that are not certain to use. Short-term lease is defined as a lease has a lease term of no more than 12 months and excludes a purchase option from the lease commencement date. The Group will include the lease payments for short-term leases in profit or loss for the period or related asset costs using the straight-line method.

28.2 The Group as lessor

28.2.1 Classification of leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially almost all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

28.3 The Group as lessor under operating leases

The Group recognises lease payments for operating leases as rental income by using the straight-line method in each period of the lease term. Initial direct costs related to the Group's operating leases are capitalised when incurred, are allocated on the same basis as rental income over the lease term and are charged to profit or loss for the period in stages.

(IV) TAXATION

1. Major Types of Tax and Tax Rates

Tax type	Tax basis	Tax rate
Value-added tax (VAT)	Taxable value-added amount (the tax payable is calculated on the taxable sales amount multiplied by the applicable tax rate less deductible input-VAT for the current period)	13%
Urban construction and maintenance Tax	Turnover tax payment	7%
Enterprise income tax (EIT)	Taxable income	Refer to the following table
Education surcharge	Turnover tax payment	3%
Local educational surcharges	Turnover tax payment	2%
Property tax	Cost of properties/rental income	The property tax of self-use property is calculated at 70% of the original value of the real estate and at a rate of 1.2%; the property tax of leased buildings is calculated at 12% of rental income
Resources tax	Quantity of mining products sold	7%
Environmental protection tax	Pollutant emissions	RMB1.2 or RMB1.4 per pollutant equivalent

Description of disclosures for entities that subject to different corporate income tax rates:

Name	**Tax rate (%)**
The Company	15
浙江福萊特玻璃有限公司 Zhejiang Flat Glass Co., Ltd.*	25
浙江嘉福玻璃有限公司 Zhejiang Jiafu Glass Co., Ltd.*	15
上海福萊特玻璃有限公司 Shanghai Flat Glass Co., Ltd.*	25
安徽福萊特光伏玻璃有限公司 Anhui Flat Solar Glass Co., Ltd.*	15
安徽福萊特光伏材料有限公司 Anhui Flat Solar Material Co., Ltd.*	25
福萊特(香港)有限公司	

Shanghai Flat Glass Co., Ltd.*C504A6Flat Solar Material Co., Ltd.*

Name	Tax rate (%)
福萊特(南通)光伏玻璃有限公司 Flat (Nantong) Solar Glass Co., Ltd.*	25
安徽福萊特供應鏈管理有限公司 Anhui Flat Supply Chain Management Co., Ltd.*	25
鳳陽福萊特新能源科技有限公司 Fengyang Flat New Energy Technology Co., Ltd.*	25
FLAT (AUSTRALIA) PTY LTD	30
安徽大華東方礦業有限公司 Anhui Dahua Dongfang Mining Company Limited*	25
安徽三力礦業有限責任公司 Anhui Sanli Mining Company Limited*	25
福萊特(越南)進出口貿易有限公司 Flat (Vietnam) Import and Export Trade Limited*	20
上海福萊特科技發展有限公司 Shanghai Flat Technology Development Co., Ltd*	25
嘉興福萊特智能裝備有限公司 Jiaxing Flat Intelligent Equipment Co., Ltd.*	25
南通福萊特港務有限公司 Nantong Flat Port Co., Ltd.*	25
嘉興福萊特能源管理有限公司 Jiaxing Flat Energy Management Co., Ltd.*	25
福焱光能有限公司 Fuyan Photoenergy Co., Ltd.*	25
福萊特(廣西)光能有限公司 Flat (Guangxi) Photoenergy Co., Ltd.*	25
浙江福來泰新能源有限公司 Zhejiang Fulitai New Energy Co., Ltd.* and its subsidiaries	25

Note 1: Profit before tax not exceeding HK$2,000,000 (inclusive) is subject to a tax rate of 8.25%, while the portion of profit before tax exceeding HK$2,000,000 is subject to a tax rate of 16.5%.

2. Tax Preferences

The Company

On 4 December 2019, the Company obtained the "High Technology Enterprise Certificate" (No. GR201933003682) jointly approved by the Science and Technology Department of Zhejiang Province, Zhejiang Provincial Department of Finance, Zhejiang Provincial Tax Service, State Taxation Administration for a valid period of three years, pursuant to which, the EIT rate of 15% is applied from 2019 to 2021.

Zhejiang Jiafu Glass Co., Ltd.

On 4 December 2019, Zhejiang Jiafu Glass Co., Ltd. obtained the "High Technology Enterprise Certificate" (No. GR201933001492) jointly approved by the Science and Technology Department of Zhejiang Province, Zhejiang Provincial Department of Finance, Zhejiang Provincial Tax Service, State Taxation Administration for a valid period of three years, pursuant to which, the EIT rate of 15% is applied from 2019 to 2021.

Anhui Flat Solar Glass Co., Ltd.

On 17 August 2020, Anhui Flat Solar Glass Co., Ltd. obtained the "High Technology Enterprise Certificate" (No. GR202034000476) jointly approved by the Science and Technology Department of Anhui Province, Anhui Provincial Department of Finance, the State Taxation Bureau of Anhui Province and the Local Taxation Bureau of Anhui Province, for a valid period of three years, pursuant to which, the EIT rate of 15% is applied from 2020 to 2022.

Flat (Vietnam) Company Limited

Pursuant to the Project Investment License approved by the Vietnam Haiphong Economic Zone Authority on 30 June 2016, Flat (Vietnam) Company Limited is exempted from EIT for four years commencing from the first profit-making year, followed by a 50% reduction in EIT for the next nine years. Flat (Vietnam) Company Limited has made profits from 2022.

(V) NOTES TO THE CONSOLIDATED STATEMENTS

1. CASH AT BANK AND ON HAND

RMB

Items	Closing balance	Opening balance
Cash on hand	**18,935.96**	15,002.78
Cash at bank	**3,217,831,732.01**	2,319,066,461.73
Other cash at bank and on hand	**528,063,878.55**	613,071,379.68
Total	**3,745,914,546.52**	2,932,152,844.19
Including: Total amount deposited abroad	**350,000,257.67**	347,456,029.61
Deposits placed in the financial companies		

2. TRADING FINANCIAL ASSETS

RMB

Items	Closing balance	Opening balance
Financial assets at fair value through profit or loss		
Including: Bank wealth management products	**2,000,000.00**	2,000,000.00
Total	**2,000,000.00**	2,000,000.00

3. BILLS RECEIVABLES

(1) Bills receivables by category

RMB

Items	Closing balance	Opening balance
Bank acceptance bills	**2,114,565,736.38**	1,860,198,827.10
Commercial acceptance bills	**697,019,807.16**	657,120,162.09
Less: credit impairment provision	**12,267,548.60**	11,565,314.85
Total	**2,799,317,994.94**	2,505,753,674.34

(2) Bills receivable pledged by the Company at the end of the period

RMB

Items	Pledged amount at the end of the half year
Bank acceptance bills	**91,417,640.66**
Total	**91,417,640.66**

(3) Bills receivables that have been endorsed or discounted by the Group but not yet due at the balance sheet date

RMB

Items	Amount not derecognized at the end of the half year	Amount not derecognized at the beginning of the half year
Endorsed bank acceptance bills	**1,456,446,416.82**	1,528,577,368.17
Discounted bank acceptance bills	**174,239,783.98**	220,583,002.23
Total	**1,630,686,200.80**	1,749,160,370.40

(4) At the end of the half year, the Group had no bills transferred to trade receivables due to the drawer's failure to perform.

(5) Disclosed by classification of bad debt provision method

RMB

Classification	Closing balance				
	Book balance		Bad debt provision		Book value
	Amount	Percentage (%)	Amount	Accrual Percentage (%)	
Bad debt provision by portfolio	2,811,585,543.54	100.00	12,267,548.60	0.44	2,799,317,994.94
Including:					
Bank acceptance bills	2,114,565,736.38	75.21	–	–	2,114,565,736.38
Commercial acceptance bills	697,019,807.16	24.79	12,267,548.60	1.76	684,752,258.56
Total	2,811,585,543.54	100.00	12,267,548.60	0.44	2,799,317,994.94

Classification	Opening balance				
	Book balance		Bad debt provision		Book value
	Amount	Percentage (%)	Amount	Accrual Percentage (%)	
Bad debt provision by portfolio	2,517,318,989.19	100.00	11,565,314.85	0.46	2,505,753,674.34
Including:					
Bank acceptance bills	1,860,198,827.10	73.90	–	–	1,860,198,827.10
Commercial acceptance bills	657,120,162.09	26.10	11,565,314.85	1.76	645,554,847.24
Total	2,517,318,989.19	100.00	11,565,314.85	0.46	2,505,753,674.34

Bank acceptance bills with bad debt provision by portfolio

RMB

	Closing balance		
Name	Bills receivables	Bad debt provision	Accrual Percentage
Low risk	2,114,565,736.38	–	–
Normal	697,019,807.16	12,267,548.60	1.76
Total	2,811,585,543.54	12,267,548.60	0.44

(6) *Bad debt condition*

RMB

		Changed amounts in the current period		
Classification	Opening balance	Provision	Received or Transferred	Closing balance
Normal	11,565,314.85	12,267,548.60	11,565,314.85	12,267,548.60
Total	11,565,314.85	12,267,548.60	11,565,314.85	12,267,548.60

4. TRADE RECEIVABLES

(1) *Disclosed by aging*

RMB

Aging	Book balance at the end of the half year
Within 1 year	3,094,889,314.82
Subtotal within 1 year	3,094,889,314.82
1–2 years	15,304,487.03
2–3 years	7,686,546.85
Over 3 years	6,993,980.83
Total	3,124,874,329.53

(2) *Disclosed by classification of bad debt provision method*

RMB

	Closing balance				
	Book balance		Bad debt provision		
Classification	Amount	Percentage (%)	Amount	Accrual Percentage (%)	Book value
Bad debt provision by portfolio	3,124,874,329.53	100.00	83,830,088.34	2.68	3,041,044,241.19
Including:					
Normal	3,080,724,763.87	98.60	54,220,755.85	1.76	3,026,504,008.02
Concerned	36,551,901.34	1.17	22,011,668.17	60.22	14,540,233.17
Loss	7,597,664.32	0.23	7,597,664.32	100.00	–
Total	3,124,874,329.53	100.00	83,830,088.34	2.68	3,041,044,241.19

	Opening balance				
	Book balance		Bad debt provision		
Classification	Amount	Percentage (%)	Amount	Accrual Percentage (%)	Book value
Bad debt provision by portfolio	2,895,110,218.64	100.00	84,020,148.45	2.90	2,811,090,070.19
Including:					
Normal	2,831,075,517.95	97.79	49,826,929.12	1.76	2,781,248,588.83
Concerned	57,208,676.04	1.98	27,367,194.68	47.84	29,841,481.36
Loss	6,826,024.65	0.23	6,826,024.65	100.00	–
Total	2,895,110,218.64	100.00	84,020,148.45	2.90	2,811,090,070.19

Concerned with bad debt provision by portfolio

RMB

	Closing balance		
Name	**Trade receivables**	**Bad debt provision**	**Accrual percentage (%)**
Normal	**3,080,724,763.87**	**54,220,755.85**	**1.76**
Concerned	**36,551,901.34**	**22,011,668.17**	**60.22**
Loss	**7,597,664.32**	**7,597,664.32**	**100.00**
Total	**3,124,874,329.53**	**83,830,088.34**	**2.68**

(3) Provisions for bad debts

RMB

Classification	Opening balance	Changes in amount for the half year Provision	Received or reversed	Charge-off or write-off	Closing balance
Credit impairment loss	84,020,148.45	8,357,145.29	8,152,750.39	394,455.01	83,830,088.34
Total	84,020,148.45	8,357,145.29	8,152,750.39	394,455.01	83,830,088.34

(4) Accounts receivable actually written-off in the period

RMB

Item	**Amount written-off**
Accounts receivable actually written-off	394,455.01

(5) Details of top five trade receivables with the closing balances classified by the borrowers

At the end of the current period, the top five trade receivables with the closing balances classified by the borrowers amounted to RMB1,591,492,781.24 (end of the previous year: RMB1,494,010,210.89), representing 50.93% (end of the previous year: 51.60%) of total balance of trade receivables. The credit loss provision of top five trade receivables amounted to RMB28,010,272.95 (end of the previous year: RMB26,294,579.71).

5. FINANCING RECEIVABLES

RMB

Items	Closing balance	Opening balance
Bank acceptance bills	**2,017,866,151.11**	784,825,969.52
Total	**2,017,866,151.11**	784,825,969.52

Changes in financing receivables and their fair value for the current period

RMB

Items	Closing balance	Opening balance
Costs	**2,029,117,337.62**	787,941,237.18
Fair value	**2,017,866,151.11**	784,825,969.52
Accumulated changes in fair value included in other comprehensive income	**-11,251,186.51**	-3,115,267.66

The Group has made classification on bank acceptance bills, and separately managed bank acceptance bills issued by banks with higher credit rating, so as to endorse or discount them when necessary. Since the business model of holding these specific bank acceptance bills aims at both collecting contractual cash flows and selling such financial assets, they are classified as financial assets at FVTOCI, and are listed as financing receivables.

On 6 June 2023, the Group measured the bad debt provision according to the lifetime ECL. The Group believes that there is no significant credit risk in the bank acceptance bills held by it, as the probability of significant loss due to bank default is low.

6. ADVANCE PAYMENTS

(1) Listed by aging

RMB

Aging	Closing balance Amount	Closing balance Percentage (%)	Opening balance Amount	Opening balance Percentage (%)
With 1 year	158,916,985.37	99.008	575,591,541.78	99.581
1–2 years	855,375.97	0.533	2,234,361.28	0.387
2–3 years	599,933.80	0.374	164,078.13	0.028
Over 3 years	137,635.65	0.085	22,675.04	0.004
Total	160,509,930.79	100.000	578,012,656.23	100.000

At the end of the period, the Group had no advance payments with an aging of more than one year and an important amount.

(2) Details of top five advance payments with the closing balances classified by the payees

At the end of the period, the balance of top five advance payments with the closing balances amounted to RMB105,205,973.26 (end of the previous year: RMB446,777,293.27), representing 65.54% (end of the previous year: 77.30%) of total balance of advance payments.

7. OTHER RECEIVABLES

RMB

Items	Closing balance	Opening balance
Other receivables	**131,671,462.67**	101,299,773.96
Total	**131,671,462.67**	101,299,773.96

(1) Disclosed by aging

RMB

Aging	Closing book balance
Within 1 year	**80,193,328.93**
Subtotal within 1 year	**80,193,328.93**
1–2 year	**7,467,540.80**
2–3 year	**43,527,126.65**
Over 3 years	**483,466.29**
Total	**131,671,462.67**

(2) Classification by natures

RMB

Nature	Closing book balance	Opening book balance
Deposit	**53,965,441.73**	41,007,881.73
Margin	**51,754,077.46**	51,773,000.07
Long-term asset disposal receivables	**21,305,159.30**	4,800,000.00
Reserve fund	**316,729.87**	489,823.06
Others	**4,330,054.31**	3,229,069.10
Total	**131,671,462.67**	101,299,773.96

(3) *Details of top five other receivables with the closing balances classified by the borrowers*

RMB

Name	Nature of amount	Closing balance	Aging	Percentage of the total closing balance of other receivables (%)	Closing balance of bad debt provision
Fengyang Xinao Gas Co., Ltd. (鳳陽新奧燃氣有限公司)(Collection of natural gas)	Deposit	40,000,000.00	Within one year	30.38	–
Alipay.com Co., Ltd. (支付寶(中國)網絡技術有限公司) customer provisions	Margin	20,000,000.00	2–3 year	15.19	–
Fengyang County Public Resources Trading Center (鳳陽縣公共資源交易中心)	Margin	20,000,000.00	2–3 year	15.19	–
110KV line construction and acquisition costs	Long-term asset disposal receivables	16,505,159.30	Within one year	12.54	–
Chuzhou PetroChina Kunlun Gas Co., Ltd (滁州中石油崑崙燃氣有限公司)	Deposit	12,200,000.00	Within one year	9.27	–
Total	/	108,705,159.30	/	82.57	–

8. INVENTORIES

(1) Inventories category

RMB

Items	Book balance	Closing balance Inventory write down /Provision for impairment of contract performance cost	Book value
Raw materials	**765,501,449.49**	–	**765,501,449.49**
Low-valued consumables	**257,757,064.14**	**10,454,428.80**	**247,302,635.34**
Work in progress	**113,813,502.86**	–	**113,813,502.86**
Finished goods	**1,541,426,310.58**	**12,397,423.06**	**1,529,028,887.52**
Total	**2,678,498,327.07**	**22,851,851.86**	**2,655,646,475.21**

Items	Book balance	Opening balance Inventory write down /Provision for impairment of contract performance cost	Book balance
Raw materials	752,813,726.43	–	752,813,726.43
Low-valued consumables	339,605,709.34	4,335,685.03	335,270,024.31
Work in progress	107,466,234.14	–	107,466,234.14
Finished goods	1,207,160,700.87	6,393,721.15	1,200,766,979.72
Total	2,407,046,370.78	10,729,406.18	2,396,316,964.60

(2) *Inventory write down /Provision for impairment of contract performance cost*

RMB

Items	Opening balance	Increased amount for the period	Decreased amount for the period	Closing balance
Finished goods	6,393,721.15	6,003,701.91		**12,397,423.06**
Low-valued consumables	4,335,685.03	9,016,295.07	2,897,551.30	**10,454,428.80**
Total	10,729,406.18	15,019,996.98	2,897,551.30	**22,851,851.86**

9. OTHER CURRENT ASSETS

RMB

Items	Closing balance	Opening balance
Prepaid income tax	**2,879,488.08**	119,919,962.44
Prepaid VAT	**150,698,067.28**	105,856,295.24
Prepaid rental income	**1,767,824.90**	412,844.04
Export tax rebate	**1,891,942.97**	1,845,853.95
Interest to be amortized	**17,220,391.10**	5,757,931.52
Others	–	940,769.45
Total	**174,457,714.33**	234,733,656.64

10. LONG-TERM EQUITY INVESTMENT

RMB

Invested Company	Opening balance	Changes during the period: Investment gains and loss recognized under the equity methods	Closing balance	Impairment provision Closing balance
Associate				
Kaihong Flat	13,199,229.86	5,512,034.17	**18,711,264.03**	–
Kunlun Fuel Gas	10,500,000.00		**10,500,000.00**	–
Jiaxing Gas	54,553,860.10	7,913,683.50	**62,467,543.60**	–
Jiaxing Energy	4,500,000.00		**4,500,000.00**	–
Subtotal	82,753,089.96	13,425,717.67	**96,178,807.63**	–
Total	82,753,089.96	13,425,717.67	**96,178,807.63**	–

11. INVESTMENT PROPERTIES

Investment properties with cost measurement model

RMB

Items	House and buildings	Land use rights	Total
I. Book value			
1. Opening balance	27,486,623.54	7,525,892.36	35,012,515.90
2. Amount increased in the current period	12,723,487.00	–	12,723,487.00
(1) Inventory\Fixed assets\ Construction in progress	12,723,487.00	–	12,723,487.00
3. Closing balance	40,210,110.54	7,525,892.36	47,736,002.90
II. Accumulated depreciation and accumulated amortization			–
1. Opening balance	15,678,479.43	1,963,275.84	17,641,755.27
2. Amount increased in the current period	3,919,154.65	81,803.16	4,000,957.81
(1) Provided or amortized	905,601.49	81,803.16	987,404.65
(2) Inventory\Fixed assets\ Construction in progress	3,013,553.16	–	3,013,553.16
3. Closing balance	19,597,634.08	2,045,079.00	21,642,713.08
III. Book value			–
1. Closing book value	20,612,476.46	5,480,813.36	26,093,289.82
2. Opening book value	11,808,144.11	5,562,616.52	17,370,760.63

12. FIXED ASSETS

RMB

Items	**Closing balance**	Opening balance
Fixed assets	**13,519,340,281.27**	11,225,965,058.08
Total	**13,519,340,281.27**	11,225,965,058.08

(1) Fixed assets condition

RMB

Items	House and building	Machinery and equipment	PV power station	Transportation equipment	Other equipment	Total
I. Book value						
1. Opening balance	3,896,178,948.73	9,780,651,979.13	–	148,824,126.08	67,862,932.51	13,893,517,986.45
2. Amount increased in the current period	1,152,147,065.20	1,356,092,291.78	307,975,266.81	6,332,156.66	61,847,577.31	2,884,394,357.76
(1) Purchase	–	44,610,289.57	251,396,603.39	4,782,382.45	6,981,022.76	307,770,298.17
(2) Transferred from construction in progress	1,127,493,650.95	1,274,655,432.81		1,002,175.60	54,712,989.90	2,457,864,249.26
(3) Acquired in business combinations	–	–	56,578,663.42	–	–	56,578,663.42
(4) Difference on translation of foreign currency financial statements	24,653,414.25	36,826,569.40	–	547,598.61	153,564.65	62,181,146.91
3. Amount decreased in the current period	13,133,919.00	7,808,627.06	–	2,069,234.14	2,371,659.83	25,383,440.03
(1) Disposal or scrap	410,432.00	7,808,627.06	–	2,069,234.14	2,371,659.83	12,659,953.03
(2) Transferred from investment properties	12,723,487.00	–	–	–	–	12,723,487.00
4. Closing balance	5,035,192,094.93	11,128,935,643.85	307,975,266.81	153,087,048.60	127,338,849.99	16,752,528,904.18
II. Accumulated depreciation						
1. Opening balance	558,790,986.80	1,979,079,181.85	–	65,562,757.65	44,633,007.85	2,648,065,934.15
2. Amount increased in the current period	104,100,056.53	450,085,664.48	2,218,398.66	12,556,543.57	5,856,610.05	574,817,273.29
(1) Provided	102,503,152.86	445,224,289.14	1,998,992.25	12,439,915.80	5,825,274.49	567,991,624.54
(2) Acquired in business combinations	–	–	219,406.41	–	–	219,406.41
(3) Difference on translation of foreign currency financial statements	1,596,903.67	4,861,375.34	–	116,627.77	31,335.56	6,606,242.34
3. Amount decreased in the current period	3,151,646.51	3,058,071.81	–	1,649,287.57	1,171,122.48	9,030,128.37
(1) Disposal or scrap	138,093.35	3,058,071.81	–	1,649,287.57	1,171,122.48	6,016,575.21
(2) Transferred from investment properties	3,013,553.16	–	–	–	–	3,013,553.16
4. Closing balance	659,739,396.82	2,426,106,774.52	2,218,398.66	76,470,013.65	49,318,495.42	3,213,853,079.07
III. impairment provision						
1. Opening balance	–	19,129,845.49	–	275,923.26	81,225.47	19,486,994.22
2. Amount increased in the current period						
3. Amount decreased in the current period	–	151,450.38	–	–	–	151,450.38
(1) Disposal or scrap	–	151,450.38	–	–	–	151,450.38
4. Closing balance	–	18,978,395.11	–	275,923.26	81,225.47	19,335,543.84
IV. Book value						
1. Closing book value	4,375,452,698.11	8,683,850,474.22	305,756,868.15	76,341,111.69	77,939,129.10	13,519,340,281.27
2. Opening book value	3,337,387,961.93	7,782,442,951.79	–	82,985,445.17	23,148,699.19	11,225,965,058.08

At the end of the current period, the fixed assets with a book value of RMB2,186,775,950.63 (end of the previous year: RMB4,022,348,650.15) were used as collateral for short-term borrowings and long-term borrowings.

(2) Temporarily idle fixed assets

RMB

Items	Original book value	Accumulated depreciation	Impairment provision	Book value
Machinery and equipment	8,292,131.46	2,728,761.44	5,563,370.02	–
Other equipment	268,037.61	225,506.25	42,531.36	–
Total	8,560,169.07	2,954,267.69	5,605,901.38	–

(3) Fixed assets without property right certificate

RMB

Items	Book value	Reasons for failure to complete the property right certificate
Buildings of Phase III project of Anhui Flat Glass	1,426,832,392.43	Property right certificate is till in process
Buildings of Phase II PV project of the Group	497,967,100.42	Property right certificate is till in process
Insulating glass workshop (north)	58,309,921.33	Property right certificate is till in process
110KV transformer substation	7,535,215.02	Property right certificate is till in process

13. CONSTRUCTION IN PROGRESS

Items

RMB

Items	**Closing balance**	**Opening balance**
Construction in progress	**591,159,118.52**	1,557,815,302.02
Engineering materials	**172,467,763.12**	316,539,291.72
Total	**763,626,881.64**	1,874,354,593.74

Construction in progress

(1) Construction in progress

RMB

	Closing balance			Opening balance		
Items	**Book balance**	**Impairment provision**	**Book value**	Book balance	Impairment provision	Book value
Annual production of 1,500,000 tons of new energy equipment ultra-thin and ultra-high-transparent panel manufacturing project	**213,377,536.17**	**–**		**172,8.589 -a-hj-0.025 Tw 10.519 1.375 Td,jE,266,90a-h5 0**		

lt536.17

(2) Changes in major construction projects in progress in the current half year

RMB

Project name	Budget	Opening amount	Increase in the current half year	Transfer amount into fixed assets in the current half year	Other decrease in the current half year	Closing amount	Project cumulative investment accounted for the proportion of the budget (%)	Project progress	Accumulated amount of interest capitalization	Including: the amount of interest capitalization in the current half year	Capitalization rate of interest in the current half year (%)	Sources of funds
Annual production of 1,500,000 tons of new energy equipment ultra-thin and ultra-high-transparent panel manufacturing project	3,752,960,000.00	110,266,906.15	103,110,630.02	–		213,377,536.17	5.69%	5.69%				Self-funds/ Special borrowings
Supporting housing project of Anhui Flat	338,105,800.00	96,581,900.45	74,307,477.82	–		170,889,378.27	50.54%	50.54%				Self-funds
Annual production of 1,152 sets of intelligent equipment construction project	101,753,200.00	58,026,533.79	15,670,790.63	–		73,697,324.42	72.43%	72.43%				Self-funds
Annual output of 1,950,000 tons of PV cover glass project	4,349,335,600.00	987,546,485.03	1,004,695,464.09	1,988,076,462.52		4,165,486.60	95.47%	95.47%	3,600,000.00	–		Self-funds/ Special borrowings
The project of LOW-E coating third line and supporting facilities	142,000,000.00	92,870,989.95	48,201,044.02	141,008,313.85		63,720.12	99.35%	99.35%				Self-funds
Total	8,684,154,600.00	1,345,292,815.37	1,245,985,406.58	2,129,084,776.37	0.00	462,193,445.58	/	/	3,600,000.00		/	/

Engineering materials

RMB

Items	Closing balance Book balance	Provision for impairment	Book value
Specialised equipment	**106,741,379.01**	–	**106,741,379.01**
Refractory materials	**66,368.33**	–	**66,368.33**
Electric wire and cable	**50,713,412.63**	–	**50,713,412.63**
Steel and wire rod	**6,084,741.19**	–	**6,084,741.19**
Others	**8,861,861.96**	–	**8,861,861.96**
Total	**172,467,763.12**	–	**172,467,763.12**

Items	Opening balance Book balance	Provision for impairment	Book value
Specialised equipment	158,426,728.34	–	158,426,728.34
Refractory materials	76,915,929.93	–	76,915,929.93
Electric wire and cable	32,257,057.26	–	32,257,057.26
Steel and wire rod	945,464.61	–	945,464.61
Others	47,994,111.58	–	47,994,111.58
Total	316,539,291.72	–	316,539,291.72

14. RIGHT-OF-USE ASSETS

RMB

Items	Land use right	Total
I. Book value		
1. Opening balance	221,532,156.28	221,532,156.28
2. Amount increased in the current period	7,789,034.03	7,789,034.03
(1) Exchange difference on foreign currency financial statements translation	7,789,034.03	7,789,034.03
3. Closing balance	229,321,190.31	229,321,190.31
II. Accumulated depreciation		
1. Opening balance	27,338,147.65	27,338,147.65
2. Amount increased in the current period	3,866,263.36	3,866,263.36
(1) provided	2,830,607.04	2,830,607.04
(2) Exchange difference on foreign currency financial statements translation	1,035,656.32	1,035,656.32
3. Closing balance	31,204,411.01	31,204,411.01
III. Book value		
1. Closing book value	198,116,779.30	198,116,779.30
2. Opening book value	194,194,008.63	194,194,008.63

15. INTANGIBLE ASSETS

RMB

Items	Land use right	Emission on rights	Mining rights	Energy use rights	Software	Total
I. Book value						
1. Opening balance	625,558,930.68	63,905,820.73	3,724,688,156.82	144,731,091.46	7,603,045.14	4,566,487,044.83
2. Amount increased in the current period	5,191,200.00			–	804,014.68	5,995,214.68
(1) Purchase	5,191,200.00			–	804,014.68	5,995,214.68
3. Closing balance	630,750,130.68	63,905,820.73	3,724,688,156.82	144,731,091.46	8,407,059.82	4,572,482,259.51
II. Accumulated amortization						
1. Opening balance	77,986,940.34	35,593,469.97	664,978,578.82	–	4,272,032.05	782,831,021.18
2. Amount increased in the current period	6,307,903.79	3,957,142.57	301,535,080.50	–	373,576.91	312,173,703.77
(1) Provided	6,307,903.79	3,957,142.57	301,535,080.50	–	373,576.91	312,173,703.77
3. Closing balance	84,294,844.13	39,550,612.54	966,513,659.32	–	4,645,608.96	1,095,004,724.95
III. Book value						
1. Closing book value	546,455,286.55	24,355,208.19	2,758,174,497.50	144,731,091.46	3,761,450.86	3,477,477,534.56
2. Opening book value	547,571,990.34	28,312,350.76	3,059,709,578.00	144,731,091.46	3,331,013.09	3,783,656,023.65

Intangible assets at the end of the period as a result of the Company's internal research and development accounted for 0% of the balance of the intangible assets.

16. DEFERRED TAX ASSETS/DEFERRED TAX LIABILITIES

(1) Deferred tax assets before offsetting

RMB

Items	Closing balance Deductible temporary difference	Closing balance Deferred tax assets	Opening balance Deductible temporary difference	Opening balance Deferred tax assets
Provision for asset impairment	**42,338,846.08**	**6,366,170.24**	30,216,400.40	4,547,803.38
Credit impairment loss	**92,183,980.84**	**14,549,770.55**	90,086,104.15	14,073,127.95
Deferred revenue	**62,707,198.45**	**9,856,797.08**	58,535,568.54	9,252,441.34
Depreciation difference for fixed assets	**38,672,162.79**	**5,800,824.42**	36,780,257.43	5,517,038.61
Share payment	**19,339,325.94**	**2,900,898.89**	11,606,023.50	1,740,903.53
Increased valuation of intangible assets	**579,360,801.57**	**144,840,200.39**	351,841,997.49	87,960,499.37
Deductible losses	**1,676,986,442.05**	**251,968,777.29**	2,356,327,466.09	353,554,852.31
Profit and loss arising from changes in fair value	**2,164,609.64**	**357,160.59**	1,765,968.98	291,384.88
Total	**2,513,753,367.36**	**436,640,599.45**	2,937,159,786.58	476,938,051.37

(2) Deferred tax liabilities before offsetting

RMB

Items	Closing balance Taxable temporary differences	Closing balance Deferred tax liabilities	Opening balance Taxable temporary differences	Opening balance Deferred tax liabilities
Property revaluation arising from conversion to a joint stock company	**10,720,428.55**	**1,608,064.25**	11,319,781.23	1,697,967.18
Accelerated depreciation of fixed assets	**3,199,541,453.59**	**479,931,218.07**	3,323,385,466.37	498,507,819.96
Trial production cost	**47,586,688.69**	**7,138,003.30**	51,396,351.71	7,709,452.75
Total	**3,257,848,570.83**	**488,677,285.62**	3,386,101,599.31	507,915,239.89

(3) The net balances of deferred tax assets or liabilities after offsetting

RMB

Items	Closing balance: Offset amount of deferred tax assets and liabilities at the end of the period	Closing balance: deferred tax assets or liabilities after offsetting	Opening balance: Offset amount of deferred tax assets and liabilities at the end of the period	Opening balance: deferred tax assets or liabilities after offsetting
Deferred tax assets	**286,051,253.19**	**150,589,346.26**	384,382,813.61	92,555,237.76
Deferred tax liabilities	**286,051,253.19**	**202,626,032.43**	384,382,813.61	123,532,426.28

(4) Details of deferred income tax assets unrecognized

RMB

Items	Closing balance	Opening balance
Deductible losses	**19,164,865.32**	20,602,437.95
Others	**4,994,393.17**	6,580,096.24
Total	**24,159,258.49**	27,182,534.19

(5) The deductible losses of unrecognized deferred tax assets will expire in the following years:

RMB

Items	Closing balance	Opening balance
2025	**5,224,958.40**	9,168,249.15
2026	**10,963,973.54**	10,963,973.54
2027	**470,215.26**	470,215.26
2028	**2,505,718.12**	–
Total	**19,164,865.32**	20,602,437.95

17. OTHER NON-CURRENT ASSETS

RMB

Items	Closing balance Book balance	Closing balance impairment provision	Closing balance Book value	Opening balance Book balance	Opening balance impairment provision	Opening balance Book value
Prepayment for mining rights	**2,028,000,000.00**		**2,028,000,000.00**	2,028,000,000.00		2,028,000,000.00
Construction prepayment	**899,830,906.54**		**899,830,906.54**	607,290,974.95		607,290,974.95
Prepaid investment	**81,530,565.90**		**81,530,565.90**	78,600,155.31		78,600,155.31
Prepaid deposit for land	**3,000,000.00**		**3,000,000.00**	–		
Total	**3,012,361,472.44**		**3,012,361,472.44**	2,713,891,130.26		2,713,891,130.26

18. SHORT-TERM BORROWINGS

RMB

Classification	Closing balance	Opening balance
Pledged borrowings	**100,000,000.00**	200,000,000.00
Guaranteed and mortgage loan	**2,060,460,276.00**	2,125,915,900.00
Bill discounting borrowings	**174,239,783.98**	220,583,002.23
Credit borrowings	**995,322,300.00**	548,855,177.00
Total	**3,330,022,359.98**	3,095,354,079.23

19. DERIVATIVE FINANCIAL LIABILITIES

RMB

Items	Closing balance	Opening balance
Derivative financial liabilities without the specified hedging relationship		
Including: Forward foreign exchange contract (Note)	**35,696.10**	120,410.62
Foreign exchange option contract (Note)	**2,128,913.54**	1,645,558.36
Total	**2,164,609.64**	1,765,968.98

Note: Unexpired forward foreign exchange contracts and foreign exchange option contracts are not designated as hedging instruments, and the gains or losses arising from changes in fair value are recognised directly in profit or loss in current period.

20. BILLS PAYABLES

RMB

Classification	Closing balance	Opening balance
Bank acceptance bills	**730,792,817.56**	964,727,516.59
Total	**730,792,817.56**	964,727,516.59

The total amount of bills payable due and unpaid at the end of the period is nil.

21. TRADE PAYABLES

(1) Trade payables

RMB

Items	Closing balance	Opening balance
Trade payables	**2,491,014,065.99**	2,530,380,248.71
Construction costs payable	**2,066,158,688.61**	1,569,664,216.10
Total	**4,557,172,754.60**	4,100,044,464.81

(2) Significant trade payables with ageing over 1 year

RMB

Items	Closing balance	Reasons of outstanding or carry-over
Construction costs payable	**156,315,251.39**	Project warranty has not yet expired and been repaid
Trade payables	**9,602,739.11**	The payable is for a product quality dispute, and payment will be made after the dispute is resolved
Total	**165,917,990.50**	

22. CONTRACT LIABILITIES

RMB

Items	Closing balance	Opening balance
Advance payment from customers for goods	**102,899,989.59**	115,048,763.64
Total	**102,899,989.59**	115,048,763.64

23. PAYROLL PAYABLE

(1) Listing of payroll payable

RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Short-term remuneration	100,577,585.45	383,433,962.31	415,087,986.43	**68,923,561.33**
II. Post-employment welfare – Defined contribution plan	2,220,115.77	34,137,391.97	34,554,489.57	**1,803,018.17**
Total	102,797,701.22	417,571,354.28	449,642,476.00	**70,726,579.50**

(2) Listing of short-term remuneration

RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Wages or salaries, bonuses, allowances and subsidies	97,687,509.36	329,880,097.23	360,958,653.40	**66,608,953.19**
II. Staff welfare	195,289.70	23,821,174.83	24,016,464.53	**-**
III. Social insurance	1,395,276.05	17,969,761.00	18,091,158.06	**1,273,878.99**
Including: Medical insurance	1,118,723.37	15,450,214.84	15,447,379.45	**1,121,558.76**
Work-related injury insurance	223,678.86	2,197,855.67	2,322,851.38	**98,683.15**
Maternity insurance	52,873.82	321,690.49	320,927.23	**53,637.08**
IV. Housing funds	898,877.00	8,259,266.00	8,247,545.00	**910,598.00**
V. Labor union & Education funds	400,633.34	3,503,663.25	3,774,165.44	**130,131.15**
Total	100,577,585.45	383,433,962.31	415,087,986.43	**68,923,561.33**

(3) Listing of defined contribution plan

RMB

Classification	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
1. Basic pension insurance	2,153,016.84	32,949,797.16	33,352,594.07	**1,750,219.93**
2. Unemployment insurance	67,098.93	1,187,594.81	1,201,895.50	**52,798.24**
Total	2,220,115.77	34,137,391.97	34,554,489.57	**1,803,018.17**

Defined contribution plan:

The Group participates in pension insurance and unemployment insurance schemes established by government agencies as required. According to these schemes, the Group pays monthly fees to these plans at 14% and 0.5% of the employees' basic wages. Except for the above monthly paid fees, the Group does not undertake further payment obligations. The corresponding expenses are recognised in profit or loss in the period in which they are incurred.

During the period from 1 January to 30 June 2023, the Group should pay a total of RMB33,352,594.07 and RMB1,201,895.50 to the pension insurance and unemployment insurance schemes respectively. As of 30 June 2023, there were RMB1,750,219.93 and RMB52,798.24 that had been accrued but unpaid for the pension insurance and unemployment insurance schemes. The payables have been paid after the report period.

24. TAXES PAYABLE

RMB

Items	Closing balance	Opening balance
Enterprise income tax	**51,029,741.15**	75,569,826.43
VAT	**26,980,512.84**	56,124,439.23
Resource tax	**15,491,906.71**	24,882,030.58
Property tax	**4,764,579.20**	7,906,954.03
Land use tax	**5,903,382.74**	7,725,486.36
City maintenance and construction tax	**2,931,993.17**	3,660,125.92
Education surtax	**2,499,276.94**	3,335,827.14
Individual income tax	**751,463.37**	1,005,832.53
Others	**5,812,971.70**	6,306,306.78
Total	**116,165,827.82**	186,516,829.00

25. OTHER PAYABLES

Items

RMB

Items	Closing balance	Opening balance
Interest payable	**16,732,869.23**	16,887,442.02
Dividends payables	**1,357,000.00**	2,737,023.00
Other payables	**125,857,097.12**	635,866,393.10
Total	**143,946,966.35**	655,490,858.12

(1) Interest payables

RMB

Items	Closing balance	Opening balance
Interest for long-term borrowings with interest paid in installment and principal paid due to maturity	**7,268,137.73**	5,976,347.37
Interest payable for short-term borrowings	**7,163,398.70**	3,481,017.11
Interest payable for Convertible Bonds	**2,301,332.80**	7,430,077.54
Total	**16,732,869.23**	16,887,442.02

(2) Dividends payables

RMB

Items	Closing balance	Opening balance
Dividends on ordinary shares	**1,357,000.00**	2,737,023.00
Total	**1,357,000.00**	2,737,023.00

(3) Other payables

RMB

Items	Closing balance	Opening balance
Equity interests acquisition payments	–	520,947,600.00
Warranty	**82,916,606.34**	66,240,106.34
Restricted share incentive schemes	**21,846,602.50**	23,806,600.00
Transportation premium	**14,447,327.97**	16,663,676.42
Others	**6,646,560.31**	8,208,410.34
Total	**125,857,097.12**	635,866,393.10

26. NON-CURRENT LIABILITIES DUE WITHIN ONE YEAR

RMB

Items	Closing balance	Opening balance
Long-term borrowings due within 1 year	**969,261,250.00**	1,259,649,348.86
Long-term payables due within 1 year	**49,079,497.94**	41,878,318.42
Lease liabilities due within 1 year	**689,664.93**	690,608.03
Total	**1,019,030,412.87**	1,302,218,275.31

27. LONG-TERM BORROWINGS

(1) Categories of long-term borrowings

RMB

Items	Closing balance	Opening balance
Pledged borrowings	**1,492,877,500.00**	2,026,519,348.86
Secured borrowings	**4,111,651,250.00**	2,923,200,000.00
Guarantee loan	**1,612,000,000.00**	–
Credit borrowings	**494,000,000.00**	199,000,000.00
Pledged borrowings due within 1 year	**-85,872,500.00**	-636,919,348.86
Secured borrowings due within 1 year	**-698,388,750.00**	-622,730,000.00
Guarantee loan due within 1 year	**-181,000,000.00**	–
Credit borrowings due within 1 year	**-4,000,000.00**	–
Total	**6,741,267,500.00**	3,889,070,000.00

28. BONDS PAYABLES

(1) Bonds payables

RMB

Items	**Closing balance**	Opening balance
Bonds payables	**3,670,646,944.66**	3,588,678,749.97
Total	**3,670,646,944.66**	3,588,678,749.97

(2) Changes in bonds payable (Excluding other financial instruments including preferred shares and perpetual bonds classified as financial liabilities)

RMB

Name of bond	Par value	Issuing date	Term of the bond	Issue amount	Opening balance	Accrued interests at par value	Amortization of premium/ discount	Conversion for the current year	Closing balance
Flat convertible bond	100	2022-5-20	6 years	4,000,000,000.00	3,588,678,749.97	6,871,232.88	88,859,616.40	20,188.83	**3,670,646,944.66**
Total				4,000,000,000.00	3,588,678,749.97	6,871,232.88	88,859,616.40	20,188.83	**3,670,646,944.66**

(3) Description of conditions and timing of conversion for convertible bonds

Approved by CSRC Approval [2022] No. 664, the Group issued 40 million convertible bonds with a nominal value of RMB100 on 20 May 2022. The annual coupon rate shall be 0.3% in the first year, 0.5% in the second year, 1.0% in the third year, 1.5% in the fourth year, 1.8% in the fifth year and 2% in the sixth year. The payment method that interest shall be paid on an annual basis shall be adopted and the principal shall be repaid and the interest for the last year shall be paid. The term of the A Share Convertible Corporate Bonds under the issuance shall be six years from the date of the issuance, namely 20 May 2022 to 19 May 2028.

The conversion period of the A Share Convertible Bonds under the issuance shall commence on the first trading day immediately following the expiry of the six-month period after the date of the issuance of the convertible bonds (26 May 2022), and end on the maturity date of the convertible bonds (28 November 2022 to 19 May 2028).

The initial conversion price of convertible corporate bonds under the issuance is RMB43.94 per share. After the issuance, in case of certain events such as distribution of share dividends, conversion or increase of share capital, issuance of new shares (excluding any increase in the share capital as a result of conversion of the convertible corporate bonds under the issuance), rights issue and distribution of cash dividends, the price of the convertible shares shall be adjusted accordingly. During the term of the A Share Convertible Corporate Bonds under the issuance, the closing prices of shares of the Company on at least 15 trading days out of any 30 consecutive trading days are lower than 90% of the prevailing conversion price, the Board is entitled to propose a downward adjustment to the conversion price and submit it to the Shareholders at the Shareholders' general meetings for their consideration and voting.

During the conversion period, the Company has the right to redeem all or part of the A Share Convertible Bonds which have not been converted into shares based on the par value plus the accrued interest then in case of where the closing prices of A Shares of the Company for at least 15 trading days out of any 30 consecutive trading days are no less than 130% (including 130%) of the prevailing conversion price or where the balance of the outstanding A Share Convertible Bonds under the issuance is lower than RMB30 million.

Within 2 years prior to the maturity of the A Share Convertible Bonds, where the closing price of the Company's A Shares is lower than 70% of the then Conversion Price for 30 consecutive trading days, the Bondholders are entitled to sell all or part of the A Share Convertible Bonds held by them back to the Company at the face value plus the interest accrued then.

If the Company's actual usage of the net proceeds from the Proposed Issuance is materially different from the undertaking of the use of proceeds set out in the Offering Document, and such difference is considered by the CSRC as a change in the use of the proceeds, the Bondholders will have a one-off right to sell all or part of the A Share Convertible Bonds held by them back to the Company at the face value plus the interest accrued. Under the said scenario, the Bondholders may sell their A Share Convertible Bonds back to the Company during the sell back declaration period. If the Bondholders do not exercise their sell back rights during the sell back declaration period, such right will automatically lapse.

The fair value of the liability component was estimated at the issue date using an equivalent market interest rate for a similar bond without the attached purchase warrants. The residual amount was assigned as the equity component and included in shareholders' equity.

The above convertible corporate bonds issued have been split into the liability and equity components as follows:

RMB

Items	Debt composition	Equity composition	Total
Amount of convertible corporate bonds issued	3,505,410,854.51	494,589,145.49	4,000,000,000.00
Direct transaction fee	(20,225,168.72)	(2,853,630.95)	(23,078,799.67)
Balance on the date of issuance	3,485,185,685.79	491,735,514.54	3,976,921,200.33
Interest at par value	(7,430,136.99)	–	(7,430,136.99)
Premium and discount amortization	110,951,786.24	–	110,951,786.24
Conversion for the current year	(28,585.07)	(3,933.88)	(32,518.95)
Balance as at 31 December 2022	3,588,678,749.97	491,731,580.66	4,080,410,330.63
Interest at par value	(6,871,232.88)		(6,871,232.88)
Premium and discount amortization	88,859,616.40		88,859,616.40
Conversion for the current year	(20,188.83)	(2,704.55)	(22,893.38)
Balance at 30 June 2023	3,670,646,944.66	491,728,876.11	4,162,375,820.77

29. LEASE LIABILITIES

RMB

Classification	Closing balance	Opening balance
Lease liabilities	**12,550,031.01**	1 Tf g0 14.538e

Items involving government grants:

RMB

Items of liabilities	Opening balance	Increase amount for the period	Amount included in non-operating income for the period	Amount included in other income for the period	Other changes	Closing balance	Asset-related/ Revenue-related
Jiaxing City 2012 provincial energy-saving financial grant – 2 production lines of furnace flue gas waste heat Utilisation Phase II project with supporting construction of waste heat boilers and steam turbine generator sets	83,333.73	–		49,999.98		33,333.75	Asset-related
Jiaxing City 2012 first batch of industrial development fund subsidy – annual output of 15 million square meters of solar photovoltaic ultra-white glass project 1# photovoltaic kiln	469,026.16	–		250,000.00		219,026.16	Asset-related
2014 industrial transformation and upgrading items (central infrastructure investment) Flat Glass annual production of 5.8 million square meters LOW-E glass deep processing project	1,860,000.00	–		465,000.00		1,395,000.00	Asset-related
Glass melting furnace flue gas denitrification technology project grant	3,506,110.31	–		586,666.62		2,919,443.69	Asset-related
Jiangxi Finance Bureau 2011 glass melting furnace flue gas waste heat power generation project grant	369,999.80	–		185,000.06		184,999.74	Asset-related
The first phase of distributed PV related project construction grant	3,680,160.00	–		167,280.00		3,512,880.00	Asset-related
The second phase of distributed PV related project construction grant	1,040,900.55	–		46,607.52		994,293.03	Asset-related

Items of liabilities	Opening balance	Increase amount for the period	Amount included in non-operating income for the period	Amount included in other income for the period	Other changes	Closing balance	Asset-related/ Revenue-related
Annual production of 5.8 million square meters LOW-E glass deep processing project	3,415,100.00	–		409,812.00		3,005,288.00	Asset-related
Annual production of 12 million square meters of high transparent photovoltaic glass project	1,335,638.04	–		174,213.72		1,161,424.32	Asset-related
Grant for backplane processing workshop with annual output of 28 million square meters	2,532,552.00	–		172,674.00		2,359,878.00	Asset-related
Subsidies for supporting the development of robot industry	1,700,000.10	–		100,000.00		1,600,000.10	Asset-related
Subsidies for Industrial Internet and making equipment institutionalized, standardized and procedure-based	3,224,347.85	–		187,826.10		3,036,521.75	Asset-related
Fengyang County's government developed and funded new kinetic energy to promote the transformation and upgrading of enterprises, making economic development sound. Moreover, the government subsidized enterprises's investment	35,318,400.00	–		2,943,200.00		32,375,200.00	Asset-related
Subsidies for annual production of 750,000 tons of ultra-thin ultra-high transparent panel manufacturing project	–	10,000,000.00		90,090.09		9,909,909.91	Asset-related

32. SHARE CAPITAL

RMB

	Opening balance	Increase or decrease for the period (+,-) Convertible debt-to-equity swap	Subtotal	**Closing balance**
Total share capital	536,723,491.75	123.50	123.50	**536,723,615.25**

33. OTHER EQUITY INSTRUMENTS

RMB

Outstanding financial instruments	Opening balance		Increase in the current period		Decrease in the current period		**Closing balance**	
	Number	Book value	Number	Book value	Number	Book value	**Number**	**Book value**
Convertible corporate bonds	39,999,680.00	491,731,580.66			220.00	2,704.55	**39,999,460.00**	**491,728,876.11**
Total	39,999,680.00	491,731,580.66			220.00	2,704.55	**39,999,460.00**	**491,728,876.11**

34. CAPITAL RESERVE

RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Share premium	4,780,150,027.67	22,903.50	–	**4,780,172,931.17**
Other capital reserve	84,599,223.50	10,303,702.44	–	**94,902,925.94**
Total	4,864,749,251.17	10,326,605.94	–	**4,875,075,857.11**

35. TREASURY STOCK

RMB

Items	Opening balance	Increase for the period	Decrease for the period (Note 1)	Closing balance
Share-based payment	23,806,600.00	–	1,960,000.00	**21,846,600.00**
Total	23,806,600.00	–	1,960,000.00	**21,846,600.00**

Note 1: On 25 May 2023, the Company achieved the conditions to remove the sales restriction for the reserved part of the restricted shares for the second unlocking period in May 2021, and the treasury shares decreased by RMB1,960,000.00 accordingly.

36. OTHER COMPREHENSIVE INCOME

RMB

Items	Opening balance	Amount incurred in the current period: Amount before income tax incurred in the current period	Less: income tax	Amount attributable to the Company after income tax	Amount attributable to minority shareholders after income tax	Closing balance
I. Other comprehensive income that will not be reclassified into profit or loss afterwards	–	–	–	–	–	–
II. Other comprehensive income that will be reclassified into profit or loss afterwards	42,350,277.12	42,142,116.96		42,142,116.96		**84,492,394.08**
– Exchange differences on foreign currency financial statements translation	45,465,544.78	50,278,035.81		50,278,035.81		**95,743,580.59**
– Changes in fair value of financing receivables	-3,115,267.66	-8,135,918.85		-8,135,918.85		**-11,251,186.51**
Total other comprehensive income	42,350,277.12	42,142,116.96		42,142,116.96		**84,492,394.08**

37. SPECIAL RESERVE

RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Safety production costs	28,583,407.89	8,343,785.43	1,090,380.39	35,836,812.93
Total	28,583,407.89	8,343,785.43	1,090,380.39	35,836,812.93

38. SURPLUS RESERVE

RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Statutory surplus reserve	268,361,745.88		–	268,361,745.88
Total	268,361,745.88		–	268,361,745.88

39. UNDISTRIBUTED PROFIT

RMB

Items	Current period	Last period
Undistributed profits at the end of the previous period before adjustment	**7,823,754,058.70**	6,194,759,167.82
Total amount of undistributed profits at the beginning of the period during adjustment (increase +, decrease-)		
Undistributed profits at the beginning of the period after adjustment	**7,823,754,058.70**	6,194,759,167.82
Add: Net profit attributable to shareholders of the parent company in the current period	**1,084,877,855.00**	2,122,780,428.43
Less: Accrual of statutory surplus reserves		89.13
Dividends payable		493,785,448.42
Closing balance of the undistributed profit	**8,908,631,913.70**	7,823,754,058.70

Details of undistributed profits at the beginning of the period during adjustment:

1. Undistributed profits at the beginning of the period affected by retroactive adjustment of the Accounting Standards for Business Enterprises and its

40. OPERATING REVENUE AND OPERATING COST

(1) *Operating revenue and operating cost*

RMB

Items	Amount for the period		Amount for last period	
	Revenue	Cost	Revenue	Cost
Main business	9,647,520,825.5	7,826,406,976.45	7,285,660,785.13	5,647,016,606.15
Other business	30,902,524.24	1,595,183.64	18,830,553.83	3,492,062.29
Total	9,678,423,349.74	7,828,002,160.09	7,304,491,338.96	5,650,508,668.44

(2) *Revenue from contract*

RMB

Contract classification	Total
By types of products	
PV glass	8,786,856,981.27
Float glass	171,486,283.56
Household glass	153,739,436.87
Architectural glass	262,976,213.10
Ore	272,461,910.70
Income from other business	30,902,524.24
By operating regions	
The mainland of China	7,519,092,243.36
Asia	1,931,373,408.18
Europe	117,265,254.46
North America	102,983,242.44
Others	7,709,201.30
Total	9,678,423,349.74

(3) Performance obligations

The Group's main business activities are the production and sales of glass products. Generally, there is only one performance obligation to deliver goods in the relevant sales contract, and the consideration for the sale of the product is determined according to the fixed price agreed in the sales contract or order. The Group recognises the revenue at the time when the control of the relevant product is transferred to the customer. The Group requires dealer customers to fully prepay the purchase payment before the delivery of the goods, and the normal credit period for direct sales customers is 30 to 120 days after the acceptance of the goods.

41. TAXES AND SURCHARGES

RMB

Items	**Amount for the period**	Amount for last period
Resource tax	**38,406,274.13**	17,048,222.25
City maintenance and construction tax	**7,540,223.53**	4,164,387.44
Education surtax	**6,531,429.35**	3,923,762.26
Stamp duty	**5,612,968.61**	3,967,262.78
Property tax	**9,999,009.35**	3,693,638.66
Environmental protection tax	**3,024,237.22**	2,964,478.81
Special fund for water conservancy construction	**3,770,980.95**	2,485,816.01
Land use tax	**9,740,855.88**	6,809,342.58
Others	**334,579.54**	392,754.56
Total	**84,960,558.56**	45,449,665.35

42. SELLING EXPENSES

RMB

Items	Amount for the period	Amount for last period
Assembling frame charges	**25,408,878.08**	37,008,523.79
Employee compensation and welfare	**7,629,395.08**	6,421,048.50
Advertising expenses	**2,262,290.62**	5,149,776.66
Depreciation and amortization	**198,450.02**	12,678.08
Others	**5,700,572.18**	1,058,146.31
Total	**41,199,585.98**	49,650,173.34

43. ADMINISTRATIVE EXPENSES

RMB

Items	Amount for the period	Amount for last period
Employee remuneration and benefits	**58,104,392.32**	67,324,035.28
Depreciation and amortization	**15,536,340.00**	14,925,107.74
Green and environmental protection expenses	**9,799,316.75**	5,829,406.63
Labor costs	**8,228,714.08**	8,149,166.34
Office expenses	**6,054,634.72**	4,722,203.38
Travelling expenses	**1,180,656.74**	1,148,929.54
Intermediary agency service fee	**9,163,947.42**	9,125,268.49
Transportation expenses	**1,913,092.20**	1,122,452.13
Repair and maintenance fee	**107,940.27**	362,943.45
Others	**10,435,922.78**	13,690,082.76
Total	**120,524,957.28**	126,399,595.74

44. RESEARCH AND DEVELOPMENT EXPENSES

RMB

Items	Amount for the period	Amount for last period
Employee remuneration and benefits	**71,774,336.69**	55,813,432.48
Direct material costs	**188,655,803.95**	165,135,312.47
Depreciation and amortization	**19,844,343.55**	12,128,571.42
Others	**6,264,834.36**	21,977,320.23
Total	**286,539,318.55**	255,054,636.60

45. FINANCE EXPENSES

RMB

Items	Amount for the period	Amount for last period
Interest expense from borrowing	**248,289,348.87**	120,102,101.64
Less: Interest income	**31,712,351.86**	25,481,363.85
Handing fee	**14,492,374.03**	4,640,053.54
Exchange loss (gains)	**-74,526,435.02**	-22,492,358.21
Total	**156,542,936.02**	76,768,433.12

46. OTHER REVENUE

RMB

Items	Amount for the period	Amount for last period
Distributed PV power generation project grant	**816,092.75**	2,503,473.27
Deferred income amortization	**5,828,370.09**	6,742,063.25
Government grants	**21,070,881.69**	31,622,824.40
Total	**27,715,344.53**	40,868,360.92

47. INVESTMENT INCOME

RMB

Items	Amount for the period	Amount for last period
Income from long-term equity investments under the equity method	**13,425,717.67**	3,582,923.60
Investment income from structured wealth management	–	450,000.00
Derivative tools without the specified hedging relationship		
− Forward foreign exchange contract	**-1,406,415.00**	166,920.00
Total	**12,019,302.67**	4,199,843.60

48. GAINS ON CHANGES IN FAIR VALUE

RMB

Source of income from changes in fair value	Amount for the period	Amount for last period
Derivative tools without the specified hedging relationship		
Including: Loss of changes in the fair value of forward foreign exchange contracts	**84,714.52**	-139,297.35
Loss of changes in the fair value of foreign exchange option contracts	**-483,355.18**	-3,521,571.71
Total	**-398,640.66**	-3,660,869.06

49. CREDIT IMPAIRMENT LOSSES

RMB

Items	Amount for the period	Amount for last period
Bad debt losses on bills receivable	**-702,233.76**	-6,427,253.22
Bad debt losses on trade receivables	**-204,394.86**	-22,204,626.25
Total	**-906,628.62**	-28,631,879.47

50. ASSETS IMPAIRMENT LOSSES

RMB

Items	Amount for the period	Amount for last period
Loss of inventory depreciation and impairment loss of contract performance cost	**-15,019,996.98**	-6,723,522.16
Total	**-15,019,996.98**	-6,723,522.16

51. GAINS ON DISPOSAL OF ASSET

RMB

Items	Amount for the period	Amount for last period
Gains on disposal of fixed assets	**263,544.96**	1,375,064.85
Losses on disposal of fixed assets	**-344,970.99**	-10,526,063.59
Total	**-81,426.03**	-9,150,998.74

52. NON-OPERATING INCOME

RMB

Items	Amount for the period	Amount for last period	Non-recurring profits and losses in the current period
Government grant	**–**	813,591.12	–
Others	**1,376,967.75**	1,278,512.69	1,376,967.75
Total	**1,376,967.75**	2,092,103.81	1,376,967.75

53. NON-OPERATING EXPENSES

RMB

Items	**Amount for the period**	Amount for last period	Non-recurring profits and losses in the current period
External donations	–	2,153,838.80	–
Others	**911,601.21**	100,532.01	911,601.21
Total	**911,601.21**	2,254,370.81	911,601.21

54. INCOME TAX EXPENSES

RMB

Items	**Amount for the period**	Amount for last period
Current period income tax expenses	**78,129,987.70**	148,981,006.01
Deferred income tax expenses	**21,059,497.62**	-19,717,419.82
Income taxes made over (refunded) for the last year	**-110,179.98**	-34,612,628.52
Total	**99,079,305.34**	94,650,957.67

Reconciliation between accounting profit and income tax expense is as follows:

RMB

Items	Amount for the period
Total profit	**1,184,447,154.71**
Income tax expense calculated at statutory/applicable tax rate	**177,665,307.06**
Effect of subsidiaries to adapt different tax rates	**19,832,470.59**
Effect of non-deductible costs, expenses and losses	**10,328,143.10**
Effect of use of deductible losses on previously unrecognised deferred income tax asset	**-985,822.69**
Effect of deductible temporary difference or deductible losses of unrecognized deferred tax assets in the period	**626,380.91**
Effect on research and development costs plus deduction	**-42,980,897.78**
Effect on makeover (refund) of the income tax for last period	**-110,179.98**
Tax effect on tax incentives	**-65,296,095.87**
Income tax expenses	**99,079,305.34**

55. ITEMS IN CASH FLOW STATEMENT

(1) Other cash received and related to operating activities

RMB

Items	Amount in the current period	Amount in the last period
Government grant	**31,886,974.44**	80,744,688.79
Interest income	**31,712,351.86**	25,931,363.85
Operating margin	**5,083,922.61**	15,827,360.46
Others	**1,376,970.25**	1,278,512.69
Total	**70,060,219.16**	123,781,925.79

(2) Other cash paid and related to operating activities

RMB

Items	Amount in the current period	Amount in the last period
Paid fee	**261,262,314.09**	189,877,482.10
Operating margin	**14,087,560.00**	72,653.66
Charitable donation expenses	–	2,153,838.80
Handling charge	**14,492,374.03**	5,090,053.54
Others	**927,892.02**	4,974,227.81
Total	**290,770,140.14**	202,168,255.91

(3) *Other cash received and related to investment activities*

RMB

Items	Amount in the current period	Amount in the last period
Recovery of restricted monetary funds such as bill deposit	**69,841,860.93**	–
Project margin	**12,821,500.00**	14,489,983.85
Total	**82,663,360.93**	14,489,983.85

(4) *Other cash paid and related to investment activities*

RMB

Items	Amount in the current period	Amount in the last period
Payment of restricted monetary funds such as bill deposit	**73,632,646.37**	20,423,562.30
Cash paid for investment losses	**1,803,000.00**	–
Project margin	**80,000.00**	26,426,400.00
Total	**75,515,646.37**	46,849,962.30

(5) *Other cash received and related to fundraising activities*

RMB

Items	Amount in the current period	Amount in the last period
Recovery of restricted monetary funds such as wealth management margin	**463,958,512.35**	466,542,322.25
Total	**463,958,512.35**	466,542,322.25

(6) *Other cash paid and related to fundraising activities*

RMB

Items	Amount in the current period	Amount in the last period
Payment of restricted monetary funds such as wealth management margin	**370,719,825.78**	495,034,111.04
Expenses on issuance of convertible corporate bonds		1,078,799.67
Total	**370,719,825.78**	496,112,910.71

56. SUPPLEMENTARY INFORMATION FOR CASH FLOW STATEMENT

(1) Supplementary information for cash flow statement

RMB

	Amount in the current period	Amount in the last period
(1) Adjust net profit to cash flow from operating activities		
Net profit	**1,085,367,849.37**	1,002,747,876.79
Add: Asset impairment provision	**15,019,996.98**	6,723,522.16
Credit impairment losses	**906,628.62**	28,631,879.47
Determination method of fair value of identifiable assets and liabilities	**987,404.65**	715,735.20
Depreciation of fixed assets	**567,991,624.54**	355,898,987.44
Depreciation of right-of-use assets	**2,830,607.04**	2,407,419.35
Amortization of intangible assets	**312,173,703.77**	242,066,854.07
Amortization of long-term prepaid expenses	**2,820,714.87**	1,261,756.85
Losses for disposal of fixed assets, intangible assets and other long-term assets (gains)	**81,426.03**	9,150,998.74
Fair value change losses (gains)	**398,640.66**	3,660,869.06
Financial expenses	**227,617,023.65**	150,868,000.63
Investment losses (gains)	**-12,019,302.67**	-4,199,843.60
Decrease in deferred income tax assets (increase)	**-58,034,108.50**	-288,708.48
Increase in deferred income tax liabilities (decrease)	**79,093,606.15**	-19,428,711.33
Decrease in inventory (increase)	**-319,469,330.38**	772,843,489.17
Decrease of operating receivables (increase)	**-2,509,861,403.35**	-2,370,476,466.47
Increase in operating payables (decrease)	**-263,570,342.72**	708,230,611.01
Deferred income amortisation	**4,171,629.91**	-6,742,063.25
Increase in special reserve	**7,839,762.83**	6,350,203.03
Equity settled share-based payment	**10,303,702.44**	15,842,999.03
Net cash flow from operating activities	**-845,350,166.11**	906,265,408.87
(2) Net changes in cash and cash equivalents		
Balance of cash at the end of the period	**3,217,850,667.97**	3,244,825,371.34
Less: Balance of cash at the beginning of the period	**2,319,081,464.51**	2,101,730,679.46
Net increase in cash and cash equivalents	**898,769,203.46**	1,143,094,691.88

(2) *Component of cash and cash equivalents*

RMB

Items	Closing balance	Opening balance
I. Cash	**3,217,850,667.97**	2,319,081,464.51
Including: Cash on hand	**18,935.96**	15,002.78
Bank deposit available for payment	**3,217,831,732.01**	2,319,066,461.73
II. Cash and cash equivalents at the end of the year	**3,217,850,667.97**	2,319,081,464.51

57. ASSETS WITH RESTRICTED OWNERSHIP OR USE RIGHTS

RMB

Items	Book value at the end of the half year	Reasons for restriction
Monetary funds	**528,063,878.55**	Bills deposits, deposit certificate pledge, etc.
Bills receivable	**91,417,640.66**	Pledged to bank to obtain credit facilities
Financing receivables	**256,117,930.15**	Pledged to bank to obtain credit facilities
Invested properties	**16,655,025.43**	Pledged to bank to obtain credit facilities
Fixed assets	**2,186,775,950.63**	Pledged to bank to obtain credit facilities
Construction in progress	**195,377,536.17**	Pledged to bank to obtain credit facilities
Intangible assets	**467,324,672.85**	Pledged to bank to obtain credit facilities
Total	**3,741,732,634.44**	

58. FOREIGN CURRENCY MONETARY ITEM

Items	Foreign currency balance at the end of the half year	Translation exchange rate	RMB amounts at the end of the half year
Cash at bank and on hand	–	–	
Including: USD	166,449,348.92	7.2258	1,202,729,685.16
EUR	1,995,795.97	7.8771	15,721,084.43
JPY	93,883,290.00	0.0501	4,702,989.70
HKD	5,406,782.00	0.9220	4,984,944.87
GBP	3,890.49	9.1432	35,571.53
AUD	273,401.19	4.7992	1,312,106.99
Trade receivables	–	–	
Including: USD	92,528,977.44	7.2258	668,595,885.19
EUR	640,993.13	7.8771	5,049,166.98
AUD	79,053.30	4.7992	379,392.60
Borrowings	–	–	
Including: USD	100,720,000.00	7.2258	727,782,576.00
Other receivables	–	–	
Including: HKD	3,970.00	0.9220	3,660.26
Trade payables			
Including: USD	11,528,746.24	7.2258	83,304,417.58
EUR	229,432.03	7.8771	1,807,259.08

59. GOVERNMENT GRANTS

RMB

Items	Amount	Listed items	Amount included into current period profit or loss
Industry development grant	13,892,000.00	Other revenues/ Deferred revenue	3,982,090.09
Personal tax fee refunds	8,042,219.69	Other revenues	8,042,219.69
Foreign trade development grant	4,549,600.00	Other revenues	4,549,600.00
Research and development grant	2,500,000.00	Other revenues	2,500,000.00
Tax relief for recruiting veterans and poor household	1,289,450.00	Other revenues	1,289,450.00
Other	797,612.00	Other revenues	797,612.00

(VI.) CHANGE IN COMBINATION SCOPE

1. Business combinations involving enterprises not under common control

(1) Business combinations involving enterprises not under common control in the current period

RMB

Name of acquirer	Date of acquiring the equity interest	Acquisition cost	Equity interest acquired (%)	Acquisition method	Acquisition date	Income of acquiree from the acquisition date to the end of the period	Net profit of acquiree from the acquisition date to the end of the period
Subsidiaries of Fulaitai	2023/5/31	239,387.39	82	Cash purchase	2023/5/31	7,754,497.97	2,502,226.24

(2) Combination costs and goodwill

RMB

Combination costs	Subsidiaries of Fulaitai
– Cash	239,387.39
Total combination costs	239,387.39
Less: fair value of identifiable net assets acquired	239,387.39
Amount of goodwill/combination cost less than the fair value of identifiable net assets acquired	–

(3) *Identifiable assets and liabilities of acquiree at the acquisition date*

RMB

	Subsidiaries of Fulaitai	
	Fair value on the acquisition date	**Carrying amount on the acquisition date**
Assets:	57,050,953.43	57,050,953.43
Cash at bank and on hand	232,535.26	232,535.26
Receivables	365,868.41	365,868.41
Advance payment	14,304.23	14,304.23
Fixed assets	56,438,245.53	56,438,245.53
Liabilities:	56,811,566.04	56,811,566.04
Borrowing		
Payables	56,614,831.41	56,614,831.41
Other payables	120,200.00	120,200.00
Tax payable	76,534.63	76,534.63
Net assets	239,387.39	239,387.39
Less: net assets acquired from minority interests	239,387.39	239,387.39

Determination method of fair value of identifiable assets and liabilities:

According to relevant conditions including evaluation object, value type, data collection, asset-based method and income method are adopted respectively to evaluate the value of entire equity of shareholders of subsidiaries under Fulaitai. On the basis of the above evaluation, various preliminary value conclusions are fully and comprehensively analyzed according to the actual conditions. After comprehensively considering the rationality of different evaluation methods and preliminary value conclusions, the conclusions generated by the income method are determined as the evaluation conclusions of the evaluation object.

(VII.) INTERESTS IN OTHER ENTITIES

1. INTERESTS IN SUBSIDIARIES

Name of subsidiary	Principal place of business	Place of registration	Nature of business	Shareholding and voting rights percentage (%)		Acquisition method
				Direct	Indirect	
Zhejiang Flat Glass Co., Ltd.	Zhejiang, China	Zhejiang, China	Engaged in the manufacture and sale of architectural or household glass products	100	–	Establishment
Zhejiang Jiafu Glass Co., Ltd.	Zhejiang, China	Zhejiang, China	Manufacture and sale of photovoltaic glass	100	–	Establishment
Flat (Hong Kong) Investment Limited	Hong Kong, China	Hong Kong, China	Investments	–	100	Establishment
FLAT (AUSTRALIA) PTY LTD	Australia	Australia	Mine operations and sale of quartz ore	–	100	Establishment
Shanghai Flat Glass Co., Ltd.	Shanghai, China	Shanghai, China	Architectural glass processing	100	–	Establishment
Anhui Flat Solar Glass Co., Ltd.	Anhui, China	Anhui, China	Manufacture, processing and sale of special glass	100	–	Establishment
Fengyang Flat Natural Gas Pipeline Co., Ltd.	Anhui, China	Anhui, China	Natural gas pipeline installation and sales	–	100	Establishment
Fengyang Flat New Energy Technology Co., Ltd.	Anhui, China	Anhui, China	Investment, construction, operation and maintenance of new energy power plants	–	100	Establishment
Anhui Flat Supply Chain Management Co., LTD.	Anhui, China	Anhui, China	Supply chain management services	–	100	Establishment
Anhui Flat Solar Material Co., Ltd.	Anhui, China	Anhui, China	Mine operations and sale of quartz ore	–	100	Establishment

Name of subsidiary	Principal place of business	Place of registration	Nature of business	Shareholding and voting rights percentage (%)		Acquisition method
				Direct	Indirect	
Anhui Dahua Oriental Mining Co., Ltd.	Anhui, China	Anhui, China	Mine operations and sale of quartz ore	–	100	Acquisition
Anhui Sanli Mining Co., Ltd.	Anhui, China	Anhui, China	Mine operations and sale of quartz ore	–	100	Acquisition
Flat (Hong Kong) Limited	Hong Kong, China	Hong Kong, China	Glass Export	100	–	Establishment
Flat (Vietnam) Company Limited	Vietnam	Vietnam	Manufacture and sale of photovoltaic glass	–	100	Establishment
Flat (Vietnam) Import and Export Trade Limited	Vietnam	Vietnam	Import and export trade	–	100	Establishment
Jiaxing Flat New Energy Technology Co., Ltd.	Zhejiang, China	Zhejiang, China	Investment, construction, operation and maintenance of new energy power plants	100	–	Establishment
Flat (Jiaxing) Import and Export Trade Limited	Zhejiang, China	Zhejiang, China	Import and export trade	100	–	Establishment
Flat (Nantong) Solar Glass Co., LTD	Jiangsu, China	Jiangsu, China	Manufacture and sale of photovoltaic glass	100	–	Establishment
Flat (Suqian) Solar Glass Co., LTD	Jiangsu, China	Jiangsu, China	Manufacture and sale of photovoltaic glass	100	–	Establishment
Shanghai Flat Technology Development Co., LTD	Shanghai, China	Shanghai, China	Research and development for new materials and technologies	100	–	Establishment

Name of subsidiary	Principal place of business	Place of registration	Nature of business	Shareholding and voting rights percentage (%)		Acquisition method
				Direct	Indirect	
Jiaxing Flat Smart Devices Co., Ltd.	Zhejiang, China	Zhejiang, China	Manufacturing and selling of smart devices	100	–	Establishment
Nantong Flat Port Co., Ltd.	Jiangsu, China	Jiangsu, China	Port operation	100	–	Establishment
Jiaxing Kunlun Flat Energy Management Co., Ltd.	Jiangsu, China	Jiangsu, China	Energy management	100	–	Establishment
Fu Yan Light Energy Co., Ltd.	Zhejiang, China	Zhejiang, China	Power generation technology research and development and services	95.1	–	Establishment
Flat (Guangxi) Light Energy Co., Ltd.	Xingu, China	Guangxi, China	Manufacturing and selling of PV glass	100	–	Establishment
Flat (Yibin) Light Energy Co., Ltd.	Sichuan, China	Guangxi, China	Manufacturing and selling of PV glass	100	–	Establishment
Flat Light Energy Co., Ltd.	Zhejiang, China	Zhejiang, China	Selling of PV equipment and components, solar power generation technology and services	100	–	Establishment
Zhejiang Fulaitai New Energy Co., Ltd. and its subsidiaries	Zhejiang, China	Zhejiang, China	Power generation business, power transmission business, power supply (distribution) business	82		Establishment/ acquisition

2. INTEREST IN JOINT VENTURE OR ASSOCIATE

(1) Financial information summary of insignificant joint venture and associate

RMB

	Closing balance/ Amount incurred in the current period	Opening balance/ Amount incurred in the last period
Associate:		
Total invested book value	**96,178,807.63**	82,753,089.96
Listed total number calculated by shareholding percentage		
– Net profit	**13,425,717.67**	3,582,923.60
– Other comprehensive income		
– Total comprehensive income		

(VIII.) RISKS RELATED TO FINANCIAL INSTRUMENTS

At the end of the half year, major financial instruments of the Group include: cash at bank and on hand, trade financial assets, derivative financial asset, bills receivables, trade receivables, other receivables, trade financial assets, bills payable and trade payables, other payables, lease liabilities, bonds payables and borrowings. Details of each financial instruments are set out below:

RMB

Item	Closing balance	Opening balance
Financial asset		
Cash at bank and on hand	**3,745,914,546.52**	2,932,152,844.19
Trading financial assets	**2,000,000.00**	2,000,000.00
Bills receivables	**2,799,317,994.94**	2,505,753,674.34
Trade receivables	**3,041,044,241.19**	2,811,090,070.19
Financing receivables	**2,017,866,151.11**	784,825,969.52
Other receivables	**131,671,462.67**	101,299,773.96
Total	**11,737,814,396.43**	9,137,122,332.20
Financial liabilities		
Derivative financial liabilities	**2,164,609.64**	1,765,968.98
Bills payable	**730,792,817.56**	964,727,516.59
Trade payables	**4,557,172,754.60**	4,100,044,464.81
Other payables	**127,214,097.12**	638,603,416.10
Bonds payables (including interests payable)	**3,672,948,277.46**	3,596,108,827.51
Lease liabilities (including due within one year)	**12,550,031.01**	12,616,801.58
Borrowings	**11,054,982,646.41**	8,253,530,792.57
Total	**20,157,825,233.80**	17,567,397,788.14

The risks related to financial instruments and the risk management policies for risk mitigation of the Group are stated as following. The management of the Company will

1. RISK MANAGEMENT OBJECTIVES AND POLICIES

The risk management objectives of the Group are to obtain an appropriate balance between risk and return, to reduce negative effects caused by operating results to a lowest level, and to maximize interest of shareholders and other equity investors. Based on these objectives, the basic strategies are to confirm and analyze all potential risks related to the Group, to set appropriate risk limitations, to manage and monitor all risks timely and effectively, and to control the risks within a limited scope.

1.1 Market risk

The Group's business has caused its financial risks due to the changes in interest rates and foreign exchange rates. The Group believes that the above risks during the year or the manner in which they are managed and measured have not been changed compared to the previous year.

1.1.1 Foreign exchange risk

Foreign exchange risk refers to the risk of loss arising from the losses in exchange rate. The operating economic environment of the Company and its major subsidiaries is China and Vietnam whose functional currencies are RMB and VND. Some of the Group's transactions are settled in currencies other than functional currencies such as USD, EUR, JPY, HKD, GBP and AUD, and are subject to the resulting foreign exchange risk.

As at 30 June 2023, the Group's foreign currency assets and liabilities are set out below. The foreign exchange risk arising from the assets and liabilities of these foreign currency balances (see Notes Foreign Currency Items) may impact the Group's operating results.

RMB

Items	**Closing balance**	Opening balance
Cash and cash equivalents	**1,229,486,382.68**	678,593,517.48
Trade receivables	**674,024,444.77**	662,057,627.04
Other receivables	**3,660.26**	3,546.28
Trade payables	**85,111,676.66**	39,676,495.18
Others	-	2,046,428.53
Borrowings	**727,782,576.00**	950,326,348.86

The Group closely monitors exchange rate movements and formulates relevant hedging policies to reduce foreign exchange risk. Foreign exchange forward contracts can be used to eliminate foreign exchange risk. For the year ended 30 June 2023, the Company entered into contracts in relation to foreign currency assets of RMB151,741,800.00 (equivalent to USD21,000,000.00).

1.1.2 Interest rate risk

The Group's risks to the changes in cash flows of financial instruments arising from changes in interest rates is primarily related to floating rate bank borrowings and floating rate bank deposits. As at 30 June 2023, the Group's floating borrowings amounted to RMB8,943,754,050.00 (31 December 2022: RMB6,527,126,348.86). The management of the Group closely monitors interest rate risk. The Group's policy is to maintain the floating rate of these borrowings without any arrangement such as interest swap at present.

1.2 *Credit risk*

As at 30 June 2023, the maximum credit risk exposure that may cause the Group's credit losses is mainly due to the loss of the Group's financial assets caused by the failure of the other party to perform its obligations and the financial guarantees undertaken by the Group (without considering available collateral or other credit enhancements), specifically: cash at bank and on hand, bills receivable, trade receivables, trade receivables financing, other receivables, etc., and derivative financial assets that are not included in the scope of impairment assessment, etc. At the balance sheet date, the carrying amount of the Group's financial assets has represented its maximum credit risk exposure.

In order to reduce credit risk, the Group has established a team responsible for determining the credit limits and conducting credit approval. At the same time, the Group performs other monitoring procedures to ensure that necessary measures are taken to recover overdue claims. In addition, the Group reviews the recovery of financial assets on each balance sheet date to ensure that adequate credit loss provisions are made for the relevant financial assets. As a result, the management of the Group believes that the credit risk assumed by the Group has been significantly reduced.

The Group's cash at bank and on hand are deposited in banks with higher credit ratings, so cash at bank and on hand is subject to lower credit risk.

As at 30 June 2023, the Group's accounts receivable balance with the top five customers was RMB1,591,492,781.24 (31 December 2022: RMB1,494,010,210.89), accounting for 50.93% of the Group's account receivable balance (31 December 2022: 51.60%). In addition, the Group has no other significant credit risk exposure concentrated on a single financial asset or financial assets group with similar characteristics.

1.3 Liquidity risk

In managing the liquidity risk, the Group maintains and monitors the cash and cash equivalents that the management considers adequate to meet the Group's operational needs and mitigate the impact of fluctuations in cash flows. The management of the Group closely monitors the liquidity situation and expects to have sufficient sources of financing to finance the Group's operations. The management of the Group believes that the Group does not have any significant liquidity risk.

2. CAPITAL MANAGEMENT

The Group manages capital by optimizing the structure of liabilities and shareholders' equity to ensure that entities within the Group maintain operations while maximizing shareholder returns.

The capital structure of the Group consists of the Group's net debt and shareholders' equity.

The Group is not subject to external mandatory capital management requirements.

The Group manages and adjusts the capital structure based on changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust dividends to shareholders or obtain additional capital from shareholders. The Group has not made any adjustments to the objectives, policies and processes of capital management.

(IX.) DISCLOSURE OF FAIR VALUE

(1) Fair Value of the Closure Balance of Assets and Liabilities Measured at Fair Value

RMB

Items	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Continuous fair value				
(I) Trading financial assets			2,000,000.00	2,000,000.00
(II) Financing receivables			2,017,866,151.11	2,017,866,151.11
(III) Derivative financial balance		2,164,609.64		2,164,609.64
Total assets that continue to be measured at fair value		2,164,609.64	2,019,866,151.11	2,022,030,760.75

(2) The Basis for Determining the Market Value of the Item Continuing and Non-continuing Measured at Level 1 fair Value

The item continuing to be measured at the level 1 fair value refers to other equity instruments, with fair value quoted in the active market.

(3) Valuation Techniques and Qualitative and Quantitative Information on Important Parameters Adopted for the Second Level of Continuous and Non-continuous Fair Value Measurement

RMB

Items	Fair value as at 30 June 2023	Valuation techniques	Main input value
Financial liabilities classifiedas at FVTOCI	**2,164,609.64**	Market method	Forward exchange

(4) Valuation Techniques and Qualitative and Quantitative Information on Important Parameters Adopted for the Third Level of Continuous and Non-continuous Fair Value Measurement

RMB

Items	Fair value as at 30 June 2023	Valuation techniques	Significant unobservable inputs	Scope period
Trading financial assets – bank wealth management products	**2,000,000.00**	Discounted cash flow method	Forward exchange rate, discount rate	2.78%
Financing receivables	**2,017,866,151.11**	Discounted cash flow method	Expected discount rate	1.55%

(5) Fair Value of Financial Assets and Financial Liabilities Not Measured at Fair Value

The book value of financial assets and financial liabilities that the Group does not consider to be measured at fair value is similar to the fair value.

(X.) RELATED PARTIES AND RELATED PARTY TRANSACTION

1. THE GROUP'S JOINT VENTURE AND ASSOCIATE

Details of the group's significant joint venture or associate refers to notes.

Details of other joint ventures or associates that incurred a balance from having connected transactions with the Company in the current period or having connected transactions with the Company in the previous period set out below :

Name of joint venture and associate	Relationship with the Group
Kaihong Flat	Associate
Jiaxing Gas	Associate

2. OTHER RELATED PARTIES OF THE GROUP

Enterprise name	Relationship with the connected party
Jiaxing Yihe Investment Co., Ltd. (嘉興義和投資有限公司)	Controlled by one of the actual controllers of the Company
Fengyang Hongding Port Co., Ltd. (鳳陽鴻鼎港務有限公司)	Controlled by one of the actual controllers of the Company

3. RELATED PARTY TRANSACTIONS

(1) Connected transactions on purchase and sale of goods, providing and receiving labor services

RMB

Related party	Related party transaction	Amount in the current period	Amount in the last period
Kaihong Flat	Acceptance of service	**179,636,128.48**	123,486,566.66
Jiaxing Gas	Purchase of raw materials	**152,730,524.26**	113,681,503.02

(2) Related lease

The Company as Lessor:

RMB

Lessee name	Type of leased asset	Amount in the current period	Amount in the last period
Kaihong Flat	House lease	**146,754.50**	

The Company as Lessee:

RMB

		Rentals of simplified short-term leasing and low-value asset leasing (if applicable)	
Lessor name	**Content of the related party transaction**	**Amount in the current period**	Amount in the last period
Jiaxing Yihe Investment Co., Ltd. (嘉興義和投資有限公司)	House lease	**4,249,814.64**	4,249,814.64
Fengyang Hongding Port Co., Ltd. (鳳陽鴻鼎港務有限公司)	Pier lease	**825,688.08**	825,688.08

(3) Remuneration of key management personnel

RMB0'000

Item	Amount in the current period	Amount in the last period
Remuneration of key management personnel	**412.65**	369.54

4. AMOUNTS DUE TO/FROM RELATED PARTIES

(1) Receivables

RMB

		Closing balance		Opening balance	
Items	Related parties	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Advance payments	Jiaxing Gas	**3,526,219.00**		3,521,885.74	
Other receivables	Jiaxing Gas	**1,500,000.00**		1,500,000.00	
Other current assets	Fengyang Hongding Port Co., Ltd. (鳳陽鴻鼎港務有限公司)	**1,238,532.11**		412,844.04	
Other current assets	Jiaxing Yihe Investment Co., Ltd. (嘉興義和投資有限公司)	**529,292.79**			

(2) Payables

RMB

Items	Related parties	Closing balance	Opening balance
Trade payables	Kaihong Flat	**49,781,666.73**	61,814,588.62
Trade payables	Jiaxing Yihe Investment Co., Ltd. (嘉興義和投資有限公司)	–	134,441.53
Contract liabilities	Kaihong Flat	**252,880.50**	25,604.55
Other payables	Kaihong Flat	**400,000.00**	300,000.00

(XI.) SHARE-BASED PAYMENTS

1. Details of share-based payments

Unit: Share RMB

	2021 Share Option Incentive Scheme	2020 A-Share Restricted Share Incentive Scheme
Total equity instruments outstanding at the beginning of the period	**4,196,377.60**	3,320,000.00
Total equity instruments granted for the current period	–	
Total equity instruments unlocked for the current period	–	(140,000.00)
Total equity instruments outstanding at the end of the period	**4,196,377.60**	3,180,000.00
Exercise price in respect of equity instruments outstanding at the end of the period	**44.02**	7.29
Remaining contract terms in respect of equity instruments outstanding at the end of the period	**Approximately 3.4 years**	Approximately 2.1 years

Other descriptions:

1. *Restricted A Share Incentive Scheme*

Pursuant to the Resolution on Restricted A Share Incentive Scheme for 2020 of Flat Glass Group Co., Ltd. (Draft) and its Summary ("Restricted A Share Incentive Scheme For 2020"), the Resolution on Assessment Management Measures for the Implementation of the Restricted A Share Incentive Scheme for 2020 of Flat Glass Group Co., Ltd. as considered and approved at the 16th meeting of the fifth session of the Board held by the Company on 29 April 2020, the Resolution on Restricted A Share Incentive Scheme for 2020 of Flat Glass Group Co., Ltd. (Draft) and its Summary and the Resolution on Assessment Management Measures for the Implementation of the Restricted A Share Incentive Scheme for 2020 of Flat Glass Group Co., Ltd. as considered and approved at the 2019 Annual General Meeting, 2020 first A shareholders class meeting and 2020 first H shareholders class meeting 29 June 2020 and the Resolution on Adjusting the List of Participants and the Number of Restricted Shares Granted in the First Grant in Restricted A Share Incentive Scheme for 2020 of the Company and the Resolution on the First Grant of Restricted A Shares to the Participants as considered and approved at the 23rd meeting the fifth session of the Board held by the Company on 11 August 2020. The first grant date of restricted shares was 11 August 2020. A total of 15 participants actually subscribed for 4,600,000 RMB ordinary shares (A shares), with a par value of RMB0.25 per share at a grant price of RMB6.23 per share. As of 12 August 2020, the Company has received a total of RMB28,658,000.00 paid by 15 participants to subscribe for 4,600,000 RMB ordinary shares (A shares). The sales restriction period of each batch of restricted shares in the Restricted A Share Incentive Scheme For 2020 is 12 months, 24 months, 36 months, 48 months and 60 months from the date of completion of the first grant registration. The Company shall repurchase and cancel the restricted shares that have not applied for lifting the restrictions within the agreed period or that cannot be lifted due to the failure to meet the conditions for lifting the restrictions. The repurchase price is the grant price.

The Company held the 23rd meeting of the sixth session of the board of directors and the 20th meeting of the sixth session of the board of supervisors on 1 June 2022 to review and approve the Resolution About the First Grant of the 2020 Restricted A Share Incentive Scheme for the Reserved Part of the First Unlocking Period for the Achievement of Removing the Sales Restriction Conditions. According to the resolution, we lifted the sales restriction of the 140,000 restricted shares that met the conditions for lifting the restriction during the first lock-up period. The lifting of restrictions on sales has been authorised by the Company's 2019 annual general meeting, the first A share class meeting in 2020 and the first H share class meeting in 2020.

The Company held the 27th meeting of the sixth session of the board of directors and the 23rd meeting of the sixth session of the board of supervisors on 15 August 2022 to review and approve the Resolution About the First Grant of the 2020 Restricted A Share Incentive Scheme for the Reserved Part of the Second Unlocking Period for the Achievement of Removing the Sales Restriction Conditions. According to the resolution, we lifted the sales restriction of the 920,000 restricted shares that met the conditions for lifting the restriction during the second lock-up period. The lifting of restrictions on sales has been authorised by the Company's 2019 annual general meeting, the first A share class meeting in 2020 and the first H share class meeting in 2020.

The Company held the 37th Meeting of the Sixth Session of the Board of Directors and the 29th meeting of the Sixth Session of the Board of Supervisors on 6 June 2023 to review and approve the Resolution on Achievement of the Unlocking Conditions for the Reserved Part Under the 2020 Restricted A Share Incentive Scheme During the Second Unlocking Period. According to the resolution, the Company agreed to unlock 140,000 restricted shares of the reserved part under the 2020 Restricted A Share Incentive Scheme that achieved the unlocking conditions during the second lock-up period. This unlocking was authorized at the Company's 2019 Annual General Meeting, 2020 First A Shares Class Meeting, and 2020 First H Shares Class Meeting.

(2) *Share Option Scheme*

According to the Resolution About the 2021 A Share Option Incentive Scheme of Flat Glass Group Co., Ltd. (Draft) and Its Summary, Resolution on the Administrative Measures for the Implementation of the 2021 A Share Option Incentive Scheme of Flat Glass Group Co., Ltd. which were reviewed and approved by the seventh meeting of the sixth session of the board of directors and the fifth meeting of the sixth session of the board of supervisors held by the Company on 17 August 2021, the Resolution on the 2021 A Share Option Incentive Scheme of Flat Glass Group Co., Ltd. (Revised Draft) and Its Summary and Resolution on Flat Glass Group Co., Ltd. 2021 A Share Option Incentive Scheme (Revised Draft) which were reviewed and approved by the eighth meeting of the sixth session of the board of directors held on 12 October 2021 and the sixth meeting of the sixth session of the board of supervisors, the Resolution on the First Grant of 2021 A Share Options to Participant, which was reviewed and approved by the eleventh meeting of the sixth session of the board of directors held by the company on 19 November 2021 by authorisation of the Company's third extraordinary general meeting in 2021, the third A share class meeting in 2021 and the third H share class meeting in 2021, the first grant date was set on 19 November 2021 and 5,341,072 A share options were granted to 288 eligible participants, with exercise price RMB44.02 per share. During the share option registration process after the authorisation date was determined, 5 participants gave up the subscription due to personal reasons. The company actually granted a total of 5,245,472 A share options to 283 participants. The lock-up periods for the exercise periods of the first grant of share options are 12 months, 24 months, 36 months, 48 months, and 60 months from the date of first grant of partial share options. The share options not fulfilling the exercise conditions during the above lock-up periods shall not be exercised or deferred to the next exercise period, and the Company shall cancel the corresponding share options of the participants according to the terms stipulated in the incentive scheme. After the expiration of each exercise period of the share options, the relevant share options that have not been exercised by the participants shall be terminated, and the Company will cancel the share options.

2. **Equity settled share-based payments**

RMB

	Share option incentive scheme 2021	Restricted A Share Incentive Scheme for 2020
Method for determining the fair value as at the grant date	**Black-Scholes Model**	Open market quotation of the grant date
Basis for determining the number of equity instruments with exercisable rights	**When the optionee reaches the exercise period in the stock option scheme, and meets the appraisal conditions of the Company's results and personal performance, the corresponding equity instrument is the equity instrument of the exercisable right**	When the optionee reaches the exercise period in the stock option scheme, and meets the appraisal conditions of the Company's results and personal performance, the corresponding equity instrument is the equity instrument of the exercisable right
Reasons for significant differences of estimate between the current year and the previous period	**Nil**	Nil
Cumulative amount of equity settled share-based payment recognized into capital reserves	**14,397,783.54**	80,505,142.40
Total recognized fees of share-based payment settled in equity in the current period	**3,670,136.20**	6,633,566.23

Other descriptions:

Determination method of fair value of equity instruments: The Black-Scholes model is used to determine fair value, and the relevant data input to the model on the grant date are as follows:

	2021 Share Option Incentive Scheme
Exercise price of share options	RMB44.02/share
Market price on the grant date of shares	RMB42.89/share
Standard deviation – annualized volatility	14.73%~18.71%
Risk-free interest rate	1.50%~2.75%
Expected duration	5 years

(XII.) COMMITMENTS AND CONTINGENCIES

1. Significant Matters of Commitments

Important external commitments, nature and amount on the balance sheet date

RMB

Items	**Closing balance**	Opening balance
Contracted but not confirmed in the financial statements Purchase		
– Build long-term asset commitments	**4,161,757,299.55**	4,698,251,664.98
– Investment commitment	–	520,947,600.00

2. Contingencies

The Group does not have any significant contingencies that need to be disclosed.

(XIII.) MATTERS SUBSEQUENT TO THE BALANCE SHEET DATE

1. Important non-adjustment matters

RMB

Item	Content
Issuance of shares and bonds	After resolution at the 23rd Meeting of the Sixth Session of the Board of Directors, 2022 First Extraordinary General Meeting, 2022 First A Shares Class Meeting, and 2022 First H Shares Class Meeting, upon approval by the China Securities Regulatory Commission through the Reply to Approval of Non-public Issuance of Shares of Flat Glass Group Co., Ltd. (Zheng Jian Xu Ke [2022] No.2742), the Company was approved to non-public issue of not more than 509,068,000 Renminbi ordinary shares (A shares), with a par value of RMB0.25 each. As of 19 July 2023, the Company completed the non-public issuance of 204,429,301 A-shares at a issue price of RMB29.35/share, with total proceeds of RMB5,999,999,984.35.

(XIV.) OTHER SIGNIFICANT MATTERS

1. SEGMENT REPORT

(1) Basis and account policy of segment report

According to the internal organizational structure, management requirements and internal reporting system of the Group, the Group's operating activities are divided into five operating segments. Based on the operating segments, the Group has identified five reporting segments, namely the PV glass segment, the household glass segment, architectural glass segment, float glass segment and mining products segment. These reporting segments are based on product categories. The main products provided by each of the Group's reporting segments are PV glass, household glass, architectural glass, float glass and mining products. The management of the Group regularly evaluates the operating results of these segments to determine the resources to be allocated to them and to evaluate their performance. The evaluation does not include the review of the assets and liabilities of the operating segments.

Segment report information is disclosed in accordance with the accounting policies and measurement standards adopted by each segment when reporting to management. It has confirmed and measured segment report information in accordance with China accounting standards.

(2) Segment report information

RMB

	Amount in the current period							
	PV glass	Household glass	Architecture glass	Float glass	Mining products	Other business	Mutual offset among segments	Total
Segment operating revenue	8,786,856,981.27	153,739,436.87	262,976,213.10	171,486,283.56	272,461,910.70	30,902,524.24		9,678,423,349.74
Segment operating costs	7,027,912,880.98	142,013,153.77	243,318,414.28	216,424,473.01	192,381,489.17	5,951,748.88		7,828,002,160.09
Segment profit	1,758,944,100.29	11,726,283.10	19,657,798.82	(44,938,189.45)	80,080,421.53	24,950,775.36		1,850,421,189.65
Adjusted items:								
Less: Taxes and surcharges								84,960,558.56
Selling expenses								41,199,585.98
Administrative expenses								120,524,957.28
Research and development expenses								286,539,318.55
Financial expenses								156,542,936.02
Including: Interest expense								248,289,348.87
Interest income								31,712,351.86
Add: Other income								27,715,344.53
Investment income								12,019,302.67
Profit (losses) arising from changes in fair value								-398,640.66
Credit impairment losses								-906,628.62
Asset impairment losses								-15,019,996.98
Losses on disposal of assets								-81,426.03
II. Operating profit								1,183,981,788.17
Add: Non-operating income								1,376,967.75
Less: Non-operating expenses								911,601.21
III. Total profit								1,184,447,154.71
Less: Income tax expense								99,079,305.34
IV. Net profit								1,085,367,849.37

(XV.) NOTES TO THE STATEMENTS OF THE PARENT COMPANY

1. TRADE RECEIVABLE

(1) Disclosed by the aging

RMB

Aging	Closing balance
Within 1 year	863,651,973.04
Subtotal within 1 year	863,651,973.04
1–2 years	16,556,837.38
2–3 years	7,215,706.93
Over 3 years	1,361,976.62
Total	888,786,493.97

(2) Disclosed by bad debt provision method

RMB

	Closing balance				
	Book balance		Bad debt provision		
Classification	Amount	Percentage (%)	Amount	Accrual Percentage (%)	Book value
Bad debt provision by portfolio	888,786,493.97	100.00	35,605,425.82	4.01	853,181,068.15
Including:					
Low risk	157,557,416.52	17.73	–	–	157,557,416.52
Normal	693,870,354.54	78.06	12,212,118.24	1.76	681,658,236.30
Concerned	35,863,902.72	4.04	21,898,487.39	61.06	13,965,415.33
Loss	1,494,820.19	0.17	1,494,820.19	100.00	–
Total	888,786,493.97	100.00	35,605,425.82	4.01	853,181,068.15

Classification	Opening balance				
	Book balance		Bad debt provision		
	Amount	Percentage (%)	Amount	Accrual Percentage (%)	Book value
Bad debt provision by portfolio	907,518,798.61	100.00	40,557,333.24	4.47	866,961,465.37
Including:					
Low risk	183,373,505.19	20.21	–	–	183,373,505.19
Normal	665,468,857.76	73.33	11,712,251.91	1.76	653,756,605.85
Concerned	57,192,088.44	6.30	27,360,734.11	47.84	29,831,354.33
Loss	1,484,347.22	0.16	1,484,347.22	100.00	–
Total	907,518,798.61	100.00	40,557,333.24	4.47	866,961,465.37

Normal with bad debt provision by portfolio

RMB

Name	Closing balance		
	Trade receivables	**Bad debt provision**	**Provision percentage (%)**
Low risk	**157,557,416.52**	**–**	
Normal	**693,870,354.54**	**12,212,118.24**	**1.76**
Concerned	**35,863,902.72**	**21,898,487.39**	**61.06**
Loss	**1,494,820.19**	**1,494,820.19**	**100.00**
Total	**888,786,493.97**	**35,605,425.82**	**4.01**

(3) Provisions for bad debts

RMB

Category	Opening balance	Amount changed in the period		**Closing balance**
		Collected or reversed	Charged-off or written-off	
Credit impairment loss	40,557,333.24	4,576,754.37	375,153.05	**35,605,425.82**
Total	40,557,333.24	4,576,754.37	375,153.05	**35,605,425.82**

(4) *Accounts receivable actually written-off in the period*

RMB

Item	Amount written-off
Accounts receivable actually written-off	375,153.05

(5) *Details of top five trade receivables with the closing balances classified by the borrowers*

At the end of the period, the top five trade receivables of the Group with the closing balances classified by the borrowers amounted to RMB554,342,085.18 (as at the end of the previous year: RMB553,045,942.11), accounting for 62.37% (as at the end of the previous year: 58.74%) of the total balance of trade receivables and the provision for credit losses of top five trade receivables amounted to RMB8,195,771.3 (as at the end of the previous year: RMB6,979,847.36).

2. OTHER RECEIVABLES

RMB

Items	Closing balance	Opening balance
Other receivables	**1,742,571,935.31**	1,796,012,370.71
Total	**1,742,571,935.31**	1,796,012,370.71

Other receivables

(1) Disclosed by aging

RMB

Aging	Closing book balance
Within 1 year	**762,565,094.50**
Subtotal within 1 year	**762,565,094.50**
1–2 years	**622,793,918.27**
2–3 years	**339,878,600.00**
Over 3 years	**17,334,322.54**
Total	**1,742,571,935.31**

(2) Other receivables classified by nature

RMB

Nature	Closing book balance	Opening book balance
Amount due from subsidiaries	**1,735,455,210.65**	1,794,558,135.25
Margin	**5,336,000.00**	336,000.00
Reserve fund	**123,500.00**	265,000.00
Deposit	**553,150.00**	595,150.00
Others	**1,104,074.66**	258,085.46
Total	**1,742,571,935.31**	1,796,012,370.71

(3) Details of top five other receivables with the closing balance classified by the borrower

RMB

Name	Amount nature	Closing balance	Aging	Percentage in the total Closing balance of other receivable (%)	Closing balance of bad debt provisions
Flat (Hong Kong) Co., Limited	Amounts receivable due from subsidiaries	1,170,579,600.00	Within 1 year	67.18	–
Fengyang Flat New Energy Technology Co., Ltd.* (鳳陽福萊特新能源科技有限公司)	Amounts receivable due from subsidiaries	406,000,000.00	2 to 3 years	23.30	–
Anhui Sanli Mining Co., Ltd.* (安徽三力礦業有限責任公司)	Amounts receivable due from subsidiaries	131,831,249.35	2 to 3 years	7.57	–
Flat (Hong Kong) Co., Limited	Amounts receivable due from subsidiaries	19,319,889.88	Within 1 year	1.11	–
Wuxuan Baoxin Mining Co., Ltd.* (武宣寶鑫礦業有限公司)	Security deposit	5,000,000.00	Within 1 year	0.29	–
Total	/	1,732,730,739.23	/	99.45	–

3. LONG-TERM EQUITY INVESTMENT

RMB

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiary	4,169,717,343.00		4,169,717,343.00	4,158,237,343.00		4,158,237,343.00
Investment in joint venture and associate	23,211,264.03		23,211,264.03	17,699,229.86		17,699,229.86
Total	4,192,928,607.03		4,192,928,607.03	4,175,936,572.86		4,175,936,572.86

(1) Investment in subsidiary

RMB

Invested unit	Opening balance	Increased amount in the current period	Closing balance	Closing balance of impairment provision
Zhejiang Flat Glass Co., Ltd.	10,000,000.00	–	10,000,000.00	**10,000,000.00**
Zhejiang Jiafu Glass Co., Ltd.	150,000,000.00	–	150,000,000.00	**150,000,000.00**
Shanghai Flat Glass Co., Ltd.	70,000,000.00	–	70,000,000.00	**70,000,000.00**
Anhui Flat Solar Glass Co., Ltd.	1,030,000,000.00	2,805,000,000.00	3,835,000,000.00	**3,835,000,000.00**
Flat (Hong Kong) Limited	66,137,343.00	–	66,137,343.00	**66,137,343.00**
Jiaxing Flat New Energy Technology Co., Ltd.	10,000,000.00	–	10,000,000.00	**10,000,000.00**
Flat (Jiaxing) Import and Export Trade Limited	7,000,000.00	–	7,000,000.00	**7,000,000.00**
Anhui Sanli Mining Co.,Ltd	2,065,000,000.00	-2,065,000,000.00	–	–
Anhui Dahua Oriental Mining Co., Ltd.	740,000,000.00	-740,000,000.00	–	–
Nantong Flat Port Co., Ltd.	100,000.00		100,000.00	**100,000.00**
Jiaxing Flat Intelligent Equipment Co., Ltd.	10,000,000.00		10,000,000.00	**10,000,000.00**
Zhejiang Fulaitai New energy Co., Ltd		11,480,000.00	11,480,000.00	**11,480,000.00**
Total	4,158,237,343.00	11,480,000.00	4,169,717,343.00	**4,169,717,343.00**

(2) Revenue from contract

RMB

Contract classification	**Total**
Categories of goods	
PV glass	**1,826,536,278.11**
Float glass	**185,288,086.47**
Household glass	**87,828,754.22**
Architectural glass	**266,588,893.75**
Income from other business	**208,110,567.77**
Total	**2,574,352,580.32**

5. INVESTMENT INCOME

RMB

Items	**Amount for the Period**	Amount for last period
Income from long-term equity investments under the equity method	**5,512,034.17**	2,293,819.60
Total	**5,512,034.17**	2,293,819.60

Supplementary Information

(I.) DETAILS OF CURRENT PERIOD EXTRA-ORDINARY PROFIT OR LOSS

RMB

Items		Amount for the Period
Losses on disposal of non-current assets		− 81,426.03
Government grants recorded in current profit or loss (except for government grants closely associated with the business of the Company in fixed amount or fixed quantity according to national policies)		18,857,032.09
Apart from hedging instruments relating to the normal operations of the Company, gains from change in fair value of held-for trading financial assets, derivative financial assets and derivative financial liabilities, and investment income from disposal of the above financial assets/liabilities and financing receivables		− 1,805,055.66
Other non-operating income and expenses other than above		465,366.54
Less:	Effects of income tax	− 2,470,566.03
	Effects on minority interests	
Total		14,965,350.91

(II.) RETURN ON NET ASSETS AND EARNING PER SHARE

RMB

Profit in the reporting period	Weighted average return on equity (%)	Earnings per share Basic earnings per share	Diluted earnings per share
Net profit attributable to the ordinary shareholders of the Company	7.43	0.51	0.51
Net profit attributable to ordinary shareholders of the Company excluding non-recurring items	7.33	0.50	0.50