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福萊特玻璃集團股份有限公司

Flat Glass Group Co., Ltd.

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 6865)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Flat Glass Group Co., Ltd. (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (together, the “**Group**”) for the six months ended 30 June 2025. This announcement containing the full text of the interim report of the Company for the six months ended 30 June 2025 (the “**Interim Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in relation to information to accompany preliminary announcement of interim results.

PUBLICATION OF 2025 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.flatgroup.com.cn), and the 2025 Interim Report of the Company containing all the information required by the Listing Rules will be despatched to shareholders (if requested) and published on the respective websites of the Company and the Stock Exchange in due course.

By order of the Board of
Flat Glass Group Co., Ltd.
Ruan Hongliang
Chairman

Jiaxing, Zhejiang Province, The People's Republic of China, 27 August 2025

As at the date of this announcement, the executive Directors are Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Zeyun, Mr. Wei Yezhong and Mr. Shen Qifu, and the independent non-executive Directors are Ms. Xu Pan, Ms. Du Jian and Ms. Ng Yau Kuen Carmen.



Contents

	<i>Page(s)</i>
CORPORATE INFORMATION.....	2
FINANCIAL SUMMARY	3
MANAGEMENT DISCUSSION AND ANALYSIS	4
CORPORATE GOVERNANCE AND OTHER INFORMATION.....	24
CONSOLIDATED BALANCE SHEET	38
BALANCE SHEET OF THE PARENT COMPANY	41
CONSOLIDATED INCOME STATEMENTS	44
INCOME STATEMENTS OF THE PARENT COMPANY	46
CONSOLIDATED STATEMENTS OF CASH FLOW	47
STATEMENTS OF CASH FLOW OF THE PARENT COMPANY	49
CONSOLIDATED STATEMENTS OF CHANGES IN OWNERS' EQUITY.....	51
STATEMENTS OF CHANGES IN OWNERS' EQUITY OF THE PARENT COMPANY	53
NOTES TO THE FINANCIAL STATEMENTS.....	55
SUPPLEMENTARY INFORMATION.....	221

Corporate Information

DIRECTORS

Executive directors

Mr. Ruan Hongliang
(Chairman of the Board of Directors)
Ms. Jiang Jinhua
Ms. Ruan Zeyun
Mr. Wei Yezhong
Mr. Shen Qifu

Independent non-executive directors

Ms. Xu Pan
Ms. Du Jian
Ms. Ng Yau Kuen Carmen

SUPERVISORS

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

AUDIT COMMITTEE

Ms. Xu Pan (Chairman)
Ms. Du Jian
Ms. Ng Yau Kuen Carmen

REMUNERATION COMMITTEE

Ms. Xu Pan (Chairman)
Mr. Ruan Hongliang
Ms. Du Jian

NOMINATION COMMITTEE

Ms. Xu Pan (Chairman)
Mr. Ruan Hongliang
Ms. Du Jian

STRATEGIC DEVELOPMENT COMMITTEE

Mr. Ruan Hongliang (Chairman)
Ms. Ruan Zeyun
Ms. Xu Pan

RISK MANAGEMENT COMMITTEE

Mr. Ruan Hongliang (Chairman)
Ms. Jiang Jinhua
Ms. Du Jian

COMPANY SECRETARY

Ms. Ruan Zeyun

AUTHORISED REPRESENTATIVES

Mr. Ruan Hongliang
Ms. Ruan Zeyun

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

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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
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Hong Kong

CORPORATE WEBSITE

www.flatglass.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

Financial Summary

Six months ended 30 June

	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Operating revenue	7,737,028.14	10,695,995.50
Operating costs	6,649,921.15	8,152,106.51
Gross profit	1,087,106.99	2,543,888.99
Total profit	275,338.34	1,712,024.61
Income tax expense	9,380.96	211,763.67
Net profit	265,957.38	1,500,260.94

	As at 30 June 2025	As at 31 December 2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Non-current assets	30,066,885.60	29,042,752.00
Current assets	13,129,936.15	13,877,046.04
Current liabilities	8,498,734.37	8,695,527.99
Net current (liabilities) assets	4,631,201.78	5,181,518.05
Total assets less current liabilities	34,698,087.38	34,224,270.05
Net assets	21,948,667.81	21,784,160.88
Share capital	585,730.03	585,729.89
Undistributed profit	10,075,404.84	9,814,310.24
Total equity	21,948,667.81	21,784,160.88

Management Discussion and Analysis

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, Turkey, the United States and Southeast Asia.

SHARE SCHEMES OF THE COMPANY

2020 Restricted A Share Incentive Scheme

On 29 June 2020, the shareholders of the Company approved a restricted A share incentive scheme (the “2020 Incentive Scheme”). The principal terms of the 2020 Incentive Scheme are as follows:

a. The purpose of the 2020 Incentive Scheme

For the purpose of further improving the corporate governance structure, establishing and improving the Company’s long-term incentive and restraint mechanism, attracting and retaining senior and middle management and key technical staff, fully mobilizing their enthusiasm, effectively enhancing the cohesion of core team and core competitiveness of the enterprise, bonding the interests of shareholders, the Company and core teams together effectively, enabling all parties to jointly pay attention to the long-term development of the Company and securing the successful achievement of the Company’s long-term development goals and business objectives, and under the premise of fully safeguarding the interests of the shareholders, the 2020 Incentive Scheme is prepared following the principle of reciprocity between revenue and contribution in accordance with the relevant laws, regulations and normative documents including the Company Law of the PRC, the Securities Law of the PRC and the Assessment Management Measures for the Implementation of the Restricted A Share Incentive Scheme for 2020 of the Company, the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”), as well as the Articles of Association.

b. *The participants of the 2020 Incentive Scheme*

The participants of the 2020 Incentive Scheme include the senior and middle management and key technical staff of the Company (including its subsidiaries).

c. *The total number of Shares available for issue*

6,000,000 restricted A Shares are proposed to be granted under the 2020 Incentive Scheme, representing 0.31% of the Company's total share capital of 1,950,000,000 Shares as at 29 June 2020, including 5,000,000 A Shares under the first grant, representing 0.26% of the Company's total share capital as at 29 June 2020 and 83.33% of the total restricted shares to be granted under the 2020 Incentive Scheme; and 1,000,000 reserved A Shares, representing 0.05% of the Company's total share capital as at 29 June 2020 and 16.67% of the total restricted shares to be granted under the 2020 Incentive Scheme.

There are no shares available for issue under the 2020 Incentive Scheme as at the date of the 2025 interim results announcement.

d. *The maximum entitlement of each participant*

The total number of A Shares to be granted to any participant under all the fully effective share incentive schemes of the Company shall not exceed 1.00% of the total share capital of the Company.

e. *The remaining life of the 2020 Incentive Scheme*

The validity period of the 2020 Incentive Scheme shall commence on the grant date and end on the date when all the restricted shares are unlocked or otherwise repurchased and cancelled, which shall not be longer than 72 months. As at 30 June 2025, the remaining life of the first granted shares of the 2020 Incentive Scheme and the reserved granted shares of the 2020 Incentive Scheme shall be 14 months and 23 months, respectively.

Details of the restricted shares granted under the 2020 Incentive Scheme during the six months ended 30 June 2025 are set out below:

Category of participants	Date of grant	Lock-up period	Grant price (RMB)	Number of Restricted Shares					As at 30 June 2025
				As at 1 January 2025	Granted during the period	Attributed during the period	Cancelled during the period	Lapsed during the period	
14 Employees	11 August 2020	<i>Notes 1, 3</i>	6.23 <i>(Note 5)</i>	860,000	Nil	Nil	Nil	Nil	860,000
3 Employees	25 May 2021	<i>Notes 2, 3</i>	14.23 <i>(Note 6)</i>	280,000	Nil	140,000	Nil	Nil	140,000
Total				1,140,000	Nil	140,000	Nil	Nil	1,000,000
						<i>(Note 4)</i>			

Notes:

- The unlocking arrangement for the restricted shares under the first grant of the 2020 Incentive Scheme is shown in the table below:

Unlocking arrangement	Unlocking Period	Unlocking proportion
First Unlocking Period	Commencing from the first trading day upon the expiry of 12 months from the grant date of the first grant of the restricted shares to the last trading day upon the expiry of 24 months from the grant date of the first grant of the restricted shares	20%
Second Unlocking Period	Commencing from the first trading day upon the expiry of 24 months from the grant date of the first grant of the restricted shares to the last trading day upon the expiry of 36 months from the grant date of the first grant of the restricted shares	20%
Third Unlocking Period	Commencing from the first trading day upon the expiry of 36 months from the grant date of the first grant of the restricted shares to the last trading day upon the expiry of 48 months from the grant date of the first grant of the restricted shares	20%
Fourth Unlocking Period	Commencing from the first trading day upon the expiry of 48 months from the grant date of the first grant of the restricted shares to the last trading day upon the expiry of 60 months from the grant date of the first grant of the restricted shares	20%
Fifth Unlocking Period	Commencing from the first trading day upon the expiry of 60 months from the grant date of the first grant of the restricted shares to the last trading day upon the expiry of 72 months from the grant date of the first grant of the restricted shares	20%

2. The unlocking arrangement for the reserved restricted shares is shown in the table below:

Unlocking arrangement	Unlocking Period	Unlocking proportion
First Unlocking Period	Commencing from the first trading day upon the expiry of 12 months from the grant date of the reserved restricted shares to the last trading day upon the expiry of 24 months from the grant date of the reserved restricted shares	20%
Second Unlocking Period	Commencing from the first trading day upon the expiry of 24 months from the grant date of the reserved restricted shares to the last trading day upon the expiry of 36 months from the grant date of the reserved restricted shares	20%
Third Unlocking Period	Commencing from the first trading day upon the expiry of 36 months from the grant date of the reserved restricted shares to the last trading day upon the expiry of 48 months from the grant date of the reserved restricted shares	20%
Fourth Unlocking Period	Commencing from the first trading day upon the expiry of 48 months from the grant date of the reserved restricted shares to the last trading day upon the expiry of 60 months from the grant date of the reserved restricted shares	20%
Fifth Unlocking Period	Commencing from the first trading day upon the expiry of 60 months from the grant date of the reserved restricted shares to the last trading day upon the expiry of 72 months from the grant date of the reserved restricted shares	20%

3. For the restricted shares that have not been applied for unlocking or cannot be applied for unlocking due to failure to meet the unlocking conditions during the aforesaid unlocking periods, the Company will repurchase and cancel such restricted shares from relevant participants in accordance with the principles of the 2020 Incentive Scheme. If the unlocking conditions are satisfied, the Company shall handle the unlocking of the restricted shares which satisfied the conditions at its discretion. Please refer to the circular of the Company dated 27 May 2020 for details of the unlocking conditions under the 2020 Incentive Scheme.
4. The weighted average closing price of the shares immediately before the dates on which the restricted shares were vested is RMB14.47.
5. With reference to the relevant requirements under the Management Measures for Share Incentive Scheme Adopted by Listed Companies (上市公司股權激勵管理辦法) issued by the CSRC, the grant price of the restricted shares under the first grant shall not be lower than the par value of the Shares, and shall be the higher of the following:
- (1) 50% of the average trading price of the Shares of the Company for the last trading day immediately preceding the date of the 2020 Incentive Scheme draft, being RMB6.23 per share;
 - (2) 50% of the average trading price of the Shares of the Company for the last 20 trading days immediately preceding the date of the 2020 Incentive Scheme draft, being RMB5.75 per share.

6. Before each grant of the reserved restricted shares, the Company shall hold a meeting of the board of directors (the “Board”) to pass the relevant resolution, and shall disclose an announcement on such grant. With reference to the relevant requirements under the Management Measures for Share Incentive Scheme Adopted by Listed Companies (上市公司股權激勵管理辦法) issued by the CSRC, the grant price of the reserved restricted shares shall not be lower than the par value of the Shares, and shall be the higher of the following:

- (1) 50% of the average trading price of the Shares of the Company for the last trading day immediately preceding the date of Board meeting relating to the grant of the reserved restricted shares;
- (2) 50% of the average trading price of the Shares of the Company for the last 20 trading days immediately preceding the date of Board meeting relating to the grant of the reserved restricted shares.

On 25 May 2021, the Company hold the second meeting of the sixth Board to consider and approve the Proposal on the Reserved Grant of the Restricted A Shares to Participants. Pursuant to which, the Company agreed to grant 700,000 restricted A shares to three participants, at the grant price of RMB14.23 per share on the grant date of 25 May 2021.

The number of restricted shares available for grant under the 2020 Incentive Scheme at 1 January

2021 A Share Option Incentive Scheme

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

The principal terms of the 2021 A Share Option Scheme are as follows:

a. Purpose of the 2021 A Share Option 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 2021 A Share Option Scheme

Participants of the 2021 A Share Option 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 2021 A Share Option Scheme published on the website of the Shanghai Stock Exchange. The Remuneration Committee prepared a list of eligible scope of the participants of the 2021 A Share Option Scheme and the list was reviewed and confirmed by the Supervisory Committee. None of the participants of the 2021 A Share Option Scheme is a Director or supervisor of the Company.

c. *Total number of Shares available for issue under the 2021 A Share Option Scheme and percentage to the issued share capital*

The number of share options proposed to be granted under the 2021 A Share Option Scheme is 5,947,858, representing approximately 0.28% of the total issued share capital of 2,146,893,254 Shares (excluding treasury shares) as at the date of approval, among which, the first grant of share options consists of 5,353,072 Shares (the “First Grant”), 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 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 Company has terminated the implementation of 2021 A Share Option Scheme as at 30 June 2025.

d. *Maximum entitlement of each participant under the 2021 A Share Option Scheme*

The total number of Shares to be granted under the 2021 A Share Option Scheme to any one of the above participants during the validity period will not exceed 1.00% of the Company’s total share capital. The total number of target shares involved in the 2021 A Share Option Scheme during the validity period will not exceed 10.00% of the total share capital of the Company when the 2021 A Share Option 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 2021 A Share Option 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 2021 A Share Option Scheme, the granted share options are exercisable in five tranches upon expiry of 12 months from the Date of Grant.

f. The amount payable on acceptance of the option and the period within which payments must be made

There is no amount payable on application or acceptance of the option and there is no time requirement for which payments must or may be made.

g. The remaining life of the 2021 A Share Option Scheme

The validity period of the 2021 A Share Option Scheme commenced from the grant date of the share options i.e. 19 November 2021 and shall end on the date on which all the share options granted to the participants under the 2021 A Share Option Scheme have been exercised or cancelled, and shall not be longer than 72 months.

h. Accounting policy adopted for the share options

The date of the grant is 19 November 2021. On each balance sheet date within the vesting period, the Company shall recognize the relevant assets costs or current expenses for the services acquired during such period and shall be recognized under “Capital Reserve – Other Capital Reserve” at the fair value of the share options on the Date of Grant based on the best estimate of the number of exercisable share options.

If the exercise conditions are met on the Exercise Date, the share options can be exercised and carried forward to the “Capital Reserve – Other Capital Reserve” recognized on each balance sheet date before the Exercise Date; if all or part of the share options become invalid or are abolished due to failure to exercise, it shall be treated in accordance with accounting standards and related regulations.

As for the accounting treatment after the exercise date, no adjustment shall be made to the confirmed costs and total owner’s equity.

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)

As the internal and external environment in which the Company is operating has undergone great changes since the formulation of the 2021 A Share Option Scheme, it is difficult for the Company to achieve the expected incentive goals and effects of the 2021 A Share Option Scheme. To effectively incentive employees and protect the interests of the Company, employees, and shareholders as a whole, the Board proposed to terminate the implementation of the 2021 A Share Option Scheme and the supporting documents including the 2021 A Share Option Incentive Scheme and the Appraisal Management Measures for Implementation of the 2021 A Share Option Incentive Scheme. The termination of the 2021 A Share Option Scheme was approved by the shareholders at the annual general meeting held on 16 June 2025, and the outstanding 3,147,284 share options under the 2021 A Share Option Incentive Scheme were cancelled accordingly. For further details, please refer to the announcement of the Company dated 29 April 2025 and the circular of the Company dated 22 May 2025.

As at 30 June 2025, the details of movement in share options granted under the 2021 A Share Option Scheme are as follows:

Grantees	Date of grant	Exercise price (RMB)	Exercise period and exercisable portion of the share options granted	Vesting schedule of the share options granted	Number of share options				As at 30 June 2025
					Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	
Mr. Zhu Yuping ^{Note 1}	19 November 2021	43.17 ^{Note 2}	<i>Note 3</i>	<i>Note 4</i>	Nil	Nil	24,000	Nil	Terminated
Other 282 Employees	19 November 2021	43.17 ^{Note 2}	<i>Note 3</i>	<i>Note 4</i>	Nil	Nil	3,123,284	Nil	Terminated
Total					-	-	<u>3,147,284</u>	-	<u>Terminated</u>

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 is RMB44.02 per share. According to the relevant provisions of the Measures for the Management of Equity Incentives for Listed Companies (《上市公司股权激励管理办法》) and the 2021 A Share Option Incentive Scheme of Flat Glass Group Co., Ltd. (《福莱特玻璃集团股份有限公司2021年A股股票期权激励计划》), in the event of capitalization of capital reserves, bonus issue, dividend distribution, subdivision or consolidation of Shares, rights issue, etc. of the Company during the period from the date of the announcement of the 2021 A Share Option Scheme to the completion of share registration of share options by the Participants, the exercise price and the total number of underlying shares involved would be adjusted in accordance with the 2021 A Share Option Scheme, and any adjustment shall not be less than the nominal value of the shares. The Company has paid an interim dividend of RMB0.23 per ordinary share (before tax) for 2022 to all shareholders on 23 November 2022. Therefore, the exercise price shall be adjusted to RMB43.79 per share. The Company has paid an interim dividend of RMB0.238 per ordinary share (before tax) for 2023 to all shareholders on 27 November 2023 and the Company has paid an annual dividend of RMB0.38 per ordinary share (before tax) for 2023 to all shareholders on 19 July 2024. Therefore, the exercise price shall be adjusted to RMB43.17 per share.

3. Upon the fulfillment of conditions of the exercise of the share options under the 2021 A Share Option Scheme, the share options granted are exercisable in five tranches upon expiry of 12 months from 19 November 2021 ("Date of Grant").

The exercise arrangement for the First Grant of share options under the 2021 A Share Option Scheme is as follows:

Exercise Arrangement		Proportion of exercisable share options to the total number of share options granted
Exercise Period		
First Exercise Period	Commencing from the first trading day after the expiry of the 12th month from the Date of Grant of the First Grant of share options, and ending on the last trading day of the 24th month from the Date of Grant	20%
Second Exercise Period	Commencing from the first trading day after the expiry of the 24th month from the Date of Grant of the First Grant of share options, and ending on the last trading day of the 36th month from the Date of Grant	20%
Third Exercise Period	Commencing from the first trading day after the expiry of the 36th month from the Date of Grant of the First Grant of share options, and ending on the last trading day of the 48th month from the Date of Grant	20%
Fourth Exercise Period	Commencing from the first trading day after the expiry of the 48th month from the Date of Grant of the First Grant of share options, and ending on the last trading day of the 60th month from the Date of Grant	20%
Fifth Exercise Period	Commencing from the first trading day after the expiry of the 60th month from the Date of Grant of the First Grant of share options, and ending on the last trading day of the 72th month from the Date of Grant	20%

4. All share options granted to the participants are subject to different vesting periods, and each of them commences on the date on which the registration of the grant of share options is completed. The interval between the Date of Grant and the first exercise date shall not be less than 12 months.

The participants of the 2021 A Share Option Scheme may exercise share options upon the expiration of the vesting period. The exercise date must be a trading day within the validity period of the 2021 A Share Option scheme, and shall not fall within the period prohibited from exercising rights of share options by the listing rules of the stock exchange where the Shares are listed.

As at 30 June 2025, the number of shares that may be issued in respect of options and awards granted under all schemes of the Company divided by the weighted average number of shares in issue (excluding treasury shares) for the year is 0%.

BUSINESS OVERVIEW

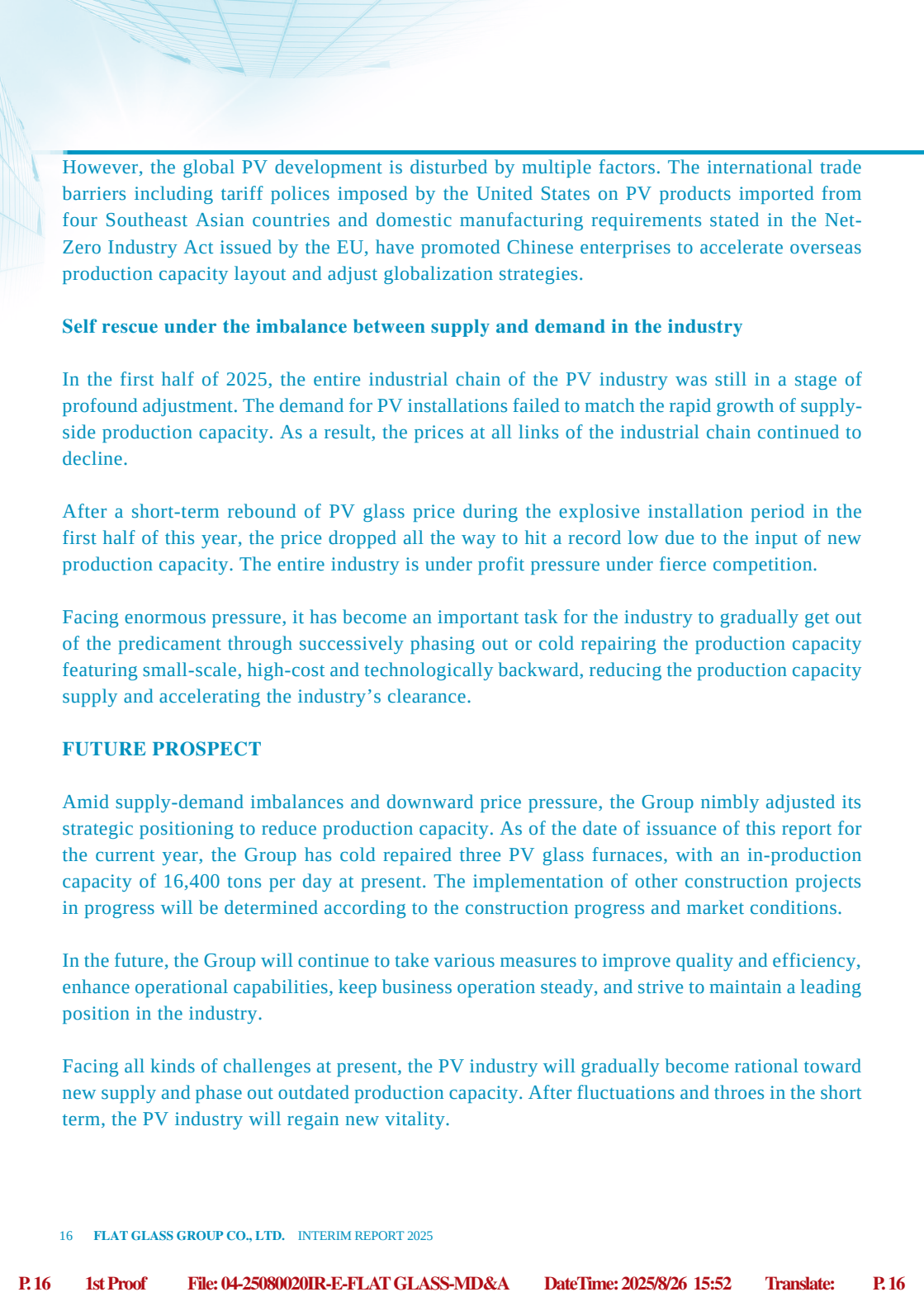
In the first half of 2025, the PV industry experienced a profound adjustment in the face of multiple challenges. The prices of the industrial chain continued to decline, and the entire industry was under operational pressure, influenced by the global economic slowdown, intensified international trade frictions and excessive production capacity.

The PV glass industry is no exception. In the first half of 2025, the Group recorded comprehensive income of RMB7,737.03 million, representing a decrease of 27.66% from the first half of 2024, affected by various factors including excessive production capacity and intensified competition. In the first half of 2025, the Group recorded net profit attributable to owners of the parent company of RMB261.09 million, representing a decrease of 82.58% from the first half of 2024. However, the decrease in the procurement costs of certain major raw materials (e.g. soda ash and quartz sand) and the implementation of a series of measures (e.g. technological innovations, quality and efficiency improvement) offset the adverse effects of the decline in certain prices.

INDUSTRY REVIEW

China remained the main force in global PV installation with sustainable growth

In the first half of 2025, global PV installations continued to grow. However, the growth rate of installations tended to slow down against the backdrop of a high base. From the perspective of regional distribution, China remained the main force in global installations. In February 2025, the National Development and Reform Commission and the National Energy Administration in China jointly issued the No. 136 document (The Notice Regarding Deepening the Market-oriented New Energy Feed-in Tariff Reform and Promoting the High-quality Development of New Energy). From March to May this year, China's PV installations saw an explosive growth driven by the policy side. In May alone, newly installed capacity reached 92.92 GW, representing a year-on-year growth of 388.03% in a single month. According to the data from China Photovoltaic Industry Association, in the first half of 2025, China's new installed PV capacity reached 212.21GW, representing a year-on-year increase of 107%, and the cumulative installed capacity exceeded 1,000 GW, entering the terawatt era. In addition, the installed capacity in the developed markets such as Europe and the United States is also steadily increasing. In the first half of this year, the emerging markets such as the Middle East and India recorded an outstanding performance. The PV market in the Middle East developed rapidly, spurred by its rich solar resources and energy reform. In 2023, the Indian government set a cumulative installed capacity target for renewable energy from 2026 to 2027. As a result, India has become a high-growth market for PV installations since last year, and continued its growth momentum to this day.



However, the global PV development is disturbed by multiple factors. The international trade barriers including tariff policies imposed by the United States on PV products imported from four Southeast Asian countries and domestic manufacturing requirements stated in the Net-Zero Industry Act issued by the EU, have promoted Chinese enterprises to accelerate overseas production capacity layout and adjust globalization strategies.

Self rescue under the imbalance between supply and demand in the industry

In the first half of 2025, the entire industrial chain of the PV industry was still in a stage of profound adjustment. The demand for PV installations failed to match the rapid growth of supply-side production capacity. As a result, the prices at all links of the industrial chain continued to decline.

After a short-term rebound of PV glass price during the explosive installation period in the first half of this year, the price dropped all the way to hit a record low due to the input of new production capacity. The entire industry is under profit pressure under fierce competition.

Facing enormous pressure, it has become an important task for the industry to gradually get out of the predicament through successively phasing out or cold repairing the production capacity featuring small-scale, high-cost and technologically backward, reducing the production capacity supply and accelerating the industry's clearance.

FUTURE PROSPECT

Amid supply-demand imbalances and downward price pressure, the Group nimbly adjusted its strategic positioning to reduce production capacity. As of the date of issuance of this report for the current year, the Group has cold repaired three PV glass furnaces, with an in-production capacity of 16,400 tons per day at present. The implementation of other construction projects in progress will be determined according to the construction progress and market conditions.

In the future, the Group will continue to take various measures to improve quality and efficiency, enhance operational capabilities, keep business operation steady, and strive to maintain a leading position in the industry.

Facing all kinds of challenges at present, the PV industry will gradually become rational toward new supply and phase out outdated production capacity. After fluctuations and throes in the short term, the PV industry will regain new vitality.

FINANCIAL REVIEW

For the six months ended 30 June 2025, the new production capacity of the PV glass continued to grow, while trade barriers and domestic absorption problems have limited the rapid growth in the demand-side, which led to intensified competition and cyclical imbalance. The industry had a temporary overcapacity for a period of time, and the development was facing greater pressure. For the six months ended 30 June 2025, the amounts of operating revenue of the Group were RMB7,737.0 million, which decreased by 27.66% as compared to the same period of 2024 of RMB10,696.0 million. In the first half of the year, the price of PV glass dropped significantly due to the abundant supply in the industry. Despite the decrease in the cost of some raw materials and energy, together with the implementation of internal quality improvement and efficiency enhancement measures which have partially alleviated the adverse impact, it has not been able to completely offset the pressure caused by the downward trend in product prices. The net profit of the Group for the six months ended 30 June 2025 was RMB266.0 million, representing a decrease of 82.27% as compared to the same period of 2024 of RMB1,500.3 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 2025		Six months ended 30 June 2024	
	RMB'000	(%)	RMB'000	(%)
PV glass	6,944,929.38	89.76	9,659,149.14	90.31
Household glass	121,984.36	1.58	145,035.85	1.36
Architectural glass	242,761.23	3.14	237,702.85	2.22
Float glass	28,004.47	0.36	182,678.03	1.71
Mineral products	1,158.78	0.01	264,539.55	2.47
Power generation income	244,789.03	3.16	180,761.69	1.69
Other business	153,400.89	1.98	26,128.38	0.24
Total	<u>7,737,028.14</u>	<u>100.00</u>	<u>10,695,995.49</u>	<u>100.00</u>

Location	Six months ended 30 June 2025	Six months ended 30 June 2024
	RMB'000	RMB'000
Mainland China	5,410,758.55	8,252,330.12
Other countries in Asia (exclude China)	1,245,867.06	1,845,066.17
Europe	106,707.86	74,955.13
North America	968,804.44	514,863.69
Others	4,890.23	8,780.38
Total	<u>7,737,028.14</u>	<u>10,695,995.49</u>

For the six months ended 30 June 2025, the revenue of sales of the Group amounted to RMB7,737.0 million, decreased by 27.66% as compared with the same period of 2024 of RMB10,696.0 million. Among them, the revenue of sales of PV glass amounted to RMB6,944.9 million, decreased by 28.10% as compared with the same period of 2024 of RMB9,659.1 million, mainly affected by several factors, such as trade barriers and over-competition in the industry. In terms of sales location, for the six months ended 30 June 2025, the sales revenue in Mainland China amounted to RMB5,410.8 million, decreased by 34.43% as compared with the same period of 2024 of RMB8,252.3 million; overseas sales revenue amounted to RMB2,326.3 million, decreased by 4.80% as compared with the same period of 2024 of RMB2,443.7 million. In the first half of 2025, the decrease in overseas sales revenue was lower than sales revenue in Mainland China.

Operating Costs

The operating costs of the Group for the six months ended 30 June 2025 was RMB6,649.9 million, representing a decrease of 18.43% as compared to the operating costs of RMB8,152.1 million for the same period of 2024. The decrease in the operating costs was mainly due to the decrease in the cost of certain raw materials and energy, together with the implementation of internal quality improvement and efficiency enhancement measures.

Gross Profit and Gross Profit Margin

The gross profit of the Group for the six months ended 30 June 2025 was RMB1,087.1 million, representing a decrease of 57.27 % from RMB2,543.9 million in the same period of last year. The gross profit margin of the Group for the six months ended 30 June 2025 was 14.05 %, representing a decrease of 9.73 percentage points from the gross profit margin of 23.78 % in the same period of last year. The decrease in gross margin was mainly due to the squeeze on the gross margin of PV glass. The core reasons are as follows: i) the temporary imbalance in the industry's supply and demand, coupled with the escalation of trade barriers, has led to a significant year-on-year decline in the average selling price of PV glass. While the downward trend in some raw material and energy costs has produced a hedging effect, it has not fully offset the impact of price declines, resulting in pressure on profit margins; and ii) the Group has implemented quality improvement and efficiency enhancement measures, such as process upgrades and production efficiency optimization, to continuously strengthen its cost competitiveness, which partially alleviated profit pressure.

On the other hand, the architectural glass business achieved a significant increase in gross profit in the first half of 2025 through strategic optimization of its product mix, which alleviated the pressure of narrowing gross profit margins in the PV glass business to a certain extent and provided strong support for the Group's overall profitability resilience.

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

Production type	Six months ended 30 June 2025		Six months ended 30 June 2024	
	Gross profit RMB'000	Gross profit margin (%)	Gross profit RMB'000	Gross profit margin (%)
PV glass	854,843.90	12.31	2,386,120.90	24.70
Household glass	20,855.95	17.12	19,266.79	13.28
Architectural glass	83,725.56	34.49	20,466.68	8.61
Float glass	-1,948.36	-6.96	3,913.03	2.14
Mineral products	-798.02	-68.87	52,230.79	19.74
Electricity generation business	75,298.68	30.76	49,515.86	27.39
Other business	55,099.28	35.92	12,374.95	47.36
Total	<u>1,087,106.99</u>	<u>14.05</u>	<u>2,543,888.99</u>	<u>23.78</u>

Sales Expenses

For the six months ended 30 June 2025, the sales expenses amounted to RMB31.6million, representing a decrease of 14.97% from RMB37.1 million for the six months ended 30 June 2024. The decrease was mainly due to the improvement in the utilization efficiency of iron pallets of the Group.

Administrative Expenses

For the six months ended 30 June 2025, the administrative expenses of the Group were RMB144.8 million, representing a decrease of 1.23% from RMB146.6 million for the six months ended 30 June 2024. The change was mainly due to the implementation of cost reduction and efficiency improvement strategies by the Group, effectively controlling administrative and operating expenses.

Research and Development Costs

For the six months ended 30 June 2025, the research and development costs of the Group were RMB214.7 million, representing a decrease of 34.09% from RMB325.8 million for the six months ended 30 June 2024. The change was mainly due to the Group reducing its investment in certain research and development projects against the backdrop of intensifying competition in the industry.

Financial Costs

For the six months ended 30 June 2025, the financial costs of the Group amounted to RMB205.6 million, representing an increase of 9.84% from RMB187.2 million for the six months ended 30 June 2024. The increase was mainly due to the year-on-year decrease in interest income of the Group.

Income Tax Expense

For the six months ended 30 June 2025, the income tax expenses of the Group amounted to RMB9.4 million, representing a decrease of 95.57% from RMB211.8 million for the six months ended 30 June 2024. The decrease was mainly due to the decrease in total profits.

EBITDA and Net Profit

For the six months ended 30 June 2025, the EBITDA of the Group (earnings before interests, taxes, depreciation and amortization) was RMB1,451.6 million, decreased by RMB1,560.8 million from RMB3,012.4 million for the six months ended 30 June 2024. The Group's EBITDA margin was 18.76 % for the six months ended 30 June 2025 as compared with 28.16% for the same period of 2024.

For the six months ended 30 June 2025, the net profit was RMB266.0 million, decreased by RMB1,234.3 million from RMB1,500.3 million for the same period of 2024.

Assets and Equity

As at 30 June 2025, the total assets amounted to RMB43,196.8 million, increased by RMB277.0 million, or 0.65% from RMB42,919.8 million as at 31 December 2024. As at 30 June 2025, the shareholders' equity amounted to RMB21,948.7 million, increased by RMB164.5 million, or 0.76% from RMB21,784.2 million as at 31 December 2024.

FINANCIAL RESOURCES AND LIQUIDITY

As at 30 June 2025, the current ratio was 1.54 as compared with 1.60 as at 31 December 2024.

For the six months ended 30 June 2025, the Group's main sources of funding were cash from operating activities and credit financing provided by banks.

ASSET-LIABILITY RATIO

As at 30 June 2025, 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 49.19%, decreased by 0.05 percentage as compared to 49.24% as at 31 December 2024.

CAPITAL EXPENDITURES

As at 30 June 2025, total capital expenditures of the Group amounted to approximately RMB1,739.9 million (as at 30 June 2024: RMB2,612.1 million), involving the purchase of fixed assets, construction in progress and intangible assets for new projects.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2025, the Group employed a total of 7,916 employees and most of them were based in the PRC, with a total employee remuneration amounting to RMB443.1 million for the six months ended 30 June 2025, representing 5.73% of the Group's operating revenue.

The Group maintains a good relationship with its employees and provides training to its employees. New joiners must attend mandatory in-house training. Furthermore, employees may attend external training such as training for manufacturing management, quality control management and human resources management. Remuneration of employees is reviewed periodically by reference to the market rate. After considering performance of the Group and job performance of specific employees, the Group may pay them a discretionary bonus.

The Group makes contributions for its employees in the PRC in relation to the mandatory social security funds including pension, work-related injury insurance, maternity insurance, medical and unemployment insurance and housing provident fund contributions.

CREDIT RISK AND FOREIGN EXCHANGE RISK

Transactions of the Group are mainly settled in RMB, United States Dollars, Hong Kong Dollars, Vietnam Dong and Japanese Yen, whereas, the Group's operating activities are mainly located in the PRC. Bank financing of the Group was settled in RMB and United States dollars for the six months ended 30 June 2025 with annual interest rates ranging from 1.60% to 5.90%. As the Group's trading currency of global certain sales, procurement and financing are not in RMB but in foreign currencies, the Group is exposed to foreign exchange risk. For the six months ended 30 June 2025, such risks did not have any material impact on the financial performance of the Group.

CAPITAL STRUCTURE

As at 30 June 2025, the Company issued a total of 2,342,920,139 Shares, comprising of 1,901,205,139 A Shares (13,308,421 A Shares were held as treasury shares) and 441,715,000 H Shares.

SIGNIFICANT INVESTMENT AND MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There were no significant investments held as at 30 June 2025, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2025, nor was there any plan authorised by the Board for other material investments or additions of capital assets at the date of the 2025 interim results announcement.

Corporate Governance and Other Information

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

In the opinion of the Board, the Company had complied with the code provisions in the Corporate Governance Code as set forth in Appendix C1 to the Listing Rules on the Hong Kong Stock Exchange during the period from 1 January 2025 to 30 June 2025.

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 C3 to the Listing Rules as the code of conduct regarding securities transactions by the directors (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 2025 to 30 June 2025.

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES

As at 30 June 2025, 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, supervisors 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⁾	1,118,772,000 (L)	A Shares	Beneficial owner and parties acting in concert	58.85%	47.75%
	2,799,000 (L)	H Shares		0.63%	0.12%
Ms. Jiang Jinhua ⁽³⁾	1,118,772,000 (L)	A Shares	Beneficial owner and parties acting in concert	58.85%	47.75%
	2,799,000 (L)	H Shares		0.63%	0.12%
Ms. Ruan Zeyun ⁽³⁾	1,118,772,000 (L)	A Shares	Beneficial owner and parties acting in concert	58.85%	47.75%
	2,799,000 (L)	H Shares		0.63%	0.12%
Mr. Wei Yezhong	15,600,600 (L)	A Shares	Beneficial owner	0.82%	0.67%
Mr. Shen Qifu	10,400,400 (L)	A Shares	Beneficial owner	0.55%	0.44%
Supervisors					
Mr. Zheng Wenrong	46,801,800 (L)	A Shares	Beneficial owner	2.46%	2.00%
Mr. Shen Fuquan	31,201,200 (L)	A Shares	Beneficial owner	1.64%	1.33%
Mr. Zhu Quanming	31,201,200 (L)	A Shares	Beneficial owner	1.64%	1.33%

Notes:

- (1) The calculation is based on the total number of 1,901,205,139 A Shares or 441,715,000 H Shares of the Company in issue as at 30 June 2025.
- (2) The calculation is based on the total number of 1,901,205,139 A Shares and the total number of 441,715,000 H Shares (i.e. a total of 2,342,920,139 Shares) in issue as at 30 June 2025.
- (3) Mr. Ruan Hongliang is the spouse of Ms. Jiang Jinhua. As at 30 June 2025, Mr. Ruan Hongliang owns 439,358,400 A Shares and 485,000 H Shares. Ms. Jiang Jinhua owns 324,081,600 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 350,532,000 A Shares and 2,203,000 H Shares. Mr. Zhao Xiaofei owns 4,800,000 A Shares.

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 1,118,772,000 A Shares and 2,799,000 H Shares under the SFO.

Save as disclosed above, as at 30 June 2025, 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 2025, 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⁾
Mr. Zhao Xiaofei ⁽³⁾	1,118,772,000 (L)	A Shares	Beneficial owner and parties acting in concert	58.85%	47.75%
	2,799,000 (L)	H Shares		0.63%	0.12%
JPMorgan Chase & Co. ⁽⁴⁾	44,578,014 (L)	H Shares	Interest of controlled corporation, investment manager, security interest in shares and approved lending agent	10.09%	1.90%
	8,553,951 (S)			1.94%	0.37%
	5,315,666 (P)			1.20%	0.23%
Pacific Asset Management Co., Ltd.	31,525,000 (L)	H Shares	Investment manager	7.14%	1.35%
上海寧泉資產管理有 限公司	27,043,000 (L)	H Shares	Investment manager	6.12%	1.15%
Shanghai Greenwoods Asset Management Company Limited ⁽⁵⁾	27,042,000 (L)	H Shares	Investment manager	6.12%	1.15%

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⁾
Xizang Jingning Corporate Management Company Limited ⁽⁵⁾	27,042,000 (L)	H Shares	Interest of controlled corporation	6.12%	1.15%
CICC Pucheng Investment Co., Ltd. ⁽⁶⁾	23,870,000 (L)	H Shares	Beneficial owner	5.40%	1.02%
China International Capital Corporation Limited ⁽⁶⁾	22,573,000 (L)	H Shares	Interest of controlled corporation	5.11%	0.96%

Notes:

- (1) The calculation is based on the total number of 1,901,205,139 A Shares or 441,715,000 H Shares of the Company in issue as at 30 June 2025.
- (2) The calculation is based on the total number of 1,901,205,139 A Shares and the total number of 441,715,000 H Shares (i.e. a total of 2,342,920,139 Shares) in issue as at 30 June 2025.
- (3) Mr. Ruan Hongliang is the spouse of Ms. Jiang Jinhua. As at 30 June 2025, Mr. Ruan Hongliang owns 439,358,400 A Shares and 485,000 H Shares. Ms. Jiang Jinhua owns 324,081,600 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 350,532,000 A Shares and 2,203,000 H Shares. Mr. Zhao Xiaofei owns 4,800,000 A Shares.

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 1,118,772,000 A Shares and 2,799,000 H Shares under the SFO.
- (4) JPMorgan Chase & Co. indirectly held relevant interests and short positions through a series of its controlled corporations, including holding of certain unlisted derivatives (cash settlement: 3,545,037 shares (long positions) and 1,318,000 shares (short positions)).
- (5) Xizang Jingning Corporate Management Company Limited held 100% equity interest in Shanghai Greenwoods Asset Management Company Limited.
- (6) China International Capital Corporation Limited indirectly held relevant interests through a series of its controlled corporations, including CICC Pucheng Investment Co., Ltd. which is wholly owned by China International Capital Corporation Limited.

Save as disclosed above, as at 30 June 2025, 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 (including sale of treasury shares) during the period from 1 January 2025 to 30 June 2025.

ISSUANCE OF EQUITY SECURITIES AND USE OF PROCEEDS

1. 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 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. As of 30 June 2025, a total of RMB112,000 convertible bonds has been converted into 2,584 A Shares of the Company.

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 2025, the use of such proceeds were as follows:

Use for	Percentage of net proceeds	Amount of net proceeds (RMB'0,000)	Amount utilized (RMB'0,000)	Amount unutilized (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	140,276.22	54,223.78
Distributed PV power generation construction project	15.97%	63,492.12	37,634.74	25,857.38
Annual production of 15 million square meters of solar PV ultra-white glass technical transformation project	4.95%	19,700.00	19,001.28	698.72
Working capital	30.17%	120,000.00	120,000.00	0.00
Total	100%	397,692.12	316,912.24	80,779.88

The amount unutilized is excepted to be fully utilized by the Company according to its use of proceeds plan for such proceeds by 31 December 2026. As at the date of the 2025 interim results announcement, the Directors confirm that the proceeds were used and are proposed to be used according to the intentions previously disclosed.

2. Issuance of A Shares to Specific Subscribers

In order to further increase the Company's capacity scale, meet the growing market demand of the photovoltaic industry, provide customers with better quality products and efficient and timely services, further improve the company's comprehensive competitive strength, and consolidate and enhance the company's market position, on 1 June 2022, the Board approved the proposed Issuance of A Shares to Specific Subscribers which was then approved by shareholders of the Company 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姑限一校行公票的批謨昱鍊姆紕此械關於核冥

The total net proceeds from the Issuance of A Shares to Specific Subscribers amounted to approximately RMB5,965,407,146.70. As at 30 June 2025, the use of such proceeds was as follows:

Project		Percentage of proceeds	Amount of net proceeds (RMB'0,000)	Amount utilized (RMB'0,000)	Amount unutilized (RMB'0,000)
Annual production of 1,950,000 tons of new energy equipment high-transparent panel manufacturing project	Annual production of 750,000 tons of new energy equipment high-transparent panel manufacturing project	32.353%	193,000.00 ^{note 2}	193,901.63	0.00
	Annual production of 1,200,000 tons of new energy equipment high-transparent panel manufacturing project				
Annual production of 1,500,000 tons of new energy equipment ultra-thin and ultra-high-transparent panel manufacturing project		37.473%	223,540.71 ^{note 1, 3}	217,009.04	6,531.67
Working capital		30.174%	180,000.00	180,000.00 ^{note 4}	0.00
Total		100%	596,540.71	590,910.67	6,531.67

Notes:

1. This project will be implemented in phases, and such proceeds from the Issuance of A Shares to Specific Subscribers will be used for the first phase of the project.
2. The proceeds of the Issuance of A Shares to Specific Subscribers will be utilized according to its progress and the amount unutilized is excepted to be fully utilized by 31 December 2026.
3. The proceeds of the Issuance of A Shares to Specific Subscribers will be utilized according to its progress, and the amount unutilized is excepted to be fully utilized by 31 December 2026.

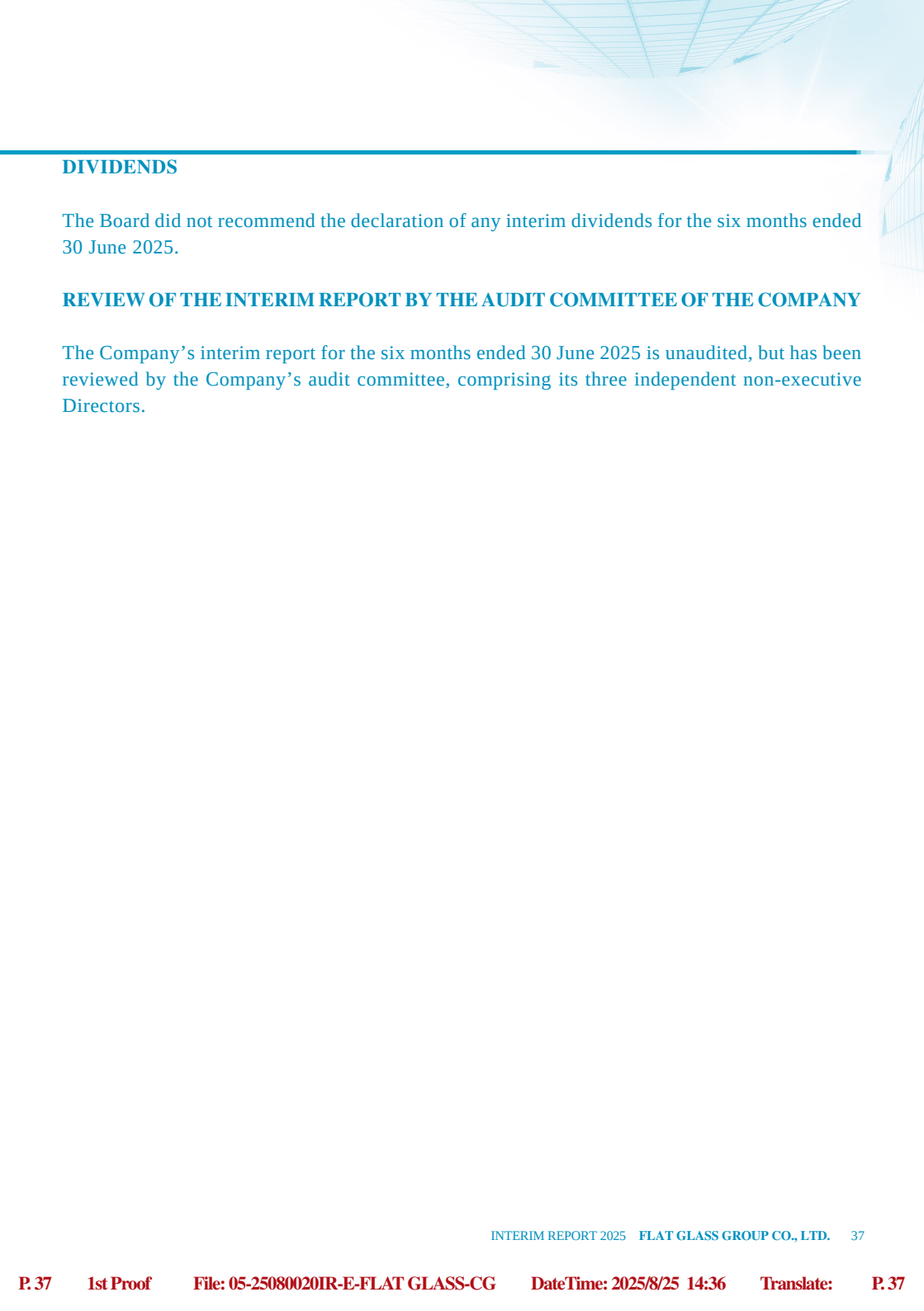
Pursuant to the requirements of the Notice of the Ministry of Finance, the State Administration of Taxation and the CSRC on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No. 127) (《財政部、國家稅務總局、中國證監會關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), listed 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



DIVIDENDS

The Board did not recommend the declaration of any interim dividends for the six months ended 30 June 2025.

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

The Company's interim report for the six months ended 30 June 2025 is unaudited, but has been reviewed by the Company's audit committee, comprising its three independent non-executive Directors.

Consolidated Balance Sheet

RMB

Items	Note (VII)	30 June 2025	31 December 2024
Current assets:			
Cash at bank and on hand	1	4,602,655,257.98	5,294,894,127.46
Trading financial assets	2	180,017,888.52	520,018,576.54
Derivative financial assets	3	587,828.35	698,070.40
Bills receivables	4	1,679,035,308.03	1,106,217,189.54
Trade receivables	5	2,279,611,564.52	2,595,254,216.48
Financing receivables	7	1,370,301,634.55	1,566,522,584.04
Advance payment	8	71,092,934.84	53,328,847.76
Other receivables	9	82,906,901.57	130,072,141.34
Including: Dividends receivable		1,562,500.00	—
Inventories	10	1,957,829,297.70	1,732,831,478.80
Non-current assets due within one year		143,172,000.00	—
Other current assets	13	762,725,535.43	877,208,803.75
Total current assets		13,129,936,151.49	13,877,046,036.11
Non-current assets:			
Debt investment	14	—	143,768,000.00
Other debt investment	15	287,125,718.91	223,712,827.25
Long-term equity investments	17	128,111,296.46	112,469,977.19
Investment properties	20	473,939,949.27	486,742,160.12
Fixed assets	21	16,419,366,021.40	16,395,460,289.88
Construction in progress	22	3,995,800,903.72	2,941,458,882.80
Right-of-use asset	25	965,387,248.45	964,173,015.24
Intangible assets	26	6,316,945,045.21	6,325,843,840.85
Long-term prepaid expenses	28	237,951,639.80	243,549,841.55
Deferred tax assets	29	326,346,241.38	326,497,420.36
Other non-current assets	30	915,911,535.49	879,075,742.46
Total non-current assets		30,066,885,600.09	29,042,751,997.70
Total assets		43,196,821,751.58	42,919,798,033.81

Items	Note (VII)	30 June 2025	31 December 2024
Current liabilities:			
Short-term borrowings	32	945,170,905.34	1,016,886,467.84
Derivative financial liabilities	34	368,994.72	767,714.98
Bills payables	35	450,834,417.83	874,305,689.59
Trade payables	36	4,753,412,025.25	4,023,960,176.25
Contract liabilities	38	68,962,251.48	33,293,546.48
Payroll payable	39	90,037,817.80	105,478,367.64
Tax payable	40	145,938,746.17	189,088,810.12
Other payables	41	193,816,463.60	155,082,120.17
Including: Interests payable		16,097,083.55	36,197,048.99
Dividends payable		1,299,820.00	1,299,820.00
Non-current liabilities due within one year	43	1,846,045,620.20	2,294,095,101.37
Other current liabilities	44	4,147,129.45	2,569,993.90
Total current liabilities		8,498,734,371.84	8,695,527,988.34
Non-current liabilities:			
Long-term borrowings	45	7,284,064,786.56	7,092,181,287.22
Bonds payables	46	3,993,089,823.70	3,916,928,685.43
Lease liabilities	47	773,275,911.87	764,315,904.02
Long-term payables	48	49,078,880.79	47,989,504.57
Estimated liabilities	50	4,226,161.91	4,549,602.98
Deferred income	51	277,945,085.91	207,242,484.26
Deferred tax liabilities	29	367,738,919.72	406,901,700.96
Total non-current liabilities		12,749,419,570.46	12,440,109,169.44
Total liabilities		21,248,153,942.30	21,135,637,157.78

Items	Note (VII)	30 June 2025	31 December 2024
Shareholders' equity:			
Share capital	53	585,730,034.75	585,729,891.25
Other equity instruments	54	491,721,745.95	491,724,696.36
Capital reserve	55	10,704,806,791.15	10,700,692,654.16
Less: Treasury stock	56	306,188,427.47	229,499,392.17
Other comprehensive income	57	-60,170,890.24	-26,317,651.97
Special reserve	58	73,708,835.18	68,241,880.14
Surplus reserve	59	293,915,529.38	293,915,529.38
Undistributed profit	60	10,075,404,843.91	9,814,310,237.19
Total equity attributable to shareholders of the parent company		<u>21,858,928,462.61</u>	<u>21,698,797,844.34</u>
Minority interests		<u>89,739,346.67</u>	<u>85,363,031.69</u>
Total shareholders' equity		<u>21,948,667,809.28</u>	<u>21,784,160,876.03</u>
Total liabilities and shareholders' equity		<u><u>43,196,821,751.58</u></u>	<u><u>42,919,798,033.81</u></u>

Balance Sheet of the Parent Company

RMB

Items	Note (XIX)	30 June 2025	31 December 2024
Current assets:			
Cash at bank and on hand		1,347,179,742.85	1,219,333,583.98
Trading financial assets		120,017,888.52	300,018,576.54
Derivative financial assets		359,085.57	698,070.40
Bills receivable		327,495,135.25	219,512,361.38
Trade receivables	1	849,589,832.11	591,681,045.80
Financing receivables		296,435,627.91	668,423,081.64
Advance payment		32,557,062.36	34,774,100.50
Other receivables	2	1,151,192,307.03	2,474,989,297.15
Inventories		411,440,995.92	320,680,763.56
Non-current assets due within one year		143,172,000.00	—
Other current assets		167,000,000.00	259,451,996.00
Total current assets		4,846,439,677.52	6,089,562,876.95
Non-current assets:			
Debt investment		—	143,768,000.00
Other debt investment		60,620,239.42	—
Long-term equity investments	3	3,536,595,348.41	3,522,653,129.14
Investment properties		460,147,864.64	472,234,340.29
Fixed assets		2,660,126,384.70	2,794,241,499.93
Construction in progress		236,002,034.46	66,555,290.25
Intangible assets		365,420,686.34	370,807,846.42
Long-term prepaid expenses		73,636,719.89	81,231,485.12
Other non-current assets		11,228,822,938.23	9,833,954,619.04
Total non-current assets		18,621,372,216.09	17,285,446,210.19
Total assets		23,467,811,893.61	23,375,009,087.14

Items	Note (XIX)	30 June 2025	31 December 2024
Current liabilities:			
Short-term borrowings		213,000,000.00	171,886,467.84
Derivative financial liabilities		215,176.72	156,118.69
Bills payables		4,175,835.84	9,449,307.42
Trade payables		857,376,547.84	794,843,375.26
Contract liabilities		25,132,429.61	57,303,769.85
Payroll payable		33,351,352.64	40,207,256.71
Tax payable		15,701,455.29	22,893,894.58
Other payables		1,341,413,519.75	1,309,474,309.78
Including: Interest payable		9,497,058.40	27,839,932.53
Dividends payable		1,299,820.00	1,299,820.00
Non-current liabilities due within one year		493,300,000.00	832,900,000.00
Other current liabilities		2,976,026.78	1,554,293.45
Total current liabilities		2,986,642,344.47	3,240,668,793.58
Non-current liabilities:			
Long-term borrowings		2,897,439,196.56	2,585,154,892.42
Bonds payables		3,993,089,823.70	3,916,928,685.43
Deferred income		114,262,094.45	57,851,024.88
Deferred income tax liability		24,300,996.23	29,552,141.54
Total non-current liabilities		7,029,092,110.94	6,589,486,744.27
Total liabilities		10,015,734,455.41	9,830,155,537.85

Items	Note (XIX)	30 June 2025	31 December 2024
Shareholders' equity:			
Share capital		585,730,034.75	585,729,891.25
Other equity instruments		491,721,745.95	491,724,696.36
Capital reserve		10,705,320,333.06	10,700,692,654.16
Less: Treasury stock		306,188,427.47	229,499,392.17
Surplus reserve		293,915,529.38	293,915,529.38
Undistributed profit		1,681,578,222.53	1,702,290,170.31
Total shareholders' equity		<u>13,452,077,438.20</u>	<u>13,544,853,549.29</u>
Total liabilities and shareholders' equity		<u>23,467,811,893.61</u>	<u>23,375,009,087.14</u>

Consolidated Income Statements

RMB

Items	Note (VII)	For the six months ended 30 June 2025	For the six months ended 30 June 2024
I. Operating revenue	61	7,737,028,136.06	10,695,995,497.44
Including: Operating revenue		7,737,028,136.06	10,695,995,497.44
II. Operating costs	61	7,317,145,793.20	8,958,995,700.08
Including: Operating costs		6,649,921,146.42	8,152,106,505.23
Taxes and surcharges	62	70,524,451.47	110,166,378.18
Selling expenses	63	31,583,324.40	37,144,805.94
General and administrative expenses	64	144,771,118.55	146,576,187.90
Research and development expenses	65	214,736,035.17	325,805,907.04
Financial expenses	66	205,609,717.19	187,195,915.79
Including: Interest expenses		266,176,196.06	268,449,034.52
Interest income		40,217,174.01	60,847,569.88
Add: Other income	67	45,592,149.55	64,235,439.66
Investment income	68	19,862,455.26	15,074,051.36
Including: Gains on investment in associates and joint ventures		17,203,819.27	—
Profit arising from changes in fair value	70	-382,209.81	-48,505.41
Credit impairment loss	71	13,270,599.75	-1,291,228.78
Asset impairment loss	72	-253,917,860.30	-93,038,141.87
Gains on disposal of assets	73	29,670,956.68	-9,815,832.35
III. Operating profit		273,978,433.99	1,712,115,579.97
Add: Non-operating income	74	1,735,381.30	2,046,408.05
Less: Non-operating expenses	75	375,472.64	2,137,373.79

Items	Note (VII)	For the six months ended 30 June 2025	For the six months ended 30 June 2024
IV. Total profit		275,338,342.65	1,712,024,614.23
Less: Income tax expense	76	9,380,962.86	211,763,665.36
V. Net profit		265,957,379.79	1,500,260,948.87
(I) Classified on a going concern basis			
1. Net profit from continuing operation		265,957,379.79	1,500,260,948.87
(II) Classified by attribution of the ownership			
1. Net profit attributable to shareholders of the parent company		261,094,606.72	1,498,620,327.99
2. Profit or loss attributable to minority interests		4,862,773.07	1,640,620.88
VI. Other comprehensive income, net of tax		-33,853,238.27	-70,049,134.44
(I) Other comprehensive income, net of tax attributable to the owner of parent company		-33,853,238.27	-70,049,134.44
1. Other comprehensive income that will be reclassified to profit or loss		-33,853,238.27	-70,049,134.44
(1) Changes in fair value of financing receivables		-	5,010,776.93
(2) Exchange differences on foreign currency financial statements translation		-33,853,238.27	-75,059,911.37
VII. Total comprehensive income		232,104,141.52	1,430,211,814.43
(I) Attributable to the shareholders of the parent company		227,241,368.45	1,428,571,193.55
(II) Attributable to the minority interests		4,862,773.07	1,640,620.88
VIII. Earnings per share			
(I) Basic earnings per share		0.11	0.64
(II) Diluted earnings per share		0.11	0.64

Income Statements of the Parent Company

RMB

Items	Note (XIX)	For the six months ended 30 June 2025	For the six months ended 30 June 2024
I. Operating revenue	4	1,760,018,148.33	2,282,090,139.41
Less: Operating costs	4	1,531,976,906.67	1,879,357,303.83
Taxes and surcharges		14,046,400.75	27,096,127.88
Selling expenses		15,406,613.72	16,085,651.67
General and administrative expenses		73,258,108.65	69,105,739.29
Research and development expenses		58,873,828.25	84,690,185.47
Financial expenses		135,866,063.39	119,061,882.79
Including: Interest expenses		146,568,948.63	145,855,626.80
Interest income		12,019,507.54	16,589,584.40
Add: Other income		16,496,381.08	18,751,311.31
Investment income	5	15,154,367.20	660,985,557.93
Including: Gains on investment in associates and joint ventures		13,942,219.27	—
Gains from changes in fair value		-1,068,730.88	-48,505.41
Credit impairment loss		2,003,900.55	17,545,641.46
Asset impairment loss		-11,988,537.35	-43,450,542.58
Gains on disposal of assets		29,433,556.32	-8,626,410.61
II. Operating profit		-19,378,836.18	731,850,300.58
Add: Non-operating income		261,134.89	511,691.30
Less: Non-operating expenses		52,273.22	866,696.26
III. Total profit		-19,169,974.51	731,495,295.62
Less: Income tax expenses		1,541,973.27	11,828,246.38
IV. Net profit		-20,711,947.78	719,667,049.24

Consolidated Statements of Cash Flow

RMB

Items	Note (VII)	For the six months ended 30 June 2025	For the six months ended 30 June 2024
I. Cash flow from operating activities:			
Cash received from sale of goods or rendering of services		5,545,855,245.53	6,542,158,315.89
Cash received from refunds of taxes		103,676,917.69	100,693,833.10
Cash received relating to other operating activities	78(1)	144,810,097.33	92,743,661.73
Subtotal of cash inflows		5,794,342,260.55	6,735,595,810.72
Cash paid for goods and services		3,499,458,967.81	3,706,426,697.26
Cash paid to and on behalf of employee		458,899,688.82	501,641,883.99
Cash paid for payments of taxes and surcharges		237,645,812.64	438,103,052.66
Cash paid relating to other operating activities	78(1)	197,634,516.03	343,558,706.07
Subtotal of cash outflows		4,393,638,985.30	4,989,730,339.98
Net cash flow from operating activities		1,400,703,275.25	1,745,865,470.74
II. Cash flow from investing activities:			
Cash received from disposal of investments	78(2)	2,750,000,000.00	330,000,000.00
Cash received from returns on investments		2,530,655.98	10,692,944.85
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		52,689,297.56	6,562,771.49
Cash received relating to other investing activities	78(2)	743,542,437.03	24,841,326.06
Subtotal of cash inflows		3,548,762,390.57	372,097,042.40
Cash paid to purchase fixed assets, intangible assets and other long-term assets		1,739,867,227.55	2,612,133,101.56
Cash paid relating to investment	78(2)	2,420,126,000.00	330,000,000.00
Net cash received from subsidiaries and other business units		74,742,262.05	—
Cash paid relating to other investing activities		736,710,824.99	82,698,308.82
Subtotal of cash outflows	78(2)	4,971,446,314.59	3,024,831,410.38
Net cash flow from investing activities		-1,422,683,924.02	-2,652,734,367.98

Items	Note (VII)	For the six months ended 30 June 2025	For the six months ended 30 June 2024
III. Cash flow from financing activities:			
Cash received from borrowings		2,197,576,175.10	5,405,295,139.04
Cash received relating to other financing activities	78(3)	809,259,396.77	1,212,007,615.18
Subtotal of cash inflows		3,006,835,571.87	6,617,302,754.22
Cash paid for payment of borrowings		2,701,058,689.39	4,998,047,146.86
Cash paid for distribution of dividends, and profits or payment of interest		195,453,230.21	196,127,307.53
Cash paid relating to other financing activities	78(3)	401,065,637.68	1,394,250,937.74
Subtotal of cash outflows		3,297,577,557.28	6,588,425,392.13
Net cash flow from financing activities		-290,741,985.41	28,877,362.09
IV. Effect of foreign exchange rate changes on cash and cash equivalents		2,507,840.26	3,349,190.52
V. Net increase in cash and cash equivalents		-310,214,793.92	-874,642,344.63
Add: Cash and cash equivalents at the beginning of the current period	79(4)	4,511,627,060.96	5,479,316,299.60
VI. Cash and cash equivalents at the end of the current period	79(4)	<u>4,201,412,267.04</u>	<u>4,604,673,954.97</u>

Statements of Cash Flow of the Parent Company

RMB

Items	Note	For the six months ended 30 June 2025	For the six months ended 30 June 2024
I. Cash flow from operating activities:			
Cash received from sale of goods or rendering of services		1,133,538,636.47	1,226,228,933.20
Cash received from refunds of taxes		21,592,313.80	11,369,724.78
Cash received relating to other operating activities		89,732,994.15	35,970,371.52
Subtotal of cash inflows		1,244,863,944.42	1,273,569,029.50
Cash paid for goods and services		686,470,749.43	640,806,467.93
Cash paid to and on behalf of employee		158,394,845.62	174,385,421.32
Cash paid for payments of taxes and surcharges		13,300,390.94	129,199,072.72
Cash paid relating to other operating activities		52,713,690.29	105,308,082.14
Subtotal of cash outflows		910,879,676.28	1,049,699,044.11
Net cash flow from operating activities		333,984,268.14	223,869,985.39
II. Cash flow from investing activities:			
Cash received from disposal of investments		1,520,000,000.00	230,000,000.00
Cash received from returns on investments		542,147.93	362,596,320.73
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		43,815,236.72	6,398,764.01
Cash received relating to other investing activities		2,263,087,501.00	4,130,768,778.39
Subtotal of cash inflows		3,827,444,885.65	4,729,763,863.13
Cash paid to purchase fixed assets, intangible assets and other long-term assets		86,026,610.17	-33,364,079.27
Cash paid relating to investment		1,400,126,000.00	230,000,000.00
Net cash invested in establishment of subsidiary or other operating units		-	150,170,000.00
Cash paid relating to other investing activities		2,368,309,984.55	3,915,135,486.58
Subtotal of cash outflows		3,854,462,594.72	4,261,941,407.31
Net cash flow from investing activities		-27,017,709.07	467,822,455.82

Items	Note	For the six months ended 30 June 2025	For the six months ended 30 June 2024
III. Cash flow from financing activities:			
Cash received from borrowings		1,506,000,000.00	3,087,000,000.00
Cash received relating to other financing activities		368,701,805.85	1,045,426,884.23
Subtotal of cash inflows		1,874,701,805.85	4,132,426,884.23
Cash paid for payment of borrowings		1,483,315,695.86	3,211,344,699.10
Cash paid for distribution of dividends, and profits or payment of interest		88,721,436.60	86,882,403.63
Cash paid relating to other financing activities		468,986,661.36	851,141,243.28
Subtotal of cash outflows		2,041,023,793.82	4,149,368,346.01
Net cash flow from financing activities		-166,321,987.97	-16,941,461.78
IV. Effect of foreign exchange rate changes on cash and cash equivalents		2,494,068.97	1,587,616.14
V. Net increase in cash and cash equivalents		143,138,640.07	676,338,595.57
Add: Cash and cash equivalents at the beginning of the current period		1,177,258,202.64	1,257,804,350.98
VI. Cash and cash equivalents at the end of the current period		1,320,396,842.71	1,934,142,946.55

Consolidated Statements of Changes in Owners' Equity

Items	The half year for 2025									RMB
	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	Minority interests	Total shareholders' equity
I. Closing balance of the last year	585,729,891.25	491,724,096.36	10,700,692,654.16	229,499,392.17	-26,317,651.97	68,241,880.14	293,915,529.38	9,814,310,237.19	85,563,031.69	21,784,160,876.03
II. Opening balance of the current year	585,729,891.25	491,724,096.36	10,700,692,654.16	229,499,392.17	-26,317,651.97	68,241,880.14	293,915,529.38	9,814,310,237.19	85,563,031.69	21,784,160,876.03
III. Increase/decrease for the current period	143.30	-2,950.41	4,114,136.99	76,689,035.30	-33,853,238.27	5,466,955.04	-	261,094,066.72	4,376,314.98	164,506,933.25
(I) Total comprehensive income	-	-	-	-	-33,853,238.27	-	-	261,094,066.72	4,862,773.07	232,104,141.52
(II) Shareholder contribution	143.30	-2,950.41	4,114,136.99	76,689,035.30	-	-	-	-	-486,458.09	-73,064,163.31
1. Contribution of capital	-	-	-	-	-	-	-	-	-	-
by other equity instrument owners	-	-	32,054.80	-	-	-	-	-	-	29,247.89
2. Amount of share-based	-	-	4,595,624.10	-1,855,280.00	-	-	-	-	-	6,450,904.10
payment included in owner's equity	-	-	-	78,544,315.30	-	-	-	-	-	-78,544,315.30
3. Share repurchase	-	-	-	-	-	-	-	-	-	-
4. Acquisition of minority shareholders' equity interest	-	-	-513,541.91	-	-	-	-	-	-486,458.09	-1,000,000.00
(III) Profit distribution	-	-	-	-	-	-	-	-	-	-
(IV) Special reserve	-	-	-	-	-	5,466,955.04	-	-	-	5,466,955.04
1. Provision of special reserves	-	-	-	-	-	5,498,996.69	-	-	-	5,498,996.69
2. Utilisation of special reserves	-	-	-	-	-	-32,041.65	-	-	-	-32,041.65
IV. Closing balance of the current period	585,730,034.75	491,721,145.95	10,704,806,791.15	306,188,427.47	-60,170,890.24	73,708,835.18	293,915,529.38	10,075,404,843.91	89,739,346.67	21,948,667,809.28

The half year for 2024
Equity attributable to the owners of the parent company

Items	Share capital	Other equity instruments	Capital reserve	Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Minority interests	Total shareholders' equity
I. Closing balance of the last year	307,831,030.75	491,726,417.43	10,798,133,305.26	15,986,520.00	11,349,243.83	49,829,227.15	293,915,529.38	9,908,276,039.62	75,836,039.74	22,290,910,451.16
II. Opening balance of the current year	307,831,030.75	491,726,417.43	10,798,133,305.26	15,986,520.00	11,349,243.83	49,829,227.15	293,915,529.38	9,908,276,039.62	75,836,039.74	22,290,910,451.16
III. Increase/decrease for the current period	11.50	-245.06	6,075,057.29	309,561,662.40	-70,049,134.44	12,760,292.11	-	611,400,629.21	1,640,620.88	252,265,569.29
(I) Total comprehensive income	-	-	-	-	-70,049,134.44	-	-	1,498,620,327.99	1,640,620.88	1,490,211,814.43
(II) Contribution and withdrawal of capital by shareholders	11.50	-245.06	6,075,057.29	309,561,662.40	-	-	-	-	-	-303,486,839.47
1. Contribution of capital by other equity instrument owners	11.50	-245.06	1,655.52	-	-	-	-	-	-	1,621.16
2. Amount of share-based payment included in owner's equity	-	-	6,073,201.77	-1,992,200.00	-	-	-	-	-	8,065,401.77
3. Share repurchase	-	-	-	311,553,862.40	-	-	-	-	-	-311,553,862.40
(III) Profit distribution	-	-	-	-	-	-	-	-887,219,698.78	-	-887,219,698.78
1. Appropriation to shareholders	-	-	-	-	-	-	-	-887,219,698.78	-	-887,219,698.78
(IV) Special reserve	-	-	-	-	-	12,760,292.11	-	-	-	12,760,292.11
1. Withdraw in the period	-	-	-	-	-	12,909,625.58	-	-	-	12,909,625.58
2. Used in the period	-	-	-	-	-	-449,333.47	-	-	-	-149,333.47
IV. Closing balance of the current period	307,831,070.25	491,726,171.57	10,804,208,452.55	325,548,182.40	-38,699,890.61	62,589,519.26	293,915,529.38	10,609,676,668.63	77,476,660.62	22,543,176,019.45

Statements of Changes in Owners' Equity of the Parent Company

RMB

For the six months ended 30 June 2025

Items	Share capital	Other equity instruments	Capital reserve	Less: Treasury stock	Surplus reserve	Undistributed profit	Total shareholders' equity
I. Closing balance of the last year	585,729,891.25	491,724,696.36	10,700,692,654.16	229,499,392.17	293,915,529.38	1,702,290,170.31	13,544,853,549.29
II. Opening balance of the current year	585,729,891.25	491,724,696.36	10,700,692,654.16	229,499,392.17	293,915,529.38	1,702,290,170.31	13,544,853,549.29
III. Increase/decrease for the current year	143.50	-2,950.41	4,627,678.90	76,689,035.30	-	-20,711,947.78	-92,776,111.09
(I) Total comprehensive income	-	-	-	-	-	-20,711,947.78	-20,711,947.78
(II) Contribution and withdrawal of capital by shareholders	143.50	-2,950.41	4,627,678.90	76,689,035.30	-	-	-72,064,163.31
1. Contribution of capital by other equity instrument owners	143.50	-2,950.41	32,054.80	-	-	-	29,247.89
2. Amount of share-based payment included in owner's equity	-	-	4,595,624.10	-1,855,280.00	-	-	6,450,904.10
3. Share repurchase	-	-	-	78,544,315.30	-	-	-78,544,315.30
(III) Profit distribution	-	-	-	-	-	-	-
IV. Closing balance of the current period	<u>585,730,034.75</u>	<u>491,721,745.95</u>	<u>10,705,320,333.06</u>	<u>306,188,427.47</u>	<u>293,915,529.38</u>	<u>1,681,578,222.53</u>	<u>13,452,077,438.20</u>

For the six months ended 30 June 2024

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	587,831,058.75	491,726,417.43	10,798,133,395.26	15,986,520.00	-4,968,086.42	293,915,529.38	2,400,071,368.15	14,550,723,162.55
II. Opening balance of the current year	587,831,058.75	491,726,417.43	10,798,133,395.26	15,986,520.00	-4,968,086.42	293,915,529.38	2,400,071,368.15	14,550,723,162.55
III. Increase/decrease for the current year	11.50	-245.86	6,075,057.29	309,561,662.40	2,817,684.91	-	-167,552,649.54	-468,221,804.10
(I) Total comprehensive income	-	-	-	-	2,817,684.91	-	719,667,049.24	722,484,734.15
(II) Contribution and withdrawal of capital by shareholders	11.50	-245.86	6,075,057.29	309,561,662.40	-	-	-	8,067,022.93
1. Contribution of capital by other equity instrument owners	11.50	-245.86	1,855.52	-	-	-	-	1,621.16
2. Amount of share-based payment included in owner's equity	-	-	6,073,201.77	-1,992,200.00	-	-	-	4,081,001.77
3. Share repurchase	-	-	-	311,553,862.40	-	-	-	-311,553,862.40
(III) Profit distribution	-	-	-	-	-	-	-887,219,698.78	-887,219,698.78
1. Appropriation to shareholders	-	-	-	-	-	-	-887,219,698.78	-887,219,698.78
IV. Closing balance of the current period	<u>587,831,070.25</u>	<u>491,726,171.57</u>	<u>10,804,208,452.55</u>	<u>325,548,182.40</u>	<u>-2,150,401.51</u>	<u>293,915,529.38</u>	<u>2,232,518,718.61</u>	<u>14,082,501,358.45</u>

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 its registered address at 1999 Yunhe Road, Xiuzhou District, Jiaxing, Zhejiang Province. On 29 December 2005, the Company was converted into a joint stock limited liability company and changed its name to Zhejiang Flat Glass & Mirror Co., Ltd.* (浙江福萊特玻璃鏡業股份有限公司). On 23 March 2011, the Company was renamed as Flat Solar Glass Group Co., Ltd.* (福萊特光伏玻璃集團股份有限公司) and subsequently renamed as Flat Glass Group Co., Ltd.* (福萊特玻璃集團股份有限公司) on 10 October 2014.

The principal activities of the Company and its subsidiaries (the “Group”) are the manufacturing and sales of glass products, the mining and sale of quartz ore for glass production, and the construction of solar photovoltaic power stations as well as the sale of electricity.

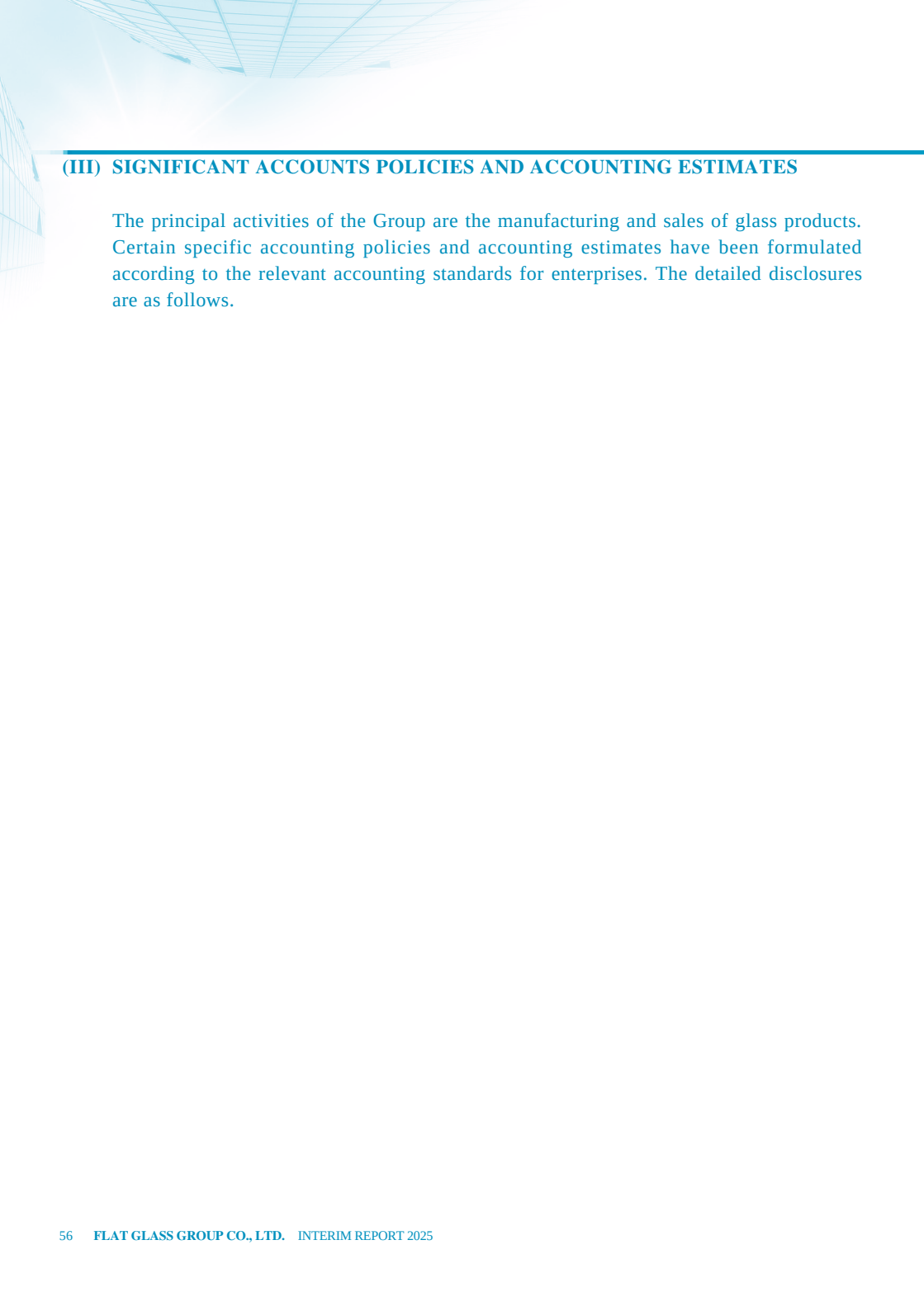
(II) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. Basis of preparation

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

2. Going concern

The Group has assessed the ability to continue as a going concern for a 12-month period since 30 June 2025 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.



(III) SIGNIFICANT ACCOUNTS POLICIES AND ACCOUNTING ESTIMATES

The principal activities of the Group are the manufacturing and sales of glass products. Certain specific accounting policies and accounting estimates have been formulated according to the relevant accounting standards for enterprises. The detailed disclosures are as follows.

5. Significant Criteria Determination Method and Selection Basis

Items	Standards on materiality
Major sales customers	Sales income from a single customer is more than 10% of total revenue
Major construction in progress	The budget for an individual project is more than RMB100 million
Major fixed assets impairment	The impairment amount of an individual fixed assets is more than RMB100 million

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

Business combinations are classified into business combinations involving enterprises under common control and business combinations not involving enterprises under common control.

For transactions not under common control, the acquirer will consider whether to adopt the simplified judgment method of “concentration test” when judging whether the acquired combination constitute a business. If the combination passes the concentration test, it does not constitute a business. If the combination fails the concentration test, the judgment shall be made according to business conditions.

6.1 *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.

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.

6.2 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.

7. Criterion of Control and Preparation of Consolidated Financial Statements

7.1 *Criterion of 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.

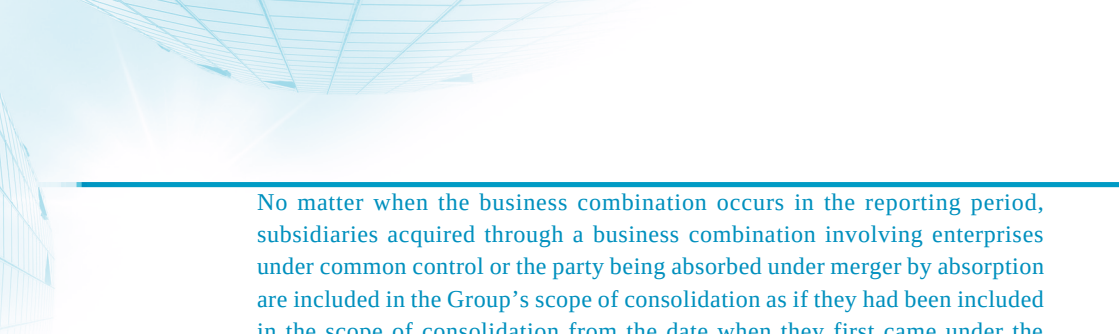
7.2 *Preparation of Consolidated Financial Statements*

The scope of consolidation for the consolidated financial statements is determined based on control.

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 among the subsidiaries on the consolidated financial statements is eliminated on consolidation.

The portion of a subsidiary's equity that is not attributable to the Company is treated as minority interests and presented as "minority interests" under shareholders' equity in the consolidated balance sheet. The portion of a subsidiary's net profit or loss for the period attributable to minority interests is presented as "profit or loss attributable to minority interests" under net profit in the consolidated income statement.

When the amount of loss for the period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion in the opening balance of owners' equity of the subsidiary, the balance is still allocated against minority interests.

8. Recognition Criteria of Cash and Cash Equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are short-term (generally means due within three months from the date of purchase), highly liquid investments held by the Group that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

9.1 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. The exchange difference between the spot exchange rate on that date and the spot exchange rate on the initial recognition date or the previous balance sheet date shall be included in the current profit and loss.

9.2 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”.

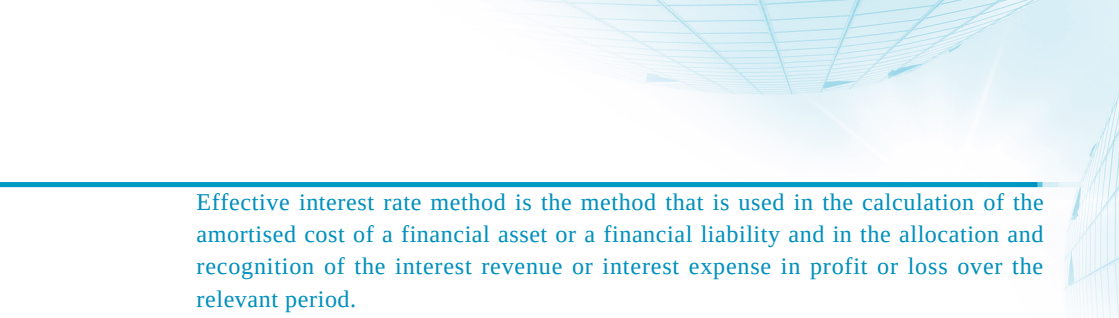
The opening balances and the actual figures of prior year are presented at the translated amounts in the prior year’s financial statements.

10. 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 recognises 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.

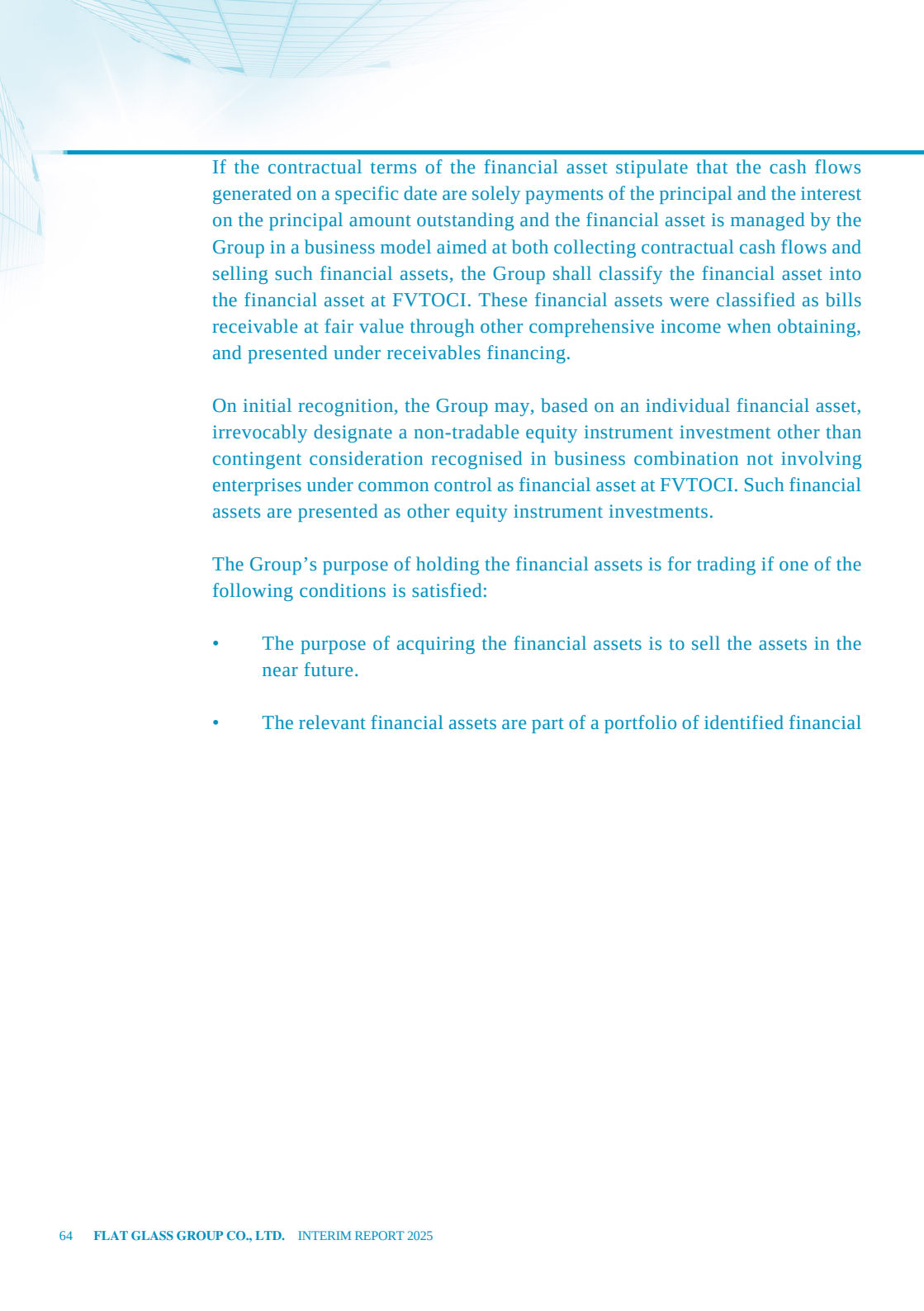
The effective interest rate is the rate that discounts estimated future cash flows through the expected duration of a financial asset or a financial liability to the carrying amount of the financial asset or to the amortised cost of the financial liability. In determining the effective interest rate, 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 amortisation 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).

10.1 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



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

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.

10.1.1 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 amortisation 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 cost of the financial asset and the effective interest rate in subsequent periods. If the credit risk of the financial instrument improves in subsequent periods and the financial instrument is no longer credit impaired and the improvement can be linked to an event occurring after the application of the above requirements, the Group will determine the interest income based on the effective interest rate multiplied by the carrying amount of the financial assets.

10.1.2 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.

10.1.3 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.

10.2 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.

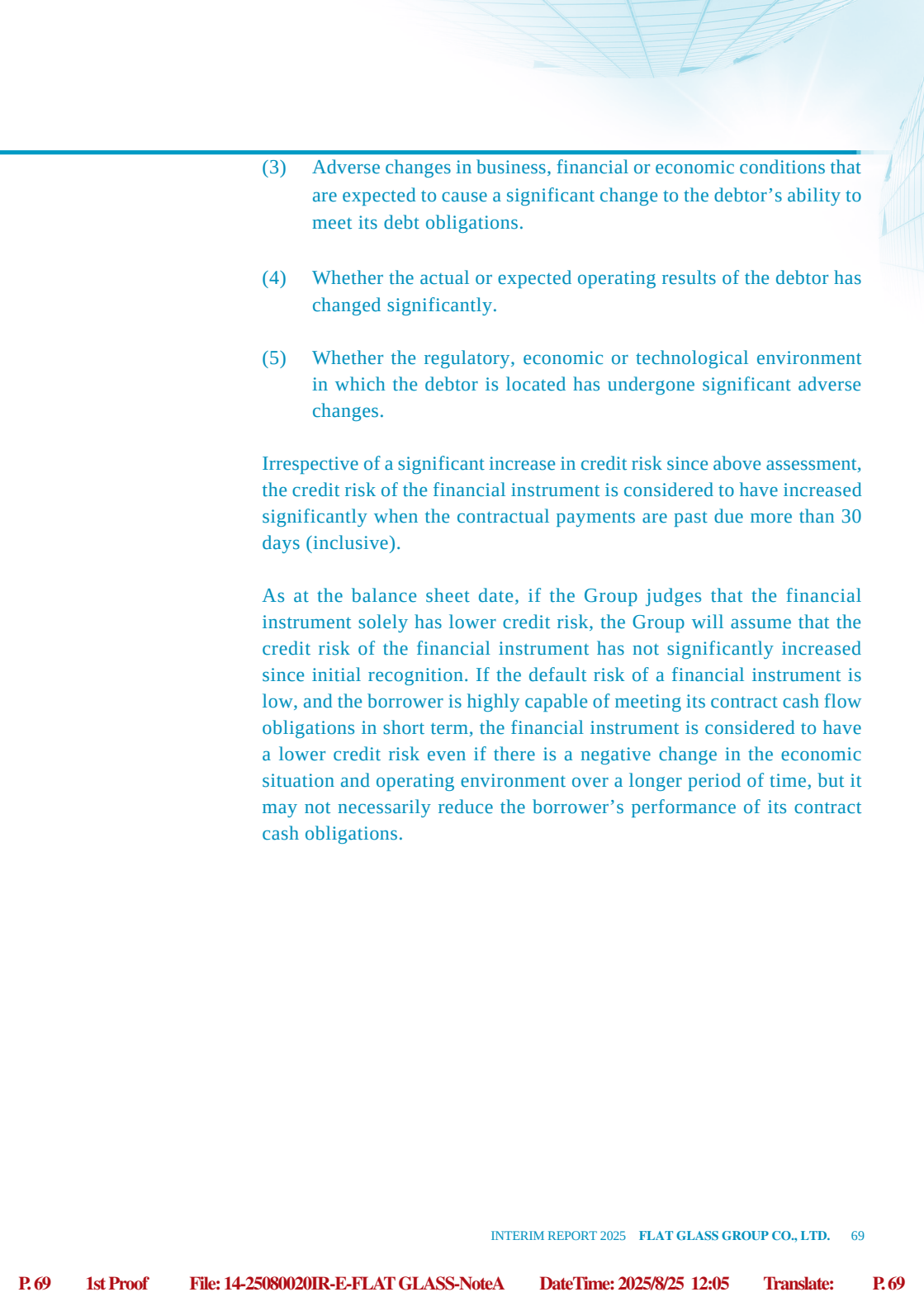
The Group measured loss allowance at an amount equal to the lifetime ECL of the financial instruments in the previous accounting period. However, as at the balance sheet date for the current period, for the above financial instruments, due to failure to qualify as significant increase in credit risk 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.

10.2.1 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 low, and the borrower is highly capable of meeting its contract cash flow obligations in short term, the financial instrument is considered to have a lower credit risk even if there is a negative change in the economic situation and operating environment over a longer period of time, but it may not necessarily reduce the borrower's performance of its contract cash obligations.

10.2.2 Credit impaired financial assets

A financial asset is credit impaired when one or more events that have an adverse impact on the estimated future cash flows of the financial asset occurred. Evidence that a financial asset is credit impaired includes the following observable information:

- (1) Significant financial difficulty of the issuer or the debtor;
- (2) The debtor breaches the contract, such as default or overdue on interest or principal payment;
- (3) The creditor, for economic or contractual reasons relating to the financial difficulties of the debtor, granted to the debtor a concession that the creditor would not otherwise consider;
- (4) The debtor is likely to enter bankruptcy or other financial reorganisation;
- (5) The active market for the financial asset disappeared due to the financial difficulties of the issuer or the debtor.

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).

10.2.3 Determination of ECL

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.

10.2.4 Write-down of financial assets

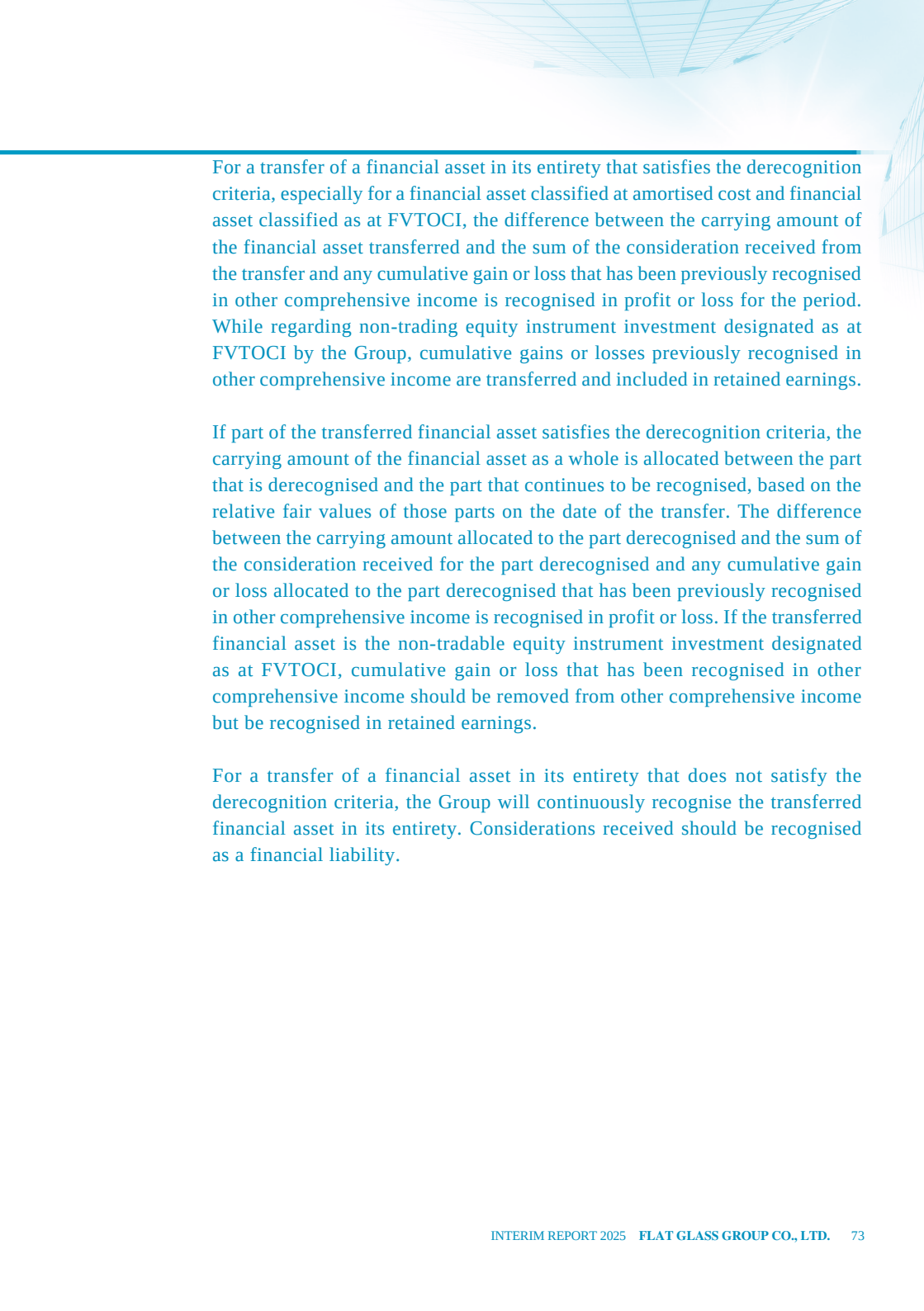
When the Group no longer reasonably expects that the contractual cash flow of the financial assets can be recovered in whole or in part, the book balance of the financial assets shall be written down directly. Such write down constitutes derecognition of related financial assets.

10.3 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 instrument investment designated as at FVTOCI by the Group, cumulative gains or losses previously recognised 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.

10.4 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.

10.4.1 Classification, recognition and measurement of financial liabilities

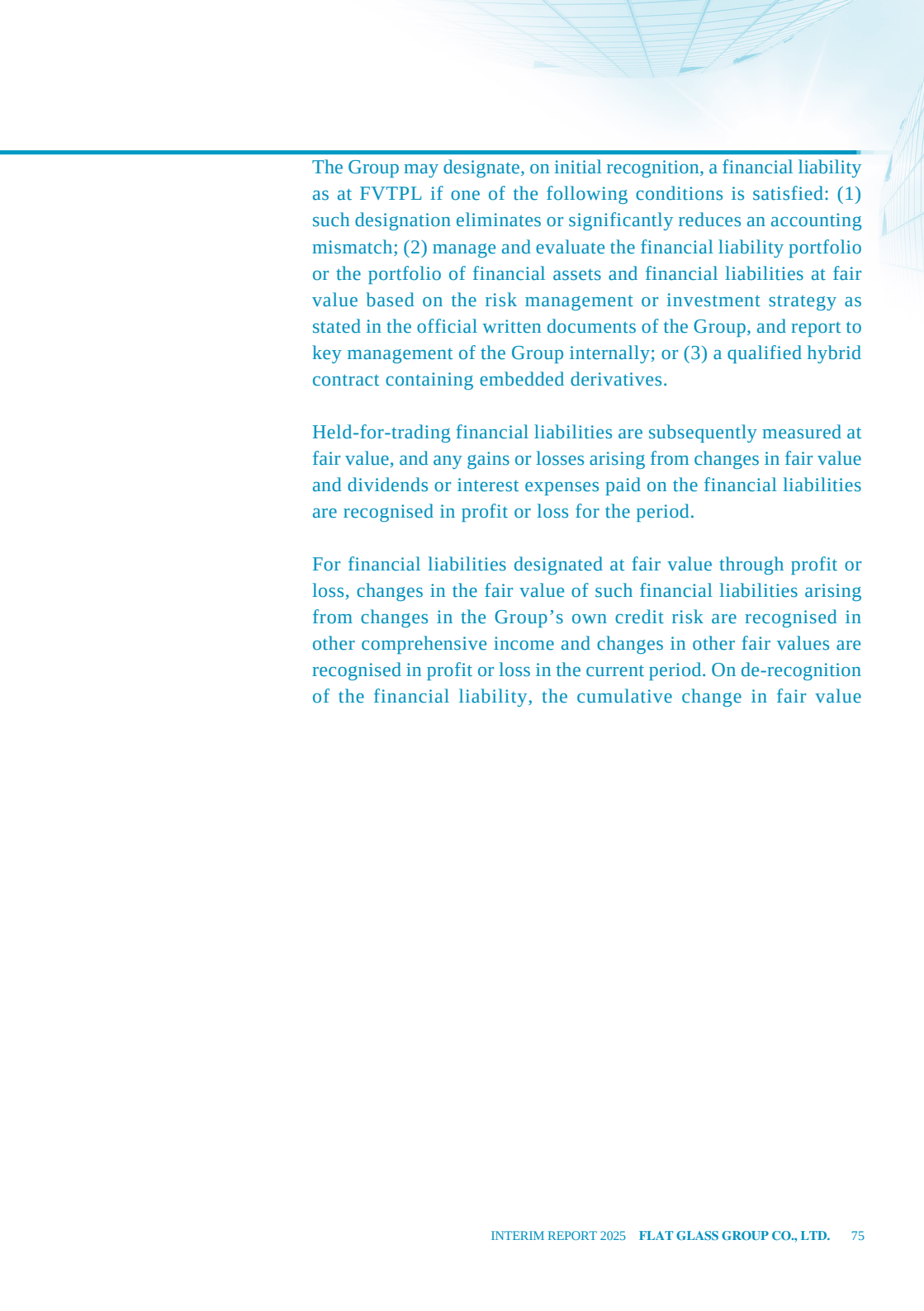
Upon initial recognition, financial liabilities are classified into financial liabilities at FVTPL and other financial liabilities.

10.4.1.1 Financial liabilities at FVTPL

Financial liabilities at fair value through profit and loss include held-for-trading financial liabilities (including derivatives that are financial liabilities) and financial liabilities designated as at FVTPL. In addition to the derivative financial liabilities listed separately, financial liabilities at FVTPL are listed as transactional financial liabilities.

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

- The purpose of undertaking relevant financial liabilities is mainly for the recent repurchase.
- The relevant financial liabilities 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 liabilities are derivatives, except for derivatives defined under financial guarantee contracts and derivatives designated as effective hedging instruments.



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 recognised in other comprehensive income and changes in other fair values are recognised in profit or loss in the current period. On de-recognition of the financial liability, the cumulative change in fair value

10.4.1.2 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 amortisation 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.

10.4.2 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.

10.4.3 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.

10.5 Derivative instruments

Derivative instruments including forward foreign exchange contracts, interest rate swap contracts and 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.

10.6 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.

10.7 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.

10.8 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 amortised over the term of the convertible bonds using the effective interest rate method.

11. Bills receivable

Portfolio category and determination method of provisions for bad debt assessed collectively by credit risk characteristics

Except for bills receivable assessed individually by credit risks, the remaining bills receivable are divided into different groups based on their credit risk characteristics:

Category	Determination basis
Low risk	Bank acceptance bills or commercial acceptance bills issued by a related party
Normal	Other bills receivable except low-risk category



12. Trade receivables

Portfolio category and determination method of provisions for bad debt assessed

13. Inventories

13.1 Classification of inventories, pricing delivered, inventory system, amortization method for low-value consumables and packaging

13.1.1 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.

13.1.2 Pricing of inventories delivered

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

13.1.3 Inventory system

The inventory system is a perpetual inventory system.

13.1.4 Amortisation of low-value consumables

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

13.2 Determination and provision for impairment 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.

14. Long-term Equity Investments

14.1 Basis of determination of joint control and significant influence

For details of basis of determination of control, please refer to Note (III)7. 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.

14.2 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

14.3 Subsequent measurement and recognition of profit or loss

14.3.1 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.

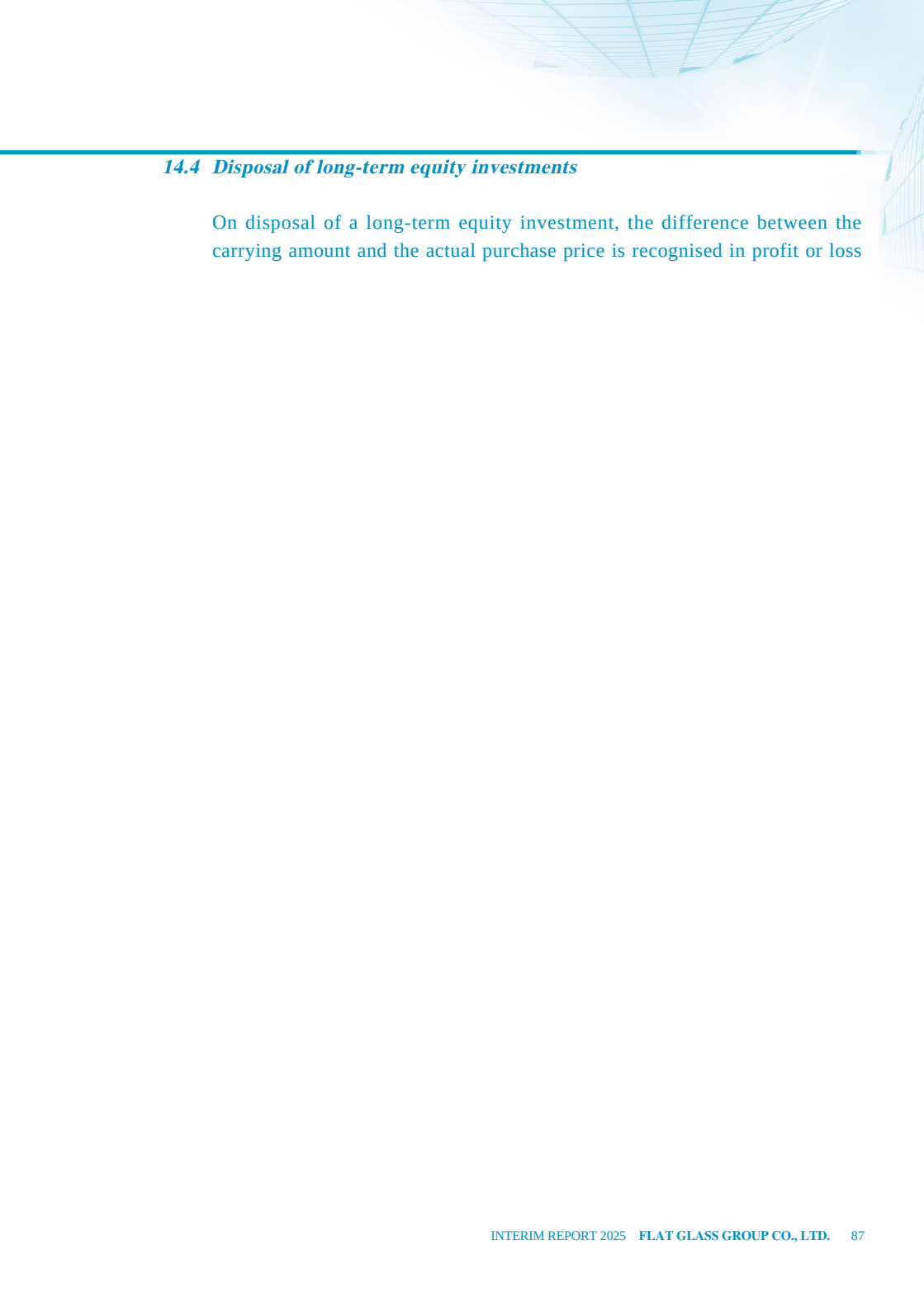
14.3.2 Long-term equity investment accounted for by equity method

The Group's investment in associates is accounted for by equity method. Associates refer to invested entities to which the Group can exert a significant influence.

When adopting equity method accounting, if the initial investment cost of long-term equity investment exceeds the share of the fair value of identifiable net assets of the invested entity at the investment date, no adjustment shall be made to the initial investment cost of long-term equity investment. If the initial investment cost is less than the share of the fair value of identifiable net assets of the invested entity at the investment date, the difference shall be charged to current profit or loss, and the long-term equity investment cost shall be adjusted at the same time.

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.



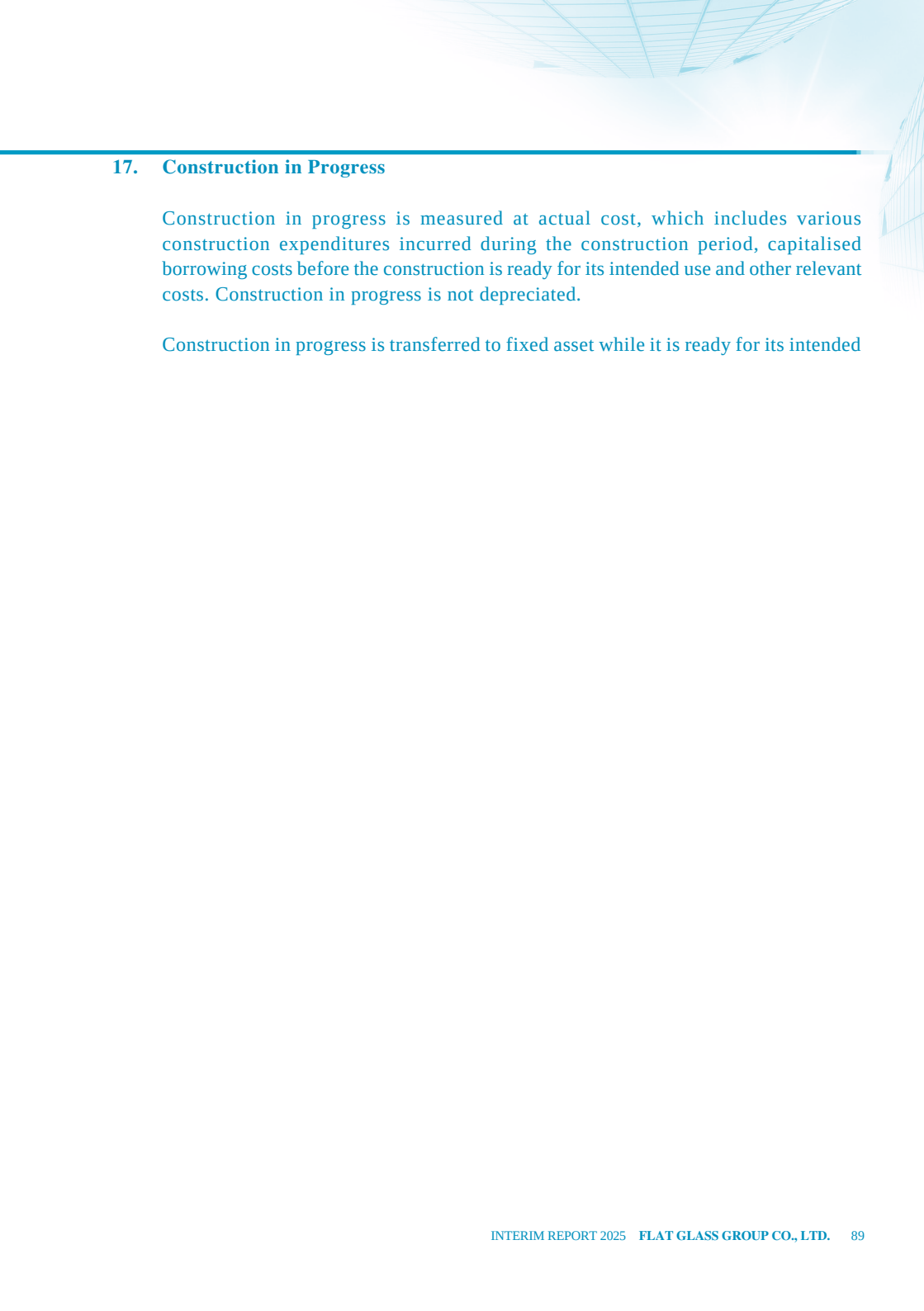
14.4 Disposal of long-term equity investments

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

16.2 Depreciation methods

Class	Depreciation Method	Depreciation Period (Years)	Residual Value rate (%)	Annual Depreciation Rate (%)
Houses and buildings	Straight-line depreciation	20-25	– or 5	4.00-5.00
Machinery and equipment	Straight-line depreciation	4-20	– or 5	4.75-23.75
Transportation equipment	Straight-line depreciation	4-15	– or 5	6.67-23.75
Other equipment	Straight-line depreciation	3-10	– or 5	9.50-33.33

Estimated net residual value of a fixed asset is the estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.



17. Construction in Progress

Construction in progress is measured at actual cost, which includes various construction expenditures incurred during the construction period, capitalised 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

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 capitalisation rate of the general borrowings used. The capitalisation 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.

19. Intangible Assets

19.1 Useful life and determination basis, estimate, amortization method or review procedure

Intangible assets include software, pollutant discharge rights, mining rights, land use rights, energy consumption rights and maritime right of use, etc.

The intangible assets shall be initially measured at cost. When an intangible asset with a finite useful life is available for use, its original cost less net residual value and any accumulated impairment losses is amortised over its estimated useful life using the straight-line method. Intangible assets are not amortised while their useful lives are assessed to be indefinite. The amortisation method, useful life and estimated net residual value rate of each class of intangible assets are as follows:

Class	Amortisation method	Useful life and determination basis (Years)	Residual value rate (%)
Land use rights	Straight line method	40-50, legal right to use	—
Pollutant discharge rights	Straight line method	3-20, estimated useful life	—
Mining rights	Output method	—	—
Software	Straight line method	10, estimated useful life	—
Maritime right of use	Straight line method	50, legal right to use	—
Energy consumption rights	Intangible assets with an indefinite useful life are not amortised		

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

19.2 Collection scope and relevant accounting treatment of R & D expenses

The allocation scope of R&D expenditures includes the salaries and compensation paid to personnel working on R&D, materials consumed during R&D work and other expenses. 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 recognised 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 capitalisation 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 capitalisation conditions are met for the same intangible asset in the development process will not be adjusted.

20. 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.

21. 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.

22. 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.

23. Employee Compensation

23.1 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 nonmonetary 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.

23.2 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.

23.3 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 dismissal benefits.

25.2 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 recognised 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.

26. 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.

27. Government Grants

Government grants are transfer of monetary assets and non-monetary assets from the government to the Group at no consideration. A government grant is recognised only when the Group can comply with the conditions attaching to the grant and the Group will receive the grant.

If a government grant is in the form of monetary asset, it shall be measured at the amount received or receivable.

27.1 Judgement basis and accounting treatment of government grants related to assets

A government grant related to assets is recognised as deferred income and included in current profit or loss over the useful life of the related asset using the straight-line method.

27.2 Judgement basis and accounting treatment of government grants related to revenue

A government grant related to revenue used to compensate for relevant costs, expenses and losses in subsequent periods is recognised as deferred income, and is included in profit or loss for the period directly over the periods in which the relevant costs, expenses or losses are recognised. The government grants related to revenue used to compensate for relevant costs, expenses or losses already incurred is included in profit or loss for the period directly.

The government grants related to the Group's daily activities are included in other income/offset the relevant costs and expenses according to the nature of economic business. Otherwise, government grants are included in non-operating income.

28. Deferred Income Tax Assets/Deferred Income Tax Liabilities

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

28.1 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.

28.2 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 income 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 income tax asset or liability is recognised.

For deductible losses and tax credits in subsequent years that can be carried forward, deferred income 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 income 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.

28.3 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 income 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 income tax assets or liabilities are expected to be reversed, deferred income tax assets and deferred tax liabilities are offset and presented on a net basis.

29. Lease

Judgment basis and accounting treatment method for the lessee to simplify the treatment of short-term lease and low-value asset lease

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

Lease classification standard and accounting treatment method for the lessor

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.

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 (output-VAT) less deductible input- VAT for the current period)	13%
Urban maintenance and construction tax	Turnover tax payment	7%
Education surcharge	Turnover tax payment	3%
Local educational surcharges	Turnover tax payment	2%
Property tax	Cost of properties/rental income	Note 1
Resources tax	Amount of mining products sold	7%
Enterprise income tax (EIT)	Taxable income	For details, please see the table of disclosures of taxpayers of different corporate income tax rates
Environmental protection tax	Pollutant emissions	RMB1.2 or RMB1.4 pollutant equivalent

Note 1: 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.

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.*	25%
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	
Flat (Hong Kong) Limited*	Note 1
嘉興福萊特新能源科技有限公司	
Jiaxing Flat New Energy Technology Co., Ltd.*	25%
福萊特(越南)有限公司	
Flat (Vietnam) Company Limited*	0%
福萊特(香港)投資有限公司	
Flat (Hong Kong) Investment Limited*	Note 1
福萊特(嘉興)進出口貿易有限公司	
Flat (Jiaxing) Import and Export Trade Limited*	25%
鳳陽福萊特天然氣管道有限公司	
Fengyang Flat Natural Gas Pipeline Co., Ltd.*	25%
福萊特(宿遷)光伏玻璃有限公司	
Flat (Suqian) Solar Glass Co., Ltd.*	25%
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%
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%

Name	Tax rate (%)
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%
嘉興崑崙福萊特能源管理有限公司 Jiaxing Kunlun Flat Energy Management Co., Ltd.*	25%
福萊特(廣西)光能有限公司 Flat (Guangxi) Photoenergy Co., Ltd.*	25%
福萊特光能有限公司 Flat Photoenergy Co., Ltd.*	25%
浙江福來泰新能源有限公司及其子公司 Zhejiang Fulaitai New Energy Co., Ltd.* and its subsidiaries	25%
南通福萊特天然氣有限公司 Nantong Flat Natural Gas Co., Ltd.*	25%
福萊特(宜賓)光能有限公司 Flat (Yibin) Photoenergy Co., Ltd.*	25%
昭通福萊特硅業有限公司 Zhaotong Flat Silicon industry Co., Ltd.*	25%
PT FLATSOLAR ENERGY INDONESIA	22%
FLAT SOLAR TECHNOLOGY PTE. LTD.	17%
嘉興福聯物流有限公司 Jiaxing Fulian Logistics Co., Ltd.*	25%
Flat (Shanxi) Photoenergy Co., Ltd.* (福萊特(山西)光能有限公司)	25%
浙江福玻新材料有限公司 Zhejiang Fubo New Materials Co., Ltd.*	25%
Nantong Flat Port Co., Ltd. * (南通福萊特港務有限公司)	25%
Zhongda Silica Development (Anhui) Group Co., Ltd.* 中達石英發展(安徽)集團有限公司	25%
Fengyang Fusha Technology Co., Ltd.* (鳳陽福砂科技有限公司)	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%.

* for identification purpose only

2. Tax Preferences

The Company

On 24 December 2022, the Company obtained the “High Technology Enterprise Certificate” (No. GR202233007200) 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 2022 to 2024. As the company is currently undergoing the re-examination for its high-tech enterprise status in 2025, it provisionally calculates and prepays its corporate income tax at the preferential rate of 15% for the year.

Anhui Flat Solar Glass Co., Ltd.

On 16 October 2023, Anhui Flat Solar Glass Co., Ltd. obtained the “High Technology Enterprise Certificate” (No. GR202334000506) 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 2023 to 2025.

Flat (Vietnam) Company Limited/Flat (Vietnam) Import and Export Trade 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 started to make profits since 2021.

On 8 October 2021, the Organisation for Economic Co-operation and Development (OECD) issued the “Pillar Two” implementation plan of new international tax rules. On 29 November 2023, the National Assembly of Vietnam passed the resolution in respect of the Pillar Two global minimum tax rules, which were effective from 1 January 2024. The global minimum tax rules will be implemented in 2024.

Fengyang Flat New Energy Technology Co., Ltd.

Pursuant to the Catalogue of Enterprise Income Tax Preferences for Public Infrastructure Projects, enterprises engaged in the investment and operation of national key-supported public infrastructure projects specified in the catalogue are exempt from enterprise income tax for the first three years and subject to a 50% reduction in enterprise income tax for the fourth to sixth years, starting from the tax year in which the first production and operation income is obtained. Fengyang Flat New Energy Technology Co., Ltd. is engaged in distributed photovoltaic power generation projects and obtained its first income eligible for the preferential treatment in 2024. Therefore, it is exempt from enterprise income tax from 2024 to 2026 and subject to a 50% reduction in enterprise income tax from 2027 to 2029.

Zhejiang Fulaitai New Energy Co., Ltd.* and its subsidiaries

Pursuant to the Catalogue of Enterprise Income Tax Preferences for Public Infrastructure Projects, enterprises engaged in the investment and operation of national key-supported public infrastructure projects specified in the catalogue are exempt from enterprise income tax for the first three years and subject to a 50% reduction in enterprise income tax for the fourth to sixth years, starting from the tax year in which the first production and operation income is obtained. Zhejiang Fulaitai New Energy Co., Ltd.* and its subsidiaries is engaged in distributed photovoltaic power generation projects and obtained its first income eligible for the preferential treatment in 2023. Therefore, it is exempt from enterprise income tax from 2023 to 2025 and subject to a 50% reduction in enterprise income tax from 2026 to 2028.

(V) NOTES TO THE CONSOLIDATED STATEMENTS

1. CASH AT BANK AND ON HAND

RMB

Items	Closing balance	Opening balance
Cash on hand	38,151.76	18,349.73
Cash at bank	4,201,374,115.28	4,511,608,711.23
Other cash at bank and on hand	401,242,990.94	783,267,066.50
Total	<u>4,602,655,257.98</u>	<u>5,294,894,127.46</u>
Including: Total amount deposited abroad	<u>318,961,325.81</u>	<u>246,525,286.58</u>

At the end of the current period, the Group's restricted cash and cash equivalents included in other monetary funds amounted to RMB401,242,990.94 (end of prior year: RMB783,268,066.50), consisting mainly of bills acceptance margin, pledged bank deposits, futures and options margin, and letters of credit margin.

2. TRADING FINANCIAL ASSETS

RMB

Items	Closing balance	Opening balance
Financial assets at fair value through profit or loss	180,017,888.52	520,018,576.54
Including: Bank wealth management products	180,000,000.00	520,000,000.00
Outstanding shares of listed company	17,888.52	18,576.54
Total	<u>180,017,888.52</u>	<u>520,018,576.54</u>

3. DERIVATIVE FINANCIAL ASSETS

RMB

Items	Closing balance	Opening balance
Forward foreign exchange contract	482,979.28	698,070.40
Foreign exchange option contract	104,849.07	—
Total	<u>587,828.35</u>	<u>698,070.40</u>

4. BILLS RECEIVABLES

(1) Bills receivables by category

RMB

Items	Closing balance	Opening balance
Bank acceptance bills	1,574,371,971.41	913,081,408.67
Commercial acceptance bills	106,538,412.68	196,595,868.15
Less: Bad debt provision	<u>1,875,076.06</u>	<u>3,460,087.28</u>
Total	<u>1,679,035,308.03</u>	<u>1,106,217,189.54</u>

(2) *At the end of the half year, the Group had no bills receivable pledged.*

(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	964,433,222.85	389,625,048.27
Discounted bank acceptance bills	—	8,886,467.84
Total	<u>964,433,222.85</u>	<u>398,511,516.11</u>

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

RMB

Classification	Closing balance				Book value
	Book balance		Bad debt provision		
				Accrual	
	Amount	Percentage (%)	Amount	Percentage (%)	
Bad debt provision by portfolio	<u>1,680,910,384.09</u>	<u>100.00</u>	<u>1,875,076.06</u>	<u>0.11</u>	<u>1,679,035,308.03</u>
Total	<u>1,680,910,384.09</u>	<u>100.00</u>	<u>1,875,076.06</u>	<u>0.11</u>	<u>1,679,035,308.03</u>

Classification	Opening balance				Book value
	Book balance		Bad debt provision		
				Accrual	
	Amount	Percentage (%)	Amount	Percentage (%)	
Bad debt provision by portfolio	<u>1,109,677,276.82</u>	<u>100.00</u>	<u>3,460,087.28</u>	<u>0.31</u>	<u>1,106,217,189.54</u>
Total	<u>1,109,677,276.82</u>	<u>100.00</u>	<u>3,460,087.28</u>	<u>0.31</u>	<u>1,106,217,189.54</u>

Collectively-assessed bills receivable with credit loss allowances

RMB

Name	Bills receivables	Closing balance	Accrual Percentage (%)
		Bad debt provision	
Low risk	1,574,371,971.41	—	—
Normal	106,538,412.68	1,875,076.06	1.76
Total	1,680,910,384.09	1,875,076.06	0.11

The Group believes that the accepting banks of the bank acceptance bills it holds have high credit ratings and that there is no significant credit risk; therefore, no credit impairment provisions have been recognized.

(5) *Credit losses provision*

RMB

Classification	Opening balance	Changed amounts in the current period		Closing balance
		Provision	Transferred	
Normal	3,460,087.28	-1,585,011.22	—	1,875,076.06
Total	3,460,087.28	-1,585,011.22	—	1,875,076.06

As of the end of the current period, the Group had no bills that were reclassified to accounts receivable due to the drawer's failure to perform.

5. **TRADE RECEIVABLES**

(1) *Disclosed by aging*

RMB

Aging	Book balance at the end of the half year	Book balance at the beginning of the half year
Within 1 year	2,325,220,715.66	2,657,945,848.14
1-2 years	18,360,771.06	13,341,820.99
2-3 years	1,189,900.17	1,748,061.11
Over 3 years	20,401,797.15	19,642,766.75
Total	2,365,173,184.04	2,692,678,496.99

(2) *Disclosed by bad debt provision method*

RMB

Classification	Book balance		Closing balance		Book value
	Amount	Percentage (%)	Bad debt provision		
			Amount	Accrual Percentage (%)	
Bad debt provision individually	32,643,605.53	1.38	32,643,605.53	100.00	-
Bad debt provision by portfolio	2,332,529,578.51	98.62	52,918,013.99	2.27	2,279,611,564.52
Total	2,365,173,184.04	/	85,561,619.52	/	2,279,611,564.52

Classification	Book balance		Opening balance		Book value
	Amount	Percentage (%)	Bad debt provision		
			Amount	Accrual Percentage (%)	
Bad debt provision individually	29,432,382.50	1.09	29,432,382.50	100.00	-
Bad debt provision by portfolio	2,663,246,114.49	98.91	67,991,898.01	2.55	2,595,254,216.48
Total	2,692,678,496.99	/	97,424,280.51	/	2,595,254,216.48



(4) Details of trade receivables actually written off during the period

RMB

Items	Amount written off
Trade receivables actually written off	177,072.47

(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 RMB1,405,000,782.33 (end of the previous year: RMB1,482,118,187.51), representing 59.40% (end of the previous year: 55.04%) of total balance of trade receivables. The credit loss provision of top five trade receivables amounted to RMB24,782,013.77 (end of the previous year: RMB26,085,280.10).

6. FINANCING RECEIVABLES

(1) Financing receivables listed by category

RMB

Items	Closing balance	Opening balance
Bank acceptance bills	<u>1,370,301,634.55</u>	1,566,522,584.04
Total	<u><u>1,370,301,634.55</u></u>	<u><u>1,566,522,584.04</u></u>

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.



7. ADVANCE PAYMENTS

(1) Listed by aging

RMB

Aging	Closing balance		Opening balance	
	Amount	Percentage (%)	Amount	Percentage (%)
With 1 year	67,322,664.37	94.70	44,112,612.04	82.72
1-2 years	1,452,424.98	2.04	7,376,085.39	13.83
2-3 years	882,631.18	1.24	566,462.00	1.06
Over 3 years	1,435,214.31	2.02	1,273,688.33	2.39
Total	<u>71,092,934.84</u>	<u>100.00</u>	<u>53,328,847.76</u>	<u>100.00</u>

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 current period and the end of the last year, the balances of top five advance payments were RMB39,631,784.47 and RMB37,448,135.80 respectively, representing 55.75% and 70.22% of the total balances of advance payments.

8. OTHER RECEIVABLES

RMB

Items	Closing balance	Opening balance
Dividends receivable	1,562,500.00	—
Other receivables	81,344,401.57	130,072,141.34
Total	82,906,901.57	130,072,141.34

Dividends receivable

(1) Dividends receivable

RMB

Item (or Investee)	Closing balance	Opening balance
Jiaxing Gas	1,562,500.00	—
Total	1,562,500.00	—

Other receivables

(1) Disclosed by aging

RMB

Aging	Closing book balance	Opening book balance
Within 1 year	8,543,968.66	77,842,525.21
1-2 year	52,632,514.75	41,262,042.75
2-3 year	14,872,332.95	10,395,193.97
Over 3 years	5,295,585.21	572,379.41
Total	81,344,401.57	130,072,141.34

(2) Other receivables listed by classification by nature

RMB

Nature	Closing book balance	Opening book balance
Deposit, Margin	64,771,018.11	93,311,216.21
Reserve fund	1,032,727.76	625,948.61
Others	15,540,655.70	36,134,976.52
Total	81,344,401.57	130,072,141.34

(3) *Impairment of other receivables*

Based on the nature of other receivables and after evaluation, the Group believes that other receivables have no significant risk of ECL. Therefore, there is no provision for credit loss.

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

RMB					
Name	Closing balance	Percentage of the total closing balance of other receivables (%)	Nature of amount	Ageing	Closing balance of credit loss provision
CONG TY CO PHAN KHU CONG NGHIEP DINH VU	46,243,170.67	56.85	Margin	1-2 years	-
Jiaxing Hongyun New Rural Investment Development and Construction Co., Ltd.* (嘉興市洪運新農村投 資開發建設有限公司)	6,505,159.30	8.00	Other	2-3 years	-
DEEP C GREEN ENERGY VIỆT NAM COMPANY	5,224,579.65	6.42	Margin	2-3 years	-
Wuxuan Baoxin Mining Co., Ltd.* (武宣寶鑫礦 業有限公司)	5,000,000.00	6.15	Margin	1-2 years	-
Anhui Fengkuang Silica Co., Ltd.* (安徽鳳礦硅 砂有限公司)	4,800,000.00	5.90	Other	Over 3 years	-
Total	67,772,909.62	83.32	/	/	-

* for identification purpose only

9. INVENTORIES

(1) Inventories category

RMB

Items	Book balance	Closing balance Impairment provision	Book value
Raw materials	664,606,583.28	5,990,314.84	658,616,268.44
Low-valued consumables	253,128,044.12	55,390,594.87	197,737,449.25
Work in progress	108,732,128.37	–	108,732,128.37
Finished goods	1,084,206,432.58	91,462,980.94	992,743,451.64
Total	<u>2,110,673,188.35</u>	<u>152,843,890.65</u>	<u>1,957,829,297.70</u>

Items	Book balance	Opening balance Impairment provision	Book value
Raw materials	616,927,104.06	14,944,814.87	601,982,289.19
Low-valued consumables	262,185,755.96	36,012,426.12	226,173,329.84
Work in progress	110,116,887.78	–	110,116,887.78
Finished goods	846,081,398.76	51,522,426.77	794,558,971.99
Total	<u>1,835,311,146.56</u>	<u>102,479,667.76</u>	<u>1,732,831,478.80</u>

(2) Inventory impairment provision

RMB

Items	Closing balance			Opening balance		
	Book balance	Provision	Percentage (%)	Book balance	Provision	Percentage (%)
Raw materials	664,606,583.28	5,990,314.84	0.90	616,927,104.06	14,944,814.87	2.42
Low-valued consumables	253,128,044.12	55,390,594.87	21.88	262,185,755.96	36,012,426.12	13.74
Finished products	1,084,206,432.58	91,462,980.94	8.44	846,081,398.76	51,522,426.77	6.09
Total	<u>2,001,941,059.98</u>	<u>152,843,890.65</u>	<u>7.63</u>	<u>1,725,194,258.78</u>	<u>102,479,667.76</u>	<u>5.94</u>

10 、 OTHER NON-CURRENT ASSETS DUE WITHIN ONE YEAR

RMB

Items	Closing balance	Opening balance
Debt investment due within one year	<u>143,172,000.00</u>	—
Total	<u>143,172,000.00</u>	—

11. OTHER CURRENT ASSETS

RMB

Items	Closing balance	Opening balance
Prepaid income tax	57,610,583.47	82,913,789.02
Value-added tax recoverable	534,077,954.55	432,813,161.36
Bank deposit	167,000,000.00	357,000,000.00
Export tax rebate	1,621,859.79	1,545,150.15
Prepaid rent	2,415,137.62	412,844.04
Prepaid import duties	—	2,515,500.35
Others	—	8,358.83
Total	<u>762,725,535.43</u>	<u>877,208,803.75</u>

Note: Bank deposits of RMB67,000,000.00 were pledged as collateral to obtain bank credit facilities.

12. DEBT INVESTMENT

(1) Debt Investment

RMB

Items	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Long-term bank certificates of deposit	-	-	-	143,768,000.00	-	143,768,000.00
Total	-	-	-	143,768,000.00	-	143,768,000.00

The Group is of the view that the credit risk arising from long-term bank certificates of deposit held due to bank default is low and therefore no provision for credit losses has been made.

(2) Significant Debt Investment at the End of the Year

USD

Item	Par value	Closing balance		Due date	Par value	Opening balance		Due date
		Interest rate	Effective interest rate			Interest rate	Effective interest rate	
Long-term bank certificates of deposit	20,000,000.00	5.99%	5.99%	April 2026	20,000,000.00	5.99%	5.99%	April 2026
Total	20,000,000.00	/	/	/	20,000,000.00	/	/	/

As of 30 June 2025, the above-mentioned time deposits made with the bank, which was held by the Group, will mature within one year and are therefore reclassified as other non-current assets due within one year.

13. OTHER DEBT INVESTMENT

(1) Other debt investment situation

RMB

Item	Opening balance	Interest	Interest adjust	Fair value changes for the year	Closing balance	Cost	Accumulated fair value changes	Accumulated loss provisions recognized in other comprehensive income	Notes
Transferable large denomination time deposits	223,712,827.25	3,286,891.66	-	-	287,125,718.91	283,519,073.83	-	-	-

Note: The Group holds transferable large-denomination time deposits. Since the business model is aimed at both collecting contractual cash flows and selling the financial assets, these deposits are classified as financial assets measured at fair value with changes recognized in other comprehensive income, and are presented under other debt investments.

(2) Significant other debt investments at year-end

RMB

Item	Par value	Closing balance		Due date	Par value	Opening balance		Due date
		Interest rate	Effective interest rate			Interest rate	Effective interest rate	
Transferable large denomination time deposits	280,126,000.00	1.85%~2.55%	1.85%~2.55%	March 2027~ March 2028	220,000,000.00	2.50%~2.55%	2.50%~2.55%	March 2027~ May 2027
Total	<u>280,126,000.00</u>	<u>/</u>	<u>/</u>	<u>/</u>	<u>220,000,000.00</u>	<u>/</u>	<u>/</u>	<u>/</u>

(3) The Group believes that the credit risk arising from bank default on the transferable large denomination certificates of deposit it holds is low, and therefore no provision for credit losses has been made.

14. LONG-TERM EQUITY INVESTMENT

RMB

Invested Company	Opening balance	Changes during the period		Closing balance
		Investment gains and loss recognized under the equity methods	Declaration of cash dividends or profit distribution	
Joint venture				
Kaihong Flat	29,345,769.04	13,942,219.27	—	43,287,988.31
Kunlun Gas	10,500,000.00	—	—	10,500,000.00
Jiaxing Gas	68,124,208.15	3,261,600.00	1,562,500.00	69,823,308.15
Jiaxing Energy	4,500,000.00	—	—	4,500,000.00
Total	<u>112,469,977.19</u>	<u>17,203,819.27</u>	<u>1,562,500.00</u>	<u>128,111,296.46</u>

15. INVESTMENT PROPERTIES

Investment properties with cost measurement model

RMB

Items	House and buildings	Land use rights	Total
I. Original book value			
1. Opening balance	539,310,452.96	7,525,892.36	546,836,345.32
2. Amount increased in the current period	—	—	—
3. Amount decreased in the current period	—	—	—
4. Closing balance	<u>539,310,452.96</u>	<u>7,525,892.36</u>	<u>546,836,345.32</u>
II. Accumulated depreciation and accumulated amortization	—	—	—
1. Opening balance	57,803,696.72	2,290,488.48	60,094,185.20
2. Amount increased in the current period	12,720,407.69	81,803.16	12,802,210.85
(1) Provided or amortized	12,720,407.69	81,803.16	12,802,210.85
3. Amount decreased in the current period	—	—	—
4. Closing balance	<u>70,524,104.41</u>	<u>2,372,291.64</u>	<u>72,896,396.05</u>
III. Book value	—	—	—
1. Closing book value	468,786,348.55	5,153,600.72	473,939,949.27
2. Opening book value	<u>481,506,756.24</u>	<u>5,235,403.88</u>	<u>486,742,160.12</u>

The ownership of houses and buildings and land use rights with a net value of RMB465,462,758.62 at the end of the current year (at the end of previous year: RMB478,047,262.83) was pledged for borrowings.

16. FIXED ASSETS

RMB

Items	Closing balance	Opening balance
Fixed assets	<u>16,419,366,021.40</u>	16,395,460,289.88
Total	<u>16,419,366,021.40</u>	<u>16,395,460,289.88</u>

(1) Fixed assets condition

RMB

Items	House and building	Machinery and equipment	Transportation equipment	Other equipment	Total
I. Original book value					
1. Opening balance	6,407,928,756.86	15,079,146,589.10	176,942,072.77	216,857,264.74	21,880,874,683.47
2. Amount increased in the current period	498,036,923.55	564,339,105.72	11,733,425.70	12,635,003.95	1,086,744,458.92
(1) Purchase	121,620,963.39	168,902,124.61	9,933,770.94	8,791,839.51	309,248,698.45
(2) Transferred from construction in progress	175,137,615.81	271,315,215.43	—	151,459.98	446,604,291.22
(3) Acquired through business combination	201,278,344.35	124,121,765.68	1,799,654.76	3,691,704.46	330,891,469.25
3. Amount decreased in the current period	—	183,636,524.38	2,784,657.76	5,174,299.61	191,595,481.75
(1) Disposal or scrap	—	120,638,551.45	2,784,657.76	5,174,299.61	128,597,508.82
(2) Transferred from construction in progress	—	62,997,972.93	—	—	62,997,972.93
4. Difference on translation of foreign currency financial statements	-17,370,158.62	-27,138,915.34	-488,481.03	-127,539.12	-45,125,094.11
5. Closing balance	6,888,595,521.79	15,432,710,255.10	185,402,359.68	224,190,429.96	22,730,898,566.53
II. Accumulated depreciation					
1. Opening balance	1,036,453,674.10	3,932,059,764.41	110,645,365.62	88,674,889.74	5,167,833,693.87
2. Amount increased in the current period	160,668,795.93	591,371,988.28	14,962,175.53	19,500,891.32	786,503,851.06
(1) Provided	151,886,895.98	579,973,812.53	14,298,213.96	18,308,596.10	764,467,518.57
(2) Acquired through business combination	8,781,899.95	11,398,175.75	663,961.57	1,192,295.22	22,036,332.49
3. Amount decreased in the current period	—	82,325,514.06	2,458,002.85	1,780,332.01	86,563,848.92
(1) Disposal or scrap	—	47,593,695.03	2,458,002.85	1,780,332.01	51,832,029.89
(2) Transferred from construction in progress	—	34,731,819.03	—	—	34,731,819.03
4. Difference on translation of foreign currency financial statements	-2,648,482.75	-7,844,558.52	-177,117.82	-69,434.91	-10,739,594.00
5. Closing balance	1,194,473,987.28	4,433,261,680.11	122,972,420.48	106,326,014.14	5,857,034,102.01
III. Impairment provision					
1. Opening balance	—	317,164,190.64	274,439.20	142,069.88	317,580,699.72
2. Amount increased in the current period	—	140,503,642.51	—	—	140,503,642.51
(1) Provided	—	140,503,642.51	—	—	140,503,642.51
3. Amount decreased in the current period	—	3,585,899.11	—	—	3,585,899.11
(1) Disposal or scrap	—	3,585,899.11	—	—	3,585,899.11
4. Closing balance	—	454,081,934.04	274,439.20	142,069.88	454,498,443.12
IV. Book value					
1. Closing book value	5,694,121,534.51	10,545,366,640.95	62,155,500.00	117,722,345.94	16,419,366,021.40
2. Opening book value	5,371,475,082.76	10,829,922,634.05	66,022,267.95	128,040,305.12	16,395,460,289.88

(2) At the end of the current period, the Group's temporarily idle fixed assets

RMB

Items	Original book value	Accumulated depreciation	Impairment provision	Book value
House and building	36,135,753.05	25,680,731.36	—	10,455,021.69
Machinery and equipment	1,626,019,640.69	824,767,021.82	454,050,066.67	347,202,552.20
Transportation equipment	5,238,631.63	4,658,750.96	284,287.49	295,593.18
Other equipment	7,957,580.35	4,426,054.12	164,088.96	3,367,437.27
Total	<u>1,675,351,605.72</u>	<u>859,532,558.26</u>	<u>454,498,443.12</u>	<u>361,320,604.34</u>

At the end of this year, some of the Group's idle fixed assets are expected to be scrapped due to plans for renovation and upgrading. The Group has made impairment provisions based on the estimated recoverable residual value upon disposal.

(3) At the beginning and the end of the year, no fixed asset was leased to others under operating leases.

(4) At the end of the current period, the Group had no fixed asset without property right certificate

RMB

Items	Book value	Reasons for failure to complete the property right certificate
House and building	1,518,197,904.42	Property right certificate is still in process

(5) Impairment testing of fixed assets

Item	Book value	Recoverable Amount	Impairment Amount	Amount Determination Method of Fair Value and Disposal Costs	Key Parameters	Basis for Determining Key Parameters
Machine equipment	282,340,462.24	141,836,819.73	140,503,642.51	The recoverable residual value at the time of disposal	Estimated recoverable residual value upon disposal	Based on recent quotes from independent counterparties
Total	<u>282,340,462.24</u>	<u>141,836,819.73</u>	<u>140,503,642.51</u>	<u>/</u>	<u>/</u>	<u>/</u>

17. CONSTRUCTION IN PROGRESS

Items

RMB

Items	Closing balance	Opening balance
Construction in progress	3,434,580,470.22	2,526,539,678.98
Engineering materials	561,220,433.50	414,919,203.82
Total	<u>3,995,800,903.72</u>	<u>2,941,458,882.80</u>

Construction in progress

(1) Construction in progress

RMB

Items	Book balance	Closing 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	1,161,007,128.37	-	1,161,007,128.37
Annual production of 1,500,000 tons of solar equipment ultra-thin and ultra-high-transparent panel manufacturing project	1,574,235,680.44	-	1,574,235,680.44
Flat solar energy high-efficient thin-film PV modules supporting manufacturing project	296,852,074.29	-	296,852,074.29
Supporting housing project of Anhui Flat	93,754,186.35	-	93,754,186.35
Nature gas direct supply project of parent company	40,903,373.25	-	40,903,373.25
Fengyang New Energy Distributed Photovoltaic Power Station Construction Project	8,529,831.07	-	8,529,831.07
Upgrading of float production line of parent company	109,946,799.85	-	109,946,799.85
Machinery and equipment to be installed and others	149,351,396.60	-	149,351,396.60
Total	<u>3,434,580,470.22</u>	<u>-</u>	<u>3,434,580,470.22</u>

Items	Book balance	Opening 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	962,834,448.61	—	962,834,448.61
Annual production of 1,500,000 tons of solar equipment ultra-thin and ultra-high-transparent panel manufacturing project	1,062,622,270.83	—	1,062,622,270.83
Flat solar energy high-efficient thin-film PV modules supporting manufacturing project	127,652,904.16	—	127,652,904.16
Supporting housing project of Anhui Flat	89,962,878.58	—	89,962,878.58
Anhui Glass Raw Material Warehouse Project	43,849,485.27	—	43,849,485.27
Nature gas direct supply project of parent company	26,452,377.35	—	26,452,377.35
Fengyang New Energy Distributed Photovoltaic Power Station Construction Project	16,669,251.97	—	16,669,251.97
Machinery and equipment to be installed and others	196,496,062.21	—	196,496,062.21
Total	<u>2,526,539,678.98</u>	<u>—</u>	<u>2,526,539,678.98</u>

(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	Amount transferred in from fixed assets during the period	Transfer amount into fixed assets in the current half year	Closing amount	Project cumulative investment accounted for the proportion of the budget (%)	Project progress	Capitalization			Sources of funds
									Accumulated amount of interest capitalization	Including: the amount of interest capitalization in the current half year	rate of interest in the current half year (%)	
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	962,834,448.61	298,463,777.71	-	100,291,097.95	1,161,007,128.37	73.30	73.30	-	-	-	Proceeds by issuing shares to specific subscribers/ Self-funds
Annual production of 1,500,000 tons of solar equipment ultra-thin and ultra-high-transparent panel and backplane manufacturing project	3,885,000,000.00	1,062,622,270.83	511,613,409.61	-	-	1,574,235,680.44	40.52	40.52	14,253,272.37	7,393,347.23	2.90, 2.95	Self-funds
Flat solar energy high-efficient thin-film PV modules supporting manufacturing project	1,000,000,000.00	127,652,904.16	277,494,123.00	-	108,294,952.87	296,852,074.29	40.51	40.51	-	-	-	Self-funds
Supporting housing project of Anhui Flat	500,000,000.00	89,962,878.58	3,791,307.77	-	-	93,754,186.35	92.32	92.32	-	-	-	Self-funds
Factory roof distributed power generation project	634,921,200.00	16,669,251.97	105,795,877.11	-	113,935,298.01	8,529,831.07	73.08	73.08	-	-	-	Convertible bonds/ Self-funds
Upgrading of floating production line of parent company	300,000,000.00	6,204,315.09	75,476,330.86	28,266,153.90	-	109,946,799.85	36.65	36.65	-	-	-	Self-funds
Total	10,072,881,200.00	2,265,946,069.24	1,272,634,826.06	28,266,153.90	322,521,348.83	3,344,325,700.37	/	/	14,253,272.37	7,393,347.23	/	/

(3) *As at the end of the current period, the Group's construction in progress showed no signs of impairment; consequently, no impairment provision was recognised.*

Engineering materials

RMB

Items	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Specialised equipment	237,424,668.53	-	237,424,668.53	148,340,340.63	-	148,340,340.63
Refractory materials	105,217,507.01	-	105,217,507.01	103,905,926.26	-	103,905,926.26
Electric wire and cable	63,392,270.72	-	63,392,270.72	61,722,123.91	-	61,722,123.91
Steel and wire rod	31,342,115.67	-	31,342,115.67	27,257,242.83	-	27,257,242.83
Others	123,843,871.57	-	123,843,871.57	73,693,570.19	-	73,693,570.19
Total	561,220,433.50	-	561,220,433.50	414,919,203.82	-	414,919,203.82

18. RIGHT-OF-USE ASSETS

RMB

Items	Land	Roof	Building	Total
I. Original book value				
1. Opening balance	239,184,207.49	795,509,364.08	3,816,966.09	1,038,510,537.66
2. Amount increased in the current period	-	26,108,117.79	-	26,108,117.79
(1) Increased	-	26,108,117.79	-	26,108,117.79
3. Exchange differences on foreign currency financial statements translation	-6,190,648.98	-	-	-6,190,648.98
4. Closing balance	232,993,558.51	821,617,481.87	3,816,966.09	1,058,428,006.47
II. Accumulated depreciation				
1. Opening balance	38,080,862.80	35,532,752.26	723,907.36	74,337,522.42
2. Amount increased in the current period	3,009,118.07	15,948,015.33	783,226.29	19,740,359.69
(1) provided	3,009,118.07	15,948,015.33	783,226.29	19,740,359.69
3. Exchange differences on foreign currency financial statements translation	-1,037,124.09	-	-	-1,037,124.09
4. Closing balance	40,052,856.78	51,480,767.59	1,507,133.65	93,040,758.02
III. Book value				
1. Closing book value	192,940,701.73	770,136,714.28	2,309,832.44	965,387,248.45
2. Opening book value	<u>201,103,344.69</u>	<u>759,976,611.82</u>	<u>3,093,058.73</u>	<u>964,173,015.24</u>

19. INTANGIBLE ASSETS

RMB

Items	Land use right	Emission rights	Mining rights	Energy use rights	Sea area use rights	Software	Total
I. Original book value							
1. Opening balance	708,729,295.27	64,320,678.73	7,196,220,684.32	144,731,091.46	81,067,980.40	8,644,144.47	8,203,713,874.65
2. Amount increased in the current period	90,409,504.42	-	23,864,199.90	-	-	792,487.87	115,066,192.19
(1) Purchase	74,180,799.89	-	23,864,199.90	-	-	778,761.06	98,823,760.85
(2) Acquired in business combinations	16,228,704.53	-	-	-	-	13,726.81	16,242,431.34
3. Closing balance	799,138,799.69	64,320,678.73	7,220,084,884.22	144,731,091.46	81,067,980.40	9,436,632.34	8,318,780,066.84
II. Accumulated amortization	-	-	-	-	-	-	-
1. Opening balance	104,913,465.37	51,492,035.02	1,713,470,090.01	-	2,012,448.90	5,981,994.50	1,877,870,033.80
2. Amount increased in the current period	8,167,802.09	3,921,623.37	110,623,500.01	-	810,679.81	441,382.55	123,964,987.83
(1) Provided	7,613,332.46	3,921,623.37	110,623,500.01	-	810,679.81	428,599.66	123,397,735.31
(2) Acquired through business combination	554,469.63	-	-	-	-	12,782.89	567,252.52
3. Closing balance	113,081,267.46	55,413,658.39	1,824,093,590.02	-	2,823,128.71	6,423,377.05	2,001,835,021.63
III. Book value	-	-	-	-	-	-	-
1. Closing book value	686,057,532.23	8,907,020.34	5,395,991,294.20	144,731,091.46	78,244,851.69	3,013,255.29	6,316,945,045.21
2. Opening book value	603,815,829.90	12,828,643.71	5,482,750,594.31	144,731,091.46	79,055,531.50	2,662,149.97	6,325,843,840.85

20. LONG-TERM DEFERRED EXPENSES

RMB

Items	Opening balance	Added amount during the period	Deferred amount during the period	Closing balance
Pallets	145,117,385.12	15,889,805.17	17,826,515.85	143,180,674.44
Decoration and maintenance	98,432,456.43	8,398,909.40	12,060,400.47	94,770,965.36
Total	<u>243,549,841.55</u>	<u>24,288,714.57</u>	<u>29,886,916.32</u>	<u>237,951,639.80</u>

21. DEFERRED TAX ASSETS/DEFERRED TAX LIABILITIES

(1) Deferred tax assets before offsetting

RMB

Items	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Provision for asset impairment	587,084,900.89	101,917,925.66	392,659,708.99	58,922,322.85
Credit impairment loss	84,039,247.36	14,309,736.83	96,205,881.16	16,245,912.62
Deferred revenue	173,635,085.91	26,707,133.59	207,242,484.26	42,053,923.69
Depreciation difference for fixed assets	22,583,597.54	3,387,539.63	44,349,515.24	6,652,427.29
Share payment	11,214,960.45	1,682,244.07	6,756,536.36	1,013,480.45
Increased valuation of intangible assets	1,220,036,766.44	305,009,191.62	1,133,820,673.24	283,455,168.31
Lease liability	788,329,397.25	197,082,349.31	773,370,102.23	193,342,525.56
Deductible losses	158,833,212.33	28,016,560.14	378,164,695.14	59,114,749.81
Profit and loss arising from changes in fair value	43,115.92	6,467.39	43,115.92	6,467.39
Loss from changes in the fair value of derivative financial liabilities	215,176.72	32,276.51	767,714.98	124,331.19
Total	<u>3,046,015,460.81</u>	<u>678,151,424.75</u>	<u>3,033,380,427.52</u>	<u>660,931,309.16</u>

(2) Deferred tax liabilities before offsetting

RMB

Items	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Property revaluation arising from conversion to a joint stock company	8,323,017.80	1,248,452.67	8,922,370.48	1,338,355.57
Accelerated depreciation of fixed assets	3,374,530,549.92	519,369,919.28	3,624,676,340.33	543,701,451.05
Right-of-use asset	772,446,546.72	193,111,636.68	763,069,670.55	190,767,417.64
Trial production cost	32,348,036.59	5,725,605.91	36,157,699.62	5,423,654.94
Changes in fair values of derivative financial asset	568,938.35	88,488.55	698,070.40	104,710.56
Total	<u>4,188,217,089.38</u>	<u>719,544,103.09</u>	<u>4,433,524,151.38</u>	<u>741,335,589.76</u>

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

RMB

Items	Closing balance		Opening balance	
	Offset amount of deferred tax assets and liabilities at the end of the period	Deferred tax assets or liabilities after offsetting	Offset amount of deferred tax assets and liabilities at the end of the period	Deferred tax assets or liabilities after offsetting
Deferred tax assets	351,805,183.37	326,346,241.38	334,433,888.80	326,497,420.36
Deferred tax liabilities	<u>351,805,183.37</u>	<u>367,738,919.72</u>	<u>334,433,888.80</u>	<u>406,901,700.96</u>

(4) Deductible losses and other temporary difference of unrecognised deferred income tax asset

RMB

Items	Closing balance	Opening balance
Deductible losses	21,730,208.58	21,243,023.14
Others	29,073,461.20	33,992,759.24
Total	55,803,669.78	55,235,782.38

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

RMB

Items	Closing balance	Opening balance
No maturity date	4,549,470.31	4,840,043.75
2025	2,402,499.68	2,628,087.91
2026	10,963,948.57	10,963,948.57
2027	284,882.27	284,882.27
2028	831,915.46	832,048.90
2029	1,562,465.22	1,694,011.74
2030	1,135,027.07	—
Total	21,730,208.58	21,243,023.14

22. OTHER NON-CURRENT ASSETS

RMB

Item	Closing balance		Book value	Opening balance		Book value
	Book balance	Impairment provision		Book balance	Impairment provision	
Construction prepayment	915,911,535.49	-	915,911,535.49	879,075,742.46	-	879,075,742.46
Total	915,911,535.49	-	915,911,535.49	879,075,742.46	-	879,075,742.46

23. ASSETS WITH RESTRICTED OWNERSHIP OR USE RIGHTS

RMB

Item	Closing book value	Opening book value	Restricted situation
Cash and cash equivalents	401,242,990.94	783,267,066.50	Notes deposit, electricity revenue pledge, futures & options margin, letter of credit margin, etc.
Other current assets	67,000,000.00	207,000,000.00	Pledging certificates of deposit to obtain credit facilities
Investment property	465,462,758.62	478,047,262.83	Pledged to banks as collateral to obtain credit facilities
Fixed assets	2,926,069,174.34	3,451,841,070.26	Pledged to banks as collateral to obtain credit facilities
Construction in the progress	-	15,805,231.12	Pledged to banks as collateral to obtain credit facilities
Tangible assets	433,923,081.31	438,976,033.93	Pledged to banks as collateral to obtain credit facilities
Total	4,293,698,005.21	5,374,936,664.64	/

24. SHORT-TERM BORROWINGS

RMB

Items	Closing balance	Opening balance
Mortaged borrowing	100,000,000.00	100,000,000.00
Guaranteed borrowings	516,203,508.50	483,000,000.00
Guaranteed and mortgage borrowing	325,000,000.00	325,000,000.00
Credit borrowing	—	100,000,000.00
Bill discounting borrowings	3,967,396.84	8,886,467.84
Total	945,170,905.34	1,016,886,467.84

(1) Information related to supplier financing arrangements:

The Group has entered into a supplier financing arrangement with a bank. Under this arrangement, the bank pays the amounts due to suppliers on behalf of the Group before the original due date of the accounts payable. The Group is then relieved of its payment obligations to the suppliers. The Group settles with the bank within one year after the bank's payment, with an interest rate ranging from 1.60% to 2.15% and guaranteed by the Company and Zhejiang Jiafu. This arrangement effectively extends the payment of the original accounts payable, and the interest rate is consistent with the Group's short-term borrowing rates for the same period. Considering the nature and substance of this arrangement, the Group has classified the amounts payable to the bank under this arrangement as short-term borrowings. The payments made to the bank are categorized as cash flows from financing activities in the cash flow statement. The payments made by the bank to the suppliers are disclosed as non-cash transactions. As of June 30 2025, financial liabilities belonging to the supplier financing arrangement are presented in the balance sheet as guaranteed loan under short-term borrowings, with a carrying amount of RMB283,000,000.00 (RMB443,000,000.00 as of December 31, 2024), and the aforementioned amount has been paid by the financing provider to the supplier.

(2) At the end of the current period, the Group had no short-term borrowings that were overdue.

The annual interest rate of the above borrowings in current year is from 1.60% to 3.00% (last year: from 1.60% to 3.00%).

25. DERIVATIVE FINANCIAL LIABILITIES

RMB

Items	Closing balance	Opening balance
Interest rate swap contracts	73,762.72	—
Foreign exchange option contract	141,414.00	611,596.29
Interest rate swap contract	153,818.00	156,118.69
Total	<u>368,994.72</u>	<u>767,714.98</u>

Other information: Outstanding interest rate swap contracts and foreign exchange option contracts that have not been designated as hedging instruments are recognized at fair value, with gains or losses arising from changes in fair value recognized directly in profit or loss for the period.

26. BILLS PAYABLES

RMB

Classification	Closing balance	Opening balance
Bank acceptance bills	450,834,417.83	874,305,689.59
Total	<u>450,834,417.83</u>	<u>874,305,689.59</u>

27. TRADE PAYABLES

(1) Listing of trade payables

RMB

Items	Closing balance	Opening balance
Trade payables	2,299,008,983.34	1,571,934,225.69
Construction costs payable	2,454,403,041.91	2,452,025,950.56
Total	4,753,412,025.25	4,023,960,176.25

(2) Significant trade payables with ageing over 1 year

RMB

Items	Closing balance	Reasons of outstanding or carry-over
Construction costs payable	691,505,525.54	Project warranty has not yet expired and been repaid
Total	691,505,525.54	/

28. CONTRACT LIABILITIES

RMB

Items	Closing balance	Opening balance
Advance payment from customers for goods	68,962,251.48	33,293,546.48
Total	68,962,251.48	33,293,546.48

29. PAYROLL PAYABLE

(1) Listing of payroll payable

<i>RMB</i>				
Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Short-term remuneration	103,284,247.26	406,799,405.61	422,275,957.85	87,807,695.02
II. Post-employment welfare – Defined contribution plan	2,194,120.38	36,322,366.74	36,286,364.34	2,230,122.78
Total	<u>105,478,367.64</u>	<u>443,121,772.35</u>	<u>458,562,322.19</u>	<u>90,037,817.80</u>

(2) Listing of short-term remuneration

<i>RMB</i>				
Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Wages or salaries, bonuses, allowances and subsidies	99,513,085.08	354,857,055.46	370,419,484.79	83,950,655.75
II. Staff welfare	505.00	17,675,692.97	16,455,612.25	1,220,585.72
III. Social insurance	1,545,737.42	20,120,434.28	20,224,601.58	1,441,570.12
Including: Medical insurance	1,321,452.60	16,253,015.68	16,382,007.77	1,192,460.51
Work-related injury insurance	224,215.62	2,784,309.44	2,827,418.76	181,106.30
Maternity insurance	69.20	1,083,109.16	1,015,175.05	68,003.31
IV. Housing funds	1,066,370.00	9,324,407.10	9,373,487.00	1,017,290.10
V. Labor union & Education funds	1,158,549.76	4,821,815.80	5,802,772.23	177,593.33
Total	<u>103,284,247.26</u>	<u>406,799,405.61</u>	<u>422,275,957.85</u>	<u>87,807,695.02</u>

(3) Listing of defined contribution plan

	<i>RMB</i>			
Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
1. Basic pension insurance	2,132,806.45	35,129,462.27	35,090,746.95	2,171,521.77
2. Unemployment insurance	<u>61,313.93</u>	<u>1,192,904.47</u>	<u>1,195,617.39</u>	<u>58,601.01</u>
Total	<u><u>2,194,120.38</u></u>	<u><u>36,322,366.74</u></u>	<u><u>36,286,364.34</u></u>	<u><u>2,230,122.78</u></u>

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's subsidiaries in the Anhui, Shanghai and Nantong regions

30. TAXES PAYABLE

RMB

Items	Closing balance	Opening balance
Enterprise income tax	82,739,837.81	96,208,796.29
VAT	21,584,788.15	35,546,352.11
Resource tax	6,291,082.60	8,393,904.12
Property tax	14,723,507.75	19,781,950.62
Land use tax	10,769,794.72	14,117,253.21
City maintenance and construction tax	2,173,825.03	2,329,468.22
Education surtax and local educational surcharges	1,772,941.01	1,891,172.00
Individual income tax	778,644.52	5,286,737.72
Others	5,104,324.58	5,533,175.83
Total	<u>145,938,746.17</u>	<u>189,088,810.12</u>

31. OTHER PAYABLES

Listing of items

RMB

Items	Closing balance	Opening balance
Interest payable	16,097,083.55	36,197,048.99
Dividends payables	1,299,820.00	1,299,820.00
Other payables	176,419,560.05	117,585,251.18
Total	<u>193,816,463.60</u>	<u>155,082,120.17</u>

(1) Interest payables

RMB

Items	Closing balance	Opening balance
Interest payable for convertible bonds	6,902,536.10	24,767,383.50
Interest for long-term borrowings with interest paid in installment and principal paid due to maturity	7,482,296.80	7,893,804.31
Interest payable for short-term borrowings	<u>1,712,250.65</u>	<u>3,535,861.18</u>
Total	<u><u>16,097,083.55</u></u>	<u><u>36,197,048.99</u></u>

(2) Dividends payables

RMB

Items	Closing balance	Opening balance
Dividends on ordinary shares	<u>1,299,820.00</u>	<u>1,299,820.00</u>
Total	<u><u>1,299,820.00</u></u>	<u><u>1,299,820.00</u></u>

(3) Other payables

RMB

Items	Closing balance	Opening balance
Warranty	95,797,722.64	101,289,106.34
Equity acquisition consideration	52,402,380.14	—
Restricted share incentive schemes	6,187,102.50	8,042,382.50
Transportation premium	15,881,948.78	2,430,044.32
Others	6,150,405.99	5,823,718.02
Total	176,419,560.05	117,585,251.18

As at the end of the current period, the Group had no other payables that were both individually significant and aged over one year.

32. NON-CURRENT LIABILITIES DUE WITHIN ONE YEAR

RMB

Items	Closing balance	Opening balance
Long-term borrowings due within 1 year	1,770,380,473.11	2,224,859,208.24
Lease liabilities due within 1 year	28,767,028.78	23,378,745.89
Long-term payables due within 1 year	46,898,118.31	45,857,147.24
Total	1,846,045,620.20	2,294,095,101.37

33. OTHER CURRENT LIABILITIES

RMB

Items	Closing balance	Opening balance
Output-VAT pending for recognition	<u>4,147,129.45</u>	<u>2,569,993.90</u>
Total	<u><u>4,147,129.45</u></u>	<u><u>2,569,993.90</u></u>

34. LONG-TERM BORROWINGS

RMB

Items	Closing balance	Opening balance
Mortgage and pledged borrowings	400,000,000.00	800,000,000.00
Guarantee and pledged borrowings	1,772,574,207.11	1,823,975,865.44
Mortgage borrowings	707,500,000.00	310,000,000.00
Guarantee borrowings	2,293,421,052.56	2,555,464,630.02
Guarantee and mortgage borrowings	3,581,050,000.00	3,430,650,000.00
Credit borrowings	299,900,000.00	396,950,000.00
Less: Long-term borrowing due withing 1 year	<u>1,770,380,473.11</u>	<u>2,224,859,208.24</u>
Total	<u><u>7,284,064,786.56</u></u>	<u><u>7,092,181,287.22</u></u>

35. BONDS PAYABLES

(1) Bonds payables

RMB

Items	Closing balance	Opening balance
Bonds payables	<u>3,993,089,823.70</u>	<u>3,916,928,685.43</u>
Total	<u><u>3,993,089,823.70</u></u>	<u><u>3,916,928,685.43</u></u>

(2) Changes in bonds payable

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	3,916,928,685.43	22,136,986.27	98,325,798.94	27,674.40	3,993,089,823.70

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

As approved by the China Securities Regulatory Commission (CSRC Approval No. [2022] 664), 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. 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 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 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.

As of 30 June 2025, convertible bonds with an aggregate face value of RMB112,000.00 had been converted into 2,584 ordinary A shares. During the first half of 2025, convertible bonds with a face value of RMB24,000.00 were converted into 574 ordinary A shares.

36. LEASE LIABILITIES

RMB

Item	Closing balance	Opening balance
Lease liabilities	802,042,940.65	787,694,649.91
Less: Lease liabilities included in non-current liabilities due within one year	28,767,028.78	23,378,745.89
Total	<u>773,275,911.87</u>	<u>764,315,904.02</u>

The maturity analysis of the Group's lease liabilities based on the undiscounted remaining contractual obligations is as follows:

Classification	Closing balance	Opening balance
Within 1 year	57,753,324.50	55,995,759.50
1–2 years	56,633,324.50	54,875,759.50
2–5 years	162,088,625.17	158,992,911.00
Over 5 years	986,706,934.77	983,012,000.71
Total	<u>1,263,182,208.94</u>	<u>1,252,876,430.71</u>

37. LONG-TERM PAYABLES

Items

RMB

Items	Closing balance	Opening balance
Long-term payables	49,078,880.79	47,989,504.57
Total	<u>49,078,880.79</u>	<u>47,989,504.57</u>

(1) Long-term payables

RMB

Items	Closing balance	Opening balance
Mining-right transfer payment	95,976,999.10	93,846,651.81
Less: Long-term payables included in non-current liabilities due within one year	46,898,118.31	45,857,147.24
Total	49,078,880.79	47,989,504.57

38. ESTIMATED LIABILITIES

RMB

Item	Closing balance	Opening balance	Reason
Environmental and land rehabilitation costs	4,226,161.91	4,549,602.98	Provision for mine geological environmental protection and land reclamation costs.
Total	4,226,161.91	4,549,602.98	—

39. DEFERRED REVENUE

RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Government grants related to assets	207,242,484.26	82,815,700.00	12,113,098.35	277,945,085.91
Total	207,242,484.26	82,815,700.00	12,113,098.35	277,945,085.91

40. SHARE CAPITAL

RMB

	Opening balance	Conversion of convertible bonds	Increase or decrease for the period (+,-) Subtotal	Closing balance
Total share capital	<u>585,729,891.25</u>	<u>143.50</u>	<u>-</u>	<u>585,730,034.75</u>

41. 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	<u>39,999,120.00</u>	<u>491,724,696.36</u>	<u>-</u>	<u>-</u>	<u>240.00</u>	<u>2,950.41</u>	<u>39,998,880.00</u>	<u>491,721,745.95</u>

Other equity instruments arise from the equity component of issued convertible corporate bonds; see Note “Bonds Payable.”

42. CAPITAL RESERVE

RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Share premium	10,672,380,402.54	16,047,157.15	513,541.91	10,687,914,017.78
Other capital reserve	28,312,251.62	4,595,624.10	16,015,102.35	16,892,773.37
Total	10,700,692,654.16	20,642,781.25	16,528,644.26	10,704,806,791.15

43. TREASURY STOCK

RMB

Items	Opening balance	Increase for the period	Decrease for the period	Closing balance
Share-based payment	8,042,380.00	–	1,855,280.00	6,187,100.00
Share repurchase	221,457,012.17	78,544,315.30	–	300,001,327.47
Total	229,499,392.17	78,544,315.30	1,855,280.00	306,188,427.47

On 19 August 2024, the Company convened the 57th meeting of the sixth Board of Directors and approved the Proposal on Extending the Implementation Period of the A-Share Repurchase, extending the repurchase period by six months. During the reporting period, the Company repurchased an aggregate of 3,841,500 ordinary A shares at prices ranging from RMB20.28 to RMB20.30 per share, for a total consideration of RMB78,544,315.30, which correspondingly increased treasury shares by RMB78,544,315.30.

On 25 May 2025, the conditions for lock-up release in respect to the forth lock-up period release for the reserved part of the A restricted shares incentive plan 2020 of the Company have been satisfied, the treasury stock decreased by RMB1,855,280.00 accordingly.

44. OTHER COMPREHENSIVE INCOME

RMB

Items	Amount incurred in the current period					Closing balance
	Opening balance	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	
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	-26,317,651.97	-33,853,238.27	-	-33,853,238.27	-	-60,170,890.24
- Exchange differences on foreign currency financial statements translation	-26,317,651.97	-33,853,238.27	-	-33,853,238.27	-	-60,170,890.24
Total other comprehensive income	-26,317,651.97	-33,853,238.27	-	-33,853,238.27	-	-60,170,890.24

45. SPECIAL RESERVE

RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Safety production costs	68,241,880.14	5,498,996.69	32,041.65	73,708,835.18
Total	68,241,880.14	5,498,996.69	32,041.65	73,708,835.18

46. SURPLUS RESERVE

RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Statutory surplus reserve	293,915,529.38	—	—	293,915,529.38
Total	293,915,529.38	—	—	293,915,529.38

47. UNDISTRIBUTED PROFIT

RMB

Items	Current period	Last period
Undistributed profits at the end of the previous period before adjustment	9,814,310,237.19	9,998,276,039.62
Undistributed profits at the beginning of the period after adjustment	9,814,310,237.19	9,998,276,039.62
Add: Net profit attributable to shareholders of the parent company in the current period	261,094,606.72	1,006,602,737.08
Less: Dividends payable – ordinary shares	—	1,190,568,539.51
Closing balance of the undistributed profit	10,075,404,843.91	9,814,310,237.19

48. 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	7,583,627,241.44	6,551,619,523.26	10,669,867,118.59	8,138,353,072.18
Other business	153,400,894.62	98,301,623.16	26,128,378.85	13,753,433.05
Total	<u>7,737,028,136.06</u>	<u>6,649,921,146.42</u>	<u>10,695,995,497.44</u>	<u>8,152,106,505.23</u>

(2) *Breakdowns of operating revenue and operating cost*

RMB

Contract classification	Total	
	Operating revenue	Operating cost
By types of products		
PV glass	6,944,929,379.23	6,090,085,476.21
Household glass	121,984,356.73	101,098,408.99
Architectural glass	242,761,228.03	159,035,667.55
Float glass	28,004,469.43	29,952,824.98
Power generation business	244,789,030.81	169,490,349.43
Mining products	1,158,777.21	1,956,796.10
Income from other business	153,400,894.62	98,301,623.16
Total	<u>7,737,028,136.06</u>	<u>6,649,921,146.42</u>
By operating regions		
China	5,410,758,549.87	4,750,741,889.72
Asia (excluding China)	1,245,867,055.50	1,084,044,613.99
Europe	106,707,855.28	82,878,368.93
North America	968,804,435.93	728,474,172.46
Others	4,890,239.48	3,782,101.32
Total	<u>7,737,028,136.06</u>	<u>6,649,921,146.42</u>

49. TAXES AND SURCHARGES

RMB

Items	Amount for the period	Amount for last period
Resource tax	9,651,485.01	24,770,327.54
City maintenance and construction tax	4,217,874.96	11,983,314.80
Education surtax	4,023,633.92	11,169,033.39
Stamp duty	4,518,866.12	6,327,801.66
Property tax	23,422,062.02	24,544,742.28
Environmental protection tax	3,695,040.91	3,722,277.87
Special fund for water conservancy construction	3,147,516.01	4,398,370.23
Land use tax	16,691,318.18	22,663,892.41
Others	1,156,654.34	586,618.00
Total	70,524,451.47	110,166,378.18

50. SELLING EXPENSES

RMB

Items	Amount for the period	Amount for last period
Assembling frame charges	18,077,395.02	21,238,310.57
Employee compensation and welfare	8,102,150.24	8,757,993.89
Advertising expenses	868,817.67	1,570,590.30
Depreciation and amortization	205,327.90	363,621.27
Others	4,329,633.57	5,214,289.91
Total	31,583,324.40	37,144,805.94

51. ADMINISTRATIVE EXPENSES

		<i>RMB</i>
Items	Amount for the period	Amount for last period
Employee remuneration and benefits	63,498,815.89	61,127,430.51
Equity settled share-based payment	4,940,746.42	6,073,201.77
Depreciation and amortization	30,985,854.78	25,270,792.38
Labor costs	1,367,934.98	10,628,783.01
Intermediary agency service fee	5,087,696.40	11,543,263.00
Green and environmental protection expenses	9,658,505.63	9,859,527.45
Office expenses	8,149,455.44	6,221,519.44
Rent expenses	7,127,368.53	2,459,626.05
Entertainment expenses	879,967.59	2,056,336.50
Transportation expenses	1,847,407.87	1,800,252.39
Travelling expenses	1,799,269.44	1,940,414.82
Property Insurance Premium	402,738.75	323,590.35
Repair Expenses	106,239.16	610,855.64
Others	8,919,117.67	6,660,594.59
Total	<u>144,771,118.55</u>	<u>146,576,187.90</u>

52. RESEARCH AND DEVELOPMENT EXPENSES

RMB

Items	Amount for the period	Amount for last period
Employee remuneration and benefits	54,437,820.13	77,725,230.51
Direct material costs	139,938,478.78	223,147,919.48
Depreciation and amortization	18,069,254.08	19,301,378.19
Others	2,290,482.18	5,631,378.86
Total	214,736,035.17	

54. OTHER REVENUE

Natural classification	RMB	
	Amount for the period	Amount for last period
Government grants related to assets	12,113,098.35	5,793,820.50
Government grants related to revenues	7,363,516.65	16,720,055.55
Additional VAT credit	25,613,758.50	40,960,465.36
VAT exemption or reduction for		

56. CREDIT IMPAIRMENT LOSSES

<i>RMB</i>		
Items	Amount for the period	Amount for last period
Gain (loss) on credit impairment of bills receivable	1,585,011.22	-851,644.35
Gain (loss) on credit impairment of receivables	11,685,588.53	-439,584.43
Total	13,270,599.75	-1,291,228.78

57. ASSETS IMPAIRMENT LOSSES

<i>RMB</i>		
Items	Amount for the period	Amount for last period
Inventory impairment losses	-113,414,217.79	-12,136,610.48
Fixed assets impairment losses	-140,503,642.51	-80,901,531.39
Total	-253,917,860.30	-93,038,141.87

58. GAINS ON DISPOSAL OF ASSET

<i>RMB</i>		
Items	Amount for the period	Amount for last period
Gains(losses) on disposal of assets	29,670,956.68	-9,815,832.35
Total	29,670,956.68	-9,815,832.35

59. NON-OPERATING INCOME

RMB

Items	Amount for the period	Amount for last period	Non-recurring profits and losses in the current period
Others	<u>1,735,381.30</u>	<u>2,046,408.05</u>	<u>1,735,381.30</u>
Total	<u><u>1,735,381.30</u></u>	<u><u>2,046,408.05</u></u>	<u><u>1,735,381.30</u></u>

60. NON-OPERATING EXPENSES

RMB

Items	Amount for the period	Amount for last period	Non-recurring profits and losses in the current period
External donations	—	313,000.00	—
Others	<u>375,472.64</u>	<u>1,824,373.79</u>	<u>375,472.64</u>
Total	<u><u>375,472.64</u></u>	<u><u>2,137,373.79</u></u>	<u><u>375,472.64</u></u>

61. INCOME TAX EXPENSES

RMB

Items	Amount for the period	Amount for last period
Current period income tax expenses	40,396,221.15	197,583,279.76
Income taxes made over (refunded) for the last year	7,996,343.97	2,571,045.32
Deferred income tax expenses	-39,011,602.26	11,609,340.28
Total	<u>9,380,962.86</u>	<u>211,763,665.36</u>

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

RMB

Items	Amount for the period
Total profits	275,338,342.65
Income tax expense calculated at tax rate of 15%	41,300,751.39
Effect of subsidiaries to adapt different tax rates	7,705,808.97
Effect of non-deductible costs, expenses and losses	9,856,013.95
Impact of non-taxable income	-2,518,640.73
Supplement (refund) of the income tax for last period	7,996,343.97
Tax effect on tax incentives	-23,118,880.04
Effect of use of deductible losses on previously unrecognised deferred income tax asset	-11,243,517.68
Effect of deductible losses and deductible temporary difference of unrecognised deferred income tax assets at end of the year	181,202.42
Effect of tax rate changes on opening balances of deferred tax assets/liabilities	9,195,688.72
Effect on research and development costs plus deduction	-29,973,808.11
Income tax expenses	<u>9,380,962.86</u>

62. ITEMS IN CASH FLOW STATEMENT

(1) Cash related to operating activities

Other cash received and related to operating activities

RMB

Items	Amount in the current period	Amount in the last period
Government grant	90,679,996.95	18,458,291.85
Interest income	36,388,262.36	60,847,569.88
Operating margin	14,777,800.00	12,692,170.00
Others	2,964,038.02	745,630.00
Total	144,810,097.33	92,743,661.73

Other cash paid and related to operating activities

RMB

Items	Amount in the current period	Amount in the last period
Paid fee	184,934,927.66	272,414,475.53
Operating margin	7,972,470.90	67,999,683.55
Charitable donation expenses	—	313,000.00
Handling charge	2,357,710.08	1,959,270.21
Others	2,369,407.39	872,276.78
Total	197,634,516.03	343,558,706.07

(2) *Cash related to investment activities*

Major cash received and related to investment activities

RMB

Items	Amount for the year	Amount for last year
Redemption of bank wealth management products	2,560,000,000.00	330,000,000.00
Redemption of matured bank time deposits	50,000,000.00	—
Transfer of negotiable large-denomination certificates of deposit (CDs)	140,000,000.00	—
Total	2,750,000,000.00	330,000,000.00

Major cash paid and related to investment activities

RMB

Items	Amount for the year	Amount for last year
Purchasing bank wealth management products	2,220,000,000.00	330,000,000.00
Purchasing transferable and significant bank certificates of deposit	200,126,000.00	—
Total	2,420,126,000.00	330,000,000.00

Other cash received and related to investment activities

RMB

Items	Amount for the year	Amount for last year
Recovery of restricted monetary funds such as wealth management margin	734,102,620.73	5,000,000.06
Project margin	9,439,816.30	19,841,326.00
Total	743,542,437.03	24,841,326.06

Other cash paid and related to investment activities

RMB

Items	Amount for the year	Amount for last year
Payment of restricted monetary funds such as wealth management margin	724,063,824.99	20,745,070.10
Project margin	12,647,000.00	61,953,238.72
Total	736,710,824.99	82,698,308.82

(3) Cash related to fundraising activities

Other cash received and related to fundraising activities

RMB

Items	Amount for the year	Amount for last year
Recovery of restricted monetary funds such as bill deposit	602,259,396.77	1,212,007,615.18
Recovery of matured pledged certificates of deposit	207,000,000.00	—
Total	809,259,396.77	1,212,007,615.18

Other cash paid and related to fundraising activities

RMB

Items	Amount for the year	Amount for last year
Payment of restricted monetary funds such as bill deposit	230,284,789.89	1,060,319,633.80
Share repurchase	74,519,132.42	311,783,446.52
Purchasing time deposits for mortgage	67,000,000.00	—
Purchasing of minor equity	1,000,000.00	—
Payment of lease fees	28,261,715.37	22,147,857.42
Total	401,065,637.68	1,394,250,937.74



63. SUPPLEMENTARY INFORMATION FOR CASH FLOW STATEMENT

(1) *Supplementary information for cash flow statement*

RMB

Supplementary information	Amount in the current period	Amount in the last period
1. Adjust net profit to cash flow from operating activities:		
Net profit	265,957,379.79	1,500,260,948.87
Add: Asset impairment provision	253,917,860.30	93,038,141.86
Credit impairment losses	-13,270,599.75	1,291,228.79
Amortization of investment property	12,802,210.85	12,787,074.96
Depreciation of fixed assets	764,467,518.57	707,983,511.68
Depreciation of right-of-use assets	19,740,359.69	16,050,021.93
Amortization of intangible assets	123,397,735.31	331,341,262.32
Amortization of long-term prepaid expenses	29,886,916.32	24,646,351.14
Losses for disposal of fixed assets, intangible assets and other long-term assets	-29,670,956.68	10,875,901.26
Fair value change losses	382,209.81	48,505.41
Financial expenses	252,786,904.12	273,008,483.41
Investment losses	-19,862,455.26	-15,074,051.36
Decrease in deferred income tax assets	151,178.98	-48,749,170.45
Increase in deferred income tax liabilities	-39,162,781.24	60,358,510.73
Decrease in inventory	-338,412,036.69	-145,948,801.02
Decrease in operating receivables	89,944,358.73	-1,027,211,764.21

Supplementary information	Amount in the current period	Amount in the last period
Increase in operating payables	29,665,949.96	-62,029,691.43
Deferred income amortisation	-12,113,098.35	-5,793,820.50
Increase in special reserve	5,498,996.69	12,909,625.58
Equity settled share-based payment	4,595,624.10	6,073,201.77
Net cash flow from operating activities	<u>1,400,703,275.25</u>	<u>1,745,865,470.74</u>
2. Significant investment and fundraising activities not involving cash receipts and payments:		
Endorsement of bills receivables for settling engineering equipment payment	444,726,812.67	668,859,680.78
Additions of right-of-use assets for the period	26,108,117.79	145,934,744.48
Supplier financing settlement payment	–	160,000,000.00
Borrowings formed from the discounting of receivables	<u>8,886,467.84</u>	<u>177,990,331.03</u>
3. Net changes in cash and cash equivalents:		
Closing balance of cash	4,201,412,267.04	4,604,673,954.97
Less: Opening balance of cash	4,511,627,060.96	5,479,316,299.60
Net increase in cash and cash equivalents	<u>-310,214,793.92</u>	<u>-874,642,344.63</u>

(2) Net cash paid for acquisition of subsidiaries during the period

RMB

Amount

Cash or cash equivalents paid during the period for business combinations that occurred in the current period.	78,603,570.20
Less: Cash and cash equivalents held by the subsidiary at the acquisition date	<u>3,861,308.15</u>
Net cash paid for acquisition of subsidiaries	<u><u>74,742,262.05</u></u>

(3) Component of cash and cash equivalents

RMB

Items	Closing balance	Opening balance
I. Cash	4,201,412,267.04	4,511,627,060.96
Including: Cash on hand	38,151.76	18,349.73
Bank deposit available for payment	4,201,374,115.28	4,511,608,711.23
Other monetary funds available for payment on demand	—	—
II. Cash equivalents	—	—
III. Cash and cash equivalents at the end of the period	<u><u>4,201,412,267.04</u></u>	<u><u>4,511,627,060.96</u></u>

64. FOREIGN CURRENCY MONETARY ITEM

(1) Foreign currency monetary item

RMB

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	246,246,059.79	7.1586	1,762,777,042.99
EUR	1,431,122.36	8.4024	12,024,707.42
JPY	81,908,507.00	0.0496	4,062,170.98
HKD	9,053,081.90	0.9120	8,255,958.04
GBP	3,812.65	9.8300	37,478.35
AUD	252,182.91	4.6817	1,180,644.73
SGD	10,430.00	5.6179	58,594.70
CHF	15,816,240.00	8.9721	141,904,886.90
Trade receivables			
Including: USD	129,524,484.66	7.1586	927,213,978.98
EUR	535,122.92	8.4024	4,496,316.82
Other receivables			
Including: USD	6,532,713.33	7.1586	46,765,081.64
HKD	3,970.00	0.9120	3,620.44
Debt investment			
Including: USD	20,000,000.00	7.1586	143,172,000.00
Trade payables			
Including: USD	6,367,634.93	7.1586	45,583,351.40
EUR	448,000.00	8.4024	3,764,274.81
Other payables			
Including: USD	52,187.90	7.1586	373,592.30
HKD	1,495,890.16	0.9120	1,364,177.03
Borrowings			
Including: USD	12,400,000.00	7.1586	88,766,640.00
HKD	543,910,000.00	0.9120	496,018,724.50

(2) Description of major foreign operating entities

Name of subsidiary	Principal foreign place of business	Functional currency	Selection Basis
Flat (Vietnam)	Vietnam	Vietnam dong	Based on local

(2) *As a lessor*

Operating leases as a lessor

RMB

Item	Lease revenue	Including: income related to variable lease payments not included in the lease receivables
Property leasing	<u>3,173,746.85</u>	—
Total	<u>3,173,746.85</u>	—

Undiscounted lease receipts over the next five years

RMB

Items	Annual undiscounted lease receipts	
	Closing balance	Opening balance
1 year	6,294,870.90	3,154,342.78
2 years	6,423,834.62	762,756.49
3 years	6,376,278.38	800,394.31
4 years	5,893,642.74	305,796.01
5 years	<u>5,917,431.19</u>	—
Total undiscounted lease receipts after 5 years	<u>30,906,057.83</u>	<u>5,023,289.59</u>

(VI) RESEARCH AND DEVELOPMENT EXPENDITURE

Presented by nature of expense

RMB

Items	Amount for the current period	Amount for the last period
Employee compensation and benefits	54,437,820.13	77,725,230.51
Direct materials cost	139,938,478.78	223,147,919.48
Depreciation and amortization	18,069,254.08	19,301,378.19
Other	2,290,482.18	5,631,378.86
Total	214,736,035.17	325,805,907.04
Including: Expensed research and development costs	214,736,035.17	325,805,907.04
Capitalized research and development costs	—	—

(VII) CHANGES IN THE SCOPE OF CONSOLIDATION

1. Business combination under non-common control

(1) Business combination under non-common control for the period

RMB									
Name of the acquiree	Acquisition date of equity interest	Acquisition cost of equity	Percentage of equity(%)	Method of acquisition	Acquisition date	Basis for determining the acquisition date	Revenue of the acquiree from the acquisition date to the end of the period	Net profit of the acquiree from the acquisition date to the end of the period	Cash flow of the acquiree from the acquisition date to the end of the period
Zhongda Silica	2025/5/29	131,005,950.34	100	Acquisition	2025/5/29	Actual acquisition of control	64,328,591.83	-880,089.09	-2,947,274.90

(2) Combination cost and goodwill

RMB	
Combination cost	Zhongda Silica
Cash	131,005,950.34
Total	131,005,950.34
Less: Share of fair value of identifiable net assets acquired	131,783,817.13
Bargain purchase gain arising from the excess of the fair value of identifiable net assets acquired over the consideration transferred	-777,866.79

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

RMB

	Zhongda Silica	
	Fair value at the acquisition date	Book value at the acquisition date
Assets:		
Monetary funds	3,861,308.15	3,861,308.15
Bill receivables	53,881,960.45	53,881,960.45
Trade receivables	111,841,081.10	111,713,335.42
Trade payables	35,322,482.27	35,322,482.27
Other receivables	6,551.94	6,551.94
Inventory	45,990,028.62	45,990,028.62
Other current assets	17,114,026.35	17,114,026.35
Fixed assets	309,325,554.60	289,407,497.39
Intangible assets	15,675,178.82	9,540,474.29
Liabilities:		
Short-term borrowings	27,258,277.40	27,258,277.40
Payables	204,642,316.92	204,642,316.92
Employee benefits payable	764,094.42	764,094.42
Tax payable	455,582.81	455,582.81
Other payables	46,364,083.62	46,364,083.62
Non-current liabilities due within 1 year	65,200,000.00	65,200,000.00
Long-term borrowings	116,550,000.00	116,550,000.00
Net assets	131,783,817.13	105,603,309.71
Less: equity of minor shareholder	—	—
Net assets acquired	131,783,817.13	105,603,309.71

(VIII) INTERESTS IN OTHER ENTITIES

1. Interests in Subsidiaries

RMB

Name of subsidiary

Name of subsidiary	Principal place of business	Registered capital	Nature of business	Shareholding and voting rights percentage (%)		Acquisition method
				Direct	Indirect	
Anhui Flat Supply Chain Management Co., Ltd.* (安徽福萊特供應鏈管理有限公司) ("Flat Supply Chain")	Anhui, China	5,000,000.00	Supply chain management services	-	100	Establishment
Anhui Flat Solar Material Co., Ltd.* (安徽福萊特光伏材料有限公司) ("Anhui Flat Material")	Anhui, China	1,000,000,000.00	Mine operations and sale of quartz ore	-	100	Establishment
Anhui Dahua Dongfang Mining Company Limited* (安徽大華東方礦業有限公司) ("Dahua Mining")	Anhui, China	50,000,000.00	Mine operations and sale of quartz ore	-	100	Acquisition
Anhui Sanli Mining Company Limited* (安徽三力礦業有限責任公司) ("Sanli Mining")	Anhui, China	170,000,000.00	Mine operations and sale of quartz ore	-	100	Acquisition
Fengyang Fusha Technology Co., Ltd.* (鳳陽福砂科技有限公司)	Anhui China	1,000,000.00	Mine operations and sale of quartz ore	-	100	Establishment
Zhongda Silica Development (Anhui) Group Co., Ltd.* (中達石英發展(安徽)集團有限公司)	Anhui China	140,000,000.00	Mine operations and sale of quartz ore	-	100	Acquisition
Zhaotong Flat Silicon industry Co., Ltd.* (昭通福萊特硅業有限公司) ("Zhaotong Flat")	Yunnan, China	10,000,000.00	Manufacturing and sale of nonmetallic mineral products	-	100	Establishment
Flat (Hong Kong) Limited* (福萊特(香港)有限公司) ("Flat (Hong Kong)")	Hong Kong, China	USD10,000,000.00	Glass export	100	-	Establishment
Flat (Vietnam) Company Limited* (福萊特(越南)有限公司) ("Flat (Vietnam)")	Vietnam	VND 1,752,800,000,000.00	Manufacture and sale of photovoltaic glass	-	100	Establishment

Name of subsidiary	Principal place of business	Registered capital	Nature of business	Shareholding and voting rights percentage (%)		Acquisition method
				Direct	Indirect	
Flat (Vietnam) Import and Export Trade Limited* (福萊特(越南)進出口貿易有限公司) ("Vietnam Import and Export")	Vietnam	VND2,286,000,000.00	Import and export trade	–	100	Establishment
Zhejiang Fubo New Materials Co., Ltd.* (浙江福玻新材料有限公司) ("Zhejiang Fubo")	Zhejiang, China	USD10,000,000.00	Manufacturing and sale of nonmetallic mineral products	–	100	Establishment
Jiaxing Flat New Energy Technology Co., Ltd.* (嘉興福特新能源科技有限公司) ("Flat New Energy")	Zhejiang, China	10,000,000.00	Investment, construction, operation and maintenance of new energy power plants	100	–	Establishment
Flat (Jiaxing) Import and Export Trade Limited* (福萊特(嘉興)進出口貿易有限公司) ("Flat Import and Export")	Zhejiang, China	7,000,000.00	Import and export trade	100	–	Establishment
Flat (Nantong) Solar Glass Co., Ltd.* (福萊特(南通)光伏玻璃有限公司) ("Nantong Flat")	Jiangsu, China	400,000,000.00	Manufacture and sale of photovoltaic glass	36.125	63.875	Establishment
Nantong Flat Natural Gas Co., Ltd.* (南通福萊特天然氣有限公司) ("Nantong Natural Gas")	Jiangsu, China	10,000,000.00	Installation and sales of natural gas pipelines	–	100	Establishment, Acquisition
Nantong Yuanotong Port Co., Ltd.* (南通遠通港務有限公司)	Jiangsu, China	50,000,000.00	Port operation, cargo handling	–	100	Acquisition
Flat (Suqian) Solar Glass Co., Ltd.* (福萊特(宿遷)光伏玻璃有限公司) ("Suqian Flat")	Jiangsu, China	10,000,000.00	Manufacture and sale of photovoltaic glass	100	–	Establishment
Shanghai Flat Technology Development Co., Ltd.* (上海福萊特科技發展有限公司) ("Flat Technology Development")	Shanghai, China	10,000,000.00	Research and development for new materials and technologies	100	–	Establishment

Name of subsidiary	Principal place of business	Registered capital	Nature of business	Shareholding and voting rights percentage (%)		Acquisition method
				Direct	Indirect	
Jiaxing Flat Intelligent Equipment Co., Ltd.* (嘉興福萊特智能裝備有限公司) ("Flat Intelligent Equipment")	Zhejiang, China	11,077,000.00	Manufacturing and sales of intelligent equipment	90.27	9.73	Establishment
Nantong Flat Port Co., Ltd.* (南通福萊特港務有限公司) ("Flat Port")	Jiangsu, China	1,000,000.00	Port operation	100	-	Establishment
Jiaxing Kunlun Flat Energy Management Co., Ltd.* (嘉興崑崙福萊特能源管理有限公司) ("Flat Energy Management")	Zhejiang, China	10,000,000.00	Energy management	100	-	Establishment
Flat (Guangxi) Photoenergy Co., Ltd.* (福萊特(廣西)光能有限公司) ("Guangxi Flat")	Guangxi, China	100,000,000.00	Manufacture and sale of photovoltaic glass	100	-	Establishment
Flat Photoenergy Co., Ltd.* (福萊特光能有限公司) ("Flat Photoenergy")	Zhejiang, China	100,000,000.00	Development and sales of emerging energy technologies and equipment	100	-	Establishment
Zhejiang Fulaitai New Energy Co., Ltd.* (浙江福萊泰新能源有限公司) ("Fulaitai") and its subsidiaries	Zhejiang, China	400,000,000.00	PV module power generation and sales	82	-	Establishment, acquisition
Flat (Yibin) Photoenergy Co., Ltd.* (福萊特(宜賓)光能有限公司) ("Yibin Flat")	Sichuan, China	100,000,000.00	Manufacturing and sale of nonmetallic mineral products	100	-	Establishment

Name of subsidiary	Principal place of business	Registered capital	Nature of business	Shareholding and voting rights percentage (%)		Acquisition method
				Direct	Indirect	
FLAT SOLAR TECHNOLOGY PTE. LTD.	Singapore	SGD10,000.00	Investments	100	–	Establishment
FLAT SOLAR INTERNATIONAL PTE. LTD.	Singapore	SGD1,000.00	Import and export trade	100	–	Establishment
PT FLATSOLAR ENERGY INDONESIA	Indonesia	IDR120,000,000.00	Manufacture and sale of photovoltaic glass	–	95	Establishment
PT FlatGlobal Investment Indonesia	Indonesia	IDR10,000.00	Investment	–	100	Establishment
Jiaxing Fulian Logistics Co., Ltd.* (嘉興福聯物流有限公司) ("Fulian Logistics")	Zhejiang, China	2,000,000.00	Port operation, cargo handling	100	–	Establishment
Flat (Shanxi) Photoenergy Co., Ltd.* (福萊特(山西)光能有限公司)	Shanxi, China	1,000,000,000.00	Manufacturing and sale of nonmetallic mineral products	100	–	Establishment

* for identification purpose only

2. Transactions in which the parent's ownership interest in a subsidiary changes but control is retained

(1) *Explanation of changes in the parent's ownership interest in the subsidiary*

On 3 June 2025, Nantong Flat, a subsidiary of the Group, together with the former minority shareholder of its subsidiary Nantong Natural Gas, entered into an Equity Transfer Agreement under which the Group agreed to acquire the 49 % minority interest in Nantong Natural Gas for a cash consideration of RMB1.0 million. Upon completion of the acquisition, the Group holds 100 % of the equity interest in Nantong Natural Gas. By the end of the current period, the equity transfer had been settled and the Group has paid the full purchase price.

(2) *Impact of the transaction on non-controlling interests and equity attributable to the owners of the parent*

	RMB
	Nantong Natural Gas
– Cash	1,000,000.00
Total consideration for acquisition/disposal	1,000,000.00
Less: Difference arising from the share of the subsidiary's net assets calculated based on the equity interest acquired/ disposed of	486,458.09
Difference	513,541.91
Including: adjustment to capital reserve	<u>513,541.91</u>

3. 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
---	---

Associates:



(X) RISKS RELATED TO FINANCIAL INSTRUMENTS

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

RMB		
Items	Closing balance	Opening balance
Financial assets:		
Measured at amortized cost		
Monetary funds	4,602,655,257.98	5,294,894,127.46
Bill receivables		

Items	Closing balance	Opening balance
Financial liabilities		
Measured at amortized cost		
Bill payables	450,834,417.83	874,305,689.59
Trade payables	4,753,412,025.25	4,023,960,176.25
Other payables		
(Excluding accrued interest)	177,719,380.05	118,885,071.18
Bonds payable		
(including accrued interest)	3,993,089,823.70	3,941,696,068.93
Borrowings		
(including accrued interest)	<u>10,008,810,712.46</u>	<u>10,345,356,628.79</u>
Measured at fair value through profit or loss		
Derivative financial liabilities	<u>368,994.72</u>	<u>767,714.98</u>

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 management and supervise these risk exposures in order to ensure that proper measures are taken expeditiously.

(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 2025, 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	1,930,301,484.11	1,504,158,054.99
Trade receivables	931,710,295.81	623,411,657.94
Other receivables	46,768,702.08	51,878,150.84
Debt investment	143,172,000.00	143,768,000.00
Trade payables	49,347,626.21	64,529,510.59
Other payables	1,737,769.33	3,085,899.70
Borrowings	584,785,364.50	584,509,737.60

The Group closely monitors exchange-rate fluctuations and has established relevant policies to mitigate foreign-exchange risk. To this end, it utilizes foreign-exchange forward contracts and foreign-exchange option contracts. As of 30 June 2025, the Group had entered into such contracts covering foreign-currency monetary assets equivalent to RMB249,835,140.00 (equivalent to USD 34,900,900.00).

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 2025, the Group's floating borrowings amounted to RMB9,706,170,892.06 (31 December 2024: RMB8,983,041,024.82). The Group considers the risk arising from interest-rate fluctuations to have an immaterial impact on floating-rate bank deposits. Management monitors interest-rate risk closely, and the Group's policy is to maintain the floating-rate structure of these borrowings; at present, no arrangements such as interest-rate swaps are in place.

1.2 Credit risk

As at 30 June 2025, 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, bank time deposits in other current assets, debt investments, other debt investments, as well as trading financial assets not within the scope of impairment assessment 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

(2) Transfer of Financial Assets

1. Classification of transfer methods

RMB

Transfer methods	Nature of transferred financial assets	Amount of transferred financial assets	Derecognition status	Basis for derecognition judgment
Endorsement	Bank acceptance	2,497,132,354.55	Full derecognition	The credit rating for accepting bank is relatively higher, and the risk of recourse is extremely low
Discounting	Bank acceptance	861,739,549.90	Full derecognition	The credit rating for accepting bank is relatively higher, and the risk of recourse is extremely low
Endorsement	Bank acceptance	964,433,222.85	Not derecognized	The credit rating for accepting bank is normal, with risk of recourse
Total	/	<u>4,323,305,127.30</u>	/	/

2. Financial assets derecognized due to transfer

RMB

Items	Transfer methods	Amount of transferred financial assets	Gains and losses related to derecognition
Bank acceptance bill	Endorsement	2,497,132,354.55	—
Bank acceptance bill	Discounting	<u>861,739,549.90</u>	<u>2,662,966.87</u>
Total	/	<u>3,358,871,904.45</u>	<u>2,662,966.87</u>

(XI) 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 – financial products	17,888.52	–	–	17,888.52
(II) Trading financial assets – listed company stock	–	–	180,000,000.00	180,000,000.00
(III) Financing receivables	–	–	1,370,301,634.55	1,370,301,634.55
(IV) Derivative financial assets	–	587,828.35	–	587,828.35
(V) Other debt investment	–	–	287,125,718.91	287,125,718.91
(VI) Derivative financial liabilities	–	368,994.72	–	368,994.72

(2) The Basis for Determining the Market Value of the Item 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 for the end of period	Valuation techniques	Main input value
Financial assets at FVTPL – derivative financial assets	587,828.35	Discounted cash flow method	Forward exchange rate
Financial assets at FVTPL – derivative financial liabilities	368,994.72	Discounted cash flow method	Forward exchange rate

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

RMB

Items	Fair value as at 30 June 2025	Valuation techniques	Significant unobservable inputs	Scope period
Trading financial assets – bank wealth management products	180,000,000.00	Discounted cash flow method	Expected rate of return of products	0.57%-2.57%
Financing receivables	1,370,301,634.55	Discounted cash flow method	Expected discount rate	0.85%-1.01%
Other debt investment	287,125,718.91	Discounted cash flow method	Expected rate of return of products	1.85%-2.55%

Continuous level-3 fair value measurement items, the reconciliation information between the book values at the beginning and the end of the period and the sensitivity analysis of unobservable parameters.

Items	Amount for the beginning of period	Transferred into Level 3	Transferred out of Level 3	Total gains or losses for current year		Purchase, issuance, sales and settlement				Amount for the end of period	Assets held at the end of the reporting period are included in profit or loss for the change of unrealized gains or losses for current year
				Included in profit or loss	Included in other comprehensive income	Purchase/increase	Issuance	Sales	Settlement/decrease		
Trading financial assets – bank wealth management products	520,000,000.00	-	-	2,615,888.45	-	2,220,000,000.00	-	-	2,562,615,888.45	180,000,000.00	-
Financing receivables	1,566,522,584.04	-	-	-	-	4,179,064,833.92	-	-	4,375,285,783.41	1,370,301,634.55	-
Other debt investment	223,712,827.25	-	-	3,828,911.65	-	200,126,000.00	-	-	140,542,019.99	287,125,718.91	3,606,645.08

(5) During the years ended 30 June 2025 and 2024, there were no transfers between Level 1, Level 2, and Level 3 within the Group.

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

As at 30 June 2025, the Group’s management believes that the carrying amounts of financial assets and financial liabilities measured at amortised cost (other than bonds payable) approximate their fair values. As at 30 June 2025, the carrying amount of bonds payable in the Group’s financial statements is RMB3,993,089,823.70, and their fair value is RMB4,491,954,221.76.

(XII) RELATED PARTIES AND RELATED PARTY TRANSACTION

1. THE GROUP’S SUBSIDIARIES

Please refer to “INTERESTS IN OTHER ENTITIES” for relevant information of subsidiaries.

2. THE GROUP’S JOINT VENTURE AND ASSOCIATE

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

3. OTHER RELATED PARTIES OF THE GROUP

Name of other related parties	Relationship with the connected party
Yihe Investment	Controlled by one of the actual controllers of the Company
Hongding Port	Controlled by one of the actual controllers of the Company

4. RELATED PARTY TRANSACTIONS

(1) Purchasing of goods/Accepting labor services

RMB

Related party	Related party transaction	Amount in the current period	Amount in the last period
Jiaxing Gas	Purchasing of raw materials	45,705,039.20	120,337,918.47
Kaihong Flat	Accepting labor services	331,524,407.90	247,658,421.60

(2) Sales of goods/Providing labor services

RMB

Related party	Content of the related party transaction	Amount in the current period	Amount in the last period
Kaihong Flat	Providing labor and sales of low-value consumables	3,108,874.43	1,782,856.50

(3) Related rental income

As a lessor

RMB

Lessee name	Type of leased asset	Amount in the current period	Amount in the last period
Kaihong Flat	House lease	184,910.67	176,105.39

As a lessee

RMB

Related party	Type of leased asset	Amount for the year				Amount for last year			
		Short-term lease with simplified processing	Rentals paid	Interest expense on committed lease liabilities	Addition of right-of-use assets	Short-term lease with simplified processing	Rentals paid	Interest expense on committed lease liabilities	Addition of right-of-use assets
Yihe Investment	House lease	4,249,814.52	4,508,299.92	-	-	4,249,814.64	9,016,599.84	-	-
Hongding Port	Pier lease	1,100,917.43	3,000,000.00	-	-	825,688.08	-	-	-

(4) Remuneration of key management personnel

RMB0'000

Item	Amount in the current period	Amount in the last period
Remuneration of key management personnel	<u>573.01</u>	<u>631.27</u>

5. AMOUNTS DUE TO/FROM RELATED PARTIES

(1) Receivables

RMB

Item	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Receivables	Kaihong Flat	<u>855,625.00</u>	<u>-</u>	<u>381,802.92</u>	<u>-</u>

(2) Payables

RMB

Items

Related parties

Closing book
balance

(XIII) SHARE-BASED PAYMENTS

1. Equity instruments

(1) Details

Share/RMB

Classification	Unlocked for the period	
	Number	Amount
Core employee	140,000.00	2,006,200.00
Total	140,000.00	2,006,200.00

(2) Share option or other equity instruments outstanding at the end of the period

Classification	Restricted share outstanding at the end of the period	
	Range of exercise price	Remaining contract terms
Senior management	RMB6.23, RMB14.23	Approximately 0.1 year, Approximately 0.9 year
Core employee	RMB6.23, RMB14.23	Approximately 0.1 year, Approximately 0.9 year

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	Based on the best estimate of the number of participants expected to vest	Based on the best estimate of the number of participants expected to vest
Reasons for significant differences of estimate between the current year and the previous period	N/A	N/A
Cumulative amount of equity settled share-based payment recognized into capital reserves	26,712,587.09	93,733,773.37

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

3. Share-based payment expense for the period

RMB

ClassificationExercise price o65 -hare optionS9 0 Td(RMB.2927.43 -2s667 T 555 0 %~2



(XIV) COMMITMENTS AND CONTINGENCIES

(XV) EVENTS AFTER THE BALANCE SHEET DATE

The Group has no significant post-balance sheet events required to be disclosed.

(XVI) 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

	PV glass	Household glass	Architecture glass	Float glass	Mining products	Power generation revenue	Other business	Mutual offset among segments	Total
Segment operating revenue	6,944,929,379.23	121,984,356.73	242,761,228.03	28,004,469.43	1,158,777.21	244,789,030.81	153,400,894.62	-	7,737,028,136.06
Segment operating costs	6,090,085,476.21	101,098,408.99	159,035,667.55	29,952,824.98	1,956,796.10	169,490,349.43	98,301,623.16	-	6,649,921,146.42

(XVII)NOTES TO THE STATEMENTS OF THE PARENT COMPANY

1. TRADE RECEIVABLE

(1) Disclosed by the aging

RMB

Aging	Closing book balance	Opening book balance
Within 1 year	832,618,881.17	578,314,856.43
1-2 years	6,162,782.46	26,240,441.65
2-3 years	22,505,222.10	1,748,061.11
Over 3 years	14,349,014.83	13,568,007.32
Total	875,635,900.56	619,871,366.51

(2) *Disclosed by bad debt provision method*

RMB

Classification	Book balance		Closing balance Bad debt provision		Book value
	Amount	Percentage	Amount	Accrual Percentage	
		(%)		(%)	
Bad debt provision individually	16,566,286.74	1.89	16,566,286.74	100.00	-
Bad debt provision by portfolio	859,069,613.82	98.11	9,479,781.71	1.10	849,589,832.11
Total	875,635,900.56	/	26,046,068.45	/	849,589,832.11

Classification	Book balance		Opening balance Bad debt provision		Book value
	Amount	Percentage	Amount	Accrual Percentage	
		(%)		(%)	
Bad debt provision individually	17,625,272.00	2.84	17,625,272.00	100.00	-
Bad debt provision by portfolio	602,246,094.51	97.16	10,565,048.71	1.75	591,681,045.80
Total	619,871,366.51	/	28,190,320.71	/	591,681,045.80

Bad debt provision by portfolio

RMB

Name	Book balance	Closing balance Bad debt provision	Provision percentage (%)
Low risk	493,731,158.20	—	—
Normal	357,242,181.45	6,287,462.39	1.76
Concerned	8,096,274.17	3,192,319.32	39.43
Total	<u>859,069,613.82</u>	<u>9,479,781.71</u>	<u>1.10</u>

(3) Movement in the allowance for credit losses on trade receivables

RMB

Bad debt provision	Provision for bad debts over the entire life of the receivables (Credit impairment that has not occurred yet)	Provision for bad debts over the entire life of the receivables (Credit impairment that has occurred)	Total
Balance at 1 January 2025	10,565,048.71	17,625,272.00	28,190,320.71
Transfer to the provision for bad debts with credit impairment that has occurred over the entire life of the receivables	-1,834,974.30	1,834,974.30	—
Provision (reversal) for the period	749,707.30	-2,767,042.82	-2,017,335.52
Write-offs for the year	—	-126,916.74	-126,916.74
Balance at 30 June 2025	<u>9,479,781.71</u>	<u>16,566,286.74</u>	<u>26,046,068.45</u>

(4) The actual write-off of accounts receivable for this year

RMB

Item	Amount
The actual write-off of accounts receivable	12,616.74

(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 RMB627,276,659.88 (as at the end of the previous year: RMB413,992,608.23), accounting for 71.64% (as at the end of the previous year: 66.79%) of the total balance of trade receivables and the provision for credit losses of top five trade receivables amounted to RMB3,710,725.77 (as at the end of the previous year: RMB5,155,537.01).

2. OTHER RECEIVABLES

RMB

Items	Closing balance	Opening balance
Dividends receivable	—	14,030,000.00
Other receivables	<u>1,151,192,307.03</u>	<u>2,460,959,297.15</u>
Total	<u><u>1,151,192,307.03</u></u>	<u><u>2,474,989,297.15</u></u>

Dividends receivables

RMB

Item	Closing balance	Opening balance
Dividends receivable from subsidiaries	<u>—</u>	<u>14,030,000.00</u>
Total	<u><u>—</u></u>	<u><u>14,030,000.00</u></u>

Other receivables

(1) Disclosed by aging

RMB

Aging	Closing book balance	Opening book balance
Within 1 year	375,882,725.66	2,078,073,745.23
1-2 years	433,038,348.56	366,251,319.11
2-3 years	325,637,000.00	—
Over 3 years	16,634,232.81	16,634,232.81
Total	<u>1,151,192,307.03</u>	<u>2,460,959,297.15</u>

(2) Other receivables classified by nature

RMB

Nature	Closing book balance	Opening book balance
Amounts receivable from subsidiaries	1,142,108,451.26	2,447,774,613.58
Deposit, margin	8,742,000.00	8,719,930.00
Reserve fund	40,000.00	45,000.00
Others	301,855.77	4,419,753.57
Total	<u>1,151,192,307.03</u>	<u>2,460,959,297.15</u>

(3) *Impairment of other receivables*

Based on the nature of other receivables and after evaluation, the Company believes that other receivables have no significant risk of ECL, so no provision for credit loss has been made.

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

RMB

Name	Closing balance	Percentage in the total Closing balance of other receivable (%)	Amount nature	Closing balance of credit loss provision
Flat (Hong Kong)	555,234,893.27	48.23	Amounts receivable from subsidiaries	-
Fulaitai	392,002,846.14	34.05	Amounts receivable from subsidiaries	-
Flat Import and Export	117,385,291.08	10.20	Amounts receivable from subsidiaries	-
Flat Intelligent Equipment	65,328,243.65	5.67	Amounts receivable from subsidiaries	-
Nantong Flat	11,413,597.82	0.99	Amounts receivable from subsidiaries	-
Total	<u>1,141,364,871.96</u>	<u>99.14</u>	/	-

(5) *No other receivables were actually written off by the Company during the period.*

3. LONG-TERM EQUITY INVESTMENT

RMB

Items	Closing balance		Opening balance	
	Book balance	Provision for bad debt	Book balance	Provision for bad debt
Investment in subsidiary	3,488,807,360.10	-	3,488,807,360.10	-
Investment in joint venture and associate	47,787,988.31	-	33,845,769.04	-
Total	3,536,595,348.41	-	3,522,653,129.14	-

(1) Investment in subsidiary

RMB

Invested unit	Increased amount		Decreased amount	
	Opening balance	in the current period	in the current period	Closing balance
Zhejiang Flat	10,000,000.00	-	-	10,000,000.00
Zhejiang Jiafu	150,000,000.00	-	-	150,000,000.00
Shanghai Flat	70,000,000.00	-	-	70,000,000.00
Anhui Flat Glass	2,530,000,000.00	-	-	2,530,000,000.00
Flat (Hong Kong)	66,137,343.00	-	-	66,137,343.00
Flat New Energy	10,000,000.00	-	-	10,000,000.00
Flat Import and Export	7,000,000.00	-	-	7,000,000.00
Flat Port	300,000.00	-	-	300,000.00
Flat Intelligent Equipment	10,000,000.00	-	-	10,000,000.00
Fulaitai	328,000,000.00	-	-	328,000,000.00
Nantong Flat	204,370,017.10	-	-	204,370,017.10
Flat Photoenergy	100,000,000.00	-	-	100,000,000.00
Guangxi Flat	1,000,000.00	-	-	1,000,000.00
Fulian Logistics	2,000,000.00	-	-	2,000,000.00
Total	3,488,807,360.10	-	-	3,488,807,360.10

(2) *Investment in joint venture and associate*

RMB

Investees	Opening balance (Book value)	Investment gains and loss recognized under the equity methods		Closing balance (Book value)
		Changes during the period	Other	
Associate:				
Kaihong Flat	29,345,769.04	13,942,219.27	—	43,287,988.31
Jiaxing Energy	4,500,000.00	—	—	4,500,000.00
Total	33,845,769.04	13,942,219.27	—	47,787,988.31

(2) *Disaggregation of operating revenue and operating cost*

RMB

Contract Classification	Total	
	Operating revenue	Operating cost
Category of goods		
PV glass	1,359,525,638.38	1,223,543,913.76
Household glass	57,598,739.63	49,842,495.45
Architectural glass	245,302,844.43	162,260,288.32
Float glass	39,931,530.64	43,274,660.09
Other business	57,659,395.25	53,055,549.05
Total	<u>1,760,018,148.33</u>	<u>1,531,976,906.67</u>
Classification by operating area		
China	1,175,287,578.32	1,074,451,754.12
Asia (excluding China)	416,348,168.29	363,375,966.42
Europe	17,947,392.18	6,927,226.89
North America	149,645,911.02	86,691,290.71
Other	789,098.52	530,668.53
Total	<u>1,760,018,148.33</u>	<u>1,531,976,906.67</u>

5. INVESTMENT INCOME

RMB

Items	Amount for the period	Amount for last period
Long term equity investment income measured at cost method	—	650,000,000.00
Investment income on disposal of derivative financial instruments	-279,813.05	8,612,743.94
Income from long-term equity investments under the equity method	13,942,219.27	1,914,490.25
Investment income of disposal of trading financial assets	<u>1,491,960.98</u>	<u>458,323.74</u>
Total	<u><u>15,154,367.20</u></u>	<u><u>660,985,557.93</u></u>

Supplementary Information

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

RMB

Items	Amount for the Period
Gains/(losses) on disposal of non-current assets, including the part of provision for assets impairment being written off	29,670,956.68
Government subsidies included in the current profit or loss, but excluding the government subsidies closely related to business of the Company, granted according to state policies and fixed standards, and cause continuous impact on the profit or loss of the Company	6,695,506.75
Apart from effective hedging activities related to normal business operations of the Company, profit or loss from changes in fair value of financial assets and financial liabilities held by non-financial enterprises, and profit or loss from disposal of financial assets and financial liabilities	2,276,426.18
Other non-operating income and expenses other than above	1,054,112.15
Less: Effects of income tax	6,058,468.49
Effects on minority interests (after tax)	-3,610.02
Total	<u>33,642,143.29</u>

(II) RETURN ON NET ASSETS AND EARNING PER SHARE

The calculation form of the return on net assets and earnings per share is prepared in accordance with the relevant provisions of Public Issuance of Securities Companies Information Disclosure and Compilation Rules No. 09 – Calculation and Disclosure of Return on Net Assets and Earnings Per Share (Revised in 2010) (CSRC Announcement [2010] No. 2) issued by the China Securities Regulatory Commission.

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	1.20	0.11	0.11
Net profit attributable to ordinary shareholders of the Company excluding non-recurring items	<u>1.05</u>	<u>0.10</u>	<u>0.10</u>