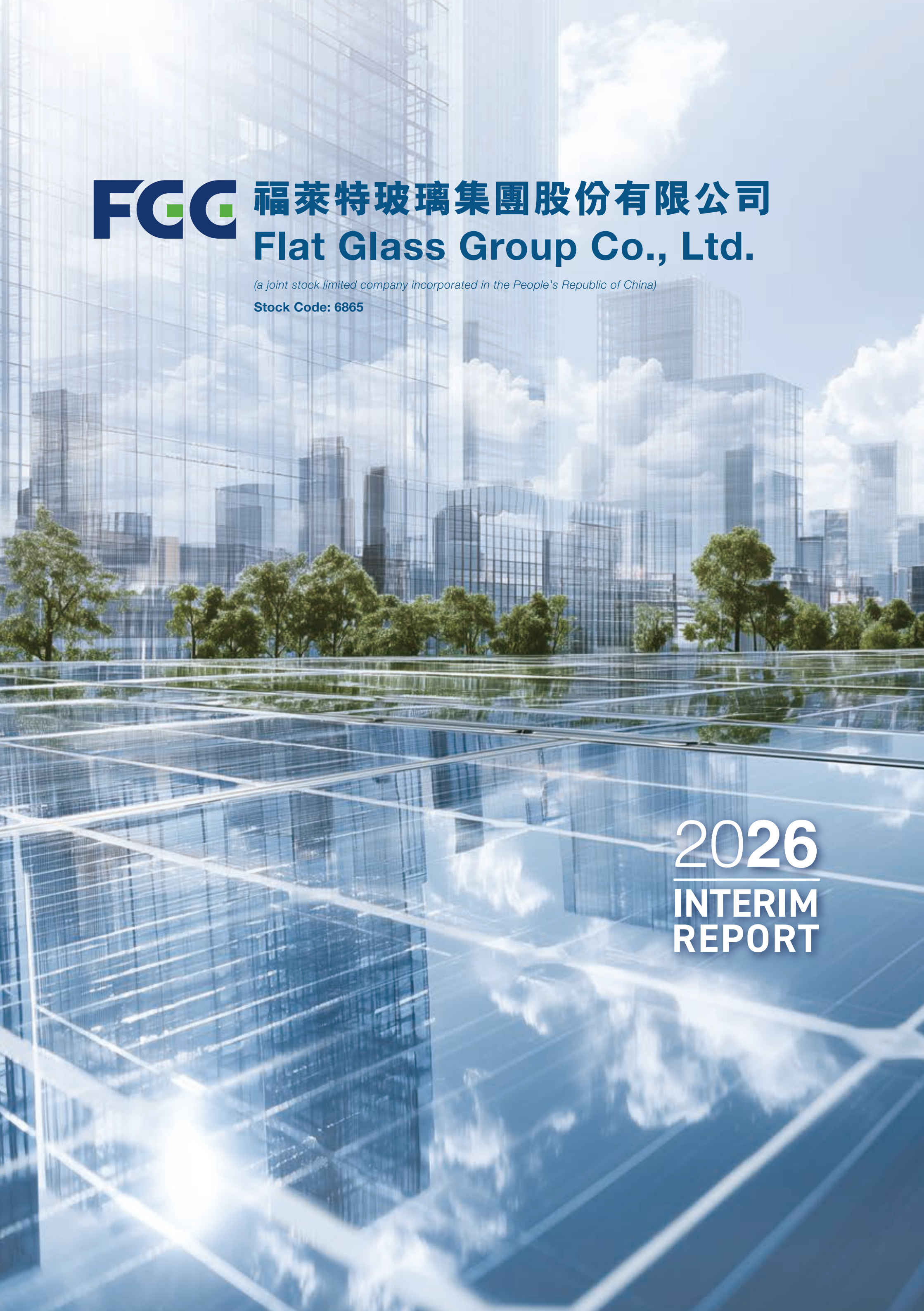

福萊特玻璃集團股份有限公司
Flat Glass Group Co., Ltd.

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

Stock Code: 6865

2026
INTERIM REPORT

Contents

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

Employee director

Ms. Niu Liping

Independent non-executive directors

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

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

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 7, 21/F. Yen Sheng Centre
64 Hoi Yuen Road
Kwun Tong
Kowloon
Hong Kong

CORPORATE WEBSITE

www.flatgroup.com.cn

LEGAL ADVISERS AS TO HONG KONG LAW

Morgan, Lewis & Bockius

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants LLP

PRINCIPAL BANKERS

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

H SHARE REGISTRAR

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

Financial Summary

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Operating revenue	**6,668,210.12**	7,737,028.14
Operating costs	**6,123,036.57**	6,649,921.15
Gross profit	**545,173.55**	1,087,106.99
Total profit	**-427,726.88**	275,338.34
Income tax expense	**-64,955.76**	9,380.96
Net profit	**-362,771.12**	265,957.38

	As at	As at
	30 June 2026	31 December 2025
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Non-current assets	**29,624,054.49**	30,107,666.06
Current assets	**11,910,357.28**	12,276,748.19
Current liabilities	**9,120,794.60**	7,841,262.99
Net current (liabilities) assets	**2,789,562.68**	4,435,485.20
Total assets less current liabilities	**32,413,617.17**	34,543,151.26
Net assets	**21,763,561.06**	22,611,524.25
Share capital	**585,720.13**	585,720.06
Undistributed profit	**10,082,430.95**	10,794,884.37
Total equity	**21,763,561.06**	22,611,524.25

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, Nantong, Jiangsu 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 2026 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 2026, 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 2 months and 11 months, respectively.

Details of the restricted shares granted under the 2020 Incentive Scheme during the six months ended 30 June 2026 are set out below:

Category of participants	Date of grant	Lock-up period	Grant price (RMB)	Number of Restricted Shares As at 1 January 2026	Granted during the period	Attributed during the period	Cancelled during the period	Lapsed during the period	As at 30 June 2026
14 Employees	11 August 2020	*Note 1*	6.23 *(Note 3)*	0	Nil	Nil	Nil	Nil	0
3 Employees	25 May 2021	*Note 2*	14.23 *(Note 4)*	140,000	Nil	Nil	Nil	Nil	140,000
Total				**140,000**	**Nil**	**Nil**	**Nil**	**Nil**	**140,000**

Notes:

1. 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. 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.

4. 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 2026 and 30 June 2026 is nil and nil, respectively. There is no service provider sublimit under the 2020 Incentive Scheme.

The Remuneration Committee is responsible for drafting and revising the 2020 Incentive Scheme and submitting the same to the Board for consideration.

As at 30 June 2026, the number of shares that may be issued in respect of awards granted under 2020 Incentive Scheme divided by the weighted average number of shares in issue (excluding treasury Shares) for the year is nil.

BUSINESS OVERVIEW

The Global PV Market Entered a Period of Demand Adjustment

In the first half of 2026, the global PV market entered a completely different stage of development after several years of exceptionally rapid growth. Previously, the market had presented prosperity fueled by rapid technological innovation, significant cost reduction, and the continuous expansion of application areas in residential, commercial, and large projects. However, in the first half of 2026, the market experienced a demand adjustment driven by manufacturing oversupply, grid power rationing, and policy shifts. Hence, the global PV demand is projected to face its first negative growth in over a decade.

In the first half of 2026, China's PV industry was undergoing a profound adjustment. From the application side, China's new PV installations in the first half of the year reached approximately 72.07 GW, representing a significant year-on-year decrease of approximately 66% compared with the 212 GW in the same period of 2025. However, this data must be reviewed against a high base effect as PV installations spiked abnormally in the same period of 2025. In fact, the installed capacity in the first half of 2026 remained above the average recorded in the first halves of 2021 to 2024. The monthly installed capacity was at the median level of the past five years, with relatively moderate fluctuations. The fact indicates that the industry is shifting from pulse growth to steady growth. However, at the same time, the 15th Five-Year Plan for Renewable Energy Development established a clear target that wind and solar installed capacity will reach more than 2,800 GW by 2030, representing an average annual addition of at least 192 GW from the current 1,840 GW. The Plan provides solid support for the industry's medium-and long-term development.

Improving Supply and Demand Dynamics of PV Glass

During the first half of 2026, the PV glass industry faced continuous price squeeze due to downstream demand adjustment and overcapacity. The PV glass prices also dropped near to their cash cost levels due to overcapacity and intensified competition in the industry, with limited room for further decline. Therefore, the industry faces general losses and heavy operating pressure at current market prices.

In the face of persistently low market prices, the industry has seen a significant increase in the number of cold repair production lines with the accelerating capacity withdrawal. The supply side of the industry has contracted significantly as some high-cost and technologically backward kilns have successively entered a state of cold repair or permanent production halt. The current phase is at a critical window period for capacity clearance. The exit of inefficient capacity has laid the foundation for the improvement of the industry's supply and demand dynamics.

The supply and demand dynamics of the PV glass industry are improving toward a positive direction, with the increase in cold repair production lines and the slowdown in the pace of new capacity release. The current supply and demand imbalance is expected to ease as the contraction on the supply side continues, coupled with the moderate recovery of demand in the second half of the year. Leveraging their scale advantages, technological accumulation, and cost control capabilities, leading enterprises have demonstrated strong operational resilience in this round of cyclical adjustment. Hence, the market share concentration is expected to be on the rise toward the leading companies.

In the first half of 2026, the Group faced significant profit pressure due to persistently low PV glass prices. At present, most enterprises in the industry are still under pressure in their operations due to constant notably overcapacity and low product prices for a long time. The Group strives to alleviate the profit pressure brought about by the decline in prices through continuously promoting cost reduction and efficiency improvement, optimizing production processes, and strengthening refined management. Meanwhile, the Group strictly controls capital expenditure to ensure the safety of cash flow, aiming to cope with the challenges at the bottom of the industry cycle

FUTURE PROSPECT

Despite short-term cyclical adjustments and pains facing the industry, the general trend of global energy transition remains unchanged over the medium and long term. As PV is the most economically clean energy, its long-term growth logic remains stable.

Given the industry is shifting from scale-driven to quality-driven, the strong will survive after eliminating the backward production capacity and those with speculative mentality. After the industry reshuffle, enterprises with genuine core technologies and sharp strategic focus will occupy a more favorable competitive position. As inefficient production capacity continues to be phased out, the supply and demand relationship will gradually improve, and prices will adjust accordingly. The overall profitability of the industry is expected to recover.

As a leading enterprise in the global PV glass industry, the Group will insist on technological innovation as the core driving force. Meanwhile, the Group will continue to promote quality improvement and efficiency enhancement, optimize the production capacity structure, operate steadily, and strive to capture structural opportunities during an industry cycle bottom. The Group firmly believes that the PV glass industry will usher in a new round of healthy development cycle, with the continuous growth of global demand for new energy and the optimization of the industry landscape. Moreover, the Group will create long-term value for shareholders.

FINANCIAL REVIEW

For the six months ended 30 June 2026, the Company faced severe challenges in operations amid weak demand for PV terminals across the globe, an intensifying imbalance between supply and demand in the market, a continuous decrease in product prices, and increasing industry competition. For the six months ended 30 June 2026, the operating revenue of the Group amounted to approximately RMB6,668.2 million, representing a decrease of 13.81% compared with RMB7,737.0 million for the same period in 2025. The sluggish global demand for PV and the abundant capacity on the supply side have led to a significant year-on-year drop in the selling price of PV glass products. External geopolitical conflicts have also caused certain disturbances to energy costs and the business environment. To cope with the above challenges, the Group, on the one hand, has seized the window of opportunity when raw material prices dropped, and on the other hand, has deeply advanced internal quality improvement and efficiency enhancement. The relevant measures partially alleviated the adverse effects, but overall, the pressure brought by the drop in product prices has not yet been completely resolved. For the six months ended 30 June 2026, the net profit of the Group amounted to RMB-362.8 million, compared with RMB 266.0 million for the same period in 2025, with a change ratio of-236.39%.

Revenue

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

Product type	Six months ended 30 June 2026 RMB'000	(%)	Six months ended 30 June 2025 RMB'000	(%)
PV glass	**5,861,594.65**	**87.90**	6,944,929.38	89.76
Household glass	**119,791.35**	**1.80**	121,984.36	1.58
Architectural glass	**217,900.54**	**3.27**	242,761.23	3.14
Float glass	**101,865.66**	**1.53**	28,004.47	0.36
Power generation income	**223,379.08**	**3.35**	244,789.03	3.16
Mining products	**111,913.30**	**1.68**	1,158.78	0.01
Other businesses	**31,765.56**	**0.47**	153,400.89	1.99
Total	**6,668,210.14**	**100.00**	7,737,028.14	100.00

Geographical region	Six months ended 30 June 2026 RMB'000	Six months ended 30 June 2025 RMB'000
Chinese mainland	**4,295,950.29**	5,410,758.55
Other Asian countries (excluding China)	**1,590,641.70**	1,245,867.06
Europe	**64,442.81**	106,707.86
North America	**708,199.13**	968,804.44
Other	**8,976.21**	4,890.23
Total	**6,668,210.14**	7,737,028.14

For the six months ended 30 June 2026, the sales revenue of the Group amounted to approximately RMB6,668.2 million representing a decrease of 13.81% compared with RMB7,737.0 million for the same period in 2025. Among the total sales revenue, sales revenue from PV glass amounted to RMB5,861.6 million, representing a decrease of 15.60% as compared with RMB6,944.9 million for the same period in 2025. The decrease was mainly due to multiple factors, including internal competition within the industry and trade barriers, and the market supply and demand pattern continues to be under pressure.

By sales region, the sales revenue in the Chinese mainland during the period amounted to RMB 4,296.0 million, representing a decrease of 20.60% as compared with RMB5,410.8 million during the same period in 2025. Overseas sales revenue amounted to RMB2,372.3 million, representing an increase of 1.98% as compared with RMB2,326.3 million during the same period in 2025. The overseas market recorded positive growth against the trend, with its revenue share increasing from approximately 30.1% during the same period in 2025 to approximately 35.6%, resulting in a more balanced regional structure.

Operating costs

For the six months ended 30 June 2026, the operating costs of the Group amounted to RMB6,123.0 million, representing a decrease of 7.92% as compared with RMB6,649.9 million for the same period last year. On the one hand, the Group actively optimized the customer structure and reasonably controlled the shipment rhythm, resulting in a year-on-year decrease in sales volume. On the other hand, the decrease in the cost of raw materials plus the gradual effectiveness of measures to improve quality and efficiency contributed to a decrease in the cost side.

Gross profit and gross profit margin

For the six months ended 30 June 2026, the gross profit of the Group amounted to RMB545.2 million, representing a decrease of 49.85% as compared with RMB1,087.1 million for the same period last year. For the six months ended 30 June 2026, the gross profit margin of the Group amounted to 8.18%, representing a decrease of 5.87 percentage points as compared with 14.05% for the same period last year. The decrease in gross profit margin was mainly due to the narrowing of the gross profit margin of the PV glass business. The core reasons are as follows: (1) the temporary imbalance in the industry’s supply and demand pattern, coupled with the escalation of trade barriers, has led to a significant year-on-year decrease in the average selling price of PV glass, putting pressure on the profit margin. (2) the Group has continuously consolidated its cost competitiveness and partially alleviated its profit pressure through quality improvement and efficiency enhancement measures, including process upgrading and production efficiency optimization.

The following table sets out the gross profit for the Group's main products:

Product type	**Six months ended 30 June 2026** Gross profit RMB'000	Gross profit margin (%)	Six months ended 30 June 2025 Gross profit RMB'000	Gross profit margin (%)
PV glass	**394,432.53**	**6.73**	854,843.90	12.31
Household glass	**15,991.36**	**13.35**	20,885.95	17.12
Architectural glass	**35,312.79**	**16.21**	83,725.56	34.49
Float glass	**-12,233.59**	**-12.01**	-1,948.36	-6.96
Power generation income	**78,172.28**	**35.00**	75,298.68	30.76
Mining products	**18,390.45**	**16.43**	-798.02	-68.87
Other businesses	**15,107.73**	**47.56**	55,099.28	35.92
Total	**545,173.55**	**8.18**	1,087,106.99	14.05

Sales expenses

For the six months ended 30 June 2026, the sales expenses of the Group amounted to RMB29.3 million, representing a decrease of 7.28% as compared with RMB31.6 million for the six months ended 30 June 2025. The decrease was mainly attributable to continuous improvements in the utilization efficiency of iron pallets and prudent control over marketing campaign investments.

Administrative expenses

For the six months ended 30 June 2026, the administrative expenses of the Group amounted to RMB201.8 million, representing an increase of 39.36% as compared with RMB144.8 million for the six months ended 30 June 2025. The increase was mainly due to the increased expenses related to the optimization of production capacity layout, with both of the overall cost control and the administrative expense ratio remaining at a reasonable level.

Research and development costs

For the six months ended 30 June 2026, the research and development costs of the Group amounted to RMB256.0 million, representing an increase of 19.24% from RMB214.7 million for the six months ended 30 June 2025. The increase was mainly due to the Group's increased investment in research and development, driven by its commitment to exploring new approaches for production process optimization and cost control amid increasingly fierce industry competition.

Finance costs

For the six months ended 30 June 2026, the finance costs of the Group amounted to RMB255.4 million, representing an increase of 24.22% from RMB205.6 million for the six months ended 30 June 2025. The increase was mainly due to exchange rate fluctuations during the reporting period.

Income tax

For the six months ended 30 June 2026, the income tax of the Group amounted to RMB-65.0 million, representing a year-on-year change ratio of -791.49% from RMB9.4 million for the six months ended 30 June 2025. This change is mainly due to a decrease in total profit.

EBITDA and net profit

For the six months ended 30 June 2026, the EBITDA (earnings before interest, taxes, depreciation, and amortization) of the Group amounted to RMB918.2 million, representing a decrease of RMB533.4 million as compared with RMB1,451.6 million for the six months ended 30 June 2025. For the six months ended 30 June 2026, the EBITDA margin of the Group was 13.77%, and the EBITDA margin was 18.76% for the same period in 2025.

For the six months ended 30 June 2026, the net profit amounted to RMB-362.8 million, representing a decrease of RMB628.8 million from RMB266.0 million for the same period in 2025.

Assets and equity

Total assets as at 30 June 2026 amounted to RMB41,534.4 million, representing a decrease of RMB850.0 million or 2.01% compared with RMB42,384.4 million as at 31 December 2025. Total stockholder equity as at 30 June 2026 amounted to RMB21,763.6 million, representing a decrease of RMB847.9 million or 3.75% compared with RMB22,611.5 million as at 31 December 2025.

FINANCIAL RESOURCES AND LIQUIDITY

As at 30 June 2026, the current ratio of the Group was 1.31, compared with 1.57 as at 31 December 2025.

For the six months ended 30 June 2026, the Group's main sources of funding included cash from operating activities and credit financing provided by banks.

GEARING RATIO

As at 30 June 2026, the gearing ratio (gearing ratio equals total debt divided by total assets as of the end of the year or period multiplied by 100%) of the Group was 47.60%, representing an increase of 0.95 percentage point compared with 46.65% as at 31 December 2025.

CAPITAL EXPENDITURES

As at 30 June 2026, the total capital expenditures of the Group amounted to approximately RMB682.7 million (as at 30 June 2025: RMB1,739.9 million), involving the purchase of fixed assets for newly constructed projects, construction in progress, and intangible assets.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2026, the Group employed a total of 7,431 employees, and most of them were based in the PRC. For the six months ended 30 June 2026, the total employee remuneration amounted to RMB429.3 million, representing 6.44% of the Group's total revenue.

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

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

CREDIT RISK AND FOREIGN EXCHANGE RISK

The Group's transactions are settled mainly in RMB, USD, HKD, VND, and JPY. However, the Group's operating activities are mainly located in China. For the six months ended 30 June 2026, the Group's bank facilities were settled in RMB and USD with annual interest rates from 2.11% to 5.19%. As the Group adopts foreign currencies rather than RMB for the transaction of certain sales, procurement, and financing across the globe, the Group is exposed to foreign exchange risk. For the six months ended 30 June 2026, such risks did not have any material impact on the financial performance of the Group.

CAPITAL STRUCTURE

As at 30 June 2026, the total share capital of the Group was 2,342,880,519 shares, including 1,901,165,519 A shares (13,308,421 A shares were held as treasury shares) and 441,715,000 H shares (12,122,000 H shares were held as treasury shares).

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

There were no significant investments, no material acquisitions or disposals of subsidiaries, associates, and joint ventures during the six months ended 30 June 2026, nor was there any plan authorized by the Board for other material investments or additions of capital assets at the date of the 2026 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 2026 to 30 June 2026.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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") of the Company. Directors of the Company are reminded of their obligations under the Model Code on a regular basis. Following specific enquiries by the Group, Ms. Ruan Zeyun purchased 3,000 A-shares on the secondary market on 9 February 2026, which was an inadvertent oversight resulting from an operational error by Ms. Ruan Zeyun when she mistakenly clicked the wrong button on the online securities account webpage while browsing her online securities account. The transaction fell within the black-out period and constituted a non-compliance incident of paragraphs A.3 and B.8 of Appendix C3 to the Listing Rules. Following such incident, the Company suspended Ms. Ruan Zeyun's securities account from all trading activities to ensure Ms. Ruan Zeyun's compliance with paragraph A.3 of the Model Code. In addition, Ms. Ruan Zeyun attended a training course relating to the Model Code in early May 2026 to ensure she will not contravene Appendix C3 of the Listing Rules again in future. Save as disclosed above, other Directors 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 2026 to 30 June 2026.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES

As at 30 June 2026, the interests and short positions of Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interest or short position which the Directors or the chief executive were taken or deemed to have under such provisions) and the Model Code contained in the Listing Rules, were as follows:

Shareholder	Number of Shares held	Class	Nature of Interest	Approximate percentage of shareholding in the relevant class of shares[1]	Approximate percentage of shareholding in the total share capital of the Company[2]
Directors					
Mr. Ruan Hongliang[3]	1,104,775,000 (L)	A Shares	Beneficial owner and parties acting in concert	58.11%	47.15%
	14,921,000 (L)	H Shares	Beneficial owner, parties acting in concert and interest of controlled corporation	3.38%	0.64%
Ms. Jiang Jinhua[3]	1,104,775,000 (L)	A Shares	Beneficial owner and parties acting in concert	58.11%	47.15%
	14,921,000 (L)	H Shares	Beneficial owner, parties acting in concert and interest of controlled corporation	3.38%	0.64%
Ms. Ruan Zeyun[3]	1,104,775,000 (L)	A Shares	Beneficial owner and parties acting in concert	58.11%	47.15%
	14,921,000 (L)	H Shares	Beneficial owner, parties acting in concert and interest of controlled corporation	3.38%	0.64%
Mr. Wei Yezhong	14,040,600 (L)	A Shares	Beneficial owner	0.74%	0.60%
Mr. Shen Qifu	9,360,400 (L)	A Shares	Beneficial owner	0.49%	0.40%

Notes:

(1) The calculation is based on the total number of 1,901,165,519 A Shares or 441,715,000 H Shares of the Company in issue as at 30 June 2026.

(2) The calculation is based on the total number of 1,901,165,519 A Shares and the total number of 441,715,000 H Shares (i.e. a total of 2,342,880,519 Shares) in issue as at 30 June 2026.

(3) Mr. Ruan Hongliang is the spouse of Ms. Jiang Jinhua. As at 30 June 2026, Mr. Ruan Hongliang owns 439,358,400 A Shares and 485,000 H Shares. Ms. Jiang Jinhua owns 310,081,600 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 350,535,000 A Shares and 2,203,000 H Shares. Mr. Zhao Xiaofei owns 4,800,000 A Shares.

As at 30 June 2026, the Company had repurchased 12,122,000 H Shares for holding as treasury shares. Since Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Zeyun and Mr. Zhao Xiaofei, as parties to a concert party agreement dated 19 September 2016 entered into among them, together control more than one-third voting power at the Company's general meetings, they are taken to have an interest in such treasury shares of the Company under the SFO.

Pursuant to the aforesaid concert party agreement, each of Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Zeyun and Mr. Zhao Xiaofei is considered to be interested in 1,104,775,000 A Shares and 14,921,000 H Shares under the SFO.

Save as disclosed above, as at 30 June 2026, to the knowledge of the Company, none of the Directors 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 2026, the persons or corporations, other than the directors 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]	1,104,775,000 (L)	A Shares	Beneficial owner and parties acting in concert	58.11%	47.15%
	14,921,000 (L)	H Shares	Parties acting in concert and interest of controlled corporation	3.38%	0.64%
JPMorgan Chase & Co.[4]	74,936,767 (L) 10,951,941 (S) 9,150,361 (P)	H Shares	Beneficial owner, investment manager, security interest in shares and approved lending agent	16.96% 2.48% 2.07%	3.20% 0.47% 0.39%
Pacific Asset Management Co., Ltd.	31,525,000 (L)	H Shares	Investment manager	7.14%	1.35%
Shanghai Ningquan Asset Management Co., Ltd.	31,174,000 (L)	H Shares	Investment manager	7.06%	1.33%
The Bank of New York Mellon Corporation[5]	30,274,389 (L) 27,026,034 (P)	H Shares	Interest of controlled corporation	6.85% 6.12%	1.29% 1.15%
Shanghai Greenwoods Asset Management Company Limited[6]	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[(6)]	27,042,000 (L)	H Shares	Interest of controlled corporation	6.12%	1.15%
Invesco Capital Management LLC	27,007,554 (L)	H Shares	Investment manager	6.11%	1.15%
CICC Pucheng Investment Co., Ltd.	23,870,000 (L)	H Shares	Beneficial owner	5.40%	1.02%
China International Capital Corporation Limited[(7)]	22,573,000 (L)	H Shares	Interest of controlled corporation	5.11%	0.96%
HSBC Holdings plc[(8)]	22,250,846 (L) 5,597,083 (S)	H Shares	Interest of controlled corporation, custodian and investment manager	5.04% 1.27%	0.95% 0.24%

Notes：

(1) The calculation is based on the total number of 1,901,165,519 A Shares or 441,715,000 H Shares of the Company in issue as at 30 June 2026.

(2) The calculation is based on the total number of 1,901,165,519 A Shares and the total number of 441,715,000 H Shares (i.e. a total of 2,342,880,519 Shares) in issue as at 30 June 2026.

(3) Mr. Ruan Hongliang is the spouse of Ms. Jiang Jinhua. As at 30 June 2026, Mr. Ruan Hongliang owns 439,358,400 A Shares and 485,000 H Shares. Ms. Jiang Jinhua owns 310,081,600 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 350,535,000 A Shares and 2,203,000 H Shares. Mr. Zhao Xiaofei owns 4,800,000 A Shares.

As at 30 June 2026, the Company had repurchased 12,122,000 H Shares for holding as treasury shares. Since Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Zeyun and Mr. Zhao Xiaofei, as parties to a concert party agreement dated 19 September 2016 entered into among them, together control more than one-third voting power at the Company's general meetings, they are taken to have an interest in such treasury shares of the Company under the SFO.

Pursuant to the aforesaid concert party agreement, each of Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Zeyun and Mr. Zhao Xiaofei is considered to be interested in 1,104,775,000 A Shares and 14,921,000 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 (physical settlement: 164,931 shares (long positions) and 329,863 shares (short positions); and cash settlement: 5,471,761 shares (long positions) and 3,324,000 shares (short positions)).

(5) The Bank of New York Mellon Corporation indirectly held relevant interests through its controlled corporation, namely The Bank of New York Mellon.

(6) Xizang Jingning Corporate Management Company Limited held 100% equity interest in Shanghai Greenwoods Asset Management Company Limited, through which certain unlisted derivatives (cash settlement: 27,042,000 shares (long positions)) are held.

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

(8) HSBC Holdings plc held relevant interests and short positions through a series of its controlled corporations, including holding of certain unlisted derivatives (physical settlement: 102,314 (long positions) and 2,196,134 shares (short positions); and cash settlement: 3,256,000 shares (short positions)).

Save as disclosed above, as at 30 June 2026, 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

Purchases of H Shares

Reference is made to the announcement of the Company dated 8 April 2026 in relation to proposed general mandate (the " H Share Repurchase Mandate") to repurchase H shares and the circular dated 17 April 2026, with firm confidence in the Company's future development prospects and high recognition of the Company's value, and with a view to further safeguarding shareholders' interests and enhancing investor confidence, the Company, after taking into consideration its business development outlook, operating conditions, financial position, future profitability and the recent performance of its H Shares on the secondary market, proposes to repurchase its H Shares. The H Shares repurchased were held as treasury shares. The Company believes that the repurchase of H Shares is in the interests of the Company and shareholders as a whole.

The Company bought back a total of 12,122,000 H Shares on the Hong Kong Stock Exchange during the six months ended 30 June 2026. Details of share purchases are as follows:

Date	Number of Shares repurchased	Repurchased price per Share (HKD)		Total consideration (HKD)
		Highest	Lowest	
21 May 2026	3,750,000	8.02	7.91	29,931,730
22 May 2026	439,000	7.99	7.90	3,499,870
28 May 2026	1,290,000	7.77	7.60	9,943,600
04 June 2026	1,256,000	8.00	7.87	9,999,240
08 June 2026	1,196,000	7.53	7.41	8,947,490
10 June 2026	882,000	7.49	7.16	6,454,080
22 June 2026	1,470,000	6.91	6.65	9,998,780
25 June 2026	909,000	5.99	5.86	5,418,100
30 June 2026	930,000	6.50	6.29	5,962,900
Total	12,122,000			90,155,790

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 2026, a total of RMB128,000 convertible bonds has been converted into 2,964 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 2026, 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	144,192.38	50,307.62
Distributed PV power generation construction project	15.97%	63,492.12	41,449.06	22,043.06
Annual production of 15 million square meters of solar PV ultra-white glass technical transformation project	4.95%	19,700.00	19,042.04	657.96
Working capital	30.17%	120,000.00	120,000.00	–
Total	100%	397,692.12	324,683.48	73,008.64

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 2026 interim results announcement, the Directors confirm that the proceeds were used and are proposed to be used according to the intentions previously disclosed.

TAXATION

Holders of A shares

In accordance with the Notice of the Ministry of Finance, the State Administration of Taxation and the CSRC on Implementing Differentiated Individual Income Tax Policy for Stock Dividends of Listed Companies (Cai Shui [2015] No. 101) (《財政部、國家稅務總局、中國證監會關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》(財稅[2015]101號)), for shares of listed companies acquired by individuals from public offerings or transfer of shares in the market, where the holding period exceeds one year, the dividends shall be temporarily exempted from individual income tax; where the holding period is less than one month (inclusive), the full amount of dividends shall be counted as taxable income and where the holding period is more than one month and less than one year (inclusive), 50% of the dividends shall be counted as taxable income on a provisional basis. The individual income tax rate of 20% shall be applicable for all incomes mentioned above. For dividends distributed by listed companies, where the period of individual shareholding is within one year (inclusive), the listed companies shall not withhold the individual income tax temporarily. The tax payable, subject to individual transfer of shares, shall be calculated by China Securities Depository and Clearing Corporation Limited in accordance with duration of its holding period. Custodian of shares including securities companies will withhold the amount from individual accounts and transfer the tax to China Securities Depository and Clearing Corporation Limited. China Securities Depository and Clearing Corporation Limited shall transfer the tax to the listed companies within 5 working days of the next month, and the listed companies shall declare the tax to the competent tax authorities upon receiving the tax amount within the statutory reporting period in that month.

Resident enterprise shareholders of A shares shall report and pay for the enterprise income tax of dividends by themselves.

For the shareholders who are Qualified Foreign Institutional Investor (QFII), the listed companies shall withhold and pay enterprise income tax at a rate of 10% pursuant to the requirements of the Notice of the State Administration of Taxation Concerning the Relevant Questions on the Withholding and Payment of Enterprise Income Tax Relating to the Payment of Dividends, Bonus and Interest by PRC Resident Enterprises to QFII (Guo Shui Han [2009] No. 47) (《國家稅務總局關於中國居民企業向QFII支付股息、紅利、利息代扣代繳企業所得稅有關問題的通知》(國稅函2009[47]號)). QFII shareholders entitled to preferential tax treatment under tax treaties (arrangements) shall apply to the competent taxation authority for tax rebates according to the relevant rules and regulations after they receive the dividends, and tax rebates will be executed under tax treaties upon verification carried out by competent tax authorities.

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

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

Pursuant to the requirements of the Notice of the Ministry of Finance, the State Administration of Taxation and the CSRC on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No. 127) (《財政部、國家税務總局、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税收政策的通知》(財税[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) (《關於個人所得税若干政策問題的通知》(財税字[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) (《國家税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税有關問題的通知》(國税函[2008]897號)), distributing dividends to foreign nonresident enterprise shareholders of H shares for 2008 and for the years onwards shall be subject to the enterprise income tax withheld at a uniform rate of 10%. Upon receipt of such dividends, an overseas non-resident enterprise shareholder may apply to the competent tax authorities for relevant treatment under the tax treaties (arrangements) in person or through a proxy or a withholding agent and provide evidence in support of its status as a beneficial owner as defined in the tax treaties (arrangements). Upon verification by the competent tax authorities, the difference between the tax levied and the amount of tax payable as calculated at the tax rate under the tax treaties (arrangements) will be refunded.

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

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

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

DIVIDENDS

The Board did not recommend the declaration of any interim dividends for the six months ended 30 June 2026.

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

The Company's interim report for the six months ended 30 June 2026 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 2026	31 December 2025
Current assets:			
Cash at bank and on hand	1	**3,786,706,023.89**	4,014,459,672.62
Trading financial assets	2	**540,065,480.45**	480,018,805.88
Derivative financial assets	3	**2,083,180.44**	1,656,645.00
Bills receivables	4	**632,208,068.91**	1,016,212,275.03
Trade receivables	5	**2,968,757,968.53**	2,428,708,501.94
Financing receivables	7	**625,860,210.87**	1,124,553,338.33
Advance payment	8	**142,940,010.17**	166,206,730.04
Other receivables	9	**62,220,053.60**	97,757,698.58
Including: Dividends receivable		**1,562,500.00**	–
Inventories	10	**1,779,747,481.63**	1,735,135,213.69
Non-current assets due within one year		**232,089,813.56**	140,576,000.00
Other current assets	13	**1,137,678,986.11**	1,071,463,305.25
Total current assets		**11,910,357,278.16**	12,276,748,186.36
Non-current assets:			
Debt investment	14	**2,526,000.00**	126,000.00
Other debt investment	15	**61,630,356.18**	290,377,868.35
Long-term equity investments	17	**286,205,919.18**	187,979,762.05
Investment properties	20	**448,365,799.35**	461,152,874.31
Fixed assets	21	**16,880,587,831.70**	17,571,474,371.61
Construction in progress	22	**3,781,330,271.16**	3,413,645,753.55
Right-of-use asset	25	**975,709,779.21**	996,430,940.45
Intangible assets	26	**6,215,777,213.17**	6,252,537,787.15
Long-term prepaid expenses	28	**204,982,730.89**	207,028,579.70
Deferred tax assets	29	**378,938,021.90**	334,258,007.22
Other non-current assets	30	**388,000,565.65**	392,654,117.66
Total non-current assets		**29,624,054,488.39**	30,107,666,062.05
Total assets		**41,534,411,766.55**	42,384,414,248.41

RMB

Items	Note (VII)	30 June 2026	31 December 2025
Current liabilities:			
Short-term borrowings	32	**1,560,208,580.00**	832,480,837.67
Derivative financial liabilities	34	**8,876,883.00**	6,305,020.68
Bills payables	35	**321,917,263.38**	127,989,845.88
Trade payables	36	**3,873,193,578.72**	3,987,254,610.05
Contract liabilities	38	**43,900,934.48**	44,465,850.49
Payroll payable	39	**86,114,841.74**	103,319,575.09
Tax payable	40	**242,170,441.39**	150,676,965.96
Other payables	41	**133,594,470.85**	192,579,096.56
Including: Interests payable		**23,026,619.40**	45,223,547.09
Dividends payable		**157,920.00**	136,920.00
Non-current liabilities due within one year	43	**2,847,484,399.95**	2,393,385,639.52
Other current liabilities	44	**3,333,204.46**	2,805,550.04
Total current liabilities		**9,120,794,597.97**	7,841,262,991.94
Non-current liabilities:			
Long-term borrowings	45	**5,101,906,843.82**	6,442,996,957.67
Bonds payables	46	**4,137,000,172.66**	4,065,908,075.91
Lease liabilities	47	**756,296,073.58**	766,355,039.78
Long-term payables	48	**118,980,504.24**	–
Estimated liabilities	50	**3,551,671.12**	3,897,359.93
Deferred income	51	**305,674,964.81**	321,321,835.41
Deferred tax liabilities	29	**226,645,881.63**	331,147,734.17
Total non-current liabilities		**10,650,056,111.86**	11,931,627,002.87
Total liabilities		**19,770,850,709.83**	19,772,889,994.81

RMB

Items	Note (VII)	30 June 2026	31 December 2025
Shareholders' equity:			
Share capital	53	**585,720,129.75**	585,720,058.25
Other equity instruments	54	**491,719,779.00**	491,721,254.21
Capital reserve	55	**10,705,843,819.82**	10,705,664,290.01
Less: Treasury stock	56	**375,317,318.30**	301,856,607.47
Other comprehensive income	57	**-215,428,760.86**	-140,237,601.82
Special reserve	58	**99,258,215.08**	85,214,090.18
Surplus reserve	59	**293,915,529.38**	293,915,529.38
Undistributed profit	60	**10,082,430,953.52**	10,794,884,367.54
Total equity attributable to shareholders of the parent company		**21,668,142,347.39**	22,515,025,380.28
Minority interests		**95,418,709.33**	96,498,873.32
Total shareholders' equity		**21,763,561,056.72**	22,611,524,253.60
Total liabilities and shareholders' equity		**41,534,411,766.55**	42,384,414,248.41

Balance Sheet of the Parent Company

RMB

Items	Note (XIX)	30 June 2026	31 December 2025
Current assets:			
Cash at bank and on hand		**1,268,049,422.13**	1,153,658,467.86
Trading financial assets		**440,065,480.45**	300,018,805.88
Derivative financial assets		**2,083,180.44**	–
Bills receivable		**282,242,443.84**	358,878,953.73
Trade receivables	1	**1,054,362,950.22**	690,936,235.14
Financing receivables		**266,711,026.84**	125,572,253.06
Advance payment		**32,491,451.73**	55,806,828.74
Other receivables	2	**4,542,899,869.61**	3,858,268,970.51
Inventories		**362,892,674.68**	334,024,436.19
Non-current assets due within one year		**–**	140,576,000.00
Other current assets		**481,628,855.36**	211,485,916.87
Total current assets		**8,733,427,355.30**	7,229,226,867.98
Non-current assets:			
Debt investment		**126,000.00**	126,000.00
Other debt investment		**61,630,356.18**	61,065,041.10
Long-term equity investments	3	**3,725,355,380.66**	3,685,723,206.03
Investment properties		**436,005,185.12**	448,076,524.88
Fixed assets		**2,651,610,005.21**	2,845,160,929.01
Construction in progress		**104,563,181.59**	98,626,643.08
Intangible assets		**359,624,888.42**	363,558,430.18
Long-term prepaid expenses		**62,491,770.39**	70,162,993.30
Deferred tax assets		**20,203,494.08**	–
Other non-current assets		**7,166,852,780.59**	8,229,686,110.22
Total non-current assets		**14,588,463,042.24**	15,802,185,877.80
Total assets		**23,321,890,397.54**	23,031,412,745.78

RMB

Items	Note (XIX)	30 June 2026	31 December 2025
Current liabilities:			
Short-term borrowings		**934,936,080.00**	204,633,600.00
Derivative financial liabilities		**5,804,034.00**	2,418,470.15
Bills payables		**397,884,703.69**	143,758,325.05
Trade payables		**777,123,360.12**	794,403,016.92
Contract liabilities		**37,857,515.71**	9,573,420.23
Payroll payable		**33,642,848.42**	40,601,371.13
Tax payable		**37,696,579.25**	27,643,660.73
Other payables		**505,445,932.84**	501,891,230.09
Including: Interest payable		**17,963,422.22**	39,853,197.86
Dividends payable		**157,920.00**	136,920.00
Non-current liabilities due within one year		**1,335,771,669.88**	587,033,486.14
Other current liabilities		**1,522,108.32**	942,707.59
Total current liabilities		**4,067,684,832.23**	2,312,899,288.03
Non-current liabilities:			
Long-term borrowings		**2,189,119,496.82**	2,936,624,566.26
Bonds payables		**4,137,000,172.66**	4,065,908,075.91
Deferred income		**105,612,430.16**	113,945,040.14
Deferred tax liabilities		**–**	41,764,122.54
Total non-current liabilities		**6,431,732,099.64**	7,158,241,804.85
Total liabilities		**10,499,416,931.87**	9,471,141,092.88

RMB

Items	Note (XIX)	30 June 2026	31 December 2025
Shareholders' equity:			
Share capital		**585,720,129.75**	585,720,058.25
Other equity instruments		**491,719,779.00**	491,721,254.21
Capital reserve		**10,706,357,361.73**	10,706,177,831.92
Less: Treasury stock		**375,317,318.30**	301,856,607.47
Surplus reserve		**293,915,529.38**	293,915,529.38
Undistributed profit		**1,120,077,984.11**	1,784,593,586.61
Total shareholders' equity		**12,822,473,465.67**	13,560,271,652.90
Total liabilities and shareholders' equity		**23,321,890,397.54**	23,031,412,745.78

Consolidated Income Statements

RMB

Items	Note (VII)	For the six months ended 30 June 2026	For the six months ended 30 June 2025
I. **Operating revenue**	61	**6,668,210,124.99**	7,737,028,136.06
Including: Operating revenue		**6,668,210,124.99**	7,737,028,136.06
II. **Operating costs**	61	**6,956,895,159.00**	7,317,145,793.20
Including: Operating costs		**6,123,036,574.97**	6,649,921,146.42
Taxes and surcharges	62	**91,329,521.27**	70,524,451.47
Selling expenses	63	**29,254,057.74**	31,583,324.40
General and administrative expenses	64	**201,829,445.51**	144,771,118.55
Research and development expenses	65	**256,017,863.37**	214,736,035.17
Financial expenses	66	**255,427,696.14**	205,609,717.19
Including: Interest expenses		**247,733,829.68**	266,176,196.06
Interest income		**50,256,744.53**	40,217,174.01
Add: Other income	67	**42,308,877.75**	45,592,149.55
Investment income	68	**17,148,003.22**	19,862,455.26
Including: Gains on investment in associates and joint ventures		**13,004,132.13**	17,203,819.27
Profit arising from changes in fair value (losses are indicated by "-")	70	**-2,148,652.31**	-382,209.81
Credit impairment loss (losses are indicated by "-")	71	**1,041,853.58**	13,270,599.75
Asset impairment loss (losses are indicated by "-")	72	**-201,271,348.33**	-253,917,860.30
Gains on disposal of assets (losses are indicated by "-")	73	**3,360,349.05**	29,670,956.68
III. **Operating profit (losses are indicated by "-")**		**-428,245,951.05**	273,978,433.99
Add: Non-operating income	74	**4,654,246.96**	1,735,381.30
Less: Non-operating expenses	75	**4,135,180.73**	375,472.64

RMB

Items	Note (VII)	**For the six months ended 30 June 2026**	For the six months ended 30 June 2025
IV. Total profit (losses are indicated by "-")		**-427,726,884.82**	275,338,342.65
Less: Income tax expense	76	**-64,955,769.50**	9,380,962.86
V. Net profit (losses are indicated by "-")		**-362,771,115.32**	265,957,379.79
(I) Classified on a going concern basis			
1. Net profit from continuing operation (losses are indicated by "-")		**-362,771,115.32**	265,957,379.79
2. Net profit from discontinued operation (losses are indicated by "-")		**–**	–
(II) Classified by attribution of the ownership			
1. Net profit attributable to shareholders of the parent company (losses are indicated by "-")		**-363,017,628.12**	261,094,606.72
2. Profit or loss attributable to minority interests (losses are indicated by "-")		**246,512.79**	4,862,773.07
VI. Other comprehensive income, net of tax		**-76,517,835.82**	-33,853,238.27
(I) Other comprehensive income, net of tax attributable to the owner of parent company		**-75,191,159.04**	-33,853,238.27
1. Other comprehensive income that will not be reclassified to profit or loss		**–**	–
2. Other comprehensive income that will be reclassified to profit or loss		**-75,191,159.04**	-33,853,238.27
(1) Exchange differences on foreign currency financial statements translation		**-75,191,159.04**	-33,853,238.27
(II) Other comprehensive income, net of tax attributable to minority interests		**-1,326,676.78**	–
VII. Total comprehensive income		**-439,288,951.15**	232,104,141.52
(I) Attributable to the shareholders of the parent company		**-438,208,787.16**	227,241,368.45
(II) Attributable to the minority interests		**-1,080,163.99**	4,862,773.07
VIII. Earnings per share			
(I) Basic earnings per share (RMB per share)		**-0.16**	0.11
(II) Diluted earnings per share (RMB per share)		**-0.16**	0.11

Income Statements of the Parent Company

RMB

Items	Note (XIX)	For the six months ended 30 June 2026	For the six months ended 30 June 2025
I. Operating revenue	4	**2,034,793,724.56**	1,760,018,148.33
Less: Operating costs	4	**1,988,185,667.89**	1,531,976,906.67
Taxes and surcharges		**19,008,532.86**	14,046,400.75
Selling expenses		**16,439,393.16**	15,406,613.72
General and administrative expenses		**79,891,232.55**	73,258,108.65
Research and development expenses		**83,352,356.83**	58,873,828.25
Financial expenses		**165,867,320.93**	135,866,063.39
Including: Interest expenses		**153,274,005.79**	146,568,948.63
Interest income		**32,054,600.99**	12,019,507.54
Add: Other income		**18,985,357.07**	16,496,381.08
Investment income (losses are indicated by "-")	5	**12,336,299.34**	15,154,367.20
Including: Gains on investment in associates and joint ventures		**10,002,191.73**	13,942,219.27
Gains from changes in fair value (losses are indicated by "-")		**-1,305,708.84**	-1,068,730.88
Credit impairment loss (losses are indicated by "-")		**1,250,133.03**	2,003,900.55
Asset impairment loss (losses are indicated by "-")		**-93,301,924.61**	-11,988,537.35
Gains on disposal of assets (losses are indicated by "-")		**-675,203.13**	29,433,556.32
II. Operating profit		**-380,661,826.80**	-19,378,836.18
Add: Non-operating income		**1,251,656.11**	261,134.89
Less: Non-operating expenses		**367,390.25**	52,273.22
III. Total profit		**-379,777,560.94**	-19,169,974.51
Less: Income tax expense		**-64,697,744.34**	1,541,973.27
IV. Net profit		**-315,079,816.60**	-20,711,947.78

Consolidated Statements of Cash Flow

RMB

Items	Note (VII)	**For the six months ended 30 June 2026**	For the six months ended 30 June 2025
I. Cash flow from operating activities:			
Cash received from sale of goods or rendering of services		**5,140,689,989.51**	5,545,855,245.53
Cash received from refunds of taxes		**106,751,520.70**	103,676,917.69
Cash received relating to other operating activities	78(1)	**70,583,564.07**	144,810,097.33
Subtotal of cash inflows		**5,318,025,074.28**	5,794,342,260.55
Cash paid for goods and services		**3,056,823,161.33**	3,499,458,967.81
Cash paid to and on behalf of employee		**447,488,773.21**	458,899,688.82
Cash paid for payments of taxes and surcharges		**182,044,039.46**	237,645,812.64
Cash paid relating to other operating activities	78(1)	**290,749,950.70**	197,634,516.03
Subtotal of cash outflows		**3,977,105,924.70**	4,393,638,985.30
Net cash flow from operating activities		**1,340,919,149.58**	1,400,703,275.25
II. Cash flow from investing activities:			
Cash received from disposal of investments	78(2)	**2,269,132,397.22**	2,750,000,000.00
Cash received from returns on investments		**20,143,871.09**	2,530,655.98
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		**19,937,811.03**	52,689,297.56
Cash received relating to other investing activities	78(2)	**1,170,973,995.46**	743,542,437.03
Subtotal of cash inflows		**3,480,188,074.80**	3,548,762,390.57
Cash paid to purchase fixed assets, intangible assets and other long-term assets		**682,723,402.49**	1,739,867,227.55
Cash paid relating to investment	78(2)	**2,522,897,463.58**	2,420,126,000.00
Net cash paid for acquisition of subsidiaries and other business units		**–**	74,742,262.05
Cash paid relating to other investing activities		**1,113,375,495.40**	736,710,824.99
Subtotal of cash outflows	78(2)	**4,318,996,361.47**	4,971,446,314.59
Net cash flow from investing activities		**-838,808,286.67**	-1,422,683,924.02

RMB

Items	Note (VII)	**For the six months ended 30 June 2026**	For the six months ended 30 June 2025
III. Cash flow from financing activities:			
Cash received from borrowings		**2,162,902,275.94**	2,197,576,175.10
Cash received relating to other financing activities	78(3)	**404,289,470.37**	809,259,396.77
Subtotal of cash inflows		**2,567,191,746.31**	3,006,835,571.87
Cash paid for payment of borrowings		**2,307,650,595.30**	2,701,058,689.39
Cash paid for distribution of dividends, and profits or payment of interest		**534,660,905.52**	195,453,230.21
Cash paid relating to other financing activities	78(3)	**399,866,604.33**	401,065,637.68
Subtotal of cash outflows		**3,242,178,105.15**	3,297,577,557.28
Net cash flow from financing activities		**-674,986,358.84**	-290,741,985.41
IV. Effect of foreign exchange rate changes on cash and cash equivalents		**-43,273,314.48**	2,507,840.26
V. Net increase in cash and cash equivalents		**-216,148,810.42**	-310,214,793.92
Add: Cash and cash equivalents at the beginning of the current period	79(4)	**3,719,428,902.79**	4,511,627,060.96
VI. Cash and cash equivalents at the end of the current period	79(4)	**3,503,280,092.37**	4,201,412,267.04

Statements of Cash Flow of the Parent Company

RMB

Items		Note	For the six months ended 30 June 2026	For the six months ended 30 June 2025
I.	**Cash flow from operating activities:**			
	Cash received from sale of goods or rendering of services		**1,030,411,778.26**	1,133,538,636.47
	Cash received from refunds of taxes		**18,449,485.71**	21,592,313.80
	Cash received relating to other operating activities		**44,861,526.73**	89,732,994.15
	Subtotal of cash inflows		**1,093,722,790.70**	1,244,863,944.42
	Cash paid for goods and services		**971,018,044.49**	686,470,749.43
	Cash paid to and on behalf of employee		**162,000,842.27**	158,394,845.62
	Cash paid for payments of taxes and surcharges		**29,742,091.29**	13,300,390.94
	Cash paid relating to other operating activities		**89,385,882.93**	52,713,690.29
	Subtotal of cash outflows		**1,252,146,860.98**	910,879,676.28
	Net cash flow from operating activities		**-158,424,070.28**	333,984,268.14
II.	**Cash flow from investing activities:**			
	Cash received from disposal of investments		**1,430,000,000.00**	1,520,000,000.00
	Cash received from returns on investments		**18,334,107.61**	542,147.93
	Net cash received from disposal of fixed assets, intangible assets and other long-term assets		**8,769,259.06**	43,815,236.72
	Cash received relating to other investing activities		**2,691,436,774.75**	2,263,087,501.00
	Subtotal of cash inflows		**4,148,540,141.42**	3,827,444,885.65
	Cash paid to purchase fixed assets, intangible assets and other long-term assets		**83,696,318.48**	86,026,610.17
	Cash paid relating to investment		**1,823,939,147.76**	1,400,126,000.00
	Cash paid relating to other investing activities		**2,263,096,920.23**	2,368,309,984.55
	Subtotal of cash outflows		**4,170,732,386.47**	3,854,462,594.72
	Net cash flow from investing activities		**-22,192,245.05**	-27,017,709.07

RMB

Items	Note	**For the six months ended 30 June 2026**	For the six months ended 30 June 2025
III. Cash flow from financing activities:			
Cash received from borrowings		**988,503,120.00**	1,506,000,000.00
Cash received relating to other financing activities		**337,263,941.21**	368,701,805.85
Subtotal of cash inflows		**1,325,767,061.21**	1,874,701,805.85
Cash paid for payment of borrowings		**248,766,885.70**	1,483,315,695.86
Cash paid for distribution of dividends, and profits or payment of interest		**453,466,555.23**	88,721,436.60
Cash paid relating to other financing activities		**398,080,329.71**	468,986,661.36
Subtotal of cash outflows		**1,100,313,770.64**	2,041,023,793.82
Net cash flow from financing activities		**225,453,290.57**	-166,321,987.97
IV. Effect of foreign exchange rate changes on cash and cash equivalents		**-6,466,543.14**	2,494,068.97
V. Net increase in cash and cash equivalents		**38,370,432.10**	143,138,640.07
Add: Cash and cash equivalents at the beginning of the current period		**1,123,058,199.79**	1,177,258,202.64
VI. Cash and cash equivalents at the end of the current period		**1,161,428,631.89**	1,320,396,842.71

Consolidated Statements of Changes in Owners' Equity

RMB

For the six months ended 30 June 2026

Items	Share capital	Other equity instruments	Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Minority interests	Total equity
	Equity attributable to owners of the parent company									
I. Balance at the beginning of the period	**585,720,058.25**	**491,721,254.21**	**10,705,664,290.01**	**301,856,607.47**	**-140,237,601.82**	**85,214,090.18**	**293,915,529.38**	**10,794,884,367.54**	**96,498,873.32**	**22,611,524,253.60**
II. Total changes during the period	**71.50**	**-1,475.21**	**179,529.81**	**73,460,710.83**	**-75,191,159.04**	**14,044,124.90**	**-**	**-712,453,414.02**	**-1,080,163.99**	**-847,963,196.88**
(I) Total comprehensive income	-	-	-	-	-75,191,159.04	-	-	-363,017,628.12	-1,080,163.99	-439,288,951.15
(II) Contributions from shareholders	71.50	-1,475.21	179,529.81	73,460,710.83	-	-	-	-	-	-73,282,584.73
1. Capital contributed by holders of other equity instruments	71.50	-1,475.21	21,319.08	-	-	-	-	-	-	19,915.37
2. Amounts included in owners' equity from share-based payments	-	-	158,210.73	-	-	-	-	-	-	158,210.73
3. Share repurchases	-	-	-	73,460,710.83	-	-	-	-	-	-73,460,710.83
4. Acquisition of equity interests from minority shareholders	-	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	-	-349,435,785.90	-	-349,435,785.90
1. Distributions to shareholders	-	-	-	-	-	-	-	-349,435,785.90	-	-349,435,785.90
(IV) Special reserve	-	-	-	-	-	14,044,124.90	-	-	-	14,044,124.90
1. Appropriation to special reserve	-	-	-	-	-	14,968,142.43	-	-	-	14,968,142.43
2. Utilisation of special reserve	-	-	-	-	-	-924,017.53	-	-	-	-924,017.53
III. Balance at the end of the period	**585,720,129.75**	**491,719,779.00**	**10,705,843,819.82**	**375,317,318.30**	**-215,428,760.86**	**99,258,215.08**	**293,915,529.38**	**10,082,430,953.52**	**95,418,709.33**	**21,763,561,056.72**

RMB

Items					For the six months ended 30 June 2025					
	Equity attributable to 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 equity
I. Balance at the end of last year	585,729,891.25	491,724,696.36	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	85,363,031.69	21,784,160,876.03
II. Balance at the beginning of the current period	585,729,891.25	491,724,696.36	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	85,363,031.69	21,784,160,876.03
III. Total changes during the current period	143.50	-2,950.41	4,114,136.99	76,689,035.30	-33,853,238.27	5,466,955.04	–	261,094,606.72	4,376,314.98	164,506,933.25
(I) Total comprehensive income	–	–	–	–	-33,853,238.27	–	–	261,094,606.72	4,862,773.07	232,104,141.52
(II) Contributions from shareholders	143.50	-2,950.41	4,114,136.99	76,689,035.30	–	–	–	–	-486,458.09	-73,064,163.31
1. Capital contributed by holders of other equity instruments	143.50	-2,950.41	32,054.80	–	–	–	–	–	–	29,247.89
2. Amounts included in owners' equity from share-based payments	–	–	4,595,624.10	-1,855,280.00	–	–	–	–	–	6,450,904.10
3. Share repurchases	–	–	–	78,544,315.30	–	–	–	–	–	-78,544,315.30
4. Acquisition of equity interests from minority shareholders	–	–	-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. Appropriation to special reserve	–	–	–	–	–	5,498,996.69	–	–	–	5,498,996.69
2. Utilisation of special reserve	–	–	–	–	–	-32,041.65	–	–	–	-32,041.65
IV. Balance at the end of the current period	585,730,034.75	491,721,745.95	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

Statements of Changes in Owners' Equity of the Parent Company

RMB

	For the six months ended 30 June 2026						
Items	Share capital	Other equity instruments	Capital reserve	Less: Treasury stock	Surplus reserve	Undistributed profit	Total equity
I. Balance at the beginning of the year	**585,720,058.25**	**491,721,254.21**	**10,706,177,831.92**	**301,856,607.47**	**293,915,529.38**	**1,784,593,586.61**	**13,560,271,652.90**
II. Total changes during the year	**71.50**	**-1,475.21**	**179,529.81**	**73,460,710.83**	**-**	**-664,515,602.50**	**-737,798,187.23**
(I) Total comprehensive income	-	-	-	-	-	-315,079,816.60	-315,079,816.60
(II) Contributions from and reduction of capital by shareholders	71.50	-1,475.21	179,529.81	73,460,710.83	-	-	-73,282,584.73
1. Capital contributed by holders of other equity instruments	71.50	-1,475.21	21,319.08	-	-	-	19,915.37
2. Amounts included in owners' equity from share-based payments	-	-	158,210.73	-	-	-	158,210.73
3. Share repurchases	-	-	-	73,460,710.83	-	-	-73,460,710.83
(III) Profit distribution	-	-	-	-	-	-349,435,785.90	-349,435,785.90
1. Distributions to shareholders	-	-	-	-	-	-349,435,785.90	-349,435,785.90
III. Balance at the end of the year	**585,720,129.75**	**491,719,779.00**	**10,706,357,361.73**	**375,317,318.30**	**293,915,529.38**	**1,120,077,984.11**	**12,822,473,465.67**

RMB

Items	Share capital	Other equity instruments	Capital reserve	Less: Treasury stock	Surplus reserve	Undistributed profit	Total equity
	For the six months ended 30 June 2025						
I. Balance at the end of 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. Balance at the beginning of the current period	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. Total changes during the current period	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) Contributions from and reduction of capital by shareholders	143.50	-2,950.41	4,627,678.90	76,689,035.30	–	–	-72,064,163.31
1. Capital contributed by holders of other equity instruments	143.50	-2,950.41	32,054.80	–	–	–	29,247.89
2. Amounts included in owners' equity from share-based payments	–	–	4,595,624.10	-1,855,280.00	–	–	6,450,904.10
3. Share repurchases	–	–	–	78,544,315.30	–	–	-78,544,315.30
(III) Profit distribution	–	–	–	–	–	–	–
IV. Balance at the end of the current period	585,730,034.75	491,721,745.95	10,705,320,333.06	306,188,427.47	293,915,529.38	1,681,578,222.53	13,452,077,438.20

Notes to the Financial Statements

(I) CORPORATE 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

Basis of preparation

The Group has implemented the Accounting Standards for Business Enterprises and other relevant regulations issued by the Ministry of Finance (hereinafter referred to as the "CASBE") and has also disclosed relevant financial information in accordance with the Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No.15 – General Provisions on Financial Reporting (revised in 2023). In addition, the financial statements also include disclosures required by the Companies Ordinance and the Listing Rules of the Stock Exchange of Hong Kong.

Going concern

The Group has assessed the ability to continue as a going concern for a 12-month period since 30 June 2026 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.

* *for identification purpose only*

Basis of accounting and principle of measurement

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

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

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

For financial assets that are initially recognized at fair value based on transaction price and subsequently measured at fair value using valuation techniques involving unobservable inputs, the valuation technique is calibrated in the valuation process to ensure that the initial recognition result determined by the valuation technique is equal to the transaction price.

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

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

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

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

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Group has established specific accounting policies and estimates based on the actual characteristics of its production and operation, focusing on the methods and criteria for determining materiality standards, revenue recognition, depreciation of fixed assets, and amortization of intangible assets, among other matters. The detailed disclosures are as follows. The significant judgments and accounting estimates, along with their key assumptions, applied by the Group in confirming its important accounting policies.

1. Statement of Compliance with CASBE

The financial statements of the Company have been prepared in accordance with the CASBE, and present truly and completely the consolidated and the Company's financial position as at 30 June 2026 and the consolidated and the Company's results of operations, the consolidated and the Company's changes in shareholders' equity and the consolidated and the Company's cash flows in the first half of 2026.

2. Accounting Period

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

3. Operating Cycle

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

4. Functional Currency

Renminbi ("RMB") is the currency in the primary economic environment in which the Company and its subsidiaries other than the Vietnam and Indonesia operate, The Company and its subsidiaries other than the Vietnam and Indonesia subsidiary use RMB as their functional currency. The Company's Vietnam subsidiary determines VND as its functional currency based on the currency in the primary economic environment in which it operates. The Company's Indonesia subsidiary determines IDR as its functional currency based on the currency in the primary economic environment in which it operates. The currency used by the Company in preparing the financial statements is RMB.

5. Significant Criteria Determination Method and Selection Basis

Items	Standards on materiality
Major construction in progress	The budget for an individual project is more than RMB100 million
Significant trade payables with ageing over 1 year	The amount for trade payables ageing over 1 year and more than RMB100 million
Major debt investment	The amount for an individual debt investment is more than RMB100 million
Major other debt investment	The amount for an individual other equity investment is more than RMB100 million

6. Accounting Treatment Methods of Business Combinations Involving Enterprises under Common Control and Business Combinations 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.

For transactions involving the acquisition of a non-controlling interest in a subsidiary, they shall be accounted for as equity transactions. The carrying amounts of the equity attributable to owners of the parent and non-controlling interests shall be adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount of the adjustment to non-controlling interests and the fair value of the consideration paid shall be adjusted against capital reserve (capital surplus); if the capital reserve is insufficient to absorb the difference, the remaining amount shall be adjusted against retained earnings.

8. Classification of Joint Arrangements and Accounting Treatment Methods for Joint Operations

Joint arrangements are classified into either joint operations or joint ventures. Such classification is determined based on the rights and obligations of the parties to the joint arrangement by considering the structure, legal form and contractual terms of the arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets relating to the arrangement and obligations for the liabilities relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group recognizes its share of jointly held assets pursuant to the joint operation arrangement, as well as assets that are held solely by the Group; recognizes its share of jointly assumed liabilities pursuant to the joint operation arrangement, as well as liabilities that are borne solely by the Group; recognizes revenue from the sale of its share of the output arising from the joint operation; recognizes its share of revenue from the sale of the output by the joint operation; recognizes expenses that are incurred solely by the Group, as well as its share of expenses incurred by the joint operation. The Group accounts for and recognizes assets, liabilities, revenues and expenses relating to the joint operation in accordance with the provisions applicable to the specific assets, liabilities, revenues and expenses.

9. 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.

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

10.1 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.

Foreign non-monetary items measured at historical cost are still measured in the functional currency at the exchange rate on the transaction date. Foreign non-monetary items measured at fair value are translated at the exchange rate on the date when the fair value is determined. The difference between the translated functional currency amount and the original functional currency amount is treated as a fair value change (including exchange rate fluctuations) and is recognized in profit or loss for the period or as other comprehensive income.

10.2 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.

11. 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 the determination method of the fair value of financial assets and financial liabilities, see the relevant disclosures of the accounting basis and cost principles in Note II). 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).

11.1 Classification, recognition and measurement of financial assets

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

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

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

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

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

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

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

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

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

- On initial recognition, the Group may irrevocably designate a financial asset as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

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

11.1.1 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 or impairment are recognised in profit or loss.

The Group recognises interest income on financial assets measured at amortised cost using the effective interest method. 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.

11.1.2 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.

11.1.3 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.

11.2 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, 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.

11.2.1 *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.

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: the duration and extent to which the fair value of financial assets is less than their amortized cost, and other market information related to the borrower (such as changes in the prices of the borrower's debt or equity instruments).

(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.

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.

11.2.2 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).

11.2.3 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.

11.2.4 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.

11.3 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, the difference between the carrying amount of the financial asset transferred on the date of derecognition 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-trading 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.

11.4 Classification and measurement of financial liabilities and equity instruments

Financial instruments or their constituent parts issued by the Group are classified into financial liabilities or equity instruments on initial recognition on the basis of the substance of the contractual terms and the economic nature but not only its legal form, together with the definition of financial liabilities and equity instruments.

11.4.1 Classification, recognition and measurement of financial liabilities

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

11.4.1.1 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 attributable to changes in own credit risk previously recognised in other comprehensive income is transferred to retained earnings. Dividends or interest expenses related to these financial liabilities are recognised in profit or loss for the period. If the treatment of the effects of changes in the own credit risk of such financial liabilities as described above would cause or enlarge an accounting mismatch in profit or loss, the Group recognises the entire gain or loss on such financial liabilities (including the amount of the effect of changes in own credit risk) in profit or loss for the period.

11.4.1.2 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.

11.4.2 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.

11.4.3 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.

11.5 Derivative instruments and embedded derivatives

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

For a hybrid contract containing embedded derivatives and a host contract, if the host contract belongs to a financial asset, the Group will not separate the embedded derivatives from the hybrid contract, but will apply the requirements of accounting standards on the classification of financial assets to the hybrid contract as a whole.

11.6 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.

11.7 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.

12. Bills receivable

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

The Group classifies bills receivable into different groups based on common credit risk characteristics:

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

The common credit risk characteristics adopted by the Group include the credit ratings of the accepting banks, the credit risk ratings of the debtors, and the delinquency status, etc.

13. Trade receivables

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

The Group divides the trade receivables into low risk, normal and concerned based on common risk characteristics. The common credit risk characteristics adopted by the Group include: historical bad debt records, instances of default or delayed payments, the credit history of relevant customers; etc. The Group uses an impairment matrix to determine the credit losses for each portfolio. The aging of accounts receivable is calculated from the date of revenue recognition.

13.2 Judgment standard of provisions for bad debt assessed individually

The Group classifies those accounts receivable for which there is objective evidence indicating that the amounts will not be collected in accordance with the original terms as impaired and assesses the credit risk individually to determine the credit losses.

14. Financing receivables

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

The Group divides the trade receivables based on common risk characteristics. The common credit risk characteristics adopted by the Group include credit rating of accepting bank, overdue status, etc.

15. Other receivables

15.1 Judgment standard of provisions for bad debt assessed individually

The expected credit losses of other receivables are determined based on individual assets.

16. Inventories

16.1 Classification of inventories, pricing delivered, inventory system, amortization method for low-value consumables

16.1.1 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.

16.1.2 Pricing of inventories delivered

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

16.1.3 Inventory system

The inventory system is a perpetual inventory system.

16.1.4 Amortisation of low-value consumables

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

16.2 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.

17. Long-term Equity Investments

17.1 Basis of determination of joint control and significant influence

Joint control is the agreed sharing of control over an arrangement, such that decisions about the relevant activities of that arrangement require the unanimous consent of the parties sharing 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.

17.2 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.

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.

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

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

17.3 Subsequent measurement and recognition of profit or loss

17.3.1 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.

17.3.2 Long-term equity investment accounted for by equity method

The Group's investments in associates and joint ventures are accounted for using the equity method. An associate is an investee over which the Group has significant influence. A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement.

When adopting equity method accounting, the initial investment cost of the long-term equity investment shall not be adjusted for the initial investment cost of a long-term equity investment is greater than the share of the fair value of the investee's identifiable net assets that shall be enjoyed according to investment; the difference shall be included in the current period's profit and loss, and the cost of the long-term equity investment shall be adjusted at the same time for the initial investment cost is less than the share of the fair value of the investee's identifiable net assets that shall be enjoyed with the investment.

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. For transactions between the Group and associates, joint ventures, 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.

17.4 Disposal of long-term equity investments

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

18. Investment Properties

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

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

The Group adopts the cost model for subsequent measurement of investment properties, and is depreciated using the straight-line method over their estimated useful lives. The depreciation methods, depreciation period, residual value rate and annual depreciation rate of each investment properties is as follows:

Class	Depreciation Method	Depreciation Period (Years)	Residual Value Rate (%)	Annual Depreciation Rate (%)
Houses and buildings	Straight-line depreciation	20	5	4.75
Land use rights	Straight-line depreciation	50	0	2.00

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

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

19. Fixed Assets

19.1 Conditions of recognition

Fixed assets are tangible assets that are held for use in the production of goods or supply of services, for rental to others, or for administrative purposes and have a useful life of more than one accounting year. A fixed asset is recognised only when the economic benefits associated with the asset are probable to flow to the Group and the cost of the asset can be measured reliably. Fixed assets are initially measured at cost.

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset if it is probable that the economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably, and the carrying amount of the replaced part is derecognised. Other subsequent expenditures other than the above are charged to profit or loss for the current period when incurred.

19.2 Depreciation methods

Fixed assets are depreciated using the straight-line method over their estimated useful lives from the next month when they are available for intended use. The depreciation method, depreciation period, estimated residual value rates and annual depreciation rates of each class of fixed assets are as follows:

Class	Depreciation Method	Depreciation Period (Years)	Residual Value rate (%)	Annual Depreciation Rate (%)
Houses and buildings	Straight-line depreciation	20–25	0–5	3.80–5.00
Machinery and equipment	Straight-line depreciation	4–20	0–5	4.75–25.00
Transportation equipment	Straight-line depreciation	4–15	0–5	6.33–25.00
Other equipment	Straight-line depreciation	3–10	0–5	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.

19.3 Other description

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognised. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognised in profit or loss for the period.

The Group reviews the useful life, estimated net residual value of a fixed asset and the depreciation method applied at least at each financial year-end, and any change is accounted for as a change in accounting estimate.

20. 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 use. The standards and time points for various construction in progress carried forward to fixed assets are as follows:

Class	The standard and time point of carried forward to fixed assets
Houses and buildings	Time point of meeting the relevant construction acceptance standards
Machinery and equipment, transportation equipment and other equipment	Time point of meeting the design requirements or standards under the contract after installation and commissioning

21. Borrowing Costs

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

Where funds are borrowed under a special borrowing, the amount to be capitalised is the actual interest expense incurred on that borrowing for the period less any interest income earned from depositing the unused borrowing funds into bank or any investment income on the temporary investment of those funds. Where funds are borrowed under a general borrowing, the amount capitalised is determined by applying the weighted average of the excess amounts of cumulative expenditures on the asset over the special borrowings multiplied by the 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.

22. Intangible Assets

22.1 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 and production 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 years, legal right to use	0
Pollutant discharge rights	Straight line method	3-20 years, estimated useful life	0
Mining rights	Output method	–	0
Software	Straight line method	4-10 years, estimated useful life	0
Maritime right of use	Straight line method	50 years, Legal right to use	0
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.

22.2 Collection scope and relevant accounting treatment of R & D 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.

The scope of aggregation for R&D expenses includes the salaries, wages, and welfare expenses of personnel engaged in R&D activities, the consumption of materials in R&D activities, depreciation expenses of R&D equipment, and other related expenses.

23. 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, right-of-use assets 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.

The recoverable amount of an asset is estimated on an individual asset basis. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. 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.

24. 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.

25. 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 from the customer. Contract assets and contract liabilities under common contract are presented on a net basis.

26. Employee Compensation

26.1 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.

26.2 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.

26.3 Accounting for termination benefits

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

27. Provisions

Provisions are recognized when the Group has a present obligation relating to product quality assurance, mine geological environment protection and land reclamation, or other contingencies, and it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

On the balance sheet date, provision shall be measured at the best estimate of the expenditure for settling the current obligation, taking into account the risk and uncertainty and time value of money and other factors related to the contingencies. Where the effect of the time value of money is material, the best estimate of the expenditure is determined by discounting the expected future cash outflows.

28. Share-based Payments

The Group's share-based payments are transactions in which equity instruments are granted to employees in exchange for services rendered by employees or for the assumption of liabilities based on equity instruments. The Group's share-based payments are equity-settled share-based payments.

28.1 Equity settled share-based payments

Equity-settled share-based payments to employees

Equity-settled share-based payments to employees in exchange for services rendered by employees are measured at the fair value of the equity instruments granted to employees at the grant date. Such amount is recognised as related costs or expenses on a straight-line basis over the vesting period, based on the best estimate of the number of equity instruments expected to vest, with a corresponding increase in capital reserve.

At each balance sheet date during the pending period, the Group, based on the latest subsequent information such as the latest update on the change in the number of entitled employees, makes best estimates to adjust the expected number of equity instruments that can be vested. The effect of the above estimate is included in relevant costs or expenses for the period and the capital reserve is adjusted accordingly.

28.2 Accounting Treatment for Termination of Share-based Payment Plans

During the vesting period, if the granted equity instruments are cancelled, the Group shall treat the cancellation of the granted equity instruments as an accelerated vesting. The amount that would have been recognized over the remaining vesting period shall be recognized immediately in profit or loss for the current period, with a corresponding credit to capital reserve. If employees or other parties could choose to satisfy non-vesting conditions but fail to satisfy them during the vesting period, the Group shall treat such failure as a cancellation of the granted equity instruments.

29. Revenue

29.1 Accounting policies used for revenue recognition and measurement by type of business

The Group's revenue is mainly derived from the sales of glass products, which mainly include photovoltaic glass, household glass, architectural glass, float glass, mining products and electricity, etc.

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.

For domestic sales, the Group recognizes revenue when the goods are delivered to the agreed delivery location or when the buyer collects the goods by themselves, and the customer signs for receipt. For export sales, the Group recognizes sales revenue based on the timing of the transfer of control of the goods under different trade terms. Specifically: under the EXW (Ex Works) term, control of the product is transferred to the customer when the buyer's designated carrier picks up the goods, and the Group recognizes sales revenue at this point; under the FOB (Free on Board), CIF (Cost, Insurance, and Freight), and FCA (Free Carrier) terms, control of the product is transferred to the customer when the goods are cleared for export and pass over the ship's rail. The Group recognizes sales revenue at this point; under the DAP (Delivered at Place) terms, control of the product is transferred to the customer when the goods are delivered to the buyer's designated delivery location. The Group recognizes sales revenue at this point.

The transaction price refers to the amount of consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. This does not include amounts collected on behalf of third parties or amounts that the Group expects to refund to customers. In determining the transaction price, the Group considers factors such as variable consideration and amounts payable to customers.

If the quality assurance provided in a sales contract offers a separate service beyond ensuring that the goods or services meet established standards, it constitutes a distinct performance obligation. Otherwise, the Group accounts for the quality assurance liability in accordance with Accounting Standard for Business Enterprises No. 13 – Contingencies.

When the Group receives advance payments from customers for goods or services, it initially recognizes these amounts as liabilities. The amounts are subsequently recognized as revenue when the relevant performance obligations are fulfilled.

30. 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.

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

Such grants are government grants as they related to fixed assets that were built or acquired.

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.

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

As they are directly related to the expenses incurred during the period, such government grants are 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.

31. Safety Production Expenses

Pursuant to the requirements of the Administrative Measures for the Withdrawal and Use of Safety Production Expenses of Enterprises issued by the Ministry of Finance and the State Administration of Work Safety, the Group has made provision for safety production expenses of RMB3 per ton based on the output of raw ore of open-pit non-metallic mines. The safety production expenses are specifically used for the improvement, transformation and maintenance of the Group's safety production conditions.

The provision for safety production expenses is directly included in the cost of the relevant products or the expenses for the period, and is presented separately in the "special reserve" item under the owners' equity. When safety production expenses is being used according to the prescribed scope, the expense expenditure is used to directly offset against "special reserve"; as for the capital expenditure, the expenditure incurred is firstly collected through "construction in progress" item and recognised as fixed assets when the safety project is completed and ready for its intended use; at the same time, the "special reserve" will be written down based on the cost of the fixed asset formed and the accumulated depreciation of the same amount will be recognised, no depreciation will be provided for the fixed assets in subsequent periods.

32. Deferred Income Tax Assets/Deferred Income Tax Liabilities

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

32.1 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.

32.2 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 and would not result in equal taxable temporary differences and deductible temporary differences, 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.

32.3 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.

33. Lease

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

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

33.1 The Group as lessee

33.1.1 Right-of-use assets

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

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

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

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

33.1.2 Lease liabilities

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

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

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

33.1.3 *The criteria and accounting methods for simplified treatment of short-term leases by the lessee*

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

33.1.4 *Lease Modification*

If a lease is modified and the following conditions are met at the same time, the Group shall account for the lease modification as a separate lease:

- The modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

If a lease modification is not accounted for as a separate lease, on the effective date of the modification, the Group shall reallocate the consideration in the modified contract, redetermine the lease term, and remeasure the lease liability at the present value of the modified lease payments using a revised discount rate.

Where a lease modification results in a decrease in the scope of the lease or a shortening of the lease term, the Group shall reduce the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize any resulting gain or loss in profit or loss for the current period. For all other lease modifications that result in the remeasurement of lease liabilities, the Group shall make a corresponding adjustment to the carrying amount of the right-of-use asset.

33.2 The Group as lessor

33.2.1 The classification criteria and accounting methods for leases as a 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.

33.3 The Group as lessor under operating leases

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

34. Other Significant Accounting Policies and Accounting Estimates

34.1 Accounting treatment in relation to the repurchase of shares of the Company

The consideration and transaction costs paid in a share repurchase reduce shareholders' equity and no gain or loss is recognised when the shares of the Company are repurchased, transferred or cancelled.

35. Critical Judgements in Applying Accounting Policies and Key Assumptions and Uncertainties in Accounting Estimates

When using the accounting policies stated above, due to uncertainty of operating activities, the Group needs to make judgment, estimation and assumption on the book value of reporting items could not be calculated accurately. These judgments, estimation and assumptions are based on past experience of the Group's management while considering other related factors. The actual result may differ from the Group's estimation.

The Group regularly reviews the aforesaid judgment, estimation and assumption on the basis of continuous operation. Where the changes in accounting estimation only impact the current period, the impact shall be recognized during the current period; where such changes impact both the current and future period, the impact shall be confirmed during the current or future period when such changes occur.

At the balance sheet date, key assumptions and uncertainties in accounting estimates that are probable to cause a material adjustment to the carrying amount of assets and liabilities are mainly:

The provision for expected credit losses on accounts receivable

The Group's accounts receivable do not contain significant financing components. When assessing the provision for expected credit losses on accounts receivable, management needs to consider historical credit losses and incorporates forward-looking information, such as changes in the current external market environment and customer conditions, to review the provision amount of expected credit losses of account receivables. The Group regularly monitors and reviews the assumptions related to the calculation of expected credit losses.

Impairment of fixed assets

The management of the Group regularly reviews whether there are any indications of impairment for an individual fixed asset and recognises an asset impairment loss if the carrying amount of an asset is lower than its recoverable amount. The Group conducts impairment test on fixed assets whenever there is an indication that the fixed assets may be impaired. The recoverable amount is the higher of an asset's fair value less costs of disposal and the present value of its future cash flows. In determining the recoverable amount of fixed assets, the management of the Group has taken into account the estimated residual value to be recovered upon disposal. If the re-estimated recoverable amount is lower than the current estimate, the difference will affect the carrying amount of the asset.

Recognition of deferred income tax assets

The recognition of deferred income tax assets is mainly based on the actual future profits and deductible temporary differences available and the actual tax rates utilised in the upcoming years. In cases where the actual future profits generated and the deductible temporary differences are less than expected, or actual tax rates are less than expected, a reversal of deferred income tax assets recognised may arise, which would be recognised in the income statement for the period in which such a reversal takes place.

(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	The portion subject to tax based on rental income is levied at 12% of the rental income; the portion subject to tax based on property value is levied at 1.2% of the residual value of the property as approved by the tax authorities	12%; 1.2%
Resources tax	Amount of mining products sold	7%
Enterprise income tax (EIT)	Taxable income	25%
Environmental protection tax	Pollutant emissions	RMB1.2 or RMB1.4 per pollutant equivalent

Note on entities with different enterprise income tax rates:

Taxpayer Name	Income tax rate
The Company	15%
浙江嘉福玻璃有限公司Zhejiang Jiafu Glass Co., Ltd.*	15%
安徽福萊特光伏玻璃有限公司Anhui Flat Solar Glass Co., Ltd.*	15%
福萊特(香港)有限公司Flat (Hong Kong) Limited*	Note
嘉興福萊特新能源科技有限公司Jiaxing Flat New Energy Technology Co., Ltd.*	25% or 0%
福萊特(越南)有限公司Flat (Vietnam) Company Limited*	15%
福萊特(香港)投資有限公司Flat (Hong Kong) Investment Limited*	Note
鳳陽福萊特新能源科技有限公司Fengyang Flat New Energy Technology Co., Ltd.*	0%
福萊特(越南)進出口貿易有限公司Flat (Vietnam) Import and Export Trade Limited*	15%
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% or 0%
PT FLATSOLAR ENERGY INDONESIA	22%
FLAT SOLAR TECHNOLOGY PTE. LTD.	17%
PT FLATGLOBAL INVESTMENT INDONESIA	22%
FLAT INTERNATIONAL SOLAR TRADE PTE..LTD	17%

Note: 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 19 December 2025, the Company obtained the "High Technology Enterprise Certificate" (No. GR202533009677) jointly approved by Department of Economy and Information Technology 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 2025 to 2027.

Zhejiang Jiafu Glass Co., Ltd.

On 19 December 2025, Zhejiang Jiafu Glass Co., Ltd. obtained the "High Technology Enterprise Certificate" (No. GR202533004926) jointly approved by Department of Economy and Information Technology 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 2025 to 2027.

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./Zhejiang Fulaitai New Energy Co., Ltd.* and its subsidiaries/Jiaxing 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. Subsidiaries of Zhejiang Fulaitai New Energy Co., Ltd. are 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. Jiaxing 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.

(V) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CASH AT BANK AND ON HAND

RMB

Items	Closing balance	Opening balance
Cash on hand	**517,025.43**	2,173,089.90
Cash at bank	**3,502,763,066.94**	3,717,255,812.89
Other cash at bank and on hand	**283,425,931.52**	295,030,769.83
Total	**3,786,706,023.89**	4,014,459,672.62
Including: Total deposits held overseas	**463,299,545.85**	585,402,316.30

As at the end of the period, the restricted cash of the Group included in other cash at bank and on hand amounted to RMB283,425,931.52 (as at the end of last year: RMB295,030,769.83), mainly comprising bill deposits, pledged bank deposits, futures and option margins and letter of credit deposits.

2. TRADING FINANCIAL ASSETS

RMB

Items	Closing balance	Opening balance
Financial assets at fair value through profit or loss	**540,065,480.45**	480,018,805.88
Including: Wealth management products of banks	**540,050,000.00**	480,000,000.00
Equity instrument investments	**15,480.45**	15,480.45
Total	**540,065,480.45**	480,018,805.88

3. DERIVATIVE FINANCIAL ASSETS

RMB

Items	Closing balance	Opening balance
Derivative financial assets not designated as hedging instruments – foreign exchange option contracts	–	730,006.04
Derivative financial assets not designated as hedging instruments – foreign exchange swap contracts	**2,083,180.44**	926,638.96
Total	**2,083,180.44**	1,656,645.00

4. BILLS RECEIVABLES

(1) Classification of bills receivables

RMB

Items	Closing balance	Opening balance
Bank acceptance bills	**631,669,651.69**	914,940,755.15
Commercial acceptance bills	**548,063.13**	103,085,830.50
Less: Bad debt provision	**9,645.91**	1,814,310.62
Total	**632,208,068.91**	1,016,212,275.03

(2) As at the end of the period, the Group had no pledged bills receivables

(3) Bills receivables endorsed or discounted but not yet due at the balance sheet date as at the end of the period

RMB

Items	Amounts not derecognised at the end of the period	Amounts not derecognised at the beginning of the period
Endorsed bank acceptance bills	**532,711,823.92**	521,361,034.99
Discounted bank acceptance bills	**–**	1,040,837.67
Total	**532,711,823.92**	522,401,872.66

The above bills receivables endorsed or discounted but not yet due at the balance sheet date have not been derecognised.

(4) Disclosure by category of bad debt provision method

RMB

	Closing balance				
Category	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Bad debt provision on a portfolio basis					
Including:					
Low risk category	631,669,651.69	99.91	–	–	631,669,651.69
Normal category	548,063.13	0.09	9,645.91	1.76	538,417.22
Total	632,217,714.82	/	9,645.91	/	632,208,068.91

Category	Opening balance				
	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Bad debt provision on a portfolio basis					
Including:					
Low risk category	914,940,755.15	89.87	–	–	914,940,755.15
Normal category	103,085,830.50	10.13	1,814,310.62	1.76	101,271,519.88
Total	1,018,026,585.65	/	1,814,310.62	/	1,016,212,275.03

Bills receivables for which credit loss provision is made on a portfolio basis

RMB

Name	Closing balance		
	Carrying amount	**Bad debt provision**	**Provision ratio (%)**
Low risk category	**631,669,651.69**	**–**	**–**
Normal category	**548,063.13**	**9,645.91**	**1.76**
Total	**632,217,714.82**	**9,645.91**	**0.00**

The Group considers that the credit risk arising from default by banks in respect of the bank acceptance bills held by the Group is low, and therefore the expected credit losses are not significant.

(5) Bad debt provision

RMB

Category	Opening balance	Changes during the period Provision (reversal)	Write-off	Closing balance
Normal category	1,814,310.62	-1,804,664.71	–	9,645.91
Total	1,814,310.62	-1,804,664.71	–	9,645.91

5. TRADE RECEIVABLES

(1) Ageing analysis

RMB

Ageing	Carrying amount at the end of the period	Carrying amount at the beginning of the period
Within 1 year (including 1 year)	**3,023,207,336.15**	2,493,619,163.17
1 to 2 years	**12,783,002.30**	6,865,976.30
2 to 3 years	**5,362,688.11**	601,238.04
Over 3 years	**19,022,097.16**	18,476,468.50
Total	**3,060,375,123.72**	2,519,562,846.01

(2) Disclosure by bad debt provision method

RMB

Category	Closing balance				
	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Bad debt provision on an individual basis	**33,646,388.81**	**1.10**	**33,646,388.81**	**100.00**	**–**
Bad debt provision on a portfolio basis	**3,026,728,734.91**	**98.90**	**57,970,766.38**	**1.92**	**2,968,757,968.53**
Total	**3,060,375,123.72**	/	**91,617,155.19**	/	**2,968,757,968.53**

Category	Opening balance				
	Carrying amount		Bad debt provision		Carrying value
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Bad debt provision on an individual basis	38,937,119.46	1.55	38,937,119.46	100.00	–
Bad debt provision on a portfolio basis	2,480,625,726.55	98.45	51,917,224.61	2.09	2,428,708,501.94
Total	2,519,562,846.01	/	90,854,344.07	/	2,428,708,501.94

Credit loss provision made on a portfolio basis

RMB

Name	Carrying amount	Closing balance Bad debt provision	Provision ratio (%)
Normal category	3,019,411,279.69	53,141,638.50	1.76
Watchlist category	7,317,455.22	4,829,127.88	65.99
Total	3,026,728,734.91	57,970,766.38	1.92

(3) Changes in bad debt provision

RMB

Bad debt provision	Stage 1 12-month expected credit losses	Stage 2 Lifetime expected credit losses (no credit impairment occurred)	Stage 3 Lifetime expected credit losses (credit impairment occurred)	Total
Balance as at 1 January 2026	51,917,224.61	–	38,937,119.46	90,854,344.07
Transferred to bad debt provision for lifetime credit impairment	-125,858.93		125,858.93	–
Provision (reversal) during the period	6,179,400.70	–	-5,416,589.58	762,811.12
Write-off during the period	–	–	–	–
Balance as at 30 June 2026	57,970,766.38	–	33,646,388.81	91,617,155.19

(4) Trade receivables actually written off during the period

The Group had no trade receivables written off during the period.

(5) Trade receivables from the top five debtors as at the end of the period

As at the end of the period, the balance of trade receivables from the Group's top five debtors was RMB1,468,060,956.04 (as at the end of last year: RMB1,094,929,242.07), representing 47.97% (as at the end of last year: 43.46%) of the total balance of trade receivables, and the credit loss provisions for the top five debtors amounted to RMB25,837,872.83 (as at the end of last year: RMB19,270,754.66).

6. FINANCING RECEIVABLES

(1) Classification of financing receivables

RMB

Items	Closing balance	Opening balance
Bank acceptance bills	**625,860,210.87**	1,124,553,338.33
Total	**625,860,210.87**	1,124,553,338.33

The Group manages bank acceptance bills on a classified basis and manages separately the bank acceptance bills issued by banks with higher credit ratings for endorsement or discounting when needed. Since the business model for holding these specific bank acceptance bills is both to collect contractual cash flows and to sell the financial assets, they are classified as financial assets at fair value through other comprehensive income and presented under financing receivables.

The Group considers that the credit risk arising from default by banks in respect of the bank acceptance bills held by the Group is low, and therefore the expected credit losses are not significant.

(2) As at the end of the period, the Group had no pledged bank acceptance bills

(3) Bank acceptance bills endorsed or discounted by the Group but not yet due at the balance sheet date as at the end of the period

RMB

Items	**Amounts derecognised at the end of the period**	Amounts derecognised at the beginning of the period
Endorsed bank acceptance bills	**1,368,030,326.36**	1,491,887,018.28
Discounted bank acceptance bills	**606,623,375.35**	709,810,096.37
Total	**1,974,653,701.71**	2,201,697,114.65

(4) Changes in financing receivables and their fair value during the period

RMB

Items	**Closing balance**	Opening balance
Cost	**625,860,210.87**	1,124,553,338.33
Fair value	**625,860,210.87**	1,124,553,338.33
Accumulated changes in fair value recognised in other comprehensive income	**–**	–

7. ADVANCE PAYMENT

(1) Ageing analysis

RMB

Aging	Closing balance Amount	Closing balance Percentage (%)	Opening balance Amount	Opening balance Percentage (%)
Within 1 year	**138,772,829.13**	**97.08**	162,207,138.87	97.59
1 to 2 years	**2,440,081.94**	**1.71**	2,772,286.02	1.67
2 to 3 years	**488,884.40**	**0.34**	495,439.57	0.30
Over 3 years	**1,238,214.70**	**0.87**	731,865.58	0.44
Total	**142,940,010.17**	**100.00**	166,206,730.04	100.00

As at the end of the period, the Group had no prepayments aged over one year with significant amounts.

(2) Prepayments to the top five suppliers as at the end of the period

As at the end of the current period and the end of last year, the balances of prepayments to the top five suppliers were RMB98,273,912.39 and RMB138,361,339.55 respectively, representing 68.75% and 83.25% of the total balance of prepayments respectively.

8. OTHER RECEIVABLES

RMB

Items	Closing balance	Opening balance
Dividends receivable	**1,562,500.00**	–
Other receivables	**60,657,553.60**	97,757,698.58
Total	**62,220,053.60**	97,757,698.58

Dividends receivable

(1) Dividends receivable

RMB

Items (or investees)	Closing balance	Opening balance
Jiaxing Gas	**1,562,500.00**	–
Total	**1,562,500.00**	–

Other receivables

(1) Ageing analysis

RMB

Ageing	Carrying amount at the end of the period	Carrying amount at the beginning of the period
Within 1 year (including 1 year)	**37,793,477.70**	28,043,602.91
1 to 2 years	**7,808,806.33**	52,352,217.85
2 to 3 years	**5,503,720.00**	11,158,387.78
Over 3 years	**9,551,549.57**	6,203,490.04
Total	**60,657,553.60**	97,757,698.58

(2) Classification of other receivables by nature

RMB

Nature of the balance	Carrying amount at the end of the period	Carrying amount at the beginning of the period
Deposits and margins	**15,697,915.64**	67,845,425.95
Imprest	**264,263.99**	605,297.17
Proceeds receivable from disposal of fixed assets	**20,384,717.00**	12,920,203.54
Others	**24,310,656.97**	16,386,771.92
Total	**60,657,553.60**	97,757,698.58

(3) *Impairment of other receivables*

After evaluating the nature of other receivables, the Group considers that there is no significant expected credit loss risk in respect of other receivables, and therefore no credit loss provision has been made.

(4) *Other receivables actually written off during the period*

The Group had no other receivables written off during the period.

(5) *Other receivables from the top five debtors as at the end of the period*

RMB

Name of entity	Closing balance	Proportion in the total closing balance of other receivables (%)	Nature of the balance	Ageing	Bad debt provision at the end of the period
Fengyang County Housing Expropriation Center	20,384,717.00	33.61	Proceeds receivable from disposal of fixed assets	Within 1 year	–
Wuxuan Baoxin Mining Co., Ltd.	5,000,000.00	8.24	Deposit	2–3 years	–
DEEP C GREEN ENERGY VIÊT NAM COMPANY LIMITED	4,853,509.22	8.00	Deposit	Over 3 years	–
Anhui Fengkuang Silica Sand Group Co., Ltd.	4,800,000.00	7.91	Others	2–3 years	–
Jiaxing Gas Group Co., Ltd.	1,560,000.00	2.57	Deposit	Within 1 year and over 3 years	–
Total	36,598,226.22	60.33	/	/	–

9. INVENTORIES

(1) Classification of inventories

RMB

Items	Carrying amount	Closing balance Provision for diminution in value of inventories	Carrying value
Raw materials	**633,262,393.93**	**8,239,756.18**	**625,022,637.75**
Low-value consumables	**237,868,388.26**	**60,646,470.64**	**177,221,917.62**
Work in progress	**85,391,731.33**	**–**	**85,391,731.33**
Finished goods	**994,779,640.18**	**102,668,445.25**	**892,111,194.93**
Total	**1,951,302,153.70**	**171,554,672.07**	**1,779,747,481.63**

Items	Carrying amount	Opening balance Provision for diminution in value of inventories	Carrying value
Raw materials	540,827,777.30	7,895,761.36	532,932,015.94
Low-value consumables	228,450,224.59	41,042,466.79	187,407,757.80
Work in progress	89,938,533.71	–	89,938,533.71
Finished goods	1,000,395,255.52	75,538,349.28	924,856,906.24
Total	1,859,611,791.12	124,476,577.43	1,735,135,213.69

(2) Provision for diminution in value of inventories

RMB

Items	Opening balance	Provision (reversal) during the period	Write-down transferred during the period	Closing balance
Raw materials	**7,895,761.36**	**8,239,756.18**	7,895,761.36	8,239,756.18
Low-value consumables	**41,042,466.79**	**26,380,937.68**	6,776,933.83	60,646,470.64
Finished goods	**75,538,349.28**	**63,841,549.78**	36,711,453.81	102,668,445.25
Total	**124,476,577.43**	**98,462,243.64**	51,384,149.00	171,554,672.07

10. OTHER NON-CURRENT ASSETS DUE WITHIN ONE YEAR

RMB

Items	Closing balance	Opening balance
Debt investment due within one year	**–**	140,576,000.00
Other debt investment due within one year	**232,089,813.56**	–
Total	**232,089,813.56**	140,576,000.00

Debt investment due within one year

(1) Debt investment due within one year

RMB

Items	Closing balance Carrying amount	Closing balance Impairment provision	Closing balance Carrying value	Opening balance Carrying amount	Opening balance Impairment provision	Opening balance Carrying value
Long-term bank time deposits	–	–	–	140,576,000.00	–	140,576,000.00
Total	–	–	–	140,576,000.00	–	140,576,000.00

Other debt investment due within one year

(1) Other debt investment due within one year

RMB

Items	Opening balance	Accrued interest	Interest adjustment	Changes in fair value during the period	Closing balance	Cost	Accumulated changes in fair value	Accumulated loss provision recognised in other comprehensive income	Remarks
Negotiable large-denomination time deposits (Note)	229,312,827.25	2,776,986.31	–	–	232,089,813.56	223,393,073.83	–	–	
Total	229,312,827.25	2,776,986.31	–	–	232,089,813.56	223,393,073.83	–	–	/

Note: The above negotiable large-denomination time deposits held by the Group during the period will mature between March 2027 and May 2027, and are therefore presented under non-current assets due within one year as at the end of the period.

(2) *Significant other debt investments due within one year at the end of the period*

RMB

Items	Closing balance Face value	Coupon rate	Effective interest rate	Maturity date	Opening balance Face value	Coupon rate	Effective interest rate	Maturity date
Negotiable large-denomination time deposits	**20,000,000.00**	**2.50%**	**2.50%**	**March 2027**	20,000,000.00	2.50%	2.50%	March 2027
Negotiable large-denomination time deposits	**20,000,000.00**	**2.55%**	**2.55%**	**April 2027**	20,000,000.00	2.55%	2.55%	April 2027
Negotiable large-denomination time deposits	**180,000,000.00**	**2.55%**	**2.55%**	**May 2027**	180,000,000.00	2.55%	2.55%	May 2027
Total	**220,000,000.00**	/	/	/	220,000,000.00	/	/	/

11. OTHER CURRENT ASSETS

RMB

Items	Closing balance	Opening balance
Prepaid income tax	**27,631,418.76**	29,392,144.05
Input VAT to be offset	**635,630,414.12**	662,062,007.73
Bank time deposits	**470,527,513.35**	377,653,709.50
Export tax rebates	**1,325,142.08**	1,661,428.61
Prepaid lease payments	**2,564,497.80**	688,073.38
Others	**–**	5,941.98
Total	**1,137,678,986.11**	1,071,463,305.25

Note: As at the end of the period, bank time deposits of RMB267,000,000.00 were pledged to obtain bank credit facilities (as at the end of last year: RMB202,000,000.00).

12. DEBT INVESTMENT

(1) Debt investment

RMB

Items	Closing balance Carrying amount	Closing balance Impairment provision	Closing balance Carrying value	Opening balance Carrying amount	Opening balance Impairment provision	Opening balance Carrying value
Long-term bank time deposits	2,526,000.00	–	2,526,000.00	126,000.00	–	126,000.00
Total	2,526,000.00	–	2,526,000.00	126,000.00	–	126,000.00

The Group considers that the credit risk arising from default by banks in respect of the long-term bank time deposits held by the Group is low, and therefore no credit loss provision has been made.

13. OTHER DEBT INVESTMENT

(1) Other debt investment

RMB

Items	Opening balance	Accrued interest	Interest adjustment	Changes in fair value during the period	Closing balance	Cost	Accumulated changes in fair value	Accumulated impairment provision recognised in other comprehensive income	Remarks
Negotiable large-denomination time deposits (Notes 1 and 2)	61,065,041.10	565,315.08	–	–	61,630,356.18	60,000,000.00	–	–	
Total	61,065,041.10	565,315.08	–	–	61,630,356.18	60,000,000.00	–	–	/

Note 1: Since the business model for holding the negotiable large-denomination time deposits is both to collect contractual cash flows and to sell the financial assets, they are classified as financial assets at fair value through other comprehensive income and presented under other debt investment.

Note 2: The portion of the negotiable large-denomination time deposits held by the Group which will mature between March 2027 and May 2027 is presented under non-current assets due within one year as at the end of the period (see Note (VI) 10).

(2) The Group considers that the credit risk arising from default by banks in respect of the negotiable large-denomination time deposits held by the Group is low, and therefore no credit loss provision has been made.

14. LONG-TERM EQUITY INVESTMENTS

RMB

Investees	Opening balance	Opening balance of impairment provision	Changes during the period: Capital contribution/ additional investment	Changes during the period: Investment income recognised under the equity method	Changes during the period: Cash dividends or profits declared	Closing amount	Closing balance of impairment provision
Associates							
Kaihong Flat	45,437,007.93	–	–	10,002,191.73	-16,000,000.00	39,439,199.66	–
Kunlun Gas	10,500,000.00	–	–	–	–	10,500,000.00	–
Jiaxing Gas	73,176,554.12	–	–	3,001,940.40	-1,562,500.00	74,615,994.52	–
Jiaxing Energy	4,500,000.00	4,500,000.00	–	–	–	4,500,000.00	4,500,000.00
Sky Brightness Metal	58,866,200.00	–	62,784,525.00	–	–	121,650,725.00	–
Fulairuicheng	–	–	40,000,000.00	–	–	40,000,000.00	–
Total	192,479,762.05	4,500,000.00	102,784,525.00	13,004,132.13	-17,562,500.00	290,705,919.18	4,500,000.00

15. INVESTMENT PROPERTIES

Investment properties measured under the cost model

RMB

Items	Buildings	Land use rights	Total
I. Gross carrying amount			
1. Opening balance	539,310,452.96	7,525,892.36	546,836,345.32
2. Closing balance	539,310,452.96	7,525,892.36	546,836,345.32
II. Accumulated amortisation	–	–	–
1. Opening balance	83,229,376.21	2,454,094.80	85,683,471.01
2. Additions during the period	12,705,271.80	81,803.16	12,787,074.96
(1) Amortisation charge	12,705,271.80	81,803.16	12,787,074.96
3. Closing balance	95,934,648.01	2,535,897.96	98,470,545.97
III. Carrying value	–	–	–
1. Closing carrying value	443,375,804.95	4,989,994.40	448,365,799.35
2. Opening carrying value	456,081,076.75	5,071,797.56	461,152,874.31

As at the end of the period, buildings and land use rights with a net value of RMB440,324,022.04 (as at the end of last year: RMB472,375,461.96) were pledged as security for borrowings.

16. FIXED ASSETS

RMB

Items	Closing balance	Opening balance
Fixed assets	**16,880,587,831.70**	17,571,474,371.61
Total	**16,880,587,831.70**	17,571,474,371.61

(1) Fixed assets

RMB

Items	Buildings	Machinery and equipment	Vehicles	Other equipment	Total
I. Gross carrying amount:					
1. Opening balance	8,402,453,532.65	15,724,957,669.53	187,868,711.98	249,376,245.10	24,564,656,159.26
2. Additions during the period	178,440,986.99	136,763,792.55	9,664,570.25	11,363,601.07	336,232,950.86
(1) Purchases	5,900,464.24	32,136,198.42	9,664,570.25	3,489,398.28	51,190,631.19
(2) Transferred from construction in progress	172,540,522.75	104,627,594.13	–	7,874,202.79	285,042,319.67
3. Decreases during the period	30,144,598.00	271,390,944.84	16,481,410.96	3,108,671.41	321,125,625.21
(1) Disposals or write-offs	30,144,598.00	4,495,875.05	1,292,057.25	72,550.64	36,005,080.94
(2) Transferred to construction in progress	–	266,895,069.79	15,189,353.71	3,036,120.77	285,120,544.27
4. Exchange differences on translation of foreign currency financial statements	-19,287,835.35	-31,407,047.54	-550,248.04	-142,760.40	-51,387,891.33
5. Closing balance	8,531,462,086.29	15,558,923,469.70	180,501,623.23	257,488,414.36	24,528,375,593.58
II. Accumulated depreciation					–
1. Opening balance	1,373,289,278.72	4,927,898,206.38	130,464,289.01	125,500,980.80	6,557,152,754.91
2. Additions during the period	200,977,846.66	586,972,281.59	12,468,953.52	20,680,904.14	821,099,985.91
(1) Depreciation charge	200,977,846.66	586,972,281.59	12,468,953.52	20,680,904.14	821,099,985.91
3. Decreases during the period	1,800,117.74	225,060,692.60	15,415,072.86	3,057,116.02	245,332,999.22
(1) Disposals or write-offs	1,800,117.74	4,035,023.36	1,245,020.93	68,923.11	7,149,085.14
(2) Transferred to construction in progress	–	221,025,669.24	14,170,051.93	2,988,192.91	238,183,914.08
4. Exchange differences on translation of foreign currency financial statements	-3,766,981.65	-11,180,285.32	-256,208.46	-103,345.50	-15,306,820.93
5. Closing balance	1,568,700,025.99	5,278,629,510.05	127,261,961.21	143,021,423.42	7,117,612,920.67
III. Impairment provision					–
1. Opening balance	–	435,612,523.66	274,439.20	142,069.88	436,029,032.74
2. Additions during the period	–	102,809,104.69	–	–	102,809,104.69
(1) Provision	–	102,809,104.69	–	–	102,809,104.69
2. Decreases during the period	–	8,659,046.22	4,250.00	–	8,663,296.22
(1) Disposals or write-offs	–	9,770.35	4,250.00	–	14,020.35
(2) Transferred to construction in progress	–	8,649,275.87	–	–	8,649,275.87
3. Closing balance	–	529,762,582.13	270,189.20	142,069.88	530,174,841.21
IV. Carrying value					–
1. Closing carrying value	6,962,762,060.30	9,750,531,377.52	52,969,472.82	114,324,921.06	16,880,587,831.70
2. Opening carrying value	7,029,164,253.93	10,361,446,939.49	57,129,983.77	123,733,194.42	17,571,474,371.61

(2) Temporarily idle fixed assets of the Group as at the end of the period

RMB

Items	Gross carrying amount	Accumulated depreciation	Impairment provision	Net carrying value
Machinery and equipment	2,748,991,689.59	1,503,038,830.85	529,730,714.76	716,222,143.98
Vehicles	18,698,244.44	16,929,719.29	280,037.49	1,488,487.66
Other equipment	20,901,277.52	15,618,807.31	164,088.96	5,118,381.25
Total	2,788,591,211.55	1,535,587,357.45	530,174,841.21	722,829,012.89

As at the end of the period, the idle fixed assets of the Group are expected to be scrapped due to plans such as renovation and upgrading, and the Group has made impairment provisions based on the estimated residual value recoverable upon disposal.

(3) As at the end of the period and the beginning of the period, the Group had no fixed assets leased out under operating leases

(4) Fixed assets for which the property ownership certificates have not been obtained as at the end of the period

RMB

Items	Carrying value	Reasons for not obtaining property ownership certificates
Buildings	1,594,876,410.69	Property ownership certificates are still being processed

(5) Impairment testing of fixed assets

Items	Carrying value	Recoverable amount	Impairment amount	Method for determining fair value less costs of disposal	Key parameters	Basis for determining the key parameters
Machinery and electrical equipment	**571,161,642.26**	**95,357,947.79**	**475,803,694.47**	Residual value recoverable upon disposal	Estimated residual value recoverable upon disposal	Based on recent quotations from independent counterparties
Total	**571,161,642.26**	**95,357,947.79**	**475,803,694.47**	/	/	/

17. CONSTRUCTION IN PROGRESS

Items

RMB

Items	Closing balance	Opening balance
Construction in progress	**3,234,099,377.09**	2,822,722,972.80
Engineering materials	**547,230,894.07**	590,922,780.75
Total	**3,781,330,271.16**	3,413,645,753.55

Construction in progress

(1) Construction in progress

RMB

Items	Closing balance Carrying amount	Impairment provision	Carrying value
Project for annual production capacity of 1.5 million tonnes of ultra-thin ultra-high-transmittance panels and backsheets for solar energy equipment	1,605,094,886.80	–	1,605,094,886.80
Project for annual production capacity of 1.5 million tonnes of ultra-thin ultra-high-transmittance panels for new energy equipment	1,130,574,070.99	–	1,130,574,070.99
Supporting project of Nantong Flat Glass for photovoltaic glass	194,651,261.17	–	194,651,261.17
Project for annual production capacity of 8 million square metres of low-radiation coated glass	95,148,789.80	–	95,148,789.80
Direct gas supply project of the parent company	79,133,086.43	–	79,133,086.43
Supporting manufacturing project of Flat Glass Guangneng for high-efficiency thin-film solar modules	51,040,489.50	–	51,040,489.50
Machinery and equipment pending installation and others	78,456,792.40	–	78,456,792.40
Total	3,234,099,377.09	–	3,234,099,377.09

Items	Opening balance Carrying amount	Impairment provision	Carrying value
Project for annual production capacity of 1.5 million tonnes of ultra-thin ultra-high-transmittance panels and backsheets for solar energy equipment	1,332,811,725.10	–	1,332,811,725.10
Project for annual production capacity of 1.5 million tonnes of ultra-thin ultra-high-transmittance panels for new energy equipment	1,023,868,509.98	–	1,023,868,509.98
Supporting project of Nantong Flat Glass for photovoltaic glass	188,653,684.75	–	188,653,684.75
Direct gas supply project of the parent company	68,382,202.89	–	68,382,202.89
Nantong natural gas transmission project	52,221,982.56	–	52,221,982.56
Supporting manufacturing project of Flat Glass Guangneng for high-efficiency thin-film solar modules	21,244,027.33	–	21,244,027.33
Machinery and equipment pending installation and others	135,540,840.19	–	135,540,840.19
Total	2,822,722,972.80	–	2,822,722,972.80

(2) Changes in major construction in progress projects during the period

RMB

Project name	Budget	Opening balance	Additions during the period	Transferred to fixed assets during the period	Closing balance	Proportion of accumulated investment to budget (%)	Project progress	Accumulated interest capitalised	Including: Interest capitalised during the period	Interest capitalisation rate during the period (%)	Sources of funds
Project for annual production capacity of 1.5 million tonnes of ultra-thin ultra-high-transmittance panels and backsheets for solar energy equipment	3,885,000,000.00	1,332,811,725.10	311,847,051.61	39,563,889.91	1,605,094,886.80	60.91	60.91%	26,953,700.98	6,243,539.71	2.45-2.50	Own funds and special borrowings
Project for annual production capacity of 1.5 million tonnes of ultra-thin ultra-high-transmittance panels for new energy equipment	3,752,960,000.00	1,023,868,509.98	111,212,027.09	4,506,466.08	1,130,574,070.99	87.49	87.49%	-	-	-	Private placement proceeds and own funds
Supporting project of Nantong Flat Glass for photovoltaic glass	300,000,000.00	188,653,684.75	5,997,576.42	-	194,651,261.17	64.88	64.88%	-	-	-	Own funds
Supporting manufacturing project of Flat Glass Guangneng for high-efficiency thin-film solar modules	700,000,000.00	21,244,027.33	64,760,158.82	34,963,696.65	51,040,489.50	67.66	67.66%	-	-	-	Own funds
Total	8,637,960,000.00	2,566,577,947.16	493,816,813.94	79,034,052.64	2,981,360,708.46	/	/	26,953,700.98	6,243,539.71	/	/

(3) As at the end of the period, there were no indications of impairment of the construction in progress of the Group, and therefore no impairment provision was made

Engineering materials

RMB

Items	Closing balance Carrying amount	Impairment provision	Carrying value
Specialised equipment	**368,020,044.40**	**–**	**368,020,044.40**
Refractory materials	**11,102,211.19**	**–**	**11,102,211.19**
Wires and cables	**39,963,654.48**	**–**	**39,963,654.48**
Steel and wire rods	**18,294,934.54**	**–**	**18,294,934.54**
Others	**109,850,049.46**	**–**	**109,850,049.46**
Total	**547,230,894.07**	**–**	**547,230,894.07**

Items	Opening balance Carrying amount	Impairment provision	Carrying value
Specialised equipment	335,685,000.08	–	335,685,000.08
Refractory materials	66,253,307.88	–	66,253,307.88
Wires and cables	59,498,608.02	–	59,498,608.02
Steel and wire rods	22,368,611.27	–	22,368,611.27
Others	107,117,253.50	–	107,117,253.50
Total	590,922,780.75	–	590,922,780.75

18. RIGHT-OF-USE ASSETS

RMB

Items	Land	Roof	Total
I. Gross carrying amount			
1. Opening balance	284,855,748.43	820,997,318.41	1,105,853,066.84
2. Additions during the period	5,550,761.38	925,691.01	6,476,452.39
(1) New additions	5,550,761.38	925,691.01	6,476,452.39
3. Exchange differences on translation of foreign currency financial statements	-8,632,474.93	–	-8,632,474.93
4. Closing balance	281,774,034.88	821,923,009.42	1,103,697,044.30
II. Accumulated depreciation			
1. Opening balance	41,992,009.33	67,430,117.06	109,422,126.39
2. Additions during the period	4,113,259.57	16,095,831.58	20,209,091.15
(1) Depreciation charge	4,113,259.57	16,095,831.58	20,209,091.15
3. Exchange differences on translation of foreign currency financial statements	-1,643,952.45	–	-1,643,952.45
4. Closing balance	44,461,316.45	83,525,948.64	127,987,265.09
III. Carrying value			
1. Closing carrying value	237,312,718.43	738,397,060.78	975,709,779.21
2. Opening carrying value	242,863,739.10	753,567,201.35	996,430,940.45

19. INTANGIBLE ASSETS

RMB

Items	Land use rights	Pollution discharge rights	Mining rights	Energy use rights	Sea use rights	Software	Total
I. Gross carrying amount							
1. Opening balance	932,176,779.71	64,320,678.73	7,242,938,640.22	144,731,091.46	81,067,980.40	9,436,632.34	8,474,671,802.86
2. Additions during the period	24,029,900.00	2,245,788.00	211,594,274.94	–	–	1,227,023.24	239,096,986.18
(1) Purchases	24,029,900.00	2,245,788.00	211,594,274.94	–	–	1,227,023.24	239,096,986.18
3. Exchange differences on translation of foreign currency financial statements	-12,656,515.46	–	–	–	–	–	-12,656,515.46
4. Closing balance	943,550,164.25	66,566,466.73	7,454,532,915.16	144,731,091.46	81,067,980.40	10,663,655.58	8,701,112,273.58
II. Accumulated amortisation							
1. Opening balance	119,977,866.69	59,335,281.74	2,032,357,641.33	–	3,633,808.51	6,829,417.44	2,222,134,015.71
2. Additions during the period	8,084,884.14	2,318,434.60	251,503,003.13	–	810,679.81	484,043.02	263,201,044.70
(1) Amortisation charge	8,084,884.14	2,318,434.60	251,503,003.13	–	810,679.81	484,043.02	263,201,044.70
4. Closing balance	128,062,750.83	61,653,716.34	2,283,860,644.46	–	4,444,488.32	7,313,460.46	2,485,335,060.41
III. Carrying value	–	–	–	–	–	–	
1. Closing carrying value	815,487,413.42	4,912,750.39	5,170,672,270.70	144,731,091.46	76,623,492.08	3,350,195.12	6,215,777,213.17
2. Opening carrying value	812,198,913.02	4,985,396.99	5,210,580,998.89	144,731,091.46	77,434,171.89	2,607,214.90	6,252,537,787.15

As at the end of the period, land use rights with a net value of RMB394,262,458.04 (as at the end of last year: RMB408,286,436.15) were pledged as security for borrowings, and sea use rights with a net value of RMB53,377,640.50 (as at the end of last year: RMB53,944,482.70) were pledged as security for borrowings.

20. LONG-TERM PREPAID EXPENSES

RMB

Items	Opening balance	Additions during the period	Amortisation during the period	Closing balance
Container frames	97,598,494.37	19,840,641.64	14,397,736.40	**103,041,399.61**
Renovation, repairs and others	109,430,085.33	9,284,079.70	16,772,833.75	**101,941,331.28**
Total	207,028,579.70	29,124,721.34	31,170,570.15	**204,982,730.89**

21. DEFERRED TAX ASSETS/DEFERRED TAX LIABILITIES

(1) Unoffset deferred tax assets

RMB

Items	Amounts at the end of the period		Amounts at the beginning of the period	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Asset impairment provisions	**550,158,620.10**	**82,562,374.45**	406,382,553.16	60,997,366.45
Credit loss provisions	**82,763,396.47**	**12,999,062.55**	86,364,824.43	13,678,119.29
Deferred income	**201,364,964.81**	**30,527,129.51**	217,011,835.41	32,895,548.86
Difference in depreciation of fixed assets	**27,114,797.59**	**4,067,219.64**	23,810,117.30	3,571,517.60
Share-based payments	**3,300,529.24**	**495,079.39**	3,142,318.50	471,347.78
Differences relating to long-term equity investments	**1,393,624,510.99**	**348,406,127.75**	1,297,759,189.12	324,439,797.28
Lease liabilities	**763,188,051.60**	**190,797,012.92**	774,060,741.15	193,515,185.29
Deductible losses	**377,960,996.53**	**56,778,891.99**	–	–
Fair value losses of trading financial assets	**46,212.01**	**6,931.80**	42,886.58	6,432.99
Fair value losses of derivative financial liabilities	**8,876,883.00**	**1,331,532.45**	6,012,834.74	901,925.21
Subtotal	**3,408,398,962.34**	**727,971,362.45**	2,814,587,300.39	630,477,240.75

(2) Unoffset deferred tax liabilities

RMB

Items	Amounts at the end of the period		Amounts at the beginning of the period	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Property revaluation arising from the conversion into a joint stock company	**7,594,578.79**	**1,139,186.82**	7,723,665.11	1,158,549.77
Accelerated depreciation of fixed assets	**2,589,922,714.51**	**389,628,293.09**	2,917,055,422.03	437,558,313.30
Right-of-use assets	**738,397,060.78**	**184,599,265.20**	753,567,201.35	188,391,800.34
Changes in fair value of derivative financial assets	**2,083,180.44**	**312,477.07**	1,656,645.00	258,304.29
Subtotal	**3,337,997,534.52**	**575,679,222.18**	3,680,002,933.49	627,366,967.70

(3) Deferred tax assets or liabilities presented on a net basis after offset

RMB

Items	Amounts at the end of the period		Amounts at the beginning of the period	
	Amounts of deferred tax assets and liabilities offset at the end of the period	Closing balance of deferred tax assets or liabilities after offset	Amounts of deferred tax assets and liabilities offset at the end of the period	Closing balance of deferred tax assets or liabilities after offset
Deferred tax assets	**349,033,340.55**	**378,938,021.90**	296,219,233.53	334,258,007.22
Deferred tax liabilities	**349,033,340.55**	**226,645,881.63**	296,219,233.53	331,147,734.17

(4) Deductible losses and other temporary differences for which deferred tax assets have not been recognised

RMB

Items	Amounts at the end of the period	Amounts at the beginning of the period
Deductible losses	**175,016,728.21**	58,398,681.20
Others	**156,182,280.55**	149,042,374.67
Total	**331,199,008.76**	207,441,055.87

(5) The unrecognised deferred tax assets arising from deductible losses will expire in the following years

RMB

	Amounts at the end of the period	Amounts at the beginning of the period
No expiry date	**–**	1,209,672.78
2026	**10,051,034.55**	10,456,036.28
2027	**284,882.27**	284,882.27
2028	**1,191,456.57**	1,191,456.57
2029	**1,562,465.22**	1,562,465.22
2030	**42,020,984.85**	43,694,168.08
2031	**119,905,904.75**	–
Total	**175,016,728.21**	58,398,681.20

22. OTHER NON-CURRENT ASSETS

RMB

	Closing balance			Opening balance		
	Carrying amount	**Impairment provision**	**Carrying value**	Carrying amount	Impairment provision	Carrying value
Prepayments for equipment and construction	**388,000,565.65**	–	**388,000,565.65**	392,654,117.66	–	392,654,117.66
Total	**388,000,565.65**	–	**388,000,565.65**	392,654,117.66	–	392,654,117.66

23. ASSETS WITH RESTRICTED OWNERSHIP OR RIGHT OF USE

RMB

Items	Closing carrying value	Opening carrying value	Restriction
Cash at bank and on hand	283,425,931.52	295,030,769.83	Bill deposits, pledged time deposits, pledge of electricity revenue, futures and option margins, letter of credit deposits, etc.
Other current assets	470,527,513.35	202,000,000.00	Pledged time deposits to obtain credit facilities
Investment properties	440,324,021.97	472,375,461.96	Pledged to banks to obtain credit facilities
Fixed assets	3,139,517,269.09	3,250,105,211.23	Pledged to banks to obtain credit facilities
Intangible assets	447,640,098.54	462,230,918.85	Pledged to banks to obtain credit facilities
Total	4,781,434,834.47	4,681,742,361.87	

24. SHORT-TERM BORROWINGS

(1) Classification of short-term borrowings

RMB

Items	Closing balance	Opening balance
Mortgage borrowings	**336,218,000.00**	100,000,000.00
Guaranteed borrowings	**200,000,000.00**	266,806,400.00
Guaranteed and mortgage borrowings	**623,718,080.00**	329,633,600.00
Credit borrowings	**270,272,500.00**	–
Borrowings arising from discounting of bills	**130,000,000.00**	136,040,837.67
Total	**1,560,208,580.00**	832,480,837.67

(2) As at the end of the period, the Group had no overdue short-term borrowings

25. DERIVATIVE FINANCIAL LIABILITIES

RMB

Items	Closing balance	Opening balance
Derivative financial liabilities not designated as hedging instruments – foreign exchange option contracts	**3,660,087.00**	1,667,461.00
Derivative financial liabilities not designated as hedging instruments – foreign exchange swap contracts	**5,216,796.00**	4,637,559.68
Total	**8,876,883.00**	6,305,020.68

26. BILLS PAYABLES

RMB

	Closing balance	Opening balance
Bank acceptance bills	**321,917,263.38**	127,989,845.88
Total	**321,917,263.38**	127,989,845.88

27. TRADE PAYABLES

(1) Trade payables

RMB

Items	Closing balance	Opening balance
Payables for goods	**1,622,892,041.08**	1,533,124,433.37
Payables for construction	**2,250,301,537.64**	2,454,130,176.68
Total	**3,873,193,578.72**	3,987,254,610.05

(2) Significant trade payables aged over 1 year

RMB

Items	Closing balance	Reason for outstanding or carried forward amounts
Supplier A	**316,559,856.17**	Construction payables, not yet due for payment
Total	**316,559,856.17**	/

28. CONTRACT LIABILITIES

RMB

Items	Closing balance	Opening balance
Advances from customers	**43,900,934.48**	44,465,850.49
Total	**43,900,934.48**	44,465,850.49

29. PAYROLL PAYABLE

(1) Payroll payable

RMB

Items	Opening balance	Additions during the period	Decreases during the period	Closing balance
I. Short-term employee benefits	101,225,383.44	391,009,327.31	408,329,925.51	**83,904,785.24**
II. Post-employment benefits – defined contribution plans	2,094,191.65	38,298,531.46	38,182,666.61	**2,210,056.50**
Total	103,319,575.09	429,307,858.77	446,512,592.12	**86,114,841.74**

(2) Short-term employee benefits

RMB

Items	Opening balance	Additions during the period	Decreases during the period	**Closing balance**
I. Wages, bonuses, allowances and subsidies	96,580,502.70	339,796,564.90	356,789,795.76	**79,587,271.84**
II. Employee welfare expenses	1,634,181.89	20,753,218.03	20,576,304.66	**1,811,095.26**
III. Social insurance premiums	1,355,407.43	22,531,747.99	22,431,820.00	**1,455,335.42**
Including: Medical insurance premiums	1,117,962.11	17,744,821.46	17,751,855.76	**1,110,927.81**
Work injury insurance premiums	170,547.47	3,814,649.65	3,771,900.36	**213,296.76**
Maternity insurance premiums	66,897.85	972,276.88	908,063.88	**131,110.85**
IV. Housing provident funds	1,053,958.00	6,780,218.93	6,926,798.00	**907,378.93**
V. Trade union funds and employee education expenses	601,333.42	1,147,577.46	1,605,207.09	**143,703.79**
Total	101,225,383.44	391,009,327.31	408,329,925.51	**83,904,785.24**

(3) *Defined contribution plans*

RMB

Items	Opening balance	Increases during the period	Decreases during the period	**Closing balance**
1. Basic pension insurance	2,039,927.66	37,050,620.11	36,938,721.96	**2,151,825.81**
2. Unemployment insurance premiums	54,263.99	1,247,911.35	1,243,944.65	**58,230.69**
Total	2,094,191.65	38,298,531.46	38,182,666.61	**2,210,056.50**

The Group participates in the pension insurance and unemployment insurance schemes established by government authorities in accordance with the relevant regulations. Under these schemes, the Group and its subsidiaries other than the Vietnam subsidiaries contribute to such schemes at 16.00% and 0.50% of the basic salaries of the employees each month, and the subsidiaries of the Group located in Vietnam contribute at 17.50% and 1.00% of the basic salaries of the employees each month. Apart from the above monthly contributions, the Group has no further payment obligations. The corresponding expenditures are charged to profit or loss for the period when incurred.

The amounts that the Group should contribute to the pension insurance and unemployment insurance schemes during the period were RMB37,050,620.11 and RMB1,247,911.35 respectively (for the six months ended 30 June 2025: RMB35,129,462.27 and RMB1,192,904.47 respectively). As at 30 June 2026, the Group still had accrued but unpaid contributions of RMB2,151,825.81 and RMB58,230.69 to the pension insurance and unemployment insurance schemes respectively.

30. TAX PAYABLE

RMB

Category	**Amounts at the end of the period**	Amounts at the beginning of the period
Corporate income tax	**138,455,976.63**	80,443,462.83
Value-added tax	**53,435,875.29**	19,918,814.44
Resource tax	**8,234,034.53**	7,224,195.64
Property tax	**16,721,781.55**	18,027,940.62
Land use tax	**11,092,053.35**	12,578,713.02
Urban maintenance and construction tax	**2,427,293.30**	3,731,956.80
Education surcharges and local education surcharges	**2,018,837.25**	3,161,830.23
Individual income tax	**5,406,792.47**	879,515.05
Others	**4,377,797.02**	4,710,537.33
Total	**242,170,441.39**	150,676,965.96

31. OTHER PAYABLES

Items

RMB

Items	**Closing balance**	Opening balance
Interests payable	**23,026,619.40**	45,223,547.09
Dividends payable	**157,920.00**	136,920.00
Other payables	**110,409,931.45**	147,218,629.47
Total	**133,594,470.85**	192,579,096.56

(1) Interests payable

RMB

Items	Closing balance	Opening balance
Interests payable on convertible bonds	**8,284,666.39**	37,151,805.06
Interests payable on long-term borrowings with interest paid periodically and principal repaid at maturity	**5,478,169.26**	7,852,422.59
Interests payable on short-term borrowings	**9,263,783.75**	219,319.44
Total	**23,026,619.40**	45,223,547.09

(2) Dividends payable

RMB

Items	Closing balance	Opening balance
Ordinary share dividends	**157,920.00**	136,920.00
Total	**157,920.00**	136,920.00

(3) Other payables

RMB

Items	Closing balance	Opening balance
Deposits	**62,818,187.75**	52,340,321.36
Restricted share incentive plans	**1,855,280.00**	1,855,280.00
Freight and insurance premiums	**40,484,878.60**	37,089,822.41
Investment payables	**–**	51,837,400.00
Others	**5,251,585.10**	4,095,805.70
Total	**110,409,931.45**	147,218,629.47

As at the end of the period, the Group had no other payables aged over one year with significant amounts.

32. NON-CURRENT LIABILITIES DUE WITHIN ONE YEAR

RMB

Items	Closing balance	Opening balance
Long-term borrowings due within one year	**2,716,061,433.08**	2,315,143,228.94
Lease liabilities due within one year	**23,453,098.33**	30,252,906.01
Long-term payables due within one year	**107,969,868.54**	47,989,504.57
Total	**2,847,484,399.95**	2,393,385,639.52

33. OTHER CURRENT LIABILITIES

RMB

Items	Closing balance	Opening balance
Output VAT to be carried forward	**3,333,204.46**	2,805,550.04
Total	**3,333,204.46**	2,805,550.04

34. LONG-TERM BORROWINGS

RMB

Items	Closing balance	Opening balance
Mortgage and pledge borrowings	**897,000,000.00**	899,000,000.00
Guaranteed and pledge borrowings	**1,945,177,110.20**	2,139,132,463.81
Mortgage borrowings	**219,000,000.00**	159,000,000.00
Guaranteed borrowings	**1,108,500,000.00**	1,550,299,670.40
Guaranteed and mortgage borrowings	**3,248,491,166.70**	3,710,858,052.40
Credit borrowings	**399,800,000.00**	299,850,000.00
Less: Long-term borrowings due within one year	**2,716,061,433.08**	2,315,143,228.94
Total	**5,101,906,843.82**	6,442,996,957.67

35. BONDS PAYABLES

(1) Bonds payables

RMB

Items	Closing balance	Opening balance
Bonds payables	**4,137,000,172.66**	4,065,908,075.91
Total	**4,137,000,172.66**	4,065,908,075.91

(2) Changes in bonds payables

RMB

Name of bonds	Face value	Issue date	Term of bonds	Issue amount	Opening balance	Issued during the period	Interest accrued at face value	Amortisation of premiums or discounts	Converted into shares during the period	Closing balance
Fulaizhuan (Convertible Bond)	100	2022/5/20	6 years	4,000,000,000.00	4,065,908,075.91	–	31,134,246.58	102,243,073.43	16,730.10	**4,137,000,172.66**

(3) Description of the conversion conditions and conversion period of the convertible bonds

With the approval of the China Securities Regulatory Commission (Zhengjianxuke [2022] No. 664), the Company publicly issued 40,000,000 A-share convertible bonds (the "Convertible Bonds") on 20 May 2022, with a face value of RMB100 per bond, issued at par, with a total issue amount of RMB4,000,000,000.00 and a term of 6 years. The annual coupon rates of the Convertible Bonds are 0.3% for the first year, 0.5% for the second year, 1.0% for the third year, 1.5% for the fourth year, 1.8% for the fifth year and 2.0% for the sixth year. Interest is paid once a year, and the principal and the interest of the final year are repaid at maturity. The conversion period of the Convertible Bonds commences from the first trading day after the expiry of 6 months from the completion date of the issuance of the Convertible Bonds (26 May 2022) to the maturity date of the Convertible Bonds, i.e. from 28 November 2022 to 19 May 2028. The initial conversion price is RMB43.94 per share. If the Company distributes bonus shares, converts capital reserve into share capital, issues new shares (excluding the increase in share capital arising from the issue of the Convertible Bonds), makes rights issues or distributes cash dividends, the Company will adjust the conversion price in accordance with the prospectus.

As at 30 June 2026, convertible bonds with a total face value of RMB128,000.00 had been converted into A-share ordinary shares of the Company, with a total of 2,964 shares converted. During the first half of 2026, convertible bonds with a face value of RMB12,000.00 were converted into A-share ordinary shares, with a total of 286 shares converted.

36. LEASE LIABILITIES

RMB

Items	Closing balance	Opening balance
Lease liabilities	**779,749,171.91**	796,607,945.79
Less: Lease liabilities included in non-current liabilities due within one year	**23,453,098.33**	30,252,906.01
Total	**756,296,073.58**	766,355,039.78

The lease liabilities of the Group are analysed by maturity of the remaining undiscounted contractual obligations as follows:

RMB

Category	Amounts at the end of the year	Amounts at the beginning of the year
Within 1 year	**56,235,277.38**	61,561,843.75
1 to 2 years	**56,008,297.38**	56,182,147.38
2 to 5 years	**159,268,043.82**	160,663,938.82
Over 5 years	**938,824,644.39**	964,493,728.04
Total	**1,210,336,262.97**	1,242,901,657.99

37. LONG-TERM PAYABLES

Items

RMB

Items	Closing balance	Opening balance
Long-term payables	**118,980,504.24**	–
Total	**118,980,504.24**	–

(1) Long-term payables

RMB

Items	Closing balance	Opening balance
Consideration payable for mining rights	**226,950,372.78**	47,989,504.57
Less: Long-term payables included in non-current liabilities due within one year	**107,969,868.54**	47,989,504.57
Total	**118,980,504.24**	–

38. ESTIMATED LIABILITIES

RMB

Items	Closing balance	Opening balance	Reasons
Environmental protection and land reclamation expenses	**3,551,671.12**	3,897,359.93	**Accrued geological environment protection and land reclamation expenses of mines**
Total	**3,551,671.12**	3,897,359.93	/

39. DEFERRED INCOME

RMB

Items	Opening balance	Increases during the period	Decreases during the period	Closing balance
Government grants	321,321,835.41	–	15,646,870.60	**305,674,964.81**
Total	321,321,835.41	–	15,646,870.60	**305,674,964.81**

40. SHARE CAPITAL

RMB

	Opening balance	Changes during the period (+/-) Conversion of convertible bonds	Others	**Closing balance**
Total share capital	585,720,058.25	71.50	–	**585,720,129.75**

41. OTHER EQUITY INSTRUMENTS

RMB

Outstanding financial instruments	Beginning of the year		Increase during the year		Decrease during the year		**End of the year**	
	Quantity	Carrying value	Quantity	Carrying value	Quantity	Carrying value	**Quantity**	**Carrying value**
Convertible bonds	39,998,840.00	491,721,254.21	–	–	120.00	1,475.21	**39,998,720.00**	**491,719,779.00**

Other equity instruments arise from the equity component of the issued convertible bonds; see Note "Bonds payables".

42. CAPITAL RESERVE

RMB

Items	Opening balance	Additions during the period	Decreases during the period	Closing balance
Share premium	10,704,787,488.16	21,319.08	–	**10,704,808,807.24**
Other capital reserve	876,801.85	158,210.73	–	**1,035,012.58**
Total	10,705,664,290.01	179,529.81	–	**10,705,843,819.82**

43. TREASURY STOCK

RMB

Items	Opening balance	Additions during the period	Decreases during the period	Closing balance
Treasury stock	301,856,607.47	73,460,710.83	–	**375,317,318.30**

The Company convened the 18th meeting of the 7th Board of Directors on 8 April 2026 and considered and approved the Resolution on the General Mandate to Repurchase Part of the H Shares of the Company for 2026, pursuant to which the Company may repurchase part of its H shares and hold them as treasury shares. The number of shares to be repurchased shall not exceed 10% of the total number of issued H shares of the Company at the time when the resolution is approved by the shareholders' meeting, and the repurchase price on any repurchase date shall not be equal to or higher than 105% of the average closing price of the H shares on the Stock Exchange in the previous five trading days. The above resolution was approved at the annual general meeting for 2025 convened on 12 May 2026.

During the reporting period, the Company repurchased an aggregate of 11,192,000 H shares, at a repurchase price range of HK$5.96 per share to HK$7.98 per share, with an aggregate amount paid of HK$84,192,890.00 (equivalent to RMB73,460,710.83), increasing treasury stock by RMB73,460,710.83.

44. OTHER COMPREHENSIVE INCOME

RMB

Items	Opening balance	Amounts arising during the period: Amounts before income tax for the period	Less: Income tax expense	Attributable to the parent company	Attributable to non-controlling interests	Closing balance
I. Other comprehensive income that will not be reclassified to profit or loss	–	–	–	–	–	**-**
II. Other comprehensive income that will be reclassified to profit or loss	-140,237,601.82	-76,517,835.82	–	-75,191,159.04	-1,326,676.78	**-215,428,760.86**
– Exchange differences on translation of foreign currency financial statements	-140,237,601.82	-76,517,835.82	–	-75,191,159.04	-1,326,676.78	**-215,428,760.86**
Total other comprehensive income	-140,237,601.82	-76,517,835.82	–	-75,191,159.04	-1,326,676.78	**-215,428,760.86**

45. SPECIAL RESERVE

RMB

Items	Opening balance	Increases during the period	Decreases during the period	Closing balance
Work safety expenses	85,214,090.18	14,968,142.43	924,017.53	**99,258,215.08**
Total	85,214,090.18	14,968,142.43	924,017.53	**99,258,215.08**

46. SURPLUS RESERVE

RMB

Items	Opening balance	Additions during the period	Decreases during the 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	Previous year
Undistributed profit at the beginning of the period	**10,794,884,367.54**	9,814,310,237.19
Add: Net profit attributable to shareholders of the parent company for the period	**-363,017,628.12**	980,574,130.35
Less: Dividends payable on ordinary shares	**349,435,785.90**	–
Undistributed profit at the end of the period	**10,082,430,953.52**	10,794,884,367.54

48. OPERATING REVENUE AND OPERATING COSTS

(1) *Operating revenue and operating costs*

RMB

Items	Current period		Previous period	
	Revenue	**Costs**	Revenue	Costs
Principal operations	**6,636,444,569.10**	**6,106,378,746.44**	7,583,627,241.44	6,551,619,523.26
Other operations	**31,765,555.89**	**16,657,828.53**	153,400,894.62	98,301,623.16
Total	**6,668,210,124.99**	**6,123,036,574.97**	7,737,028,136.06	6,649,921,146.42

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

RMB

Contract category	Total	
	Operating revenue	Operating costs
Type of goods		
Photovoltaic glass	5,861,594,648.96	5,467,162,117.32
Household glass	119,791,347.87	103,799,991.52
Engineering glass	217,900,539.17	182,587,747.26
Float glass	101,865,655.17	114,099,244.42
Electricity generation revenue	223,379,079.99	145,206,798.10
Mining products	111,913,297.94	93,522,847.82
Other operations	31,765,555.89	16,657,828.53
By operating region		
China	4,295,950,289.77	4,357,957,385.92
Asia (excluding China)	1,590,641,701.26	1,166,184,839.00
Europe	64,442,805.56	55,018,595.38
North America	708,199,130.09	536,316,001.47
Others	8,976,198.31	7,559,753.20
By sales channel		
Direct sales	6,608,827,272.20	6,050,857,090.60
Traders	59,382,852.79	72,179,484.37
Total	6,668,210,124.99	6,123,036,574.97

(3) Description of performance obligations

Items	Timing of satisfaction of performance obligations	Significant payment terms	Nature of goods committed to be transferred	Whether the Company is the principal	Amounts expected to be refunded to customers	Types of warranties provided and related obligations
Domestic product sales	Delivery to the agreed place of delivery under the contracts or self-collection by the buyers, with acceptance confirmed by the buyers	Mainly on credit, with credit terms of 30–120 days after acceptance of goods for major customers	Glass products, mining products, etc.	Yes	Not applicable	Provides warranties that the goods sold meet the established standards. Where the products sold by the Group have quality defects, customers are entitled to return or exchange the goods, which does not constitute a separate performance obligation.
Export product sales	For EXW terms, upon pick-up by the carrier designated by the buyer; for FOB, CIF and FCA terms, upon completion of export customs declaration procedures in accordance with the contracts and shipment of the goods over the ship's rail; for DDP and DAP terms, upon delivery of the goods to the delivery place designated by the buyer					
Electricity generation business	Upon transmission of electricity to the lines designated by the State Grid	Credit period of 30 days	Electricity	Yes	Not applicable	Not applicable

49. TAXES AND SURCHARGES

RMB

Items	Current period	Previous period
Resource tax	**15,201,208.93**	9,651,485.01
Urban maintenance and construction tax	**8,730,139.33**	4,217,874.96
Education surcharges	**8,026,339.89**	4,023,633.92
Stamp duty	**4,166,316.96**	4,518,866.12
Property tax	**29,109,346.26**	23,422,062.02
Environmental protection tax	**2,366,632.97**	3,695,040.91
Water conservancy construction special funds	**2,741,810.31**	3,147,516.01
Land use tax	**18,624,117.10**	16,691,318.18
Others	**2,363,609.52**	1,156,654.34
Total	**91,329,521.27**	70,524,451.47

50. SELLING EXPENSES

RMB

Items	Current period	Previous period
Container frame usage fees	**14,828,935.07**	18,077,395.02
Employee compensation and welfare expenses	**8,483,549.18**	8,102,150.24
Marketing and promotion expenses	**304,568.32**	868,817.67
Depreciation and amortisation	**195,614.07**	205,327.90
Others	**5,441,391.10**	4,329,633.57
Total	**29,254,057.74**	31,583,324.40

51. GENERAL AND ADMINISTRATIVE EXPENSES

RMB

Items	Current period	Previous period
Employee compensation and welfare expenses	**68,209,894.24**	63,498,815.89
Equity-settled share-based payments	**158,210.73**	4,940,746.42
Depreciation and amortisation	**84,761,723.85**	30,985,854.78
Labour costs	**4,339,757.30**	1,367,934.98
Intermediary service fees	**7,517,980.16**	5,087,696.40
Greening and environmental protection expenses	**7,313,015.04**	9,658,505.63
Office expenses	**8,848,299.38**	8,149,455.44
Rental expenses	**5,064,801.28**	7,127,368.53
Entertainment expenses	**1,255,558.95**	879,967.59
Transportation expenses	**1,906,197.39**	1,847,407.87
Travel expenses	**1,821,525.01**	1,799,269.44
Property insurance premiums	**493,780.28**	402,738.75
Repair expenses	**1,374,428.82**	106,239.16
Others	**8,764,273.08**	8,919,117.67
Total	**201,829,445.51**	144,771,118.55

52. RESEARCH AND DEVELOPMENT EXPENSES

RMB

Items	Current period	Previous period
Employee compensation and welfare expenses	**48,290,194.64**	54,437,820.13
Direct material expenses	**191,465,412.11**	139,938,478.78
Depreciation and amortisation	**15,119,587.28**	18,069,254.08
Others	**1,142,669.34**	2,290,482.18
Total	**256,017,863.37**	214,736,035.17

53. FINANCIAL EXPENSES

RMB

Items	Current period	Previous period
Interest expenses on borrowings	**247,733,829.68**	266,176,196.06
Less: Interest income	**50,256,744.53**	40,217,174.01
Handling charges	**2,666,949.23**	2,357,710.08
Exchange gains and losses	**55,283,661.76**	-22,707,014.94
Total	**255,427,696.14**	205,609,717.19

54. OTHER INCOME

RMB

Classification by nature	Current period	Previous period
Government grants related to assets	**15,646,870.60**	12,113,098.35
Government grants related to income	**10,988,984.20**	7,363,516.65
Additional VAT deduction	**15,276,191.71**	25,613,758.50
VAT exemption for recruitment of retired soldiers and persons lifted out of poverty	**77,250.00**	995.75
Refunded individual income tax handling fees	**319,581.24**	500,780.30
Total	**42,308,877.75**	45,592,149.55

55. INVESTMENT INCOME

RMB

Items	Current period	Previous period
Investment income from disposal of derivative financial instruments	**1,429,697.01**	-279,813.05
Investment income from long-term equity investments under the equity method	**13,004,132.13**	17,203,819.27
Investment income from disposal of trading financial assets	**2,733,362.99**	2,938,449.04
Gains (losses) from disposal of long-term equity investments	**-19,188.91**	–
Total	**17,148,003.22**	19,862,455.26

56. CREDIT IMPAIRMENT LOSS

RMB

Items	Current period	Previous period
Credit impairment gains (losses) on bills receivables	**1,804,664.71**	1,585,011.22
Credit impairment gains (losses) on trade receivables	**-762,811.13**	11,685,588.53
Total	**1,041,853.58**	13,270,599.75

57. ASSET IMPAIRMENT LOSS

RMB

Items	Current period	Previous period
Losses on diminution in value of inventories	**98,462,243.64**	113,414,217.79
Impairment losses on fixed assets	**102,809,104.69**	140,503,642.51
Total	**201,271,348.33**	253,917,860.30

58. GAINS ON DISPOSAL OF ASSETS

RMB

Items	Current period	Previous period
Gains on disposal of assets	**3,360,349.05**	29,670,956.68
Total	**3,360,349.05**	29,670,956.68

59. NON-OPERATING INCOME

RMB

Items	Current period	Previous period	Amounts included in non-recurring gains and losses for the period
Miscellaneous income	**4,654,246.96**	1,735,381.30	4,654,246.96
Total	**4,654,246.96**	1,735,381.30	4,654,246.96

60. NON-OPERATING EXPENSES

RMB

Items	Current period	Previous period	Amounts included in non-recurring gains and losses for the period
Donations	**141,000.00**	–	1,251,836.49
Others	**3,994,180.73**	375,472.64	2,883,344.24
Total	**4,135,180.73**	375,472.64	4,135,180.73

61. INCOME TAX EXPENSE

RMB

Items	Current period	Previous period
Current income tax expense	**81,820,744.17**	40,396,221.15
Additional (refunded) income tax for the previous year	**2,405,353.55**	7,996,343.97
Deferred income tax expense	**-149,181,867.22**	-39,011,602.26
Total	**-64,955,769.50**	9,380,962.86

Reconciliation between accounting profit and income tax expense

RMB

Items	Current period
Total profit	**-427,726,884.82**
Income tax expense calculated at the tax rate of 15%	**-64,159,032.73**
Effect of different tax rates applicable to subsidiaries	**12,955,005.23**
Effect of non-deductible costs, expenses and losses	**9,266,577.36**
Effect of additional (refunded) income tax for the previous period	**2,405,353.55**
Tax effect of tax incentives	**-36,091,132.53**
Tax effect of using deductible temporary differences or deductible losses for which deferred tax assets had not been recognised in previous periods	**-674,995.12**
Tax effect of deductible temporary differences or deductible losses for which deferred tax assets have not been recognised for the current year	**31,655,934.55**
Changes in the opening balances of deferred tax assets/liabilities due to tax rate adjustments	**3,509,458.42**
Effect of additional deduction of research and development expenses	**-23,822,938.23**
Income tax expense	**-64,955,769.50**

62. ITEMS IN THE STATEMENT OF CASH FLOWS

(1) Cash related to operating activities

Cash received relating to other operating activities

RMB

Items	Current period	Previous period
Government grants	**11,385,815.44**	90,679,996.95
Interest income	**46,914,443.14**	36,388,262.36
Operating deposits	**7,629,058.53**	14,777,800.00
Others	**4,654,246.96**	2,964,038.02
Total	**70,583,564.07**	144,810,097.33

Cash paid relating to other operating activities

RMB

Items	Current period	Previous period
Payments for expenses	**251,887,417.97**	184,934,927.66
Operating deposits	**32,060,402.77**	7,972,470.90
Charitable donation expenses	**141,000.00**	–
Handling charges	**2,666,949.23**	2,357,710.08
Others	**3,994,180.73**	2,369,407.39
Total	**290,749,950.70**	197,634,516.03

(2) *Cash related to investing activities*

Significant cash received relating to investing activities

RMB

Items	Current period	Previous period
Redemption of bank wealth management products	**2,099,966,373.72**	2,560,000,000.00
Redemption of bank time deposits	**169,166,023.50**	50,000,000.00
Transfer of negotiable large-denomination time deposits of banks	**–**	140,000,000.00
Total	**2,269,132,397.22**	2,750,000,000.00

Significant cash paid relating to investing activities

RMB

Items	Current period	Previous period
Purchase of bank wealth management products	**2,160,016,373.72**	2,220,000,000.00
Purchase of bank time deposits	**208,259,164.86**	200,126,000.00
Additional investments in associates	**154,621,925.00**	–
Total	**2,522,897,463.58**	2,420,126,000.00

Cash received relating to other investing activities

RMB

Items	Current period	Previous period
Recovery of restricted cash such as bill deposits	**1,110,030,678.82**	734,102,620.73
Construction deposits	**60,943,316.64**	9,439,816.30
Total	**1,170,973,995.46**	743,542,437.03

Cash paid relating to other investing activities

RMB

Items	Current period	Previous period
Payments of restricted cash such as bill deposits	**1,110,030,679.10**	724,063,824.99
Construction deposits	**3,344,816.30**	12,647,000.00
Total	**1,113,375,495.40**	736,710,824.99

(3) Cash related to financing activities

Cash received relating to other financing activities

RMB

Items	Current period	Previous period
Recovery of restricted cash such as bill deposits	**131,239,470.37**	602,259,396.77
Recovery of matured time deposits	**273,050,000.00**	207,000,000.00
Total	**404,289,470.37**	809,259,396.77

Cash paid relating to other financing activities

RMB

Items	Current period	Previous period
Payments of restricted cash such as bill deposits	**92,346,147.00**	230,284,789.89
Share repurchases	**73,460,710.83**	74,519,132.42
Purchase of time deposits for pledge	**200,000,000.00**	67,000,000.00
Purchase of minority interests	**–**	1,000,000.00
Lease payments	**34,059,746.50**	28,261,715.37
Total	**399,866,604.33**	401,065,637.68

Changes in liabilities arising from financing activities

RMB

Items	Opening balance	Increases during the period – cash changes	Increases during the period – non-cash changes	Decreases during the period – cash changes	Decreases during the period – non-cash changes	Closing balance
Other payables – repurchase obligations under employee share schemes	1,855,280.00	–	–	–	–	**1,855,280.00**
Other payables – dividends payable and interests payable	45,360,467.09	–	512,488,163.08	-534,660,905.52	-3,179.04	**23,184,545.61**
Short-term borrowings	832,480,837.67	1,635,515,975.14	–	-850,867,600.00	-56,920,632.81	**1,560,208,580.00**
Long-term borrowings (including those due within one year)	8,758,140,186.61	527,386,300.80	–	-1,456,782,995.30	-10,775,215.21	**7,817,968,276.90**
Bonds payables	4,065,908,075.91	–	71,108,826.85	–	-13,574.37	**4,137,003,328.39**
Lease liabilities (including those due within one year)	796,607,945.79	–	17,200,971.96	-34,059,745.84	–	**779,749,171.91**
Total	14,500,352,793.07	2,162,902,275.94	600,797,961.89	-2,876,371,246.66	-67,712,601.43	**14,319,969,182.81**

63. SUPPLEMENTARY INFORMATION TO THE STATEMENT OF CASH FLOWS

(1) *Supplementary information to the statement of cash flows*

RMB

Supplementary information to the statement of cash flows	Current period	Previous period
1. Reconciliation of net profit to cash flows from operating activities		
Net profit	**-362,771,115.32**	265,957,379.79
Add: Asset impairment provisions	**201,271,348.33**	253,917,860.30
Credit loss provisions (gains)	**-1,041,853.58**	-13,270,599.75
Amortisation of investment properties	**12,787,074.96**	12,802,210.85
Depreciation of fixed assets	**821,099,985.91**	764,467,518.57
Depreciation of right-of-use assets	**20,209,091.15**	19,740,359.69
Amortisation of intangible assets	**263,201,044.70**	123,397,735.31
Amortisation of long-term prepaid expenses	**31,170,570.15**	29,886,916.32
Losses (gains) on disposal of fixed assets, intangible assets and other long-term assets	**-3,360,349.04**	-29,670,956.68
(Gains) losses from changes in fair value	**2,148,652.31**	382,209.81
Financial expenses	**257,533,909.12**	252,786,904.12
Investment income	**-17,148,003.22**	-19,862,455.26
Decrease (increase) in deferred tax assets	**-44,680,014.68**	151,178.98
Increase (decrease) in deferred tax liabilities	**-104,501,852.54**	-39,162,781.24
(Increase) decrease in inventories	**-143,074,511.58**	-338,412,036.69
Increase in operating receivables	**-46,829,680.23**	89,944,358.73

Supplementary information to the statement of cash flows	**Current period**	Previous period
Increase in operating payables	**455,425,370.58**	29,665,949.96
Amortisation of deferred income	**-15,646,870.60**	-12,113,098.35
Increase in special reserve	**14,968,142.43**	5,498,996.69
Equity-settled share-based payments	**158,210.73**	4,595,624.10
Net cash flows from operating activities	**1,340,919,149.58**	1,400,703,275.25

2. Significant investing and financing activities not involving cash

Settlement of construction and equipment payables by endorsement of bills receivables	**328,907,948.82**	444,726,812.67
New right-of-use assets during the period	**6,476,452.39**	26,108,117.79
Borrowings formed by discounting of bills receivables	**38,500,855.14**	8,886,467.84

3. Net changes in cash and cash equivalents

Closing balance of cash	**3,503,280,092.37**	4,201,412,267.04
Less: Opening balance of cash	**3,719,428,902.79**	4,511,627,060.96
Add: Closing balance of cash equivalents	**–**	–
Less: Opening balance of cash equivalents	**–**	–
Net increase in cash and cash equivalents	**-216,148,810.42**	-310,214,793.92

(3) *Composition of cash and cash equivalents*

RMB

Items	Amounts at the end of the period	Amounts at the beginning of the period
I. Cash	**3,503,280,092.37**	3,719,428,902.79
Including: Cash on hand	**517,025.43**	2,173,089.90
Bank deposits available for payment on demand	**3,502,763,066.94**	3,717,255,812.89
Other cash at bank and on hand available for payment on demand	**–**	–
II. Cash equivalents	**–**	–
Closing balance of cash and cash equivalents	**3,503,280,092.37**	3,719,428,902.79

64. FOREIGN CURRENCY MONETARY ITEMS

(1) Foreign currency monetary items

Items	Foreign currency balances at the end of the period	Translation exchange rates	Translated RMB balances at the end of the period
Cash at bank and on hand			
Including: USD	186,595,651.00	6.8109	1,270,884,319.39
EUR	2,560,204.65	7.7671	19,885,365.53
JPY	92,466,810.00	0.0420	3,887,767.03
HKD	22,252,117.78	0.8685	19,327,076.89
GBP	3,774.68	9.0145	34,026.85
AUD	241,912.23	4.6804	1,132,246.00
SGD	20,310.00	5.2605	106,840.76
CHF	7,959,099.92	8.4228	67,037,906.82
Trade receivables			
Including: USD	109,405,219.03	6.8109	745,148,006.29
EUR	356,067.90	7.7671	2,765,614.99
Other receivables			
Including: USD	72,906.85	6.8109	496,561.26
HKD	3,970.00	0.8685	3,448.14
Other current assets			
Including: SGD	25,540,000.00	5.2605	134,353,170.00
HKD	78,377,000.00	0.8686	68,074,343.35
Trade payables			
Including: USD	3,872,355.63	6.8109	26,374,226.96
EUR	93,500.00	7.7671	726,223.85
Borrowings			
Including: USD	96,200,000.00	6.8109	655,208,580.00

(2) Description of significant overseas operating entities

Name of subsidiary	Principal place of overseas operations	Functional currency	Basis for selection
Flat Glass (Vietnam)	Vietnam	Vietnamese Dong	Determined based on the economic environment in which it operates

65. LEASES

(1) As lessee

As a lessee, the lease assets leased by the Group are land, farmers' roofs and buildings used in the course of operations. The Vietnam subsidiary of the Group leases a number of parcels of land in Vietnam with lease terms ranging from 29 to 42 years; the subsidiary of the Group, Fulaite, leases the roofs of a number of farmers with lease terms ranging from 25 to 30 years; and the subsidiary of the Group, Sanli Mining, leases buildings with a lease term of 2 years and 5 months. The lease terms are all fixed lease payments. Short-term leases are leases of certain buildings and wharves. The aforementioned right-of-use assets cannot be used for borrowing pledges, guarantees or other purposes. As at 30 June 2026, apart from the deposits paid by the Group to the lessors as security interests in the leased assets, no other security clauses are attached to the lease agreements. The leased assets cannot be used as security for borrowings.

RMB

Items	Current period
Interest expenses on lease liabilities	**16,275,280.90**
Short-term lease expenses under the simplified approach included in profit or loss for the period	**6,456,306.71**
Total cash outflows relating to leases	**42,996,971.76**

(2) As lessor

Operating leases as lessor

RMB

Items	Lease income	Including: Income relating to variable lease payments not included in lease receipts
Property leases	**4,337,243.13**	–

Undiscounted lease receipts for the next five years

RMB

Items	Annual undiscounted lease receipts	
	Amounts at the end of the period	Amounts at the beginning of the period
First year	**9,731,043.27**	6,862,756.49
Second year	**8,288,487.41**	7,000,894.31
Third year	**7,814,108.65**	6,605,796.01
Fourth year	**7,031,730.83**	6,400,000.00
Fifth year	**6,550,000.00**	6,500,000.00
Total undiscounted lease receipts after five years	**39,415,370.16**	33,369,446.81

RESEARCH AND DEVELOPMENT EXPENDITURE

Disclosed by nature of expenditure

RMB

Items	Current period	Previous period
Employee compensation and welfare expenses	**48,290,194.64**	54,437,820.13
Direct material expenses	**191,465,412.11**	139,938,478.78
Depreciation and amortisation	**15,119,587.28**	18,069,254.08
Others	**1,142,669.34**	2,290,482.18
Total	**256,017,863.37**	214,736,035.17
Including: Expensed research and development expenditure	**256,017,863.37**	214,736,035.17
Capitalised research and development expenditure	**–**	–

INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

Level	Name of subsidiary	Principal place of operations and place of incorporation	Currency	Registered capital	Nature of business	Shareholding and voting rights (%) Direct	Indirect	Method of acquisition
1	Zhejiang Flat Glass Co., Ltd.	Zhejiang, China	RMB	10,000,000.00	Manufacture and sale of architectural or household glass	100	–	Establishment
2	Zhejiang Jiafu Glass Co., Ltd.	Zhejiang, China	RMB	150,000,000.00	Manufacture and sale of photovoltaic glass	100	–	Establishment
2.1	Flat Glass (Hong Kong) Investment Limited	Hong Kong, China	HKD	1,000,000.00	Investment	–	100	Establishment
3	Shanghai Flat Glass Co., Ltd.	Shanghai, China	RMB	70,000,000.00	Processing of engineering glass	100	–	Establishment
4	Anhui Flat Glass Photovoltaic Glass Co., Ltd.	Anhui, China	RMB	2,500,000,000.00	Manufacture and sale of photovoltaic glass	100	–	Establishment
4.1	Fengyang Flat Glass Natural Gas Pipeline Co., Ltd.	Anhui, China	RMB	20,000,000.00	Installation and sale of natural gas pipelines	–	100	Establishment
4.2	Fengyang Flat Glass New Energy Technology Co., Ltd.	Anhui, China	RMB	10,000,000.00	Investment, construction, operation and maintenance of new energy power plants	–	100	Establishment
4.3	Anhui Flat Glass Supply Chain Management Co., Ltd.	Anhui, China	RMB	5,000,000.00	Supply chain management services	–	100	Establishment
4.4	Anhui Flat Glass Photovoltaic Materials Co., Ltd.	Anhui, China	RMB	1,000,000,000.00	Mining operation and sale of quartz ore	–	100	Establishment
4.4.1	Anhui Sanli Mining Co., Ltd.	Anhui, China	RMB	170,000,000.00	Mining operation and sale of quartz ore	–	100	Acquisition
4.4.2	Fengyang Fusha Technology Co., Ltd.	Anhui, China	RMB	1,000,000.00	Mining operation and sale of quartz ore	–	100	Establishment
4.4.3	Fengyang County Fuheng Mining Technology Co., Ltd.	Anhui, China	RMB	20,000,000.00	Mining operation and sale of quartz ore	–	100	Establishment
4.5	Anhui Dahua Oriental Mining Co., Ltd.	Anhui, China	RMB	50,000,000.00	Mining operation and sale of quartz ore	–	100	Acquisition

Level	Name of subsidiary	Principal place of operations and place of incorporation	Currency	Registered capital	Nature of business	Shareholding and voting rights (%)		Method of acquisition
						Direct	Indirect	
5	Flat Glass (Hong Kong) Limited	Hong Kong, China	USD	10,000,000.00	Export of glass	100	–	Establishment
5.1	Flat Glass (Vietnam) Co., Ltd.	Vietnam	VND	1,752,800,000,000.00	Manufacture and sale of photovoltaic glass	–	100	Establishment
5.1.1	Flat Glass (Vietnam) Import and Export Trading Co., Ltd.	Vietnam	VND	2,286,000,000.00	Import and export trading	–	100	Establishment
5.2	Zhejiang Fubo New Materials Co., Ltd.	Zhejiang, China	USD	10,000,000.00	Production and sale of non-metallic mineral products	–	100	Establishment
6	Jiaxing Flat Glass New Energy Technology Co., Ltd.	Zhejiang, China	RMB	10,000,000.00	Investment, construction, operation and maintenance of new energy power plants	100	–	Establishment
7	Flat Glass (Jiaxing) Import and Export Trading Co., Ltd.	Zhejiang, China	RMB	7,000,000.00	Import and export trading	100	–	Establishment
8	Flat Glass (Nantong) Photovoltaic Glass Co., Ltd.	Jiangsu, China	RMB	510,000,000.00	Manufacture and sale of photovoltaic glass	41.18	58.82	Establishment
8.1	Nantong Flat Glass Natural Gas Co., Ltd.	Jiangsu, China	RMB	10,000,000.00	Installation and sale of natural gas pipelines	–	100	Establishment
8.2	Nantong Yuantong Port Co., Ltd.	Jiangsu, China	RMB	50,000,000.00	Port operations	–	100	Acquisition
8.3	Nantong Tongfu New Materials Co., Ltd.	Jiangsu, China	RMB	10,000,000.00	Research and development of new materials technology	–	100	Establishment
8.4	Nantong Flat Glass New Materials Co., Ltd.	Jiangsu, China	RMB	10,000,000.00	Research and development of new materials technology	–	100	Establishment
9	Shanghai Flat Glass Technology Development Co., Ltd.	Shanghai, China	RMB	10,000,000.00	Research and development of new materials technology	100	–	Establishment
10	Jiaxing Flat Glass Intelligent Equipment Co., Ltd.	Zhejiang, China	RMB	30,000,000.00	Manufacture and sale of intelligent equipment	96.41	3.59	Establishment
11	Jiaxing Kunlun Flat Glass Energy Management Co., Ltd.	Jiangsu, China	RMB	10,000,000.00	Energy management	100	–	Establishment
12	Flat Glass (Guangxi) Guangneng Co., Ltd.	Guangxi, China	RMB	100,000,000.00	Manufacture and sale of photovoltaic glass	100	–	Establishment

Level	Name of subsidiary	Principal place of operations and place of incorporation	Currency	Registered capital	Nature of business	Shareholding and voting rights (%)		Method of acquisition
						Direct	Indirect	
13	Flat Glass Guangneng Co., Ltd.	Zhejiang, China	RMB	100,000,000.00	Development and sale of emerging energy technologies and equipment	100	–	Establishment
14	Zhejiang Fulaite New Energy Co., Ltd. and its subsidiaries	Zhejiang, China	RMB	400,000,000.00	Electricity generation and sale of photovoltaic modules	82	–	Establishment, Acquisition
15	Flat Glass (Yibin) Guangneng Co., Ltd.	Sichuan, China	RMB	100,000,000.00	Production and sale of non-metallic mineral products	100	–	Establishment
16	FLAT SOLAR TECHNOLOGY PTE. LTD.	Singapore	SGD	10,000.00	Investment	100	–	Establishment
16.1	PT FLATSOLAR ENERGY INDONESIA	Indonesia	IDR	1,200,000,000,000.00	Manufacture and sale of photovoltaic glass	–	95	Establishment
16.2	PT FlatGlobal Investment Indonesia	Indonesia	IDR	10,000,000,000.00	Investment	–	100	Establishment
16.3	FLAT TRADING USA CO.	USA	USD	100.00	Import and export trading	–	100	Establishment
17	Flat Glass (Shanxi) Guangneng Co., Ltd.	Shanxi, China	RMB	100,000,000.00	Production and sale of non-metallic mineral products	100	–	Establishment
18	Jiaxing Fulian Logistics Co., Ltd.	Zhejiang, China	RMB	2,000,000.00	Port operations, cargo handling and loading	100	–	Establishment
19	Zhongda Quartz Development (Anhui) Group Co., Ltd.	Anhui, China	RMB	140,000,000.00	Mining operation and sale of quartz ore	100	–	Acquisition
20	FLAT INTERNATIONAL SOLAR TRADE PTE. LTD	Singapore	SGD	1,000.00	Import and export trading	100	–	Establishment
21	Flat Glass Nanomaterials (Zhejiang) Co., Ltd.	Zhejiang, China	RMB	10,000,000.00	Production and sale of chemical products	100	–	Establishment

2. Interests in joint ventures and associates

Name of joint venture or associate	Principal place of operations and place of incorporation	Nature of business	Shareholding and voting rights (%)	Accounting treatment for investments in associates
Jiaxing Kaihong Flat Supply Chain Management Co., Ltd. and its subsidiaries	Zhejiang, China	Freight transport	40	Equity method
Fengyang PetroChina Kunlun Gas Co., Ltd.	Anhui, China	Installation, sale and operation of natural gas pipelines	35	Equity method
Jiaxing Gas Group Co., Ltd.	Zhejiang, China	Installation, sale and operation of natural gas pipelines	4.53	Equity method
Flat Glass (Jiaxing) Energy Supply Chain Co., Ltd.	Zhejiang, China	Wholesale and sale of chemical products	45	Equity method
PT Sky Brightness Metal Industry	Indonesia	Construction and operation of power plants	50	Equity method
Shanghai Fulairuicheng New Materials Co., Ltd. and its subsidiaries	Zhejiang, China	Research, development, promotion and sale of new materials technology	40	Equity method

Basis for significant influence with less than 20% voting rights:

The Group holds 4.53% of the equity interests in Jiaxing Gas, an H-share listed company. As the Group is entitled to appoint one non-executive director under the articles of association of Jiaxing Gas and is able to participate in its operating and financial decisions, the Group is able to exercise significant influence over the operations and finances of Jiaxing Gas, and therefore accounts for the investment in Jiaxing Gas under the equity method.

(1) Aggregated financial information of immaterial joint ventures and associates

RMB

	Amounts at the end of the period/ amounts for the current period	Amounts at the beginning of the period/amounts for the previous period
Associates:		
Total carrying value of investments	**286,205,919.18**	187,979,762.05
Aggregated amounts calculated at the shareholding percentages for the following items		
– Net profit	**13,004,132.13**	17,203,819.27
– Other comprehensive income	**–**	–
– Total comprehensive income	**13,004,132.13**	17,203,819.27

(2) There are no significant restrictions on the ability of the associates to transfer funds to the Group

(3) The Group has no contingent liabilities relating to investments in associates

GOVERNMENT GRANTS

1. Liabilities relating to government grants

RMB

Financial statement captions	Opening balance	Government grants newly received during the period	Transferred to other income during the period	Closing balance	Related to assets/income
Deferred income	321,321,835.41	–	15,646,870.60	**305,674,964.81**	Related to assets
Total	321,321,835.41	–	15,646,870.60	**305,674,964.81**	/

2. Government grants recognised in profit or loss

RMB

Classification	Amount for the current period	Amount for the previous period
Related to assets	**15,646,870.60**	12,113,098.35
Related to income	**10,988,984.20**	7,363,516.65
Total	**26,635,854.80**	19,476,615.00

RISKS RELATING TO FINANCIAL INSTRUMENTS

Risks of financial instruments

The main financial instruments of the Group include cash at bank and on hand, trading financial assets, derivative financial assets, bills receivables, trade receivables, financing receivables, other receivables, bank time deposits included in other current assets, debt investments, other debt investments, derivative financial liabilities, bills payables, trade payables, other payables, bonds payables and borrowings. The details of each financial instrument are described as follows:

RMB

Items	Amounts at the end of the period	Amounts at the beginning of the period
Financial assets:		
Measured at amortised cost		
Cash at bank and on hand	**3,786,706,023.89**	4,014,459,672.62
Bills receivables	**632,208,068.91**	1,016,212,275.03
Trade receivables	**2,968,757,968.53**	2,428,708,501.94
Other receivables	**62,220,053.60**	97,757,698.58
Other current assets (bank time deposits)	**470,527,513.55**	377,653,709.50
Non-current assets due within one year (debt investments)	**–**	140,576,000.00
Debt investments	**2,526,000.00**	126,000.00
At fair value through profit or loss		
Trading financial assets	**540,065,480.45**	480,018,805.88
Derivative financial assets	**2,083,180.44**	1,656,645.00
At fair value through other comprehensive income		
Financing receivables	**625,860,210.87**	1,124,553,338.33
Other debt investments	**61,630,356.18**	290,377,868.35
Non-current assets due within one year (other debt investments)	**232,089,813.56**	–

Items	Amounts at the end of the period	Amounts at the beginning of the period
Financial liabilities:		
Measured at amortised cost		
Bills payables	**321,917,263.38**	127,989,845.88
Trade payables	**3,873,193,578.72**	3,987,254,610.05
Other payables (excluding interests payable)	**110,567,851.45**	147,355,549.47
Bonds payables (including interests payable)	**4,145,284,839.05**	4,103,059,880.97
Borrowings (including interests payable)	**9,392,918,809.91**	9,598,692,766.31
At fair value through profit or loss		
Derivative financial liabilities	**8,876,883.00**	6,305,020.68

The risks relating to these financial instruments, and the risk management policies adopted by the Group to reduce these risks, are described below. The management of the Group manages and monitors these risk exposures to ensure that the risks are controlled within the prescribed limits.

1. Risk management objectives and policies

The Group's objective in risk management is to achieve an appropriate balance between risk and return, minimise the adverse impact of risks on the Group's operating results, and maximise the interests of the shareholders and other equity investors. Based on this risk management objective, the basic strategy of the Group's risk management is to identify and analyse the various risks faced by the Group, establish appropriate risk tolerance limits and carry out risk management, and supervise the various risks in a timely and reliable manner, so as to control the risks within the prescribed limits.

1.1 Market risk

The Group's business exposes it to financial risks arising from changes in interest rates and foreign exchange rates. The Group considers that the above risks faced during the current period, or the manner in which it manages and measures such risks, have not changed compared with previous years.

1.1.1 Foreign exchange risk

Foreign exchange risk is the risk of loss arising from changes in exchange rates. The principal business activities of the Company and its domestic subsidiaries are denominated and settled in RMB; the subsidiary of the Group located in Vietnam mainly conducts its business and settles in Vietnamese Dong. Part of the Group's transactions are settled in currencies other than the functional currency, including USD, EUR, JPY, HKD, GBP and AUD, and the Group is exposed to foreign exchange risk arising therefrom.

As at 30 June 2026, the foreign currency monetary assets and liabilities of the Group are set out in the table below. The foreign exchange risk arising from such foreign currency balances of assets and liabilities (see Note "Foreign currency monetary items") may affect the operating results of the Group.

RMB

Items	Amounts at the end of the period	Amounts at the beginning of the period
Cash at bank and on hand	**1,355,007,063.66**	1,448,582,943.24
Trade receivables	**747,913,621.28**	989,828,039.41
Other receivables	**500,009.40**	51,963,046.66
Other current assets (bank time deposits)	**202,427,513.35**	–
Debt investments due within one year	**–**	140,576,000.00
Trade payables	**27,100,450.81**	22,461,871.95
Other payables	**–**	51,837,400.00
Borrowings	**655,208,580.00**	654,239,670.40

The Group closely monitors exchange rate movements and has formulated relevant policies to reduce foreign exchange risk. The Group reduces foreign exchange risk through foreign exchange forward contracts and foreign exchange option contracts. As at 30 June 2026, the Group had entered into such contracts in respect of foreign currency monetary assets equivalent to RMB1,001,117,017.17 (equivalent to USD146,987,478.48).

1.1.2 Interest rate risk

The risk of changes in the cash flows of the Group's financial instruments arising from changes in interest rates mainly relates to floating-rate bank borrowings and floating-rate bank deposits. As at 30 June 2026, the amount of the Group's floating-rate borrowings was RMB8,498,135,076.90 (31 December 2025: RMB8,733,140,186.61). The Group considers that the impact of interest rate changes on floating-rate bank deposits is not significant. The management of the Group closely monitors interest rate risk. The Group's policy is to maintain the floating rates of these borrowings, and there are currently no arrangements such as interest rate swaps.

1.2 Credit risk

As at 30 June 2026, the maximum credit risk exposure that may cause credit losses of the Group mainly arises from losses on the financial assets of the Group caused by the failure of the counterparties to perform their obligations, and the financial guarantees undertaken by the Group (without taking into account available collateral or other credit enhancements), including: cash at bank and on hand, bills receivables, trade receivables, financing receivables, other receivables, bank time deposits included in other current assets, debt investments, other debt investments, etc., as well as trading financial assets and derivative financial assets not included in the scope of impairment assessment. As at the balance sheet date, the carrying value of the financial assets of the Group already represents its maximum credit risk exposure.

To reduce credit risk, the Group has dedicated staff in the credit control department responsible for determining credit limits, conducting credit approval, and performing other monitoring procedures to ensure that necessary measures are taken to recover overdue debts. In addition, the Group reviews the recoverability of financial assets at each balance sheet date to ensure that sufficient credit loss provisions have been made for the relevant financial assets. Therefore, the management of the Group considers that the credit risk borne by the Group has been significantly reduced.

The cash at bank and on hand and bank time deposits of the Group are deposited with banks with higher credit ratings, and therefore the credit risk of cash at bank and on hand and bank time deposits is low. With respect to the bank acceptance bills held, the management of the Group considers that the credit risk arising from default by banks in respect of the bank acceptance bills held by the Group is low. With respect to other receivables, after evaluating the nature of other receivables, the Group considers that there is no significant expected credit loss risk in respect of other receivables.

The Group has adopted the necessary policies to ensure that all sales customers have good credit records. Apart from the top five trade receivables of the Group disclosed in Note "Trade receivables", the Group has no other significant credit concentration risk.

1.3 Liquidity risk

In managing liquidity risk, the Group maintains and monitors cash and cash equivalents that management considers sufficient to meet the operating needs of the Group and to reduce the impact of fluctuations in cash flows. The management of the Group closely monitors the liquidity position and expects that there will be sufficient financing sources to fund the operations of the Group, and the management of the Group considers that the Group does not have significant liquidity risk.

The financial liabilities held by the Group are analysed by the maturity of the remaining undiscounted contractual obligations as follows:

RMB

Items	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
Short-term borrowings	1,592,355,088.74	–	–	–	1,592,355,088.74	1,560,208,580.00
Bills payables	321,917,263.38	–	–	–	321,917,263.38	321,917,263.38
Trade payables	3,873,193,578.72	–	–	–	3,873,193,578.72	3,873,193,578.72
Other payables (excluding interests payable)	110,567,851.45				110,567,851.45	110,567,851.45
Long-term borrowings (including those due within one year)	2,385,605,460.98	2,815,931,831.83	1,987,027,465.53	1,217,568,858.14	8,406,133,616.47	7,817,968,276.90
Bonds payables (including those due within one year)	71,997,696.00	4,479,856,636.05	–	–	4,551,854,332.05	4,137,000,172.66
Long-term payables (including those due within one year)	111,930,000.00	62,490,000.00	62,490,000.00	–	236,910,000.00	226,950,372.78

Transfers of financial assets

1. Classification of transfer methods

RMB

Transfer method	Nature of transferred financial assets	Amount of transferred financial assets	Derecognition status	Basis for determining derecognition
Endorsement	Bank acceptance bills	2,033,833,572.09	Derecognised in full	The accepting banks have higher credit ratings and the risk of being recourse is low
Discounting	Bank acceptance bills	643,244,122.72	Derecognised in full	
Endorsement	Bank acceptance bills	532,711,823.92	Not derecognised	The accepting banks have average credit ratings and there is a risk of being recourse
Discounting	Bank acceptance bills	–	Not derecognised	
Total	/	3,209,789,518.73	/	/

2. Financial assets derecognised as a result of transfers

RMB

Items	Method of transfer of financial assets	Amount of financial assets derecognised	Gains or losses relating to derecognition
Bank acceptance bills	Endorsement	2,033,833,572.09	–
Bank acceptance bills	Discounting	643,244,122.72	1,213,653.20
Total	/	2,677,077,694.81	1,213,653.20

DISCLOSURE OF FAIR VALUES

(1) Closing fair values of assets and liabilities measured at fair value

RMB

Items	Closing fair value Level 1 fair value measurements	Level 2 fair value measurements	Level 3 fair value measurements	Total
I. Continuing fair value measurements				
(I) Trading financial assets – equity instrument investments	15,480.45	–	–	15,480.45
(II) Trading financial assets – wealth management products	–	–	540,050,000.00	540,050,000.00
(III) Financing receivables	–	–	625,860,210.87	625,860,210.87
(IV) Derivative financial assets	–	2,083,180.44	–	2,083,180.44
(V) Other debt investments (including those due within one year)	–	–	293,720,169.74	293,720,169.74
(VI) Derivative financial liabilities	–	8,876,883.00	–	8,876,883.00

(2) Basis for determining the market prices of items with continuing Level 1 fair value measurements

The items with continuing Level 1 fair value measurements are other equity instrument investments, the fair values of which are the quoted prices in the secondary stock market.

(3) Valuation techniques and significant qualitative and quantitative information used for items with continuing Level 2 fair value measurements

RMB

Items	Fair value as at 30 June 2026	Valuation technique	Significant inputs
Financial assets at fair value through profit or loss – derivative financial assets	**2,083,180.44**	Discounted cash flow method	Forward exchange rates
Financial liabilities at fair value through profit or loss – derivative financial liabilities	**8,876,883.00**	Discounted cash flow method	Forward exchange rates

(4) Valuation techniques and qualitative and quantitative information on significant unobservable inputs used for items with continuing Level 3 fair value measurements

RMB

Items	Fair value as at 30 June 2026	Valuation technique	Significant unobservable inputs	Range
Trading financial assets – wealth management products	**540,050,000.00**	Discounted cash flow method	Expected rates of return	1.10%–1.90%
Financing receivables	**625,860,210.87**	Discounted cash flow method	Expected discount rates	0.50%–0.81%
Other debt investments (including those due within one year)	**293,720,169.74**	Discounted cash flow method	Expected rates of return	1.90%, 2.50%, 2.55%

Reconciliation of the opening and closing carrying values of items with continuing Level 3 fair value measurements and sensitivity analysis of unobservable parameters

RMB

Items	Opening amount	Transferred into Level 3	Transferred out of Level 3	Total gains or losses for the period	Recognised in other comprehensive income	Purchase/ Increase	Issuances	Sales	Settlements/ Decreases	Closing amount	Changes in unrealised gains or losses recognised in profit or loss for the period in respect of assets held at the end of the reporting period
				Recognised in profit or loss						Purchases/ additions	Issuances
Trading financial assets – bank wealth management products	480,000,000.00	–	–	2,733,362.99	–	2,160,016,373.72	–	–	2,102,699,736.71	540,050,000.00	–
Financing receivables	1,124,553,338.33	–	–	–	–	2,755,500,265.16	–	–	3,254,193,392.62	625,860,210.87	–
Other debt investments (including those due within one year)	290,377,868.35	–	–	3,342,301.39	–	–	–	–	–	293,720,169.74	3,342,301.39

(5) During the current period and 2025, the Group had no transfers among Levels 1, 2 and 3

(6) Fair value information of financial assets and financial liabilities not measured at fair value

As at 30 June 2026, the management of the Group considers that the carrying values of the financial assets and financial liabilities measured at amortised cost in the financial statements, other than bonds payables, approximate their fair values. As at 30 June 2026, the carrying value of bonds payables in the financial statements of the Group was RMB4,137,000,172.66, and the fair value was RMB4,243,472,204.54.

RELATED PARTIES AND RELATED PARTY TRANSACTIONS

(1) Subsidiaries of the Company

For details of the subsidiaries, see Note "Interests in other entities".

(2) Associates

The other joint ventures or associates with which the Group had related party transactions during the period, or with which the Group had balances formed by related party transactions in prior periods, are as follows:

Name of joint venture or associate	Relationship with the Company
Kaihong Flat	Associate
Jiaxing Gas	Associate
Fulairuicheng	Associate

(3) Related parties

Name of other related party	Relationship with the Company
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) Purchase of goods/acceptance of services

RMB

Related party	Nature of related party transaction	Current period	Previous period
Jiaxing Gas	Purchase of raw materials	**141,030,266.29**	45,705,039.20
Kaihong Flat	Acceptance of services	**423,487,340.49**	331,524,407.90

(2) Sale of goods/provision of services

RMB

Related party	Nature of related party transaction	Current period	Previous period
Zhejiang Fujie	Sale of goods	**492,035.40**	–
Kaihong Flat	Provision of services	**1,148,358.59**	2,188,710.74

(3) Related party leases

The Company as lessee

RMB

Name of lessee	Type of leased assets	**Lease income recognised for the current period**	Lease income recognised for the previous period
Kaihong Flat	Lease of buildings, wharves and container frames	**1,354,167.33**	1,105,074.36

The Company as lessor

RMB

		Current period				Previous period			
Name of lessor	Type of leased assets	Rental expenses of short-term leases and leases of low-value assets under the simplified approach (if applicable)	Rent paid	Interest expenses on lease liabilities	Right-of-use assets added	Rental expenses of short-term leases and leases of low-value assets under the simplified approach (if applicable)	Rent paid	Interest expenses on lease liabilities	Right-of-use assets added
Yihe Investment	Lease of buildings	**4,249,814.64**	**4,508,299.92**	-	-	4,249,814.52	4,508,299.92	-	-
Hongding Port	Lease of wharf	**1,376,146.79**	**3,000,000.00**	-	-	1,100,917.43	3,000,000.00	-	-

(4) Remuneration of key management personnel

RMB ten thousand

Items	Amounts for the period	Amounts for the previous period
Remuneration of key management personnel	**535.07**	573.01

5. Balances with related parties

(1) Receivable items

RMB

Item	Related party	Closing carrying amount	Opening carrying amount
Trade receivables	Kaihong Flat	**2,058,925.00**	565,600.00
Trade receivables	Zhejiang Fujie	**556,000.00**	–

(2) *Payable items*

RMB

Item	Related party	Closing carrying amount	Opening carrying amount
Trade payables	Kaihong Flat	**108,880,083.93**	41,459,331.16
Trade payables	Yihe Investment	**175,108.07**	258,398.65
Trade payables	Jiaxing Gas	**–**	2,991,277.37

(3) *Other items*

RMB

Item	Related party	Closing carrying amount	Opening carrying amount
Advance payment	Jiaxing Gas	**5,170,030.63**	1,983,520.33
Other receivables	Jiaxing Gas	**1,560,000.00**	1,560,000.00
Other current assets	Hongding Port	**2,064,220.18**	688,073.38
Other payables	Kaihong Flat	**718,743.48**	500,000.00

SHARE-BASED PAYMENTS

1. Equity instruments

(1) Share options or other equity instruments outstanding at the end of the period

Grantee Category	Other equity instruments outstanding at the end of the period — Range of exercise prices	Remaining term of the contract
Core employees	RMB14.23	0 year (Note)

Note: The Company will convene the 22th meeting of the 7th Board of Directors on 25 August 2026 to consider and approve the Resolution on the Repurchase and Cancellation of Part of the Restricted Shares Granted under the Reserved Grant of the 2020 A-Share Restricted Share Incentive Plan, and resolve to repurchase and cancel the remaining 140,000 restricted shares granted under the reserved grant of the 2020 A-Share Restricted Share Incentive Plan that have been granted but have not yet been released from lock-up, while recovering the cash dividends corresponding to the restricted shares proposed to be repurchased and cancelled which were originally held in custody by the Company. The repurchase and cancellation matter has been authorised by the 2019 annual general meeting of the Company, 2020 first A-share class meeting and 2020 first H-share class meeting, and no further submission to the shareholders' meeting is required.

2. Equity-settled share-based payments

	RMB
Recipients of equity-settled share-based payments	**2020 A share Restrictive Incentive Scheme**
Method for determining the fair value of the equity instruments on the grant date	Market price
Basis for determining the number of exercisable equity instruments	Based on the best estimate of the number of persons expected to exercise
Reasons for significant differences between the current period estimate and the previous period estimate	N/A
Accumulated amount of equity-settled share-based payments recognised in capital reserve	94,435,400.00

3. Share-based payment expenses for the current period

	RMB
Guarantee Category	**Equity-settled share-based payment expense**
Core employees	**158,210.73**
Total	**158,210.73**

COMMITMENTS AND CONTINGENCIES

1. Significant commitments

Capital commitments

As at the balance sheet date, the contracts entered into by the Group for the acquisition of long-term assets that are irrevocable are as follows:

RMB

	Amounts at the end of the period	Amounts at the beginning of the period
Contracted but not yet recognised in the financial statements – Commitments for the acquisition of long-term assets	**4,075,583,514.38**	4,097,682,857.50

2. Contingencies

The Group has no significant contingencies that need to be disclosed.

EVENTS AFTER THE BALANCE SHEET DATE

The Group has no significant events after the balance sheet date that need to be disclosed.

OTHER SIGNIFICANT MATTERS

1. Segment information

(1) Basis for determining reportable segments and accounting policies

Based on the internal organisational structure, management requirements and internal reporting system of the Group, the operating businesses of the Group are divided into five operating segments. On the basis of the operating segments, the Group has determined five reportable segments, namely the photovoltaic glass segment, the household glass segment, the engineering glass segment, the float glass segment and the mining products segment. These reportable segments are determined on the basis of product categories. The principal products provided by each reportable segment of the Group are photovoltaic glass, household glass, engineering glass, float glass and mining products respectively. The management of the Group regularly evaluates the operating results of these segments to decide on the allocation of resources and to evaluate their performance, and does not review the assets and liabilities of the operating segments when making such evaluation.

The segment information is disclosed in accordance with the accounting policies and measurement standards adopted by each segment when reporting to the management, and is recognised and measured in accordance with Chinese Accounting Standards.

(2) Financial information of reportable segments

RMB

	Current period								
Items	Photovoltaic glass	Household glass	Engineering glass	Float glass	Mining products	Electricity generation revenue	Other operations	Inter-segment eliminations	Total
Segment operating revenue	5,861,594,648.96	119,791,347.87	217,900,539.17	101,865,655.17	111,913,297.94	223,379,079.99	31,765,555.89	-	6,668,210,124.99
Segment operating costs	5,467,162,117.32	103,799,991.52	182,587,747.26	114,099,244.42	93,522,847.82	145,206,798.10	16,657,828.53	-	6,123,036,574.97
Segment profit									
Reconciling items:									
Less: Taxes and surcharges	-	-	-	-	-	-	-	-	91,329,521.27
Selling expenses	-	-	-	-	-	-	-	-	29,254,057.74
General and administrative expenses	-	-	-	-	-	-	-	-	201,829,445.51
Research and development expenses	-	-	-	-	-	-	-	-	256,017,863.37
Financial expenses	-	-	-	-	-	-	-	-	255,427,696.14
Including: Interest expenses	-	-	-	-	-	-	-	-	247,733,829.68
Interest income	-	-	-	-	-	-	-	-	50,256,744.53
Add: Other income	-	-	-	-	-	-	-	-	42,308,877.75
Investment income	-	-	-	-	-	-	-	-	17,148,003.22
Including: Investment income from associates and joint ventures	-	-	-	-	-	-	-	-	13,004,132.13
Gains (losses) from changes in fair value	-	-	-	-	-	-	-	-	-2,148,652.31
Credit impairment loss	-	-	-	-	-	-	-	-	1,041,853.58
Asset impairment loss	-	-	-	-	-	-	-	-	-201,271,348.33
Losses on disposal of assets	-	-	-	-	-	-	-	-	3,360,349.05
II. Operating profit	-	-	-	-	-	-	-	-	-428,245,951.05
Add: Non-operating income	-	-	-	-	-	-	-	-	4,654,246.96
Less: Non-operating expenses	-	-	-	-	-	-	-	-	4,135,180.73
III. Total profit	-	-	-	-	-	-	-	-	-427,726,884.82
Less: Income tax expense	-	-	-	-	-	-	-	-	-64,955,769.50
IV. Net profit	-	-	-	-	-	-	-	-	-362,771,115.32

Trade receivables

(1) Ageing analysis

RMB

Ageing	Carrying amount at the end of the period	Carrying amount at the beginning of the period
Within 1 year	**1,065,135,821.07**	708,989,042.14
1 to 2 years	**9,380,648.61**	3,550,418.63
2 to 3 years	**84,977.51**	601,238.04
Over 3 years	**13,795,841.63**	13,086,579.65
Total	**1,088,397,288.82**	726,227,278.46

(2) *Disclosure by bad debt provision method*

RMB

Category	Closing balance				
	Carrying amount		Bad debt provision		
	Amount	Proportion (%)	Amount	Provision ratio (%)	Carrying value
Bad debt provision on an individual basis	18,563,256.06	1.71	18,563,256.06	100.00	–
Bad debt provision on a portfolio basis	1,069,834,032.76	98.29	15,471,082.54	1.45	1,054,362,950.22
Total	1,088,397,288.82	/	34,034,338.60	/	1,054,362,950.22

Category	Opening balance				
	Carrying amount		Bad debt provision		
	Amount	Proportion (%)	Amount	Provision ratio (%)	Carrying value
Bad debt provision on an individual basis	23,235,712.92	3.20	23,235,712.92	100.00	–
Bad debt provision on a portfolio basis	702,991,565.54	96.80	12,055,330.40	1.71	690,936,235.14
Total	726,227,278.46	/	35,291,043.32	/	690,936,235.14

Bad debt provision made on a portfolio basis

RMB

Name	Carrying amount	Closing balance Bad debt provision	Provision ratio (%)
Low risk category	312,263,621.29	–	–
Normal category	753,679,052.98	13,264,751.33	1.76
Watchlist category	3,891,358.49	2,206,331.21	56.70
Total	1,069,834,032.76	15,471,082.54	1.45

(3) Changes in credit loss provision for trade receivables

RMB

Bad debt provision	Stage 1 12-month expected credit losses	Stage 2 Lifetime expected credit losses (no credit impairment occurred)	Stage 3 Lifetime expected credit losses (credit impairment occurred)	Total
Balance as at 1 January 2026	12,055,330.40	–	23,235,712.92	35,291,043.32
Transferred to bad debt provision for lifetime credit impairment	-271,581.53	–	271,581.53	–
Provision (reversal) during the period	3,687,333.67	–	-4,944,038.39	-1,256,704.72
Write-off during the period	–	–	–	–
Balance as at 30 June 2026	15,471,082.54	–	18,563,256.06	34,034,338.60

(4) Trade receivables actually written off during the period

The Company had no trade receivables written off during the period.

(5) Trade receivables from the top five debtors as at the end of the period

As at the end of the period, the balance of the Company's trade receivables from the top five debtors was RMB782,303,652.12 (as at the end of last year: RMB516,671,826.13), representing 71.88% (as at the end of last year: 71.14%) of the total balance of trade receivables, and the credit loss provisions for the top five debtors amounted to RMB9,558,536.86 (as at the end of last year: RMB5,787,093.14).

2. Other receivables

Items

RMB

Items	Closing balance	Opening balance
Other receivables	**4,542,899,869.61**	3,858,268,970.51
Total	**4,542,899,869.61**	3,858,268,970.51

Other receivables

(1) Ageing analysis

RMB

Ageing	Carrying amount at the end of the period	Carrying amount at the beginning of the period
Within 1 year	**2,577,057,838.70**	2,262,154,944.31
1 to 2 years	**1,802,450,751.39**	1,570,469,793.39
2 to 3 years	**142,730,143.65**	9,010,000.00
Over 3 years	**20,661,135.87**	16,634,232.81
Total	**4,542,899,869.61**	3,858,268,970.51

(2) Classification by nature of the balances

RMB

Nature of the balance	Closing carrying amount	Opening carrying amount
Deposits and margins	**4,533,685,527.51**	3,849,174,629.07
Imprest	**8,823,501.05**	8,742,000.00
Amounts receivable from subsidiaries	**45,000.00**	45,000.00
Others	**345,841.05**	307,341.44
Total	**4,542,899,869.61**	3,858,268,970.51

(3) Impairment of other receivables

After evaluating the nature of other receivables, the Company considers that there is no significant expected credit loss risk in respect of other receivables, and therefore no credit loss provision has been made.

(4) Other receivables from the top five debtors as at the end of the period

RMB

Name of entity	Closing balance	Proportion in the total closing balance of other receivables (%)	Nature of the balance	Bad debt provision at the end of the period
Flat (Nantong) Photovoltaic Glass Co., Ltd.	1,825,267,462.07	40.18	Amounts receivable from subsidiaries	–
Flat (Hong Kong) Limited	787,444,924.41	17.33	Amounts receivable from subsidiaries	–
Zhejiang Jiafu Glass Co., Ltd.	447,288,302.88	9.85	Amounts receivable from subsidiaries	–
Flat Guangneng Co., Ltd.	398,105,568.20	8.76	Amounts receivable from subsidiaries	–
Jiaxing Flat Intelligent Equipment Co., Ltd.	382,623,496.32	8.42	Amounts receivable from subsidiaries	–
Total	3,840,729,753.88	84.54	/	–

(5) The Company had no other receivables actually written off during the period

3. Long-term equity investments

RMB

Items	Closing balance Carrying amount	Impairment provision	Carrying value	Opening balance Carrying amount	Impairment provision	Carrying value
Investments in subsidiaries	**3,645,916,181.00**	**-**	**3,645,916,181.00**	3,640,286,198.10		3,640,286,198.10
Investments in associates and joint ventures	**83,939,199.66**	**4,500,000.00**	**79,439,199.66**	49,937,007.93	4,500,000.00	45,437,007.93
Total	**3,729,855,380.66**	**4,500,000.00**	**3,725,355,380.66**	3,690,223,206.03	4,500,000.00	3,685,723,206.03

(1) Investments in subsidiaries

RMB

Investees	Opening balance	Changes during the period: Additional investment	Changes during the period: Reduction of investment	Closing balance (carrying value)
Zhejiang Flat Glass Co., Ltd.	10,000,000.00	–	–	**10,000,000.00**
Zhejiang Jiafu Glass Co., Ltd.	150,000,000.00	–	–	**150,000,000.00**
Shanghai Flat Glass Co., Ltd.	70,000,000.00	–	–	**70,000,000.00**
Anhui Flat Photovoltaic Glass Co., Ltd.	2,530,000,000.00	–	–	**2,530,000,000.00**
Flat (Hong Kong) Limited	66,137,343.00	–	–	**66,137,343.00**
Jiaxing Flat New Energy Technology Co., Ltd.	10,000,000.00	–	–	**10,000,000.00**
Flat (Jiaxing) Import and Export Trading Co., Ltd.	7,000,000.00	–	–	**7,000,000.00**
Jiaxing Flat Intelligent Equipment Co., Ltd.	28,923,000.00	–	–	**28,923,000.00**
Zhejiang Fulaite New Energy Co., Ltd.	328,000,000.00	–	–	**328,000,000.00**
Flat (Nantong) Photovoltaic Glass Co., Ltd.	204,370,017.10	5,629,982.90	–	**210,000,000.00**
Flat Guangneng Co., Ltd.	100,000,000.00	–	–	**100,000,000.00**
Flat (Guangxi) Guangneng Co., Ltd.	1,000,000.00	–	–	**1,000,000.00**
Jiaxing Fulian Logistics Co., Ltd.	2,000,000.00	–	–	**2,000,000.00**
Flat Solar Technology PTE. LTD	55,838.00	–	–	**55,838.00**
Zhongda Quartz Development (Anhui) Group Co., Ltd.	132,800,000.00	–	–	**132,800,000.00**
Total	3,640,286,198.10	5,629,982.90	–	**3,645,916,181.00**

(2) Investments in associates and joint ventures

RMB

Investees	Opening balance	Opening balance of impairment provision	Changes during the period: Capital contribution/ additional investment	Changes during the period: Investment income recognised under the equity method	Changes during the period: Cash dividends or profits declared	Closing balance	Closing balance of impairment provision
Associates:							
Kaihong Flat	45,437,007.93	–	–	10,002,191.73	-16,000,000.00	**39,439,199.66**	**–**
Jiaxing Energy	4,500,000.00	4,500,000.00	–	–	–	**4,500,000.00**	**4,500,000.00**
Fulairuicheng	–	–	40,000,000.00		–	**40,000,000.00**	**–**
Total	49,937,007.93	4,500,000.00	40,000,000.00	10,002,191.73	-16,000,000.00	**83,939,199.66**	**4,500,000.00**

4. Operating revenue and operating costs

(1) Operating revenue and operating costs

RMB

Principal operations	Amounts for the current period		Amounts for the previous period	
	Income	Costs	Income	Costs
Items	1,944,662,900.58	1,933,007,342.27	1,702,358,753.08	1,478,921,357.62
Other operations	90,130,823.98	55,178,325.62	57,659,395.25	53,055,549.05
Total	2,034,793,724.56	1,988,185,667.89	1,760,018,148.33	1,531,976,906.67

(2) Disaggregation of operating revenue and operating costs

RMB

Classification of contracts	Total Operating revenue	Operating costs
Type of goods		
Photovoltaic glass	**1,540,919,410.07**	1,563,224,156.55
Household glass	**61,559,881.50**	57,552,952.77
Engineering glass	**227,365,915.30**	177,701,544.41
Float glass	**114,817,693.71**	134,528,688.54
Other operations	**90,130,823.98**	55,178,325.62
By operating region		
China	**2,021,566,125.75**	1,978,672,271.61
Other countries and regions in Asia (excluding China)	**2,572,595.08**	1,819,652.72
Europe, North America and other regions	**10,655,003.73**	7,693,743.56
By sales channel		
Direct sales	**1,982,423,938.10**	1,922,386,635.62
Distributors	**52,369,786.46**	65,799,032.27
Total	**2,034,793,724.56**	1,988,185,667.89

5. Investment income

RMB

Items	Current period	Previous period
Investment income from disposal of derivative financial instruments	**365,291.15**	-279,813.05
Investment income from long-term equity investments under the equity method	**10,002,191.73**	13,942,219.27
Investment income from disposal of trading financial assets	**1,968,816.46**	1,491,960.98
Total	**12,336,299.34**	15,154,367.20

Supplementary Information

1. STATEMENT OF NON-RECURRING GAINS AND LOSSES FOR THE CURRENT PERIOD

RMB

Items	Amounts
Gains and losses on disposal of non-current assets, including the write-off of the provision for asset impairment already made	**3,360,349.05**
Government grants recognised in profit or loss for the period, excluding those closely related to the Company's normal business operations, in line with national policies, enjoyed in accordance with established standards and with a continuing impact on the Company's results	**10,163,405.62**
Fair value changes of financial assets and financial liabilities held by non-financial enterprises and gains and losses on disposal of financial assets and financial liabilities, other than effective hedging transactions related to the Company's normal business operations	**1,995,218.78**
Other non-operating income and expenses other than the above items	**519,066.23**
Less: Effect of income tax	**2,594,143.34**
Effect of minority interests (after tax)	**-24,795.55**
Total	**13,468,691.89**

2. RETURN ON NET ASSETS AND EARNINGS PER SHARE

This statement of return on net assets and earnings per share is prepared in accordance with the relevant provisions of the Rules for the Compilation and Disclosure of Information by Companies Issuing Publicly Offered Securities No. 9 – Computation and Disclosure of Return on Net Assets and Earnings per Share (2010 Revision) (CSRC Announcement [2010] No. 2) promulgated by the China Securities Regulatory Commission.

RMB

Profit for the reporting period	Weighted average return on net assets (%)	Earnings per share: Basic earnings per share	Earnings per share: Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	-1.63	-0.16	-0.16
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring gains and losses	-1.69	-0.16	-0.16