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company incorporated in

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2022

ANNUAL REPORT

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Corporate Information

DIRECTORS

Executive directors

- 何志平 (主席兼行政總裁)
- 李國章
- 李國雄

Independent non-executive directors

- 李國雄
- 李國章

SUPERVISORS

- 何志平 (主席兼行政總裁)
- 李國章
- 李國雄
- 何志平

AUDIT COMMITTEE

- 李國章 (主席)
- 李國雄
- 何志平

REMUNERATION COMMITTEE

- 李國章 (主席)
- 何志平
- 李國雄

NOMINATION COMMITTEE

- 李國章 (主席)
- 何志平
- 李國雄

STRATEGIC DEVELOPMENT COMMITTEE

- 何志平 (主席)
- 李國章
- 李國雄

RISK MANAGEMENT COMMITTEE

- 何志平 (主席)
- 李國章
- 李國雄

COMPANY SECRETARY

- 李國章

AUTHORISED REPRESENTATIVES

- 何志平
- 李國章

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

- 1999年12月31日以前，本公司在香港註冊，其註冊辦事處及總辦事處均設在香港。本公司於1999年12月31日以前，其唯一業務為在香港經營物業管理業務。

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

- 6, 11/2000年12月31日以前，本公司在香港註冊，其註冊辦事處及總辦事處均設在香港。本公司於2000年12月31日以前，其唯一業務為在香港經營物業管理業務。

CORPORATE WEBSITE

- http://www.flatglass.com

LEGAL ADVISERS AS TO HONG KONG LAW

... & ...

AUDITORS

1990-1991 2000-2001
 2000-2001 2000-2001

PRINCIPAL BANKERS

1. $\mathcal{L}_1$ is a linear space over $\mathbb{R}$ and $\mathcal{L}_2$ is a linear space over $\mathbb{C}$.
 2. $\mathcal{L}_1$ is a linear space over $\mathbb{C}$ and $\mathcal{L}_2$ is a linear space over $\mathbb{R}$.
 3. $\mathcal{L}_1$ is a linear space over $\mathbb{C}$ and $\mathcal{L}_2$ is a linear space over $\mathbb{C}$.
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H SHARE REGISTRAR

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Chairman's Statement

Dear Shareholders,

As Chairman of the Board of Directors (the "Board") of Flat Glass Group Co., Ltd. ("Flat Glass"), I am pleased to present to you the 2022 Annual Report of Flat Glass. In 2022, Flat Glass achieved significant progress in business performance, financial results, and corporate governance.

In 2022, Flat Glass achieved a total revenue of 15,460.84 million RMB, an increase of 77.44% compared to 8,713.23 million RMB in 2021. The net profit attributable to shareholders was 2,122.78 million RMB, an increase of 0.13% compared to 2,119.92 million RMB in 2021.

STRONG GLOBAL DEMAND FOR PV INSTALLATION

In 2022, Flat Glass continued to expand its global market presence. The company's PV installation capacity reached 40 million square meters, an increase of 50% compared to 2021. The company's PV installation capacity reached 10.56 million square meters, an increase of 17.45% compared to 2021. The company's PV installation capacity reached 98.11%, an increase of 13.96% compared to 2021.

In 2022, Flat Glass continued to expand its global market presence. The company's PV installation capacity reached 40 million square meters, an increase of 50% compared to 2021. The company's PV installation capacity reached 10.56 million square meters, an increase of 17.45% compared to 2021. The company's PV installation capacity reached 98.11%, an increase of 13.96% compared to 2021.

EXPAND PRODUCTION CAPACITY AND IMPROVE MARKET COMPETITIVENESS

Year	Number of cases
2020	200
2021	1000
2022	600
2023	800

[illegible]

Year	Number of people in the labor force (millions)
2012	160
2013	162
2014	164
2015	166
2016	168
2017	170
2018	172
2019	174
2020	176
2021	178
2022	180
2023	194

Ruan Hongliang

27 2023

	For the year ended 31 December				
	2022 RMB'000	2021 '000	2020 '000	2019 '000	2018 '000
Cost of sales	15,460,843	8,713,228	6,260,418	4,806,804	3,063,803
Cost of sales	2,122,780	2,119,919	1,628,784	717,244	407,315
Cost of sales (RMB)	0.99	0.99	0.83	0.37	0.23
Cost of sales (RMB)	0.99	0.99	0.81	/A	/A

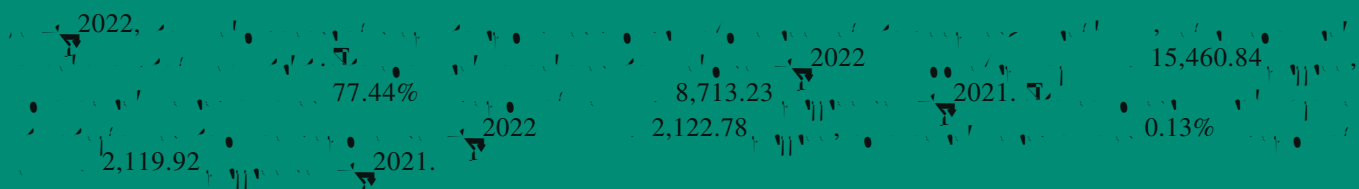
	For the year ended 31 December				
	2022 RMB'000	2021 '000	2020 '000	2019 '000	2018 '000
Cost of sales	20,000,430	11,184,615	6,696,524	4,939,536	3,906,307
Cost of sales	12,381,293	8,898,302	5,569,277	4,452,745	3,047,242
Cost of sales	32,381,723	20,082,917	12,265,800	9,392,281	6,953,549
Cost of sales	10,533,414	6,164,462	3,330,801	4,454,089	2,250,047
Cost of sales	7,815,861	2,108,286	1,700,256	425,303	1,034,848
Cost of sales	18,349,275	8,272,748	5,031,058	4,879,392	3,284,895
Cost of sales	14,032,447	11,810,169	7,234,743	4,512,888	3,668,654
Cost of sales	536,723	536,723	510,312	487,500	450,000
Cost of sales	14,032,447	11,810,169	7,234,743	4,512,888	3,668,654
Cost of sales	14,032,447	11,810,169	7,234,743	4,512,888	3,668,654

For the year ended 31 December 2019, 2020, 2021 and 2022, the cost of sales is calculated based on the cost of sales for the year ended 31 December 2018. The cost of sales for the year ended 31 December 2018 is calculated based on the cost of sales for the year ended 31 December 2017.

Management Discussion and Analysis

BUSINESS OVERVIEW

2022, the Group's operating income increased by 77.44% compared with 2021, mainly due to the increase in the sales volume of products and the increase in the price of products. The Group's operating profit increased by 8,713.23 million yuan compared with 2021, mainly due to the increase in the sales volume of products and the increase in the price of products. The Group's net profit increased by 15,460.84 million yuan compared with 2021, mainly due to the increase in the sales volume of products and the increase in the price of products.



Overview of the Group's business

1. Domestic expansion

The Group's domestic expansion strategy is to expand its market share in the domestic market. In 2023, the Group's domestic sales volume increased by 1,200 million yuan compared with 2022, mainly due to the increase in the sales volume of products and the increase in the price of products.

2. Acquisition of entire equity interest of Sanli Mining and Dahua Oriental Mining

The Group's acquisition of the entire equity interest of Sanli Mining and Dahua Oriental Mining is a significant event for the Group. In 2022, the Group's acquisition of the entire equity interest of Sanli Mining and Dahua Oriental Mining resulted in an increase in the Group's operating income by 27 million yuan compared with 2021, and an increase in the Group's net profit by 13 million yuan compared with 2021. The Group's acquisition of the entire equity interest of Sanli Mining and Dahua Oriental Mining also resulted in an increase in the Group's operating profit by 3,343,947,600 million yuan compared with 2021.

The Group's acquisition of the entire equity interest of Sanli Mining and Dahua Oriental Mining is a significant event for the Group. In 2022, the Group's acquisition of the entire equity interest of Sanli Mining and Dahua Oriental Mining resulted in an increase in the Group's operating income by 27 million yuan compared with 2021, and an increase in the Group's net profit by 13 million yuan compared with 2021. The Group's acquisition of the entire equity interest of Sanli Mining and Dahua Oriental Mining also resulted in an increase in the Group's operating profit by 3,343,947,600 million yuan compared with 2021.

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Management Discussion and Analysis

3. Update on A Share Convertible Bonds issuance

16 2021, 4,000 (A). 4 2022, 100 4,000,000,000.00. 23,078,799.67, 3,976,921,200.33. 31 2022, 713

4. Non-public Issuance of A Shares

1 2022, 2022 2022 2022 29 2022, 2022, 2022 2742) (《關於核准福萊特玻璃集團股份有限公司非公開發行股票的批覆》(證監許可 2022 2742 號)) 509,068,000

5. Successful bidding for the mining rights

1 2022, * (安徽福萊特光伏玻璃有限公司) (A), (滁州市自然資源和規劃局) 3.38

SHARE OPTION SCHEME

A share option incentive scheme

17 April 2021, 10:00 UTC
 17 April 2021, 10:00 UTC

a. Purpose of the Scheme

[illegible]

b. Eligible participants of the Scheme

1. *Pharmaceutical industry* – The pharmaceutical industry is a major player in the healthcare sector, responsible for the development, production, and distribution of drugs. It is a highly regulated industry with significant research and development costs. The industry is often criticized for high drug prices and for prioritizing profit over patient care.

c. Total number of Shares available for issue under the Scheme and percentage to the issued share capital as of the date of approval at the general meeting

Number of Employees	Number of Companies	Percentage of Companies
0-10	2,146,893,254	0.28%
11-20	5,353,072	0.25%
21-30	5,947,858	0.25%
31-40	594,786	0.03%
41-50	2,146,893,254	0.03%
51-60	2,146,893,254	0.03%
61-70	2,146,893,254	0.03%
71-80	2,146,893,254	0.03%
81-90	2,146,893,254	0.03%
91-100	2,146,893,254	0.03%

d. Maximum entitlement of each participant under the Scheme

Figure 1 consists of four line plots arranged in a 2x2 grid. The Y-axis for all plots is 'Percentage of correct responses' ranging from 0.00% to 20.00% in increments of 2.00%. The X-axis for all plots is 'Number of trials' ranging from 1 to 10. The top row represents 'Correct' responses, and the bottom row represents 'Incorrect' responses. The left column represents the 'No feedback' condition, and the right column represents the 'Feedback' condition. In the 'No feedback' plots, the 'Correct' line (black circles) starts at approximately 1.00% and increases to about 10.00% by trial 10. The 'Incorrect' line (grey circles) starts at approximately 1.00% and increases to about 15.00% by trial 10. In the 'Feedback' plots, the 'Correct' line (black circles) starts at approximately 1.00% and increases to about 10.00% by trial 10. The 'Incorrect' line (grey circles) starts at approximately 1.00% and remains low, ending at about 2.00% by trial 10.

Management Discussion and Analysis

e. The period within which the shares must be taken up under an option

As at 31 December 2021, the Company has granted 12,199,201 share options to its employees. The exercise period of the share options granted to the employees is as follows:

Exercise Arrangement	Exercise Period	Proportion of exercisable Share Options to the total number of Share Options granted
1. Share options granted to employees of the Company	From 12 months after the date of grant to 24 months after the date of grant	20%
2. Share options granted to employees of the Company's subsidiaries	From 24 months after the date of grant to 36 months after the date of grant	20%
3. Share options granted to employees of the Company's subsidiaries	From 36 months after the date of grant to 48 months after the date of grant	20%
4. Share options granted to employees of the Company's subsidiaries	From 48 months after the date of grant to 60 months after the date of grant	20%
5. Share options granted to employees of the Company's subsidiaries	From 60 months after the date of grant to 72 months after the date of grant	20%

Table 1: Share Options granted to Directors

Exercise Arrangement	Exercise Period	Proportion of exercisable Share Options to the total number of Share Options granted
1. Share Options granted to Mr. Liang Xiaohu Share Options granted to Mr. Liang Xiaohu in 2022: 12,000 shares Share Options granted to Mr. Liang Xiaohu in 2021: 24,000 shares		20%
2. Share Options granted to Mr. Liang Xiaohu Share Options granted to Mr. Liang Xiaohu in 2022: 24,000 shares Share Options granted to Mr. Liang Xiaohu in 2021: 36,000 shares		20%
3. Share Options granted to Mr. Liang Xiaohu Share Options granted to Mr. Liang Xiaohu in 2022: 36,000 shares Share Options granted to Mr. Liang Xiaohu in 2021: 48,000 shares		20%
4. Share Options granted to Mr. Liang Xiaohu Share Options granted to Mr. Liang Xiaohu in 2022: 48,000 shares Share Options granted to Mr. Liang Xiaohu in 2021: 60,000 shares		20%
5. Share Options granted to Mr. Liang Xiaohu Share Options granted to Mr. Liang Xiaohu in 2022: 60,000 shares Share Options granted to Mr. Liang Xiaohu in 2021: 72,000 shares		20%

Management Discussion and Analysis

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

The minimum period for which an option must be held before it can be exercised is 12 months.

g. The amount payable on application or acceptance of the option and the period within which payments must or may be made

The amount payable on application or acceptance of the option is HK\$1.00 per share.

h. The basis of determining the exercise price

The exercise price is determined on the basis of the closing price of the shares of the Company on the date of the exercise of the option.

(i) For the exercise of the option, the exercise price is 44.02 (the closing price of the shares of the Company on the date of the exercise of the option) minus 80% of the difference between the closing price of the shares of the Company on the date of the exercise of the option and the exercise price of the option (35.22);

(ii) For the exercise of the option, the exercise price is 120 (the closing price of the shares of the Company on the date of the exercise of the option) minus 80% of the difference between the closing price of the shares of the Company on the date of the exercise of the option and the exercise price of the option (27.92).

The exercise price is 44.02 (the closing price of the shares of the Company on the date of the exercise of the option) minus 80% of the difference between the closing price of the shares of the Company on the date of the exercise of the option and the exercise price of the option (35.22).

i. The remaining life of the Scheme

The remaining life of the Scheme is 72 months.

j. accounting policy adopted for the share options

The share options are accounted for as equity instruments. The share options are accounted for as equity instruments. The share options are accounted for as equity instruments.

The share options are accounted for as equity instruments. The share options are accounted for as equity instruments. The share options are accounted for as equity instruments.

本公司之會計政策與香港會計師公會頒佈之香港會計準則、香港財務報告準則及香港公司條例之規定一致。

本公司之會計政策與國際會計師公會頒佈之國際會計準則第11號「撥備、負債及或有資產」(企業會計準則第11號－股份支付)及國際會計準則第22號「金融工具確認和計量」(企業會計準則第22號－金融工具確認和計量)，及與中國會計師協會頒佈之中國會計準則(「中國會計準則」)一致。本公司之會計政策與國際會計準則第17號「租賃」(2021年1月1日起生效)一致。

(i) 本公司之會計政策與國際會計準則第42.89號一致(自2021年1月1日起生效)。

(ii) 本公司之會計政策與國際會計準則第1、2、3、4及5號一致(自2021年1月1日起生效)。

(iii) 本公司之會計政策與國際會計準則第14.73%、17.44%、18.71%、17.92%及16.55%(自2021年1月1日起生效)一致。

(iv) 本公司之會計政策與國際會計準則第1.50%、2.10%及2.75%(自2021年1月1日起生效)一致。

26 本公司之會計政策與國際會計準則第5,341,072號一致(自2021年1月1日起生效)。

288 本公司之會計政策與國際會計準則第44.02號一致(自2021年1月1日起生效)。

19 本公司之會計政策與國際會計準則第2021號一致。

本公司之會計政策與國際會計準則第5,341,072號一致。

5,341,072

本公司之會計政策與國際會計準則第288號一致。

288

本公司之會計政策與國際會計準則第288號一致。

本公司之會計政策與國際會計準則第288號一致(祝宇平)，本公司之會計政策與國際會計準則第288號一致(祝全明)，本公司之會計政策與國際會計準則第288號一致(祝全明)，本公司之會計政策與國際會計準則第288號一致(祝全明)。

Management Discussion and Analysis

• *Staphylococcus aureus* (100%)

[illegible]

46.55

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. 101. 102. 103. 104. 105. 106. 107. 108. 109. 110. 111. 112. 113. 114. 115. 116. 117. 118. 119. 120. 121. 122. 123. 124. 125. 126. 127. 128. 129. 130. 131. 132. 133. 134. 135. 136. 137. 138. 139. 140. 141. 142. 143. 144. 145. 146. 147. 148. 149. 150. 151. 152. 153. 154. 155. 156. 157. 158. 159. 160. 161. 162. 163. 164. 165. 166. 167. 168. 169. 170. 171. 172. 173. 174. 175. 176. 177. 178. 179. 180. 181. 182. 183. 184. 185. 186. 187. 188. 189. 190. 191. 192. 193. 194. 195. 196. 197. 198. 199. 200. 201. 202. 203. 204. 205. 206. 207. 208. 209. 210. 211. 212. 213. 214. 215. 216. 217. 218. 219. 220. 221. 222. 223. 224. 225. 226. 227. 228. 229. 230. 231. 232. 233. 234. 235. 236. 237. 238. 239. 240. 241. 242. 243. 244. 245. 246. 247. 248. 249. 250. 251. 252. 253. 254. 255. 256. 257. 258. 259. 260. 261. 262. 263. 264. 265. 266. 267. 268. 269. 270. 271. 272. 273. 274. 275. 276. 277. 278. 279. 280. 281. 282. 283. 284. 285. 286. 287. 288. 289. 290. 291. 292. 293. 294. 295. 296. 297. 298. 299. 300. 301. 302. 303. 304. 305. 306. 307. 308. 309. 310. 311. 312. 313. 314. 315. 316. 317. 318. 319. 320. 321. 322. 323. 324. 325. 326. 327. 328. 329. 330. 331. 332. 333. 334. 335. 336. 337. 338. 339. 340. 341. 342. 343. 344. 345. 346. 347. 348. 349. 350. 351. 352. 353. 354. 355. 356. 357. 358. 359. 360. 361. 362. 363. 364. 365. 366. 367. 368. 369. 370. 371. 372. 373. 374. 375. 376. 377. 378. 379. 380. 381. 382. 383. 384. 385. 386. 387. 388. 389. 390. 391. 392. 393. 394. 395. 396. 397. 398. 399. 400. 401. 402. 403. 404. 405. 406. 407. 408. 409. 410. 411. 412. 413. 414. 415. 416. 417. 418. 419. 420. 421. 422. 423. 424. 425. 426. 427. 428. 429. 430. 431. 432. 433. 434. 435. 436. 437. 438. 439. 440. 441. 442. 443. 444. 445. 446. 447. 448. 449. 450. 451. 452. 453. 454. 455. 456. 457. 458. 459. 460. 461. 462. 463. 464. 465. 466. 467. 468. 469. 470. 471. 472. 473. 474. 475. 476. 477. 478. 479. 480. 481. 482. 483. 484. 485. 486. 487. 488. 489. 490. 491. 492. 493. 494. 495. 496. 497. 498. 499. 500. 501. 502. 503. 504. 505. 506. 507. 508. 509. 510. 511. 512. 513. 514. 515. 516. 517. 518. 519. 520. 521. 522. 523. 524. 525. 526. 527. 528. 529. 530. 531. 532. 533. 534. 535. 536. 537. 538. 539. 540. 541. 542. 543. 544. 545. 546. 547. 548. 549. 550. 551. 552. 553. 554. 555. 556. 557. 558. 559. 560. 561. 562. 563. 564. 565. 566. 567. 568. 569. 570. 571. 572. 573. 574. 575. 576. 577. 578. 579. 580. 581. 582. 583. 584. 585. 586. 587. 588. 589. 590. 591. 592. 593. 594. 595. 596. 597. 598. 599. 600. 601. 602. 603. 604. 605. 606. 607. 608. 609. 610. 611. 612. 613. 614. 615. 616. 617. 618. 619. 620. 621. 622. 623. 624. 625. 626. 627. 628. 629. 630. 631. 632. 633. 634. 635. 636. 637. 638. 639. 640. 641. 642. 643. 644. 645. 646. 647. 648. 649. 650. 651. 652. 653. 654. 655. 656. 657. 658. 659. 660. 661. 662. 663. 664. 665. 666. 667. 668. 669. 670. 671. 672. 673. 674. 675. 676. 677. 678. 679. 680. 681. 682. 683. 684. 685. 686. 687. 688. 689. 690. 691. 692. 693. 694. 695. 696. 697. 698. 699. 700. 701. 702. 703. 704. 705. 706. 707. 708. 709. 710. 711. 712. 713. 714. 715. 716. 717. 718. 719. 720. 721. 722. 723. 724. 725. 726. 727. 728. 729. 730. 731. 732. 733. 734. 735. 736. 737. 738. 739. 740. 741. 742. 743. 744. 745. 746. 747. 748. 749. 750. 751. 752. 753. 754. 755. 756. 757. 758. 759. 760. 761. 762. 763. 764. 765. 766. 767. 768. 769. 770. 771. 772. 773. 774. 775. 776. 777. 778. 779. 780. 781. 782. 783. 784. 785. 786. 787. 788. 789. 790. 791. 792. 793. 794. 795. 796. 797. 798. 799. 800. 801. 802. 803. 804. 805. 806. 807. 808. 809. 810. 811. 812. 813. 814. 815. 816. 817. 818. 819. 820. 821. 822. 823. 824. 825. 826. 827. 828. 829. 830. 831. 832. 833. 834. 835. 836. 837. 838. 839. 840. 84

As a result, the β values for the β parameters are not the same as the β values for the β parameters in the β parameters.

1. *Chlorophyll a* (Chl *a*)

[illegible]

T. 1 2022 31 2022 5,341,072. 31
 2022, 2021, 5,341,072 288
 95,600 13 2022, 5
 283 5,245,472
 12
 12 606,786

Management Discussion and Analysis

Future prospect

As the global economy continues to recover, the demand for glass products is expected to increase. The Company will continue to expand its production capacity and improve its product quality to meet the market demand. At the same time, the Company will also focus on the development of new products and technologies to enhance its competitive advantage.

2023, the Company's operating income increased by 2.00% compared with 2022, and the net profit increased by 39.7%, while the basic earnings per share increased by 59.3%. The Company's financial performance has shown a significant improvement, which is mainly due to the following reasons: (1) The Company has successfully completed the expansion of its production capacity, which has led to an increase in sales volume; (2) The Company has improved its production efficiency and reduced production costs; (3) The Company has strengthened its marketing efforts and expanded its market share.

FINANCIAL PERFORMANCE

2022, the Company's operating income was 15,460.84 million yuan, an increase of 77.44% compared with 2021. The net profit was 8,713.23 million yuan, an increase of 77.44% compared with 2021. The basic earnings per share was 2,122.78 yuan, an increase of 0.13% compared with 2021. The Company's financial performance has shown a significant improvement, which is mainly due to the following reasons: (1) The Company has successfully completed the expansion of its production capacity, which has led to an increase in sales volume; (2) The Company has improved its production efficiency and reduced production costs; (3) The Company has strengthened its marketing efforts and expanded its market share.

Revenue

2022, the Company's revenue was 15,460.84 million yuan, an increase of 77.44% compared with 2021. The revenue from glass products was 13,681.80 million yuan, an increase of 92.12% compared with 2021. The revenue from other products was 1,779.04 million yuan, an increase of 14.88% compared with 2021. The Company's revenue has shown a significant increase, which is mainly due to the following reasons: (1) The Company has successfully completed the expansion of its production capacity, which has led to an increase in sales volume; (2) The Company has improved its production efficiency and reduced production costs; (3) The Company has strengthened its marketing efforts and expanded its market share.

附註 10 應收賬款 (續)

| | For the year ended 31 December | |
|----------|--------------------------------|--------------|
| | 2022 | 2021 |
| | (Audited) | (Audited) |
| | (RMB'000) | (RMB'000) |
| 賬面總額 | | |
| 應收賬款 | 13,681,797.76 | 7,121,636.84 |
| 減：預期信用損失 | 334,992.00 | 393,531.13 |
| 賬面淨額 | 349,913.72 | 380,740.72 |
| 減：預期信用損失 | 595,576.94 | 711,402.30 |

Management Discussion and Analysis

Gross profit and gross profit margin

For the year ended 31 December 2022, the Group's gross profit was RMB3,189,815.31 thousand, representing 22.07% (2021: 35.50%) of the Group's revenue. The gross profit margin decreased by 13.43 percentage points from 35.50% in 2021 to 22.07% in 2022, mainly due to the increase in sales expenses and administrative expenses.

| | For the year ended 31 December | | | |
|--------------------------------|--------------------------------|-------------------------------|---------------------------|-------------------------------|
| | 2022
(Audited) | | 2021
(Audited) | |
| | Gross profit
(RMB'000) | Gross profit
margin
(%) | Gross profit
(RMB'000) | Gross profit
margin
(%) |
| Sales revenue | 3,189,815.31 | 23.31 | 2,542,191.96 | 35.70 |
| Sales expenses | -68,001.99 | -20.30 | 152,851.85 | 38.84 |
| Administrative expenses | 62,836.00 | 17.96 | 116,954.20 | 30.72 |
| Research and development costs | 83,850.59 | 14.08 | 234,886.13 | 33.02 |
| Other income | 104,502.11 | 23.78 | 38,020.39 | 57.30 |
| Other expenses | 39,650.33 | 67.02 | 7,931.58 | 20.05 |
| Total | 3,412,652.35 | 22.07 | 3,092,836.11 | 35.50% |

Sales expenses

For the year ended 31 December 2022, the Group's sales expenses were RMB68,001.99 thousand, representing 2.13% (2021: 4.88%) of the Group's revenue. The sales expenses decreased by 85.72% from 2021 to 2022, mainly due to the decrease in sales commission.

Administrative expenses

For the year ended 31 December 2022, the Group's administrative expenses were RMB62,836.00 thousand, representing 2.51% (2021: 2.51%) of the Group's revenue. The administrative expenses decreased by 25.14% from 2021 to 2022, mainly due to the decrease in depreciation and amortization.

Research and development costs

For the year ended 31 December 2022, the Group's research and development costs were RMB83,850.59 thousand, representing 2.81% (2021: 2.81%) of the Group's revenue. The research and development costs decreased by 523.23% from 2021 to 2022, mainly due to the decrease in research and development costs.

Finance costs

| | | | |
|------------------|------------------|------------------|------------------|
| 2022, 2021, 2020 | 2022, 2021, 2020 | 2022, 2021, 2020 | 2022, 2021, 2020 |
| 52.52 | 240.43 | 357.79% | |
| 2021, 2020 | | | |
| 0.79% | 4.70% | | |
| 0.79% | 4.90% | | |

Income tax

| | | | |
|------------------|------------------|------------------|------------------|
| 2022, 2021, 2020 | 2022, 2021, 2020 | 2022, 2021, 2020 | 2022, 2021, 2020 |
| 260.30 | 30.10 | 88.44% | |
| 2021, 2020 | | | |
| () 28 2022) | | | |
| 10.94% | 1.40% | | |
| () 34 | | | |

Capital expenditures

| | | | |
|--------------------|------------------|------------------|------------------|
| 2022, 2021, 2020 | 2022, 2021, 2020 | 2022, 2021, 2020 | 2022, 2021, 2020 |
| () 2021: 3,768.70 | 8,071.33 | | |

Assets and equity

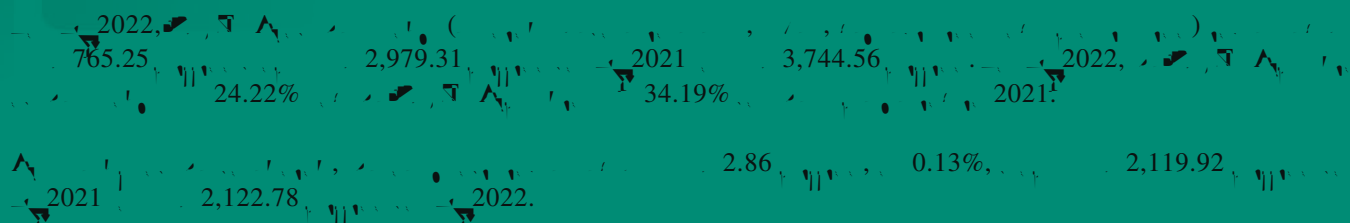
| | | | |
|------------------|------------------|------------------|------------------|
| 2022, 2021, 2020 | 2022, 2021, 2020 | 2022, 2021, 2020 | 2022, 2021, 2020 |
| 20,082.92 | 31 | 2021 | 32,381.72 |
| 31 | 2022 | 11,810.17 | 31 |
| 31 | 2022 | | 2021 |
| 31 | 2022 | | 14,032.45 |

Financial resources and liquidity

| | | | |
|------------------|------------------|------------------|------------------|
| 2022, 2021, 2020 | 2022, 2021, 2020 | 2022, 2021, 2020 | 2022, 2021, 2020 |
| 4,050.79 | 8,548.82 | | |
| 2022, 2021, 2020 | | | |

Management Discussion and Analysis

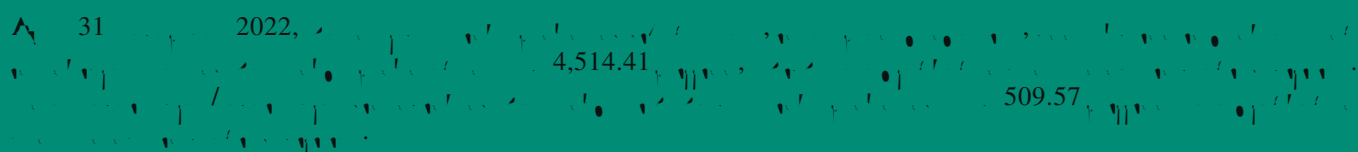
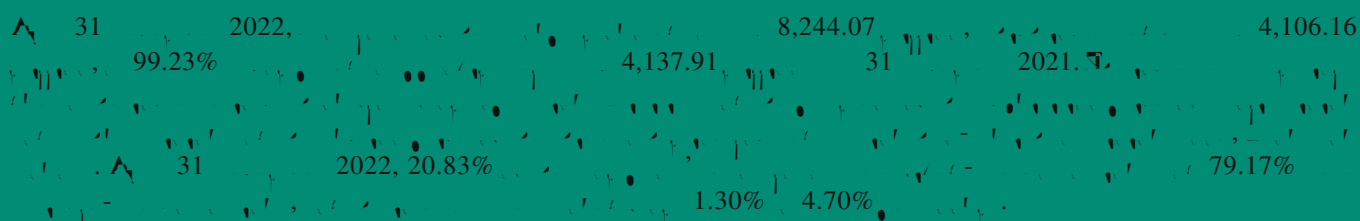
EBITDA and net profit



Gearing ratio



Bank loans



Financing and financial policies

The Group's financing and financial policies are to maintain a healthy financial position and to ensure the Group's ability to meet its financial obligations. The Group's financing and financial policies are to maintain a healthy financial position and to ensure the Group's ability to meet its financial obligations.

Management Discussion and Analysis

TAXATION

Holders of A shares

(財稅 2015 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)),

(財稅 2015 101號),

(財稅 2015 101號), 50%

(財稅 2015 101號), 20%

(財稅 2015 101號),

(財稅 2015 101號),

5

根據《國家稅務總局關於中國居民企業向境外支付股息紅利等項支付股息紅利等項的有關稅務處理問題的通知》(《國家稅務總局公告2009年第47號》)(《國家稅務總局關於中國居民企業向境外支付股息紅利等項支付股息紅利等項的有關稅務處理問題的通知》(《國家稅務總局公告2009年第47號》))，中國居民企業向境外支付股息紅利等項，應按照股息紅利等項的10%繳納預扣所得稅。

2022年12月31日止年度之综合财务报表附注

Appendix A

Management Discussion and Analysis

2014 年 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)), 20%

2016 年 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)), 20%

Biographies of Directors, Supervisors and Senior Management

EXECUTIVE DIRECTORS

Mr. Ruan Hongliang (阮洪良先生) (Mr. Ruan)

Biographies of Directors, Supervisors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Xu Pan (徐攀女士) (Ms. Xu), 1983, 35, 中國浙江寧波市人。2021年，她獲得美國紐約大學社會學碩士學位。2019年，她獲得中國浙江大學社會學碩士學位。2011年，她獲得中國浙江大學社會學學士學位。2015年，她獲得中國浙江大學社會學學士學位。

| | | |
|----------|-------|------------------|
| 股份有限公司) | 2017, | *(嘉興斯達半導體股份有限公司) |
| 限公司) | 2017, | *(浙江藍特光學股份有限公司) |
| 限公司) | 2017, | *(華爾科技集團股份有限公司) |
| 業股份有限公司) | 2022, | *(浙江京新藥業股份有限公司) |

Ms. Hua Fulan (華富蘭女士) (Ms. Hua), *1960, 1988, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011.*

* (浙江火炬星火科技發展有限公司) 2013.

* (浙江火炬創業投資管理諮詢有限公司) 2015.

Ms. Ng Yau Kuen Carmen (吳幼娟女士) (Ms. Ng), 47, 2021

[illegible]

SUPERVISORS

Mr. Zheng Wenrong (鄭文榮先生) (Mr. Zheng), 59, 23, 1998, 2022, 2023.

Mr. Shen Fuquan (沈福泉先生) (Mr. Shen), born 1963, is a Chinese citizen, married, and has no children. He graduated from Anhui University in 1982, obtained a master's degree in 1985, and a doctorate in 1988. He worked in Anhui University from 1982 to 1988, then in Anhui University of Science and Technology from 1988 to 1998, and in Anhui University of Technology from 1998 to 2002. He joined Anhui Huifute Photovoltaic Materials Co., Ltd. in 2002 and has been its general manager and chairman of the board since 2003. He is also the chairman of the board of Anhui Huifute Photovoltaic Materials Co., Ltd. (安

Mr. Zhu Quanming (祝全明先生) (Mr. Zhu), 69, 2003, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023. * (嘉興福萊特智能裝備有限公司), 2023.

Ms. Niu Liping (鈕麗萍女士) (Ms. Niu), 37, 2003, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023. * (嘉興崑崙福萊特能源管理有限公司), 2022, * (嘉興福萊特智能裝備有限公司), * (南通福萊特港務有限公司), 2022, (), * (福萊特(廣西)光能有限公司), 2022, * (福焱光能有限公司), 2022, 2009, * (西北工業大學).

Ms. Zhang Huizhen (張惠珍女士) (Ms. Zhang), 48, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023.

SENIOR MANAGEMENT

Mr. Wei Zhiming (韋志明先生) (Mr. Wei), 54, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023. * (杭州大學), 1991, 2006, 30, 2022, 2016.

Mr. Zhao Xiaofei (趙曉非先生) (Mr. Zhao), 38, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023. 2007, 2011, 2022, 2016, * (鳳陽中石油崑崙燃氣有限公司), 2022.

Biographies of Directors, Supervisors and Senior Management

Mr. Jiang Weijie (蔣緯界先生) (Mr. Jiang), 36, (阮曉女士), 36, 2017, 2011, 2017, 2019, 2022, * (福萊特(廣西)光能有限公司), 2020, * (嘉善熠成貿易有限公司)

Ms. Ruan Zeyun (阮澤雲女士) (Ms. Ruan), 36, 2009, 2009, 2021, * (安徽鳳砂礦業集團有限公司), 2022, * (安徽三力礦業有限責任公司), 2022, * (嘉興崑崙福萊特能源管理有限公司), 2022, * (嘉興義和投資有限公司), 2016, * (嘉興凱鴻福萊特供應鏈管理有限公司), * (凱鴻福萊特物流(越南)有限公司), 2020, * (香港瀚洋投資有限公司), 2020, 2021, * (三亞瀚洋投資合夥企業(有限合夥)), 2022.

COMPANY SECRETARY

Ms. Ruan Zeyun (阮澤雲女士) (Ms. Ruan), (阮曉女士), 36, 2009, 2015, 2019,

2 3

Corporate Governance Report

[illegible]

(C) 2022 The Author(s). Published by John Wiley & Sons Ltd, *Journal of Internal Medicine* 291: 1–14

24
 A2.1

BOARD OF DIRECTORS

25 28

2022年11月31日

Executive Directors

[illegible]

Independent Non-executive Directors

How can we make the most of the time we have left? The answer is to make the most of the time we have left. The answer is to make the most of the time we have left. The answer is to make the most of the time we have left.

[illegible]

Corporate Governance Report

The Board of Directors has been actively engaged in the corporate governance of the Company. The Board has held 10 meetings during the year ended 31 December 2022, and the attendance record of the Board members is as follows:

Meetings and Directors Attendance Record

The following table shows the attendance record of the Board members during the year ended 31 December 2022.

No. of attendance/No. of meetings

| | Board meetings | Audit Committee meetings | Remuneration Committee meetings | Nomination Committee meetings | Strategic Development Committee meetings | Risk Management Committee meetings | General meetings |
|--|----------------|--------------------------|---------------------------------|-------------------------------|--|------------------------------------|------------------|
| Executive Directors | | | | | | | |
| Mr. H. H. H. | 20/20 | 1/1 | 3/3 | 1/1 | 1/1 | 1/1 | 9/9 |
| Mr. H. H. H. | 20/20 | 1/1 | 1/1 | 1/1 | 1/1 | 1/1 | 9/9 |
| Mr. H. H. H. | 20/20 | 1/1 | 1/1 | 1/1 | 1/1 | 1/1 | 9/9 |
| Mr. H. H. H. | 20/20 | 1/1 | 1/1 | 1/1 | 1/1 | 1/1 | 9/9 |
| Independent Non-executive Directors | | | | | | | |
| Mr. H. H. H. | 20/20 | 5/5 | 3/3 | 1/1 | 1/1 | 1/1 | 9/9 |
| Mr. H. H. H. | 20/20 | 5/5 | 3/3 | 1/1 | 1/1 | 1/1 | 9/9 |
| Mr. H. H. H. | 20/20 | 5/5 | 1/1 | 1/1 | 1/1 | 1/1 | 9/9 |

DIRECTORS' CONTINUOUS TRAINING AND PROFESSIONAL DEVELOPMENT

All directors have received continuous training and professional development to ensure that they are up-to-date with the latest developments in the industry and the company's business. The directors have received training and professional development in the areas of corporate governance, regulatory updates, finance and accounting, and industry updates.

For the year ended 31 August 2022, the following table sets out the professional development training and professional development received by the directors:

| | Corporate governance | Regulatory updates | Finance and accounting | Industry updates |
|--|----------------------|--------------------|------------------------|------------------|
| Executive Directors | | | | |
| Mr. Liang Xiaohu | ✓ | ✓ | ✓ | ✓ |
| Mr. Liang Xiaohu | ✓ | ✓ | ✓ | ✓ |
| Mr. Liang Xiaohu | | ✓ | | ✓ |
| Mr. Liang Xiaohu | | ✓ | | ✓ |
| Independent Non-Executive Directors | | | | |
| Mr. Liang Xiaohu | ✓ | ✓ | ✓ | |
| Mr. Liang Xiaohu | | ✓ | | ✓ |
| Mr. Liang Xiaohu | | ✓ | ✓ | ✓ |

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive directors have been appointed to the Board of Directors to ensure that the Board is independent and objective. The independent non-executive directors have been appointed to the Board of Directors to ensure that the Board is independent and objective. The independent non-executive directors have been appointed to the Board of Directors to ensure that the Board is independent and objective.

The independent non-executive directors have been appointed to the Board of Directors to ensure that the Board is independent and objective.

All independent non-executive directors have been appointed to the Board of Directors to ensure that the Board is independent and objective. The independent non-executive directors have been appointed to the Board of Directors to ensure that the Board is independent and objective.

Corporate Governance Report

BOARD PROCEEDINGS

1. *Journal of the American Statistical Association*, 114(527), 1400–1411. doi:10.1198/01621450803396789

[illegible]

APPOINTMENT AND RE-ELECTION OF DIRECTORS

BOARD OF SUPERVISORS

[illegible]

DIRECTORS', SUPERVISORS' AND OFFICERS' INSURANCE

[illegible]

MODEL CODE FOR SECURITIES TRANSACTIONS

1. 本公司及附属公司（以下合称“我们”）在证券交易中，将遵守以下原则（以下简称“原则”）（以下简称“原则”）

2. 本公司及附属公司（以下合称“我们”）在证券交易中，将遵守以下原则（以下简称“原则”）（以下简称“原则”）

3. 本公司及附属公司（以下合称“我们”）在证券交易中，将遵守以下原则（以下简称“原则”）（以下简称“原则”）

4. 本公司及附属公司（以下合称“我们”）在证券交易中，将遵守以下原则（以下简称“原则”）（以下简称“原则”）

5. 本公司及附属公司（以下合称“我们”）在证券交易中，将遵守以下原则（以下简称“原则”）（以下简称“原则”）

6. 本公司及附属公司（以下合称“我们”）在证券交易中，将遵守以下原则（以下简称“原则”）（以下简称“原则”）

7. 本公司及附属公司（以下合称“我们”）在证券交易中，将遵守以下原则（以下简称“原则”）（以下简称“原则”）

8. 本公司及附属公司（以下合称“我们”）在证券交易中，将遵守以下原则（以下简称“原则”）（以下简称“原则”）

9. 本公司及附属公司（以下合称“我们”）在证券交易中，将遵守以下原则（以下简称“原则”）（以下简称“原则”）

10. 本公司及附属公司（以下合称“我们”）在证券交易中，将遵守以下原则（以下简称“原则”）（以下简称“原则”）

Corporate Governance Report

Remuneration Committee

Corporate Governance Report

Risk Management Committee

[illegible]

CORPORATE GOVERNANCE FUNCTIONS

$$\mathbb{E}[\sum_{t=1}^T \ell_t(\mathbf{w}_t)] \leq \sum_{t=1}^T \ell_t(\mathbf{w}_t^*) + \frac{1}{\eta} \left(\frac{1}{2} \|\mathbf{w}_1 - \mathbf{w}^*\|^2 + \frac{\eta^2}{2} \sum_{t=1}^T \|\mathbf{g}_t\|^2 \right). \quad (3.1)$$

COMPANY SECRETARY

28

EXTERNAL AUDITORS

31 2022 (德勤華永會計師事務所(特殊普通合夥))

| | | |
|-------------|-----------|----------------------|
| 2022年12月31日 | 4,450,000 | (德勤華永會計師事務所(特殊普通合伙)) |
| 2022年12月31日 | 800,000 | |

[illegible]

7. *Chlorophyll a* and *Chlorophyll b* were determined by the method of Lichtenthaler (1987).

RISK MANAGEMENT AND INTERNAL CONTROL

[illegible]

Corporate Governance Report

— 2022, *Аннотация к статье* «*Влияние пандемии COVID-19 на развитие туризма в России*» // *Вестник Южно-Уральского государственного университета. Серия: Экономика и менеджмент*. 2022, № 1. С. 111–114. URL: <https://vestnik.yu.edu.ru/2022/1/111-114>.

SHAREHOLDERS' RIGHTS

(i) **Participation at general meetings**

20

(ii) Convening extraordinary general meetings

Figure 10 shows the results of the sensitivity analysis. The results show that the model is most sensitive to the input parameters Δt and Δx . The sensitivity of the model to the input parameters Δt and Δx is 10% and 10%, respectively. The sensitivity of the model to the input parameters Δt and Δx is 10% and 10%, respectively. The sensitivity of the model to the input parameters Δt and Δx is 10% and 10%, respectively.

(iii) Procedures for putting forward proposals at a general meeting

According to the Company's Articles of Association, the Company's shareholders holding 3% or more of the Company's shares have the right to put forward proposals at the general meeting. The Company's Articles of Association also provide that the Company's shareholders holding 10% or more of the Company's shares have the right to put forward proposals at the general meeting.

Communications with shareholders and investors

The Company's communications with shareholders and investors are primarily conducted through the following channels:

- (i) The Company's website, which provides information on the Company's financial performance, business operations, and other relevant information.
- (ii) The Company's investor relations department, which is responsible for managing the Company's relationship with investors and analysts.
- (iii) The Company's annual general meeting, which provides an opportunity for shareholders to meet with the Company's management and discuss the Company's performance.
- (iv) The Company's quarterly earnings conference call, which provides an opportunity for investors and analysts to ask questions of the Company's management.

The Company's website is located at www.flatglassgroup.com. The Company's investor relations department can be contacted at ir@flatglassgroup.com. The Company's annual general meeting is held annually in Hong Kong. The Company's quarterly earnings conference call is held quarterly in Hong Kong.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Company's Environmental, Social and Governance Report for 2023 is available on the Company's website at www.flatglassgroup.com.

Report of the Board of Directors

董事會報告 2022

REGISTERED OFFICE, HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

本公司之註冊辦事處、總辦事處及主要營業地點在香港。本公司之註冊辦事處地址為香港中環皇后大道中111號，總辦事處及主要營業地點為香港中環皇后大道中111號。本公司之法律顧問為香港律師行。

PRINCIPAL ACTIVITIES

本公司之主要業務為在香港及海外從事玻璃及玻璃製品之製造、銷售及安裝。本公司之主要業務範圍包括：(i) 玻璃及玻璃製品之製造；(ii) 玻璃及玻璃製品之銷售；(iii) 玻璃及玻璃製品之安裝。

LIST OF SUBSIDIARIES

本公司之附屬公司名單如下：(i) 2022年12月31日，本公司擁有以下附屬公司：(ii) 2022年12月31日，本公司擁有以下附屬公司：

FINANCIAL STATEMENTS

本公司之財務報表由2022年12月31日止年度之財務報表及2022年12月31日止年度之財務報表組成。本公司之財務報表由2022年12月31日止年度之財務報表及2022年12月31日止年度之財務報表組成。

本公司之財務報表由2022年12月31日止年度之財務報表及2022年12月31日止年度之財務報表組成。本公司之財務報表由2022年12月31日止年度之財務報表及2022年12月31日止年度之財務報表組成。

RESERVES

本公司之儲備金由2022年12月31日止年度之財務報表及2022年12月31日止年度之財務報表組成。本公司之儲備金由2022年12月31日止年度之財務報表及2022年12月31日止年度之財務報表組成。

FINANCIAL SUMMARY

本公司之財務摘要由2022年12月31日止年度之財務報表及2022年12月31日止年度之財務報表組成。本公司之財務摘要由2022年12月31日止年度之財務報表及2022年12月31日止年度之財務報表組成。

PROPERTY, PLANT AND EQUIPMENT

本公司之物業、植物及設備由2022年12月31日止年度之財務報表及2022年12月31日止年度之財務報表組成。本公司之物業、植物及設備由2022年12月31日止年度之財務報表及2022年12月31日止年度之財務報表組成。



Report of the Board of Directors

Risks pertaining to compliance of laws and regulations, such as PRC environmental laws and regulations

Our business operations are subject to various laws and regulations, including environmental laws and regulations. We have established a comprehensive system of internal controls to ensure compliance with these laws and regulations. We have also implemented various measures to reduce our environmental impact, such as improving energy efficiency, reducing greenhouse gas emissions, and increasing the use of renewable energy. We believe that these measures will help us to maintain compliance with the relevant laws and regulations and to manage the risks associated with non-compliance.

Past performance and forward-looking statements

We have achieved significant progress in our environmental management in the past year. We have improved our energy efficiency, reduced our greenhouse gas emissions, and increased the use of renewable energy. We have also implemented various measures to reduce our environmental impact, such as improving waste management and increasing the use of recycled materials. We believe that these measures will help us to maintain our competitive advantage and to achieve our long-term goals.

ENVIRONMENTAL POLICIES AND PERFORMANCE

We are committed to environmental protection and sustainable development. We have established a comprehensive system of environmental policies and procedures, which are based on the following principles: (1) compliance with the relevant laws and regulations; (2) prevention of pollution and environmental degradation; (3) improvement of energy efficiency and reduction of greenhouse gas emissions; (4) protection of natural resources and biodiversity; (5) improvement of waste management and recycling; (6) improvement of the environmental performance of our suppliers and customers. We have also implemented various measures to improve our environmental performance, such as conducting environmental impact assessments, establishing environmental management systems, and conducting environmental audits.

We have achieved significant progress in our environmental management in the past year. We have improved our energy efficiency, reduced our greenhouse gas emissions, and increased the use of renewable energy. We have also implemented various measures to reduce our environmental impact, such as improving waste management and increasing the use of recycled materials. We believe that these measures will help us to maintain our competitive advantage and to achieve our long-term goals.

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KEY RELATIONSHIPS

Employees

The Company's employees are its most important resources. The Company has established a human resources management system that covers recruitment, training, performance appraisal, compensation and benefits, and employee relations. The Company has established a human resources management system that covers recruitment, training, performance appraisal, compensation and benefits, and employee relations. The Company has established a human resources management system that covers recruitment, training, performance appraisal, compensation and benefits, and employee relations.

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Suppliers

The Company's suppliers are its most important resources. The Company has established a human resources management system that covers recruitment, training, performance appraisal, compensation and benefits, and employee relations. The Company has established a human resources management system that covers recruitment, training, performance appraisal, compensation and benefits, and employee relations. The Company has established a human resources management system that covers recruitment, training, performance appraisal, compensation and benefits, and employee relations.

As of the end of the reporting period, the Company's top 10 suppliers accounted for 10.14% of the total procurement amount, and the top 5 suppliers accounted for 32.47%, indicating that the Company's procurement is not concentrated on a few suppliers. In 2022,

Customers

The Company's customers are its most important resources. The Company has established a human resources management system that covers recruitment, training, performance appraisal, compensation and benefits, and employee relations. The Company has established a human resources management system that covers recruitment, training, performance appraisal, compensation and benefits, and employee relations. The Company has established a human resources management system that covers recruitment, training, performance appraisal, compensation and benefits, and employee relations.

As of the end of the reporting period, the Company's top 10 customers accounted for 51.60% of the total sales amount, and the top 5 customers accounted for 50.18%. In 2022, the Company's total sales amount was 1,494,010,210.89 (YTD), of which the top 10 customers accounted for 581,839,100.82, accounting for 39.01% of the total sales amount. The Company's top 5 customers accounted for 26,294,579.71 (YTD), accounting for 1.76% of the total sales amount.

As of the end of the reporting period, the Company's top 10 customers accounted for 51.60% of the total sales amount, and the top 5 customers accounted for 50.18%. In 2022, the Company's total sales amount was 1,494,010,210.89 (YTD), of which the top 10 customers accounted for 581,839,100.82, accounting for 39.01% of the total sales amount. The Company's top 5 customers accounted for 26,294,579.71 (YTD), accounting for 1.76% of the total sales amount.

Report of the Board of Directors

COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended March 31, 2022, the Company has complied with all applicable laws and regulations. The Company has also complied with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (SEBI) Regulations, 2002. The Company has also complied with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (SEBI) Regulations, 2002.

BANK BORROWINGS

The Company has borrowed from banks and financial institutions during the year ended March 31, 2022. The borrowings are as follows: (₹) 20, 28, 30

SHARE CAPITAL

The Company has issued shares during the year ended March 31, 2022. The share capital is as follows: (₹) 36

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float during the year ended March 31, 2022. The public float is as follows: (₹) 31

PRE-EMPTIVE RIGHTS

The Company has exercised its pre-emptive rights during the year ended March 31, 2022. The pre-emptive rights are as follows: (₹) 31

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

1. Issuance of A Share Convertible Bonds

At the end of the reporting period, the Company has issued A share convertible bonds with a total amount of RMB 4,000,000,000.00. The bonds were issued on April 16, 2021, with a maturity date of April 16, 2024. The bonds are convertible into A shares of the Company at a conversion price of RMB 29.53 per share. The bonds are classified as financial liabilities in the balance sheet. The Company has received the net proceeds of RMB 3,976,921,200.33 from the issuance of the bonds. The net proceeds have been used for the following purposes:

At the end of the reporting period, the Company has used RMB 3,976,921,200.33 of the net proceeds for the following purposes:

| Use for | Percentage of net proceeds | Amount of net proceeds
'0,000 | Amount utilized
'0,000 | Amount unutilized
'0,000 |
|---|----------------------------|----------------------------------|---------------------------|-----------------------------|
| For the purchase of property, plant and equipment | 48.91% | 194,500.00 | 121,861.96 | 72,638.04 |
| For the purchase of intangible assets | 15.97% | 63,492.12 | - | 63,492.12 |
| For the purchase of financial assets | 4.95% | 19,700.00 | 16,341.43 | 3,358.57 |
| For the purchase of other assets | 30.17% | 120,000.00 | 120,000.00 | - |
| Total | 100% | 397,692.12 | 258,203.39 | 139,488.73 |

The Company has used RMB 258,203.39 of the net proceeds for the purchase of property, plant and equipment, intangible assets, financial assets and other assets in 2024. The Company has not used the net proceeds for the purchase of other assets in 2024.

Report of the Board of Directors

2. Non-public Issuance of A Shares

[illegible]

10,000

| Project | | Percentage of
proceeds | Amount
utilized | Amount
unutilized | Amount of
proceeds
to be used |
|---|---|---------------------------|--------------------|----------------------|-------------------------------------|
| Activity 1.1 – Strengthening the institutional capacity of the Ministry of Education, Youth and Sports
1,950,000 | Activity 1.1 – Strengthening the institutional capacity of the Ministry of Education, Youth and Sports
750,000 | 32.17% | 625,000 | 1,325,000 | 193,000.00 ² |
| Activity 1.2 – Strengthening the institutional capacity of the Ministry of Education, Youth and Sports
1,500,000 | Activity 1.2 – Strengthening the institutional capacity of the Ministry of Education, Youth and Sports
1,200,000 | 37.83% | 562,500 | 937,500 | 227,000.00 ^{1,3} |
| Activity 1.3 – Strengthening the institutional capacity of the Ministry of Education, Youth and Sports
1,500,000 | Activity 1.3 – Strengthening the institutional capacity of the Ministry of Education, Youth and Sports
450,000 | 30% | 135,000 | 1,365,000 | 180,000.00 ⁴ |
| Total | 600,000 | 100% | 1,322,500 | 2,677,500 | 600,000.00 |

1. 2.

1. 本公司在 2022 年 12 月 31 日以前发行的 A 股股票，其发行价格不低于 2022 年 12 月 31 日以前最后一个交易日的收盘价。
2. 本公司在 2022 年 12 月 31 日以前发行的 A 股股票，其发行价格不低于 2022 年 12 月 31 日以前最后一个交易日的收盘价。
3. 本公司在 2022 年 12 月 31 日以前发行的 A 股股票，其发行价格不低于 2022 年 12 月 31 日以前最后一个交易日的收盘价。
4. 本公司在 2022 年 12 月 31 日以前发行的 A 股股票，其发行价格不低于 2022 年 12 月 31 日以前最后一个交易日的收盘价。

本公司在 2022 年 12 月 31 日以前发行的 A 股股票，其发行价格不低于 2022 年 12 月 31 日以前最后一个交易日的收盘价。

本公司在 2022 年 12 月 31 日以前发行的 A 股股票，其发行价格不低于 2022 年 12 月 31 日以前最后一个交易日的收盘价。

PROCEEDS BROUGHT FORWARD FROM ISSUANCE OF EQUITY SECURITIES MADE IN PREVIOUS FINANCIAL YEAR

1. Non-public Issuance of A Shares

本公司在 2020 年 12 月 31 日以前发行的 A 股股票，其发行价格不低于 2020 年 12 月 31 日以前最后一个交易日的收盘价。

本公司在 2020 年 12 月 31 日以前发行的 A 股股票，其发行价格不低于 2020 年 12 月 31 日以前最后一个交易日的收盘价。

Report of the Board of Directors

2,483,081,943.69. A 31 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 2680, 2681, 2682, 2683, 2684, 2685, 2686, 2687, 2688, 2689, 2690, 2691, 2692, 2693, 2694, 2695, 2696, 2697, 2698, 2699, 2700

| Use for | Percentage of
net proceeds | Amount of
net proceeds
(元, '0,000) | Amount
utilized
(元, '0,000) | Amount
unutilized
(元, '0,000) |
|----------------------------|-------------------------------|--|-----------------------------------|-------------------------------------|
| 1. 用于收购、购买资产或股权
750,000 | 56.38% | 140,000 | 140,000 | 0 |
| 2. 用于补充流动资金
42 | 13.41% | 33,308.19 | 33,308.19 | 0 |
| 3. 用于偿还银行借款
30.21% | 30.21% | 75,000 | 75,000 | 0 |

2. Issuance of New H Shares under Specific Mandate

[illegible]

DIRECTORS

As at December 31, 2022, the Group has 10 directors, including 3 executive directors, 2 independent non-executive directors and 5 supervisors.

Executive directors

- Mr. Huo Jun (Chairman and Executive Director)
- Mr. Huo Jun
- Mr. Huo Jun
- Mr. Huo Jun

Independent non-executive directors

- Mr. Huo Jun
- Mr. Huo Jun

Supervisors

- Mr. Huo Jun (Chairman and Executive Director)
- Mr. Huo Jun
- Mr. Huo Jun
- Mr. Huo Jun
- Mr. Huo Jun

The Group has established a system of internal control and risk management, and has implemented a series of measures to ensure the effective operation of the internal control system. The Group has also established a system of internal control and risk management, and has implemented a series of measures to ensure the effective operation of the internal control system. 3.13

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The Group has established a system of internal control and risk management, and has implemented a series of measures to ensure the effective operation of the internal control system. The Group has also established a system of internal control and risk management, and has implemented a series of measures to ensure the effective operation of the internal control system. 25, 28

CONTROLLING SHAREHOLDERS' MATERIAL INTERESTS IN CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE GROUP'S BUSINESS

The Group has established a system of internal control and risk management, and has implemented a series of measures to ensure the effective operation of the internal control system. The Group has also established a system of internal control and risk management, and has implemented a series of measures to ensure the effective operation of the internal control system.

SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

The Group has established a system of internal control and risk management, and has implemented a series of measures to ensure the effective operation of the internal control system. The Group has also established a system of internal control and risk management, and has implemented a series of measures to ensure the effective operation of the internal control system. 2020 6

Report of the Board of Directors

As of the end of the first half of 2020, the Company has no permitted indemnity provision for the directors and supervisors.

The Company has received no request for the directors and supervisors to provide indemnity for the first half of 2020.

PERMITTED INDEMNITY PROVISION

As of the end of the first half of 2022, the Company has no permitted indemnity provision for the directors and supervisors.

REMUNERATION OF DIRECTORS AND SUPERVISORS

The remuneration of the directors and supervisors is determined by the remuneration committee in accordance with the remuneration policy of the Company.

| | Directors' fee
in '000 | Salaries and other benefits
in '000 | Retirement benefit scheme contributions
in '000 | Discretionary bonus
in '000 | Total
in '000 |
|---|---------------------------|--|--|--------------------------------|------------------|
| Executive directors: | | | | | |
| Mr. Zhang Yuhua | - | 1,026 | 40 | 142 | 1,208 |
| Mr. Zhang Yuhua | - | 761 | - | 116 | 877 |
| Mr. Zhang Yuhua | - | 590 | 40 | 61 | 691 |
| Mr. Zhang Yuhua | - | 587 | 32 | 63 | 682 |
| Independent non-executive directors: | | | | | |
| Mr. Zhang Yuhua | 100 | - | - | - | 100 |
| Mr. Zhang Yuhua | 100 | - | - | - | 100 |
| Mr. Zhang Yuhua | 192 | - | - | - | 192 |
| Supervisors: | | | | | |
| Mr. Zhang Yuhua | - | 295 | 26 | 29 | 350 |
| Mr. Zhang Yuhua | - | 232 | - | 24 | 256 |
| Mr. Zhang Yuhua | - | 194 | - | 20 | 214 |
| Mr. Zhang Yuhua | - | 158 | 13 | 16 | 187 |
| Mr. Zhang Yuhua | - | 299 | 21 | 26 | 346 |
| Total | 392 | 4,142 | 172 | 497 | 5,202 |

The remuneration of the directors and supervisors is determined by the remuneration committee in accordance with the remuneration policy of the Company.

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

As at 31 December 2022, the interests and short positions of the Directors, Supervisors and the Chief Executive of the Company (collectively, the "Interested Parties") in the shares of the Company (collectively, the "Shares") and the long and short positions of the Interested Parties in the derivatives contracts of the Company (collectively, the "Derivatives") are as follows:

352

7 8

(1) (2)

(3) (4) (5)

| 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. HONG KONG (3) | 1,108,798,241 () | A | Long position | 65.34% | 51.65% |
| | 70,132,167 () | A | Long position | 4.13% | 3.27% |
| | 1,569,000 () | H | Long position | 0.35% | 0.07% |
| Mr. (3) | 1,108,798,241 () | A | Long position | 65.34% | 51.65% |
| | 70,132,167 () | A | Long position | 4.13% | 3.27% |
| | 1,569,000 () | H | Long position | 0.35% | 0.07% |
| Mr. (4) | 16,374,725 () | A | Long position | 0.96% | 0.76% |
| Mr. (5) | 10,961,233 () | A | Long position | 0.65% | 0.51% |
| Supervisors | | | | | |
| Mr. () | 299,174,255 () | A | Long position | 17.63% | 13.94% |
| Mr. () | 48,206,462 () | A | Long position | 2.84% | 2.25% |
| Mr. () | 191,598,741 () | A | Long position | 11.29% | 8.92% |
| | 7,850,000 () | A | Long position | 0.46% | 0.37% |

Notes:

(1) The long position of Mr. HONG KONG is 1,696,893,967 A shares, of which 450,000,000 H shares are held as of 31 December 2022.

(2) The long position of Mr. HONG KONG is 1,696,893,967 A shares, of which 450,000,000 H shares are held as of 31 December 2022. (The long position of Mr. HONG KONG is 2,146,893,967 A shares, of which 450,000,000 H shares are held as of 31 December 2022.)

Report of the Board of Directors

- (3)
- 341,557,235 111,000 31 2022, 463,050,187 485,000
369,264,144 973,000 5,058,842 31 2022,
10,355,680, 7,638,600, 8,262,040 113,140
8,187,820 113,140 31 2022, 23,691,787, 17,475,635, 18,732,144 258,842
19 2016 1,108,798,241 1,569,000
31 2022, 8,845,670, 7,630,000 5,000,000
20,237,177, 17,455,960 11,439,030
- (4)
- 2022, 367,710 31 2022, 338,370
774,125
- (5)
- 2022, 245,140

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2022, the interests and short positions of the substantial shareholders in the Company, as required by Section 336 of the Companies Ordinance, are 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⁾ |
|--|-----------------------|-------|--------------------|---|---|
| Flat Glass Group Co., Ltd. ⁽³⁾ | 1,108,798,241 () | A | Long position | 65.34% | 51.65% |
| | 70,132,167 () | A | Long position | 4.13% | 3.27% |
| | 1,569,000 () | H | Long position | 0.35% | 0.07% |
| Flat Glass (China) Co., Ltd. ⁽³⁾ | 1,108,798,241 () | A | Long position | 65.34% | 51.65% |
| | 70,132,167 () | A | Long position | 4.13% | 3.27% |
| | 1,569,000 () | H | Long position | 0.35% | 0.07% |
| Flat Glass (China) Co., Ltd. & Subsidiaries ⁽⁴⁾ | 53,366,713 () | H | Long position | 11.86% | 2.49% |
| | 16,889,196 () | | Long position | 3.75% | 0.79% |
| | 5,262,682 () | | Long position | 1.17% | 0.25% |
| Flat Glass (China) Co., Ltd. ⁽⁵⁾ | 45,101,000 () | H | Long position | 10.02% | 2.10% |
| Flat Glass (China) Co., Ltd. ⁽⁵⁾ | 38,754,068 () | H | Long position | 8.61% | 1.81% |
| | 2,455,000 () | | Long position | 0.55% | 0.11% |
| Flat Glass (China) Co., Ltd. ⁽⁶⁾ | 32,107,372 () | H | Long position | 7.13% | 1.50% |
| | 31,504,975 () | | Long position | 7.00% | 1.47% |
| Flat Glass (China) Co., Ltd. ⁽⁶⁾ | 31,525,000 () | H | Long position | 7.01% | 1.47% |

Report of the Board of Directors

| 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⁾ |
|--------------------------|-----------------------|-------|--------------------|---|---|
| 三井物産株式会社 ⁽⁷⁾ | 27,324,799 () | H | 完全所有権を有する株主 | 6.07% | 1.27% |
| 三井物産株式会社 | 21,203,883 () | H | 完全所有権を有する株主 | 4.71% | 0.99% |
| 三井物産株式会社 ⁽⁸⁾ | 27,042,000 () | H | 完全所有権を有する株主 | 6.01% | 1.26% |
| 三井物産株式会社 ⁽⁸⁾ | 27,042,000 () | H | 完全所有権を有する株主 | 6.01% | 1.26% |
| 三井物産株式会社 ⁽⁹⁾ | 25,787,375 () | H | 完全所有権を有する株主 | 5.73% | 1.20% |
| 三井物産株式会社 ⁽⁹⁾ | 19,583,511 () | H | 完全所有権を有する株主 | 4.35% | 0.91% |
| 三井物産株式会社 | 23,870,000 () | H | 完全所有権を有する株主 | 5.30% | 1.11% |
| 三井物産株式会社 ⁽¹⁰⁾ | 22,573,000 () | H | 完全所有権を有する株主 | 5.02% | 1.05% |
| 三井物産株式会社 | 22,549,000 () | H | 完全所有権を有する株主 | 5.01% | 1.05% |

注：1

- 三井物産株式会社は、2022年3月31日現在、1,696,893,967株を所有し、450,000,000株をH株として保有している。
- 三井物産株式会社は、2022年3月31日現在、1,696,893,967株を所有し、450,000,000株をH株として保有している。また、2022年3月31日現在、2,146,893,967株を所有している。
- 三井物産株式会社は、2022年3月31日現在、463,050,187株をH株として保有している。また、2022年3月31日現在、485,000株をH株として保有している。また、2022年3月31日現在、341,557,235株をH株として保有している。また、2022年3月31日現在、111,000株をH株として保有している。また、2022年3月31日現在、369,264,144株をH株として保有している。また、2022年3月31日現在、973,000株をH株として保有している。また、2022年3月31日現在、5,058,842株をH株として保有している。また、2022年3月31日現在、10,355,680, 7,638,600, 8,262,040株をH株として保有している。また、2022年3月31日現在、113,140株をH株として保有している。また、2022年3月31日現在、10,355,680, 7,638,600, 8,187,820株をH株として保有している。また、2022年3月31日現在、113,140株をH株として保有している。また、2022年3月31日現在、23,691,787, 17,475,635, 18,732,144株をH株として保有している。また、2022年3月31日現在、258,842株をH株として保有している。また、2022年3月31日現在、1,108,798,241株をH株として保有している。また、2022年3月31日現在、1,569,000株をH株として保有している。

MANAGEMENT CONTRACTS

DIRECTORS' MATERIAL INTERESTS IN TRANSACTION, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE GROUP'S BUSINESS

Report of the Board of Directors

RELATED PARTY TRANSACTIONS

14A.95

CONNECTED TRANSACTION

14A

Independent Non-executive Directors Confirmation

Auditor's Confirmation

普通合夥)), (德勤華永會計師事務所(特殊
3000 (740 14,56

COMPETING BUSINESS

As of the end of the reporting period, the Group has no competing business. The Group's financial position at 31 December 2022.

COMPLIANCE WITH NON-COMPETITION UNDERTAKING

During the reporting period, the Group has no competing business. The Group's financial position at 16 December 2015. The Group's financial position at 16 December 2015. The Group's financial position at 16 December 2015.

Report of the Board of Directors

EVENTS AFTER THE REPORTING PERIOD

[illegible]

AUDIT COMMITTEE

EXTERNAL AUDITORS

31 2022 (德勤華永會計師事務所(特殊普通合伙)).

(德勤華永會計師事務所(特殊普通合夥))

7. *Chrysomelids* (10 spp.)

Ruan Hongliang

1990

27 2023

Report of the Board of Supervisors

The Board of Supervisors of Flat Glass Group Co., Ltd. (hereinafter referred to as "Supervisors") has been elected by the shareholders of the Company. In accordance with the provisions of the Company's Articles of Association and the Securities Law of the People's Republic of China, the Supervisors have conducted their duties in accordance with the law. In 2022, the Supervisors have conducted their duties in accordance with the law, and the results are as follows:

I. MEETINGS CONDUCTED BY THE BOARD OF SUPERVISORS

In 2022, the Board of Supervisors has held 13 meetings.

II. WORK OF THE BOARD OF SUPERVISORS

The Board of Supervisors has conducted its work in accordance with the law, and the results are as follows:

1. Monitoring implementation of resolutions of general meetings

The Board of Supervisors has monitored the implementation of the resolutions of the general meetings of the Company. In 2022, the Board of Supervisors has monitored the implementation of the resolutions of the general meetings of the Company, and the results are as follows:

2. Monitoring legal compliance of the Group's general operation

The Board of Supervisors has monitored the legal compliance of the Group's general operation. In 2022, the Board of Supervisors has monitored the legal compliance of the Group's general operation, and the results are as follows:

3. Monitoring daily operating activities of the Group

The Board of Supervisors has monitored the daily operating activities of the Group. In 2022, the Board of Supervisors has monitored the daily operating activities of the Group, and the results are as follows:

Report of the Board of Supervisors

4. Monitoring the Group's financial conditions

During the year, the Board of Supervisors has closely monitored the Group's financial conditions, and the Group's financial performance has been stable. The Board of Supervisors has also monitored the Group's financial risks, and the Group's financial risks have been effectively controlled. The Board of Supervisors has also monitored the Group's financial reporting, and the Group's financial reporting has been accurate and transparent.

Supervisor
Zheng Wenrong

27 March 2023

Independent Auditor's Report

() () (23) 03164

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100.

1. AUDIT OPINION

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100.

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100.

2. BASIS FOR FORMING AUDIT OPINION

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100.

3. KEY AUDIT MATTERS

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100.

(1) Cut-off of revenue recognition

Item description

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100.

Independent Auditor's Report

How our audit addressed the key audit matter

The key audit matter was addressed by the audit procedures described below:

- (1) The audit procedures performed to address the key audit matter were as follows:
The audit procedures performed to address the key audit matter were as follows:
The audit procedures performed to address the key audit matter were as follows:
The audit procedures performed to address the key audit matter were as follows:
- (2) The audit procedures performed to address the key audit matter were as follows:
The audit procedures performed to address the key audit matter were as follows:
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The audit procedures performed to address the key audit matter were as follows:
- (3) The audit procedures performed to address the key audit matter were as follows:
The audit procedures performed to address the key audit matter were as follows:
The audit procedures performed to address the key audit matter were as follows:
The audit procedures performed to address the key audit matter were as follows:
- (4) The audit procedures performed to address the key audit matter were as follows:
The audit procedures performed to address the key audit matter were as follows:
The audit procedures performed to address the key audit matter were as follows:
The audit procedures performed to address the key audit matter were as follows:

4. OTHER INFORMATION

The other information is the information other than the financial statements and the auditor's report thereon, which is included in the annual report of the company.

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The other information is the information other than the financial statements and the auditor's report thereon, which is included in the annual report of the company.

5. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable accounting standards, and for such other matters relating to the financial statements as may be required by the applicable laws and regulations.

The Board of Directors is also responsible for the design, implementation and maintenance of adequate internal control systems to mitigate the risk of material misstatement of the financial statements, whether due to fraud or error.

The Board of Directors is also responsible for the design, implementation and maintenance of adequate internal control systems to mitigate the risk of material misstatement of the financial statements, whether due to fraud or error.

6. CPA'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

The CPA is responsible for conducting an audit of the financial statements in accordance with the applicable auditing standards, and for such other matters relating to the audit as may be required by the applicable laws and regulations.

The CPA is also responsible for the design, implementation and maintenance of adequate internal control systems to mitigate the risk of material misstatement of the financial statements, whether due to fraud or error.

The CPA is also responsible for the design, implementation and maintenance of adequate internal control systems to mitigate the risk of material misstatement of the financial statements, whether due to fraud or error.

(1) The CPA is responsible for the design, implementation and maintenance of adequate internal control systems to mitigate the risk of material misstatement of the financial statements, whether due to fraud or error.

(2) The CPA is responsible for the design, implementation and maintenance of adequate internal control systems to mitigate the risk of material misstatement of the financial statements, whether due to fraud or error.

(3) The CPA is responsible for the design, implementation and maintenance of adequate internal control systems to mitigate the risk of material misstatement of the financial statements, whether due to fraud or error.

(4) The CPA is responsible for the design, implementation and maintenance of adequate internal control systems to mitigate the risk of material misstatement of the financial statements, whether due to fraud or error.

Independent Auditor's Report

(5) 株式会社フレイツ・グループ（以下「フレイツ・グループ」という。）は、本報告書に添付されている財務諸表が、適正に作成されていると信じる。また、本報告書に添付されている財務諸表が、適正に作成されていると信じる。また、本報告書に添付されている財務諸表が、適正に作成されていると信じる。

(6) 株式会社フレイツ・グループは、本報告書に添付されている財務諸表が、適正に作成されていると信じる。また、本報告書に添付されている財務諸表が、適正に作成されていると信じる。また、本報告書に添付されている財務諸表が、適正に作成されていると信じる。

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Deloitte Touche Tohmatsu

有限責任監査法人トウチートウマツ
（特別監査人）

有限責任監査法人トウチートウマツ
（特別監査人）

有限責任監査法人トウチートウマツ

27 2023

Consolidated Balance Sheet

31 December 2022

| Items | 千円 (千円) | Closing balance | 千円 (千円) |
|---------------------------------|---------|--------------------------|--------------------------|
| Current assets: | | | |
| 現金及び現金同等物 | 1 | 2,932,152,844.19 | 2,842,677,267.48 |
| 受取手形及び売掛金 | 2 | 2,000,000.00 | 200,000,000.00 |
| 前払金及び前払金 | 3 | — | 62,739.00 |
| 短期有価証券 | 4 | 2,505,753,674.34 | 939,748,112.41 |
| 貸倒引当金 | 5 | 2,811,090,070.19 | 1,105,759,571.75 |
| 貸倒引当金 | 6 | 784,825,969.52 | 531,196,547.78 |
| 貸倒引当金 | 7 | 578,012,656.23 | 692,261,958.13 |
| 貸倒引当金 | 8 | 101,299,773.96 | 54,999,617.97 |
| 貸倒引当金 | 9 | 2,396,316,964.60 | 2,276,469,528.29 |
| 貸倒引当金 | 10 | 35,107,159.30 | — |
| 貸倒引当金 | 11 | 234,733,656.64 | 255,127,082.80 |
| Total current assets | | 12,381,292,768.97 | 8,898,302,425.61 |
| Non-current assets: | | | |
| 固定資産の減価償却累計額 | 12 | 82,753,089.96 | 71,530,334.22 |
| 固定資産の減価償却累計額 | 13 | 17,370,760.63 | 18,802,231.03 |
| 固定資産の減価償却累計額 | 14 | 11,225,965,058.08 | 6,316,279,511.19 |
| 固定資産の減価償却累計額 | 15 | 1,874,354,593.74 | 3,067,207,867.50 |
| 固定資産の減価償却累計額 | 16 | 194,194,008.63 | 170,070,872.22 |
| 固定資産の減価償却累計額 | 17 | 3,783,656,023.65 | 662,708,796.08 |
| 固定資産の減価償却累計額 | 18 | 15,689,934.37 | 6,948,461.94 |
| 固定資産の減価償却累計額 | 19 | 92,555,237.76 | 4,162,665.30 |
| 固定資産の減価償却累計額 | | 2,713,891,130.26 | 866,903,935.41 |
| Total non-current assets | | 20,000,429,837.08 | 11,184,614,674.89 |
| Total assets | | 32,381,722,606.05 | 20,082,917,100.50 |

貸倒引当金の繰上計上及び繰下計上は、繰上計上 65 千円、繰下計上 76 千円です。

貸倒引当金の繰上計上及び繰下計上は、繰上計上 65 千円、繰下計上 76 千円です。

貸倒引当金の繰上計上及び繰下計上は、繰上計上 65 千円、繰下計上 76 千円です。

Consolidated Balance Sheet

31 December 2022

| Items | ¥ (,) | Closing balance | 2022 |
|---|---------|--------------------------|--------------------------|
| Current liabilities: | | | |
| Accounts payable | 20 | 3,095,354,079.23 | 1,860,696,500.00 |
| Accounts receivable | 21 | 1,765,968.98 | - |
| Prepaid expenses | 22 | 964,727,516.59 | 1,036,982,577.72 |
| Other current liabilities | 23 | 4,100,044,464.81 | 2,306,910,116.65 |
| Accounts payable | 24 | 115,048,763.64 | 352,681,717.14 |
| Accounts receivable | 25 | 102,797,701.22 | 67,519,702.61 |
| Prepaid expenses | 26 | 186,516,829.00 | 48,629,486.85 |
| Other current liabilities | 27 | 655,490,858.12 | 136,664,417.03 |
| Accounts payable | 28 | 1,302,218,275.31 | 310,100,070.52 |
| Accounts receivable | 29 | 9,449,715.18 | 44,277,908.91 |
| Total current liabilities | | 10,533,414,172.08 | 6,164,462,497.43 |
| Non-current liabilities: | | | |
| Accounts payable | 30 | 3,889,070,000.00 | 1,967,748,428.04 |
| Accounts receivable | 31 | 3,588,678,749.97 | - |
| Prepaid expenses | 32 | 11,926,193.55 | 10,879,703.29 |
| Other non-current liabilities | 33 | 58,535,568.54 | 25,441,145.12 |
| Accounts payable | 18 | 123,532,426.28 | 104,216,253.83 |
| Accounts receivable | 34 | 137,660,340.97 | - |
| Prepaid expenses | 35 | 6,457,941.49 | - |
| Total non-current liabilities | | 7,815,861,220.80 | 2,108,285,530.28 |
| Total liabilities | | 18,349,275,392.88 | 8,272,748,027.71 |
| Shareholders' equity: | | | |
| Accounts payable | 36 | 536,723,491.75 | 536,723,313.50 |
| Accounts receivable | 37 | 491,731,580.66 | - |
| Prepaid expenses | 38 | 4,864,749,251.17 | 4,832,768,261.83 |
| Other shareholders' equity | 36 | 23,806,600.00 | 32,096,200.00 |
| Accounts payable | 39 | 42,350,277.12 | (7,613,180.72) |
| Accounts receivable | 40 | 28,583,407.89 | 17,266,053.61 |
| Prepaid expenses | 41 | 268,361,745.88 | 268,361,656.75 |
| Other shareholders' equity | 42 | 7,823,754,058.70 | 6,194,759,167.82 |
| Total shareholders' equity | | 14,032,447,213.17 | 11,810,169,072.79 |
| Total liabilities and shareholders' equity | | 32,381,722,606.05 | 20,082,917,100.50 |

For the consolidated balance sheet, please refer to the consolidated balance sheet of the company.

For the consolidated balance sheet, please refer to the consolidated balance sheet of the company.

For the consolidated balance sheet, please refer to the consolidated balance sheet of the company.

Balance Sheet of the Parent Company

31 March 2022

| Items | ¥ (,) | Closing balance | 2021 |
|----------------------------------|---------|--------------------------|--------------------------|
| Current assets: | | | |
| 1 Cash and cash equivalents | 1 | 1,344,936,876.17 | 593,095,104.71 |
| 2 Short-term investments | | 2,000,000.00 | — |
| 3 Accounts receivable | 2 | 978,734,026.78 | 448,120,747.17 |
| 4 Prepaid expenses | 3 | 866,961,465.37 | 347,593,588.48 |
| 5 Other receivables | 4 | 352,288,693.13 | 176,107,817.92 |
| 6 Inventory | 5 | 223,591,163.60 | 113,797,898.71 |
| 7 Other current assets | 6 | 1,796,012,370.71 | 1,837,334,934.64 |
| 8 Total current assets | 7 | 550,731,004.00 | 319,598,489.09 |
| | 8 | 30,915,492.40 | 20,480,374.08 |
| Non-current assets: | | | |
| 9 Long-term investments | 9 | 4,175,936,572.86 | 1,350,059,171.12 |
| 10 Property, plant and equipment | 10 | 2,806,194,051.34 | 1,280,018,460.38 |
| 11 Intangible assets | 11 | 311,715,690.72 | 1,309,136,814.51 |
| 12 Other non-current assets | 12 | 390,586,647.85 | 392,286,140.98 |
| 13 Total non-current assets | | 7,149,939.45 | 2,596,418.88 |
| 14 Total assets | 13 | — | — |
| | 14 | 7,015,771,026.31 | 4,622,171,949.91 |
| Total non-current assets | | 14,707,353,928.53 | 8,956,268,955.78 |
| Total assets | | 20,853,525,020.69 | 12,812,397,910.58 |

Prepared by: [Signature]

Reviewed by: [Signature]

Approved by: [Signature]

Balance Sheet of the Parent Company

31 December 2022

| Items | ¥ (,) | Closing balance | ¥ (,) |
|--------------------------------------|---------|--------------------------|--------------------------|
| Current liabilities: | | | |
| Trade payables | 15 | 1,582,350,831.00 | 1,261,939,500.00 |
| Accounts payable | 16 | 756,215,273.27 | 557,046,846.40 |
| Other payables | 17 | 1,224,166,055.55 | 874,183,753.59 |
| Short-term borrowings | 18 | 10,618,004.63 | 172,956,634.95 |
| Other current liabilities | 19 | 40,625,739.50 | 28,878,501.78 |
| Contract liabilities | 20 | 30,206,386.78 | 17,775,591.40 |
| Provisions | 21 | 1,411,260,098.53 | 565,827,131.31 |
| Deferred income | | 500,330,000.00 | 3,200,000.00 |
| Other non-current liabilities | | 1,380,340.60 | 22,438,022.78 |
| Total current liabilities | | 5,557,152,729.86 | 3,504,245,982.21 |
| Non-current liabilities: | | | |
| Long-term borrowings | 22 | 2,775,070,000.00 | 786,800,000.00 |
| Long-term payables | | 3,588,678,749.97 | |
| Long-term deferred income | 23 | 8,833,570.90 | 13,423,678.16 |
| Other non-current liabilities | 13 | 46,362,774.56 | 8,557,857.51 |
| Total non-current liabilities | | 6,418,945,095.43 | 808,781,535.67 |
| Total liabilities | | 11,976,097,825.29 | 4,313,027,517.88 |
| Shareholders' equity: | | | |
| Capital | | 536,723,491.75 | 536,723,313.50 |
| Reserves | | 491,731,580.66 | |
| Other equity | | 4,864,749,251.17 | 4,832,768,261.83 |
| Minority interest | | 23,806,600.00 | 32,096,200.00 |
| Other non-current equity | 24 | (1,086,203.62) | (609,915.05) |
| Other non-current equity | | 268,361,745.88 | 268,361,656.75 |
| Other non-current equity | 25 | 2,740,753,929.56 | 2,894,223,275.67 |
| Other non-current equity | | 8,877,427,195.40 | 8,499,370,392.70 |
| Total shareholders' equity | | 20,853,525,020.69 | 12,812,397,910.58 |

Prepared by: [Signature]

Reviewed by: [Signature]

Prepared by: [Signature]

Consolidated Income Statement

— (1,913,160.00)

2021 2022

| Items | ¥ () | Amount incurred in the current year | Amount incurred in the prior year |
|---|-------|-------------------------------------|-----------------------------------|
| I. Operating revenue | 43 | 15,460,843,227.36 | 8,713,228,065.59 |
| Revenue from sales of goods | 43 | 12,048,190,879.61 | 5,620,391,966.94 |
| Revenue from services | 44 | 134,772,326.23 | 48,466,185.37 |
| Revenue from other business activities | 45 | 118,877,978.75 | 85,724,646.32 |
| Revenue from government grants | 46 | 277,541,944.49 | 221,778,736.93 |
| Revenue from disposal of non-current assets and other business activities | 47 | 523,230,185.51 | 408,417,461.35 |
| Revenue from disposal of subsidiaries and other business activities | 48 | 240,434,620.48 | 52,518,443.24 |
| Revenue from disposal of long-term equity investments and other business activities | | 338,235,144.15 | 90,252,414.76 |
| Revenue from disposal of intangible assets and other business activities | | 59,295,478.89 | 37,314,406.92 |
| Revenue from disposal of other non-current assets and other business activities | 49 | 77,452,388.08 | 58,331,820.26 |
| Revenue from disposal of other non-current assets and other business activities | 50 | 12,864,496.08 | 31,886,225.40 |
| Revenue from disposal of other non-current assets and other business activities | | 7,566,505.74 | 5,558,487.56 |
| Revenue from disposal of other non-current assets and other business activities | 51 | (1,828,707.98) | (1,382,927.57) |
| Revenue from disposal of other non-current assets and other business activities | 52 | (39,074,459.18) | 23,554,616.85 |
| Revenue from disposal of other non-current assets and other business activities | 53 | (3,094,217.86) | (10,202,178.73) |
| Revenue from disposal of other non-current assets and other business activities | 54 | (8,899,606.56) | 3,599,005.34 |
| II. Operating profit | | 2,155,215,184.87 | 2,381,717,186.99 |
| Profit from operations | 55 | 1,435,472.21 | 2,674,782.95 |
| Profit from operations | 56 | 3,774,893.58 | 4,176,927.50 |
| III. Total profit | | 2,152,875,763.50 | 2,380,215,042.44 |
| Profit from operations | 57 | 30,095,335.07 | 260,295,716.01 |
| IV. Net profit | | 2,122,780,428.43 | 2,119,919,326.43 |
| Profit from operations | | 2,122,780,428.43 | 2,119,919,326.43 |
| V. Other comprehensive income, net of tax | | 49,963,457.84 | 13,594,620.59 |
| Other comprehensive income, net of tax | | 49,963,457.84 | 13,594,620.59 |
| (I) Other comprehensive income, net of tax | | — | (1,913,160.00) |

(Continued)

(1) Other comprehensive income, net of tax

Income Statement of the Parent Company

January 1, 2021 to January 31, 2022

| Items | Unit (Yuan) | Amount incurred in the current year | Amount incurred in the prior year |
|---|-------------|-------------------------------------|-----------------------------------|
| I. Operating revenue | 26 | 5,163,792,304.43 | 4,240,815,109.00 |
| Revenue from sale of goods | 26 | 4,307,788,238.64 | 3,243,247,134.09 |
| Revenue from sale of services | 27 | 6,143,594.29 | 9,793,483.01 |
| Revenue from sale of intangible assets | 28 | 56,008,878.46 | 21,974,383.56 |
| Revenue from sale of investment properties | 29 | 152,673,066.25 | 137,560,070.42 |
| Revenue from sale of other assets | 30 | 182,071,321.18 | 162,189,552.61 |
| Revenue from sale of other business operations | 31 | 113,892,718.33 | 24,219,360.35 |
| Revenue from sale of other business operations | | 243,702,867.66 | 44,142,410.74 |
| Revenue from sale of other business operations | | 39,915,635.70 | 16,825,294.54 |
| Revenue from sale of other business operations | 32 | 33,830,556.61 | 22,642,494.29 |
| Revenue from sale of other business operations | 33 | 10,883,515.73 | 804,952,405.23 |
| Revenue from sale of other business operations | | 6,277,401.74 | 3,506,986.46 |
| Revenue from sale of other business operations | 34 | (16,741,308.91) | 23,816,457.19 |
| Revenue from sale of other business operations | 35 | (824,680.43) | (9,739,396.44) |
| Revenue from sale of other business operations | 36 | 515,053.81 | 4,838,620.24 |
| II. Operating profit | | 372,877,624.09 | 1,488,341,705.47 |
| Revenue from sale of other business operations | 37 | 685,390.38 | 516,476.14 |
| Revenue from sale of other business operations | 38 | 2,133,889.98 | 2,921,500.29 |
| III. Total profit | | 371,429,124.49 | 1,485,936,681.32 |
| Revenue from sale of other business operations | 39 | 31,112,933.05 | 84,328,997.76 |
| IV. Net profit | | 340,316,191.44 | 1,401,607,683.56 |
| V. Other comprehensive income, net of tax | | (476,288.57) | 5,354,652.39 |
| I. Other comprehensive income that cannot be classified into profit or loss | | - | - |
| II. Other comprehensive income that will be classified into profit or loss | | (476,288.57) | 5,354,652.39 |
| Revenue from sale of other business operations | | (476,288.57) | 5,354,652.39 |
| VI. Total comprehensive income | | 339,839,902.87 | 1,406,962,335.95 |

The above data is derived from the consolidated financial statements of the Company and its subsidiaries.

The above data is derived from the consolidated financial statements of the Company and its subsidiaries.

The above data is derived from the consolidated financial statements of the Company and its subsidiaries.

Consolidated Statement of Cash Flow

December 31, 2022

| | ¥ () | Amount incurred in the current year | Amount incurred in the prior year |
|---|--------|-------------------------------------|-----------------------------------|
| I. Cash flow from operating activities: | | | |
| • Cash receipts from sales of products | | 6,801,275,904.86 | 6,537,348,276.08 |
| • Cash receipts from sales of services | | 513,984,013.73 | 342,619,295.00 |
| • Cash receipts from other operating activities | 59 (1) | 177,358,576.29 | 91,022,670.51 |
| Subtotal of cash inflows | | 7,492,618,494.88 | 6,970,990,241.59 |
| • Cash paid for purchases of materials | | 5,500,683,742.51 | 4,871,746,794.88 |
| • Cash paid for salaries and wages | | 699,612,904.48 | 470,096,109.60 |
| • Cash paid for taxes and social security | | 493,778,700.20 | 559,917,652.96 |
| • Cash paid for other operating activities | 59 (2) | 621,645,499.94 | 489,500,831.78 |
| Subtotal of cash outflows | | 7,315,720,847.13 | 6,391,261,389.22 |
| Net cash flow from operating activities | 60 (1) | 176,897,647.75 | 579,728,852.37 |
| II. Cash flow from investing activities: | | | |
| • Cash receipts from disposal of long-term assets | | 900,000,000.00 | 2,250,000,000.00 |
| • Cash receipts from disposal of subsidiaries | | 6,141,740.34 | 26,327,737.84 |
| • Cash receipts from disposal of other long-term assets | | | |
| • Cash receipts from disposal of investments | | 10,158,032.80 | 8,928,538.57 |
| • Cash receipts from disposal of other long-term assets | 59 (3) | 49,299,089.45 | 79,910,754.58 |
| Subtotal of cash inflows | | 965,598,862.59 | 2,365,167,030.99 |
| • Cash paid for acquisition of long-term assets | | 8,071,332,385.21 | 3,768,701,734.64 |
| • Cash paid for acquisition of subsidiaries | | 702,000,000.00 | 2,124,350,906.30 |
| • Cash paid for acquisition of other long-term assets | | | |
| • Cash paid for acquisition of investments | | 4,500,000.00 | |
| • Cash paid for acquisition of other long-term assets | 59 (4) | 56,781,643.64 | 34,674,633.39 |
| Subtotal of cash outflows | | 8,834,614,028.85 | 5,927,727,274.33 |
| Net cash flow from investing activities | | (7,869,015,166.26) | (3,562,560,243.34) |
| III. Cash flow from financing activities: | | | |
| • Cash receipts from issuance of long-term debt | | — | 2,509,960,996.79 |
| • Cash receipts from issuance of equity | | 3,978,000,000.00 | |
| • Cash receipts from disposal of subsidiaries | | 8,548,815,246.07 | 3,541,798,869.71 |
| • Cash receipts from disposal of other long-term assets | 59 (5) | 1,659,478,591.77 | 319,363,076.09 |
| Subtotal of cash inflows | | 14,186,293,837.84 | 6,371,122,942.59 |
| • Cash paid for repayment of long-term debt | | 4,050,788,050.00 | 1,375,236,336.06 |
| • Cash paid for dividend distribution | | 741,173,921.59 | 413,877,420.11 |
| • Cash paid for other financing activities | 59 (6) | 1,540,582,744.11 | 627,807,055.77 |
| Subtotal of cash outflows | | 6,332,544,715.70 | 2,416,920,811.94 |
| Net cash flow from financing activities | | 7,853,749,122.14 | 3,954,202,130.65 |
| IV. Effect of foreign exchange rate changes on cash and cash equivalents | | 55,719,181.42 | (15,811,990.35) |
| V. Net increase in cash and cash equivalents | | 217,350,785.05 | 955,558,749.33 |
| At the beginning of the year | 60 (2) | 2,101,730,679.46 | 1,146,171,930.13 |
| VI. Cash and cash equivalents at the end of the year | 60 (2) | 2,319,081,464.51 | 2,101,730,679.46 |

Notes to the consolidated financial statements are provided on pages 65 to 76.

The consolidated financial statements were audited by PricewaterhouseCoopers LLP, a member firm of the PwC network.

For the Board of Directors:  Wang Yanyan, Chairman of the Board of Directors

Statement of Cash Flow of the Parent Company

As of December 31, 2022

| | ¥ () | Amount incurred in the current year | Amount incurred in the prior year |
|---|--------|-------------------------------------|-----------------------------------|
| I. Cash flow from operating activities: | | | |
| • Cash receipts from sales of products | | 1,677,675,095.57 | 3,432,057,551.27 |
| • Cash receipts from sales of services | | 113,963,166.53 | 14,957,610.82 |
| • Cash receipts from sales of other assets | 40 (1) | 81,285,539.72 | 30,470,047.46 |
| Subtotal of cash inflows | | 1,872,923,801.82 | 3,477,485,209.55 |
| • Cash paid for purchases of materials | | 1,987,939,916.91 | 1,885,775,659.34 |
| • Cash paid for purchases of property, plant and equipment | | 271,694,713.51 | 192,145,789.57 |
| • Cash paid for purchases of intangible assets | | 111,455,575.58 | 132,990,917.72 |
| • Cash paid for other assets | 40 (2) | 205,701,515.85 | 184,791,705.57 |
| Subtotal of cash outflows | | 2,576,791,721.85 | 2,395,704,072.20 |
| Net cash flow from operating activities | 41 (1) | (703,867,920.03) | 1,081,781,137.35 |
| II. Cash flow from investing activities: | | | |
| • Cash receipts from disposal of property, plant and equipment | | 300,000,000.00 | 300,000,000.00 |
| • Cash receipts from disposal of intangible assets | | 804,606,113.99 | 1,445,418.77 |
| • Cash receipts from disposal of other assets | | 2,280,595.51 | 9,408,471.16 |
| • Cash paid for purchases of property, plant and equipment | 40 (3) | 5,280,669,322.94 | 343,610,274.28 |
| Subtotal of cash inflows | | 6,387,556,032.44 | 654,464,164.21 |
| • Cash paid for purchases of property, plant and equipment | | 713,626,039.77 | 792,779,466.15 |
| • Cash paid for purchases of intangible assets | | 302,000,000.00 | 300,000,000.00 |
| • Cash paid for other assets | | 2,298,652,400.00 | - |
| • Cash paid for disposal of property, plant and equipment | 40 (4) | 8,314,753,459.99 | 3,194,456,828.46 |
| Subtotal of cash outflows | | 11,629,031,899.76 | 4,287,236,294.61 |
| Net cash flow from investing activities | | (5,241,475,867.32) | (3,632,772,130.40) |
| III. Cash flow from financing activities: | | | |
| • Cash receipts from issuance of shares | | - | 2,509,960,996.79 |
| • Cash receipts from issuance of bonds | | 3,978,000,000.00 | - |
| • Cash receipts from other financing activities | | 5,541,898,697.84 | 2,474,530,801.75 |
| • Cash paid for repayment of loans | 40 (5) | 839,236,131.02 | 198,072,651.19 |
| Subtotal of cash inflows | | 10,359,134,828.86 | 5,182,564,449.73 |
| • Cash paid for repayment of loans | | 2,503,749,500.00 | 677,938,960.00 |
| • Cash paid for other financing activities | | 640,454,288.21 | 366,054,219.60 |
| • Cash paid for other financing activities | 40 (6) | 806,951,764.34 | 1,326,530,943.23 |
| Subtotal of cash outflows | | 3,951,155,552.55 | 2,370,524,122.83 |
| Net cash flow from financing activities | | 6,407,979,276.31 | 2,812,040,326.90 |
| IV. Effect of foreign exchange rate changes on cash and cash equivalents | | 11,243,800.70 | (4,504,508.71) |
| V. Net increase in cash and cash equivalents | | 473,879,289.66 | 256,544,825.14 |
| At the beginning of the year | 41 (2) | 445,104,022.54 | 188,559,197.40 |
| VI. Cash and cash equivalents at the end of the year | 41 (2) | 918,983,312.20 | 445,104,022.54 |

For the consolidated statement of cash flow of the Group, please refer to the consolidated financial statements.

For the consolidated statement of cash flow of the Group, please refer to the consolidated financial statements.

Consolidated Statement of Changes in Shareholders' Equity

December 31, 2022

| Items | The current year | | | | | | | | | |
|--|---|--------------------------|------------------|----------------------|----------------------------|-----------------|-----------------|----------------------|--------------------|----------------------------|
| | Equity attributable to the owners of the parent company | | | | | | | | | |
| | Share capital | Other equity instruments | Capital reserve | Less: Treasury stock | Other comprehensive income | Special reserve | Surplus reserve | Undistributed profit | Minority interests | Total shareholders' equity |
| I. Opening balance of the current year | 536,723,313.50 | - | 4,832,768,261.83 | 32,096,200.00 | (7,613,180.72) | 17,266,053.61 | 268,361,656.75 | 6,194,759,167.82 | - | 11,810,169,072.79 |
| II. Increase/decrease for the current year | | | | | | | | | | |
| (1) Profit for the period | - | - | - | - | 49,963,457.84 | - | - | 2,122,780,428.43 | - | 2,172,743,886.27 |
| (2) Other comprehensive income | 178.25 | 491,731,580.66 | 31,980,989.34 | (7,070,600.00) | - | - | - | - | - | 530,783,348.25 |
| 1. Exchange difference from the translation of foreign currency financial statements | - | - | - | (7,070,600.00) | - | - | - | - | - | 7,070,600.00 |
| 2. Other comprehensive income | 178.25 | 491,731,580.66 | 32,400.14 | - | - | - | - | - | - | 491,764,159.05 |
| 3. Profit for the period | - | - | 31,948,589.20 | - | - | - | - | - | - | 31,948,589.20 |
| (3) Other equity instruments | - | - | - | (1,219,000.00) | - | - | 89.13 | (493,785,537.55) | - | (492,566,448.42) |
| 1. Issuance of equity instruments | - | - | - | - | - | - | 89.13 | (89.13) | - | - |
| 2. Repurchase of equity instruments | - | - | - | (1,219,000.00) | - | - | - | - | - | - |

Consolidated Statement of Changes in Shareholders' Equity

2021 31 2022

| Items | 2021 31 | 2022 | 2021 31 | 2022 | 2021 31 | 2022 | 2021 31 | 2022 | 2021 31 | 2022 |
|---|----------------|-----------------|------------------|---------------|-----------------|---------------|----------------|------------------|---------|-------------------|
| I. Opening balance of the last year | 510,312,197.00 | 49,401,670.49 | 2,045,095,156.05 | 28,359,000.00 | (26,338,876.15) | 14,369,931.38 | 220,705,199.31 | 4,449,556,361.77 | | 7,234,742,639.85 |
| II. Increase/decrease for the current year | | | | | | | | | | |
| () 1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. | | | | | | | | | | |
| () 1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. | 26,411,116.50 | (49,401,670.49) | 2,787,673,105.78 | 4,427,200.00 | | | | 2,119,919,326.43 | | 2,133,513,947.02 |
| () 1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. | 21,311,286.75 | | 2,471,731,656.94 | 4,427,200.00 | | | | | | 2,488,615,743.69 |
| () 1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. | 5,099,829.75 | (49,401,670.49) | 278,934,138.94 | | | | | | | 234,632,298.20 |
| () 1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. | | | 37,007,309.90 | | | | | | | 37,007,309.90 |
| () 1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. | | | | (690,000.00) | | | 47,656,457.44 | (369,585,445.54) | | (321,238,988.10) |
| () 1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. | | | | | | | 47,656,457.44 | (47,656,457.44) | | |
| () 1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. | | | | (690,000.00) | | | | (321,928,988.10) | | (321,238,988.10) |
| () 1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. | | | | | 5,131,074.84 | | | (5,131,074.84) | | |
| () 1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. | | | | | 5,131,074.84 | | | (5,131,074.84) | | |
| () 1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. | | | | | | 2,896,122.23 | | | | 2,896,122.23 |
| () 1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. | | | | | | 2,998,977.20 | | | | 2,998,977.20 |
| () 1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. | | | | | | (102,854.97) | | | | (102,854.97) |
| III. Closing balance of the last year | 536,723,313.50 | | 4,832,768,261.83 | 32,096,200.00 | (7,613,180.72) | 17,266,053.61 | 268,361,656.75 | 6,194,759,167.82 | | 11,810,169,072.79 |

2021 31 2022

2021 31 2022

2021 31 2022

Statement of Changes in Shareholders' Equity of the Parent Company

2021 12 31 2022

| Items | The current year | | | | | | | Total shareholders' equity |
|---|------------------|--------------------------|------------------|----------------------|----------------------------|-----------------|----------------------|----------------------------|
| | Share capital | Other equity instruments | Capital reserve | Less: Treasury stock | Other comprehensive income | Surplus reserve | Undistributed profit | |
| I. Opening balance of the current year | 536,723,313.50 | - | 4,832,768,261.83 | 32,096,200.00 | (609,915.05) | 268,361,656.75 | 2,894,223,275.67 | 8,499,370,392.70 |
| II. Increase/decrease for the current year | | | | | | | | |
| (一) Profit for the year | - | - | - | - | (476,288.57) | - | 340,316,191.44 | 339,839,902.87 |
| (二) Other comprehensive income | | | | | | | | |
| 1. Available for sale financial assets | 178.25 | 491,731,580.66 | 31,980,989.34 | (7,070,600.00) | - | - | - | 530,783,348.25 |
| 2. Available for sale financial liabilities | - | - | - | (7,070,600.00) | - | - | - | 7,070,600.00 |
| 3. Available for sale financial assets | 178.25 | 491,731,580.66 | 32,400.14 | - | - | - | - | 491,764,159.05 |
| 4. Available for sale financial liabilities | - | - | 31,948,589.20 | - | - | - | - | 31,948,589.20 |
| (三) Other comprehensive income | - | - | - | (1,219,000.00) | - | 89.13 | (493,785,537.55) | (492,566,448.42) |
| 1. Available for sale financial assets | - | - | - | - | - | 89.13 | (89.13) | - |
| 2. Available for sale financial liabilities | - | - | - | (1,219,000.00) | - | - | (493,785,448.42) | (492,566,448.42) |
| III. Closing balance of the current year | 536,723,491.75 | 491,731,580.66 | 4,864,749,251.17 | 23,806,600.00 | (1,086,203.62) | 268,361,745.88 | 2,740,753,929.56 | 8,877,427,195.40 |

2022 12 31 2023

2023 12 31 2024

2024 12 31 2025

Statement of Changes in Shareholders' Equity of the Parent Company

2021 12月31日 2022

| Items | 2021 12月31日 | 2022 12月31日 | 2023 12月31日 | 2024 12月31日 | 2025 12月31日 | 2026 12月31日 | 2027 12月31日 | 2028 12月31日 | 2029 12月31日 |
|--|----------------|-----------------|------------------|---------------|----------------|----------------|------------------|------------------|-------------|
| I. Opening balance of the last year | 510,312,197.00 | 49,401,670.49 | 2,045,095,156.05 | 28,359,000.00 | (5,964,567.44) | 220,705,199.31 | 1,862,201,037.65 | 4,653,391,693.06 | |
| II. Increase/decrease for the current year | | | | | | | | | |
| (一) 其他综合收益 | | | | | 5,354,652.39 | | 1,401,607,683.56 | 1,406,962,335.95 | |
| (二) 其他综合收益 | | | | | | | | | |
| 1. 其他综合收益 | 26,411,116.50 | (49,401,670.49) | 2,787,673,105.78 | 4,427,200.00 | | | | 2,760,255,351.79 | |
| 2. 其他综合收益 | 21,311,286.75 | | 2,471,731,656.94 | 4,427,200.00 | | | | 2,488,615,743.69 | |
| 3. 其他综合收益 | 5,099,829.75 | (49,401,670.49) | 278,934,138.94 | | | | | 234,632,298.20 | |
| 4. 其他综合收益 | | | 37,007,309.90 | | | | | 37,007,309.90 | |
| (三) 其他综合收益 | | | | (690,000.00) | | 47,656,457.44 | (369,585,445.54) | (321,238,988.10) | |
| 1. 其他综合收益 | | | | | | 47,656,457.44 | (47,656,457.44) | | |
| 2. 其他综合收益 | | | | (690,000.00) | | | (321,928,988.10) | (321,238,988.10) | |
| III. Closing balance of the last year | 536,723,313.50 | | 4,832,768,261.83 | 32,096,200.00 | (609,915.05) | 268,361,656.75 | 2,894,223,275.67 | 8,499,370,392.70 | |

2021 12月31日 2022 12月31日 2023 12月31日 2024 12月31日 2025 12月31日 2026 12月31日 2027 12月31日 2028 12月31日 2029 12月31日

2021 12月31日 2022 12月31日 2023 12月31日 2024 12月31日 2025 12月31日 2026 12月31日 2027 12月31日 2028 12月31日 2029 12月31日

2021 12月31日 2022 12月31日 2023 12月31日 2024 12月31日 2025 12月31日 2026 12月31日 2027 12月31日 2028 12月31日 2029 12月31日

Notes to the Financial Statements

December 31, 2022

Notes to the Financial Statements

2021 31 2022

(I) CORPORATE INFORMATION ()

1. Company Overview ()

| | | | | | |
|------------------|------------------|---------------|-----|-------|------------------|
| 2020. 7 | 1,450,000,000.00 | 6 | 100 | 14.50 | 27 |
| () | | 3 | | | 2020. 7 |
| 13.56 | | | | | |
| () | | 9 | | | 2020. 7 |
| 28 | 2021. 7 | 2020. 7 | | | 13.48 |
| 14.15 | | 3 | | | 2020. 7 |
| 1,358,240,000.00 | | | | | 2021. 7 |
| () | | | | | 100,754,542 |
| 2021. 29 | 2021. 7 | | | | 89,057,000.00 |
| 6,293,565 | () | | | | 14.15 |
| 3 | 2020. 23 | 2020. 7 | | | |
| 15 | 30 | | | | |
| 130% (130%) | | 23 | | | 2020. 7 |
| 23 | 2020. 7 | 28 | | | |
| 29 | 2021. 7 | 29 | | | 2021. 7 |
| 107,048,107 | () | 86,648,788.00 | | | 1,447,297,000.00 |
| 21,662,197.00 | | | | | 2020. 7 |
| 20,399,319.00 | | | | | 1,162,828,718.24 |
| 278,934,138.94 | | | | | 5,099,829.75 |
| 26,762,026.75 | | | | | 2,703,000.00 |
| 1,441,762,857.18 | | 107,048,107 | | | |
| 20 | 2020. 7 | 2020. 7 | | | |
| 2020. 7 | 2020. 7 | 2020. 7 | | | |
| () | 2020. 7 | 2648 | | | |
| 450,000,000 | () | | | | |
| 7 | 2021. 7 | 84,545,147 | | | |
| () | | 0.25 | | | 29.57 |
| 2,499,999,996.79 | | | | | 2,483,081,943.69 |
| 16,918,053.10 | | 21,136,286.75 | | | 2,461,945,656.94 |
| 21,136,286.75 | | 84,545,147 | | | |
| 2,461,945,656.94 | | | | | |

(I) CORPORATE INFORMATION (continued)

1. Company Overview (10%)

25 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 2680, 2681, 2682, 2683, 2684, 2685, 2686, 2687, 2688, 2689, 2690, 2691, 2692, 2693, 2694, 2695, 2696, 2697, 2698, 2699, 2700, 2701, 2702,

4,000,000,000.00
()
43.94
23 2022,
2022
2022,
()
43.71
32,000
178.25,
40,713.73.

[illegible]

7. *Thymus* spp. *Thymus* spp. are common in the grasslands of the study area. They are found in the grasslands of the study area. They are found in the grasslands of the study area.

2. Scope of the Consolidated Financial Statements

Notes to the Financial Statements

— 2021年12月31日及2022年12月31日 —

(II) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Basis of preparation

本公司按照财政部颁布的《企业会计准则》(以下简称“企业会计准则”)编制财务报表。本公司在编制财务报表时，以持续经营为基础，按照公允价值计量、历史成本计量、重置成本计量、可变现净值计量、现值计量、公允价值计量等原则，并参照《企业会计准则》(2014)的相关规定，对财务报表项目进行确认、计量和列报。本公司在编制财务报表时，以持续经营为基础，按照公允价值计量、历史成本计量、重置成本计量、可变现净值计量、现值计量、公允价值计量等原则，并参照《企业会计准则》(2014)的相关规定，对财务报表项目进行确认、计量和列报。

Going concern

本公司在编制财务报表时，以持续经营为基础，按照公允价值计量、历史成本计量、重置成本计量、可变现净值计量、现值计量、公允价值计量等原则，并参照《企业会计准则》(2014)的相关规定，对财务报表项目进行确认、计量和列报。

Basis of accounting and principle of measurement

本公司按照财政部颁布的《企业会计准则》(以下简称“企业会计准则”)编制财务报表。本公司在编制财务报表时，以持续经营为基础，按照公允价值计量、历史成本计量、重置成本计量、可变现净值计量、现值计量、公允价值计量等原则，并参照《企业会计准则》(2014)的相关规定，对财务报表项目进行确认、计量和列报。

本公司在编制财务报表时，以持续经营为基础，按照公允价值计量、历史成本计量、重置成本计量、可变现净值计量、现值计量、公允价值计量等原则，并参照《企业会计准则》(2014)的相关规定，对财务报表项目进行确认、计量和列报。

本公司在编制财务报表时，以持续经营为基础，按照公允价值计量、历史成本计量、重置成本计量、可变现净值计量、现值计量、公允价值计量等原则，并参照《企业会计准则》(2014)的相关规定，对财务报表项目进行确认、计量和列报。

本公司在编制财务报表时，以持续经营为基础，按照公允价值计量、历史成本计量、重置成本计量、可变现净值计量、现值计量、公允价值计量等原则，并参照《企业会计准则》(2014)的相关规定，对财务报表项目进行确认、计量和列报。

1. 本公司在编制财务报表时，以持续经营为基础，按照公允价值计量、历史成本计量、重置成本计量、可变现净值计量、现值计量、公允价值计量等原则，并参照《企业会计准则》(2014)的相关规定，对财务报表项目进行确认、计量和列报。

2. 本公司在编制财务报表时，以持续经营为基础，按照公允价值计量、历史成本计量、重置成本计量、可变现净值计量、现值计量、公允价值计量等原则，并参照《企业会计准则》(2014)的相关规定，对财务报表项目进行确认、计量和列报。

3. 本公司在编制财务报表时，以持续经营为基础，按照公允价值计量、历史成本计量、重置成本计量、可变现净值计量、现值计量、公允价值计量等原则，并参照《企业会计准则》(2014)的相关规定，对财务报表项目进行确认、计量和列报。

Notes to the Financial Statements

December 31, 2022

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

5. Business Combinations (continued)

5.1 Business combinations involving enterprises under common control

Acquisitions of enterprises under common control are accounted for as transfers of assets and liabilities between related parties. The acquired assets and liabilities are measured at their carrying amounts in the transferor's financial statements at the acquisition date.

Acquisitions of enterprises under common control are accounted for as transfers of assets and liabilities between related parties. The acquired assets and liabilities are measured at their carrying amounts in the transferor's financial statements at the acquisition date. The difference between the carrying amounts of the acquired assets and liabilities and the carrying amount of the equity interest in the acquiree is recognized as a capital reserve (or deficit) in the consolidated financial statements. The difference between the carrying amounts of the acquired assets and liabilities and the carrying amount of the equity interest in the acquiree is recognized as a capital reserve (or deficit) in the consolidated financial statements.

The acquisition of enterprises under common control is accounted for as a transfer of assets and liabilities between related parties. The acquired assets and liabilities are measured at their carrying amounts in the transferor's financial statements at the acquisition date.

5.2 Business combinations not involving enterprises under common control and goodwill

Acquisitions of enterprises not involving enterprises under common control are accounted for as transfers of assets and liabilities between related parties. The acquired assets and liabilities are measured at their carrying amounts in the transferor's financial statements at the acquisition date.

The acquisition of enterprises not involving enterprises under common control is accounted for as a transfer of assets and liabilities between related parties. The acquired assets and liabilities are measured at their carrying amounts in the transferor's financial statements at the acquisition date. The difference between the carrying amounts of the acquired assets and liabilities and the carrying amount of the equity interest in the acquiree is recognized as a capital reserve (or deficit) in the consolidated financial statements. The difference between the carrying amounts of the acquired assets and liabilities and the carrying amount of the equity interest in the acquiree is recognized as a capital reserve (or deficit) in the consolidated financial statements.

The acquisition of enterprises not involving enterprises under common control is accounted for as a transfer of assets and liabilities between related parties. The acquired assets and liabilities are measured at their carrying amounts in the transferor's financial statements at the acquisition date.

The acquisition of enterprises not involving enterprises under common control is accounted for as a transfer of assets and liabilities between related parties. The acquired assets and liabilities are measured at their carrying amounts in the transferor's financial statements at the acquisition date. The difference between the carrying amounts of the acquired assets and liabilities and the carrying amount of the equity interest in the acquiree is recognized as a capital reserve (or deficit) in the consolidated financial statements. The difference between the carrying amounts of the acquired assets and liabilities and the carrying amount of the equity interest in the acquiree is recognized as a capital reserve (or deficit) in the consolidated financial statements.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

6. Preparation of Consolidated Financial Statements

The consolidated financial statements have been prepared on the basis of the accounting policies and estimates set out below. The accounting policies and estimates have been applied consistently to all the periods presented in the consolidated financial statements. The accounting policies and estimates have been applied consistently to all the periods presented in the consolidated financial statements.

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Notes to the Financial Statements

31 2022

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

6. Preparation of Consolidated Financial Statements (continued)

[illegible]

A second method of determining the relative importance of the various species of plants in a community is to determine the percentage of the total area occupied by each species. This is done by measuring the area occupied by each species in a given community and then dividing this by the total area of the community. The result is the relative importance of each species in the community.

7. Recognition Criteria of Cash and Cash Equivalents

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

8.1 Foreign currency business

[illegible]

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

1. *Chlorophyll a* (Chl *a*) is the primary photosynthetic pigment in most plants and algae. It is a green pigment that absorbs light energy in the blue and red regions of the visible spectrum. Chl *a* is essential for the light-dependent reactions of photosynthesis, where it converts light energy into chemical energy.

2. *Chlorophyll b* (Chl *b*) is an accessory pigment found in green plants and algae. It is a yellow-green pigment that absorbs light energy in the blue and orange-red regions of the visible spectrum. Chl *b* transfers the absorbed energy to Chl *a* for use in photosynthesis.

3. *Carotenoids* are a group of pigments that include carotenes and xanthophylls. They are responsible for the yellow, orange, and red colors seen in autumn foliage. Carotenoids absorb light energy in the blue and green regions of the visible spectrum and transfer the energy to Chl *a*. They also play a role in protecting the photosynthetic apparatus from damage by excess light energy.

4. *Xanthophylls* are a subset of carotenoids that are yellow in color. They are involved in the light-harvesting process and the dissipation of excess light energy as heat, a process known as non-photochemical quenching. This helps to prevent damage to the photosynthetic system under high light conditions.

5. *Anthocyanins* are water-soluble pigments that are responsible for the red, purple, and blue colors in many plants. They are not directly involved in photosynthesis but can play a role in protecting the plant from environmental stress, such as UV radiation and frost.

$$\frac{\partial}{\partial x} \left(\frac{1}{\rho} \frac{\partial \rho}{\partial x} \right) + \frac{\partial}{\partial y} \left(\frac{1}{\rho} \frac{\partial \rho}{\partial y} \right) + \frac{\partial}{\partial z} \left(\frac{1}{\rho} \frac{\partial \rho}{\partial z} \right) = \frac{1}{\rho} \frac{\partial^2 \rho}{\partial x^2} + \frac{1}{\rho} \frac{\partial^2 \rho}{\partial y^2} + \frac{1}{\rho} \frac{\partial^2 \rho}{\partial z^2} = \frac{1}{\rho} \nabla^2 \rho$$
[illegible]

Notes to the Financial Statements

2021年12月31日及2022年12月31日

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (重要會計政策及會計估計)

9. Financial Instruments (金融工具)

本集團於財務狀況表內之金融工具包括現金及現金等價物、應收賬項、應付賬項、其他應收款項、其他應付款項、銀行存款、其他金融資產、其他金融負債、股本及儲備。本集團之金融工具均為非衍生金融工具。

9.1 Classification, recognition and measurement of financial assets

本集團之金融資產分類為以攤銷成本計量之金融資產、以公允價值計量且其變動计入其他綜合收益之金融資產及以公允價值計量且其變動计入損益之金融資產。

本集團之金融資產分類為以攤銷成本計量之金融資產，其條件為：(1) 該金融資產係在業務模式中持有以收取合約現金流量；及(2) 該金融資產之合約條款規定，在特定日期產生之現金流量僅為對本金及未償還利息之支付。

本集團之金融資產分類為以公允價值計量且其變動计入其他綜合收益之金融資產，其條件為：(1) 該金融資產係在業務模式中持有以收取合約現金流量；及(2) 該金融資產之合約條款規定，在特定日期產生之現金流量僅為對本金及未償還利息之支付；及(3) 該金融資產之合約條款規定，在特定日期產生之現金流量僅為對本金及未償還利息之支付。

本集團之金融資產分類為以公允價值計量且其變動计入損益之金融資產，其條件為：(1) 該金融資產係在業務模式中持有以收取合約現金流量；及(2) 該金融資產之合約條款規定，在特定日期產生之現金流量僅為對本金及未償還利息之支付；及(3) 該金融資產之合約條款規定，在特定日期產生之現金流量僅為對本金及未償還利息之支付。

本集團之金融負債分類為以攤銷成本計量之金融負債、以公允價值計量且其變動计入其他綜合收益之金融負債及以公允價值計量且其變動计入損益之金融負債。

本集團之金融負債分類為以攤銷成本計量之金融負債，其條件為：(1) 該金融負債係在業務模式中持有以收取合約現金流量；及(2) 該金融負債之合約條款規定，在特定日期產生之現金流量僅為對本金及未償還利息之支付。

本集團之金融負債分類為以公允價值計量且其變動计入其他綜合收益之金融負債，其條件為：(1) 該金融負債係在業務模式中持有以收取合約現金流量；及(2) 該金融負債之合約條款規定，在特定日期產生之現金流量僅為對本金及未償還利息之支付；及(3) 該金融負債之合約條款規定，在特定日期產生之現金流量僅為對本金及未償還利息之支付。

本集團之金融負債分類為以公允價值計量且其變動计入損益之金融負債，其條件為：(1) 該金融負債係在業務模式中持有以收取合約現金流量；及(2) 該金融負債之合約條款規定，在特定日期產生之現金流量僅為對本金及未償還利息之支付；及(3) 該金融負債之合約條款規定，在特定日期產生之現金流量僅為對本金及未償還利息之支付。

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

9. Financial Instruments (continued)

9.1 Classification, recognition and measurement of financial assets (continued)

Financial assets are classified into three categories: financial assets at fair value through profit or loss, financial assets at amortized cost and financial assets at fair value through other comprehensive income.

Financial assets at fair value through profit or loss include financial assets that are held for trading and financial assets designated as financial assets at fair value through profit or loss.

Financial assets at amortized cost include financial assets that are held for the long term and are not classified as financial assets at fair value through profit or loss or financial assets at fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income include financial assets that are designated as financial assets at fair value through other comprehensive income.

9.1.1 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are measured at fair value. Changes in the fair value of these financial assets are recognized in profit or loss.

Financial assets at fair value through profit or loss are classified into two sub-categories: financial assets held for trading and financial assets designated as financial assets at fair value through profit or loss.

Financial assets held for trading are financial assets that are acquired principally for the purpose of selling in the near future. They are measured at fair value, and changes in fair value are recognized in profit or loss.

Financial assets designated as financial assets at fair value through profit or loss are financial assets that are not held for trading but are designated as financial assets at fair value through profit or loss at initial recognition. They are measured at fair value, and changes in fair value are recognized in profit or loss.

Notes to the Financial Statements

December 31, 2022

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

9. Financial Instruments (continued)

9.1 Classification, recognition and measurement of financial assets (continued)

9.1.2 Measurement of financial assets

For financial assets measured at fair value, the Company uses the following methods to determine the fair value of the financial assets:

For financial assets measured at fair value, the Company uses the following methods to determine the fair value of the financial assets:

For financial assets measured at fair value, the Company uses the following methods to determine the fair value of the financial assets:

For financial assets measured at fair value, the Company uses the following methods to determine the fair value of the financial assets:

9.1.3 Measurement of financial liabilities

For financial liabilities measured at fair value, the Company uses the following methods to determine the fair value of the financial liabilities:

For financial liabilities measured at fair value, the Company uses the following methods to determine the fair value of the financial liabilities:

9.2 Impairment of financial instruments

For financial instruments measured at fair value, the Company uses the following methods to determine the fair value of the financial instruments:

For financial instruments measured at fair value, the Company uses the following methods to determine the fair value of the financial instruments:

For financial instruments measured at fair value, the Company uses the following methods to determine the fair value of the financial instruments:

For financial instruments measured at fair value, the Company uses the following methods to determine the fair value of the financial instruments:

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

9. Financial Instruments (continued)

9.2 Impairment of financial instruments (continued)

The Group applies the expected credit loss ("ECL") model to measure impairment for financial assets and financial liabilities. The ECL model requires the Group to estimate the expected credit loss over the expected life of the financial instrument. The Group uses a probability-weighted approach to estimate the ECL. The Group uses a 12-month expected credit loss ("12-month ECL") for financial instruments with low credit risk at the reporting date. For financial instruments with significant increase in credit risk since the initial recognition, the Group uses a lifetime expected credit loss ("lifetime ECL").

The Group uses a simplified approach to measure impairment for financial instruments. The Group uses a 12-month ECL for financial instruments with low credit risk at the reporting date. For financial instruments with significant increase in credit risk since the initial recognition, the Group uses a lifetime ECL.

9.2.1 Financial assets measured at amortised cost

The Group applies the ECL model to measure impairment for financial assets measured at amortised cost. The Group uses a simplified approach to measure impairment for financial assets measured at amortised cost. The Group uses a 12-month ECL for financial instruments with low credit risk at the reporting date. For financial instruments with significant increase in credit risk since the initial recognition, the Group uses a lifetime ECL.

The Group uses a simplified approach to measure impairment for financial assets measured at amortised cost. The Group uses a 12-month ECL for financial instruments with low credit risk at the reporting date. For financial instruments with significant increase in credit risk since the initial recognition, the Group uses a lifetime ECL.

- (1) The Group uses a simplified approach to measure impairment for financial assets measured at amortised cost. The Group uses a 12-month ECL for financial instruments with low credit risk at the reporting date. For financial instruments with significant increase in credit risk since the initial recognition, the Group uses a lifetime ECL.
- (2) The Group uses a simplified approach to measure impairment for financial assets measured at amortised cost. The Group uses a 12-month ECL for financial instruments with low credit risk at the reporting date. For financial instruments with significant increase in credit risk since the initial recognition, the Group uses a lifetime ECL.
- (3) The Group uses a simplified approach to measure impairment for financial assets measured at amortised cost. The Group uses a 12-month ECL for financial instruments with low credit risk at the reporting date. For financial instruments with significant increase in credit risk since the initial recognition, the Group uses a lifetime ECL.
- (4) The Group uses a simplified approach to measure impairment for financial assets measured at amortised cost. The Group uses a 12-month ECL for financial instruments with low credit risk at the reporting date. For financial instruments with significant increase in credit risk since the initial recognition, the Group uses a lifetime ECL.
- (5) The Group uses a simplified approach to measure impairment for financial assets measured at amortised cost. The Group uses a 12-month ECL for financial instruments with low credit risk at the reporting date. For financial instruments with significant increase in credit risk since the initial recognition, the Group uses a lifetime ECL.

Notes to the Financial Statements

December 31, 2022

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

9. Financial Instruments (continued)

9.2 Impairment of financial instruments (continued)

9.2.1 Determination of expected credit loss (continued)

At the end of each reporting period, the Company assesses the expected credit loss (ECL) of financial instruments on a forward-looking basis. The ECL is measured as the difference between the carrying amount of the financial instrument and the present value of the expected cash flows, discounted at the effective interest rate.

The Company uses the expected credit loss model to measure the ECL. The ECL is measured as the difference between the carrying amount of the financial instrument and the present value of the expected cash flows, discounted at the effective interest rate. The Company uses the expected credit loss model to measure the ECL. The ECL is measured as the difference between the carrying amount of the financial instrument and the present value of the expected cash flows, discounted at the effective interest rate.

9.2.2 Measurement of ECL

The Company measures the ECL on a forward-looking basis. The ECL is measured as the difference between the carrying amount of the financial instrument and the present value of the expected cash flows, discounted at the effective interest rate.

- (1) The Company measures the ECL on a forward-looking basis.
- (2) The Company measures the ECL on a forward-looking basis.
- (3) The Company measures the ECL on a forward-looking basis.
- (4) The Company measures the ECL on a forward-looking basis.
- (5) The Company measures the ECL on a forward-looking basis.

The Company measures the ECL on a forward-looking basis. The ECL is measured as the difference between the carrying amount of the financial instrument and the present value of the expected cash flows, discounted at the effective interest rate.

The Company measures the ECL on a forward-looking basis. The ECL is measured as the difference between the carrying amount of the financial instrument and the present value of the expected cash flows, discounted at the effective interest rate.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (重要会计政策和会计估计)

9. Financial Instruments (金融工具)

9.2 Impairment of financial instruments (金融工具的减值)

9.2.3 Impairment loss (减值损失)

本公司按照《企业会计准则第22号——金融工具确认和计量》的规定，以预期信用损失为基础，对以摊余成本计量的金融资产、以公允价值计量且其变动计入其他综合收益的金融资产计提减值准备。

本公司对单项金额重大的金融资产单独进行减值测试，如有客观证据表明其发生了减值，则确认减值损失，计提减值准备。对单项金额不重大的金融资产，单独或包括在具有类似信用风险特征的金融资产组合中进行减值测试。

本公司对单项金额不重大但信用风险较高的金融资产单独进行减值测试，如有客观证据表明其发生了减值，则确认减值损失，计提减值准备。对于信用风险不高的金融资产，包括在具有类似信用风险特征的金融资产组合中再进行减值测试。

预期信用损失，是指以发生违约的风险为权重的金融工具信用损失的加权平均值。信用损失，是指本公司按照原实际利率折现的、根据合同应收的所有合同现金流量与预期收取的所有现金流量之间的差额，即全部现金短缺的现值。

预期信用损失计量的关键参数包括违约概率、违约损失率及违约风险敞口。违约概率是指借款人在未来约定期限内，按照合同约定的金额和日期，无法按时支付利息或本金的可能性。违约损失率是指本公司根据借款人的还款能力计算出的应收现金流量与预期可收到的现金流量之间差额的现值的比例。

本公司对金融资产减值准备的计提采用三阶段模型。阶段一：自初始确认后信用风险未显著增加的金融资产的减值准备；阶段二：自初始确认后信用风险已显著增加但尚未发生信用减值的金融资产的减值准备；阶段三：在资产负债表日已发生信用减值的金融资产的减值准备。

9.2.4 Credit impairment (信用减值)

本公司对金融资产减值准备的计提采用三阶段模型。阶段一：自初始确认后信用风险未显著增加的金融资产的减值准备；阶段二：自初始确认后信用风险已显著增加但尚未发生信用减值的金融资产的减值准备；阶段三：在资产负债表日已发生信用减值的金融资产的减值准备。

9.3 Transfer of financial assets

本公司在金融资产转移时，根据《企业会计准则第23号——金融资产转移》的规定，判断金融资产转移是否满足终止确认的条件。金融资产转移满足终止确认条件的，应当将所转移金融资产账面价值终止确认，并将转移中产生或终止确认的利得或损失计入当期损益。

金融资产转移不满足终止确认条件的，应当按照继续涉入被转移金融资产的程度确认有关金融资产，并相应确认有关负债。

Notes to the Financial Statements

March 31, 2022



Notes to the Financial Statements

December 31, 2022

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

9. Financial Instruments (continued)

9.4 Classification and measurement of financial liabilities and equity instruments (continued)

9.4.1 Financial instruments classified as financial liabilities (continued)

9.4.1.1 Financial liabilities measured at amortized cost

Financial liabilities are classified as financial liabilities measured at amortized cost if they meet the following conditions: (1) the financial liability is held within the business model whose objective is to hold financial assets or liabilities in order to collect contractual cash flows; (2) the contractual terms of the financial liability result in cash flows that are solely payments of principal and interest on the principal amount outstanding; and (3) the financial liability is measured at amortized cost. Financial liabilities measured at amortized cost are initially measured at fair value, and subsequently measured at amortized cost using the effective interest method. The difference between the initial recognition amount and the amortized cost is recognized as a premium or discount, which is amortized over the term of the financial liability. The amortization is recognized as interest income or expense in the profit or loss statement.

9.4.1.2 Financial liabilities measured at fair value

Financial liabilities are classified as financial liabilities measured at fair value if they do not meet the conditions for classification as financial liabilities measured at amortized cost. Financial liabilities measured at fair value are initially measured at fair value, and subsequently measured at fair value. The change in fair value is recognized as a gain or loss in the profit or loss statement.

Financial liabilities measured at fair value are classified into two categories: financial liabilities measured at fair value through profit or loss and financial liabilities measured at fair value through other comprehensive income. Financial liabilities measured at fair value through profit or loss are initially measured at fair value, and subsequently measured at fair value. The change in fair value is recognized as a gain or loss in the profit or loss statement. Financial liabilities measured at fair value through other comprehensive income are initially measured at fair value, and subsequently measured at fair value. The change in fair value is recognized as a gain or loss in other comprehensive income, except for the change in fair value of the financial liability that is attributable to changes in credit risk, which is recognized as a gain or loss in the profit or loss statement.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

9. Financial Instruments (continued)

9.4 Classification and measurement of financial liabilities and equity instruments (continued)

9.4.1 Financial liabilities and financial assets (continued)

9.4.1.2 Financial assets (continued)

9.4.1.2.1 Financial assets at FVTPL

At the end of the reporting period, the Group has no financial assets at FVTPL. The Group's financial assets at FVTPL are primarily equity investments. The Group's equity investments are classified as financial assets at FVTPL if they are not held for long-term strategic purposes and are not held for the purpose of influencing the operating and financial performance of the investee. The Group's equity investments at FVTPL are measured at fair value, with changes in fair value recognized in profit or loss.

9.4.2 Financial liabilities (continued)

The Group's financial liabilities are primarily bank borrowings, trade payables, other payables, and long-term debt. The Group's financial liabilities are classified as financial liabilities at amortized cost if they are not held for trading purposes and are not held for the purpose of influencing the operating and financial performance of the investee. The Group's financial liabilities at amortized cost are measured at amortized cost, with changes in amortized cost recognized in profit or loss.

The Group's financial liabilities at amortized cost are measured at amortized cost, with changes in amortized cost recognized in profit or loss. The Group's financial liabilities at amortized cost are primarily bank borrowings, trade payables, other payables, and long-term debt.

9.4.3 Financial assets

The Group's financial assets are primarily bank deposits, trade receivables, other receivables, and long-term debt. The Group's financial assets are classified as financial assets at amortized cost if they are not held for trading purposes and are not held for the purpose of influencing the operating and financial performance of the investee. The Group's financial assets at amortized cost are measured at amortized cost, with changes in amortized cost recognized in profit or loss.

The Group's financial assets at amortized cost are measured at amortized cost, with changes in amortized cost recognized in profit or loss. The Group's financial assets at amortized cost are primarily bank deposits, trade receivables, other receivables, and long-term debt.

Notes to the Financial Statements

2021年12月31日 2022

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (重要会计政策和会计估计)

9. Financial Instruments (金融工具)

9.5 Derivative instruments

本公司在资产负债表日不存在任何金融资产或金融负债的公允价值变动损益。本公司在资产负债表日不存在任何金融资产或金融负债的公允价值变动损益。

9.6 Offsetting financial assets and financial liabilities

本公司在资产负债表日不存在任何金融资产或金融负债的公允价值变动损益。本公司在资产负债表日不存在任何金融资产或金融负债的公允价值变动损益。

9.7 Reclassification of financial instruments

本公司在资产负债表日不存在任何金融资产或金融负债的公允价值变动损益。本公司在资产负债表日不存在任何金融资产或金融负债的公允价值变动损益。

9.8 Convertible bonds

本公司在资产负债表日不存在任何金融资产或金融负债的公允价值变动损益。本公司在资产负债表日不存在任何金融资产或金融负债的公允价值变动损益。

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

9. Financial Instruments (continued)

9.8 Convertible bonds (continued)

The Company issues convertible bonds with detachable warrants. The detachable warrants are classified as financial assets and are measured at fair value. The detachable warrants are classified as financial assets and are measured at fair value. The detachable warrants are classified as financial assets and are measured at fair value.

10. Financing receivables

The Company's financing receivables are measured at amortised cost. The Company's financing receivables are measured at amortised cost. The Company's financing receivables are measured at amortised cost. (9.1, 9.2, 9.3)

11. Inventories

11.1 Classification of inventories

The Company's inventories are classified into raw materials, work in progress, finished goods, and other inventories. The Company's inventories are classified into raw materials, work in progress, finished goods, and other inventories. The Company's inventories are classified into raw materials, work in progress, finished goods, and other inventories.

11.2 Pricing of inventories delivered

The Company's pricing of inventories delivered is based on the cost of the inventories plus a margin. The Company's pricing of inventories delivered is based on the cost of the inventories plus a margin. The Company's pricing of inventories delivered is based on the cost of the inventories plus a margin.

11.3 Determination of net realisable value of inventories

The Company's determination of net realisable value of inventories is based on the cost of the inventories minus any impairment. The Company's determination of net realisable value of inventories is based on the cost of the inventories minus any impairment. The Company's determination of net realisable value of inventories is based on the cost of the inventories minus any impairment.

The Company's determination of net realisable value of inventories is based on the cost of the inventories minus any impairment. The Company's determination of net realisable value of inventories is based on the cost of the inventories minus any impairment. The Company's determination of net realisable value of inventories is based on the cost of the inventories minus any impairment.

The Company's determination of net realisable value of inventories is based on the cost of the inventories minus any impairment. The Company's determination of net realisable value of inventories is based on the cost of the inventories minus any impairment. The Company's determination of net realisable value of inventories is based on the cost of the inventories minus any impairment.

The Company's determination of net realisable value of inventories is based on the cost of the inventories minus any impairment. The Company's determination of net realisable value of inventories is based on the cost of the inventories minus any impairment. The Company's determination of net realisable value of inventories is based on the cost of the inventories minus any impairment.

Notes to the Financial Statements

31 2022

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

11. Inventories (continued)

11.4 Inventory system

1. *Phragmites australis* (Cav.) Trin. ex Steud.

11.5 Amortisation of low-value consumables

12. Assets Held for Sale

$$\begin{aligned}
 & \left(\begin{array}{c} \text{[Musical notation: Treble clef, G4, A4, B4, C5, D5, E5, F5, G5, A5, B5, C6, D6, E6, F6, G6, A6, B6, C7, D7, E7, F7, G7, A7, B7, C8, D8, E8, F8, G8, A8, B8, C9, D9, E9, F9, G9, A9, B9, C10, D10, E10, F10, G10, A10, B10, C11, D11, E11, F11, G11, A11, B11, C12, D12, E12, F12, G12, A12, B12, C13, D13, E13, F13, G13, A13, B13, C14, D14, E14, F14, G14, A14, B14, C15, D15, E15, F15, G15, A15, B15, C16, D16, E16, F16, G16, A16, B16, C17, D17, E17, F17, G17, A17, B17, C18, D18, E18, F18, G18, A18, B18, C19, D19, E19, F19, G19, A19, B19, C20, D20, E20, F20, G20, A20, B20, C21, D21, E21, F21, G21, A21, B21, C22, D22, E22, F22, G22, A22, B22, C23, D23, E23, F23, G23, A23, B23, C24, D24, E24, F24, G24, A24, B24, C25, D25, E25, F25, G25, A25, B25, C26, D26, E26, F26, G26, A26, B26, C27, D27, E27, F27, G27, A27, B27, C28, D28, E28, F28, G28, A28, B28, C29, D29, E29, F29, G29, A29, B29, C30, D30, E30, F30, G30, A30, B30, C31, D31, E31, F31, G31, A31, B31, C32, D32, E32, F32, G32, A32, B32, C33, D33, E33, F33, G33, A33, B33, C34, D34, E34, F34, G34, A34, B34, C35, D35, E35, F35, G35, A35, B35, C36, D36, E36, F36, G36, A36, B36, C37, D37, E37, F37, G37, A37, B37, C38, D38, E38, F38, G38, A38, B38, C39, D39, E39, F39, G39, A39, B39, C40, D40, E40, F40, G40, A40, B40, C41, D41, E41, F41, G41, A41, B41, C42, D42, E42, F42, G42, A42, B42, C43, D43, E43, F43, G43, A43, B43, C44, D44, E44, F44, G44, A44, B44, C45, D45, E45, F45, G45, A45, B45, C46, D46, E46, F46, G46, A46, B46, C47, D47, E47, F47, G47, A47, B47, C48, D48, E48, F48, G48, A48, B48, C49, D49, E49, F49, G49, A49, B49, C50, D50, E50, F50, G50, A50, B50, C51, D51, E51, F51, G51, A51, B51, C52, D52, E52, F52, G52, A52, B52, C53, D53, E53, F53, G53, A53, B53, C54, D54, E54, F54, G54, A54, B54, C55, D55, E55, F55, G55, A55, B55, C56, D56, E56, F56, G56, A56, B56, C57, D57, E57, F57, G57, A57, B57, C58, D58, E58, F58, G58, A58, B58, C59, D59, E59, F59, G59, A59, B59, C60, D60, E60, F60, G60, A60, B60, C61, D61, E61, F61, G61, A61, B61, C62, D62, E62, F62, G62, A62, B62, C63, D63, E63, F63, G63, A63, B63, C64, D64, E64, F64, G64, A64, B64, C65, D65, E65, F65, G65, A65, B65, C66, D66, E66, F66, G66, A66, B66, C67, D67, E67, F67, G67, A67, B67, C68, D68, E68, F68, G68, A68, B68, C69, D69, E69, F69, G69, A69, B69, C70, D70, E70, F70, G70, A70, B70, C71, D71, E71, F71, G71, A71, B71, C72, D72, E72, F72, G72, A72, B72, C73, D73, E73, F73, G73, A73, B73, C74, D74, E74, F74, G74, A74, B74, C75, D75, E75, F75, G75, A75, B75, C76, D76, E76, F76, G76, A76, B76, C77, D77, E77, F77, G77, A77, B77, C78, D78, E78, F78, G78, A78, B78, C79, D79, E79, F79, G79, A79, B79, C80, D80, E80, F80, G80, A80, B80, C81, D81, E81, F81, G81, A81, B81, C82, D82, E82, F82, G82, A82, B82, C83, D83, E83, F83, G83, A83, B83, C84, D84, E84, F84, G84, A84, B84, C85, D85, E85, F85, G85, A85, B85, C86, D86, E86, F86, G86, A86, B86, C87, D87, E87, F87, G87, A87, B87, C88, D88, E88, F88, G88, A88, B88, C89, D89, E89, F89, G89, A89, B89, C90, D90, E90, F90, G90, A90, B90, C91, D91, E91, F91, G91, A91, B91, C92, D92, E92, F92, G92, A92, B92, C93, D93, E93, F93, G93, A93, B93, C94, D94, E94, F94, G94, A94, B94, C95, D95, E95, F95, G95, A95, B95, C96, D96, E96, F96, G96, A96, B96, C97, D97, E97, F97, G97, A97, B97, C98, D98, E98, F98, G98, A98, B98, C99, D99, E99, F99, G99, A99, B99, C100, D100, E100, F100, G100, A100, B100, C101, D101, E101, F101, G101, A101, B101, C102, D102, E102, F102, G102, A102, B102, C103, D103, E103, F103, G103, A103, B103, C104, D104, E104, F104, G104, A104, B104, C105, D105, E105, F105, G105, A105, B105, C106, D106, E106, F106, G106, A106, B106, C107, D107, E107, F107, G107, A107, B107, C108, D108, E108, F108, G108, A108, B108, C109, D109, E109, F109, G109, A109, B109, C110, D110, E110, F110, G110, A110, B110, C111, D111, E111, F111, G111, A111, B111, C112, D112, E112, F112, G112, A112, B112, C113, D113, E113, F113, G113, A113, B113, C114, D114, E114, F114, G114, A114, B114, C115, D115, E115, F115, G115, A115, B115, C116, D116, E116, F116, G116, A116, B116, C117, D117, E117, F117, G117, A117, B117, C118, D118, E118, F118, G118, A118, B118, C119, D119, E119, F119, G119, A119, B119, C120, D120, E120, F120, G120, A120, B120, C121, D121, E121, F121, G121, A121, B121, C122, D122, E122, F122, G122, A122, B122, C123, D123, E123, F123, G123, A123, B123, C124, D124, E124, F124, G124, A124, B124, C125, D125, E125, F125, G125, A125, B125, C126, D126, E126, F126, G126, A126, B126, C127, D127, E127, F127, G127, A127, B127, C128, D128, E128, F128, G128, A128, B128, C129, D129, E129, F129, G129, A129, B129, C130, D130, E130, F130, G130, A130, B130, C131, D131, E131, F131, G131, A131, B131, C132, D132, E132, F132, G132, A132, B132, C133, D133, E133, F133, G133, A133, B133, C134, D134, E134, F134, G134, A134, B134, C135, D135, E135, F135, G135, A135, B135, C136, D136, E136, F136, G136, A136, B136, C137, D137, E137, F137, G137, A137, B137, C138, D138, E138, F138, G138, A138, B138, C139, D139, E139, F139, G139, A139, B139, C140, D140, E140, F140,$$

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Notes to the Financial Statements

December 31, 2022

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

13. Long-term Equity Investments (continued)

13.3 Subsequent measurement and recognition of profit or loss

13.3.1 Cost-plus-minus method for subsequent measurement of profit or loss

Cost-plus-minus method for subsequent measurement of profit or loss is adopted for equity investments in subsidiaries and associates. The cost-plus-minus method is defined as follows:

Cost-plus-minus method for subsequent measurement of profit or loss is adopted for equity investments in subsidiaries and associates. The cost-plus-minus method is defined as follows: The cost of the equity investment is plus or minus the share of the investee's profit or loss after tax, plus or minus the share of the investee's other comprehensive income, plus or minus the share of the investee's other equity movements.

13.3.2 Cost-plus-minus method for subsequent measurement of profit or loss

Cost-plus-minus method for subsequent measurement of profit or loss is adopted for equity investments in subsidiaries and associates. The cost-plus-minus method is defined as follows:

Cost-plus-minus method for subsequent measurement of profit or loss is adopted for equity investments in subsidiaries and associates. The cost-plus-minus method is defined as follows: The cost of the equity investment is plus or minus the share of the investee's profit or loss after tax, plus or minus the share of the investee's other comprehensive income, plus or minus the share of the investee's other equity movements.

Cost-plus-minus method for subsequent measurement of profit or loss is adopted for equity investments in subsidiaries and associates. The cost-plus-minus method is defined as follows: The cost of the equity investment is plus or minus the share of the investee's profit or loss after tax, plus or minus the share of the investee's other comprehensive income, plus or minus the share of the investee's other equity movements.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

13. Long-term Equity Investments (continued)

13.3 Subsequent measurement and recognition of profit or loss (continued)

13.3.2 Cost-plus method for subsequent measurement and recognition of profit or loss (continued)

When the cost-plus method is used for subsequent measurement and recognition of profit or loss, the cost of the long-term equity investment is determined by the initial investment cost plus the investor's share of the investee's net profit or loss after deducting the investor's share of the investee's net loss. The cost of the long-term equity investment is determined by the initial investment cost plus the investor's share of the investee's net profit or loss after deducting the investor's share of the investee's net loss. The cost of the long-term equity investment is determined by the initial investment cost plus the investor's share of the investee's net profit or loss after deducting the investor's share of the investee's net loss.

13.4 Disposal of long-term equity investments

When the long-term equity investment is disposed, the difference between the proceeds from the disposal and the carrying amount of the long-term equity investment is recognized as profit or loss.

14. Investment Properties

Investment properties are properties that the company holds to earn rental income or for capital appreciation, or both. Investment properties are measured at cost less accumulated depreciation and impairment losses.

Investment properties are measured at cost less accumulated depreciation and impairment losses. The cost of investment properties includes the purchase price, related taxes, and other costs incurred to bring the investment property to the condition necessary for it to be available for use.

When the cost-plus method is used for subsequent measurement and recognition of profit or loss, the cost of the long-term equity investment is determined by the initial investment cost plus the investor's share of the investee's net profit or loss after deducting the investor's share of the investee's net loss.

When the long-term equity investment is disposed, the difference between the proceeds from the disposal and the carrying amount of the long-term equity investment is recognized as profit or loss.

Investment properties are measured at cost less accumulated depreciation and impairment losses. The cost of investment properties includes the purchase price, related taxes, and other costs incurred to bring the investment property to the condition necessary for it to be available for use.

Notes to the Financial Statements

December 31, 2022

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

15. Fixed Assets

15.1 Conditions of recognition

Fixed assets are recognized at cost. The cost of an asset includes its purchase price, import duties, taxes, and other charges, excluding taxes recoverable, and any directly attributable costs of bringing the asset to its working condition for its intended use. The cost of self-constructed assets includes the cost of materials and direct labor, and an allocation of overheads that are directly attributable to the asset.

For assets that are available for sale, the cost is the fair value of the consideration received plus any directly attributable costs. For assets that are not available for sale, the cost is the fair value of the consideration received plus any directly attributable costs, less any impairment losses recognized.

15.2 Depreciation methods

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. The estimated useful life of an asset is determined by its nature and the expected pattern of consumption of its economic benefits.

| Class | Depreciation period (Years) | Residual value rate (%) | Annual depreciation rate (%) |
|--------------------------|-----------------------------|-------------------------|------------------------------|
| Buildings | 20 | 5 | 4.75 |
| Leasehold improvements | 4-10 | 5 | 9.50-23.75 |
| Equipment | 4-5 | 5 | 19.00-23.75 |
| Transportation equipment | 3-5 | 5 | 19.00-31.67 |

When the carrying amount of a fixed asset exceeds its recoverable amount, the carrying amount is reduced to its recoverable amount. The recoverable amount is the maximum of the asset's fair value less costs of disposal and its value in use.

15.3 Other description

When a fixed asset is disposed of, the gain or loss is calculated as the difference between the net proceeds from the disposal and the carrying amount of the asset. The gain or loss is recognized in the profit or loss.

The carrying amount of a fixed asset is reviewed at the end of each reporting period. If there is an indication that the carrying amount may not be recoverable, an impairment test is performed.

16. Construction in Progress

Construction in progress is recognized at cost. The cost includes the purchase price, import duties, taxes, and other charges, excluding taxes recoverable, and any directly attributable costs of bringing the asset to its working condition for its intended use.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

17. Borrowing Costs

The borrowing costs incurred in connection with the acquisition of property, plant and equipment are capitalised as part of the cost of the property, plant and equipment. Borrowing costs incurred in connection with the acquisition of intangible assets are expensed as incurred. Borrowing costs incurred in connection with the acquisition of other assets are expensed as incurred.

Borrowing costs are capitalised when they are directly attributable to the acquisition, construction or production of a qualifying asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs are capitalised as part of the cost of the qualifying asset. Borrowing costs are capitalised during the period of time when the company is actively engaged in the acquisition, construction or production of the qualifying asset. Borrowing costs are capitalised until the qualifying asset is ready for its intended use or sale. Borrowing costs are capitalised until the qualifying asset is ready for its intended use or sale.

18. Intangible Assets

18.1 Intangible assets

Intangible assets are non-monetary assets that are identifiable and have no physical substance.

Intangible assets are recognised when it is probable that the company will be able to identify the asset and that the asset will generate future economic benefits. Intangible assets are measured at cost less accumulated amortisation and impairment losses. Intangible assets are amortised over their useful life. Intangible assets are amortised over their useful life.

| Class | Amortisation method | Useful life
(Years) | Residual
value rate (%) |
|-------------------------|---------------------|------------------------|----------------------------|
| Patents | Straight line | 42-50 | 0 |
| Software | Straight line | 5-20 | 0 |
| Other intangible assets | Straight line | 5-10 | 0 |

The company's intangible assets are all recognised as intangible assets.

The company's intangible assets are all recognised as intangible assets.

Notes to the Financial Statements

December 31, 2022

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

18. Intangible Assets (continued)

18.2 Internal research and development expenditures

Internal research and development expenditures are classified into research phase and development phase.

Research phase expenditures are those incurred in the process of obtaining new knowledge, and are expensed as incurred. Development phase expenditures are those incurred in the process of developing new products, and are capitalized when the following conditions are met:

- (1) The company has completed the technical feasibility study of the new product;
- (2) The company has the intention to complete the new product;
- (3) The company has the ability to complete the new product, and the related expenditures can be reliably measured;
- (4) The new product will generate economic benefits in the future;
- (5) The company has sufficient resources to complete the new product.

When the above conditions are met, the related expenditures are capitalized and recorded as "Development Expenditures". When the new product is completed, the related expenditures are transferred to "Intangible Assets". If the company fails to complete the new product, the related expenditures are expensed as incurred.

19. Impairment of Long-term Assets

The company assesses the impairment of long-term assets at the end of each reporting period. If the carrying amount of the long-term asset exceeds its recoverable amount, the carrying amount is reduced to its recoverable amount, and the difference is recorded as an impairment loss.

The recoverable amount is the maximum of the fair value less costs of disposal and the value in use. The fair value less costs of disposal is the amount that the company could receive for the asset, less the costs of disposal. The value in use is the present value of the future cash flows expected to be derived from the asset.

When the carrying amount of the long-term asset is reduced to its recoverable amount, the impairment loss is recorded in the profit and loss account.

The company also assesses the impairment of long-term assets at the end of each reporting period.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

20. Long-term Deferred Expenses

Costs of long-term deferred expenses are recognized as long-term deferred expenses. If the expenses are expected to be realized within one year, they are recognized as long-term deferred expenses. If the expenses are expected to be realized within more than one year, they are recognized as long-term deferred expenses.

21. Contract Liabilities

When a company receives a contract from a customer, it recognizes a contract liability. The contract liability is recognized as a liability when the company receives the contract. The contract liability is recognized as an asset when the company receives the contract.

22. Employee Compensation

22.1 Accounting for short-term employee compensation

Short-term employee compensation is recognized as an expense when the employee is employed. The expense is recognized as an expense when the employee is employed. The expense is recognized as an expense when the employee is employed.

Short-term employee compensation is recognized as an expense when the employee is employed. The expense is recognized as an expense when the employee is employed. The expense is recognized as an expense when the employee is employed.

22.2 Accounting for post-employment benefits

Post-employment benefits are recognized as an expense when the employee is employed.

Post-employment benefits are recognized as an expense when the employee is employed. The expense is recognized as an expense when the employee is employed. The expense is recognized as an expense when the employee is employed.

22.3 Accounting for termination benefits

Termination benefits are recognized as an expense when the employee is employed. The expense is recognized as an expense when the employee is employed. The expense is recognized as an expense when the employee is employed.



24. Share-based Payments (continued)

Notes to the Financial Statements

December 31, 2022

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

26. Government Grants (continued)

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

Government grants related to assets are recognized when the enterprise has reasonable assurance that the grant will be received and the enterprise will comply with the conditions attached to the grant. The grant is recognized as income over the useful life of the asset.

Assets purchased with government grants are recorded at cost. The grant is recognized as income over the useful life of the asset.

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

Government grants related to revenue are recognized when the enterprise has reasonable assurance that the grant will be received and the enterprise will comply with the conditions attached to the grant. The grant is recognized as income over the period of the grant.

Assets purchased with government grants are recorded at cost. The grant is recognized as income over the useful life of the asset.

The grant is recognized as income over the period of the grant.

27. Safety Production Expenses

The enterprise has established a safety production expense account to record the expenses incurred in the process of safety production. The enterprise has established a safety production expense account to record the expenses incurred in the process of safety production.

The enterprise has established a safety production expense account to record the expenses incurred in the process of safety production. The enterprise has established a safety production expense account to record the expenses incurred in the process of safety production.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

28. Deferred Income Tax Assets/Deferred Income Tax Liabilities

except for the following, all other accounting policies are consistent with those of the Company:

28.1 Current income tax

At the reporting date, the current income tax payable (recoverable) is determined on the basis of the profit (loss) for the period and the applicable tax rates in the jurisdictions in which the Company operates.

28.2 Deferred income tax assets and deferred income tax liabilities

The Company's deferred income tax assets and liabilities are determined on the basis of the temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their tax bases, and the applicable tax rates in the jurisdictions in which the Company operates.

Deferred income tax assets are recognized if it is probable that sufficient taxable income will be available to utilize the deductible temporary differences and the tax loss carryforwards. However, deferred income tax assets are not recognized for tax loss carryforwards unless it is probable that sufficient taxable income will be available to utilize the tax loss carryforwards. The Company's deferred income tax assets are measured at the best estimate of the amount of income tax assets that will be realized in the future. The Company's deferred income tax liabilities are measured at the best estimate of the amount of income tax liabilities that will be paid in the future.

At the reporting date, the deferred income tax assets and liabilities are determined on the basis of the temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their tax bases, and the applicable tax rates in the jurisdictions in which the Company operates.

Deferred income tax assets and liabilities are measured at the best estimate of the amount of income tax assets that will be realized in the future. The Company's deferred income tax assets are measured at the best estimate of the amount of income tax assets that will be realized in the future. The Company's deferred income tax liabilities are measured at the best estimate of the amount of income tax liabilities that will be paid in the future.

At the reporting date, the deferred income tax assets and liabilities are determined on the basis of the temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their tax bases, and the applicable tax rates in the jurisdictions in which the Company operates.

The Company's deferred income tax assets and liabilities are determined on the basis of the temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their tax bases, and the applicable tax rates in the jurisdictions in which the Company operates.

Notes to the Financial Statements

2021年12月31日及2022年12月31日

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (重要會計政策及會計估計)

28. Deferred Income Tax Assets/Deferred Income Tax Liabilities (遞延所得稅資產/遞延所得稅負債)

28.2 Deferred income tax assets and deferred income tax liabilities (遞延所得稅資產及遞延所得稅負債)

本集團根據資產負債表日已存在的稅務狀況，按照稅務資產及負債的預期實現或結算，以很可能取得未來應課稅所得為限，確認遞延所得稅資產。本集團對遞延所得稅資產定期進行評估，如果未來很可能無法獲得足夠的應課稅所得，則減記遞延所得稅資產。本集團在很可能獲得足夠的應課稅所得時，將減記的遞延所得稅資產予以轉回。

28.3 Offsetting of income tax

本集團以抵銷後的金額列報所得稅資產及負債，除非所得稅資產及負債是以不同的稅務機關為徵收對象，且本集團無意以該等所得稅資產抵銷該等所得稅負債，或是該等所得稅資產及負債與不同的政府機關有關。

本集團以抵銷後的金額列報所得稅資產及負債，除非所得稅資產及負債是以不同的稅務機關為徵收對象，且本集團無意以該等所得稅資產抵銷該等所得稅負債，或是該等所得稅資產及負債與不同的政府機關有關。本集團在很可能獲得足夠的應課稅所得時，將減記的遞延所得稅資產予以轉回。

29. Lease

本集團根據租賃合同的實質，判斷該項合同是否屬於租賃，或包含一項或多項租賃合同。

本集團作為出租人，在租賃期開始時，將租賃資產的公允價值與最低租賃收款額的現值兩者中的較低者作為租賃收入。本集團作為承租人，在租賃期開始時，將租賃資產的公允價值與最低租賃付款額的現值兩者中的較低者作為租賃負債。

29.1 The Group as lessee

29.1.1 短期租賃

本集團作為承租人，對於短期租賃，即租賃期不超過12個月，且租賃資產在租賃期內不會發生實質性變化的租賃，本集團不確認租賃負債，將租賃付款額在租賃期內按照直線法攤銷，計入當期損益。

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

29. Lease (continued)

29.1 The Group as lessee (continued)

29.1.2 Right-of-use asset

At the commencement date, the right-of-use asset is measured at cost, which comprises the amount of the lease liability, adjusted for any lease prepayments, lease incentives received and any initial direct costs incurred by the Group. The right-of-use asset is then depreciated over the shorter of its useful life and the lease term on a straight-line basis to the residual value, if any, and impairment losses are recognised if the carrying amount of the right-of-use asset exceeds its recoverable amount.

When the Group enters into a lease with a lease term of 12 months or less, it does not recognise a right-of-use asset.

When the Group enters into a lease with a lease term of 12 months or less, it recognises the lease payments as expenses on a straight-line basis over the lease term.

When the Group enters into a lease with a lease term of 12 months or less, it does not recognise a lease liability.

When the Group enters into a lease with a lease term of 12 months or less, it recognises the lease payments as expenses on a straight-line basis over the lease term. When the Group enters into a lease with a lease term of 12 months or less, it does not recognise a lease liability.

When the Group enters into a lease with a lease term of 12 months or less, it recognises the lease payments as expenses on a straight-line basis over the lease term. When the Group enters into a lease with a lease term of 12 months or less, it does not recognise a lease liability.

When the Group enters into a lease with a lease term of 12 months or less, it recognises the lease payments as expenses on a straight-line basis over the lease term. When the Group enters into a lease with a lease term of 12 months or less, it does not recognise a lease liability.

29.1.3 Lease liability

At the commencement date, the lease liability is measured at the present value of the lease payments, which are discounted using the incremental borrowing rate. The lease liability is then measured at amortised cost, using the effective interest method. The lease liability is recognised as a liability on the balance sheet.

When the Group enters into a lease with a lease term of 12 months or less, it does not recognise a lease liability.

When the Group enters into a lease with a lease term of 12 months or less, it recognises the lease payments as expenses on a straight-line basis over the lease term. When the Group enters into a lease with a lease term of 12 months or less, it does not recognise a lease liability.

Notes to the Financial Statements

December 31, 2022

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

29. Lease (continued)

29.1 The Group as lessee (continued)

29.1.4 Short-term leases and leases of low-value assets

For short-term leases and leases of low-value assets, the Group elects not to recognize right-of-use assets and lease liabilities. Instead, the Group recognizes the lease payments as expenses on a straight-line basis over the lease term. The Group has short-term leases for office buildings and short-term leases for vehicles. The Group also has leases of low-value assets, including mobile phones and laptops.

29.2 The Group as lessor

29.2.1 Finance leases

The Group leases out its property, plant and equipment to third parties under finance leases. The Group recognizes the net investment in the lease as lease receivables, which are measured at the present value of the lease payments, discounted using the interest rate implicit in the lease.

29.3 The Group as lessor under operating leases

The Group leases out its property, plant and equipment to third parties under operating leases. The Group recognizes the lease payments as revenue on a straight-line basis over the lease term. The Group has operating leases for office buildings and operating leases for vehicles.

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

The Group has made critical judgements in applying accounting policies and key assumptions and uncertainties in accounting estimates. The Group has made critical judgements in applying accounting policies and key assumptions and uncertainties in accounting estimates. The Group has made critical judgements in applying accounting policies and key assumptions and uncertainties in accounting estimates.

The Group has made critical judgements in applying accounting policies and key assumptions and uncertainties in accounting estimates. The Group has made critical judgements in applying accounting policies and key assumptions and uncertainties in accounting estimates. The Group has made critical judgements in applying accounting policies and key assumptions and uncertainties in accounting estimates.

The Group has made critical judgements in applying accounting policies and key assumptions and uncertainties in accounting estimates. The Group has made critical judgements in applying accounting policies and key assumptions and uncertainties in accounting estimates. The Group has made critical judgements in applying accounting policies and key assumptions and uncertainties in accounting estimates.

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

30. Critical Judgements in Applying Accounting Policies and Key Assumptions and Uncertainties in Accounting Estimates (continued)

Impairment of trade receivables

The Group assesses the impairment of trade receivables by applying the simplified approach in accordance with the HKFRS 9. The Group estimates the expected credit losses (ECLs) on trade receivables by using a provision matrix. The provision matrix is based on the Group's historical credit loss experience, adjusted for differences in risk characteristics, supported by statistical analysis. The ECLs are estimated on a collective basis. The Group uses the following criteria to segment trade receivables for impairment assessment:

| | | |
|------------------------|-------------------|-------------------|
| Age of receivables | 31 December 2022, | 31 December 2021, |
| Expected credit losses | 84,020,148.45 (| 53,799,906.07). |

Impairment of fixed assets

The Group assesses the impairment of fixed assets by applying the cost of acquisition less accumulated depreciation and impairment losses. The Group estimates the impairment losses on fixed assets by using a provision matrix. The provision matrix is based on the Group's historical credit loss experience, adjusted for differences in risk characteristics, supported by statistical analysis. The ECLs are estimated on a collective basis. The Group uses the following criteria to segment fixed assets for impairment assessment:

| | | |
|------------------------|-------------------|-------------------|
| Age of receivables | 31 December 2022, | 31 December 2021, |
| Expected credit losses | 19,486,994.22 | 20,235,277.71). |

Recognition of deferred income tax assets

The Group assesses the recognition of deferred income tax assets by applying the cost of acquisition less accumulated depreciation and impairment losses. The Group estimates the impairment losses on fixed assets by using a provision matrix. The provision matrix is based on the Group's historical credit loss experience, adjusted for differences in risk characteristics, supported by statistical analysis. The ECLs are estimated on a collective basis. The Group uses the following criteria to segment fixed assets for impairment assessment:

| | | |
|------------------------|-------------------|-------------------|
| Age of receivables | 31 December 2022, | 31 December 2021, |
| Expected credit losses | 92,555,237.76 (| 4,162,665.30) |

The Group uses the following criteria to segment fixed assets for impairment assessment:

| | | |
|------------------------|-------------------|-------------------|
| Age of receivables | 31 December 2022, | 31 December 2021, |
| Expected credit losses | 27,182,534.19 | 33,307,024.87). |

Notes to the Financial Statements

December 31, 2022

(III) SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

31. Significant Changes in Accounting Policy

Interpretation of Accounting Standards for Business Enterprises No.15

On August 30, 2021, the Ministry of Finance issued the "Interpretation of Accounting Standards for Business Enterprises No.15" (Ministry of Finance Order No. 155 (August 30, 2021)), which stipulates that the accounting policy for the recognition, measurement and presentation of financial assets and financial liabilities shall be determined based on the substance of the financial instrument, and shall be consistent with the business model in which the financial instrument is held.

According to the provisions of the "Interpretation of Accounting Standards for Business Enterprises No.15", the Company has determined the accounting policy for the recognition, measurement and presentation of financial assets and financial liabilities based on the substance of the financial instrument, and shall be consistent with the business model in which the financial instrument is held.

On August 15, 2021, the Ministry of Finance issued the "Interpretation of Accounting Standards for Business Enterprises No.14" (Ministry of Finance Order No. 145 (August 15, 2021)), which stipulates that the accounting policy for the recognition, measurement and presentation of financial assets and financial liabilities shall be determined based on the substance of the financial instrument, and shall be consistent with the business model in which the financial instrument is held. The Company has determined the accounting policy for the recognition, measurement and presentation of financial assets and financial liabilities based on the substance of the financial instrument, and shall be consistent with the business model in which the financial instrument is held. On January 1, 2022, the Company has applied the "Interpretation of Accounting Standards for Business Enterprises No.14" (Ministry of Finance Order No. 145 (August 15, 2021)) to the financial statements for the year ended December 31, 2022, and the financial statements for the year ended December 31, 2022, have been prepared in accordance with the "Interpretation of Accounting Standards for Business Enterprises No.14" (Ministry of Finance Order No. 145 (August 15, 2021)).

According to the provisions of the "Interpretation of Accounting Standards for Business Enterprises No.14", the Company has determined the accounting policy for the recognition, measurement and presentation of financial assets and financial liabilities based on the substance of the financial instrument, and shall be consistent with the business model in which the financial instrument is held.

Interpretation of Accounting Standards for Business Enterprises No.14

On August 15, 2021, the Ministry of Finance issued the "Interpretation of Accounting Standards for Business Enterprises No.14" (Ministry of Finance Order No. 145 (August 15, 2021)), which stipulates that the accounting policy for the recognition, measurement and presentation of financial assets and financial liabilities shall be determined based on the substance of the financial instrument, and shall be consistent with the business model in which the financial instrument is held. The Company has determined the accounting policy for the recognition, measurement and presentation of financial assets and financial liabilities based on the substance of the financial instrument, and shall be consistent with the business model in which the financial instrument is held. On January 1, 2022, the Company has applied the "Interpretation of Accounting Standards for Business Enterprises No.14" (Ministry of Finance Order No. 145 (August 15, 2021)) to the financial statements for the year ended December 31, 2022, and the financial statements for the year ended December 31, 2022, have been prepared in accordance with the "Interpretation of Accounting Standards for Business Enterprises No.14" (Ministry of Finance Order No. 145 (August 15, 2021)).

According to the provisions of the "Interpretation of Accounting Standards for Business Enterprises No.14", the Company has determined the accounting policy for the recognition, measurement and presentation of financial assets and financial liabilities based on the substance of the financial instrument, and shall be consistent with the business model in which the financial instrument is held.

(IV) TAXATION

1. Major Types of Tax and Tax Rates

| Tax type | Tax basis | Tax rate |
|-----------------------------|--|------------|
| Corporate Income Tax (CIT) | <p>Profit after tax adjustment (before CIT)</p> <ul style="list-style-type: none"> Profit after tax adjustment (before CIT) = Profit before tax adjustment (before CIT) - CIT Profit before tax adjustment (before CIT) = Profit before tax adjustment (after CIT) + CIT | 13% |
| Value-added Tax (VAT) | <p>Value added</p> <ul style="list-style-type: none"> Value added = Value added (before VAT) - Value added (after VAT) | 7% |
| Stamp Duty | <p>Stamp duty</p> <ul style="list-style-type: none"> Stamp duty = Stamp duty (before stamp duty) - Stamp duty (after stamp duty) | 3% |
| Land Use Tax | <p>Land use tax</p> <ul style="list-style-type: none"> Land use tax = Land use tax (before land use tax) - Land use tax (after land use tax) | 2% |
| City Maintenance Tax | <p>City maintenance tax</p> <ul style="list-style-type: none"> City maintenance tax = City maintenance tax (before city maintenance tax) - City maintenance tax (after city maintenance tax) | 1% |
| Education Tax | <p>Education tax</p> <ul style="list-style-type: none"> Education tax = Education tax (before education tax) - Education tax (after education tax) | 7% |
| Enterprise Income Tax (EIT) | <p>Enterprise income tax</p> <ul style="list-style-type: none"> Enterprise income tax = Enterprise income tax (before enterprise income tax) - Enterprise income tax (after enterprise income tax) | 2% |
| Enterprise Income Tax (EIT) | <p>Enterprise income tax</p> <ul style="list-style-type: none"> Enterprise income tax = Enterprise income tax (before enterprise income tax) - Enterprise income tax (after enterprise income tax) | 1.2%, 1.4% |

Notes to the Financial Statements

December 31, 2022

(IV) TAXATION (稅務)

1. Major Types of Tax and Tax Rates (主要稅種及稅率)

1: 根據《中華人民共和國企業所得稅法》及《實施條例》規定，居民企業適用所得稅稅率為25%；非居民企業適用所得稅稅率為20%；
2: 根據《中華人民共和國企業所得稅法》及《實施條例》規定，非居民企業適用所得稅稅率為20%；
3: 根據《中華人民共和國企業所得稅法》及《實施條例》規定，非居民企業適用所得稅稅率為20%；

| | Tax rate |
|------------------|----------|
| 浙江福萊特玻璃有限公司 | 15% |
| 浙江嘉福玻璃有限公司 | 25% |
| 上海福萊特玻璃有限公司 | 25% |
| 安徽福萊特光伏玻璃有限公司 | 25% |
| 安徽福萊特光伏材料有限公司 | 25% |
| 福萊特(香港)有限公司 | 1 |
| 嘉興福萊特新能源科技有限公司 | 25% |
| 福萊特(越南)有限公司 | 0% |
| 福萊特(香港)投資有限公司 | 1 |
| 福萊特(嘉興)進出口貿易有限公司 | 25% |
| 鳳陽福萊特天然氣管道有限公司 | 25% |
| 福萊特(宿遷)光伏玻璃有限公司 | 25% |
| 福萊特(南通)光伏玻璃有限公司 | 25% |
| 安徽福萊特供應鏈管理有限公司 | 25% |
| 鳳陽福萊特新能源科技有限公司 | 25% |
| 安徽大華東方礦業有限公司 | 30% |
| 安徽三力礦業有限責任公司 | 25% |
| 福萊特(越南)進出口貿易有限公司 | 20% |
| 上海福萊特科技發展有限公司 | 25% |
| 嘉興福萊特智能裝備有限公司 | 25% |
| 南通福萊特港務有限公司 | 25% |
| 嘉興福萊特能源管理有限公司 | 25% |
| 福焱光能有限公司 | 25% |
| 福萊特(廣西)光能有限公司 | 25% |

1: 根據《中華人民共和國企業所得稅法》及《實施條例》規定，居民企業適用所得稅稅率為25%；非居民企業適用所得稅稅率為20%；
2: 根據《中華人民共和國企業所得稅法》及《實施條例》規定，非居民企業適用所得稅稅率為20%；
3: 根據《中華人民共和國企業所得稅法》及《實施條例》規定，非居民企業適用所得稅稅率為20%；

* 根據《中華人民共和國企業所得稅法》及《實施條例》規定，非居民企業適用所得稅稅率為20%；

(IV) TAXATION (continued)

2. Tax Preferences

The Company

24 2022, H_1 (202233007200) 15% 2022 2024.

Zhejiang Jiafu Glass Co., Ltd.

24 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 2680, 2681, 2682, 2683, 2684, 2685, 2686, 2687, 2688, 2689, 2690, 2691, 2692, 2693, 2694, 2695, 2696, 2697, 2698, 2699, 2700, 2701, 2702, 2703,

Anhui Flat Solar Glass Co., Ltd.

[illegible]

Flat (Vietnam) Company Limited

30 2016, 1 (100%) 2017, 1 (100%) 2018, 1 (100%) 2019, 1 (100%) 2020, 1 (100%) 2021, 1 (100%)

Notes to the Financial Statements

December 31, 2022

(V) INTERESTS IN OTHER ENTITIES

1. Acquisition of subsidiaries

Asset acquisition in 2022

| Acquiree | Acquisition date | Acquisition cost | Shareholding (%) | Acquisition method | Basis for acquisition date | Income of the acquiree from the acquisition date to the end of the period | Net profit (loss) of the acquiree from the acquisition date to the end of the period |
|-------------------------|------------------|------------------|------------------|--------------------|----------------------------|---|--|
| Acquiree (Company Name) | 28-12-2022 | 1,209,518,000.00 | 100 | Asset acquisition | Asset acquisition | 374,632,526.87 | 56,897,150.49 |
| Acquiree (Company Name) | 28-12-2022 | 2,134,429,600.00 | 100 | Asset acquisition | Asset acquisition | 948,483,580.52 | (11,397,323.40) |

On December 27, 2021, the Company acquired 100% of the equity of Acquiree (Company Name) for a total consideration of 3,343,947,600.00. On December 13, 2022, the Company acquired 100% of the equity of Acquiree (Company Name) for a total consideration of 2,805,000,000.00. The acquisition of Acquiree (Company Name) was completed on December 28, 2022.

(V) INTERESTS IN OTHER ENTITIES (continued)

1. Acquisition of subsidiaries (continued)

Assets, liabilities and acquisition consideration of the acquiree on the acquisition date

| | Dahua Mining
Fair value on the
acquisition date | Sanli Mining
Fair value on the
acquisition date |
|--|---|---|
| Current assets | | |
| Cash and cash equivalents | 1,127,564.56 | 17,906,764.60 |
| Accounts receivable | 13,740,000.00 | - |
| Prepaid expenses | - | 247,187,416.40 |
| Accounts payable | 145,038.88 | 31,666.46 |
| Other payables | 537,080.71 | 4,802,780.12 |
| Other current assets | 17,752.39 | - |
| Current assets | 15,567,436.54 | 269,928,627.58 |
| Non-current assets | | |
| Property, plant and equipment | 14,842,270.00 | 476,780.00 |
| Intangible assets | 1,219,062,083.72 | 2,233,872,400.00 |
| Investments in subsidiaries | 1,219,059,300.00 | 2,233,872,400.00 |
| Other non-current assets | 2,783.72 | - |
| Non-current assets | 1,233,904,353.72 | 2,234,349,180.00 |
| Subtotal of assets | 1,249,471,790.26 | 2,504,277,807.58 |
| Current liabilities | | |
| Accounts payable | 13,740,000.00 | - |
| Accounts receivable | - | 16,495,150.06 |
| Prepaid expenses | 9,000,000.00 | 188,819.35 |
| Accounts payable | 256.45 | - |
| Accounts payable | 6,099,925.37 | 118,729,740.92 |
| Accounts payable | 477,893,189.50 | 70,519,112.54 |
| Accounts payable | - | 52,220,000.00 |
| Current liabilities | 506,733,371.32 | 258,152,822.87 |
| Non-current liabilities | | |
| Accounts payable | - | 172,824,479.03 |
| Non-current liabilities | - | 172,824,479.03 |
| Subtotal of liabilities | 506,733,371.32 | 430,977,301.90 |
| Net assets | 742,738,418.94 | 2,073,300,505.68 |
| Net assets received | 742,738,418.94 | 2,073,300,505.68 |
| Acquisition consideration- cash | 740,000,000.00 | 2,065,000,000.00 |

Notes to the Financial Statements

December 31, 2022

(V) INTERESTS IN OTHER ENTITIES (continued)

2. Interests in Subsidiaries

The composition of the corporate group

| Level | Name of subsidiary | Place of incorporation and business | Particulars of issued and capital | Nature of business | Shareholding and voting rights percentage as at 31 December 2022 (%) | | Acquisition method |
|-------|---|-------------------------------------|-----------------------------------|--------------------|--|----------|--------------------|
| | | | | | Direct | Indirect | |
| 1 | 福萊特玻璃有限公司 (福萊特玻璃) | 中國香港 | 10,000,000 | 玻璃製造及銷售 | 100.00 | - | ✗ 直接 |
| 2 | 福萊特玻璃有限公司 (福萊特玻璃) | 中國香港 | 150,000,000 | 玻璃製造及銷售 | 100.00 | - | ✗ 直接 |
| 2.1 | (H.K.) 福萊特玻璃有限公司 (福萊特玻璃) (9) | H.K. 中國香港 | H 1,000,000 | 玻璃製造及銷售 | - | 100.00 | |
| 2.1.1 | 福萊特玻璃有限公司 (福萊特玻璃) (9) | 中國香港 | 10 | 玻璃製造及銷售 | - | 100.00 | ✗ 直接 |
| 3 | 福萊特玻璃有限公司 (福萊特玻璃) (3) | 中國香港 | 70,000,000 | 玻璃製造及銷售 | 100.00 | - | ✗ 直接 |
| 4 | 福萊特玻璃有限公司 (福萊特玻璃) | 中國香港 | 1,000,000,000 | 玻璃製造及銷售 | 100.00 | - | ✗ 直接 |
| 4.1 | 福萊特玻璃有限公司 (福萊特玻璃) (鳳陽福萊特天然氣管道有限公司) (鳳陽福萊特天然氣管道有限公司) (鳳陽福萊特天然氣管道有限公司) | 中國香港 | 10,000,000 | 玻璃製造及銷售 | - | 100.00 | ✗ 直接 |
| 4.2 | 福萊特玻璃有限公司 (福萊特玻璃) (鳳陽福萊特新能源科技有限公司) (鳳陽福萊特新能源科技有限公司) (鳳陽福萊特新能源科技有限公司) | 中國香港 | 10,000,000 | 玻璃製造及銷售 | - | 100.00 | ✗ 直接 |
| 4.3 | 福萊特玻璃有限公司 (福萊特玻璃) (安徽福萊特供應鏈管理有限公司) (安徽福萊特供應鏈管理有限公司) (安徽福萊特供應鏈管理有限公司) | 中國香港 | 5,000,000 | 玻璃製造及銷售 | - | 100.00 | ✗ 直接 |
| 4.4 | 福萊特玻璃有限公司 (福萊特玻璃) | 中國香港 | 30,000,000 | 玻璃製造及銷售 | - | 100.00 | ✗ 直接 |
| 4.4.1 | 福萊特玻璃有限公司 (福萊特玻璃) (安徽大華東方礦業有限公司) (安徽大華東方礦業有限公司) (安徽大華東方礦業有限公司) | 中國香港 | 50,000,000 | 玻璃製造及銷售 | - | 100.00 | ✗ 直接 |
| 4.4.2 | 福萊特玻璃有限公司 (福萊特玻璃) (安徽三力礦業有限責任公司) (安徽三力礦業有限責任公司) (安徽三力礦業有限責任公司) | 中國香港 | 170,000,000 | 玻璃製造及銷售 | - | 100.00 | ✗ 直接 |
| 5 | (H.K.) 福萊特玻璃有限公司 (福萊特玻璃) | H.K. 中國香港 | H 77,548,590 | 玻璃製造及銷售 | 100.00 | - | ✗ 直接 |
| 5.1 | (H.K.) 福萊特玻璃有限公司 (福萊特玻璃) | 中國香港 | 1,752,800,000,000 | 玻璃製造及銷售 | - | 100.00 | ✗ 直接 |
| 5.1.1 | (H.K.) 福萊特玻璃有限公司 (福萊特玻璃) (福萊特(越南)進出口貿易有限公司) (福萊特(越南)進出口貿易有限公司) (福萊特(越南)進出口貿易有限公司) | 中國香港 | 2,286,000,000 | 玻璃製造及銷售 | - | 100.00 | ✗ 直接 |

* 福萊特玻璃有限公司 (福萊特玻璃)

| Level | Name of subsidiary | Place of incorporation and business | Particulars of issued and capital | Nature of business | Shareholding and voting rights percentage as at 31 December 2022 (%) | | Acquisition method |
|-------|---------------------|-------------------------------------|-----------------------------------|--------------------|--|----------|--------------------|
| | | | | | Direct | Indirect | |
| 6 | 平谷玻璃有限公司 (平谷玻璃有限公司) | 平谷玻璃有限公司 (平谷玻璃有限公司) | 10,000,000 | | | | |

Notes to the Financial Statements

December 31, 2022

(V) INTERESTS IN OTHER ENTITIES (其他權益)

3. Interest in associates

| Name of associate | Principal place of business | Place of registration | Nature of business | Shareholding and voting rights percentage as at 31 December 2022 (%) | Accounting treatment method for investment in associates |
|--|-----------------------------|-----------------------|--------------------|--|--|
| 嘉興凱鴻福萊特供應鏈管理有限公司 (嘉興凱鴻福萊特供應鏈管理有限公司) (嘉興凱鴻福萊特供應鏈管理有限公司) | 中國 | 中國 | 貿易 | 40.00 | 權益法 |
| 嘉興凱鴻福萊特物流(越南)有限公司 | 越南 | 越南 | 貿易 | 40.00 | 權益法 |
| 鳳陽中石油昆侖燃氣有限公司 (鳳陽中石油昆侖燃氣有限公司) | 中國 | 中國 | 燃氣供應 | 35.00 | 權益法 |
| 嘉興市燃氣集團股份有限公司 | 中國 | 中國 | 燃氣供應 | 4.53 (%) | 權益法 |
| 嘉興福萊特(嘉興)能源供應鏈有限公司 | 中國 | 中國 | 貿易 | 45.00 | 權益法 |

本公司持有上述公司20%股份，並對其具有重大影響力。

本公司於2021年12月31日，對上述公司之投資總額為人民幣82,753,089.96元。其中，對嘉興凱鴻福萊特供應鏈管理有限公司之投資總額為人民幣6,722,755.74元，對嘉興凱鴻福萊特物流(越南)有限公司之投資總額為人民幣6,722,755.74元。

(I) Financial information summary of insignificant associate

| Items | Amount incurred in the current year |
|-------------------|-------------------------------------|
| 嘉興凱鴻福萊特供應鏈管理有限公司 | 82,753,089.96 |
| 嘉興凱鴻福萊特物流(越南)有限公司 | 6,722,755.74 |
| 嘉興市燃氣集團股份有限公司 | 6,722,755.74 |

* 無重大影響之關聯公司

(V) INTERESTS IN OTHER ENTITIES (continued)

3. Interest in associates (continued)

(2) Material restrictions on the ability of associates to transfer capital to the Group

There are no material restrictions on the ability of associates to transfer capital to the Group.

(3) Contingent liabilities relating to investment of associates

There are no contingent liabilities relating to investment of associates.

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash at Bank and on Hand

| Items | Foreign currency amount | Closing balance | |
|----------------------------------|-------------------------|-----------------|------------------|
| | | Conversion rate | RMB amount |
| Cash at bank | – | – | 15,002.78 |
| Cash on hand | – | – | 1,755,052,715.09 |
| US dollar | 76,968,626.29 | 6.9646 | 536,055,694.66 |
| US dollar | 1,725,926.87 | 7.4229 | 12,811,382.56 |
| US dollar | 94,343,718.00 | 0.0524 | 4,939,648.39 |
| US dollar | 282,743.53 | 4.7138 | 1,332,796.45 |
| Hong Kong dollar | 3,751,682.89 | 0.8933 | 3,351,265.77 |
| Chinese renminbi | 3,911.63 | 8.3941 | 32,834.61 |
| Others | 18,296,321,438.00 | 0.0003 | 5,490,124.20 |
| Less: cash at bank of associates | – | – | 493,001,484.64 |
| US dollar | 17,240,027.34 | 6.9646 | 120,069,894.41 |
| US dollar | 12.00 | 0.0524 | 0.63 |
| | | | 2,932,152,844.19 |
| Less: cash on hand of associates | | | 347,456,029.61 |

Notes to the Financial Statements

December 31, 2022

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Cash at Bank and on Hand (Continued)

| Items | Unit: million RMB | | |
|--------------------------------------|-------------------|-------------------|-------------------|
| | December 31, 2022 | December 31, 2021 | December 31, 2020 |
| Balance at the beginning of the year | | | 37,595.74 |
| Deposits | | | 1,447,408,518.38 |
| Withdrawals | 95,389,077.41 | 6.3757 | 608,172,140.87 |
| Interest income | 4,037,722.48 | 7.2197 | 29,151,145.00 |
| Interest expense | 95,279,882.00 | 0.0554 | 5,279,934.67 |
| Exchange gain | 291,665.98 | 4.6220 | 1,348,080.16 |
| Exchange loss | 2,662,333.04 | 0.8176 | 2,176,723.49 |
| Other income | 3,954.74 | 8.6064 | 34,036.08 |
| Other expense | 28,874,723,914.00 | 0.0003 | 8,122,505.07 |
| Balance at the end of the year | | | 740,946,587.30 |
| Balance at the beginning of the year | 0.01 | 6.3757 | 0.06 |
| Balance at the end of the year | 12.00 | 0.0554 | 0.66 |
| Other income | | | 2,842,677,267.48 |
| Other expense | | | 238,902,274.63 |

Continued:

At the end of the reporting period, the carrying amount of cash at bank and on hand was RMB 613,071,379.68 (December 31, 2021: RMB 740,946,588.02), of which RMB 289,050,886.59 (December 31, 2021: RMB 628,018,672.77) was held in the RMB currency, RMB 318,398,200.00 (December 31, 2021: RMB 100,000,000.00), and RMB 2,695,547.06 (December 31, 2021: RMB 11,766,158.10), and the carrying amount of cash at bank and on hand in foreign currencies was RMB 1,671,694.34 (December 31, 2021: RMB 1,129,011.75), of which RMB 1,131,055.93 (December 31, 2021: RMB 1,129,011.75) was held in the US dollar currency, and RMB 540,638.41 (December 31, 2021: RMB 32,745.40) was held in other foreign currencies.

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Trading Financial Assets

| Items | Closing balance | Carrying amount |
|---|---------------------|-----------------------|
| Investment in equity instruments classified as trading financial assets | 2,000,000.00 | 200,000,000.00 |
| Total | 2,000,000.00 | 200,000,000.00 |

3. Derivative Financial Assets

| Items | Closing balance | Carrying amount |
|---|-----------------|------------------|
| Investment in equity instruments classified as derivative financial assets | — | 62,739.00 |
| Investment in equity instruments classified as derivative financial assets (Loss) | — | 62,739.00 |
| Total | — | 62,739.00 |

Notes to the Financial Statements

December 31, 2022

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Bills Receivable

(1) Bills receivable by category

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Bills Receivable (Continued)

- (3) *Bills receivable that have been endorsed or discounted by the Group at the end of the year but not yet due at the balance sheet date*

| Items | Amounts not derecognised at the end of the year | Amounts not derecognised at the end of the year |
|-----------------------------|---|---|
| Endorsed bills receivable | 1,528,577,368.17 | 662,916,166.12 |
| Discounted bills receivable | 220,583,002.23 | 6,790,000.00 |
| Total | 1,749,160,370.40 | 669,706,166.12 |

The above bills receivable are all bills of exchange issued by the Group's customers and are all due within one year.

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

- (5) *Disclosed by classification of bad debt provision method*

| Classification | Closing balance | | Bad debt provision | | Book value |
|-----------------------------|-------------------------|----------------|----------------------|----------------|-------------------------|
| | Book balance
Amount | Percentage (%) | Amount | Percentage (%) | |
| Endorsed bills receivable | 1,860,198,827.10 | 73.90 | - | - | 1,860,198,827.10 |
| Discounted bills receivable | 657,120,162.09 | 26.10 | 11,565,314.85 | 1.76 | 645,554,847.24 |
| Total | 2,517,318,989.19 | 100.00 | 11,565,314.85 | 0.46 | 2,505,753,674.34 |

Notes to the Financial Statements

December 31, 2022

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Bills Receivable (Continued)

(5) Disclosed by classification of bad debt provision method (Continued)

| Classification | December 31, 2021 | | December 31, 2022 | | Change |
|--------------------|-----------------------|----------------|---------------------|----------------|-----------------------|
| | Amount | Percentage (%) | Amount | Percentage (%) | |
| Guaranteed by bank | | | | | |
| Guaranteed by bank | 834,875,954.38 | 88.58 | - | - | 834,875,954.38 |
| Guaranteed by bank | 107,583,256.08 | 11.42 | 2,711,098.05 | 2.52 | 104,872,158.03 |
| Total | 942,459,210.46 | 100.00 | 2,711,098.05 | 0.29 | 939,748,112.41 |

Guaranteed by bank: 100% of the book balance

| Name of portfolio | Closing balance | | Accrual
Percentage (%) | December 31, 2021 | | December 31, 2022 |
|--------------------|-------------------------|----------------------|---------------------------|-----------------------|---------------------|-------------------|
| | Book balance | Bad debt provision | | Amount | Percentage (%) | Amount |
| Guaranteed by bank | 1,860,198,827.10 | - | - | 834,875,954.38 | - | - |
| Guaranteed by bank | 657,120,162.09 | 11,565,314.85 | 1.76 | 107,583,256.08 | 2,711,098.05 | 2.52 |
| Total | 2,517,318,989.19 | 11,565,314.85 | 0.46 | 942,459,210.46 | 2,711,098.05 | 0.29 |

The bad debt provision for the year ended December 31, 2022 was RMB 11,565,314.85, which was calculated based on the book balance of the bills receivable portfolio.

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Bills Receivable (Continued)

(6) *Bad debt provision*

Notes to the Financial Statements

December 31, 2022

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Trade Receivables (Continued)

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

The Company classifies trade receivables into three categories: Normal, Concerned and Loss. The classification is based on the credit risk rating of the trade receivables. The classification is as follows:

| Credit risk rating | Within 1 year | 1-2 years | Closing balance
2-3 years | Over 3 years | Total |
|--------------------|------------------|---------------|------------------------------|--------------|------------------|
| Normal | | | | | |
| Proportion | 1.76% | 1.76% | 1.76% | 1.76% | |
| Balance | 2,831,075,517.95 | — | — | — | 2,831,075,517.95 |
| Provision | 49,826,929.12 | — | — | — | 49,826,929.12 |
| Concerned | | | | | |
| Proportion | 14.72% | 83.91% | 100.00% | 100.00% | |
| Balance | 31,353,908.12 | 19,284,453.21 | 6,570,314.71 | — | 57,208,676.04 |
| Provision | 4,615,295.28 | 16,181,584.69 | 6,570,314.71 | — | 27,367,194.68 |
| Loss | | | | | |
| Proportion | 100.00% | 100.00% | 100.00% | 100.00% | |
| Balance | — | — | 3,917.34 | 6,822,107.31 | 6,826,024.65 |
| Provision | — | — | 3,917.34 | 6,822,107.31 | 6,826,024.65 |
| Total | | | | | |
| Balance | 2,862,429,426.07 | 19,284,453.21 | 6,574,232.05 | 6,822,107.31 | 2,895,110,218.64 |
| Provision | 54,442,224.40 | 16,181,584.69 | 6,574,232.05 | 6,822,107.31 | 84,020,148.45 |
| Net balance | 2,807,987,201.67 | 3,102,868.52 | — | — | 2,811,090,070.19 |

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Trade Receivables (Continued)

(2) Disclosed by classification of bad debt provision method: (Continued)

| Credit risk rating | 2022 | 2021 | 2020 | 2019 | 2018 |
|--------------------|------------------|---------------|--------------|--------------|------------------|
| Normal | | | | | |
| Proportion | 2.52% | 2.52% | 2.52% | 2.52% | |
| Balance | 1,096,931,797.73 | - | - | - | 1,096,931,797.73 |
| Provision | 27,642,681.27 | - | - | - | 27,642,681.27 |
| Concerned | | | | | |
| Proportion | 14.72% | 83.91% | 100.00% | 100.00% | |
| Balance | 41,724,909.40 | 5,515,553.55 | 887,467.47 | - | 48,127,930.42 |
| Provision | 6,141,906.68 | 4,628,100.98 | 887,467.47 | - | 11,657,475.13 |
| Loss | | | | | |
| Proportion | 100.00% | 100.00% | 100.00% | 100.00% | |
| Balance | 1,454,199.69 | 6,290,195.10 | 482,664.89 | 6,272,689.99 | 14,499,749.67 |
| Provision | 1,454,199.69 | 6,290,195.10 | 482,664.89 | 6,272,689.99 | 14,499,749.67 |
| Total | | | | | |
| Balance | 1,140,110,906.82 | 11,805,748.65 | 1,370,132.36 | 6,272,689.99 | 1,159,559,477.82 |
| Provision | 35,238,787.64 | 10,918,296.08 | 1,370,132.36 | 6,272,689.99 | 53,799,906.07 |
| Net balance | 1,104,872,119.18 | 887,452.57 | - | - | 1,105,759,571.75 |

Notes to the Financial Statements

January 1 to December 31, 2022

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Trade Receivables (Continued)

(3) Changes in credit loss provision of trade receivables

| Credit loss provision | |
|-----------------------------------|---------------|
| January 1, 2022 | 53,799,906.07 |
| Changes during the year: | |
| Additions (deductions) | 30,220,242.38 |
| Transfers (transfers) (transfers) | |
| December 31, 2022 | 84,020,148.45 |

(4) Accounts receivable not written off this year

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

| | | |
|---------------------|----------------------|-------------------------------|
| Accounts receivable | 1,494,010,210.89 | (Percentage: 581,839,100.82), |
| Percentage: 51.60% | (Percentage: 50.18%) | |
| Accounts receivable | 26,294,579.71 | (Percentage: 14,662,345.34). |

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Financing receivables

| Items | Closing balance | Change in year |
|------------------------------|-----------------|----------------|
| At the beginning of the year | 784,825,969.52 | 531,196,547.78 |

At the end of 2022, the Group's financing receivables are mainly composed of bank acceptance bills, bank deposits, and other receivables. The Group's financing receivables are classified into two categories: bank acceptance bills and bank deposits. The Group's financing receivables are classified into two categories: bank acceptance bills and bank deposits. The Group's financing receivables are classified into two categories: bank acceptance bills and bank deposits.

At 31 December 2022, the Group's financing receivables are classified into two categories: bank acceptance bills and bank deposits. The Group's financing receivables are classified into two categories: bank acceptance bills and bank deposits. The Group's financing receivables are classified into two categories: bank acceptance bills and bank deposits.

(1) Changes in fair value

| Items | Closing balance | Change in year |
|------------------------------|-----------------|----------------|
| At the beginning of the year | 787,941,237.18 | 534,124,286.68 |
| At the end of the year | 784,825,969.52 | 531,196,547.78 |
| Change in fair value | (3,115,267.66) | (2,927,738.90) |

(2) Bank acceptance bills pledged by the Group at the end of the year

| Items | Pledged amount at the end of the year |
|------------------------|---------------------------------------|
| At the end of the year | 360,825,129.33 |

Notes to the Financial Statements

December 31, 2022

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Financing receivables (Continued)

- (3) Bank acceptance bills that have been endorsed or discounted by the Group at the end of the year but not yet due at the balance sheet date

| Items | Amounts not derecognised at the end of the year | Amounts not derecognised at the end of the year |
|----------------------------------|---|---|
| Bank acceptance bills discounted | 1,645,773,499.45 | 1,493,899,701.86 |
| Bank acceptance bills endorsed | 59,072,317.90 | 154,836,626.87 |
| Total | 1,704,845,817.35 | 1,648,736,328.73 |

7. Advance Payments

- (1) The ageing analysis of advance payments is as follows:

| Ageing | Closing balance | | Amount | | Percentage (%) |
|---------------|-----------------------|----------------|-----------------------|----------------|----------------|
| | Amount | Percentage (%) | | | |
| Within 1 year | 575,591,541.78 | 99.581 | 686,003,745.08 | 99.097 | |
| 1 to 2 years | 2,234,361.28 | 0.387 | 4,219,015.49 | 0.609 | |
| 2 to 3 years | 164,078.13 | 0.028 | 2,016,474.00 | 0.291 | |
| Over 3 years | 22,675.04 | 0.004 | 22,723.56 | 0.003 | |
| Total | 578,012,656.23 | 100.000 | 692,261,958.13 | 100.000 | |

As at December 31, 2022, the closing balances of advance payments were classified by the payees as follows:

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

As at December 31, 2022, the closing balances of advance payments were classified by the payees as follows:

| | | | |
|----------------|----------------|--------|--------|
| 446,777,293.27 | 562,487,063.28 | 77.30% | 81.25% |
|----------------|----------------|--------|--------|

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Other Receivables

| Items | Closing balance | Accrual |
|-------------------|-----------------|---------------|
| Trade receivables | 101,299,773.96 | 54,999,617.97 |
| Other receivables | 101,299,773.96 | 54,999,617.97 |

(1) Disclosed by ageing

| Ageing | Closing balance | | | Trade receivables | Accrual |
|---------------|-------------------|--------------------|----------------|-------------------|---------|
| | Trade receivables | Bad debt provision | Percentage (%) | | |
| Within 1 year | 49,802,068.11 | - | - | 34,416,921.65 | 100.00 |
| 1 to 2 years | 30,939,205.44 | - | - | 20,102,120.79 | 65.00 |
| 2 to 3 years | 20,084,800.79 | - | - | 97,625.28 | 0.48 |
| Over 3 years | 473,699.62 | - | - | 382,950.25 | 80.86 |
| Total | 101,299,773.96 | - | - | 54,999,617.97 | 54.34 |

(2) Other receivables listed by classification by nature

| Nature | Closing book balance | Accrual |
|---------------------|----------------------|---------------|
| Accounts receivable | 41,007,881.73 | 293,731.73 |
| Accounts payable | 51,773,000.07 | 52,633,813.76 |
| Prepaid expenses | 489,823.06 | 211,827.29 |
| Other receivables | 8,029,069.10 | 1,860,245.19 |
| Total | 101,299,773.96 | 54,999,617.97 |

Notes to the Financial Statements

December 31, 2022

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Other Receivables (Continued)

(3) Impairment of other receivables

The Company has adopted the expected credit loss model to measure the impairment of other receivables. The Company has determined that the expected credit loss model is more appropriate than the incurred loss model for the measurement of the impairment of other receivables.

| Credit risk rating | Default loss rate | Closing balance | Credit loss provision |
|--|-------------------|-----------------------|-----------------------|
| | | Other receivables | |
| Low | 0.00% | 101,299,773.96 | — |
| Total | | 101,299,773.96 | — |
| The Company has adopted the expected credit loss model to measure the impairment of other receivables. The Company has determined that the expected credit loss model is more appropriate than the incurred loss model for the measurement of the impairment of other receivables. | | | |
| Low | 0.00% | 54,999,617.97 | — |
| Total | | 54,999,617.97 | — |

The Company has adopted the expected credit loss model to measure the impairment of other receivables. The Company has determined that the expected credit loss model is more appropriate than the incurred loss model for the measurement of the impairment of other receivables.

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Other Receivables (Continued)

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

| Name | Nature | Year end amount | Ageing | Percentage of the other receivables (%) | Closing balance of credit loss provision |
|-----------------|--------|-----------------|--------|---|--|
| 鳳陽新奧燃氣有限公司 | 其他應收款 | 27,000,000.00 | 1 年以內 | 26.65 | - |
| 鳳陽縣公共資源交易中心 | 其他應收款 | 25,040,000.00 | 1 年以內 | 24.72 | - |
| 支付寶(中國)網絡技術有限公司 | 其他應收款 | 20,000,000.00 | 2 年以內 | 19.74 | - |
| 滁州中石油崑崙燃氣有限公司 | 其他應收款 | 12,200,000.00 | 1 年以內 | 12.04 | - |
| 中國銀行 | 其他應收款 | 4,996,270.22 | 1 年以內 | 4.93 | - |
| | | 89,236,270.22 | | 88.08 | - |

Notes to the Financial Statements

December 31, 2022

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Inventories

(1) Inventories category

| Items | Book balance | Closing balance
Impairment
provision | Book value |
|------------------|-------------------------|--|-------------------------|
| Raw materials | 752,813,726.43 | — | 752,813,726.43 |
| Work in progress | 339,605,709.34 | 4,335,685.03 | 335,270,024.31 |
| Finished goods | 107,466,234.14 | — | 107,466,234.14 |
| Total | 1,207,160,700.87 | 6,393,721.15 | 1,200,766,979.72 |
| | | | |
| Raw materials | 1,189,179,166.17 | — | 1,189,179,166.17 |
| Work in progress | 183,128,642.36 | 5,175,543.77 | 177,953,098.59 |
| Finished goods | 60,856,490.19 | — | 60,856,490.19 |
| Total | 855,214,953.98 | 6,734,180.64 | 848,480,773.34 |
| | | | |
| Total | 2,407,046,370.78 | 10,729,406.18 | 2,396,316,964.60 |

(2) Inventory impairment provision

| Items | Beginning balance | Decrease | Increase | Ending balance | Closing balance |
|------------------|----------------------|---------------------|---------------------|---------------------|----------------------|
| Raw materials | 6,734,180.64 | 5,280,522.00 | 5,620,981.49 | — | 6,393,721.15 |
| Work in progress | 5,175,543.77 | 3,434,677.35 | — | 4,274,536.09 | 4,335,685.03 |
| Total | 11,909,724.41 | 8,715,199.35 | 5,620,981.49 | 4,274,536.09 | 10,729,406.18 |

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Notes to the Financial Statements

December 31, 2022

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. Long-term Equity Investments

| Invested unit | Investment cost | | | | Closing balance |
|---|----------------------|-------------------------|-----------------------|-------------------------|----------------------|
| | Original cost | Less: Dividend received | Less: Impairment loss | Less: Other adjustments | |
| At January 1, 2022 | | | | | |
| Investment in equity securities | 6,921,828.12 | - | - | 6,277,401.74 | 13,199,229.86 |
| Investment in equity securities | 10,500,000.00 | - | - | - | 10,500,000.00 |
| Investment in equity securities (cost method) | 54,108,506.10 | - | - | 445,354.00 | 54,553,860.10 |
| Investment in equity securities | - | - | 4,500,000.00 | - | 4,500,000.00 |
| Total | 71,530,334.22 | - | 4,500,000.00 | 6,722,755.74 | 82,753,089.96 |

At December 31, 2022, the carrying amount of the investment in equity securities was RMB82,753,089.96, of which RMB13,199,229.86 was accounted for investment in equity securities, RMB10,500,000.00 was accounted for investment in equity securities, and RMB59,053,860.10 was accounted for investment in equity securities (cost method).

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. Investment Properties

Investment properties with cost measurement model

| Items | House and buildings | Land use rights | Total |
|--|---------------------|-----------------|---------------|
| I. Book value | | | |
| 1. Investment properties | 27,486,623.54 | 7,525,892.36 | 35,012,515.90 |
| II. Accumulated amortisation | | | |
| 1. Investment properties | 14,410,615.35 | 1,799,669.52 | 16,210,284.87 |
| 2. Accumulated amortisation of investment properties | 1,267,864.08 | 163,606.32 | 1,431,470.40 |
| (1). Investment properties | 1,267,864.08 | 163,606.32 | 1,431,470.40 |
| 3. Investment properties | 15,678,479.43 | 1,963,275.84 | 17,641,755.27 |
| III. Book value | | | |
| 1. Investment properties | 11,808,144.11 | 5,562,616.52 | 17,370,760.63 |
| 2. Investment properties | 13,076,008.19 | 5,726,222.84 | 18,802,231.03 |

The book value of investment properties at the end of the reporting period is 17,370,760.63 Yuan, of which 18,802,231.03 Yuan is land use rights.

The book value of investment properties at the beginning of the reporting period is 17,370,760.63 Yuan, of which 18,802,231.03 Yuan is land use rights. The book value of investment properties at the beginning of the reporting period is 61,950,000.00 Yuan (of which 61,950,000.00 Yuan is land use rights).

The book value of investment properties at the end of the reporting period is 17,370,760.63 Yuan, of which 18,802,231.03 Yuan is land use rights. The book value of investment properties at the beginning of the reporting period is 17,370,760.63 Yuan, of which 18,802,231.03 Yuan is land use rights. The book value of investment properties at the beginning of the reporting period is 61,950,000.00 Yuan (of which 61,950,000.00 Yuan is land use rights).

Notes to the Financial Statements

As at December 31, 2022

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Fixed Assets (Continued)

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

| Items | Book value | Accumulated depreciation | Impairment provision | Net book value |
|-------------------------------|---------------------|--------------------------|----------------------|----------------|
| Construction in progress | 8,292,131.46 | 2,728,761.44 | 5,563,370.02 | |
| Temporarily idle fixed assets | 268,037.61 | 225,506.25 | 42,531.36 | |
| Total | 8,560,169.07 | 2,954,267.69 | 5,605,901.38 | |

At the end of the year, the Group's temporarily idle fixed assets were mainly the construction in progress of the Flat Glass Group Co., Ltd. 110th plant, which was not yet completed and put into use.

(3) At the beginning and the end of the year, no fixed asset was held under finance lease.

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

(5) At the end of year, the Group had no fixed asset without property right certificate.

| Items | Book value | Reasons for failing to complete the title certificate |
|--------------------------------------|-------------------------|---|
| Construction in progress | 549,432,433.04 | Not yet completed |
| Temporarily idle fixed assets | 497,967,100.42 | Not yet completed |
| Construction in progress (continued) | 58,309,921.33 | Not yet completed |
| 110th plant | 7,535,215.02 | Not yet completed |
| Total | 1,113,244,669.81 | |

Notes to the Financial Statements

December 31, 2022

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. Construction in progress

(1) Listed by category

| Items | Closing balance | Change |
|--------------------------|------------------|------------------|
| Construction in progress | 1,557,815,302.02 | 2,867,765,142.38 |
| Construction in progress | 316,539,291.72 | 199,442,725.12 |
| Total | 1,874,354,593.74 | 3,067,207,867.50 |

As of December 31, 2022, the construction in progress of the company was 1,874,354,593.74 yuan (December 31, 2021: 149,449,877.89 yuan). The change was mainly due to the increase in the construction in progress of the company.

(2) Construction in progress

| Items | Book balance | Closing balance
Impairment
provision | Net book amount |
|------------------------------|------------------|--|------------------|
| Construction in progress | 987,546,485.03 | - | 987,546,485.03 |
| Construction in progress | 110,266,906.15 | - | 110,266,906.15 |
| Construction in progress | 96,581,900.45 | - | 96,581,900.45 |
| Construction in progress | 92,870,989.95 | - | 92,870,989.95 |
| 220 Construction in progress | 71,081,387.73 | - | 71,081,387.73 |
| Construction in progress | 58,026,533.79 | - | 58,026,533.79 |
| Construction in progress | 18,701,303.99 | - | 18,701,303.99 |
| Construction in progress | 17,341,295.01 | - | 17,341,295.01 |
| Construction in progress | 1,363,391.08 | - | 1,363,391.08 |
| Construction in progress | 1,163,431.12 | - | 1,163,431.12 |
| 28 Construction in progress | 822,481.57 | - | 822,481.57 |
| Construction in progress | 66,700.90 | - | 66,700.90 |
| Construction in progress | 101,982,495.25 | - | 101,982,495.25 |
| Total | 1,557,815,302.02 | - | 1,557,815,302.02 |

| | |
|---|------------------|
| - | 1,129,878,953.18 |
| - | 823,934,022.33 |
| - | 270,384,014.38 |
| - | 156,279,422.21 |
| - | 142,197,037.81 |
| - | 75,478,773.23 |
| - | 66,950,958.67 |
| - | 33,965,185.47 |
| - | 33,569,328.04 |
| - | 30,815,218.24 |
| - | 30,544,592.60 |
| - | 11,467,536.25 |
| - | 62,300,099.97 |
| - | 2,867,765,142.38 |

Notes to the Financial Statements

December 31, 2022

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. Construction in progress (Continued)

(2) Construction in progress (Continued)

| Construction in progress by project | | | | | | | | | | | | | | |
|--|------------------|------------------|------------------------------|---|-----------------------|---|----------------------------------|-----------------|--|------------------|---|--|---|-------------------|
| Project name | Budget | Opening amount | Amount increased in the year | Transfer amount from fixed assets in the year | Exchange gain or loss | Transfer Amount into fixed assets in the year | Transfer into others in the year | Closing balance | Project cumulative investment accounted for the proportion of the budget | Project progress | Accumulated amount of interest capitalisation | Including: the amount of interest capitalisation in the year | Capitalisation rate of interest in the year (%) | Sources of funds |
| 1. Construction in progress of property development | 1,950,000 | 4,349,335,600.00 | 426,663,436.59 | 2,720,869,494.15 | | 2,159,986,445.71 | | 987,546,485.03 | 72.37% | 72.57% | 3,600,000.00 | 3,600,000.00 | 0.45% | Self-raised funds |
| 2. Construction in progress of property development | 1,500,000 | 3,752,960,000.00 | 518,720.95 | 109,856,825.97 | | 108,640.77 | | 110,266,906.15 | 2.94% | 2.94% | | | | Self-raised funds |
| 3. Construction in progress of property development | | | | | | | | | | | | | | Self-raised funds |
| 4. Construction in progress of property development | 338,105,800.00 | | 96,581,900.45 | | | | | 96,581,900.45 | 28.57% | 28.57% | | | | Self-raised funds |
| 5. Construction in progress of property development | 129,698,000.00 | | 92,850,690.81 | 20,299.14 | | | | 92,870,989.95 | 71.61% | 71.61% | | | | Self-raised funds |
| 6. Construction in progress of property development | 146,000,000.00 | | 119,474,969.05 | | | 48,393,581.32 | | 71,081,387.73 | 81.83% | 81.83% | | | | Self-raised funds |
| 7. Construction in progress of property development | 1,152 | 101,753,200.00 | 58,026,533.79 | | | | | 58,026,533.79 | 57.03% | 57.03% | | | | Self-raised funds |
| 8. Construction in progress of property development | 750,000 | 1,632,609,800.00 | 1,129,878,953.18 | 220,767,378.30 | | 1,331,945,027.49 | | 18,701,303.99 | 98.27% | 98.27% | | | | Self-raised funds |
| 9. Construction in progress of property development | 750,000 | 1,751,683,600.00 | 823,934,022.33 | 497,484,400.74 | | 1,304,077,128.06 | | 17,341,295.01 | 75.44% | 75.44% | 16,910,810.53 | 16,910,810.53 | 1.61% | Self-raised funds |
| 10. Construction in progress of property development | 165,000,000.00 | 30,815,218.24 | 20,206,213.42 | | 1,761,128.98 | 51,419,169.56 | | 1,363,391.08 | 100.96% | 100.96% | | | | Self-raised funds |
| 11. Construction in progress of property development | 1,420,000,000.00 | 33,569,328.04 | 11,038,656.40 | | 968,442.36 | 44,412,995.68 | | 1,163,431.12 | 99.20% | 99.20% | 106,199,446.37 | | | Self-raised funds |
| 12. Construction in progress of property development | 28 | 170,000,000.00 | 11,467,536.25 | 61,202,888.96 | | 71,847,943.64 | | 822,481.57 | 97.56% | 97.56% | | | | Self-raised funds |
| 13. Construction in progress of property development | 80,000,000.00 | 66,950,958.67 | 12,819,221.81 | | | 79,703,479.58 | | 66,700.90 | 99.71% | 99.71% | | | | Self-raised funds |
| 14. Construction in progress of property development | 230,667,647.71 | 142,197,037.81 | 88,470,609.90 | | | 230,667,647.71 | | | 100.00% | 100.00% | | | | Self-raised funds |
| 15. Construction in progress of property development | 42 | 400,000,000.00 | 75,478,773.23 | 104,794,686.20 | | 180,273,459.43 | | | 68.07% | 68.07% | | | | Self-raised funds |
| 16. Construction in progress of property development | | 243,046,815.84 | 30,544,592.60 | 20,407,192.17 | | 50,951,784.77 | | | 100.00% | 100.00% | | | | Self-raised funds |
| 17. Construction in progress of property development | 76,000,000.00 | 33,965,185.47 | 17,677,642.92 | | | 16,535,669.09 | 35,107,159.30 | | 67.95% | 67.95% | | | | Self-raised funds |

The above table shows the construction in progress by project. The amounts are in thousands of RMB unless otherwise specified.

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. Construction in progress (Continued)

(3) Engineering materials

| Items | Closing balance | 2022 |
|----------------------------|-----------------|----------------|
| Engineering materials | 158,426,728.34 | 93,343,324.42 |
| Construction materials | 76,915,929.93 | 78,024,378.03 |
| Construction materials (1) | 32,257,057.26 | 6,730,582.58 |
| Construction materials (2) | 945,464.61 | 2,105,446.45 |
| Construction materials (3) | 47,994,111.58 | 19,238,993.64 |
| | 316,539,291.72 | 199,442,725.12 |

16. Right-of-use Assets

| Items | Land |
|-------------------------------------|----------------|
| I. Book value | |
| 1. Land | 191,102,069.02 |
| 2. Buildings | 20,161,679.16 |
| (1) Buildings | 20,161,679.16 |
| 3. Intangible assets | 10,268,408.10 |
| 4. Other right-of-use assets | 221,532,156.28 |
| II. Accumulated depreciation | |
| 1. Land | 21,031,196.80 |
| 2. Buildings | 5,004,335.20 |
| (1) Buildings | 5,004,335.20 |
| 3. Intangible assets | 1,302,615.65 |
| 4. Other right-of-use assets | 27,338,147.65 |
| III. Book value | |
| 1. Land | 194,194,008.63 |
| 2. Buildings | 170,070,872.22 |

2022

29,42

13,971,345.55 (2021: 14,561,324.81).

14,662,303.22 (2021: 15,125,705.65)

Notes to the Financial Statements

December 31, 2022

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Intangible Assets

| Items | Land use right | Emission rights
(Note 1) | Mining rights
(Note 2) | Energy use rights
(Note 3) | Software | Total |
|-------------------------------------|----------------|-----------------------------|---------------------------|-------------------------------|--------------|------------------|
| I. Book value | | | | | | |
| 1. Intangible assets | 469,457,768.42 | 51,458,806.04 | 232,964,000.00 | 144,731,091.46 | 7,595,886.72 | 906,207,552.64 |
| 2. Accumulated amortisation | | | | | | |
| Intangible assets | 156,101,162.26 | 12,540,214.69 | 3,491,724,156.82 | | 7,158.42 | 3,660,372,692.19 |
| (1). Intangible assets | 156,101,162.26 | 12,540,214.69 | | | | 168,641,376.95 |
| (2). Accumulated amortisation | | | 3,491,724,156.82 | | 7,158.42 | 3,491,731,315.24 |
| 3. Intangible assets | 625,558,930.68 | 63,999,020.73 | 3,724,688,156.82 | 144,731,091.46 | 7,603,045.14 | 4,566,580,244.83 |
| II. Accumulated amortisation | | | | | | |
| 1. Intangible assets | 65,991,809.40 | 28,898,114.09 | 144,989,611.68 | | 3,619,221.38 | 243,498,756.55 |
| 2. Accumulated amortisation | | | | | | |
| Intangible assets | 11,995,130.94 | 6,788,555.88 | 519,988,967.14 | | 652,810.67 | 539,425,464.63 |
| (1). Intangible assets | 11,995,130.94 | 6,788,555.88 | 478,660,364.20 | | 648,435.97 | 498,092,486.99 |
| (2). Accumulated amortisation | | | 41,328,602.94 | | 4,374.70 | 41,332,977.64 |
| 3. Intangible assets | 77,986,940.34 | 35,686,669.97 | 664,978,578.82 | | 4,272,032.05 | 782,924,221.18 |
| III. Book value | | | | | | |
| 1. Intangible assets | 547,571,990.34 | 28,312,350.76 | 3,059,709,578.00 | 144,731,091.46 | 3,331,013.09 | 3,783,656,023.65 |
| 2. Intangible assets | 403,465,959.02 | 22,560,691.95 | 87,974,388.32 | 144,731,091.46 | 3,976,665.34 | 662,708,796.08 |

At the end of the reporting period, the carrying amount of intangible assets was 367,362,534.63 (at the beginning of the reporting period: 324,758,897.07). The details are as follows:

- 1: The carrying amount of intangible assets is determined based on the cost of acquisition, less accumulated amortisation and impairment loss. The carrying amount of intangible assets is determined based on the cost of acquisition, less accumulated amortisation and impairment loss.
- 2: The carrying amount of intangible assets is determined based on the cost of acquisition, less accumulated amortisation and impairment loss. The carrying amount of intangible assets is determined based on the cost of acquisition, less accumulated amortisation and impairment loss.
- 3: The carrying amount of intangible assets is determined based on the cost of acquisition, less accumulated amortisation and impairment loss. The carrying amount of intangible assets is determined based on the cost of acquisition, less accumulated amortisation and impairment loss.

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18. Deferred Income Tax Assets/Deferred Income Tax Liabilities

(1) Deferred income tax assets before offsetting

| Items | Opening balance | | 2022 | |
|--|---------------------------------|----------------------------|-----------------------|----------------------|
| | Deductible temporary difference | Deferred income tax assets | December 31 | January 1 |
| Income tax assets arising from deductible temporary differences | 30,216,400.40 | 4,547,803.38 | 32,144,952.12 | 4,837,086.14 |
| Income tax assets arising from loss carryforwards | 90,086,104.15 | 14,073,127.95 | 54,975,356.64 | 8,999,635.21 |
| Income tax assets arising from deductible temporary differences and loss carryforwards | 58,535,568.54 | 9,252,441.34 | 25,441,145.12 | 4,331,055.32 |
| Income tax assets arising from deductible temporary differences | 36,780,257.43 | 5,517,038.61 | 33,101,192.39 | 4,965,178.86 |
| Income tax assets arising from loss carryforwards | 11,606,023.50 | 1,740,903.53 | 16,200,234.30 | 2,430,035.15 |
| Income tax assets arising from deductible temporary differences and loss carryforwards | 351,841,997.49 | 87,960,499.37 | - | - |
| Income tax assets arising from deductible temporary differences and loss carryforwards | 2,356,327,466.09 | 353,554,852.31 | - | - |
| Income tax assets arising from deductible temporary differences and loss carryforwards | 1,765,968.98 | 291,384.88 | - | - |
| Total | 2,937,159,786.58 | 476,938,051.37 | 161,862,880.57 | 25,562,990.68 |

(2) Deferred tax liabilities before offsetting

| Items | Opening balance | | 2022 | |
|---|-------------------------------|--------------------------|-----------------------|-----------------------|
| | Taxable temporary differences | Deferred tax liabilities | December 31 | January 1 |
| Income tax liabilities arising from taxable temporary differences | 11,319,781.23 | 1,697,967.18 | 12,518,486.60 | 1,877,772.99 |
| Income tax liabilities arising from taxable temporary differences | 3,323,385,466.37 | 498,507,819.96 | 765,840,684.05 | 114,876,102.61 |
| Income tax liabilities arising from taxable temporary differences | 51,396,351.71 | 7,709,452.75 | 59,015,677.77 | 8,852,351.67 |
| Income tax liabilities arising from taxable temporary differences | - | - | 62,739.00 | 10,351.95 |
| Total | 3,386,101,599.31 | 507,915,239.89 | 837,437,587.41 | 125,616,579.21 |

Notes to the Financial Statements

2021 2022

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18. Deferred Income Tax Assets/Deferred Income Tax Liabilities (Continued)

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

| Items | Closing balance | | 2021 | |
|------------------------|--|--|---------------|----------------|
| | Offset amount of deferred income tax assets and liabilities at the end of the period | Deferred income tax assets or liabilities after offsetting | 2021 | 2022 |
| Income tax assets | 384,382,813.61 | 92,555,237.76 | 21,400,325.38 | 4,162,665.30 |
| Income tax liabilities | 384,382,813.61 | 123,532,426.28 | 21,400,325.38 | 104,216,253.83 |

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

| Items | Closing balance | 2021 |
|------------------------|-----------------|---------------|
| Income tax assets | 20,602,437.95 | 30,690,640.30 |
| Income tax liabilities | 6,580,096.24 | 2,616,384.57 |
| Income tax | 27,182,534.19 | 33,307,024.87 |

The income tax assets and liabilities are calculated based on the tax laws and regulations in the countries where the Group operates.

expire in the following years:

| | |
|-----------------|---------------|
| balance | |
| — | — |
| — | — |
| — | — |
| 8,249.15 | 19,674,875.82 |
| 3,973.54 | 11,015,764.48 |
| 0,215.26 | — |
| 2,437.95 | 30,690,640.30 |

| | |
|-----------------|----------------|
| balance | |
| 0,000.00 | |
| 0,974.95 | 789,953,029.11 |
| 0,155.31 | 74,350,906.30 |
| — | 2,600,000.00 |
| 1,130.26 | 866,903,935.41 |

2022年12月31日 2022年12月31日 2022年12月31日

Notes to the Financial Statements

December 31, 2022

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20. Short-term Borrowings

| | Closing balance | Interest expense |
|-----------------------|-------------------------|-------------------------|
| Bank borrowings (RMB) | 2,125,915,900.00 | 1,513,906,500.00 |
| Bank borrowings (USD) | 548,855,177.00 | 340,000,000.00 |
| Bank borrowings (HKD) | 220,583,002.23 | 6,790,000.00 |
| Bank borrowings (EUR) | 200,000,000.00 | - |
| Total | 3,095,354,079.23 | 1,860,696,500.00 |

The closing balance of short-term borrowings includes bank borrowings (RMB), 13, 14, 15 and 17, and bank borrowings (USD), 13, 14, 15 and 17, and bank borrowings (HKD), 13, 14, 15 and 17, and bank borrowings (EUR), 13, 14, 15 and 17.

The interest expense of short-term borrowings is calculated based on the closing balance of short-term borrowings and the interest rate of short-term borrowings.

The interest rate of short-term borrowings is 0.79% to 4.70% (2021: 0.79% to 3.85%).

21. Derivative financial liabilities

| Items | Closing balance | Interest expense |
|-----------------------|---------------------|------------------|
| Bank borrowings (RMB) | 1,765,968.98 | - |
| Bank borrowings (USD) | 120,410.62 | - |
| Bank borrowings (HKD) | 1,645,558.36 | - |
| Total | 1,765,968.98 | - |

The closing balance of derivative financial liabilities is calculated based on the closing balance of derivative financial liabilities and the interest rate of derivative financial liabilities.

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Bills Payables

| | Closing balance | Current year |
|----------------------|-----------------|------------------|
| At January 1, 2022 | 964,727,516.59 | 1,036,982,577.72 |
| At December 31, 2022 | 964,727,516.59 | 1,036,982,577.72 |

23. Trade Payables

(1) Listing of trade payables:

| | Closing balance | Current year |
|----------------------|------------------|------------------|
| At January 1, 2022 | 2,530,380,248.71 | 1,322,155,502.11 |
| At December 31, 2022 | 1,569,664,216.10 | 984,754,614.54 |
| At January 1, 2022 | 4,100,044,464.81 | 2,306,910,116.65 |

(2) Ageing analysis of trade payables according to the posting date:

| | Closing balance | Current year |
|--------------------|------------------|------------------|
| Within 1 year | 3,936,658,210.32 | 2,246,793,540.75 |
| 1-2 years | 118,245,621.47 | 45,993,642.28 |
| 2-3 years | 34,081,184.42 | 6,354,473.19 |
| Over 3 years | 11,059,448.60 | 7,768,460.43 |
| At January 1, 2022 | 4,100,044,464.81 | 2,306,910,116.65 |

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(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

23. Trade Payables (33, 100)

(3) Significant trade payables with ageing over 1 year

| | Closing balance | 2019/2020 |
|-------------|-----------------|----------------|
| Assets | 150,476,772.62 | 150,476,772.62 |
| Liabilities | 12,909,481.87 | 12,909,481.87 |
| Equity | 163,386,254.49 | 163,386,254.49 |

24. Contract Liabilities

Listing of contract liabilities:

| | | |
|---|------------------------|----------------|
| | Closing balance | 352,681,717.14 |
| At the end of the reporting period | 115,048,763.64 | 352,681,717.14 |

25. Payroll Payable

(1) Listing of payroll payable

| Items | 2023
January | 2023
February | 2023
March | Closing
balance |
|-------------------------------|----------------------|-----------------------|-----------------------|-----------------------|
| 1. Salaries and wages payable | 66,290,653.05 | 679,722,872.95 | 645,435,940.55 | 100,577,585.45 |
| 2. Social Security payable | 1,229,049.56 | 55,168,030.14 | 54,176,963.93 | 2,220,115.77 |
| Total | 67,519,702.61 | 734,890,903.09 | 699,612,904.48 | 102,797,701.22 |

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

25. Payroll Payable (Continued)

(2) Listing of short-term remuneration

| Items | 2022
January 1 | 2022
January 1 | 2022
December 31 | Closing
balance |
|--|----------------------|-----------------------|-----------------------|-----------------------|
| Short-term remuneration payable | 61,966,998.51 | 592,983,715.97 | 557,263,205.14 | 97,687,509.34 |
| Short-term bonus payable | (45,540.00) | 30,396,891.46 | 30,156,061.76 | 195,289.70 |
| Short-term incentive payable | 764,463.86 | 30,152,199.05 | 29,521,386.84 | 1,395,276.07 |
| Short-term incentive payable for management | 852,653.89 | 25,409,423.17 | 25,143,353.67 | 1,118,723.39 |
| Short-term incentive payable for employees | (124,829.85) | 4,153,923.68 | 3,805,414.97 | 223,678.86 |
| Short-term incentive payable for directors | 36,639.82 | 588,852.20 | 572,618.20 | 52,873.82 |
| Short-term incentive payable for supervisors | 674,036.00 | 13,712,833.00 | 13,487,992.00 | 898,877.00 |
| Short-term incentive payable for sales & service | 2,930,694.68 | 12,477,233.47 | 15,007,294.81 | 400,633.34 |
| Total | 66,290,653.05 | 679,722,872.95 | 645,435,940.55 | 100,577,585.45 |

(3) Defined contribution plan

| Items | 2022
January 1 | 2022
January 1 | 2022
December 31 | Closing
balance |
|------------------------------|---------------------|----------------------|----------------------|---------------------|
| 1. Defined contribution plan | 1,194,514.09 | 53,227,489.01 | 52,268,986.26 | 2,153,016.84 |
| 2. Defined contribution plan | 34,535.47 | 1,940,541.13 | 1,907,977.67 | 67,098.93 |
| Total | 1,229,049.56 | 55,168,030.14 | 54,176,963.93 | 2,220,115.77 |

Notes to the Financial Statements

December 31, 2022

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

25. Payroll Payable (Continued)

(3) Defined contribution plan (Continued)

The Company's defined contribution plans are subject to the following rates: 14.0% for the first 10 years of service, 16.0% for the next 10 years, and 17.0% for the remaining years of service. The Company's defined contribution plans are subject to the following rates: 0.5% for the first 10 years of service, 1.0% for the next 10 years, and 1.5% for the remaining years of service. The Company's defined contribution plans are subject to the following rates: 1.0% for the first 10 years of service, 1.5% for the next 10 years, and 2.0% for the remaining years of service.

The Company's defined contribution plans are subject to the following rates: 14.0% for the first 10 years of service, 16.0% for the next 10 years, and 17.0% for the remaining years of service. The Company's defined contribution plans are subject to the following rates: 0.5% for the first 10 years of service, 1.0% for the next 10 years, and 1.5% for the remaining years of service. The Company's defined contribution plans are subject to the following rates: 1.0% for the first 10 years of service, 1.5% for the next 10 years, and 2.0% for the remaining years of service.

26. Taxes Payable

| Items | Closing balance | Change |
|-------------------------------|-----------------------|----------------------|
| Income tax payable | 75,569,826.43 | 11,387,361.66 |
| Corporate income tax payable | 56,124,439.23 | 11,359,752.88 |
| Individual income tax payable | 24,882,030.58 | 3,027,439.59 |
| Other taxes payable | 7,906,954.03 | 6,609,729.58 |
| Income tax payable | 7,725,486.36 | 9,461,877.50 |
| Income tax payable | 3,660,125.92 | 2,130,901.26 |
| Income tax payable | 3,335,827.14 | 1,746,134.73 |
| Income tax payable | 1,005,832.53 | 643,392.80 |
| Income tax payable | 6,306,306.78 | 2,262,896.85 |
| Total | 186,516,829.00 | 48,629,486.85 |

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27. Other Payables

As of December 31, 2022

| Items | Closing balance | As of December 31, 2021 |
|--|-----------------|-------------------------|
| Accounts payable | 16,887,442.02 | 4,225,184.38 |
| Accounts payable - related parties | 2,737,023.00 | 791,200.00 |
| Accounts payable - non-related parties | 635,866,393.10 | 131,648,032.65 |
| Total | 655,490,858.12 | 136,664,417.03 |

(1) Interest payable

| Items | Closing balance | As of December 31, 2021 |
|----------------------------------|-----------------|-------------------------|
| Interest payable - bank loans | 7,430,077.54 | - |
| Interest payable - bank deposits | 5,976,347.37 | 2,297,774.10 |
| Interest payable - other | 3,481,017.11 | 1,927,410.28 |
| Total | 16,887,442.02 | 4,225,184.38 |

(2) Dividends payables

| Item | Closing balance | As of December 31, 2021 |
|-------------------|-----------------|-------------------------|
| Dividends payable | 2,737,023.00 | 791,200.00 |
| Total | 2,737,023.00 | 791,200.00 |

Notes to the Financial Statements

December 31, 2022

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27. Other Payables (Continued)

(3) Other payables

| Classification | Closing balance | Current year |
|---|-----------------|----------------|
| Accounts payable (Note 1) | 520,947,600.00 | 520,947,600.00 |
| Notes payable | 66,240,106.34 | 77,755,114.87 |
| Accounts payable and notes payable (Note 2) | 23,806,600.00 | 32,096,200.00 |
| Accounts payable and notes payable | 16,663,676.42 | |

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

29. Other Current Liabilities

| | Closing balance | Opening balance |
|------------------|-----------------|-----------------|
| Accounts payable | 9,449,715.18 | 44,277,908.91 |
| Total | 9,449,715.18 | 44,277,908.91 |

30. Long-Term Borrowings

(1) Categories of long-term borrowings

| | Closing balance | Opening balance |
|-------------------------------------|------------------|------------------|
| Long-term bank borrowings (Group 1) | 2,026,519,348.86 | 998,412,983.63 |
| Long-term bank borrowings (Group 2) | 2,923,200,000.00 | 1,278,800,000.00 |
| Long-term bank borrowings | 199,000,000.00 | - |
| Long-term bank borrowings (Group 1) | 636,919,348.86 | 303,864,555.59 |
| Long-term bank borrowings (Group 1) | 622,730,000.00 | 5,600,000.00 |
| Total | 3,889,070,000.00 | 1,967,748,428.04 |

Group 1: Long-term bank borrowings with a maturity period of more than one year (Group 1), long-term bank borrowings

Group 2: Long-term bank borrowings with a maturity period of less than one year (Group 2), 13, 14, 15 and 17.

Notes to the Financial Statements

December 31, 2022

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

30. Long-Term Borrowings (Continued)

(2) Profile of maturity dates of long-term borrowings:

| Item | Closing balance | Due date |
|-------|------------------|------------------|
| 1 ~ 2 | 1,624,907,500.00 | 870,148,428.04 |
| 2 ~ 5 | 2,264,162,500.00 | 1,097,600,000.00 |
| Total | 3,889,070,000.00 | 1,967,748,428.04 |

(3) Other descriptions

The floating rate of the long-term borrowings is 3.35% ~ 4.10% (fixed rate: 2.69% ~ 4.90%).

31. Bonds Payables

(1) Bonds Payables

| | Closing balance | Due date |
|---------------|------------------|----------|
| Interest-free | 3,588,678,749.97 | 0 |
| Total | 3,588,678,749.97 | 0 |

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31. Bonds Payables (Continued)

(2) Changes in bonds payable

| Name of bond | Issuing date | Term of the bond | Issue amount | Opening balance | Issued for the current year | Accrued interests at par value | Amortisation | | Conversion for the current year | Redemption for the current year | Closing balance |
|--------------|--------------|------------------|--------------|-----------------|-----------------------------|--------------------------------|--------------|----------|---------------------------------|---------------------------------|-----------------|
| | | | | | | | of premium/ | discount | | | |
| | | | | | | | | | | | |

Notes to the Financial Statements

2021 31 2022

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

31. Bonds Payables (Continued)

(3) Descriptions of issue, conversion term and time of convertible corporate bonds

At the end of 2022, the company had issued 664,000 convertible corporate bonds with a face value of 100 million yuan, a term of 2022 to 2028, an interest rate of 0.3%, and a conversion price of 1.0%. The interest rate of the bonds is 0.5% for the first year, 1.0% for the second year, 1.5% for the third year, 1.8% for the fourth year, and 2.0% for the fifth year. The bonds are convertible into the company's common shares at a conversion price of 1.0 yuan per share. The bonds were issued on December 26, 2022, and the proceeds were used for general corporate operations. The bonds are classified as financial liabilities in the consolidated balance sheet.

1. The company has no other convertible corporate bonds.

32. Lease Liabilities

| Classification | Closing balance | Change |
|---------------------------------|-----------------|---------------|
| Lease liabilities | 12,616,801.58 | 11,515,218.22 |
| Lease liabilities (December 28) | 690,608.03 | 635,514.93 |
| | 11,926,193.55 | 10,879,703.29 |

33. Deferred Revenue

| Classification | 2021 | 2022 | 2023 | Closing balance |
|------------------|---------------|---------------|---------------|-----------------|
| Deferred revenue | 25,441,145.12 | 45,804,800.00 | 12,710,376.58 | 58,535,568.54 |
| | 25,441,145.12 | 45,804,800.00 | 12,710,376.58 | 58,535,568.54 |

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

33. Deferred Revenue (Continued)

Company's significant contracts:

| Contract description | 2022
RMB | 2021
RMB | 2020
RMB | Closing
balance | Contract
number |
|--|--------------|---------------|--------------|--------------------|--------------------|
| Contract description: The company has signed contracts with customers for the sale of products, and the revenue is recognized over the period of the contract. | | 41,204,800.00 | 5,886,400.00 | 35,318,400.00 | 1 |
| Contract description: The company has signed contracts with customers for the sale of products, and the revenue is recognized over the period of the contract. | 4,014,720.00 | | 334,560.00 | 3,680,160.00 | 2 |
| Contract description: The company has signed contracts with customers for the sale of products, and the revenue is recognized over the period of the contract. | 4,679,443.73 | | 1,173,333.42 | 3,506,110.31 | 3 |
| Contract description: The company has signed contracts with customers for the sale of products, and the revenue is recognized over the period of the contract. | 4,234,724.00 | | 819,624.00 | 3,415,100.00 | 4 |
| Contract description: The company has signed contracts with customers for the sale of products, and the revenue is recognized over the period of the contract. | | 3,600,000.00 | 375,652.15 | 3,224,347.85 | 5 |
| Contract description: The company has signed contracts with customers for the sale of products, and the revenue is recognized over the period of the contract. | 2,877,900.00 | | 345,348.00 | 2,532,552.00 | 6 |
| Contract description: The company has signed contracts with customers for the sale of products, and the revenue is recognized over the period of the contract. | 2,790,000.00 | | 930,000.00 | 1,860,000.00 | 7 |
| Contract description: The company has signed contracts with customers for the sale of products, and the revenue is recognized over the period of the contract. | 900,000.03 | 1,000,000.00 | 199,999.93 | 1,700,000.10 | 8 |
| Contract description: The company has signed contracts with customers for the sale of products, and the revenue is recognized over the period of the contract. | 1,684,065.48 | | 348,427.44 | 1,335,638.04 | 9 |
| Contract description: The company has signed contracts with customers for the sale of products, and the revenue is recognized over the period of the contract. | 1,134,115.59 | | 93,215.04 | 1,040,900.55 | 10 |
| Contract description: The company has signed contracts with customers for the sale of products, and the revenue is recognized over the period of the contract. | 950,494.77 | | 481,468.57 | 469,026.20 | 11 |
| Contract description: The company has signed contracts with customers for the sale of products, and the revenue is recognized over the period of the contract. | 739,999.84 | | 370,000.04 | 369,999.80 | 12 |

Notes to the Financial Statements

December 31, 2022

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

33. Deferred Revenue (Continued)

| | 2021
Year ended
December 31 | 2021
Year ended
December 31 | 2021
Year ended
December 31 | Closing
balance | 2021
Year ended
December 31 |
|------|-----------------------------------|-----------------------------------|-----------------------------------|--------------------|-----------------------------------|
| 2012 | 190,291.55 | - | 106,957.86 | 83,333.69 | - |
| 2012 | 133,333.06 | - | 133,333.06 | - | - |
| 2012 | 424,778.42 | - | 424,778.42 | - | - |
| 2012 | 83,495.42 | - | 83,495.42 | - | - |
| 2012 | 603,783.23 | - | 603,783.23 | - | - |
| | 25,441,145.12 | 45,804,800.00 | 12,710,376.58 | 58,535,568.54 | - |

34. Long-term payables

| | Closing balance | 2021
Year ended
December 31 |
|--|-----------------|-----------------------------------|
| | 179,538,659.39 | - |
| | 41,878,318.42 | - |
| | 137,660,340.97 | - |

$$\begin{aligned} & \mathbf{V}^T \mathbf{V} \mathbf{x} = \mathbf{x} \quad \mathbf{V}^T \mathbf{V} \mathbf{y} = \mathbf{y} \\ & \mathbf{V}^T \mathbf{V} = \mathbf{I} \quad \mathbf{V} \mathbf{V}^T = \mathbf{I} \end{aligned}$$

| | |
|-----------------------|------------------------|
| 178.25 | Closing balance |
| 536,723,491.75 | |

Notes to the Financial Statements

2021年12月31日及2022年1月1日至2022年12月31日止期间

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

36. Share Capital and Treasury Stock (continued)

Treasury stock

| | 2021年12月31日
2021年12月31日 | 2022年1月1日至2022年12月31日止期间
(元) (1) | 2022年12月31日
(元) (2) | Closing
balance |
|-------------|----------------------------|-------------------------------------|------------------------|----------------------|
| 库存股 | | | | |
| 2021年12月31日 | 32,096,200.00 | | 8,289,600.00 | 23,806,600.00 |
| 2022年12月31日 | 32,096,200.00 | | 8,289,600.00 | 23,806,600.00 |

1: 2021年12月31日库存股数量为10,000,000股, 每股面值1.00元, 账面价值32,096,200.00元。

2: 2022年12月31日, 库存股数量为10,000,000股, 每股面值1.00元, 账面价值8,289,600.00元。2022年12月31日, 库存股数量为10,000,000股, 每股面值1.00元, 账面价值8,289,600.00元。

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

38. Capital reserve

| Item | 2022 | 2021 | 2020 | Closing balance |
|------|------|------|------|-----------------|
|------|------|------|------|-----------------|

Notes to the Financial Statements

December 31, 2022

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

40. Special Reserve

| Item | December 31, 2021 | December 31, 2021 | December 31, 2021 | Closing balance |
|-----------------|----------------------|----------------------|---------------------|----------------------|
| Special reserve | 17,266,053.61 | 13,206,977.30 | 1,889,623.02 | 28,583,407.89 |
| TOTAL | 17,266,053.61 | 13,206,977.30 | 1,889,623.02 | 28,583,407.89 |

41. Surplus Reserve

| Item | December 31, 2021 | December 31, 2021 | December 31, 2021 | Closing balance |
|-----------------|-----------------------|-------------------|-------------------|-----------------------|
| Surplus reserve | 268,361,656.75 | 89.13 | - | 268,361,745.88 |
| TOTAL | 268,361,656.75 | 89.13 | - | 268,361,745.88 |

On December 31, 2022, the Special Reserve and Surplus Reserve of the Company were RMB28,583,407.89 and RMB268,361,745.88, respectively.

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

42. Undistributed Profit

| Item | Amount
for the
current year | Amount
for the
previous year |
|--|-----------------------------------|------------------------------------|
| Profit for the period attributable to equity holders of the parent | 6,194,759,167.82 | 4,449,556,361.77 |
| Less: Profit for the period attributable to non-controlling interests | 2,122,780,428.43 | 2,119,919,326.43 |
| Less: Profit for the period attributable to minority shareholders | 89.13 | 47,656,457.44 |
| Less: Profit for the period attributable to minority shareholders (Note 1) | 493,785,448.42 | 321,928,988.10 |
| 6,194,759,167.82, less: 1,944,535,295.40 (Note 275 ()) | | |

Notes to the Financial Statements

December 31, 2022

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

43. Operating Revenue and Operating Cost (Continued)

(2) Breakdowns of operating revenue

Amount in thousands of RMB

| Item | Amount for the year | | | | | | Total |
|--------------------------|---------------------|-----------------|---------------------|----------------|----------------|----------------|-------------------|
| | PV glass | Household glass | Architectural glass | Float glass | Mining product | Other business | |
| Operating revenue | 10,523,322,788.15 | 134,807,630.50 | 594,303,066.48 | 334,991,997.59 | 439,401,222.43 | 58,929,731.07 | 12,085,756,436.22 |
| Less: Operating cost | 2,880,938,723.30 | 14,823,262.34 | 265,646.36 | - | - | 231,859.82 | 2,896,259,491.82 |
| Operating profit | 44,830,550.17 | 164,835,990.99 | - | - | - | - | 209,666,541.16 |
| Less: Operating expenses | 232,689,713.71 | 17,094,891.60 | - | - | - | - | 249,784,605.31 |
| Operating income | 15,982.88 | 18,351,945.97 | 1,008,224.00 | - | - | - | 19,376,152.85 |
| Total | 13,681,797,758.21 | 349,913,721.40 | 595,576,936.84 | 334,991,997.59 | 439,401,222.43 | 59,161,590.89 | 15,460,843,227.36 |

| Item | Amount for the year | | | | | | Total |
|--------------------------|---------------------|-----------------|---------------------|----------------|----------------|----------------|------------------|
| | PV glass | Household glass | Architectural glass | Float glass | Mining product | Other business | |
| Operating revenue | 5,008,383,014.88 | 168,399,861.24 | 709,218,605.95 | 393,531,134.45 | 66,349,052.29 | 39,477,623.41 | 6,385,359,292.22 |
| Less: Operating cost | 1,752,852,804.30 | 11,275,496.77 | 1,790,873.14 | - | - | 90,399.40 | 1,766,009,573.61 |
| Operating profit | 10,498,232.95 | 167,301,002.02 | - | - | - | - | 177,799,234.97 |
| Less: Operating expenses | 349,902,790.85 | 15,606,916.92 | - | - | - | - | 365,509,707.77 |
| Operating income | - | 18,157,438.31 | 392,818.71 | - | - | - | 18,550,257.02 |

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

43. Operating Revenue and Operating Cost (Continued)

(2) Breakdowns of operating revenue (Continued)

Amount in million RMB

| Item | Amount for the year | | | | | | Total |
|-------------------|---------------------|-----------------|---------------------|----------------|----------------|----------------|-------------------|
| | PV glass | Household glass | Architectural glass | Float glass | Mining product | Other business | |
| Operating revenue | 13,674,959,888.98 | 324,273,990.96 | 559,939,759.34 | 286,158,175.96 | 439,401,222.43 | 59,161,590.89 | 15,343,894,628.56 |
| Operating cost | 6,837,869.23 | 25,639,730.44 | 35,637,177.50 | 48,833,821.63 | - | - | 116,948,598.80 |
| Net income | 13,681,797,758.21 | 349,913,721.40 | 595,576,936.84 | 334,991,997.59 | 439,401,222.43 | 59,161,590.89 | 15,460,843,227.36 |

| Item | Household glass | Architectural glass | Float glass | Mining product | Other business | Total | |
|-------------------|------------------|---------------------|----------------|----------------|----------------|---------------|------------------|
| Operating revenue | 7,090,033,742.99 | 340,281,527.30 | 643,106,375.82 | 322,559,969.82 | 66,349,052.29 | 39,567,469.71 | 8,501,898,137.93 |
| Operating cost | 31,603,099.99 | 40,459,187.96 | 68,295,921.98 | 70,971,164.63 | - | 553.10 | 211,329,927.66 |
| Net income | 7,121,636,842.98 | 380,740,715.26 | 711,402,297.80 | 393,531,134.45 | 66,349,052.29 | 39,568,022.81 | 8,713,228,065.59 |

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43. Operating Revenue and Operating Cost (continued)

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(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

45. Selling Expenses

| Item | Amount
for the year | Amount
in million
RMB |
|---------------------------------|------------------------|-----------------------------|
| Advertising expenses | 91,984,450.42 | 59,489,953.06 |
| Transportation expenses | 12,999,444.79 | 11,649,817.51 |
| Business entertainment expenses | 8,584,968.76 | 9,774,360.93 |
| Salaries and wages | 114,911.16 | 11,213.68 |
| Other expenses | 5,194,203.62 | 4,799,301.14 |
| Total | 118,877,978.75 | 85,724,646.32 |

46. Administrative Expenses

| Item | Amount
for the year | Amount
in million
RMB |
|---------------------------------|------------------------|-----------------------------|
| Transportation expenses | 123,458,626.26 | 91,090,302.97 |
| Business entertainment expenses | 31,948,589.20 | 37,007,309.90 |
| Salaries and wages | 29,741,951.34 | 22,579,512.85 |
| Depreciation | 19,388,648.41 | 5,774,476.94 |
| Advertising expenses | 15,153,435.26 | 7,920,089.75 |
| Transportation expenses | 12,750,521.83 | 6,959,694.27 |
| Business entertainment expenses | 8,966,938.36 | 2,542,231.76 |
| Salaries and wages | 6,229,289.14 | 5,729,388.06 |
| Depreciation | 3,842,943.92 | 3,557,332.01 |
| Advertising expenses | 3,650,000.00 | 3,450,000.00 |
| Transportation expenses | 2,793,086.58 | 2,722,439.72 |
| Business entertainment expenses | 1,694,894.51 | 1,634,421.98 |
| Salaries and wages | 1,594,066.17 | 2,747,682.60 |
| Depreciation | 1,155,383.95 | 4,373,929.74 |
| Transportation expenses | 846,750.13 | 378,353.58 |
| Business entertainment expenses | — | 7,384,671.46 |
| Salaries and wages | 14,326,819.43 | 15,926,899.34 |
| Total | 277,541,944.49 | 221,778,736.93 |

Notes to the Financial Statements

December 31, 2022

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

47. Research and Development Expenses

| Item | Amount
for the year | Amount
for the year
in million RMB |
|-------------------------------------|------------------------|--|
| Research and development expenses | 345,461,477.21 | 283,584,997.75 |
| Depreciation and amortization | 125,721,278.69 | 81,098,407.27 |
| Provision of bad debts | 26,021,773.83 | 22,932,479.97 |
| Other non-current assets impairment | 26,025,655.78 | 20,801,576.36 |
| Total | 523,230,185.51 | 408,417,461.35 |

48. Finance Expenses

| Item | Amount
for the year | Amount
for the year
in million RMB |
|--|------------------------|--|
| Interest expense | 338,235,144.15 | 89,688,426.43 |
| Interest expense on bank deposits | 597,879.42 | 563,988.33 |
| Interest expense on bank borrowings | 59,295,478.89 | 37,314,406.92 |
| Interest expense on other bank borrowings | 5,036,337.83 | 3,151,737.26 |
| Interest expense on other bank borrowings (in million RMB) | (43,541,382.61) | (3,571,301.86) |
| Total | 240,434,620.48 | 52,518,443.24 |

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

49. Other Revenues

| Item description | Amount
for the year | Accounting
policy |
|---|------------------------|----------------------|
| Interest income on bank deposits 2020 | 21,337,800.00 | Accrual |
| • Deposits on bank deposits | 18,739,360.00 | Accrual |
| • Interest income on bank deposits (Note (V), 33) | 12,710,376.58 | 11,476,239.62 |
| • Interest income on bank deposits | 5,928,708.68 | Accrual |
| • Interest income on bank deposits | 4,128,925.00 | 5,184,800.00 |
| • Interest income on bank deposits | 2,987,293.49 | Accrual |
| • Interest income on bank deposits | 2,500,000.00 | Accrual |
| • Interest income on bank deposits | 2,099,000.00 | 216,000.00 |
| • Interest income on bank deposits | 1,139,525.00 | Accrual |
| • Interest income on bank deposits | 1,111,532.00 | Accrual |
| • Interest income on bank deposits | 750,000.00 | Accrual |
| • Interest income on bank deposits | 613,380.32 | 336,666.23 |
| • Interest income on bank deposits | 500,000.00 | Accrual |
| • Interest income on bank deposits | 365,200.80 | 164,690.25 |
| • Interest income on bank deposits | 203,000.00 | Accrual |
| • Interest income on bank deposits | — | 20,000,000.00 |
| • Interest income on bank deposits | — | 6,441,861.22 |
| • Interest income on bank deposits | — | 4,470,500.00 |
| • Interest income on bank deposits | — | 4,000,000.00 |
| • Interest income on bank deposits | — | 1,794,200.00 |
| • Interest income on bank deposits | — | 600,000.00 |
| • Interest income on bank deposits | — | 500,000.00 |
| • Interest income on bank deposits | — | 500,000.00 |
| • Interest income on bank deposits | — | 300,000.00 |
| • Interest income on bank deposits | — | 200,000.00 |
| • Interest income on bank deposits | — | 200,000.00 |
| • Interest income on bank deposits | 2,338,286.21 | 1,946,862.94 |
| Total | 77,452,388.08 | 58,331,820.26 |

Notes to the Financial Statements

December 31, 2022

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

50. Investment Income

| Sources of investment income | Amount
for the year | Amount
in thousands of U.S. dollars |
|---|------------------------|--|
| 1. Dividend income (including dividend income from equity method investments) | (6,351,420.00) | 12,355,831.70 |
| 2. Interest income on cash, cash equivalents, and short-term investments | 7,566,505.74 | 5,558,487.56 |
| 3. Interest income on long-term investments | 11,649,410.34 | 11,890,656.14 |
| 4. Other income | — | 2,081,250.00 |
| Total | 12,864,496.08 | 31,886,225.40 |

51. Losses from Changes in Fair Value

| Sources of gains (losses) from changes in fair value | Amount
for the year | Amount
in thousands of U.S. dollars |
|--|------------------------|--|
| Losses from changes in fair value of equity method investments | (1,828,707.98) | (1,382,927.57) |
| Losses from changes in fair value of other investments | (1,828,707.98) | (1,382,927.57) |
| Total | (1,828,707.98) | (1,382,927.57) |

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

52. Credit Impairment Gains (Losses)

| Items | Amount
for the year | Amount
at the end of the year |
|--|------------------------|----------------------------------|
| Financial assets measured at amortized cost | (8,854,216.80) | (2,711,098.05) |
| Financial assets measured at fair value through profit or loss | (30,220,242.38) | 26,215,714.90 |
| Financial assets measured at fair value through other comprehensive income | — | 50,000.00 |
| Total | (39,074,459.18) | 23,554,616.85 |

53. Asset Impairment Losses

| Item | Amount
for the year | Amount
at the end of the year |
|-----------------------|------------------------|----------------------------------|
| Investment properties | (3,094,217.86) | (10,202,178.73) |

54. Gains (Losses) on Disposal of Asset

| Item | Amount
for the year | Amount
at the end of the year |
|-----------------------|------------------------|----------------------------------|
| Investment properties | (8,899,606.56) | 3,599,005.34 |

Notes to the Financial Statements

December 31, 2022

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

55. Non-Operating Income

| Items | Amount
for the year | Amount
in thousands of U.S. dollars |
|---|------------------------|--|
| Interest income (net of interest expense) 63) | — | 1,856,448.86 |
| | 1,435,472.21 | 818,334.09 |
| Total | 1,435,472.21 | 2,674,782.95 |

56. Non-Operating Expenses

| Items | Amount
for the year | Amount
in thousands of U.S. dollars |
|----------------------|------------------------|--|
| Depreciation expense | 3,602,826.89 | 1,497,149.47 |
| | 172,066.69 | 2,679,778.03 |
| Total | 3,774,893.58 | 4,176,927.50 |

57. Income Tax Expense

| Items | Amount
for the year | Amount
in thousands of U.S. dollars |
|-----------------------------|------------------------|--|
| Current income tax expense | 133,310,894.32 | 209,719,589.44 |
| Deferred income tax expense | (34,139,159.24) | (30,400,482.15) |
| Income tax expense | (69,076,400.01) | 80,976,608.72 |
| Total | 30,095,335.07 | 260,295,716.01 |

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

57. Income Tax Expense (Continued)

The income tax expense is analyzed as follows:

| Items | Amount
for the year | Amount
for the year |
|--|------------------------|------------------------|
| Income tax expense | 2,152,875,763.50 | 2,380,215,042.44 |
| Income tax expense calculated at 15% (2021: 15%) | 322,931,364.53 | 357,032,256.35 |
| Income tax expense calculated at 25% | 28,126,207.94 | 14,861,900.00 |
| Income tax expense calculated at 20% | 17,462,706.65 | 1,626,830.58 |
| Income tax expense calculated at 10% | — | (526,047.97) |
| Income tax expense calculated at 5% (2021: 5%) | (34,139,159.24) | (30,400,482.15) |
| Income tax expense calculated at 0% | (238,451,049.41) | (26,301,110.71) |
| Income tax expense calculated at 12.5% | (2,808,143.58) | (10,632,916.42) |
| Income tax expense calculated at 17.5% | 117,553.82 | 2,753,941.14 |
| Income tax expense calculated at 22.5% | — | — |
| Income tax expense calculated at 27.5% | (63,144,145.64) | (48,118,654.81) |
| Income tax expense calculated at 32.5% | 30,095,335.07 | 260,295,716.01 |

58. Calculation of Basic Earnings Per Share and Diluted Earnings Per Share

The calculation of basic earnings per share and diluted earnings per share is as follows:

| Items | Amount
for the year | Amount
for the year |
|----------------------------|------------------------|------------------------|
| Basic earnings per share | 2,122,780,428.43 | 2,119,919,326.43 |
| Diluted earnings per share | 763,600.00 | 552,000.00 |
| Basic earnings per share | 2,122,016,828.43 | 2,119,367,326.43 |

Notes to the Financial Statements

December 31, 2022

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

58. Calculation of Basic Earnings Per Share and Diluted Earnings Per Share (Continued)

The following table shows the calculation of basic earnings per share and diluted earnings per share for the year ended December 31, 2022:

| Items | Amount
for the year | Amount
per share |
|--|------------------------|---------------------|
| Profit attributable to equity holders of the parent | 2,146,893,254.00 | 2,041,248,788.00 |
| Adjusted profit attributable to equity holders of the parent | (3,319,941.00) | 99,564,523.00 |
| Profit attributable to equity holders of the parent | 2,143,573,313.00 | 2,140,813,311.00 |

The following table shows the calculation of basic earnings per share and diluted earnings per share for the year ended December 31, 2021:

| Items | Amount
for the year | Amount
per share |
|--|------------------------|---------------------|
| Profit attributable to equity holders of the parent | 2,122,016,828.43 | 2,119,367,326.43 |
| Adjusted profit attributable to equity holders of the parent | 763,600.00 | 552,000.00 |
| Profit attributable to equity holders of the parent | 2,122,780,428.43 | 2,119,919,326.43 |

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

58. Calculation of Basic Earnings Per Share and Diluted Earnings Per Share (Continued)

Amount in thousands of RMB Yuan

| Items | Amount
for the year | Amount
in thousands of RMB Yuan |
|---|------------------------|------------------------------------|
| Profit attributable to owners of the parent | 2,143,573,313.00 | 2,140,813,311.00 |
| Adjusted: profit attributable to owners of the parent | 2,641,966.00 | 2,237,749.00 |
| Adjusted: profit attributable to owners of the parent | — | 1,699,943.00 |
| Profit attributable to owners of the parent | 2,146,215,279.00 | 2,144,751,003.00 |

Notes to the Financial Statements

December 31, 2022

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

59. Notes to Items in the Cash Flow Statement (Continued)

(2) Other cash paid and related to operating activities

| Items | Amount
for the year | Amount
in U.S. dollars |
|-------------------|------------------------|---------------------------|
| Interest paid | 565,400,205.19 | 451,390,226.93 |
| Income tax paid | 40,987,243.66 | 30,364,651.86 |
| Dividend paid | 3,602,826.89 | 1,497,149.47 |
| Interest received | 5,036,337.83 | 3,151,737.26 |
| Other cash paid | 6,618,886.37 | 3,097,066.26 |
| Total | 621,645,499.94 | 489,500,831.78 |

(3) Other cash received and related to investment activities

| Items | Amount
for the year | Amount
in U.S. dollars |
|--|------------------------|---------------------------|
| Proceeds from the disposal of subsidiaries | 39,597,589.45 | 35,120,339.71 |
| Proceeds from the disposal of long-term equity investments | 9,701,500.00 | 44,790,414.87 |
| Total | 49,299,089.45 | 79,910,754.58 |

(4) Other cash paid and related to investment activities

| Items | Amount
for the year | Amount
in U.S. dollars |
|--|------------------------|---------------------------|
| Proceeds from the disposal of subsidiaries | 30,618,228.77 | 25,153,621.47 |
| Proceeds from the disposal of long-term equity investments | 26,163,414.87 | 9,521,011.92 |
| Total | 56,781,643.64 | 34,674,633.39 |

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

59. Notes to Items in the Cash Flow Statement (Continued)

(5) Other cash received and related to fundraising activities

| Items | Amount
for the year | Amount
in million RMB |
|---|------------------------|--------------------------|
| Interest income on bank deposits and other financial assets | 1,659,478,591.77 | 319,363,076.09 |
| Total | 1,659,478,591.77 | 319,363,076.09 |

(6) Other cash paid and related to fundraising activities

| Items | Amount
for the year | Amount
in million RMB |
|--|------------------------|--------------------------|
| Interest expense on bank deposits and other financial assets | 1,540,582,744.11 | 626,481,298.79 |
| Interest expense on bank deposits and other financial assets | — | 1,325,756.98 |
| Total | 1,540,582,744.11 | 627,807,055.77 |

Notes to the Financial Statements

December 31, 2022

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

60. Supplementary Information for Cash Flow Statement

(1) Supplementary information for cash flow statement

| Supplementary information | Amount
for the year | Amount
for the year |
|---|------------------------|------------------------|
| (1) Operating activities | | |
| Net income | 2,122,780,428.43 | 2,119,919,326.43 |
| Adjustments to reconcile net income to net cash provided by operating activities: | 3,094,217.86 | 10,202,178.73 |
| Depreciation and amortization | 39,074,459.18 | (23,554,616.85) |
| Provision for doubtful accounts | 1,431,470.40 | 1,431,470.40 |
| Provision for inventory obsolescence | 805,494,206.43 | 505,130,872.45 |
| Provision for employee share-based payment | 5,004,335.20 | 4,727,421.43 |
| Provision for net loss on disposal of subsidiaries | 498,092,486.99 | 32,623,319.75 |
| Provision for net loss on disposal of long-term equity investments | 2,719,052.46 | 2,242,629.01 |
| Provision for net loss on disposal of subsidiaries | 8,899,606.56 | (3,599,005.34) |
| Provision for net loss on disposal of subsidiaries | 1,828,707.98 | 1,382,927.57 |
| Provision for net loss on disposal of subsidiaries | 393,254,203.27 | 82,581,084.39 |
| Provision for net loss on disposal of subsidiaries | (12,864,496.08) | (31,886,225.40) |
| Provision for net loss on disposal of subsidiaries | (88,392,572.46) | 20,775,279.09 |
| Provision for net loss on disposal of subsidiaries | 19,316,172.45 | 60,201,329.63 |
| Provision for net loss on disposal of subsidiaries | (122,941,654.17) | (1,807,276,520.35) |
| Provision for net loss on disposal of subsidiaries | (4,735,708,423.46) | (1,306,723,760.35) |
| Provision for net loss on disposal of subsidiaries | 1,203,370,256.79 | 883,021,094.30 |
| Provision for net loss on disposal of subsidiaries | (12,710,376.58) | (11,476,239.62) |
| Provision for net loss on disposal of subsidiaries | 13,206,977.30 | 2,998,977.20 |
| Provision for net loss on disposal of subsidiaries | 31,948,589.20 | 37,007,309.90 |
| Provision for net loss on disposal of subsidiaries | 176,897,647.75 | 579,728,852.37 |
| (2) Investing activities | | |
| Net cash provided by investing activities | 2,319,081,464.51 | 2,101,730,679.46 |
| Net cash provided by investing activities | 2,101,730,679.46 | 1,146,171,930.13 |
| Net cash provided by investing activities | 217,350,785.05 | 955,558,749.33 |

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

60. Supplementary Information for Cash Flow Statement (Continued)

(2) Component of cash and cash equivalents

| Items | Closing balance | Opening balance |
|---------------------|------------------|------------------|
| 1. Cash | 2,319,081,464.51 | 2,101,730,679.46 |
| 2. Cash equivalents | 15,002.78 | 37,595.74 |
| 3. Total | 2,319,066,461.73 | 2,101,693,083.72 |
| 4. Total | — | — |
| 5. Total | 2,319,081,464.51 | 2,101,730,679.46 |

61. Assets with Restricted Ownership or Use Rights

| Items | Book value
at the end of
the year | Reasons for restriction |
|----------------------|---|-------------------------|
| 1. Restricted assets | 613,071,379.68 | 1. Restricted assets |
| 2. Restricted assets | 148,740,133.53 | 2. Restricted assets |
| 3. Restricted assets | 360,825,129.33 | 3. Restricted assets |
| 4. Restricted assets | 17,370,760.63 | 4. Restricted assets |
| 5. Restricted assets | 4,022,348,650.15 | 5. Restricted assets |
| 6. Restricted assets | 107,331,643.75 | 6. Restricted assets |
| 7. Restricted assets | 367,362,534.63 | 7. Restricted assets |
| 8. Total | 5,637,050,231.70 | |

Notes to the Financial Statements

December 31, 2022

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

62. Foreign Currency Monetary Items

| Items | Foreign
currency
amounts | Closing balance | |
|---|--------------------------------|------------------------------|----------------|
| | | Translation
exchange rate | RMB amounts |
| Monetary items denominated in US dollars | 94,208,653.63 | 6.9646 | 656,125,589.07 |
| Monetary items denominated in Hong Kong dollars | 1,725,926.87 | 7.4229 | 12,811,382.56 |
| Monetary items denominated in Australian dollars | 94,343,730.00 | 0.0524 | 4,939,649.02 |
| Monetary items denominated in New Zealand dollars | 282,743.53 | 4.7138 | 1,332,796.45 |
| Monetary items denominated in British pounds | 3,751,682.89 | 0.8933 | 3,351,265.77 |
| Monetary items denominated in Japanese yen | 3,911.63 | 8.3941 | 32,834.61 |
| Monetary items denominated in other currencies | | | 678,593,517.48 |
| Monetary items denominated in US dollars | 94,697,157.53 | 6.9646 | 659,524,258.08 |
| Monetary items denominated in Hong Kong dollars | 291,089.40 | 7.4229 | 2,160,727.51 |
| Monetary items denominated in Australian dollars | 79,053.30 | 4.7138 | 372,641.45 |
| Monetary items denominated in other currencies | | | 662,057,627.04 |
| Monetary items denominated in British pounds | 3,970.00 | 0.8933 | 3,546.28 |
| Monetary items denominated in other currencies | | | 3,546.28 |
| Monetary items denominated in US dollars | 5,603,241.29 | 6.9646 | 39,024,334.26 |
| Monetary items denominated in Hong Kong dollars | 87,857.97 | 7.4229 | 652,160.92 |
| Monetary items denominated in other currencies | | | 39,676,495.18 |
| Monetary items denominated in US dollars | 293,832.89 | 6.9646 | 2,046,428.53 |
| Monetary items denominated in other currencies | | | 2,046,428.53 |
| Monetary items denominated in US dollars | 136,450,958.97 | 6.9646 | 950,326,348.86 |
| Monetary items denominated in other currencies | | | 950,326,348.86 |

| Items | Amount for the year |
|----------------------------------|-----------------------|
| 1. Salaries and wages | 21,337,800.00 |
| 2. Social security charges | 18,739,360.00 |
| 3. Pension charges | 5,928,708.68 |
| 4. Medical charges | 4,128,925.00 |
| 5. Housing charges | 2,987,293.49 |
| 6. Other employee benefits | 2,500,000.00 |
| 7. Depreciation and amortization | 2,099,000.00 |
| 8. Repairs and maintenance | 1,139,525.00 |
| 9. Travel and transportation | 1,111,532.00 |
| 10. Utilities | 750,000.00 |
| 11. Office supplies | 613,380.32 |
| 12. Postage and communication | 500,000.00 |
| 13. Insurance | 365,200.80 |
| 14. Other operating expenses | 203,000.00 |
| 15. Total operating expenses | 2,338,286.21 |
| 16. Total expenses | 41,204,800.00 |
| 17. Total income | 3,600,000.00 |
| 18. Total income | 1,000,000.00 |
| | <u>110,546,811.50</u> |
| | 64,742,011.50 |

Notes to the Financial Statements

2021年12月31日及2022年1月1日

(VI) NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

64. Operating Lease Arrangement

At December 31, 2021, the Group's operating lease liabilities were 7,399,338.74 (RMB: 7,164,439.12). The Group's operating lease liabilities are as follows:

| | Closing balance | Operating lease liabilities |
|---|----------------------|-----------------------------|
| Operating lease liabilities: | | |
| 1. Short-term lease liabilities | 7,522,661.08 | 7,399,338.77 |
| 2. Medium-term lease liabilities | 7,769,305.70 | 7,522,661.08 |
| 3. Long-term lease liabilities | 3,237,210.71 | 7,769,305.70 |
| 4. Lease liabilities with variable lease payments | — | 3,237,210.71 |
| Total | 18,529,177.49 | 25,928,516.26 |

(VII) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As of December 31, 2022, the Group's financial instruments include cash and cash equivalents, accounts receivable, accounts payable, other receivables, other payables, bank loans, and other financial instruments. The Group's financial instruments are classified as financial assets or financial liabilities, and are measured at fair value or amortized cost. The Group's financial instruments are subject to credit risk, liquidity risk, and market risk. The Group has established a risk management system to manage these risks.

| Items | Closing balance | Change |
|--|-------------------|------------------|
| Financial assets | | |
| Cash and cash equivalents | 2,932,152,844.19 | 2,842,677,267.48 |
| Accounts receivable | 2,000,000.00 | 200,000,000.00 |
| Other receivables | — | 62,739.00 |
| Financial liabilities | | |
| Accounts payable | 2,505,753,674.34 | 939,748,112.41 |
| Other payables | 2,811,090,070.19 | 1,105,759,571.75 |
| Bank loans | 784,825,969.52 | 531,196,547.78 |
| Other financial instruments | 101,299,773.96 | 54,999,617.97 |
| Financial assets | 9,137,122,332.20 | 5,674,443,856.39 |
| Financial liabilities | | |
| Accounts payable | 1,765,968.98 | — |
| Other payables | 964,727,516.59 | 1,036,982,577.72 |
| Bank loans | 4,100,044,464.81 | 2,306,910,116.65 |
| Other financial instruments | 638,603,416.10 | 132,439,232.65 |
| Financial assets (excluding cash and cash equivalents) | 3,596,108,827.51 | — |
| Financial liabilities (excluding bank loans) | 12,616,801.58 | 11,516,621.85 |
| Financial assets (excluding cash and cash equivalents) | 8,253,530,792.57 | 4,142,134,668.01 |
| Financial liabilities | 17,567,397,788.14 | 7,629,983,216.88 |

The Group's financial instruments are classified as financial assets or financial liabilities, and are measured at fair value or amortized cost. The Group's financial instruments are subject to credit risk, liquidity risk, and market risk. The Group has established a risk management system to manage these risks.

The Group's financial instruments are classified as financial assets or financial liabilities, and are measured at fair value or amortized cost. The Group's financial instruments are subject to credit risk, liquidity risk, and market risk. The Group has established a risk management system to manage these risks.

Notes to the Financial Statements

As of December 31, 2022

(VII) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

1. Risk Management Objectives and Policies

The Group's policy is to manage its financial risks within acceptable limits, to ensure the availability of funds to meet its financial obligations, and to maximize the return on its investments. The Group's financial risks are managed by the Finance Department, which reports to the Board of Directors. The Finance Department is responsible for identifying, measuring, monitoring, and managing the Group's financial risks. The Group's financial risks are managed in accordance with the Group's Risk Management Policy, which is approved by the Board of Directors.

1.1 Market risk

The Group is exposed to market risk, which is the risk that the value of its financial instruments will fluctuate due to changes in market prices. The Group's market risk is managed by the Finance Department, which reports to the Board of Directors. The Finance Department is responsible for identifying, measuring, monitoring, and managing the Group's market risk.

1.1.1 Currency risk

The Group is exposed to currency risk, which is the risk that the value of its financial instruments will fluctuate due to changes in the exchange rate of the Chinese Renminbi (RMB) against the US Dollar (USD). The Group's currency risk is managed by the Finance Department, which reports to the Board of Directors. The Finance Department is responsible for identifying, measuring, monitoring, and managing the Group's currency risk.

As of December 31, 2022, the Group's currency risk is managed by the Finance Department, which reports to the Board of Directors. The Finance Department is responsible for identifying, measuring, monitoring, and managing the Group's currency risk. The Group's currency risk is managed in accordance with the Group's Risk Management Policy, which is approved by the Board of Directors.

| Items | Closing balance | As of December 31, 2022 |
|-----------------------|-----------------|-------------------------|
| Financial assets | 678,593,517.48 | 646,162,060.99 |
| Financial liabilities | 662,057,627.04 | 264,346,799.86 |
| Net financial assets | 3,546.28 | 3,245.87 |
| Financial assets | 39,676,495.18 | 44,332,571.48 |
| Financial liabilities | 2,046,428.53 | 602,570.50 |
| Net financial assets | 950,326,348.86 | 1,285,319,483.63 |

The Group's currency risk is managed by the Finance Department, which reports to the Board of Directors. The Finance Department is responsible for identifying, measuring, monitoring, and managing the Group's currency risk. The Group's currency risk is managed in accordance with the Group's Risk Management Policy, which is approved by the Board of Directors. As of December 31, 2022, the Group's currency risk is managed by the Finance Department, which reports to the Board of Directors. The Finance Department is responsible for identifying, measuring, monitoring, and managing the Group's currency risk. The Group's currency risk is managed in accordance with the Group's Risk Management Policy, which is approved by the Board of Directors.

(VII) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

1. Risk Management Objectives and Policies (10%)

1.1 Market risk (10%)

[illegible][illegible]

1. Suppose that the probability of a stock price increasing is 5% and the probability of a stock price decreasing is 5%. Suppose that the probability of a stock price increasing is 5% and the probability of a stock price decreasing is 5%. Suppose that the probability of a stock price increasing is 5% and the probability of a stock price decreasing is 5%.

| Items | Changes in the exchange rates | Amount for the year | | Amount for the year | |
|--|--|-----------------------------|--------------------------------|--------------------------------|--------------------------------|
| | | Impact on profit before tax | Impact on Shareholder's equity | Impact on Shareholder's equity | Impact on Shareholder's equity |
| Financial assets at fair value through profit or loss | | | | | |
| | Assuming the US dollar is 5% stronger than the Russian ruble | (7,758,275.68) | (7,758,275.68) | (26,494,637.16) | (26,494,637.16) |
| | Assuming the US dollar is 5% weaker than the Russian ruble | 7,758,275.68 | 7,758,275.68 | 26,494,637.16 | 26,494,637.16 |
| Financial assets at fair value through other comprehensive income | | | | | |
| | Assuming the US dollar is 5% stronger than the Russian ruble | 712,709.87 | 712,709.87 | 1,487,108.98 | 1,487,108.98 |
| | Assuming the US dollar is 5% weaker than the Russian ruble | (712,709.87) | (712,709.87) | (1,487,108.98) | (1,487,108.98) |
| Financial liabilities at fair value through profit or loss | | | | | |
| | Assuming the US dollar is 5% stronger than the Russian ruble | 246,982.45 | 246,982.45 | 263,996.77 | 263,996.77 |
| | Assuming the US dollar is 5% weaker than the Russian ruble | (246,982.45) | (246,982.45) | (263,996.77) | (263,996.77) |
| Financial liabilities at fair value through other comprehensive income | | | | | |
| | Assuming the US dollar is 5% stronger than the Russian ruble | 167,740.60 | 167,740.60 | 108,998.47 | 108,998.47 |
| | Assuming the US dollar is 5% weaker than the Russian ruble | (167,740.60) | (167,740.60) | (108,998.47) | (108,998.47) |
| Financial assets at fair value through profit or loss | | | | | |
| | Assuming the US dollar is 5% stronger than the Russian ruble | 1,641.73 | 1,641.73 | 1,701.80 | 1,701.80 |
| | Assuming the US dollar is 5% weaker than the Russian ruble | (1,641.73) | (1,641.73) | (1,701.80) | (1,701.80) |
| Financial liabilities at fair value through profit or loss | | | | | |
| | Assuming the US dollar is 5% stronger than the Russian ruble | 85,271.90 | 85,271.90 | 85,673.23 | 85,673.23 |
| | Assuming the US dollar is 5% weaker than the Russian ruble | (85,271.90) | (85,271.90) | (85,673.23) | (85,673.23) |
| Financial assets at fair value through other comprehensive income | | | | | |
| | Assuming the US dollar is 5% stronger than the Russian ruble | 23,970,912.46 | 23,970,912.46 | 3,519,789.32 | 3,519,789.32 |
| | Assuming the US dollar is 5% weaker than the Russian ruble | (23,970,912.46) | (23,970,912.46) | (3,519,789.32) | (3,519,789.32) |
| Financial liabilities at fair value through other comprehensive income | | | | | |
| | Assuming the US dollar is 5% stronger than the Russian ruble | 3,287.59 | 3,287.59 | 40,242.65 | 40,242.65 |
| | Assuming the US dollar is 5% weaker than the Russian ruble | (3,287.59) | (3,287.59) | (40,242.65) | (40,242.65) |

Notes to the Financial Statements

December 31, 2022

(VII) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

1. Risk Management Objectives and Policies (continued)

1.1 Market risk (continued)

1.1.2 Foreign exchange risk

The Company's foreign exchange risk arises from its foreign currency-denominated assets and liabilities. As of December 31, 2022, the Company's foreign currency-denominated assets and liabilities were 6,527,126,348.86 (31 December 2021: 3,442,726,983.63) (in thousands of RMB). The Company's foreign exchange risk is managed by the Company's Finance Department.

The Company's foreign exchange risk is managed by the Company's Finance Department.

The Company's foreign exchange risk is managed by the Company's Finance Department. The Company's foreign exchange risk is managed by the Company's Finance Department. The Company's foreign exchange risk is managed by the Company's Finance Department.

The Company's foreign exchange risk is managed by the Company's Finance Department. The Company's foreign exchange risk is managed by the Company's Finance Department. The Company's foreign exchange risk is managed by the Company's Finance Department.

| | Closing balance | in thousands of RMB |
|--|-----------------|---------------------|
| Foreign currency-denominated assets | 45,938,801.19 | 18,991,637.02 |
| Foreign currency-denominated liabilities | 45,938,801.19 | 18,991,637.02 |

The Company's foreign exchange risk is managed by the Company's Finance Department. The Company's foreign exchange risk is managed by the Company's Finance Department. The Company's foreign exchange risk is managed by the Company's Finance Department.

The Company's foreign exchange risk is managed by the Company's Finance Department. The Company's foreign exchange risk is managed by the Company's Finance Department. The Company's foreign exchange risk is managed by the Company's Finance Department.

(VII) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

1. Risk Management Objectives and Policies (continued)

1.2 Credit risk

[illegible]

Notes to the Financial Statements

December 31, 2022

(VII) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

1. Risk Management Objectives and Policies (continued)

1.3 Liquidity risk (continued)

The following table summarizes the maturity of the Group's financial instruments and the cash flows expected to be received from these instruments.

| Closing balance | Within
three months | Three months
to one year | One to
two years | Two to
five years | Over
five years |
|-----------------------|------------------------|-----------------------------|---------------------|----------------------|--------------------|
| Financial assets | 1,109,866,314.83 | 2,042,719,418.35 | - | - | - |
| Financial liabilities | 433,877,705.56 | 530,849,811.03 | - | - | - |
| Financial assets | 4,100,044,464.81 | - | - | - | - |
| Financial liabilities | 655,490,858.12 | - | - | - | - |
| Financial assets | 731,095,883.29 | 723,523,504.06 | 1,798,893,700.00 | 2,264,162,500.00 | - |
| Financial liabilities | - | 24,349,726.78 | 32,417,396.51 | 443,626,319.33 | 4,183,606,557.38 |
| Financial assets | 181,295.67 | 543,887.00 | 725,182.67 | 2,175,548.01 | 22,448,976.24 |
| Financial liabilities | - | - | - | - | - |
| Financial assets | 7,030,556,522.28 | 3,321,986,347.22 | 1,832,036,279.18 | 2,709,964,367.34 | 4,206,055,533.62 |
| Financial liabilities | - | - | - | - | - |

2. Capital Management

The Group's capital management objectives are to ensure that the Group has sufficient capital to meet its obligations and to maintain a strong credit rating.

The Group's capital management policies are to maintain a strong credit rating and to ensure that the Group has sufficient capital to meet its obligations.

The Group's capital management policies are to maintain a strong credit rating and to ensure that the Group has sufficient capital to meet its obligations.

The Group's capital management policies are to maintain a strong credit rating and to ensure that the Group has sufficient capital to meet its obligations.

(VIII) DISCLOSURE OF FAIR VALUE

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

| Items | Level 1 fair value measurement | Level 2 fair value measurement | Level 3 fair value measurement | Total |
|---|--------------------------------|--------------------------------|--------------------------------|----------------|
| December 31, 2022 | | | | |
| I. Continuous fair value | | | | |
| () Investment in subsidiaries | | | 2,000,000.00 | 2,000,000.00 |
| () Investment in associates | | | 784,825,969.52 | 784,825,969.52 |
| () Investment in financial assets | | 1,765,968.98 | | 1,765,968.98 |
| Total assets that continue to be measured at fair value | | 1,765,968.98 | 786,825,969.52 | 788,591,938.50 |
| December 31, 2021 | | | | |
| I. Continuous fair value | | | | |
| () Investment in subsidiaries | | | 200,000,000.00 | 200,000,000.00 |
| () Investment in associates | | 62,739.00 | | 62,739.00 |
| () Investment in financial assets | | | 531,196,547.78 | 531,196,547.78 |
| Total assets that continue to be measured at fair value | | 62,739.00 | 731,196,547.78 | 731,259,286.78 |

2. The Basis for Determining the Market Value of the Item Continuing Measured at Level 1 fair Value

The fair value of the investment in subsidiaries is determined based on the book value of the investment in subsidiaries.

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

| Item | Fair value as at 31 December 2022 | Valuation techniques | Qualitative and Quantitative Information on Important Parameters |
|--------------------------------|-----------------------------------|--------------------------|--|
| Investment in financial assets | 1,765,968.98 | Market comparison method | Market price of the investment in financial assets |

Notes to the Financial Statements

2021年12月31日止年度 2022

(VIII) DISCLOSURE OF FAIR VALUE (continued)

4. Valuation Techniques and Qualitative and Quantitative Information on Important Parameters Adopted for the Third Level of Fair Value Measurement Items

(IX) RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Related parties with controlling relationship

The Group has no controlling relationship with any other enterprise.

2. The Group's subsidiaries

FLAT GLASS GROUP CO., LTD. is the parent company of the Group.

3. Associates of the Group

There are no associates of the Group.

| Name of enterprise | Relationship with the Group |
|----------------------------|-----------------------------|
| FLAT GLASS GROUP CO., LTD. | Parent company |

4. Related Party Transactions

| Enterprise name | Relationship with the connected party |
|-----------------------------|---------------------------------------|
| FLAT GLASS GROUP CO., LTD.* | Parent company |

5. Related Party Transaction

(1) Sales of goods

| Related party | Content of the related party transaction | Amount for the year | Amount |
|----------------------------|--|---------------------|-----------|
| FLAT GLASS GROUP CO., LTD. | Sales of goods | 8,559.20 | 29,453.98 |

* The amount is in million yuan.

Notes to the Financial Statements

December 31, 2022

(IX) RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

5. Related Party Transaction (Continued)

(2) Purchase of goods/accepting labor service

| Related party | Content of the related party transaction | Amount for the year | Amount at the end of the year |
|-----------------------|--|-----------------------|-------------------------------|
| Fuyao Glass Co., Ltd. | Purchase of raw materials | 311,486,939.34 | 193,794,231.09 |
| | Accepting labor service | 301,806,368.11 | 197,474,707.07 |
| Total | | 613,293,307.45 | 391,268,938.16 |

(3) Related lease

| Related party | Content of the related party transaction | Amount for the year | Amount at the end of the year |
|--|--|----------------------|-------------------------------|
| Fuyao Glass Co., Ltd.*
Fuyao Glass Co., Ltd.* | Lease of land | 8,499,629.28 | 7,760,530.68 |
| | Lease of buildings | 1,651,376.16 | 1,651,376.15 |
| Total | | 10,151,005.44 | 9,411,906.83 |

(4) Remuneration of key management personnel

| Item | Amount for the year | Amount at the end of the year |
|--|---------------------|-------------------------------|
| Salaries and bonuses of key management personnel | 8,282,035.80 | 7,708,872.89 |

* 44.50%, 10

(IX) RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

6. Amounts Due to/from Related Parties

| Items | Related parties | Closing balance | Opening balance |
|--------------------------|---------------------------------------|-----------------|-----------------|
| Accounts payable | Various | 3,521,885.74 | 2,343,468.83 |
| Prepaid expenses | Various | 1,500,000.00 | |
| Due from related parties | Hong Kong Flat Glass Group Co., Ltd.* | 412,844.04 | 412,844.04 |
| Due to related parties | Various | 61,814,588.62 | 28,449,581.64 |
| Due to related parties | Various | 134,441.53 | 173,342.70 |
| Due to related parties | | 61,949,030.15 | 28,622,924.34 |
| Accounts receivable | Various | 25,604.55 | 25,604.55 |
| Due to related parties | Various | 300,000.00 | |

Notes to the Financial Statements

As at December 31, 2022

(IX) RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

7. Directors' Remuneration

2022

| | | | | |
|--|--|--|--|--|
| | | | | |
| | | | | |
| | | | | |

(IX) RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

7. Directors' Remuneration (Continued)

2021

| Name | Basic Salary (RMB '000) | Performance Bonus (RMB '000) | Dividend (RMB '000) | Other Benefits (RMB '000) | Total (RMB '000) |
|--|-------------------------|------------------------------|---------------------|---------------------------|---------------------|
| Executive Directors | | | | | |
| Mr. Zhang Yuhua | 975,864.14 | 116,381.00 | 30,006.30 | - | 1,122,251.44 |
| Mr. Wang Yuhua | 751,289.18 | 94,711.00 | - | - | 846,000.18 |
| Mr. Wang Yuhong | 577,954.46 | 66,719.00 | 30,006.30 | - | 674,679.76 |
| Mr. Wang Yuhong | 565,875.24 | 64,969.00 | 31,111.20 | - | 661,955.44 |
| Independent Non-Executive Directors | | | | | |
| Mr. Zhang Yuhua (RMB '000) | 41,666.66 | - | - | - | 41,666.66 |
| Mr. Wang Yuhua (RMB '000) | 100,000.00 | - | - | - | 100,000.00 |
| Mr. Wang Yuhong (RMB '000) | 41,666.66 | - | - | - | 41,666.66 |
| Mr. Wang Yuhong (RMB '000) | 58,333.33 | - | - | - | 58,333.33 |
| Mr. Wang Yuhong (RMB '000) | 58,333.33 | - | - | - | 58,333.33 |
| Total | 299,999.98 | 2,870,983.02 | 342,780.00 | 91,123.80 | 3,604,886.80 |

1: Mr. Zhang Yuhua's remuneration includes the remuneration for his position as Chairman of the Board of Directors.

2: Mr. Wang Yuhua's remuneration includes the remuneration for his position as Chairman of the Board of Directors.

3: Mr. Wang Yuhong's remuneration includes the remuneration for his position as Chairman of the Board of Directors.

4: Mr. Wang Yuhong's remuneration includes the remuneration for his position as Chairman of the Board of Directors. 2021, Mr. Wang Yuhong's remuneration includes the remuneration for his position as Chairman of the Board of Directors.

Notes to the Financial Statements

December 31, 2022

(IX) RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

7. Directors' Remuneration (Continued)

The remuneration of the directors is determined by the Board of Directors (hereinafter referred to as "the Board") based on the remuneration policy approved by the Board of Directors. The remuneration of the directors is determined by the Board of Directors based on the remuneration policy approved by the Board of Directors.

| | Total of this year | ¥ |
|------------------------------------|--------------------|--------------|
| Executive Director | 3,723,452.26 | 2,386,202.73 |
| Non-executive Director | 209,245.54 | 112,136.40 |
| Independent Non-executive Director | 533,423.00 | 280,922.00 |
| ¥ | 4,466,120.80 | 2,779,261.13 |

Continued

| | Number of this year | ¥ |
|-----------------------------|---------------------|---|
| ¥ \$1,000,000 | — | — |
| ¥ \$1,000,000 ¥ \$1,500,000 | 5 | 5 |
| ¥ \$1,500,000 ¥ \$2,000,000 | — | — |

(X) SHARE-BASED PAYMENTS

1. Details of share-based payments

(1) Restricted A Share Incentive Scheme

[illegible]

Notes to the Financial Statements

2021 31 2022

(X) SHARE-BASED PAYMENTS ()

1. Details of share-based payments ()

(I) Restricted A Share Incentive Scheme ()

2021 9 2021 2020 920,000 2019 2020.

2023 2022 1 2022 2020 140,000 2019 2020.

2027 2023 15 2022 2020 920,000 2019 2020.

(X) SHARE-BASED PAYMENTS (continued)

1. Details of share-based payments (continued)

(2) Share Option Scheme

| | Share option
incentive
scheme 2021 | Share option
incentive
scheme 2020 |
|------------------------------|--|--|
| Number of shares granted | 5,245,472.00 | 4,380,000.00 |
| Number of shares cancelled | — | — |
| Number of shares forfeited | (1,049,094.40) | (1,060,000.00) |
| Number of shares outstanding | 4,196,377.60 | 3,320,000.00 |
| Weighted average share price | RMB44.02 | 17.79 |
| Approximate average term | Approximately
3.9 years | Approximately
2.6 years |

Notes to the Financial Statements

December 31, 2022

(X) SHARE-BASED PAYMENTS (continued)

2. Equity settled share-based payments

| | Share option incentive
scheme 2021 | Share option incentive
scheme 2020 |
|---|--|---|
| <p>When the optionee reaches the exercise period in the stock option scheme, and meets the appraisal conditions of the Company's results and personal performance, the corresponding equity instrument is the equity instrument of the exercisable right</p> <p>When the optionee reaches the exercise period in the stock option scheme, and meets the appraisal conditions of the Company's results and personal performance, the corresponding equity instrument is the equity instrument of the exercisable right</p> | <p>Black-Scholes Model</p> <p>When the optionee reaches the exercise period in the stock option scheme, and meets the appraisal conditions of the Company's results and personal performance, the corresponding equity instrument is the equity instrument of the exercisable right</p> <p>Nil</p> | <p>When the optionee reaches the exercise period in the stock option scheme, and meets the appraisal conditions of the Company's results and personal performance, the corresponding equity instrument is the equity instrument of the exercisable right</p> <p>When the optionee reaches the exercise period in the stock option scheme, and meets the appraisal conditions of the Company's results and personal performance, the corresponding equity instrument is the equity instrument of the exercisable right</p> |
| | 10,727,647.33 | 73,871,576.17 |
| | 9,570,053.42 | 22,378,535.78 |

(X) **SHARE-BASED PAYMENTS** (100,000)

2. Equity settled share-based payments (continued)

| | |
|--|---|
| <p> 1. 2021年12月31日，公司总股本为1,000,000,000股，其中无限售条件流通股为100,000,000股，限售流通股为900,000,000股。 </p> | <p> 2. 2021年12月31日，公司总股本为1,000,000,000股，其中无限售条件流通股为100,000,000股，限售流通股为900,000,000股。 </p> |
| <p> 3. 2021年12月31日，公司总股本为1,000,000,000股，其中无限售条件流通股为100,000,000股，限售流通股为900,000,000股。 </p> | <p> 4. 2021年12月31日，公司总股本为1,000,000,000股，其中无限售条件流通股为100,000,000股，限售流通股为900,000,000股。 </p> |
| <p> 5. 2021年12月31日，公司总股本为1,000,000,000股，其中无限售条件流通股为100,000,000股，限售流通股为900,000,000股。 </p> | <p> 6. 2021年12月31日，公司总股本为1,000,000,000股，其中无限售条件流通股为100,000,000股，限售流通股为900,000,000股。 </p> |
| <p> 7. 2021年12月31日，公司总股本为1,000,000,000股，其中无限售条件流通股为100,000,000股，限售流通股为900,000,000股。 </p> | <p> 8. 2021年12月31日，公司总股本为1,000,000,000股，其中无限售条件流通股为100,000,000股，限售流通股为900,000,000股。 </p> |
| <p> 9. 2021年12月31日，公司总股本为1,000,000,000股，其中无限售条件流通股为100,000,000股，限售流通股为900,000,000股。 </p> | <p> 10. 2021年12月31日，公司总股本为1,000,000,000股，其中无限售条件流通股为100,000,000股，限售流通股为900,000,000股。 </p> |

(XI) COMMITMENTS AND CONTINGENCIES

1. Significant Matters of Commitments

Capital Commitment

Notes to the Financial Statements

2021年12月31日 2022

(XIII) OTHER SIGNIFICANT MATTERS

1. Segment Report

As required by the Accounting Standards for Business Enterprises, the Company has disclosed the following information about its segments and related transactions:

The Company's operations are divided into two segments: the Glass Segment and the Non-Glass Segment. The Glass Segment is the main business of the Company, which is engaged in the production and sales of various types of glass products. The Non-Glass Segment is engaged in the production and sales of various types of non-glass products.

The Company's management has determined that the Glass Segment and the Non-Glass Segment are the two main segments of the Company's operations. The Glass Segment is the main source of the Company's revenue and profit, and the Non-Glass Segment is a relatively small part of the Company's operations.

The following table shows the Company's segment information for the year ended December 31, 2021 and 2022:

(1) Segment report information

(XIII) OTHER SIGNIFICANT MATTERS (人民币千元)

1. Segment Report (人民币千元)

(I) Segment report information (人民币千元)

| | 2022年 | 2021年 | 2020年 | 2019年 | 2018年 | 2017年 | 2016年 | 2015年 |
|---------------|------------------|----------------|----------------|----------------|---------------|---------------|-------|------------------|
| 营业收入 | 7,121,636,842.98 | 380,740,715.26 | 711,402,297.80 | 393,531,134.45 | 66,349,052.29 | 39,568,022.81 | - | 8,713,228,065.59 |
| 营业成本 | 4,579,444,886.08 | 263,786,516.43 | 476,516,168.05 | 240,679,289.44 | 28,328,663.66 | 31,636,443.28 | - | 5,620,391,966.94 |
| 营业毛利 | 2,542,191,956.90 | 116,954,198.83 | 234,886,129.75 | 152,851,845.01 | 38,020,388.63 | 7,931,579.53 | - | 3,092,836,098.65 |
| 其他业务收入 | - | - | - | - | - | - | - | 48,466,185.37 |
| 其他业务成本 | - | - | - | - | - | - | - | 85,724,646.32 |
| 公允价值变动收益 | - | - | - | - | - | - | - | 221,778,736.93 |
| 投资收益 | - | - | - | - | - | - | - | 408,417,461.35 |
| 资产减值损失 | - | - | - | - | - | - | - | 52,518,443.24 |
| 信用减值损失 | - | - | - | - | - | - | - | 90,252,414.76 |
| 资产处置收益 | - | - | - | - | - | - | - | 37,314,406.92 |
| 汇兑收益 | - | - | - | - | - | - | - | 58,331,820.26 |
| 营业外收入 | - | - | - | - | - | - | - | 31,886,225.40 |
| 营业外支出 | - | - | - | - | - | - | - | 5,558,487.56 |
| 利润总额 | - | - | - | - | - | - | - | (1,382,927.57) |
| 所得税费用 | - | - | - | - | - | - | - | 23,554,616.85 |
| 净利润 | - | - | - | - | - | - | - | (10,202,178.73) |
| 少数股东损益 | - | - | - | - | - | - | - | 3,599,005.34 |
| 归属于母公司股东的净利润 | - | - | - | - | - | - | - | 2,381,717,186.99 |
| 其他综合收益 | - | - | - | - | - | - | - | 2,674,782.95 |
| 综合收益总额 | - | - | - | - | - | - | - | 4,176,927.50 |
| 基本每股收益 | - | - | - | - | - | - | - | 2,380,215,042.44 |
| 稀释每股收益 | - | - | - | - | - | - | - | 260,295,716.01 |
| 经营活动产生的现金流量净额 | - | - | - | - | - | - | - | 2,119,919,326.43 |

Notes to the Financial Statements

December 31, 2022

(XIII) OTHER SIGNIFICANT MATTERS (continued)

1. Segment Report (continued)

(2) Income by geographical area

| Items | Amount
for the year | Amount
in U.S. dollars |
|-------------------------------|------------------------|---------------------------|
| China | 12,085,756,436.22 | 6,385,359,292.22 |
| North America (United States) | 2,896,259,491.82 | 1,766,009,573.61 |
| Europe | 209,666,541.16 | 177,799,234.97 |
| Asia (Japan) | 249,784,605.31 | 365,509,707.77 |
| Others | 19,376,152.85 | 18,550,257.02 |

(XIII) OTHER SIGNIFICANT MATTERS (其他重大事项)

1. Segment Report (分部报告)

(4) Reliance on major customers

2022, the company's top 5 customers accounted for 15% of the total revenue (2021: 18% and 13%). In 2022, the company's top 5 customers accounted for 14% of the total revenue.

2. Net Profit for the Year Net of

| Items | Amount
for the year | Amount
for the year |
|--|------------------------|------------------------|
| Net profit for the year (attributable to shareholders) | 679,722,872.95 | 495,565,842.01 |
| Less: Income tax expense | 55,168,030.14 | 30,418,326.30 |
| Net profit for the year (attributable to shareholders) | 734,890,903.09 | 525,984,168.31 |
| Less: Dividend income | 3,650,000.00 | 3,450,000.00 |
| Net profit for the year (attributable to shareholders) | 1,312,741,551.48 | 546,155,713.04 |
| Less: Income tax expense | 13,971,345.55 | 14,561,324.81 |
| Net profit for the year (attributable to shareholders) | 10,625,317,831.86 | 5,588,755,523.66 |
| Less: Dividend income | 3,094,217.86 | 10,202,178.73 |

Notes to the Financial Statements

December 31, 2022

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS

1. Cash at Bank and on Hand

| Items | Foreign
currency
amounts | Closing balance | |
|-------|--------------------------------|------------------------------|------------------|
| | | Translation
exchange rate | RMB amounts |
| 人民币 | — | — | 12,539.79 |
| 美元 | — | — | 900,283,030.69 |
| 欧元 | 1,856,809.98 | 6.9646 | 12,931,938.78 |
| 港币 | 548,637.17 | 7.4229 | 4,072,478.85 |
| 英镑 | 282,743.53 | 4.7138 | 1,332,796.45 |
| 新加坡元 | 3,269,399.00 | 0.0524 | 171,179.19 |
| 韩元 | 164,019.66 | 0.8933 | 146,513.84 |
| 加元 | 3,911.63 | 8.3941 | 32,834.61 |
| 新台币 | — | — | 305,883,669.00 |
| 澳门元 | 17,240,027.33 | 6.9646 | 120,069,894.34 |
| 其他 | 12.00 | 0.0524 | 0.63 |
| 合计 | | | 1,344,936,876.17 |

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

1. Cash at Bank and on Hand (Continued)

| Items | 2022 | | 2021 |
|---------------------------|---------------|------------|--|
| | Yuan | US Dollars | Yuan |
| Cash at bank: | | | |
| in RMB | | | 32,255.75 |
| Cash on hand: | | | |
| in RMB | | | 205,786,794.26 |
| in US Dollars | 36,150,637.48 | 6.3757 | 230,485,619.40 |
| in Hong Kong Dollars | 983,638.10 | 7.2197 | 7,101,571.99 |
| in Japanese Yen | 291,665.98 | 4.6220 | 1,348,080.16 |
| in British Pounds | 3,276,413.00 | 0.0554 | 181,562.43 |
| in New Taiwan Dollars | 164,019.66 | 0.8176 | 134,102.47 |
| in Singapore Dollars | 3,954.74 | 8.6064 | 34,036.08 |
| Cash at bank and on hand: | | | 147,991,081.51 |
| in RMB | 12.00 | 0.0554 | 0.66 |
| in US Dollars | | | 593,095,104.71 |
| Total | | | |
| in RMB | | | 425,953,563.97 (2021: 147,991,082.17), 2022: 218,398,200.00 (2021: 218,398,200.00), 2022: 203,077,602.34 (2021: 203,077,602.34), 2022: 136,205,650.39 (2021: 136,205,650.39), 2022: 2,694,238.86 (2021: 2,694,238.86), 2022: 11,764,853.71 (2021: 11,764,853.71), 2022: 1,671,694.34 (2021: 1,671,694.34), 2022: 111,828.43 (2021: 111,828.43), 2022: 20,578.07 (2021: 20,578.07). |

Notes to the Financial Statements

December 31, 2022

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

2. Bills Receivable

(1) Bills receivable listed by category

| Items | Closing balance | Year-end balance |
|--|-----------------------|-----------------------|
| Commercial bills receivable | 625,126,359.77 | 368,185,749.63 |
| Commercial bills receivable - bank bills | 356,359,595.90 | 82,001,433.67 |
| Commercial bills receivable - commercial bills | 2,751,928.89 | 2,066,436.13 |
| Total | 978,734,026.78 | 448,120,747.17 |

(2) Bills receivable pledged by the Group at the end of the year

| Items | Amounts pledged at the end of the year |
|--|--|
| Commercial bills receivable | 5,918,137.34 |
| Commercial bills receivable - bank bills | 30,000,000.00 |
| Total | 35,918,137.34 |

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

2. Bills Receivable (Continued)

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

| Items | Not de-recognised
at the end of
the year | Carrying amount
at the end of
the year |
|-----------------------------|--|--|
| Endorsed bills receivable | 489,196,564.35 | 318,773,415.19 |
| Discounted bills receivable | 192,350,831.00 | 6,790,000.00 |
| Total | 681,547,395.35 | 325,563,415.19 |

The carrying amount of bills receivable that have been endorsed or discounted by the Company but not yet due at the balance sheet date is disclosed in Note 10.

(4) At the end of the year, the Group had no bills transferred to accounts receivable due to the drawer's non-performance.

(5) Disclosed by classification of bad debt provision method

| Classification | Book balance | | Closing balance
Bad debt provision | | Book value |
|-----------------------------|-----------------------|----------------|---------------------------------------|---------------------------|-----------------------|
| | Amounts | Percentage (%) | Amounts | Accrual
Percentage (%) | |
| Endorsed bills receivable | 625,126,359.77 | 63.69 | — | — | 625,126,359.77 |
| Discounted bills receivable | 356,359,595.90 | 36.31 | 2,751,928.89 | 0.77 | 353,607,667.01 |
| Total | 981,485,955.67 | 100.00 | 2,751,928.89 | 0.28 | 978,734,026.78 |

Notes to the Financial Statements

2021 2022

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

2. Bills Receivable (Continued)

(5) Disclosed by classification of bad debt provision method (Continued)

| Classification | 2021 | | 2022 | | 2021 |
|---|-----------|---------------|-----------|---------------|-----------|
| | Amount | Provision (%) | Amount | Provision (%) | Amount |
| 1. Commercial bills receivable | 1,000,000 | 100 | 1,000,000 | 100 | 1,000,000 |
| 2. Government bills receivable | 1,000,000 | 100 | 1,000,000 | 100 | 1,000,000 |
| 3. Financial institution bills receivable | 1,000,000 | 100 | 1,000,000 | 100 | 1,000,000 |
| 4. Other bills receivable | 1,000,000 | 100 | 1,000,000 | 100 | 1,000,000 |
| Total | 4,000,000 | 100 | 4,000,000 | 100 | 4,000,000 |

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

2. Bills Receivable (Continued)

(6) Bad debt provision

| Classification | 2022 | 2021 | 2020 | 2019 | Closing balance |
|----------------|--------------|--------------|--------------|------|-----------------|
| Specific | 2,066,436.13 | 2,751,928.89 | 2,066,436.13 | - | 2,751,928.89 |
| Total | 2,066,436.13 | 2,751,928.89 | 2,066,436.13 | - | 2,751,928.89 |

3. Trade Receivables

(1) Disclosed by ageing:

| Ageing | Closing balance | | | Accrual | | |
|----------|-------------------|-----------------------|----------------|----------------|---------------|----------------|
| | Trade receivables | Credit loss provision | percentage (%) | 2022 | 2021 | percentage (%) |
| Within 1 | 880,185,491.92 | 16,325,960.49 | 1.85 | 358,110,991.08 | 11,404,852.17 | 3.18 |
| 1-2 | 19,278,644.76 | 16,176,710.82 | 83.91 | 11,805,748.65 | 10,918,297.08 | 92.48 |
| 2-3 | 6,574,232.05 | 6,574,232.05 | 100.00 | 954,685.75 | 954,686.75 | 100.00 |
| 3 | 1,480,429.88 | 1,480,429.88 | 100.00 | 1,223,680.09 | 1,223,681.09 | 100.00 |
| Total | 907,518,798.61 | 40,557,333.24 | 4.47 | 372,095,105.57 | 24,501,517.09 | 6.58 |

(2) Disclosed by classification of credit loss provision method:

The Company classifies credit loss provisions based on the expected credit loss model. The Company's credit loss provisions are classified into specific credit loss provisions and general credit loss provisions. The specific credit loss provisions are calculated based on the expected credit loss of specific receivables, and the general credit loss provisions are calculated based on the expected credit loss of the entire receivables portfolio. The Company's credit loss provisions are classified into specific credit loss provisions and general credit loss provisions. The specific credit loss provisions are calculated based on the expected credit loss of specific receivables, and the general credit loss provisions are calculated based on the expected credit loss of the entire receivables portfolio.

Notes to the Financial Statements

December 31, 2022

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Trade Receivables (Continued)

(2) Disclosed by classification of credit loss provision method: (Continued)

| Credit risk rating | Within 1 year | 1-2 years | Closing balance
2-3 years | Over 3 years | Total |
|-----------------------------|----------------|---------------|------------------------------|--------------|----------------|
| Guaranteed | - | - | - | - | - |
| Guaranteed by third parties | 183,373,505.19 | - | - | - | 183,373,505.19 |
| Unsecured | - | - | - | - | - |
| Guaranteed | 1.76% | 1.76% | 1.76% | 1.76% | |
| Guaranteed by third parties | 665,468,857.76 | - | - | - | 665,468,857.76 |
| Unsecured | 11,712,251.91 | - | - | - | 11,712,251.91 |
| Guaranteed | 14.72% | 83.91% | 100.00% | 100.00% | |
| Guaranteed by third parties | 31,343,128.97 | 19,278,644.76 | 6,570,314.71 | - | 57,192,088.44 |
| Unsecured | 4,613,708.58 | 16,176,710.82 | 6,570,314.71 | - | 27,360,734.11 |
| Guaranteed | 100.00% | 100.00% | 100.00% | 100.00% | |
| Guaranteed by third parties | - | - | 3,917.34 | 1,480,429.88 | 1,484,347.22 |
| Unsecured | - | - | 3,917.34 | 1,480,429.88 | 1,484,347.22 |
| Guaranteed | | | | | |
| Guaranteed by third parties | 880,185,491.92 | 19,278,644.76 | 6,574,232.05 | 1,480,429.88 | 907,518,798.61 |
| Unsecured | 16,325,960.49 | 16,176,710.82 | 6,574,232.05 | 1,480,429.88 | 40,557,333.24 |
| Guaranteed by third parties | 863,859,531.43 | 3,101,933.94 | - | - | 866,961,465.37 |

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (continued)

3. Trade Receivables (A_{TR})

(2) Disclosed by classification of credit loss provision method: ()

[illegible]

Notes to the Financial Statements

December 31, 2022

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

3. Trade Receivables (Continued)

(3) Changes in credit loss provision of trade receivables

| | Lifetime ECL |
|---|---------------|
| At January 1, 2022 | 24,501,517.09 |
| Changes during the year: | |
| Provision for credit losses | 16,055,816.15 |
| Transfer to the allowance for credit losses of financial assets transferred (see Note 12) | - |
| At December 31, 2022 | 40,557,333.24 |

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

At the end of the year, the Company's top five trade receivables with the closing balances classified by the borrowers were as follows: 533,045,942.11 (percentage of total trade receivables: 58.74%) (at the end of last year: 209,629,403.13), 1,644,474.68 (percentage of total trade receivables: 0.18%) (at the end of last year: 1,644,474.68), 6,979,847.36 (percentage of total trade receivables: 0.77%) (at the end of last year: 6,979,847.36), 1,644,474.68 (percentage of total trade receivables: 0.18%) (at the end of last year: 1,644,474.68), 1,644,474.68 (percentage of total trade receivables: 0.18%) (at the end of last year: 1,644,474.68).

(5) At the end of the year, the Company had no trade receivable derecognised due to the transfer of financial assets.

(XIV)

Notes to the Financial Statements

December 31, 2022

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

4. Financing receivables (Continued)

- (3) Bank acceptance bills that have been endorsed or discounted by the Company at the end of the year but not yet due at the balance sheet date

| Items | Amounts
derecognised
at the end
of the year | Amounts
recognised at
the end of the
year |
|----------------------------------|--|--|
| Bank acceptance bills discounted | 665,903,655.19 | 515,684,578.16 |
| Bank acceptance bills endorsed | 55,072,317.90 | 154,836,626.87 |
| Total | 720,975,973.09 | 670,521,205.03 |

5. Advance Payments

- (1) The ageing analysis of advance payments is as follows:

| Ageing | Closing balance | | Amounts recognised at the end of the year | |
|---------------|-----------------------|----------------|---|----------------|
| | Amount | Percentage (%) | Amount | Percentage (%) |
| Within 1 year | 220,349,799.53 | 98.55 | 110,986,161.48 | 97.53 |
| 1-2 years | 1,017,929.93 | 0.46 | 1,594,923.23 | 1.40 |
| 2-3 years | 1,023,094.14 | 0.46 | 1,016,474.00 | 0.89 |
| Over 3 years | 1,200,340.00 | 0.53 | 200,340.00 | 0.18 |
| Total | 223,591,163.60 | 100.00 | 113,797,898.71 | 100.00 |

As of December 31, 2022, the closing balance of advance payments is 223,591,163.60 Yuan, of which 220,349,799.53 Yuan (98.55%) is due within 1 year, 1,017,929.93 Yuan (0.46%) is due within 1-2 years, 1,023,094.14 Yuan (0.46%) is due within 2-3 years, and 1,200,340.00 Yuan (0.53%) is due over 3 years.

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

As of December 31, 2022, the closing balance of advance payments is 223,591,163.60 Yuan, of which the top five payees account for 183,814,871.88 Yuan (82.21%), and as of December 31, 2021, the closing balance of advance payments is 113,797,898.71 Yuan, of which the top five payees account for 57,774,830.79 Yuan (50.77%).

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

6. Other Receivables

| Items | Closing balance | Opening balance |
|---------------------|------------------|------------------|
| Accounts receivable | - | 800,000,000.00 |
| Other receivables | 1,796,012,370.71 | 1,037,334,934.64 |
| Total | 1,796,012,370.71 | 1,837,334,934.64 |

Notes to the Financial Statements

December 31, 2022

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

6. Other Receivables (Continued)

(3) Impairment of other receivables

The Company has adopted the expected credit loss model to estimate the impairment of other receivables. The Company has established a credit risk rating system to assess the credit risk of other receivables. The credit risk rating is determined based on the creditworthiness of the debtor, the historical default rate, and other factors. The Company has established a credit loss provision based on the credit risk rating and the closing balance of other receivables.

| Credit risk rating | Default loss rate | Closing balance
Other receivables | Credit loss provision |
|---|-------------------|--------------------------------------|-----------------------|
| Low | 0.00% | 1,796,012,370.71 | — |
| Total | | 1,796,012,370.71 | — |
| The Company has adopted the expected credit loss model to estimate the impairment of other receivables. The Company has established a credit risk rating system to assess the credit risk of other receivables. The credit risk rating is determined based on the creditworthiness of the debtor, the historical default rate, and other factors. The Company has established a credit loss provision based on the credit risk rating and the closing balance of other receivables. | | | |
| Low | 0.00% | 1,037,334,934.64 | — |
| Total | | 1,037,334,934.64 | — |

The Company has adopted the expected credit loss model to estimate the impairment of other receivables. The Company has established a credit risk rating system to assess the credit risk of other receivables. The credit risk rating is determined based on the creditworthiness of the debtor, the historical default rate, and other factors. The Company has established a credit loss provision based on the credit risk rating and the closing balance of other receivables.

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (人民币元)

6. Other Receivables (人民币元)

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

| Name | Relationship with the Company | Amount | Percentage of the total closing balance of other receivables (%) | Closing balance of credit loss provision |
|--|------------------------------------|------------------|--|--|
| 福莱特(香港)有限公司
(Flat Glass (Hong Kong) Limited)* | 全资子公司
(Wholly-owned subsidiary) | 1,144,467,141.56 | 63.72 | - |
| 鳳陽福萊特新能源科技有限公司
(Fengyang Flat Glass New Energy Technology Co., Ltd.)* | 全资子公司
(Wholly-owned subsidiary) | 406,000,000.00 | 22.61 | - |
| 安徽大華礦業有限公司
(Anhui Dahua Mining Co., Ltd.)* | 全资子公司
(Wholly-owned subsidiary) | 239,552,000.00 | 13.34 | - |
| 福萊特(南通)光伏玻璃有限公司
(Flat Glass (Nantong) PV Glass Co., Ltd.)* | 全资子公司
(Wholly-owned subsidiary) | 2,900,000.00 | 0.16 | - |
| 嘉興福萊特智能裝備有限公司
(Jiaxing Flat Glass Intelligent Equipment Co., Ltd.)* | 全资子公司
(Wholly-owned subsidiary) | 1,138,993.69 | 0.06 | - |
| 合计
(Total) | | 1,794,058,135.25 | 99.89 | - |

Notes to the Financial Statements

December 31, 2022

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

7. Inventories

(1) Inventories category

| Items | Book balance | Closing balance
Impairment
provision | Book value |
|---------------------|-----------------------|--|-----------------------|
| Raw materials | 185,295,480.32 | — | 185,295,480.32 |
| Work in progress | 72,448,565.86 | 3,346,733.88 | 69,101,831.98 |
| Finished goods | 15,111,094.90 | — | 15,111,094.90 |
| Low value inventory | 285,743,781.37 | 4,521,184.57 | 281,222,596.80 |
| Total | 558,598,922.45 | 7,867,918.45 | 550,731,004.00 |
| Raw materials | 146,987,967.10 | — | 146,987,967.10 |
| Work in progress | 51,167,935.64 | 5,175,543.77 | 45,992,391.87 |
| Finished goods | 11,276,613.48 | — | 11,276,613.48 |
| Low value inventory | 121,483,746.98 | 6,142,230.34 | 115,341,516.64 |
| Total | 330,916,263.20 | 11,317,774.11 | 319,598,489.09 |

(2) Inventory impairment provision

| | Low value inventory | Work in progress | Finished goods | Raw materials | Closing balance |
|-------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| Beginning balance | — | — | — | — | — |
| Provision | 6,142,230.34 | 3,780,647.27 | 5,401,693.04 | — | 4,521,184.57 |
| Reversal | — | — | — | — | — |
| Provision | 5,175,543.77 | 2,445,726.20 | — | 4,274,536.09 | 3,346,733.88 |
| Total | 11,317,774.11 | 6,226,373.47 | 5,401,693.04 | 4,274,536.09 | 7,867,918.45 |

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

8. Other Current Assets

| Items | Closing balance | Opening balance |
|-------------------|----------------------|----------------------|
| Prepaid expenses | 28,862,936.84 | - |
| Prepaid insurance | - | 19,154,260.30 |
| Prepaid interest | 2,052,555.56 | 1,326,113.78 |
| Total | 30,915,492.40 | 20,480,374.08 |

9. Long-term Equity Investments

| Invested unit | | Closing balance | | Opening balance | |
|--|--|-------------------------|-------------------------|-------------------------|---|
| | | | | | |
| Invested in Flat Glass Group Co., Ltd. | | 10,000,000.00 | - | 10,000,000.00 | - |
| Invested in Flat Glass Group Co., Ltd. | | 150,000,000.00 | - | 150,000,000.00 | - |
| Invested in Flat Glass Group Co., Ltd. | | 70,000,000.00 | - | 70,000,000.00 | - |
| Invested in Flat Glass Group Co., Ltd. | | 1,000,000,000.00 | 30,000,000.00 | 1,030,000,000.00 | - |
| Invested in Flat Glass Group Co., Ltd. | | 30,000,000.00 | (30,000,000.00) | - | - |
| Invested in Flat Glass Group Co., Ltd. | | 66,137,343.00 | - | 66,137,343.00 | - |
| Invested in Flat Glass Group Co., Ltd. | | 10,000,000.00 | - | 10,000,000.00 | - |
| Invested in Flat Glass Group Co., Ltd. | | 7,000,000.00 | - | 7,000,000.00 | - |
| Invested in Flat Glass Group Co., Ltd. | | - | 740,000,000.00 | 740,000,000.00 | - |
| Invested in Flat Glass Group Co., Ltd. | | - | 2,065,000,000.00 | 2,065,000,000.00 | - |
| Invested in Flat Glass Group Co., Ltd. | | - | 100,000.00 | 100,000.00 | - |
| Invested in Flat Glass Group Co., Ltd. | | - | 10,000,000.00 | 10,000,000.00 | - |
| Invested in Flat Glass Group Co., Ltd. | | 6,921,828.12 | 6,277,401.74 | 13,199,229.86 | - |
| Invested in Flat Glass Group Co., Ltd. | | - | 4,500,000.00 | 4,500,000.00 | - |
| Total | | 1,350,059,171.12 | 2,819,600,000.00 | 4,175,936,572.86 | |

Notes to the Financial Statements

2021 2022

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (人民币元)

10. Fixed assets

(1) Fixed assets

| Items | Houses and buildings | Machinery and equipment | Transportation equipment | Other equipment | Total |
|-------------------------------------|----------------------|-------------------------|--------------------------|-----------------|------------------|
| I. Book value | | | | | |
| 1. 房屋及建筑物 | 628,584,663.32 | 1,538,844,134.35 | 35,999,926.79 | 32,623,292.47 | 2,236,052,016.93 |
| 2. 机器设备 | 570,856,333.70 | 1,206,452,970.51 | 4,384,991.58 | 8,463,142.33 | 1,790,157,438.12 |
| (1) 运输设备 | - | 10,075,394.16 | 4,380,390.70 | 3,842,658.88 | 18,298,443.74 |
| (2) 其他设备 | 570,856,333.70 | 1,196,377,576.35 | 4,600.88 | 4,620,483.45 | 1,771,858,994.38 |
| 3. 运输设备 | (20,465,265.69) | (9,101,464.24) | - | (297,755.01) | (29,864,484.94) |
| (1) 运输设备 | - | (8,319,412.97) | - | (297,755.01) | (8,617,167.98) |
| (2) 其他设备 | (20,465,265.69) | (782,051.27) | - | - | (21,247,316.96) |
| 4. 其他设备 | 1,178,975,731.33 | 2,736,195,640.62 | 40,384,918.37 | 40,788,679.79 | 3,996,344,970.11 |
| II. Accumulated depreciation | | | | | |
| 1. 房屋及建筑物 | 261,006,301.68 | 633,315,918.00 | 19,401,731.29 | 27,680,279.25 | 941,404,230.22 |
| 2. 机器设备 | 38,371,956.91 | 198,353,475.92 | 5,335,157.88 | 2,207,535.91 | 244,268,126.62 |
| (1) 运输设备 | 38,371,956.91 | 198,353,475.92 | 5,335,157.88 | 2,207,535.91 | 244,268,126.62 |
| 3. 运输设备 | (1,863,191.89) | (7,255,931.75) | - | (283,407.27) | (9,402,530.91) |
| (1) 运输设备 | - | (6,536,800.68) | - | (283,407.27) | (6,820,207.95) |
| (2) 其他设备 | (1,863,191.89) | (719,131.07) | - | - | (2,582,322.96) |
| 4. 其他设备 | 297,515,066.70 | 824,413,462.17 | 24,736,889.17 | 29,604,407.89 | 1,176,269,825.93 |
| III. Impairment provision | | | | | |
| 1. 房屋及建筑物 | - | 14,277,374.18 | 275,923.26 | 76,028.89 | 14,629,326.33 |
| 2. 机器设备 | - | - | - | - | - |
| (1) 运输设备 | - | - | - | - | - |
| 3. 运输设备 | - | (746,592.47) | - | (1,641.02) | (748,233.49) |
| (1) 运输设备 | - | (29,777.31) | - | (1,641.02) | (31,418.33) |
| (2) 其他设备 | - | (716,815.16) | - | - | (716,815.16) |
| 4. 其他设备 | - | 13,530,781.71 | 275,923.26 | 74,387.87 | 13,881,092.84 |
| IV. Book value | | | | | |
| 1. 房屋及建筑物 | 881,460,664.63 | 1,898,251,396.74 | 15,372,105.94 | 11,109,884.03 | 2,806,194,051.34 |
| 2. 机器设备 | 367,578,361.64 | 891,250,842.17 | 16,322,272.24 | 4,866,984.33 | 1,280,018,460.38 |

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (continued)

10. Fixed assets (continued)

(1) **Fixed assets** ($\frac{1}{2} \times 100 = 50$)

A. 1,177,954,933.01 (1,177,954,933.01)

15. $\frac{1}{2} \times \frac{1}{2} = \frac{1}{4}$

(2) *At the end of year, the Company had no temporarily idle fixed assets.*

(3) At the end of year, the Company had no fixed assets without property right certificate.

[illegible]

11. Construction in Progress

(1) Listed by category

| Items | Closing balance | 2023 |
|--------------|-----------------------|-------------------------|
| Assets | 164,248,308.91 | 1,206,986,298.56 |
| Liabilities | 147,467,381.81 | 102,150,515.95 |
| Total | 311,715,690.72 | 1,309,136,814.51 |

Notes to the Financial Statements

December 31, 2022

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

11. Construction in Progress (Continued)

(2) Construction in progress

| Items | Book balance | Closing balance
Impairment
provision | Net book
amount |
|--|-----------------------|--|-----------------------|
| Construction in progress for the acquisition of the 750,000 shares of the subsidiary | 92,870,989.95 | - | 92,870,989.95 |
| Construction in progress for the acquisition of the 750,000 shares of the subsidiary | 17,341,295.01 | - | 17,341,295.01 |
| Construction in progress for the acquisition of the 750,000 shares of the subsidiary | 54,036,023.95 | - | 54,036,023.95 |
| Total | 164,248,308.91 | - | 164,248,308.91 |

| Items | Book balance | Closing balance
Impairment
provision | Net book
amount |
|--|-------------------------|--|-------------------------|
| Construction in progress for the acquisition of the 750,000 shares of the subsidiary | 823,934,022.33 | - | 823,934,022.33 |
| Construction in progress for the acquisition of the 750,000 shares of the subsidiary | 142,197,037.81 | - | 142,197,037.81 |
| Construction in progress for the acquisition of the 42 shares of the subsidiary | 75,478,773.23 | - | 75,478,773.23 |
| Construction in progress for the acquisition of the 42 shares of the subsidiary | 30,544,592.60 | - | 30,544,592.60 |
| Construction in progress for the acquisition of the 750,000 shares of the subsidiary | 87,034,964.32 | - | 87,034,964.32 |
| Construction in progress for the acquisition of the 750,000 shares of the subsidiary | 16,624,082.63 | - | 16,624,082.63 |
| Construction in progress for the acquisition of the 750,000 shares of the subsidiary | 31,172,825.64 | - | 31,172,825.64 |
| Total | 1,206,986,298.56 | - | 1,206,986,298.56 |

(3) The Company did not note any indicators of impairment; therefore there is no provision for impairment losses for construction in progress.

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

12. Intangible Assets

| Items | Land use rights | Emission rights | Software | Energy use rights | Total |
|-------------------------------------|-----------------|-----------------|----------------|-------------------|----------------|
| I. Original carrying amount | | | | | |
| 1. Land use rights | 266,519,817.32 | 42,326,520.04 | 144,731,091.46 | 7,595,886.72 | 461,173,315.54 |
| 2. Emission rights | - | 9,229,133.85 | - | - | 9,229,133.85 |
| (1) Land use rights | - | 9,229,133.85 | - | - | 9,229,133.85 |
| 3. Software | 266,519,817.32 | 51,555,653.89 | 144,731,091.46 | 7,595,886.72 | 470,402,449.39 |
| II. Accumulated amortisation | | | | | |
| 1. Land use rights | 42,522,233.60 | 22,745,719.58 | - | 3,619,221.38 | 68,887,174.56 |
| 2. Emission rights | 5,358,680.22 | 4,923,896.99 | - | 646,049.77 | 10,928,626.98 |
| (1) Land use rights | 5,358,680.22 | 4,923,896.99 | - | 646,049.77 | 10,928,626.98 |
| 3. Software | 47,880,913.82 | 27,669,616.57 | - | 4,265,271.15 | 79,815,801.54 |
| III. Book value | | | | | |
| 1. Land use rights | 218,638,903.50 | 23,886,037.32 | 144,731,091.46 | 3,330,615.57 | 390,586,647.85 |
| 2. Emission rights | 223,997,583.72 | 19,580,800.46 | 144,731,091.46 | 3,976,665.34 | 392,286,140.98 |

As at December 31, 2022, the carrying amount of the intangible assets was 210,153,509.35 (2021: 212,372,903.46).

Notes to the Financial Statements

2021年12月31日及2022年12月31日

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (continued)

13. Deferred income tax assets

(1) Deferred income tax assets before offsetting

| Items | Closing balance | | Total |
|-------|---------------------------------|-----------------|-------|
| | Deductible temporary difference | Deferred income | |

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

13. Deferred income tax assets (Continued)

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

| Items | Closing balance | | Book value | |
|---------------------------------|--|---|----------------|---------------|
| | Offset amount of deferred income tax assets and liabilities at the end of the year | Closing balance of deferred income tax assets or liabilities after offsetting | Original value | Reduced value |
| Deferred income tax assets | 30,518,058.69 | — | 17,286,023.78 | — |
| Deferred income tax liabilities | 30,518,058.69 | 46,362,774.56 | 17,286,023.78 | 8,557,857.51 |

14. Other Non-current Assets

| | Closing balance | Book value |
|------------------------------------|-------------------------|-------------------------|
| Long-term equity investments (RMB) | 6,598,167,528.88 | 4,251,050,891.03 |
| Other non-current assets | 417,603,497.43 | 371,121,058.88 |
| Total | 7,015,771,026.31 | 4,622,171,949.91 |

Long-term equity investments are accounted for using the equity method. Other non-current assets are accounted for using the cost method.

Notes to the Financial Statements

December 31, 2022

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

15. Short-term Borrowings

| Classification | Closing balance | Beginning balance |
|---|-------------------------|-------------------------|
| Bank borrowings (Note 1) | 750,000,000.00 | 720,757,000.00 |
| Bank borrowings payable (Note 1) (Note 2) | 530,000,000.00 | 344,392,500.00 |
| Other borrowings payable | 192,350,831.00 | 6,790,000.00 |
| Bank borrowings (Note 1) | 10,000,000.00 | - |
| Other borrowings payable | 10,000,000.00 | 190,000,000.00 |
| Total | 1,582,350,831.00 | 1,261,939,500.00 |

Note 1: Bank borrowings payable include bank borrowings payable with a term of less than 12 months (Note 10, 11 and 12), bank borrowings payable with a term of more than 12 months (Note 1).

Note 2: Bank borrowings payable include bank borrowings payable with a term of less than 12 months (Note 10, 11 and 12), bank borrowings payable with a term of more than 12 months (Note 1).

Bank borrowings payable include bank borrowings payable with a term of less than 12 months (Note 10, 11 and 12), bank borrowings payable with a term of more than 12 months (Note 1).

The bank borrowings payable are secured by bank borrowings payable with a term of less than 12 months (Note 10, 11 and 12), bank borrowings payable with a term of more than 12 months (Note 1).

16. Bills Payables

| Classification | Closing balance | Beginning balance |
|---------------------|-----------------------|-----------------------|
| Bank bills payable | 706,215,273.27 | 357,046,846.40 |
| Other bills payable | 50,000,000.00 | 200,000,000.00 |
| Total | 756,215,273.27 | 557,046,846.40 |

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

17. Trade Payables

(1) Listing of trade payables:

| Classification | Closing balance | Accounting amount |
|----------------|------------------|-------------------|
| Trade payables | 987,380,903.63 | 340,017,710.15 |
| Other payables | 236,785,151.92 | 534,166,043.44 |
| Total | 1,224,166,055.55 | 874,183,753.59 |

(2) Ageing analysis of trade payable based on the posting date:

| Items | Closing balance | Accounting amount |
|-----------------|------------------|-------------------|
| 1 year or less | 1,159,365,027.36 | 854,516,283.85 |
| 1-2 years | 48,755,480.24 | 13,540,369.51 |
| 2-3 years | 10,898,219.51 | 3,511,932.83 |
| 3 years or more | 5,147,328.44 | 2,615,167.40 |
| Total | 1,224,166,055.55 | 874,183,753.59 |

Notes to the Financial Statements

December 31, 2022

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

17. Trade Payables (Continued)

(2) Ageing analysis of trade payable based on the posting date: (Continued)

As at December 31, 2022, the ageing analysis is as follows:

| | Closing balance | Percentage of total closing balance |
|---------------|----------------------|-------------------------------------|
| Within 1 year | 57,978,525.19 | 89.15% |
| 1-2 years | 6,822,503.00 | 10.85% |
| 2-3 years | | |
| 3-4 years | | |
| 4-5 years | | |
| Over 5 years | | |
| Total | 64,801,028.19 | 100.00% |

18. Contract Liabilities

(1) Listing of contract liabilities:

| Classification | Closing balance | Percentage of total closing balance |
|----------------------|----------------------|-------------------------------------|
| Contract liabilities | 10,618,004.63 | 172,956,634.95 |
| Total | 10,618,004.63 | 172,956,634.95 |

The contract liabilities represent the advance payments received from customers for the purchase of products. The contract liabilities are recognized as revenue when the products are delivered to the customers. The contract liabilities are expected to be recognized as revenue within the next 12 months.

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

19. Payroll Payable

(1) Listing of payroll payable

| Items | 2022
December 31 | 2021
December 31 | 2020
December 31 | Closing balance |
|-----------------------|---------------------|---------------------|---------------------|-----------------|
| 1. Short-term payable | 27,815,264.00 | 265,757,833.02 | 254,910,092.70 | 38,663,004.32 |
| 2. Long-term payable | 1,063,237.78 | 17,684,118.21 | 16,784,620.81 | 1,962,735.18 |
| Total | 28,878,501.78 | 283,441,951.23 | 271,694,713.51 | 40,625,739.50 |

(2) Listing of short-term remuneration

| Classification | 2022
December 31 | 2021
December 31 | 2020
December 31 | Closing balance |
|---|---------------------|---------------------|---------------------|-----------------|
| Short-term remuneration payable to directors, supervisors and senior management | 23,770,732.79 | 225,480,742.05 | 212,417,214.12 | 36,834,260.72 |
| Short-term remuneration payable to other employees | - | 15,849,044.42 | 15,849,044.42 | - |
| Short-term remuneration payable to directors, supervisors and senior management of subsidiaries | 708,524.03 | 11,991,716.20 | 11,577,611.62 | 1,122,628.61 |
| Short-term remuneration payable to other employees of subsidiaries | 622,781.50 | 10,060,693.36 | 9,784,619.92 | 898,854.94 |
| Short-term remuneration payable to directors, supervisors and senior management of subsidiaries | 49,102.71 | 1,342,170.64 | 1,220,373.50 | 170,899.85 |
| Short-term remuneration payable to other employees of subsidiaries | 36,639.82 | 588,852.20 | 572,618.20 | 52,873.82 |
| Short-term remuneration payable to directors, supervisors and senior management of subsidiaries | 514,781.00 | 6,972,791.00 | 6,781,457.01 | 706,114.99 |
| Short-term remuneration payable to other employees of subsidiaries & subsidiaries | 2,821,226.18 | 5,463,539.35 | 8,284,765.53 | - |
| Total | 27,815,264.00 | 265,757,833.02 | 254,910,092.70 | 38,663,004.32 |

Notes to the Financial Statements

December 31, 2022

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

19. Payroll Payable (Continued)

(3) Listing of defined contribution plan

| Classification | 2022 | 2021 | 2020 | Closing balance |
|------------------------------|---------------------|----------------------|----------------------|---------------------|
| 1. Defined contribution plan | 1,026,568.62 | 17,094,966.52 | 16,226,490.52 | 1,895,044.62 |
| 2. Defined contribution plan | 36,669.16 | 589,151.69 | 558,130.29 | 67,690.56 |
| Total | 1,063,237.78 | 17,684,118.21 | 16,784,620.81 | 1,962,735.18 |

The defined contribution plan is a pension plan established by the Company for its employees. The plan is a defined contribution plan, and the Company's obligation is limited to the contributions made by the Company. The plan is subject to the provisions of the Pension Insurance Act. The plan is a defined contribution plan, and the Company's obligation is limited to the contributions made by the Company. The plan is subject to the provisions of the Pension Insurance Act.

The defined contribution plan is a pension plan established by the Company for its employees. The plan is a defined contribution plan, and the Company's obligation is limited to the contributions made by the Company. The plan is subject to the provisions of the Pension Insurance Act. The plan is a defined contribution plan, and the Company's obligation is limited to the contributions made by the Company. The plan is subject to the provisions of the Pension Insurance Act.

20. Taxes Payable

| Classification | Closing balance | 2022 |
|----------------------|---------------------|----------------------|
| Corporate income tax | 24,062,047.29 | 3,416,657.31 |
| Corporate income tax | 3,824,727.67 | 426,993.05 |
| Corporate income tax | 761,646.22 | 1,760.39 |
| Corporate income tax | 1,760.39 | 1,257.42 |
| Corporate income tax | 1,257.42 | 8,319,895.99 |
| Corporate income tax | — | 4,908,985.16 |
| Corporate income tax | — | 700,042.08 |
| Total | 1,554,947.79 | 17,775,591.40 |

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

21. Other Payables

As of December 31, 2022:

| Items | Closing balance | Change from prior period |
|---------------------|-------------------------|--------------------------|
| Accounts payable | 13,081,277.67 | 2,551,415.40 |
| Accounts receivable | 2,737,023.00 | 791,200.00 |
| Other receivables | 1,395,441,797.86 | 562,484,515.91 |
| Total | 1,411,260,098.53 | 565,827,131.31 |

(1) Interest payable

| Items | Closing balance | Change from prior period |
|------------------|----------------------|--------------------------|
| Interest payable | 7,430,077.54 | 1,125,486.10 |
| Interest payable | 4,175,391.12 | 1,425,929.30 |
| Interest payable | 1,475,809.01 | |
| Total | 13,081,277.67 | 2,551,415.40 |

Notes to the Financial Statements

December 31, 2022

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

21. Other Payables (Continued)

(2) Interest payable

| Items | Closing balance | Opening balance |
|------------------|-----------------|-----------------|
| Interest payable | 2,737,023.00 | 791,200.00 |
| Total | 2,737,023.00 | 791,200.00 |

(3) Other payables

| Classification | Closing balance | Opening balance |
|---------------------------------|------------------|-----------------|
| Accounts payable | 831,467,216.24 | 512,241,003.27 |
| Accounts payable (Note ()) 27) | 520,947,600.00 | |
| Accounts payable (Note ()) 27) | 23,806,600.00 | 32,096,200.00 |
| Accounts payable | 11,042,106.34 | 11,338,100.00 |
| Accounts payable | 4,830,346.66 | 4,192,122.86 |
| Accounts payable | 3,347,928.62 | 2,617,089.78 |
| Total | 1,395,441,797.86 | 562,484,515.91 |

Accounts payable are classified as current liabilities if they are due within one year from the reporting date. Accounts payable are classified as non-current liabilities if they are due after one year from the reporting date.

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (continued)

22. Long-Term Borrowings

(1) Categories of long-term borrowings

Notes to the Financial Statements

December 31, 2022

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

23. Deferred Revenue

| Classification | December 31, 2021 | December 31, 2022 | December 31, 2022 | Closing balance |
|----------------------|----------------------|-------------------|---------------------|---------------------|
| Contract liabilities | 13,423,678.16 | - | 4,590,107.26 | 8,833,570.90 |
| Total | 13,423,678.16 | - | 4,590,107.26 | 8,833,570.90 |

Contract liabilities explanation:

| Items | December 31, 2021 | December 31, 2022 | December 31, 2022 | Closing balance | Contract liabilities explanation |
|--|-------------------|-------------------|-------------------|-----------------|----------------------------------|
| At the end of 2021, the company signed 5.8 million square meters of contract orders for the production and sale of glass products, and the company has not yet completed the production and sale of the products. | 4,234,724.00 | - | 819,624.00 | 3,415,100.00 | Contract liabilities |
| At the end of 2021, the company signed 4,012,777.71 square meters of contract orders for the production and sale of glass products, and the company has not yet completed the production and sale of the products. | 4,012,777.71 | - | 1,006,666.70 | 3,006,111.01 | Contract liabilities |
| At the end of 2014, the company signed 2,790,000.00 square meters of contract orders for the production and sale of glass products, and the company has not yet completed the production and sale of the products. | 2,790,000.00 | - | 930,000.00 | 1,860,000.00 | Contract liabilities |
| At the end of 2012, the company signed 5.8 million square meters of contract orders for the production and sale of glass products, and the company has not yet completed the production and sale of the products. | 950,494.77 | - | 481,468.57 | 469,026.20 | Contract liabilities |
| At the end of 2012, the company signed 1# contract orders for the production and sale of glass products, and the company has not yet completed the production and sale of the products. | 190,291.55 | - | 106,957.86 | 83,333.69 | Contract liabilities |
| At the end of 2012, the company signed 2# contract orders for the production and sale of glass products, and the company has not yet completed the production and sale of the products. | 133,333.06 | - | 133,333.06 | - | Contract liabilities |
| At the end of 2012, the company signed 170,000 square meters of contract orders for the production and sale of glass products, and the company has not yet completed the production and sale of the products. | - | - | - | - | Contract liabilities |
| At the end of 2012, the company signed 2# contract orders for the production and sale of glass products, and the company has not yet completed the production and sale of the products. | - | - | - | - | Contract liabilities |

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

23. Deferred Revenue (Continued)

| Items | 2022
12/31 | 2022
9/30 | 2021
12/31 | Closing
balance | 2021
12/31 |
|--|----------------------|--------------|---------------------|---------------------|---------------|
| At December 31, 2015, the balance of deferred revenue was related to the sales of products to customers, which will be recognized in the future. | 424,778.42 | - | 424,778.42 | - | 424,778.42 |
| At December 31, 2012, the balance of deferred revenue was related to the sales of products to customers, which will be recognized in the future. | 83,495.42 | - | 83,495.42 | - | 83,495.42 |
| At December 31, 2012, the balance of deferred revenue was related to the sales of products to customers, which will be recognized in the future. | 603,783.23 | - | 603,783.23 | - | 603,783.23 |
| Total | 13,423,678.16 | - | 4,590,107.26 | 8,833,570.90 | - |

24. Other Comprehensive Income

| Items | 2022
12/31 | 2022
9/30 | 2021
12/31 | 2021
9/30 | Closing
balance |
|--|---------------------|---------------------|---------------------|--------------|-----------------------|
| At December 31, 2021, the balance of other comprehensive income was related to the sales of products to customers, which will be recognized in the future. | - | - | - | - | - |
| At December 31, 2021, the balance of other comprehensive income was related to the sales of products to customers, which will be recognized in the future. | (609,915.05) | (476,288.57) | (476,288.57) | - | (1,086,203.62) |
| At December 31, 2021, the balance of other comprehensive income was related to the sales of products to customers, which will be recognized in the future. | (609,915.05) | (476,288.57) | (476,288.57) | - | (1,086,203.62) |
| Total | (609,915.05) | (476,288.57) | (476,288.57) | - | (1,086,203.62) |

Notes to the Financial Statements

December 31, 2022

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

25. Undistributed Profit

| Items | Amount
for the year | Amount
at the end of the year |
|---|------------------------|----------------------------------|
| Undistributed profit from previous years | 2,894,223,275.67 | 1,862,201,037.65 |
| Net profit for the year | 340,316,191.44 | 1,401,607,683.56 |
| Less: Profit distributed to shareholders (100%, 41) | 89.13 | 47,656,457.44 |
| Undistributed profit for the year | 493,785,448.42 | 321,928,988.10 |
| Undistributed profit at the end of the year | 2,740,753,929.56 | 2,894,223,275.67 |

26. Operating Revenue and Operating Cost

(1) Operating revenue and operating cost

| Items | Amount for the year | | Amount
at the end of the year | |
|-------------------|-------------------------|-------------------------|----------------------------------|-------------------------|
| | Revenue | Cost | | |
| Operating revenue | 4,696,198,489.80 | 3,911,349,394.51 | 3,628,037,640.97 | 2,784,179,685.25 |
| Operating cost | 467,593,814.63 | 396,438,844.13 | 612,777,468.03 | 459,067,448.84 |
| Total | 5,163,792,304.43 | 4,307,788,238.64 | 4,240,815,109.00 | 3,243,247,134.09 |

The operating revenue and operating cost are derived from the following items:

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

26. Operating Revenue and Operating Cost (Continued)

(2) Disaggregation of operating income

Operating revenue disaggregated by type of goods or services:

| Items | PV glass | Amount for the year | | | | Total |
|-------------------|------------------|---------------------|---------------------|----------------|----------------|------------------|
| | | Household glass | Architectural glass | Float glass | Other business | |
| Operating revenue | 3,549,095,595.70 | 183,081,400.97 | 597,378,651.73 | 364,328,020.30 | 458,147,690.65 | 5,152,031,359.35 |
| Cost of sales | — | 1,042,837.16 | 263,759.94 | — | 9,446,123.98 | 10,752,721.08 |
| Operating profit | — | — | 1,008,224.00 | — | — | 1,008,224.00 |
| Operating profit | 3,549,095,595.70 | 184,124,238.13 | 598,650,635.67 | 364,328,020.30 | 467,593,814.63 | 5,163,792,304.43 |

| | | | | | | |
|-------------------|------------------|----------------|----------------|----------------|----------------|------------------|
| Operating revenue | 2,104,764,409.25 | 219,918,953.42 | 710,997,088.34 | 445,389,112.48 | 601,670,757.69 | 4,082,740,321.18 |
| Cost of sales | 142,954,183.91 | 1,645,078.01 | 1,975,996.85 | — | 11,106,710.34 | 157,681,969.11 |
| Operating profit | — | — | 392,818.71 | — | — | 392,818.71 |
| Operating profit | 2,247,718,593.16 | 221,564,031.43 | 713,365,903.90 | 445,389,112.48 | 612,777,468.03 | 4,240,815,109.00 |

Notes to the Financial Statements

December 31, 2022

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

26. Operating Revenue and Operating Cost (Continued)

(2) Disaggregation of operating income (Continued)

Amount for the year

| Items | PV glass | Household glass | Amount for the year | | Other business | Total |
|-------------------|------------------|-----------------|---------------------|----------------|----------------|------------------|
| | | | Architectural glass | Float glass | | |
| Operating revenue | 3,547,862,857.13 | 178,180,615.40 | 563,013,458.17 | 315,494,198.67 | 467,593,814.63 | 5,072,144,944.00 |
| Operating cost | 1,232,738.57 | 5,943,622.73 | 35,637,177.50 | 48,833,821.63 | | 91,647,360.43 |
| Net income | 3,549,095,595.70 | 184,124,238.13 | 598,650,635.67 | 364,328,020.30 | 467,593,814.63 | 5,163,792,304.43 |

| Items | PV glass | Household glass | Amount for the year | | Other business | Total |
|-------------------|------------------|-----------------|---------------------|----------------|----------------|------------------|
| | | | Architectural glass | Float glass | | |
| Operating revenue | 2,247,708,986.70 | 208,185,723.33 | 645,069,981.92 | 374,417,947.85 | 612,776,914.93 | 4,088,159,554.73 |
| Operating cost | 9,606.46 | 13,378,308.10 | 68,295,921.98 | 70,971,162.14 | | 154,254,208.68 |
| Net income | 2,247,708,986.70 | 208,185,723.33 | 645,069,981.92 | 374,417,947.85 | 612,776,914.93 | 4,088,159,554.73 |

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

27. Taxes and Surcharges

| Items | Amount
for the year | Amount
in U.S. dollars |
|----------------------------|------------------------|---------------------------|
| Corporate income tax | 4,896,716.45 | 3,265,166.73 |
| Individual income tax | 3,758,616.34 | 2,264,375.10 |
| Value-added tax | 1,808,456.40 | 2,139,583.33 |
| City maintenance tax | 21,124.68 | 859,473.86 |
| Other taxes and surcharges | 15,089.04 | 613,909.89 |
| | (4,908,985.16) | - |
| | <u>552,576.54</u> | <u>650,974.10</u> |
| | | |
| Total | 6,143,594.29 | 9,793,483.01 |

28. Selling Expenses

| Items | Amount
for the year | Amount
in U.S. dollars |
|---------------------------------|------------------------|---------------------------|
| Advertising and promotion | 39,444,623.71 | 7,602,538.22 |
| Transportation and distribution | 11,944,255.99 | 10,428,800.25 |
| Business entertainment | 108,401.85 | 9,055.84 |
| | <u>4,511,596.91</u> | <u>3,933,989.25</u> |
| | | |
| Total | 56,008,878.46 | 21,974,383.56 |

Notes to the Financial Statements

December 31, 2022

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

29. Administrative Expenses

| Items | Amount
for the year | Amount
for the year |
|---|------------------------|------------------------|
| Salaries and wages | 66,886,281.67 | 49,322,882.74 |
| Employee benefits | 31,948,589.20 | 37,007,309.90 |
| Depreciation and amortization | 10,720,713.88 | 5,319,779.52 |
| Office expenses | 9,798,936.85 | 9,693,021.07 |
| Transportation expenses | 8,162,394.31 | 4,691,694.27 |
| Travel expenses | 6,875,773.43 | 294,999.98 |
| Advertising expenses | 4,411,205.92 | 1,992,138.80 |
| Business entertainment expenses | 2,630,159.04 | 2,401,449.48 |
| Research and development expenses | 1,972,728.12 | 1,982,377.59 |
| Professional fees | 1,693,280.34 | 1,932,263.95 |
| Agency fees | 1,300,000.00 | 3,450,000.00 |
| Insurance | 831,347.72 | 2,747,682.60 |
| Interest expenses | 782,972.96 | 963,400.61 |
| Losses on disposal of non-current assets | 374,535.87 | 3,861,591.21 |
| Losses on disposal of financial assets | 220,957.49 | 308,204.61 |
| Losses on disposal of investment properties | — | 7,384,671.46 |
| | 4,063,189.45 | 4,206,602.63 |
| | 152,673,066.25 | 137,560,070.42 |

30. Research and Development Expenses

| Items | Amount
for the year | Amount
for the year |
|-------------------------------|------------------------|------------------------|
| Salaries and wages | 102,166,302.68 | 97,586,650.45 |
| Employee benefits | 61,798,816.08 | 44,228,068.70 |
| Depreciation and amortization | 8,479,732.97 | 8,929,509.02 |
| Office expenses | 9,626,469.45 | 11,445,324.44 |
| | 182,071,321.18 | 162,189,552.61 |

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

31. Finance Expenses

| Items | Amount
for the year | Amount
in U.S. dollars |
|-------------------------------|------------------------|---------------------------|
| Interest expenses | 243,702,867.66 | 44,142,410.74 |
| Finance charges | 39,915,635.70 | 16,825,294.54 |
| Handwritten interest expenses | 3,214,088.24 | 1,297,680.54 |
| Handwritten interest expenses | (93,108,601.87) | (4,395,436.39) |
| Total | 113,892,718.33 | 24,219,360.35 |

32. Other Revenues

| Sources of other revenues | Amount
for the year | Amount
in U.S. dollars |
|--|------------------------|---------------------------|
| Handwritten revenues from the sale of property | 18,679,360.00 | — |
| Handwritten revenues from the sale of property | 4,590,107.26 | 10,063,370.41 |
| Handwritten revenues from the sale of property | 2,869,800.00 | 1,436,100.00 |
| Handwritten revenues from the sale of property | 2,500,000.00 | — |
| Handwritten revenues from the sale of property | 1,659,312.58 | — |
| Handwritten revenues from the sale of property | 785,468.00 | — |
| Handwritten revenues from the sale of property | 750,000.00 | — |
| Handwritten revenues from the sale of property | 584,232.77 | 328,891.39 |
| Handwritten revenues from the sale of property | 500,000.00 | — |
| Handwritten revenues from the sale of property | — | 4,470,500.00 |
| Handwritten revenues from the sale of property | — | 4,000,000.00 |
| Handwritten revenues from the sale of property | — | 500,000.00 |
| Handwritten revenues from the sale of property | — | 500,000.00 |
| Handwritten revenues from the sale of property | — | 300,000.00 |
| Handwritten revenues from the sale of property | — | 200,000.00 |
| Handwritten revenues from the sale of property | — | 200,000.00 |
| Total | 33,830,556.61 | 22,642,494.29 |

Notes to the Financial Statements

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(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (continued)

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

36. Gains on Disposal of Asset

| Item | Amount
for the year | Amount
in thousands of RMB |
|---|------------------------|-------------------------------|
| Disposal of property, plant and equipment | 515,053.81 | 4,838,620.24 |

37. Non-operating Income

| Items | Amount
for the year | Amount
in thousands of RMB |
|--------------------------------|------------------------|-------------------------------|
| Government subsidies (Note 43) | — | 100,000.00 |
| | 685,390.38 | 416,476.14 |
| Total | 685,390.38 | 516,476.14 |

38. Non-operating Expenses

| Items | Amount
for the year | Amount
in thousands of RMB |
|---------------------------------------|------------------------|-------------------------------|
| Impairment loss on disposal of assets | 2,125,838.80 | 1,251,000.00 |
| | 8,051.18 | 1,670,500.29 |
| Total | 2,133,889.98 | 2,921,500.29 |

Notes to the Financial Statements

December 31, 2022

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

39. Income Tax Expense

| Items | Amount
for the year | Amount
for the year |
|------------------------------|------------------------|------------------------|
| Corporate income tax expense | — | 56,255,483.83 |
| Deferred tax expense | (6,691,984.00) | (1,613,250.77) |
| Current tax expense | 37,804,917.05 | 29,686,764.70 |
| Total | 31,112,933.05 | 84,328,997.76 |

| Items | Amount
for the year | Amount
for the year |
|--|------------------------|------------------------|
| Corporate income tax | 371,429,124.49 | 1,485,936,681.32 |
| Corporate income tax payable at December 31, 2022: 15% (2021: 15%) | 55,714,368.67 | 222,890,502.20 |
| Income tax payable for the year | 15,599,715.91 | 1,272,669.08 |
| Income tax expense | — | (120,526,047.97) |
| Deferred tax expense | (6,691,984.00) | (1,613,250.77) |
| Income tax expense | (11,960,766.40) | — |
| Income tax payable at December 31, 2021: 15% (2020: 15%) | (21,548,401.13) | (17,694,874.78) |
| Income tax expense | 31,112,933.05 | 84,328,997.76 |

(XIV)

Notes to the Financial Statements

December 31, 2022

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

40. Notes to Items of Cash Flow Statement (Continued)

(3) Cash received relating to other investment activities

| Items | Amount
for the year | Amount
in thousands of RMB |
|--|-------------------------|-------------------------------|
| Dividends received from subsidiaries | 39,597,589.45 | 35,120,339.57 |
| Dividends received from associates | 3,500.00 | 4,453,400.00 |
| Dividends received from other entities | 5,241,068,233.49 | 304,036,534.71 |
| Total | 5,280,669,322.94 | 343,610,274.28 |

(4) Cash paid relating to other investment activities

| Items | Amount
for the year | Amount
in thousands of RMB |
|-----------------------------------|-------------------------|-------------------------------|
| Interest paid on bank borrowings | 8,278,808,835.03 | 3,160,422,199.07 |
| Interest paid on other borrowings | 30,618,224.96 | 25,153,617.47 |
| Interest paid | 5,326,400.00 | 8,881,011.92 |
| Total | 8,314,753,459.99 | 3,194,456,828.46 |

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

40. Notes to Items of Cash Flow Statement (Continued)

(5) Cash received relating to other financing activities

| Items | Amount
for the year | Amount
in million RMB |
|------------------------------|------------------------|--------------------------|
| Proceeds from bank loans | 481,009,918.05 | 127,972,201.44 |
| Proceeds from long-term debt | 358,226,212.97 | 70,100,449.75 |
| Total | 839,236,131.02 | 198,072,651.19 |

(6) Cash paid relating to other financing activities

| Items | Amount
for the year | Amount
in million RMB |
|---------------------------------|------------------------|--------------------------|
| Interest paid on bank loans | 39,000,000.00 | 1,150,283,770.05 |
| Interest paid on long-term debt | 767,951,764.34 | 174,921,416.20 |
| Dividends paid to shareholders | — | 1,325,756.98 |
| Total | 806,951,764.34 | 1,326,530,943.23 |

Notes to the Financial Statements

December 31, 2022

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

41. Supplementary Information for Cash Flow Statement

(1) Supplementary information for cash flow statement

| Supplementary information | Amount
for the year | Amount
for the year |
|---|------------------------|------------------------|
| (1) Operating activities | | |
| Net income | 340,316,191.44 | 1,401,607,683.56 |
| Adjustments to reconcile net income to net cash provided by operating activities: | 824,680.43 | 9,739,396.44 |
| Depreciation and amortization | 16,741,308.91 | (23,816,457.19) |
| Provision for doubtful accounts | 244,268,126.62 | 180,147,452.14 |
| Change in accounts receivable | 10,928,626.98 | 8,850,514.89 |
| Change in accounts payable | 866,710.47 | 98,490.98 |
| Change in prepayments | (515,053.81) | (4,838,620.24) |
| Change in other receivables | 160,169,742.93 | 44,142,410.74 |
| Change in other payables | (10,883,515.73) | (804,952,405.23) |
| Change in deferred income | - | 21,128,907.19 |
| Change in other non-current assets | 37,804,917.05 | 8,557,857.51 |
| Change in other non-current liabilities | (231,957,195.34) | (149,548,891.50) |
| Change in income taxes payable | (1,655,418,681.08) | (75,973,634.82) |
| Change in income taxes receivable | 355,627,739.16 | 439,694,493.39 |
| Change in other non-current liabilities | (4,590,107.26) | (10,063,370.41) |
| Change in other non-current assets | 31,948,589.20 | 37,007,309.90 |
| Change in other non-current liabilities | (703,867,920.03) | 1,081,781,137.36 |
| Net cash provided by operating activities | 918,983,312.20 | 445,104,022.54 |
| (2) Investing activities | | |
| Net cash provided by investing activities | 445,104,022.54 | 188,559,197.40 |
| Net cash provided by investing activities | 473,879,289.66 | 256,544,825.14 |

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

41. Supplementary Information for Cash Flow Statement (Continued)

(2) Component of cash and cash equivalents

| Items | Closing balance | Beginning balance |
|---|-----------------|-------------------|
| Cash | 918,983,312.20 | 445,104,022.54 |
| Deposits with banks | 12,539.79 | 32,255.75 |
| Deposits with financial institutions | 918,970,772.41 | 445,071,766.79 |
| Deposits with subsidiaries and affiliates | — | — |
| Deposits with other parties | — | — |
| Other cash equivalents | 918,983,312.20 | 445,104,022.54 |

42. Assets with Restricted Ownership or Use Rights

| Items | Closing balance
of book value | Beginning balance |
|------------------------------|----------------------------------|-------------------|
| Fixed assets | 425,953,563.97 | 425,953,563.97 |
| Intangible assets | 35,918,137.34 | 35,918,137.34 |
| Investment properties | 158,508,342.52 | 158,508,342.52 |
| Long-term equity investments | 1,177,954,933.01 | 1,177,954,933.01 |
| Other long-term assets | 18,602,073.80 | 18,602,073.80 |
| Other assets | 210,153,509.35 | 210,153,509.35 |
| Total | 2,027,090,559.99 | 2,027,090,559.99 |

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

44. Related Parties and Related Party Transactions (Continued)

(2) Related party transactions

1) Purchase of goods

| Item | Unit | Amount
for the year | Amount
for the year |
|-----------------|------|------------------------|------------------------|
| Amount | | | |
| Amount | | 356,758,205.34 | 489,678,464.75 |
| (Amount) | | 314,822,978.26 | 41,105,170.52 |
| Amount | | 149,768,376.38 | 201,967,447.98 |
| Amount | | 100,785,869.35 | 237,602,003.78 |
| (Amount) | | 9,489,982.93 | 1,931,830.03 |
| Amount & others | | 37,798,855.04 | 14,944,859.14 |
| Amount | | 8,559.20 | 553.10 |
| Total | | 969,432,826.50 | 987,230,329.30 |

Notes to the Financial Statements

December 31, 2022

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

44. Related Parties and Related Party Transactions (Continued)

(3) Related leases

| The amount of the related party transactions | | Amount in thousands of RMB | |
|--|---------------|---|--------------|
| | 2022 | Amount for the year
Recognised
rental incomes | 2021 |
| Lease income from related parties | ¥6,035,622.84 | | |
| Lease income from related parties | ¥6,035,622.84 | 6,035,622.84 | 6,035,622.84 |

| The amount of the related party transactions | | Amount in thousands of RMB | |
|--|---------------|--|--------------|
| | 2022 | Amount for the year
Recognised
rental expenses | 2021 |
| Lease expenses to related parties | ¥8,499,629.28 | | |
| Lease expenses to related parties | ¥8,499,629.28 | 8,499,629.28 | 7,760,530.68 |

(4) Sale of fixed assets

| The amount of the related party transactions | | Amount in thousands of RMB | |
|--|-------------|----------------------------|------------|
| | 2022 | Amount for the year | 2021 |
| Sale of fixed assets to related parties | ¥277,663.56 | 277,663.56 | 2,654.87 |
| Sale of fixed assets to related parties | ¥410.88 | 410.88 | 87,869.68 |
| Sale of fixed assets to related parties | ¥- | - | 15,486.73 |
| Sale of fixed assets to related parties | ¥278,074.44 | 278,074.44 | 106,011.28 |

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (continued)

44. Related Parties and Related Party Transactions (continued)

(5) Procurement of fixed assets and engineering materials

1. 2022

Notes to the Financial Statements

December 31, 2022

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

44. Related Parties and Related Party Transactions (Continued)

(6) Amounts due to/from related parties (Continued)

| Account | Relationship | Closing balance | Reconciliation |
|---------------------|----------------------------------|-------------------------|-------------------------|
| Accounts payable | (Holding company) | 1,144,467,141.56 | 793,593,817.53 |
| Accounts payable | Guangdong Hengda Glass Co., Ltd. | 406,000,000.00 | - |
| Accounts payable | Guangdong Hengda Glass Co., Ltd. | 239,552,000.00 | - |
| Accounts payable | Guangdong Hengda Glass Co., Ltd. | 2,900,000.00 | 1,500,000.00 |
| Accounts payable | Guangdong Hengda Glass Co., Ltd. | 1,138,993.69 | - |
| Accounts payable | Guangdong Hengda Glass Co., Ltd. | 500,000.00 | - |
| Accounts payable | Guangdong Hengda Glass Co., Ltd. | 500,000.00 | - |
| Accounts payable | Guangdong Hengda Glass Co., Ltd. | - | 800,000,000.00 |
| Accounts payable | Guangdong Hengda Glass Co., Ltd. | - | 236,535,030.00 |
| Accounts payable | Guangdong Hengda Glass Co., Ltd. | - | 16,000.00 |
| Total | | 1,795,058,135.25 | 1,831,644,847.53 |
| Accounts receivable | Guangdong Hengda Glass Co., Ltd. | 6,137,472,218.16 | 3,144,025,000.00 |
| Accounts receivable | Guangdong Hengda Glass Co., Ltd. | 457,100,000.00 | 762,471,699.07 |
| Accounts receivable | Guangdong Hengda Glass Co., Ltd. | 3,595,310.72 | 344,554,191.96 |
| Total | | 6,598,167,528.88 | 4,251,050,891.03 |
| Prepaid expenses | Guangdong Hengda Glass Co., Ltd. | 25,604.55 | 25,604.55 |
| Prepaid expenses | (Holding company) | 509,285,802.74 | 509,285,802.74 |
| Prepaid expenses | Guangdong Hengda Glass Co., Ltd. | 203,464,970.00 | - |
| Prepaid expenses | Guangdong Hengda Glass Co., Ltd. | 72,297,600.00 | - |
| Prepaid expenses | Guangdong Hengda Glass Co., Ltd. | 25,418,843.50 | - |
| Prepaid expenses | Guangdong Hengda Glass Co., Ltd. | 11,000,000.00 | 2,955,200.53 |
| Prepaid expenses | Guangdong Hengda Glass Co., Ltd. | 10,000,000.00 | - |
| Prepaid expenses | Guangdong Hengda Glass Co., Ltd. | 300,000.00 | - |
| Total | | 831,767,216.24 | 512,241,003.27 |

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

44. Related Parties and Related Party Transactions (Continued)

(6) Amounts due to/from related parties (Continued)

| Company | Relationship | Closing balance | Amount due to/from related parties |
|----------------------------|----------------|-----------------|------------------------------------|
| Flat Glass Group Co., Ltd. | Parent company | 149,743,753.24 | 149,743,753.24 |
| Flat Glass Group Co., Ltd. | Subsidiary | 91,188,647.33 | 6,254,190.89 |
| Flat Glass Group Co., Ltd. | Subsidiary | 21,839,444.08 | 5,354,703.30 |
| Flat Glass Group Co., Ltd. | Subsidiary | 16,146,812.79 | 5,713,422.80 |
| Flat Glass Group Co., Ltd. | Subsidiary | 6,283,744.31 | |
| Flat Glass Group Co., Ltd. | Subsidiary | 2,143,921.86 | |
| Flat Glass Group Co., Ltd. | Subsidiary | 1,908,266.72 | |
| Flat Glass Group Co., Ltd. | Subsidiary | 509,950.00 | |
| Flat Glass Group Co., Ltd. | Subsidiary | 200,000.00 | |
| Flat Glass Group Co., Ltd. | Subsidiary | 27,600.57 | 173,342.70 |
| Flat Glass Group Co., Ltd. | Subsidiary | 289,992,140.90 | 17,495,659.69 |

Notes to the Financial Statements

December 31, 2022

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

44. Related Parties and Related Party Transactions (Continued)

(7) Borrowings to related parties

| Related parties | Year beginning amount | Year ending amount | Interest rate | Interest | Year end amount | Interest rate |
|---|-----------------------|--------------------|---------------|------------|------------------|------------------------------|
| During the year | | | | | | |
| Shanghai Zhongyuan Glass Co., Ltd. | | 236,535,030.00 | | | - | Interest-free, no collateral |
| Shanghai Zhongyuan Glass Co., Ltd. | | | 2021-01-01 | 2023-12-31 | 100,000,000.00 | Interest-free, no collateral |
| Shanghai Zhongyuan Glass Co., Ltd. | | | 2021-01-01 | 2023-12-31 | 500,000,000.00 | Interest-free, no collateral |
| Shanghai Zhongyuan Glass Co., Ltd. | | | 2021-01-01 | 2023-12-31 | 1,444,025,000.00 | Interest-free, no collateral |
| Shanghai Zhongyuan Glass Co., Ltd. | 5,649,506,841.34 | 2,656,059,623.18 | | | 4,093,447,218.16 | Interest-free, no collateral |
| Shanghai Zhongyuan Glass Co., Ltd. | 976,000,000.00 | 1,281,371,699.07 | | | 457,100,000.00 | Interest-free, no collateral |
| Shanghai Zhongyuan Glass Co., Ltd. & Shanghai Zhongyuan Glass Co., Ltd. | 167,661,000.00 | 508,619,881.24 | | | 3,595,310.72 | Interest-free, no collateral |
| Shanghai Zhongyuan Glass Co., Ltd. (Holding Company) | 443,524.03 | | | | 16,201,941.56 | Interest-free, no collateral |
| Shanghai Zhongyuan Glass Co., Ltd. (Holding Company) | 7,066,800.00 | | 2021-03-10 | 2023-03-09 | 83,575,200.00 | Interest-free, 2.5% |
| Shanghai Zhongyuan Glass Co., Ltd. (Holding Company) | 14,722,500.00 | | 2021-03-10 | 2023-04-13 | 174,115,000.00 | Interest-free, 2.5% |
| Shanghai Zhongyuan Glass Co., Ltd. (Holding Company) | 5,889,000.00 | | 2021-02-26 | 2023-02-28 | 69,646,000.00 | Interest-free, 2.5% |
| Shanghai Zhongyuan Glass Co., Ltd. (Holding Company) | 5,889,000.00 | | 2021-07-19 | 2023-07-18 | 69,646,000.00 | Interest-free, 2.5% |
| Shanghai Zhongyuan Glass Co., Ltd. (Holding Company) | 11,778,000.00 | | 2021-09-01 | 2023-08-31 | 139,292,000.00 | Interest-free, 2.5% |
| Shanghai Zhongyuan Glass Co., Ltd. (Holding Company) | 11,778,000.00 | | 2021-10-27 | 2023-10-26 | 139,292,000.00 | Interest-free, 2.5% |
| Shanghai Zhongyuan Glass Co., Ltd. (Holding Company) | 14,722,500.00 | | 2021-11-30 | 2023-11-29 | 174,115,000.00 | Interest-free, 2.5% |
| Shanghai Zhongyuan Glass Co., Ltd. (Holding Company) | 139,292,000.00 | | 2022-03-14 | 2023-03-13 | 139,292,000.00 | Interest-free, 2.5% |
| Shanghai Zhongyuan Glass Co., Ltd. (Holding Company) | 139,292,000.00 | | 2022-04-13 | 2023-03-14 | 139,292,000.00 | Interest-free, 2.5% |
| Shanghai Zhongyuan Glass Co., Ltd. | 1,400,000.00 | | | | 2,900,000.00 | Interest-free, no collateral |
| Shanghai Zhongyuan Glass Co., Ltd. | | 16,000.00 | | | - | Interest-free, no collateral |
| Shanghai Zhongyuan Glass Co., Ltd. | 636,000,000.00 | 230,000,000.00 | | | 406,000,000.00 | Interest-free, no collateral |
| Shanghai Zhongyuan Glass Co., Ltd. | 568,018,000.00 | 328,466,000.00 | | | 239,552,000.00 | Interest-free, no collateral |
| Shanghai Zhongyuan Glass Co., Ltd. | 1,138,993.69 | | | | 1,138,993.69 | Interest-free, no collateral |
| Shanghai Zhongyuan Glass Co., Ltd. | 500,000.00 | | | | 500,000.00 | Interest-free, no collateral |

(XIV)

| Related parties | 2023 12 31 | 2022 12 31 | 2021 12 31 | 2020 12 31 | Year end amount | Interest rate |
|----------------------------|------------------|----------------|------------|------------|------------------|---------------|
| Flat Glass Group Co., Ltd. | 454,500,000.00 | 278,964,970.00 | - | - | 236,535,030.00 | Interest-free |
| Flat Glass Group Co., Ltd. | - | - | 2021 01 01 | 2023 12 31 | 100,000,000.00 | 4.75% |
| Flat Glass Group Co., Ltd. | - | - | 2021 01 01 | 2023 12 31 | 500,000,000.00 | 4.75% |
| Flat Glass Group Co., Ltd. | - | - | 2021 01 01 | 2023 12 31 | 1,444,025,000.00 | 4.75% |
| Flat Glass Group Co., Ltd. | 1,400,000,000.00 | 300,000,000.00 | - | - | 1,100,000,000.00 | Interest-free |
| Flat Glass Group Co., Ltd. | - | 2,597,573.69 | - | - | - | Interest-free |
| Flat Glass Group Co., Ltd. | - | 158,695.03 | - | - | - | Interest-free |
| Flat Glass Group Co., Ltd. | 762,471,699.07 | - | - | - | 762,471,699.07 | Interest-free |
| Flat Glass Group Co., Ltd. | - | 15,037,170.09 | - | - | 344,554,191.96 | Interest-free |
| Flat Glass Group Co., Ltd. | - | 1,757,725.90 | - | - | 15,758,417.53 | Interest-free |
| Flat Glass Group Co., Ltd. | - | 1,790,400.00 | 2021 03 10 | 2022 03 09 | 76,508,400.00 | 2.5% |
| Flat Glass Group Co., Ltd. | - | 3,730,000.00 | 2021 03 10 | 2022 03 09 | 159,392,500.00 | 2.5% |
| Flat Glass Group Co., Ltd. | 63,757,000.00 | - | 2021 02 26 | 2022 02 25 | 63,757,000.00 | 2.5% |
| Flat Glass Group Co., Ltd. | 63,757,000.00 | - | 2021 07 19 | 2022 07 18 | 63,757,000.00 | 2.5% |
| Flat Glass Group Co., Ltd. | 127,514,000.00 | - | 2021 09 01 | 2022 08 31 | 127,514,000.00 | 2.5% |
| Flat Glass Group Co., Ltd. | 127,514,000.00 | - | 2021 10 27 | 2022 10 26 | 127,514,000.00 | 2.5% |
| Flat Glass Group Co., Ltd. | 159,392,500.00 | - | 2021 11 30 | 2022 11 29 | 159,392,500.00 | 2.5% |
| Flat Glass Group Co., Ltd. | 1,500,000.00 | - | - | - | 1,500,000.00 | Interest-free |
| Flat Glass Group Co., Ltd. | 16,000.00 | - | - | - | 16,000.00 | Interest-free |

Notes to the Financial Statements

December 31, 2022

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

44. Related Parties and Related Party Transactions (Continued)

(8) Borrowings from related parties

| Related parties | 2022 | 2021 | 2020 | 2019 | Year end amount | 2018 |
|---|----------------|------------------|------|------|-----------------|----------------|
| During the year | | | | | | |
| China Glass (Holding) Co., Ltd. | 509,285,802.74 | - | - | - | 509,285,802.74 | 509,285,802.74 |
| China Glass Group Co., Ltd. | 8,044,799.47 | - | - | - | 11,000,000.00 | 11,000,000.00 |
| China Glass Engineering & Technology Co., Ltd. | 111,297,600.00 | 39,000,000.00 | - | - | 72,297,600.00 | 72,297,600.00 |
| China Glass Engineering & Technology Co., Ltd. & Subsidiaries | 25,418,843.50 | - | - | - | 25,418,843.50 | 25,418,843.50 |
| China Glass Engineering & Technology Co., Ltd. Subsidiaries | 203,464,970.00 | - | - | - | 203,464,970.00 | 203,464,970.00 |
| China Glass Engineering & Technology Co., Ltd. Subsidiaries | 10,000,000.00 | - | - | - | 10,000,000.00 | 10,000,000.00 |
| China Glass Engineering & Technology Co., Ltd. Subsidiaries | - | - | - | - | - | - |
| China Glass (Holding) Co., Ltd. | 67,145,249.22 | 49,172,043.48 | - | - | 509,285,802.74 | 509,285,802.74 |
| China Glass Engineering & Technology Co., Ltd. | - | 1,101,103,489.19 | - | - | - | - |
| China Glass Group Co., Ltd. | 2,955,200.53 | - | - | - | 2,955,200.53 | 2,955,200.53 |
| | | | | | | |

(9) Interest income

| Related parties | Content of the related party transaction | Amount for the year | 2018 |
|--|--|---------------------|----------------|
| China Glass (Holding) Co., Ltd. | Interest income | 27,590,844.58 | 9,360,004.02 |
| China Glass Engineering & Technology Co., Ltd. | Interest income | - | 97,091,187.50 |
| | | 27,590,844.58 | 106,451,191.52 |

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

44. Related Parties and Related Party Transactions (Continued)

(10) Receiving guarantees from related parties

| Guarantor(s) | Guaranteed parties | Amount guaranteed | Commencement date | Expiry date | Fulfilment of the guarantee as at 31 December 2022 |
|----------------------------|----------------------------|-------------------|-------------------|-------------|--|
| During the year | | | | | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 50,000,000.00 | 2021 10 29 | 2022 10 28 | Fulfilment |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 100,000,000.00 | 2022 07 28 | 2022 12 13 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 180,000,000.00 | 2022 07 28 | 2022 12 30 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 20,000,000.00 | 2022 07 28 | 2023 07 28 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 200,000,000.00 | 2022 07 29 | 2023 07 27 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 500,000.00 | 2021 11 17 | 2022 06 20 | Fulfilment |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 500,000.00 | 2021 11 17 | 2022 12 20 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 500,000.00 | 2021 11 17 | 2023 06 20 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 500,000.00 | 2021 11 17 | 2023 12 20 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 500,000.00 | 2021 11 17 | 2024 06 20 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 197,500,000.00 | 2021 11 17 | 2024 11 16 | Fulfilment |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 500,000.00 | 2021 11 19 | 2022 06 20 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 500,000.00 | 2021 11 19 | 2022 12 20 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 500,000.00 | 2021 11 19 | 2023 06 20 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 500,000.00 | 2021 11 19 | 2023 12 20 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 500,000.00 | 2021 11 19 | 2024 06 20 | Fulfilment |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 197,500,000.00 | 2021 11 19 | 2024 11 16 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 10,000,000.00 | 2022 11 30 | 2023 06 15 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 10,000,000.00 | 2022 11 30 | 2023 12 15 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 20,000,000.00 | 2022 11 30 | 2024 06 15 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 20,000,000.00 | 2022 11 30 | 2024 12 15 | Fulfilment |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 20,000,000.00 | 2022 11 30 | 2025 06 15 | |

Notes to the Financial Statements

2021 2022

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

44. Related Parties and Related Party Transactions (Continued)

(10) Receiving guarantees from related parties (Continued)

| Guarantor(s) | Guaranteed parties | Amount guaranteed | Commencement date | Expiry date | Fulfilment of the guarantee as at 31 December 2022 |
|--------------|--------------------|-------------------|-------------------|-------------|--|
| Amoy | Amoy | 20,000,000.00 | 2022 11 30 | 2025 11 29 | |
| Amoy | Amoy | 31,878,500.00 | 2021 11 26 | 2022 07 18 | |
| Amoy | Amoy | 127,514,000.00 | 2021 11 26 | 2022 11 01 | |
| Amoy | Amoy | 99,000,000.00 | 2021 06 17 | 2022 04 27 | |
| Amoy | Amoy | 3,000,000.00 | 2021 07 20 | 2022 01 17 | |
| Amoy | Amoy | 2,000,000.00 | 2021 07 30 | 2022 01 26 | |
| Amoy | Amoy | 2,000,000.00 | 2021 08 09 | 2022 02 07 | |
| Amoy | Amoy | 3,000,000.00 | 2021 08 19 | 2022 02 09 | |
| Amoy | Amoy | 3,000,000.00 | 2021 09 09 | 2022 03 07 | |
| Amoy | Amoy | 3,000,000.00 | 2021 09 18 | 2022 03 16 | |
| Amoy | Amoy | 4,000,000.00 | 2021 09 29 | 2022 03 28 | |
| Amoy | Amoy | 3,000,000.00 | 2021 10 19 | 2022 04 18 | |
| Amoy | Amoy | 4,000,000.00 | 2021 10 29 | 2022 04 26 | |
| Amoy | Amoy | 3,000,000.00 | 2021 11 19 | 2022 05 09 | |
| Amoy | Amoy | 3,000,000.00 | 2021 12 09 | 2022 06 06 | |
| Amoy | Amoy | 3,000,000.00 | 2021 12 16 | 2022 06 13 | |
| Amoy | Amoy | 4,000,000.00 | 2022 01 07 | 2022 06 27 | |
| Amoy | Amoy | 3,000,000.00 | 2022 01 18 | 2022 07 18 | |
| Amoy | Amoy | 4,000,000.00 | 2022 01 27 | 2022 07 25 | |
| Amoy | Amoy | 3,000,000.00 | 2022 02 08 | 2022 08 08 | |
| Amoy | Amoy | 3,000,000.00 | 2022 02 18 | 2022 08 16 | |
| Amoy | Amoy | 4,000,000.00 | 2022 02 25 | 2022 08 23 | |
| Amoy | Amoy | 3,000,000.00 | 2022 03 09 | 2022 09 05 | |
| Amoy | Amoy | 3,000,000.00 | 2022 03 18 | 2022 09 13 | |
| Amoy | Amoy | 4,000,000.00 | 2022 03 30 | 2022 09 26 | |
| Amoy | Amoy | 3,000,000.00 | 2022 04 08 | 2022 10 08 | |
| Amoy | Amoy | 3,000,000.00 | 2022 04 18 | 2022 10 12 | |
| Amoy | Amoy | 7,000,000.00 | 2022 04 29 | 2022 10 25 | |

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

44. Related Parties and Related Party Transactions (Continued)

(10) Receiving guarantees from related parties (Continued)

| Guarantor(s) | Guaranteed parties | Amount guaranteed | Commencement date | Expiry date | Fulfilment of the guarantee as at 31 December 2022 |
|----------------------------|----------------------------|-------------------|-------------------|-------------|--|
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 100,000,000.00 | 2022-04-18 | 2023-01-27 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 20,000,000.00 | 2022-05-30 | 2022-11-23 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 9,000,000.00 | 2022-07-19 | 2023-01-16 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 12,000,000.00 | 2022-07-29 | 2023-01-30 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 9,000,000.00 | 2022-08-09 | 2023-02-06 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 9,000,000.00 | 2022-08-19 | 2023-02-14 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 11,000,000.00 | 2022-08-29 | 2023-02-21 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 10,000,000.00 | 2022-10-28 | 2023-04-24 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 150,000,000.00 | 2022-11-08 | 2023-07-01 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 80,000,000.00 | 2020-12-28 | 2023-12-27 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 150,000,000.00 | 2022-10-08 | 2025-10-07 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 90,000,000.00 | 2020-11-16 | 2023-11-15 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 100,000.00 | 2021-12-07 | 2022-06-06 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 100,000.00 | 2021-12-07 | 2022-12-05 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 100,000.00 | 2021-12-07 | 2023-06-03 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 100,000.00 | 2021-12-07 | 2023-12-03 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 100,000.00 | 2021-12-07 | 2024-06-03 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 119,500,000.00 | 2021-12-07 | 2024-12-03 | |

Notes to the Financial Statements

December 31, 2022

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

44. Related Parties and Related Party Transactions (Continued)

(10) Receiving guarantees from related parties (Continued)

| Guarantor(s) | Guaranteed parties | Amount guaranteed | Commencement date | Expiry date | Fulfilment of the guarantee as at 31 December 2021 |
|----------------------------|----------------------------|-------------------|-------------------|-------------|--|
| During last year | | | | | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 39,149,400.00 | 2020-02-17 | 2021-02-10 | Fulfilled |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 50,241,730.00 | 2020-02-27 | 2021-02-25 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 50,000,000.00 | 2021-10-29 | 2022-10-28 | Fulfilled |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 40,000,000.00 | 2021-11-17 | 2024-10-16 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 40,000,000.00 | 2021-11-19 | 2024-10-19 | Fulfilled |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 80,000,000.00 | 2020-12-28 | 2023-12-27 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 90,000,000.00 | 2020-11-16 | 2023-11-15 | Fulfilled |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 1,000,000.00 | 2021-06-10 | 2021-06-18 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 99,000,000.00 | 2021-06-17 | 2022-05-01 | Fulfilled |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 3,000,000.00 | 2021-07-20 | 2022-01-17 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 2,000,000.00 | 2021-07-30 | 2022-01-16 | Fulfilled |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 2,000,000.00 | 2021-08-09 | 2022-02-07 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 3,000,000.00 | 2021-08-19 | 2022-02-09 | Fulfilled |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 3,000,000.00 | 2021-09-09 | 2022-03-07 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 3,000,000.00 | 2021-09-18 | 2022-03-16 | Fulfilled |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 4,000,000.00 | 2021-09-29 | 2022-03-28 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 3,000,000.00 | 2021-10-19 | 2022-04-18 | Fulfilled |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 4,000,000.00 | 2021-10-29 | 2022-04-26 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 3,000,000.00 | 2021-11-19 | 2022-05-09 | Fulfilled |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 159,392,500.00 | 2021-11-26 | 2022-11-01 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 120,000,000.00 | 2021-12-07 | 2024-12-03 | Fulfilled |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 3,000,000.00 | 2021-12-09 | 2022-06-06 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 3,000,000.00 | 2021-12-16 | 2022-06-13 | Fulfilled |

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

45. Related Parties and Related Party Transactions (Continued)

(11) Providing guarantees to related parties

| Guarantor(s) | Guaranteed parties | Amount guaranteed | Commencement date | Expiry date | Fulfilment of the guarantee as at 31 December 2022 |
|----------------------------|----------------------------|-------------------|-------------------|-------------|--|
| During the year | | | | | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 10,000,000.00 | 2022-03-18 | 2023-03-17 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 50,000,000.00 | 2021-10-29 | 2022-10-28 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 110,000,000.00 | 2021-12-09 | 2022-06-02 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 200,000,000.00 | 2022-07-29 | 2023-07-28 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 50,000,000.00 | 2022-11-01 | 2023-10-28 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 90,000,000.00 | 2022-12-29 | 2023-12-28 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 100,000.00 | 2021-03-04 | 2022-03-03 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 50,000,000.00 | 2021-03-04 | 2022-06-02 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 100,000.00 | 2021-03-04 | 2022-09-05 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 100,000.00 | 2021-03-04 | 2023-03-03 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 100,000.00 | 2021-03-04 | 2023-09-03 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 49,500,000.00 | 2021-03-04 | 2024-03-03 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 75,000,000.00 | 2021-02-03 | 2022-02-03 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 100,000,000.00 | 2021-11-23 | 2022-11-22 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 10,000,000.00 | 2021-08-31 | 2022-08-24 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 75,000,000.00 | 2022-01-07 | 2023-01-07 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 100,000,000.00 | 2022-02-17 | 2022-08-16 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 200,000,000.00 | 2022-02-23 | 2022-08-22 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 109,000,000.00 | 2022-04-19 | 2023-04-18 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 100,000,000.00 | 2022-12-06 | 2023-12-05 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 60,000,000.00 | 2022-11-16 | 2023-04-27 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 60,000,000.00 | 2022-11-16 | 2023-10-27 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 80,000,000.00 | 2022-11-16 | 2024-04-27 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 80,000,000.00 | 2022-11-16 | 2024-10-27 | |

Notes to the Financial Statements

December 31, 2022

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

45. Related Parties and Related Party Transactions (Continued)

(11) Providing guarantees to related parties (Continued)

| Guarantor(s) | Guaranteed parties | Amount guaranteed | Commencement date | Expiry date | Fulfilment of the guarantee as at 31 December 2022 |
|----------------------------|---|-------------------|-------------------|-------------|--|
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 80,000,000.00 | 2022 11 16 | 2025 04 27 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 80,000,000.00 | 2022 11 16 | 2025 10 27 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 80,000,000.00 | 2022 11 16 | 2026 04 27 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 80,000,000.00 | 2022 11 16 | 2026 10 27 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 100,000,000.00 | 2022 11 16 | 2027 04 27 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 100,000,000.00 | 2022 11 16 | 2027 10 27 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 1,000,000.00 | 2021 06 28 | 2022 06 20 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 1,000,000.00 | 2021 06 28 | 2022 12 20 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 1,000,000.00 | 2021 06 28 | 2023 06 20 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 1,000,000.00 | 2021 06 28 | 2023 12 20 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 155,000,000.00 | 2021 06 28 | 2024 06 24 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 100,000.00 | 2021 06 15 | 2022 06 15 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 100,000.00 | 2021 06 15 | 2022 12 15 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 100,000.00 | 2021 06 15 | 2023 06 15 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 100,000.00 | 2021 06 15 | 2023 12 15 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 229,500,000.00 | 2021 06 15 | 2024 12 15 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 104,356,650.00 | 2022 01 28 | 2023 01 27 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 3,373,350.00 | 2022 01 28 | 2022 08 25 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 7,099,200.00 | 2022 01 28 | 2022 10 24 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. & FLAT GLASS GROUP CO., LTD. | 6,000,000.00 | 2022 12 30 | 2023 12 29 | |

(XIV) NOTES TO THE MAJOR ITEMS OF THE PARENT COMPANY'S FINANCIAL STATEMENTS (Continued)

45. Related Parties and Related Party Transactions (Continued)

(11) Providing guarantees to related parties (Continued)

| Guarantor(s) | Guaranteed parties | Amount guaranteed | Commencement date | Expiry date | Fulfilment of the guarantee as at 31 December 2021 |
|----------------------------|----------------------------|-------------------|-------------------|-------------|--|
| During last year | | | | | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 79,500,000.00 | 2020/07/21 | 2021/07/21 | F |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 5,000,000.00 | 2020/11/24 | 2021/10/29 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 50,000,000.00 | 2021/10/29 | 2022/10/28 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 110,000,000.00 | 2021/12/09 | 2022/06/08 | F |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 99,900,000.00 | 2021/03/04 | 2024/03/03 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 22,510,905.00 | 2020/09/18 | 2021/03/17 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 4,000,000.00 | 2017/05/04 | 2022/12/25 | F |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 9,756,056.00 | 2017/06/09 | 2022/12/25 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 31,597,604.03 | 2017/07/14 | 2022/12/25 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 9,461,900.00 | 2017/05/04 | 2021/12/25 | F, F |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 14,009,702.95 | 2017/09/18 | 2021/04/01 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 14,413,700.00 | 2018/02/05 | 2022/04/01 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 6,107,203.21 | 2018/02/26 | 2021/04/01 | F, F, F |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 7,523,628.00 | 2018/03/12 | 2021/12/25 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 6,195,070.00 | 2018/03/21 | 2021/12/25 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 1,000,000.00 | 2017/05/04 | 2022/12/25 | F |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 4,060,214.00 | 2017/05/04 | 2022/12/25 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 7,443,700.00 | 2017/05/04 | 2022/12/25 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 4,106,000.00 | 2017/05/04 | 2022/12/25 | F |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 6,910,195.00 | 2017/05/04 | 2022/12/25 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 17,470,000.00 | 2017/05/04 | 2022/12/25 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 4,999,288.64 | 2017/05/04 | 2022/12/25 | |

Notes to the Financial Statements

2021 31 December 2022

| Guarantor(s) | Guaranteed parties | Amount guaranteed | Commencement date | Expiry date | Fulfilment of the guarantee as at 31 December 2021 |
|----------------------------|----------------------------|-------------------|-------------------|-------------|--|
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 4,985,810.47 | 2018/02/09 | 2022/12/25 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 4,900,000.00 | 2018/09/30 | 2022/12/30 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 21,302,338.00 | 2019/09/19 | 2022/12/09 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 50,000,000.00 | 2019/03/27 | 2022/12/20 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 50,000,000.00 | 2019/04/08 | 2022/06/20 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 50,000,000.00 | 2020/04/02 | 2021/04/01 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 80,000,000.00 | 2020/04/24 | 2021/01/18 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 70,000,000.00 | 2020/07/24 | 2021/07/23 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 70,000,000.00 | 2020/08/04 | 2021/08/03 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 150,000,000.00 | 2020/12/21 | 2021/12/17 | |
| FLAT GLASS GROUP CO., LTD. | FLAT GLASS GROUP CO., LTD. | 75,000,000.00 | | | |

Supplementary Information

1. DETAILS OF EXTRA-ORDINARY PROFIT OR LOSS

本公司在报告期内发生的非经常性损益项目及其金额已在附注15中列示。根据中国证监会《公开发行证券的公司信息披露规范问答第1号——非经常性损益》（证监会公告〔2008〕43号），本报告按照该规定披露的非经常性损益调整后的净利润如下：

| Items | During the year |
|---|-----------------|
| 非流动资产处置损益 | (8,899,606.56) |
| 计入当期损益的政府补助(与公司正常经营业务密切相关,按照国家统一标准定额或定量享受的政府补助除外) | 70,910,299.08 |
| 除上述各项之外的其他营业外收入和支出 | (3,469,282.36) |
| 所得税影响额 | (2,339,421.37) |
| 合计 | 56,201,988.79 |
| 减：非经常性损益所得税影响额 | (8,003,149.89) |
| 非经常性损益税后净额 | — |
| 合计 | 48,198,838.90 |

注：(1) 2019年度非流动资产处置损益为379,773.84元；(2) 2019年度计入当期损益的政府补助为21,337,800.00元；(3) 2020年度非流动资产处置损益为18,739,360.00元；(4) 2020年度计入当期损益的政府补助为4,128,925.00元；(5) 2020年度除上述各项之外的其他营业外收入和支出为2,987,293.49元；(6) 2020年度所得税影响额为2,500,000.00元；(7) 2020年度非经常性损益所得税影响额为2,099,000.00元；(8) 2020年度非经常性损益税后净额为613,380.32元。

Supplementary Information

2. RETURN ON NET ASSETS AND EARNINGS PER SHARE

Table 2 shows the weighted average return on net assets and earnings per share for the reporting period and the corresponding period of the previous year. The weighted average return on net assets is calculated as follows: (Profit in the reporting period / Average net assets) × 100. The earnings per share is calculated as follows: (Profit in the reporting period / Number of shares outstanding at the end of the reporting period) × 100. The weighted average return on net assets and earnings per share for the reporting period and the corresponding period of the previous year are as follows:

| Profit in the reporting period | Weighted
average return
on net assets (%) | Earnings per share | |
|---|---|-----------------------------|-------------------------------|
| | | Basic earnings
per share | Diluted earnings
per share |
| During the year | | | |
| Profit in the reporting period | 16 | 0.99 | 0.99 |
| Profit in the corresponding period of the previous year | 16 | 0.97 | 0.97 |
| During last year | | | |
| Profit in the reporting period | 20 | 0.99 | 0.99 |
| Profit in the corresponding period of the previous year | 19 | 0.96 | 0.96 |

3. THE GROUP'S SUMMARY OF PERFORMANCE, ASSETS AND LIABILITIES IN THE PAST FIVE ACCOUNTING YEARS

| Items | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| I. Total operating income | 15,460,843,227.36 | 8,713,228,065.59 | 6,260,417,792.26 | 4,806,804,020.96 | 3,063,802,709.44 |
| Operating income | 12,048,190,879.61 | 5,620,391,966.94 | 3,600,864,085.34 | 3,517,642,435.22 | 2,341,603,779.32 |
| Operating income from continuing operations | 134,772,326.23 | 48,466,185.37 | 61,083,688.80 | 35,026,838.85 | 28,635,983.23 |
| Operating income from discontinued operations | 118,877,978.75 | 85,724,646.32 | 47,632,079.18 | 27,205,988.86 | 19,485,823.41 |
| Operating income from continuing operations from equity method investees | 277,541,944.49 | 221,778,736.93 | 172,349,032.43 | 121,498,560.29 | 117,786,385.22 |
| Operating income from discontinued operations from equity method investees | 523,230,185.51 | 408,417,461.35 | 284,717,812.81 | 204,151,559.30 | 113,246,196.64 |
| Operating income from continuing operations from equity method investees from equity method investees | 240,434,620.48 | 52,518,443.24 | 141,528,692.18 | 53,129,460.34 | 1,611,581.32 |
| Operating income from discontinued operations from equity method investees from equity method investees | 338,235,144.15 | 90,252,414.76 | 80,273,151.69 | 65,388,264.94 | 25,791,618.68 |
| Operating income from continuing operations from equity method investees from equity method investees | 59,295,478.89 | 37,314,406.92 | 16,412,291.81 | 17,902,429.34 | 18,599,358.49 |
| Operating income from discontinued operations from equity method investees from equity method investees | 77,452,388.08 | 58,331,820.26 | 25,471,233.82 | 30,189,426.63 | 24,929,136.86 |
| Operating income from continuing operations from equity method investees from equity method investees | 12,864,496.08 | 31,886,225.40 | 5,675,836.26 | 6,908,081.15 | (16,191,214.96) |
| Operating income from discontinued operations from equity method investees from equity method investees | 7,566,505.74 | 5,558,487.56 | 2,614,841.66 | - | - |
| Operating income from continuing operations from equity method investees from equity method investees | (1,828,707.98) | (1,382,927.57) | 1,245,626.59 | (5,234,350.32) | 13,259,290.30 |
| Operating income from discontinued operations from equity method investees from equity method investees | (39,074,459.18) | 23,554,616.85 | (29,914,991.88) | (12,816,559.04) | (7,363,612.81) |
| Operating income from continuing operations from equity method investees from equity method investees | (3,094,217.86) | (10,202,178.73) | (71,783,469.77) | (14,697,934.51) | (2,589,390.06) |
| Operating income from discontinued operations from equity method investees from equity method investees | (8,899,606.56) | 3,599,005.34 | (18,018,346.26) | (6,541,402.98) | 5,040,070.63 |
| II. Operating profit | 2,155,215,184.87 | 2,381,717,186.99 | 1,864,918,290.28 | 845,956,439.03 | 458,517,240.26 |
| Operating profit | 1,435,472.21 | 2,674,782.95 | 12,889,216.85 | 16,897,963.68 | 7,757,924.37 |
| Operating profit from continuing operations | 3,774,893.58 | 4,176,927.50 | 3,899,465.44 | 184,158.59 | 129,905.64 |
| III. Total profit | 2,152,875,763.50 | 2,380,215,042.44 | 1,873,908,041.69 | 862,670,244.12 | 466,145,258.99 |
| Profit | 30,095,335.07 | 260,295,716.01 | 245,124,254.06 | 145,426,535.45 | 58,830,542.68 |
| IV. Net profit | 2,122,780,428.43 | 2,119,919,326.43 | 1,628,783,787.63 | 717,243,708.67 | 407,314,716.31 |
| Net profit | 2,122,780,428.43 | 2,119,919,326.43 | 1,628,783,787.63 | 717,243,708.67 | 407,314,716.31 |
| V. Other comprehensive income, net of tax | 49,963,457.84 | 13,594,620.59 | (32,274,518.98) | 10,620,833.40 | 11,271,623.87 |
| Other comprehensive income, net of tax | 49,963,457.84 | 13,594,620.59 | (32,274,518.98) | 10,620,833.40 | 11,271,623.87 |
| () Other comprehensive income, net of tax | - | (1,913,160.00) | (3,217,914.84) | - | - |
| () Other comprehensive income, net of tax | - | (1,913,160.00) | (3,217,914.84) | - | - |
| () Other comprehensive income, net of tax | 49,963,457.84 | 15,507,780.59 | (29,056,604.14) | 10,620,833.40 | 11,271,623.87 |
| () Other comprehensive income, net of tax | 50,150,986.60 | 12,470,952.05 | (23,092,036.70) | 10,620,833.40 | 11,271,623.87 |
| () Other comprehensive income, net of tax | (187,528.76) | 3,036,828.54 | (5,964,567.44) | - | - |
| () Other comprehensive income, net of tax | - | - | - | - | - |
| VI. Total comprehensive income | 2,172,743,886.27 | 2,133,513,947.02 | 1,596,509,268.65 | 727,864,542.07 | 418,586,340.18 |
| Total comprehensive income | 2,172,743,886.27 | 2,133,513,947.02 | 1,596,509,268.65 | 727,864,542.07 | 418,586,340.18 |
| VII. Earnings per share: | | | | | |
| () Earnings per share | 0.99 | 0.99 | 0.83 | 0.37 | 0.23 |
| () Earnings per share | 0.99 | 0.99 | 0.81 | 1/1 | 1/1 |

Supplementary Information

3. THE GROUP'S SUMMARY OF PERFORMANCE, ASSETS AND LIABILITIES IN THE PAST FIVE ACCOUNTING YEARS (Continued)

| Items | 31 December 2022 | 31 December 2021 | 31 December 2020 | 31 December 2019 | 31 December 2018 |
|--|-------------------|-------------------|-------------------|------------------|------------------|
| Property, plant and equipment | 32,381,722,606.05 | 20,082,917,100.50 | 12,265,800,375.02 | 9,392,280,569.91 | 6,953,549,102.12 |
| Intangible assets | 18,349,275,392.88 | 8,272,748,027.71 | 5,031,057,735.17 | 4,879,392,181.91 | 3,284,895,438.09 |
| Goodwill | - | - | - | - | - |
| Investments in subsidiaries, associates and joint ventures | 14,032,447,213.17 | 11,810,169,072.79 | 7,234,742,639.85 | 4,512,888,388.00 | 3,668,653,664.03 |