China Fangda Group Co., Ltd.

2023 Interim Report

August 2023

Chapter I Important Statement, Table of Contents and Definitions

The members of the Board and the Company guarantee that the announcement is free from any false information, misleading statement or material omission and are jointly and severally liable for the information's truthfulness, accuracy and integrity.

Mr. Xiong Jianming, the Chairman of Board, Mr. Lin Kebin, the Chief Financial Officer, and Mr. Wu Bohua, the manager of accounting department declare: the Financial Report carried in this report is authentic and completed.

All the Directors have attended the meeting of the board meeting at which this report was examined.

This semi-annual report contains forward-looking statements such as future plans, which do not constitute a substantial commitment by the Company to investors. Investors and related parties should maintain sufficient risk awareness and understand the differences between plans, forecasts, and commitments.

The Company has specified market, management and production and operation risks in this report. Please review the 10. Risks Facing the Company and Measures in Chapter 3 Management Discussion and Analysis.

The Company will distribute no cash dividends or bonus shares and has no reserve capitalization plan.

Table of Contents

Reference

1. Financial statements stamped and signed by the legal representative, CFO and accounting manager;

2. Originals of all documents and manuscripts of Public Notices of the Company disclosed in public.

Definitions

Terms	Refers to	Description
Fangda Group, company, the Company	Refers to	China Fangda Group Co., Ltd.
Articles of Association	Refers to	Articles of Association of China Fangda Group Co., Ltd.
Meeting of shareholders	Refers to	Meetings of shareholders of China Fangda Group Co., Ltd.
Board of Directors	Refers to	Board of Directors of China Fangda Group Co., Ltd.
Supervisory Committee	Refers to	Supervisory Committee of China Fangda Group Co., Ltd.
Banglin Technology	Refers to	Shenzhen Banglin Technologies Development Co., Ltd.
Shilihe Co.	Refers to	Gong Qing Cheng Shi Li He Investment Management Partnership Enterprise (limited partner)
Shengjiu Co.	Refers to	Shengjiu Investment Ltd.
Fangda Jianke	Refers to	Shenzhen Fangda Jianke Group Co., Ltd.
Fangda Zhiyuan	Refers to	Fangda Zhichuang Technology Co., Ltd.
Fangda Jiangxi New Material	Refers to	Fangda New Materials (Jiangxi) Co., Ltd.
Fangda New Resource	Refers to	Shenzhen Fangda New Energy Co., Ltd.
Fangda Property	Refers to	Shenzhen Fangda Property Development Co., Ltd.
Fangda Chengdu Technology	Refers to	Chengda Fangda Construction Technology Co., Ltd.
Fangda Dongguan New Material	Refers to	Dongguan Fangda New Material Co., Ltd.
Kechuangyuan Software	Refers to	Shenzhen Qianhai Kechuangyuan Software Co., Ltd.
Fangda Property	Refers to	Shenzhen Fangda Property Management Co., Ltd.
Fangda Jiangxi Property	Refers to	Fangda (Jiangxi) Property Development Co., Ltd.
Fangda Hongjun Investment	Refers to	Shenzhen Hongjun Investment Co., Ltd.
Fangda Investment	Refers to	Shenzhen Fangda Investment Partnership (Limited Partnership)
Fangda Lifu Investment	Refers to	Shenzhen Lifu Investment Co., Ltd
Fangda Xunfu Investment	Refers to	Shenzhen Xunfu Investment Co., Ltd
Fangda Yunzhu	Refers to	Shenzhen Fangda Yunzhu Technology Co., Ltd.
Fangda Zhijian	Refers to	Shanghai Fangda Zhijian Technology Co., Ltd
SZSE	Refers to	Shenzhen Stock Exchange

Chapter II About the Company and Financial Highlights

I. Company Profile

Stock ID	Fangda Group, Fangda B	Stock code	000055, 200055
Modified stock ID (if any)	No		
Stock Exchange	Shenzhen Stock Exchange		
Chinese name	China Fangda Group Co., Ltd.		
English name (if any)	Fangda Group		
English name (if any)	CHINA FANGDA GROUP CO., LTD.		
English abbreviation (if any)	CFGC		
Legal representative	Xiong Jianming		

II. Contacts and Liaisons

	Secretary of the Board	Representative of Stock Affairs
Name	Xiao Yangjian	Guo Linchen
Address	39th Floor, Building T1, Fangda City, No.2, Longzhu 4th Road, Nanshan District, Shenzhen	39th Floor, Building T1, Fangda City, No.2, Longzhu 4th Road, Nanshan District, Shenzhen
Telephone	86(755) 26788571 ext. 6622	86(755) 26788571 ext. 6622
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III. Other Information

1. Liaison

Changes to the Company's registration address, office address, post code, website or email during the report period

□ Applicable ☑ Inapplicable

Company's registration address, office address, post code, website or email have not changed during the report period. See Annual Report 2022 for details.

2. Information disclosure and inquiring

Changes to the information disclosure and inquiring place

□ Applicable ☑ Inapplicable

The names and websites of the securities exchange websites and media where the company discloses its semi-annual report, as well as the location of the company's semi-annual report, remain unchanged during the reporting period. Please refer to the 2022 annual report for specific details.

3. Other information

Whether other relevant information has changed during the reporting period

□ Applicable ☑ Inapplicable

IV. Financial Highlight

Whether the Company needs to make retroactive adjustment or restatement of financial data of previous years

□ Yes ☑ No

	This report period	Same period last year	Year-on-year change (%)
Turnover (yuan)	2,078,846,877.32	1,613,063,315.30	28.88%
Net profit attributable to shareholders of the listed company (yuan)	182,155,268.18	112,685,273.77	61.65%
Net profit attributable to the shareholders of the listed company and after deducting of non-recurring gain/loss (yuan)	172,484,336.75	105,117,575.02	64.09%
Net cash flow generated by business operation (yuan)	-37,313,711.13	-306,580,793.04	87.83%
Basic earnings per share (yuan/share)	0.17	0.10	70.00%
Diluted Earnings per share (yuan/share)	0.17	0.10	70.00%
Weighted average net income/asset ratio	3.14%	2.03%	1.11%
	End of the report period	End of last year	Year-on-year change
Total asset (yuan)	12,939,324,425.23	12,745,185,294.02	1.52%
Net profit attributable to the shareholders of the listed company (RMB)	5,868,299,387.85	5,749,940,874.92	2.06%

V. Differences in Accounting Data under Domestic and Foreign Accounting Standards

1. Differences in net profits and assets in financial statements disclosed according to the international and Chinese account standards

□ Applicable ☑ Inapplicable

There is no difference in net profits and assets in financial statements disclosed according to the international and Chinese account standards during the report period.

2. Differences in net profits and assets in financial statements disclosed according to the overseas and Chinese account standards

□ Applicable ☑ Inapplicable

There is no difference in net profits and assets in financial statements disclosed according to the international and Chinese account standards during the report period.

VI. Accidental Gain/Loss Item and Amount

☑ Applicable □ Inapplicable

In RMB

Item	Amount	Notes
Non-current asset disposal gain/loss (including the write-off part for which assets impairment provision is made)	373,352.08	
Government subsidies accounted into current gain/loss account, other	6,748,993.91	

than those closely related to the Company's common business, comply with the national policy and continues to enjoy at certain fixed rate or amount.		
Gain/loss from change of fair value of transactional financial asset and liabilities, and investment gains from disposal of transactional financial assets and liabilities and sellable financial assets, other than valid period value instruments related to the Company's common businesses	7,782.60	
Write-back of impairment provision of receivables for which impairment test is performed individually	4,750,256.42	
Gain/loss from change of fair value of investment property measured at fair value in follow-up measurement	122,109.40	
Other non-business income and expenditures other than the above	-365,816.05	
Less: Influenced amount of income tax	1,835,470.87	
Influenced amount of minority shareholders' equity (after-tax)	130,276.06	
Total	9,670,931.43	

Other gain/loss items satisfying the definition of non-recurring gain/loss account:

□ Applicable ☑ Inapplicable

The Company has no other gain/loss items satisfying the definition of non-recurring gain/loss account

Circumstance that should be defined as recurrent profit and loss to Explanation Announcement of Information Disclosure No. 1 - Non-recurring gain/loss

□ Applicable ☑ Inapplicable

The Company has no circumstance that should be defined as recurrent profit and loss to Explanation Announcement of Information Disclosure No. 1 - Non-recurring gain/loss

Chapter III Management Discussion and Analysis

I. Major businesses of the Company during the report period

The Company mainly engages in high-end smart curtain wall systems and new materials, rail transit screen door equipment, new energy, and commercial real estate businesses. The Company fully utilizes its technological and brand advantages to vigorously promote intelligent manufacturing and green manufacturing. Products such as Fangda Smart Curtain Wall, Photovoltaic Building Integrated Curtain Wall (BIPV), PVDF Aluminum Veneer, and Rail Transit Screen Door System have become global industry benchmarks. Fangda Rail Transit Station Screen Door System has been recognized as a "single champion product in the manufacturing industry" by the Ministry of Industry and Information Technology of China. Currently, the Company has 7 national high-tech enterprises, 6 "specialized, special and new" enterprises, and 2 provincial engineering technology research centers. It has formed a layout with Shenzhen as its headquarters, Dongguan, Foshan, Nanchang, Shanghai, Chengdu, and Ganzhou (under construction) as its industrial bases, and has set up branches in Singapore, India, Australia, Bangladesh, Hong Kong and other countries and regions along the "the Belt and Road".

In the first half of 2023, faced with a complex and volatile macroeconomic environment and numerous risks and challenges, the Company, under the leadership of the board of directors and the management team, overcame difficulties and continued to vigorously develop its core business. Leveraging its competitive advantages in technology and brand, the company strengthened its fine-grained management, further improved quality and efficiency, and enhanced its profitability. During the reporting period, the Company achieved operating income of RMB2,078,846,900, an increase of 28.88% over the same period of the previous year; the net profit attributable to the parent Company's owner was RMB182,155,300, an increase of 61.65% over the same period of the previous year. Net profit after recurring gains and losses was RMB172,484,300, an increase of 64.09% over the same period of the previous year. By the end of the reporting period, the Company's order reserve reached RMB8,485,525,800 (excluding commercial real estate pre-sale). This represents an increase of 6.69% over the same period in the previous year, which was 4.08 times the operating income in 2023 H1, laying the foundation for the Company's production and operation.

(I) Smart curtain wall system and new materials

1. Industry development

In recent years, the construction curtain wall industry has been closely linked to China's macroeconomic development. The development of China's macro economy provides a guarantee for the development of China's building curtain wall industry. According to data from the National Bureau of Statistics, the gross domestic product in the first half of 2023 was RMB59,303.4 billion, a year-on-year increase of 5.5%, and the total output value of the construction industry was RMB13,226.1 billion, a year-on-year increase of 5.9%. As a pillar industry of the national economy, the total output value of the construction industry still maintains steady growth.

As China enters a stage of high-quality development, the construction of key areas has flourished. Large high-end curtain wall projects in key areas such as the Guangdong Hong Kong Macao Greater Bay Area, the Yangtze River Delta, and Chengdu Chongqing are gradually increasing, and the pace of regional central city construction is accelerating. The construction of urban supporting infrastructure will also play a strong supporting role in the development of the building curtain wall industry. Under the background of carbon peak and carbon neutrality, taking green development as the main line and comprehensively and deeply promoting green, low-carbon, and sustainable development of green buildings will become a consensus for the development and upgrading of the building curtain wall industry. Under the encouragement of policies and the continuous updating and iteration of new technologies, digital and intelligent development will also become one of the goals for the development of building curtain wall enterprises.

2. Business Status

(1) Main products and purposes

Smart curtain wall is one of the Company's main products, widely used for the exterior walls of various buildings such as high-end office buildings, corporate headquarters, urban complexes, hotels, urban public buildings, high-end residential buildings, etc. It can effectively improve the energy conservation and environmental protection of buildings, and improve the visual aesthetics of buildings.

By focusing on intelligence, low-carbon, environmental protection, and sustainability, the smart curtain wall and new material industry fosters the development of curtain walls and innovative materials in China. The Company has a strong R&D capability as well as a sophisticated PVDF aluminum veneer production and manufacturing base. The intelligent curtain wall technology has been widely deployed in significant projects in more than 160 cities around the world, integrating energy reduction, environmental protection, and intelligence. It has numerous times received the Luban Award (National Excellent Engineering Award), China's highest construction award. Its competitiveness is among the highest in the world, and it is a well-known brand in the worldwide curtain wall business.

(2) Main business modes, specific risks and changes;

During the reporting period, the Company's main business model did not change. The Company's smart curtain wall design and construction contract orders are mainly obtained through the bidding mode (open bidding, invitational bidding). Based on the orders, the Company provides the overall solution of design, raw material procurement, production and processing, construction and installation and after-sales service. Due to the long period of order implementation, it is greatly affected by national industrial policies, raw material prices, and fluctuations in the labor market. Different orders have different technical requirements. It is impossible to simply copy the existing experience, and the requirements for technology and management are relatively high. The engineering payment settlement process for orders is divided into stages such as engineering advance payment, engineering progress payment, completion acceptance, completion settlement payment, and quality guarantee deposit. The specific settlement situation depends on the completion progress and contract agreement.

(3) Market competition pattern in which the Company is located and the Company's market position

In recent years, the domestic construction curtain wall market has gradually matured, industry competition has intensified, and the degree of industry concentration and scale will continue to deepen. Industry leading enterprises are expanding their market share in the high-end curtain wall market and establishing a new competitive environment. Scientific and technological innovation based on intelligence, assembly, BIM, VR and other technologies continues to deepen. In the future, along with the wave of industrial upgrading, green building, scientific and technological innovation, information technology, etc. will become an important driving force for the new round of growth cycle of the industry. The domestic building curtain wall market still has bright prospects for the development of leading companies in the industry.

The Company has been deeply involved in the curtain wall industry for 32 years and has a profound technical accumulation. Fangda Jianke Co., Ltd., a wholly-owned subsidiary of the Company, has the highest qualifications for curtain wall design and construction enterprises in China - the first-class qualification for professional contracting of architectural curtain wall engineering and the first-class qualification for architectural curtain wall engineering design. It is the leading enterprise in China's curtain wall industry. Fangda Jianke has won the highest awards in the national construction industry, including "Luban Award", "National Quality Engineering Award", "Zhan Tianyou Civil Engineering Award", "China Building Decoration Award", and over 200 provincial and ministerial awards. Fangda Jianke has participated in the preparation of more than 22 national or industrial standards such as the Design Standard for Energy Efficiency of Public Buildings, and has created 18 new records for Chinese enterprises. It is an intellectual property demonstration enterprise in Guangdong Province. In the industry across the country, the Company is the earliest to establish R&D institutions such as corporate postdoctoral workstations, engineering technology centers, and research and design institutes. The autonomous innovation capacity and technical level of the high-end curtain wall industry have reached the advanced level of the same industry in China, promoting technological progress and development.

(4) Business drive

During the reporting period, the Company's curtain wall system and new material industry achieved a revenue of RMB1,654,849,200, an increase of 43.80% compared to the same period last year; The net profit achieved was RMB101,940,000, an increase of 75.67% compared to the same period last year. The key drivers of performance are as follows:

① Focusing on high-end markets both domestically and internationally, with ample reserves of high-quality orders

In the first half of 2023, the Company continued to focus on the Chinese and international high-end curtain wall market, relying on excellent brand influence, exquisite technical quality, good project implementation ability, and a complete industrial chain to maintain a strong competitive advantage. It is one of the preferred brands in the Chinese high-end curtain wall system industry. During the reporting period, the Company actively pursued high-quality clients and continued to optimize its customer portfolio. The awarded and contracted curtain wall engineering projects maintained the characteristics of numerous projects at the enterprise's headquarters, consisting of large-scale individual projects and premium orders. Additionally, overseas orders also demonstrated sustained growth. Notable curtain wall projects that were successfully bid for and signed contracts include DY01-04 neighborhood cloud building at Tencent Shenzhen headquarters, Shenzhen Qianhai Financial Holding Building, Shenzhen Merchants Prince Bay Building, Shenzhen China Resources Snow Flower Science and Technology City, Shenzhen TEDA Xiaomeisha Jinhai Plaza, Shenzhen Jiantao Headquarters Building, Shenzhen Bantian Street Recreation and Sports Center, South China International Electronic Industrial Materials Logistics Zone in Dongguan, OPPO Intelligent Manufacturing Center Phase II in Foshan Haitian Group Headquarters Building, Midea Global Innovation Park in Shanghai, Alibaba Central China Headquarters in Wuhan, Tianfu Headquarters Base in Chengdu, Taihu Bay Information Technology Industrial Park in Wuxi, 3 McNab Apartment in Melbourne, Neue Grand Apartment,Bangladesh Pinnacle high-end office project, etc. By the end of the reporting period, the Company's order reserve of curtain wall system and materials industry was RMB6,625,545,800, an increase of 4.10% over the same period of the previous year, which was 4 times the operating revenue of curtain wall system and materials industry in 2023 H1, laying a solid foundation for the sustainable and healthy development of the Company.

② Continuous technological innovation capabilities, consolidating technological leadership advantages

Since its establishment for 32 years, the Company has always adhered to the business philosophy of "technology first, innovation as the source", continuously breaking through and innovating in curtain wall technology. The Company has obtained 620 patent technologies for curtain wall products, 19 software copyrights, and participated in the development of 22 national/industry technical specifications and standards. The six subsidiaries of the Company engaged in smart curtain wall system and new material industry are all national high-tech enterprises, five of which are "specialized and new" enterprises, and have been awarded the honors of "National Intellectual Property Advantage Enterprise", "Specialized" Little Giant "Enterprise, "Jiangxi Intelligent Manufacturing Benchmark Enterprise", and enterprise innovation record. During the reporting period, the Guangdong Provincial Department of Science and Technology recognized Fang Dajian's "Guangdong Prefabricated Building Curtain Wall Engineering Technology Research Center" as the "Guangdong Provincial Engineering Technology Research Center". Fangda Jianke was awarded the honors of "2022 Shenzhen Industry Special Contribution Enterprise", demonstrating the Company's leading position and technological innovation strength in curtain wall product design and construction technology.

During the reporting period, in order to better implement the goal of "contract management as the center", the Company adhered to a dual flow driven strategy of business flow and data flow, focusing on various links such as digital marketing, digital design, digital supply chain, digital factory, digital construction site, smart office, etc., and vigorously promoted the digital construction of project control system, allowing data to continue to empower the business. In addition, the Company has taken the lead in building intelligent production lines in the industry, applying information management tools such as BIM technology, PMS project management platform, and MES production management platform to the construction of intelligent factories, and conducting refined management of curtain wall production, achieving comprehensive monitoring from material production status, factory processing progress, to project management status. And use information technology to trace the information of all factory products, in order to achieve scientific and efficient management.

③ Strengthen the construction of talent team and promote high-quality development

The essence of modern enterprise competition is talent competition. The company practices the people-oriented talent concept, focuses on introducing and cultivating various professional technical and management talents, and is committed to building an efficient management and operation team. During the reporting period, the Company carried out refined talent management, strengthened the optimization and upgrading of talent team structure, expanded employee promotion channels, optimized skill training models, continuously introduced outstanding fresh university graduates, promoted the mechanism of school enterprise cooperation and industry learning integration, and enhanced the company's scientific research strength in the high-end curtain wall field. In addition, to meet the needs of overseas market development, the Company accelerates the selection and cultivation of overseas business talents, providing a strong talent reserve for the company's high-quality development.

(5) Industry qualification types and validity period

The Company has a Class A qualification for building curtain wall engineering contracting and class A qualification for building curtain wall engineering design. It is the highest level for curtain wall design and construction companies in China. During the reporting period, the Company's relevant qualifications have not changed significantly, and the validity period has not expired.

(6) Quality control system, implementation standards, control measures and overall evaluation

Quality control system: As a leading enterprise of high-end curtain wall, the Company pays attention to quality management. It is the first in the industry to pass ISO9001, ISO14001, OHSAS18001 international and domestic dual certification, GB/T29490 intellectual property management system certification, and is the first to establish sales, design, supply, production, one-stop quality control system such as construction, after-sales, customer service, etc., implement strict quality control and supervision for each link, and create a strong quality management system.

Implementation of the standard: In the process of building curtain wall business, the Company strictly complies with GB/T21086-2007 "Building Curtain Wall", JG/T231-2007 "Building Glass Lighting Roof" and other national and industrial standards.

Control measures: The Company has established complete and effective quality control measures and quality management organization, introduced digital information management, and digitally coded the company's businesses, various raw materials, factory workshop and construction site operation procedures through computer information integration system, The eight systems (CRM customer relationship management system, OA office system, HR human resources system, ERP financial management system, MES production management system, PMS engineering management system, VPO supply management system and QAS quality safety management system) realize the rapid transmission, sharing and collaborative application of information through cloud terminal technology. Strictly implement various quality management and control measures to provide customers with high-quality products and services.

Overall evaluation: The Company's quality control system and executive standards meet the relevant requirements of the current relevant national norms and standards, maintain good operation, and provide customers with stable and reliable products and services.

(7) Major project quality problem during the reporting period

None.

(II) Rail transport screen door business

1. Industry development

Urban rail transit screen doors are a component of the urban rail transit industry chain, closely related to the development of urban rail transit and intercity (city) railway construction. 2023 is the beginning year of fully implementing the spirit of the 20th National Congress of the Communist Party of China, and also a key year for implementing the 14th Five Year Plan and promoting the construction of a high-quality transportation country. The "14th Five Year Plan for the Development of Modern Comprehensive Transportation System" proposes that by 2035, China should basically establish a modern and high-quality national comprehensive three-dimensional transportation network that is convenient, smooth, cost-effective, safe, reliable, green, intensive, and intelligent, as well as the "National 123 Travel Transport Circle" (1 hour commuting in urban areas, 2 hours commuting in urban agglomerations, and 3 hours coverage in major cities across the country); Accelerate the formation of urban rail transit networks in mega cities, and develop urban rail transit in a scientific and orderly manner; The operating mileage of urban rail transit will continue to grow, and by 2025, the operating mileage of urban rail transit will reach 10000 kilometers. As one of the seven major areas of "new infrastructure", urban rail transit is expected to achieve rapid development.

According to data from the Ministry of Transport, in June 2023, a total of 295 urban rail transit lines with an operating mileage of 9728.3 kilometers were opened and operated in 54 cities of 31 provinces (regions, cities) and Xinjiang Production and Construction Corps, indicating a good momentum of urban rail transit development. With the development of urban rail transit systems and the increase in operational demand, the demand for equipment updates, renovations, and maintenance of rail transit screen doors products will show an increasing trend.

2. Business Status

(1) Main products and purposes

The Company's main products are platform screen door systems applied to urban rail transit, and also provide operation and maintenance services for the above products. The platform screen door system of urban rail transit is installed at the edge of the platform of urban rail transit station to isolate the running track area from the waiting area of the platform. It is equipped with a continuous movable door body barrier corresponding to the train door, which can be opened and closed by multi-level control, including the full-height closed screen door system, the full-height non-closed screen door system, and the half-height screen door system. In addition, the Company has successfully developed the platform safety door system that can be applied to the complex environment of high-speed railway, and can realize the intelligent opening of the platform safety door according to the different models of high-speed railway entering the station. At present, the Company is in the stage of market promotion and verification, and has not yet realized external sales.

The platform screen door system plays a very important role in the operation of urban rail transit. The platform screen door system isolates the track from the platform waiting area, effectively ensuring the safety of passengers, preventing them from falling off the track, and also preventing unauthorized entry into the tunnel; In case of fire or other fault modes, it can be linked and controlled with relevant systems to achieve rapid smoke exhaust and passenger evacuation and escape functions. At the same time, the platform screen door system can effectively reduce the dust, noise, and tunnel wind pressure entering the platform from the tunnel, providing passengers with a quiet, comfortable, and safe riding environment. In addition, the platform screen door system also has a passenger flow counting function, which can guide passengers to low-density carriages during peak passenger hours. The platform screen door system can also serve as a platform for passenger consultation systems, achieving multimedia interaction functions such as information broadcasting, consultation dissemination, and commercial promotion for passengers.

(2) Main business model

The operating entity of the Company's rail transit screen door equipment business is its holding subsidiary, Fangda Zhiyuan. Fangda Zhiyuan is a supplier and service provider of rail transit screen door systems that integrates research and development, design, manufacturing, installation and debugging, and technical services, with a complete industrial chain. A mature and complete management system for research and development, procurement, production, and sales has been established. In terms of research and development, the Company has formed a research and development project initiation mechanism that combines independent basic research with project needs; In terms of procurement, suppliers are mainly selected and purchased by the project, and a special procurement team is set up to carry out the procurement work; In terms of production, manage the Company's production activities according to contract requirements and customer's production instructions; In terms of sales, the Company's customers are metro companies around the world and electromechanical general contracting units in the rail transit industry, all of which are direct sales, and there is no distribution.

(3) Market competition pattern in which the Company is located and the Company's market position

The Company is an early enterprise in China engaged in the research and development, design, manufacturing, installation, and operation of subway platform screen door systems. The Company led the drafting and revision of the first national industry standard for platform screen doors in rail transit, "Urban Rail Transit Platform Screen Doors" (CJ/T236-2022), and participated in the preparation of the group standard "Acceptance Specification for Fully Automatic Operation System of Urban Rail Transit" (T/URTA0009-2022). In 2021, the Ministry of Industry and Information Technology of the People's Republic of China awarded the Company the "Manufacturing Industry Single Champion Product" for the safety door product of urban rail transit platforms. Fangda Zhiyuan has successively won many honors and qualifications, such as the Guangdong Provincial Science and Technology Award, the National Key New Product Certificate, the National Torch Plan Industrialization Demonstration Project Certificate, the Guangdong Intelligent Rail Transit Platform Gate Engineering Technology Research Center, the Shenzhen Science and Technology Progress Award, and the Shenzhen "Specialization and Innovation" Enterprise title. The Company has domestic and foreign patents and computer software copyrights, forming a core technology group and intellectual property system with independent intellectual property rights.

Through 20 years of intensive work in the field of platform screen doors of rail transit, the Company has occupied a high market share in the domestic market. The Company has undertaken over 100 subway platform door projects worldwide, totaling over 80000 platform door units, and has become a global supplier of platform screen door systems for urban rail transit.

(4) Business drive

① Relying on industry-leading advantages and leveraging domestic and international markets

As a leader in the rail transit screen door industry, the Company has accumulated over the years and possesses industry-leading advantages in technology, brand, and service, which have been widely recognized by customers at home and abroad. The Company has been actively responding to the national "the Belt and Road" initiative, taking the lead in crossing the border, and has successively won the rail transit shelter door system projects in Singapore, Malaysia, Thailand, India, Colombia and other countries along the "Belt and Road", forming a good brand influence in the international market. During the reporting period, the Company won and signed contracts for shield door system projects such as Singapore Metro CRL152 project, Qingdao Metro Line 6, Suzhou Metro Line 8, and Xi'an Metro Line 15 Phase 1. At the same time, it also obtained professional technical maintenance service orders for shield doors for Xiamen Metro Line 1 and 3, Nanning Metro Line 2 and 4, Wuhan Metro Line 7, Line 8, and Line 11, totaling 765.9948 million yuan, The company's technological and brand advantages in the field of subway screen door systems have been further demonstrated by exceeding the order amount obtained throughout 2022. As of the end of the reporting period, the Company's order reserve for the rail transit screen door industry reached RMB1,859,980,000, an increase of 17.04% compared to the same period last year. During the reporting period, the operating revenue was RMB291,615,500, and the order reserve was 6.38 times the operating revenue in the first half of 2023. The sufficient order reserve laid a solid foundation for ensuring the continuous release of subsequent performance.

② Continuous technological innovation, leading industry growth

The Company is an early domestic enterprise engaged in the research and development, design, manufacturing, installation, and operation of platform screen door systems for urban rail transit. Since its establishment, the company has always adhered to technology as the guide, innovation as the banner, and technology research and development to promote continuous improvement of business performance. The Company has combined its own technological accumulation and continuous technological research and development, mastered multiple core technologies, and continuously carried out technological innovation to enhance product technical performance while optimizing operation and production models. As of the end of 2022, it has 135 domestic and foreign patents for the urban rail transit screen door industry (including 47 invention patents and 20 international PCT patents), and 8 computer software copyrights. The Company led the drafting and revision of China's first industry standard "Platform Screen Doors for Urban Rail Transit" (CJ/T236-2022). During the reporting period, Fangda Zhiyuan participated in the publication and implementation of the group standard "Acceptance Specification for Fully Automatic Operation System of Urban Rail Transit" (T/URTA0009-2022), and is the only platform screen door system enterprise that participated in the preparation of this standard. During the reporting period, the modular assembly platform door independently developed and designed by the company was successfully installed on site in Shenzhen Metro Line 8. It is the first modular assembly platform door landing application in Shenzhen urban rail transit, and has important demonstration significance for promoting the construction of smart subways and leading the transformation and upgrading of the rail transit industry.

During the reporting period, the Company's new fully open mobile platform door was awarded the "21st Shenzhen Enterprise Innovation Record". This project is mainly aimed at high-speed trains or intercity platforms with multiple vehicle types. The door opening position and size between door units can be arbitrarily set according to the opening needs of different trains. It is an ideal platform door solution for high-speed trains or intercity platforms with multiple or uncertain vehicle types. To meet the needs of automatic door opening and closing at any position, as well as passenger safety protection at station platforms, in the context of the integration and connection of trunk railways, intercity railways, urban (suburban) railways, and urban rail transit, it is the first in the same industry in China and leads the growth of the industry.

③ Good reputation and market awareness, continuously improving the Company's competitiveness

The urban rail transit platform is an important display window for the city's image, and the platform screen door system, as a device that passengers come into contact with and use every day, is one of the core carriers of the urban rail transit platform image. The excellent quality and stable performance of the Company's full height and half height PSD systems have been recognized by many owners, and have been awarded "Outstanding Contribution Award of Rail Transit", "exemplary organization of Engineering Construction" and other awards by customers for many times. Relying on its good brand image and market awareness, the company won the bid and signed contracts for the CRL152 project of the Singapore Metro, the procurement and installation project of the screen door system for Suzhou Metro Line 8 and Xi'an Metro Line 15 Phase I, and the maintenance project of the screen door for Xiamen Metro Lines 1 and 3 during the reporting period. The Company has been constantly moving into the international market, and has obtained many projects in Hong Kong, Taiwan, China, Singapore, Malaysia, India and other countries and regions. The company's product design ability, delivery timeliness, product quality stability and other capabilities have been fully recognized by overseas customers.

The Company's good brand image and market awareness contribute to the continuous improvement of its competitiveness and contribute to the growth of its performance.

④ The demand for maintenance is constantly expanding, and the maintenance business is growing year by year

With the continuous expansion of urban rail transit network and the increasing service life of existing subway screen doors, professional maintenance and upkeep have become a key link in rail transit operation. As an important equipment for ensuring passenger safety, shielded doors require regular maintenance, repair, and upkeep to ensure their normal operation and reliability. The screen door system belongs to a highly specialized equipment system, and maintenance work must be guaranteed by a professional company with a solid technical foundation for its services. The Company has the advantage of providing full industry chain technical services for rail transit screen door systems, and has an intelligent operation and maintenance support system for platform screen door systems. It can monitor and record the health level of equipment systems in real time, achieve real-time communication with products, and transmit product operation data to the data processing center. Through intelligent operation and maintenance professional software, the operation data is analyzed. With the continuous growth of urban rail transit lines put into operation, the demand market for maintenance services continues to expand, and the Company's maintenance business will also have more development opportunities.

(3) New energy industry

The Company's photovoltaic building integration (BIPV) and distributed solar photovoltaic power plants are important components of the company's new energy business. Against the backdrop of the national dual carbon strategy and green development, the Company has been practicing the concepts of low-carbon, energy saving, green and environmental protection. It is an early developer and application of photovoltaic building integration (BIPV) and photovoltaic power generation system design, manufacturing, integration and operation, and has mature technology. In China, the Company has completed the first batch of integrated photovoltaic buildings (BIPV) and multiple distributed solar photovoltaic power stations. Jiangxi Pingxiang distributed photovoltaic power station, Jiangxi Isuzu automobile parking lot photovoltaic power station in Nanchang City, and Songshan Lake Base photovoltaic power station in Dongguan, Guangdong, have all operated efficiently, contributing to the Company's stable profitability and cash flow.

(4) Commercial real estate industry

At present, the company operates commercial real estate projects in Shenzhen and Nanchang. As a special economic zone and leading demonstration zone, Shenzhen has a relatively concentrated market heat and demand. With the deepening of the construction of the Guangdong Hong Kong Macao Greater Bay Area, Shenzhen's strong development trend is highly recognized by the market, and the company's sales and rental rate of the Shenzhen Fangdacheng project is relatively fast. At the end of the reporting period, the sales rate of Shenzhen Fangda City project was 98.50%, and the leasing rate of self owned properties was 86.31%. The company's Fangda Center project is located in Honggutan New District, Nanchang City, with obvious geographical advantages and good market expectations. At the end of the reporting period, the sale rate of Nanchang Fangda Center project was 40.92%, and the occupancy rate of self-owned properties was 84.83%. In addition, the company continues to implement a differentiated competition strategy, integrate and optimize existing resources, and in accordance with the latest policy requirements, continues to promote the application and approval of the Henggang Dakang project in Shenzhen and the Fuyong Fang Dabang Shenzhen urban renewal projects.

II. Core Competitiveness Analysis

(I) Smart curtain wall system and new materials

1. Advantages of technology and industry experience

Through over 32 years of hard work in the field of high-end smart curtain wall and the development of environmental protection and energy-saving curtain wall products through technological innovation, the Company has grasped the development trend of curtain wall industry in the process of meeting market demand, improved the competitiveness of the Company's products, solutions and services, and accumulated rich experience in project design and implementation and well-known cases.

As the leading enterprise in the curtain wall industry, the Company took the lead in setting up enterprise postdoctoral workstation, engineering technology center, Curtain Wall Research and Design Institute and other R&D institutions in the same industry in China, and was selected as the "top 500 innovation index of Chinese listed companies" for three consecutive years. It has created many firsts in the industry and is one of the preferred brands in the domestic high-end curtain wall system material industry. The Company's subsidiaries engaged in the smart curtain wall system and material industry are all national high-tech enterprises, five subsidiaries are selected as "specialized, special and innovative" enterprises, and many subsidiaries are recognized as "Guangdong Intellectual Property Demonstration Enterprise", "Shenzhen Intellectual Property Advantage unit", "Jiangxi enterprise technology center" and "Nanchang engineering technology research center". The Company's independent innovation and continuous innovation have created the Company's leading technical level and manufacturing capacity.

2. Advantages of product service and refined management

With years of technical precipitation and experience accumulation, the Company's smart curtain wall system and new material industry has formed an overall solution integrating R&D, design, production, project management, construction and maintenance services. The industry is complete and has strong comprehensive strength in terms of quality, cost and service.

The Company continues to promote digital and intelligent construction in various business modules, utilizing modern information technologies such as 5G, cloud computing, big data, mobile applications, and the Internet of Things to empower the entire production and operation process management, achieving rapid transmission and sharing of information through collaborative applications, accelerating business response and execution capabilities, and improving the refined management. By using parameterized design to improve design quality, intelligent manufacturing to improve production efficiency and reduce labor intensity, digital technology to achieve the collection and analysis of business data, improve enterprise management efficiency, effectively improve product and service quality, and enhance the Company's core competitiveness.

3. Brand equity

Since its establishment, the company has been highly recognized by the industry and many professionals with its own product and technical advantages and comprehensive service strength, and has a good reputation. The Company has won "National Quality

Award", "National Quality Engineering Award", Luban Award, Zhan Tianyou award, China Architectural Decoration Award and more than 200 provincial and ministerial awards. Fangda trademark has been recognized as "China's well-known trademark" and won the title of "international reputable brand". It has created thousands of landmark projects and has become one of the leading brands in the field of high-end curtain wall in China.

During the reporting period, multiple curtain wall projects of the Company were highly praised and commended by customers, and its subsidiary, Fangda Jianke, was awarded honors such as "Shenzhen Industry Special Contribution Enterprise", "Excellent Supplier", and "Excellent Cooperative Unit".

4. Industrial layout advantages

In order to better serve the market and meet the growing demand for orders, after years of accumulation and continuous investment in facilities and equipment, the curtain wall system and new material industry of the Company has built a domestic industrial layout with Shenzhen as the headquarters and production bases in Shanghai, Chengdu, Nanchang, Dongguan, Foshan and other places. Among them, Dongguan Songshanhu base is one of the most modern high-end curtain wall system production bases in the industry, It has industry-leading R&D, design, manufacturing and curtain wall system delivery capabilities. In addition, according to the Company's strategic planning and development needs, the Company will invest in the construction of Fangda (Ganzhou) low-carbon intelligent headquarters base in Ganzhou City, Jiangxi Province, further promoting the development of the company's smart curtain wall system manufacturing business, PVDF aluminum veneer and other new material businesses. The Company's scientific and comprehensive production base layout provides an important guarantee for improving market share and comprehensive competitiveness.

5. Talent

Talents are the core competitiveness of enterprises. The Company adheres to the people-oriented talent concept, actively introduces and cultivates various professional technical and management talents, and is committed to building an efficient management and operation team. After years of development, the Company has an experienced senior management team and middle-level managers with strong execution ability, as well as a complete talent training system and talent reserve. During the reporting period, we continuously optimized the effective incentive and assessment system and implemented quantitative management. In order to meet the needs of the Company's business development, the Company continued to introduce outstanding fresh graduates, build an industry university research integration platform, promote school-enterprise cooperation and industry-university combination mechanism, and ensure that the Company's scientific research strength in the field of high-end curtain wall is at the leading level in the industry. Over the years, it has always paid attention to the cultivation of "craftsman spirit". It has held "Fangda Craftsman" skill competition every year and "Fangda Lecture Hall" training from time to time, continuously improved the theoretical knowledge and operation skill level of employees, created a skilled talent team with reasonable structure, exquisite technology and excellent style, cultivated a number of "Shenzhen 100 excellent craftsmen", and has been rated as "Shenzhen craftsman cultivation demonstration unit" for many times.

(II) Rail transport screen door business

1. Technical advantage

The company is one of the earliest national high-tech enterprises engaged in the research and development, design, manufacturing, installation, and operation of subway platform screen doors in China. It has led the drafting and revision of the first national industry standard for subway platform screen doors, "Urban Rail Transit Platform Screen Doors," and participated in the preparation of the group standard "Acceptance Specification for Fully Automatic Operation System of Urban Rail Transit" (CJ/T236-2022). In 2021, the Ministry of Industry and Information Technology awarded the Company's urban rail transit platform safety door product as the national "single champion product in the manufacturing industry". Fang Dazhiyuan, a controlling subsidiary, was selected as a "specialized, refined, and innovative" enterprise in Shenzhen. Fangda Zhiyuan has successively won many honors and qualifications, such as the Guangdong Provincial Science and Technology Award, the National Key New Product Certificate, the National Torch Plan Industrialization Demonstration Project Certificate, the Guangdong Intelligent Rail Transit Platform Gate Engineering Technology Research Center, the Shenzhen Science and Technology Progress Award, and the

Shenzhen "Specialization and Innovation" Enterprise title. As of the end of 2022, the Company has 135 domestic and foreign patents for the screen door system (including 47 invention patents and 20 international PCT patents), and 8 computer software copyrights, forming a core technology group and intellectual property system with independent intellectual property rights. The Company is a domestic enterprise with a large number of patents related to platform screen doors for urban rail transit.

The Company has developed a technical solution for installing high-speed railway platform doors on existing high-speed railway platforms, which can be applied to existing high-speed railway platforms. Compared to urban rail transit, there are differences in the position, shape, and size of train doors among different models of high-speed trains, and high-speed trains generally operate at high speeds. As of the end of 2022, the Company has submitted and applied for over 61 patents in the field of high-speed rail platform safety doors, and has obtained 29 authorized patents. The above patents can be applied to the Company's current main business of urban rail platform screen doors, enhancing the competitiveness of the Company's urban rail transit platform screen door products. The research on the implementation plan of high-speed railway station platform door system jointly completed by China Railway Design Group Co., Ltd. and Fangda Zhiyuan has passed the scientific and technological achievements appraisal organized by the Tianjin Science and Technology Evaluation Center by technical experts from Beijing Tianjin Intercity, Beijing Railway Bureau, Nanchang Railway Bureau, and other units. The comprehensive evaluation is at the leading level in China. The Company's rail transit screen door products will also open up new application scenarios and market space as a result.

2. Brand equity

The Company has continuously cultivated and refined in the field of platform screen doors for rail transit for 20 years, and has already occupied a high market share in the domestic market. It is also one of the few Chinese manufacturers and service providers with experience in overseas urban rail transit platform screen door engineering projects, and has a high brand awareness and recognition in the domestic and international urban rail transit platform screen door market. In China, the Company's platform screen door system products have opened urban rail transit cities with a coverage rate of over 60%; Overseas, the company has successively obtained orders for platform screen door system products of urban rail transit in many "the Belt and Road" countries and other regions. Currently, the Company has undertaken over 100 subway platform door projects worldwide, totaling over 80000 platform door units, and has become a global supplier of platform screen door systems for urban rail transit.

With reliable product quality, efficient service, and years of technical accumulation, the Company has maintained a stable cooperative relationship with customers, won a good market reputation, and accumulated rich market resources. The Company has been awarded the titles of "Outstanding Equipment Supplier of Shenzhen Metro in 2019", "Outstanding Contribution Unit of Shenzhen Metro Phase III and Phase II Project Construction", "Outstanding Equipment Manufacturer of Nanning Metro Line 4 Phase I Project in 2020", "Outstanding Member Unit of Shenzhen Urban Rail Transit Association in 2020", and "Outstanding Construction Unit of Safety and Quality Management in 2021" for Nanning Metro Construction The "Wuhan Metro Line 5 Project Construction Meritorious Unit" was awarded the "Excellent Supplier of Hohhot Metro Line 1 Construction Management Co., Ltd." in 2022, the "Collaborative Unit Advanced Collective" of Tianjin Metro Line 3 Operation Co., Ltd., and the "Excellent Outsourcing Unit Award" of Chengdu Metro Operation Co., Ltd. Operation Branch in 2022 Wuhan Wuhan Railway Travel Service Media Co., Ltd. Customer Service Maintenance Branch has won multiple honors such as "Excellent Outsourcing Maintenance Project".

3. Industry chain advantage

The Company has the ability to provide a full industry chain solution for rail transit platform screen doors that integrates research and development, design, manufacturing, engineering construction, technical services, technical training, system maintenance, and spare parts supply. A complete industrial chain can meet the market's demand for specialized products and services, effectively reducing production and management costs, enhancing profitability and competitive advantage.

The Company has outstanding professional and research and development capabilities, which can meet the diverse needs of customers for products and provide technical solutions. In terms of product design, the Company's technical team has rich experience; In terms of product testing, the company has complete and professional testing equipment and methods; In terms of installation, the Company has a national first level qualification for professional contracting of building mechanical and electrical installation engineering, and can independently undertake the installation work of the project; In terms of maintenance, the Company has an operation and maintenance center with a professional maintenance team, and a maintenance center located at customers and project locations, which can provide faster and more thoughtful services. The intelligent maintenance management system developed by the Company can count and analyze the operation status of site equipment in real time, remotely guide the on-site technical service team, and provide professional technical support to customers in a timely and efficient manner. The Company's operation and maintenance management service team is now located in more than 30 cities worldwide.

(3) New energy industry

The Company's new energy industry mainly focuses on the development of new energy-saving technology applications such as solar photovoltaic application and photovoltaic building integration (BIPV), and its business scope covers two major industries: construction and photovoltaic power generation. The Company actively developed solar photovoltaic power generation curtain wall system technology 20 years ago. It is one of the earliest enterprises in China that independently mastered and had independent intellectual property rights to engage in the design, manufacturing and integration of solar photovoltaic building integration (BIPV) system.

Distributed solar power PV power generation is closely related to the Company's curtain wall business. Part of the distributed solar power PV systems are closely related to construction. Moreover, the Company has more than 20 years' experience in electrical product integration. The Company also has more than 30 years' experience in construction management and has the level-1 construction curtain wall engineering qualification and electrical installation engineering qualification.

(4) Commercial real estate industry

The Company is located in the core area of Dawan District, Guangdong, Hong Kong and Macao. It adopts differentiated competition strategy and focuses on the development of urban renewal projects in Shenzhen. As a special economic zone and leading demonstration zone, Shenzhen has a relatively concentrated market heat and demand. With the deepening of the construction of the Guangdong Hong Kong Macao Greater Bay Area, Shenzhen's strong development trend is highly recognized by the market, and it is expected that the company's commercial real estate business will still have development space in the future.

III. Core Business Analysis

Overview

See I. Major businesses of the Company during the Report Period

Year-on-year changes in major financial data

In RMB

	This report period	Same period last year	YOY change (%)	Reason
Turnover	2,078,846,877.32	1,613,063,315.30	28.88%	
Operating cost	1,624,230,468.63	1,259,515,842.60	28.96%	
Sales expense	28,143,556.79	23,296,105.78	20.81%	
Administrative expense	79,590,941.46	74,193,251.57	7.28%	
Financial expenses	33,743,857.79	39,629,782.88	-14.85%	
Income tax expenses	28,189,905.44	13,005,121.74	116.76%	Mainly due to an increase in total profit
R&D investment	88,989,510.66	72,809,311.17	22.22%	
Cash flow generated by business operations, net	-37,313,711.13	-306,580,793.04	87.83%	Mainly due to the improvement in cash flow from operating activities of curtain wall and new materials

				business and screen door business compared to the previous period
Cash flow generated by investment activities, net	-60,178,421.86	-123,073,771.02	51.10%	The net outflow of RMB60,178,400 from investment activities in this period is mainly due to production base construction expenses, settlement payments for Fangda City project, and quality assurance deposit expenses
Net cash flow generated by financing activities	58,776,644.90	127,563,558.23	-53.92%	Mainly due to a decrease in net inflows from bank fundraising activities compared to the previous period
Net increase in cash and cash equivalents	-35,005,223.01	-298,333,058.20	88.27%	Mainly due to the improvement in cash flow from operating activities in the current period
Credit impairment ("-" for loss)	20,274,577.59	25,016,298.34	-18.95%	
Investment impairment loss ("-" for loss)	-14,673,904.92	-27,659,612.75	46.95%	Mainly due to the decrease in the provision for impairment of contract assets in the current period

Major changes in profit composition or sources during the report period

□ Applicable ☑ Inapplicable

The profit composition or sources of the Company have remained largely unchanged during the report period.

Turnover composition

In RMB

	This report period		Same period last year		YOY change (%)
	Amount	Proportion in operating costs (%)	Amount	Proportion in operating costs (%)	
Total turnover	2,078,846,877.32	100%	1,613,063,315.30	100%	28.88%
Industry					
Metal production	1,654,849,166.62	79.60%	1,150,768,372.43	71.34%	43.80%
Railroad industry	291,615,462.85	14.03%	300,269,751.24	18.61%	-2.88%
Commercial real estate	115,913,190.77	5.58%	144,893,896.06	8.98%	-20.00%
New energy industry	8,947,285.78	0.43%	8,159,691.65	0.51%	9.65%
Others	7,521,771.30	0.36%	8,971,603.92	0.56%	-16.16%
Product					
Curtain wall	1,654,849,166.62	79.60%	1,150,768,372.43	71.34%	43.80%

system and new materials					
Subway screen door and service	291,615,462.85	14.03%	300,269,751.24	18.61%	-2.88%
Commercial real estate leasing and property services	115,913,190.77	5.58%	144,893,896.06	8.98%	-20.00%
PV power generation products	8,947,285.78	0.43%	8,159,691.65	0.51%	9.65%
Others	7,521,771.30	0.36%	8,971,603.92	0.56%	-16.16%
District					
In China	1,831,339,689.35	88.09%	1,486,925,226.37	92.18%	23.16%
Out of China	247,507,187.97	11.91%	126,138,088.93	7.82%	96.22%

Industries, products or districts that take more than 10% of the Company's business turnover or profit

☑ Applicable □ Inapplicable

In RMB

	Turnover	Operating cost	Gross margin	Year-on-year change in operating revenue	Year-on-year change in operating costs	Year-on-year change in gross margin
Industry						
Metal production	1,654,849,166.62	1,384,109,670.97	16.36%	43.80%	42.64%	0.69%
Railroad industry	291,615,462.85	207,642,390.41	28.80%	-2.88%	-11.87%	7.26%
Commercial real estate	115,913,190.77	28,541,731.76	75.38%	-20.00%	-42.08%	9.39%
Product						
Curtain wall system and new materials	1,654,849,166.62	1,384,109,670.97	16.36%	43.80%	42.64%	0.69%
Subway screen door and service	291,615,462.85	207,642,390.41	28.80%	-2.88%	-11.87%	7.26%
Commercial real estate leasing and property services	115,913,190.77	28,541,731.76	75.38%	-20.00%	-42.08%	9.39%
District						
In China	1,831,339,689.35	1,460,551,119.75	20.25%	23.16%	26.40%	-2.04%

Main business statistics adjusted in the recent one year with the statistics criteria adjusted in the report period

□ Applicable ☑ Inapplicable

IV. Non-core Business Analysis

☑ Applicable □ Inapplicable

In RMB

	Amount	Profit percentage	Reason	Whether continuous

Investment income	-2,361,833.19	-1.11%		No
Gain/loss caused by changes in fair value	129,892.00	0.06%		No
Assets impairment	-14,673,904.92	-6.87%	Provision for impairment of contract assets	No
Non-operating revenue	204,046.54	0.10%		No
Non-business expenses	569,862.59	0.27%		No
Credit impairment loss	20,274,577.59	9.49%	Mainly used for offsetting bad debt reserves of accounts receivable	No

V. Assets and Liabilities

1. Major changes in assets composition

In RMB

	End of the report period		End of last year		Change (%)	Notes
	Amount	Proportion in total assets	Amount	Proportion in total assets		
Monetary capital	1,286,506,293.96	9.94%	1,238,754,216.50	9.72%	0.22%	
Account receivable	639,885,280.36	4.95%	832,292,348.17	6.53%	-1.58%	
Contract assets	2,542,073,692.15	19.65%	2,158,860,658.43	16.94%	2.71%	
Inventory	676,008,744.99	5.22%	710,532,397.32	5.57%	-0.35%	
Investment real estate	5,760,292,920.72	44.52%	5,760,517,577.11	45.20%	-0.68%	
Long-term share equity investment	54,969,336.56	0.42%	54,969,042.14	0.43%	-0.01%	
Fixed assets	636,359,361.87	4.92%	646,812,853.36	5.07%	-0.15%	
Construction in process	272,641.50	0.00%	0.00	0.00%	0.00%	
Use right assets	19,572,056.81	0.15%	19,449,693.40	0.15%	0.00%	
Short-term loans	1,575,882,917.01	12.18%	1,318,238,522.78	10.34%	1.84%	
Contract liabilities	111,056,258.14	0.86%	207,993,671.55	1.63%	-0.77%	
Long-term loans	1,193,000,000.00	9.22%	1,263,500,000.00	9.91%	-0.69%	
Lease liabilities	8,553,119.00	0.07%	6,907,456.55	0.05%	0.02%	

2. Major foreign assets

□ Applicable ☑ Inapplicable

3. Assets and liabilities measured at fair value

☑ Applicable □ Inapplicable

In RMB

Item	Opening amount	Gain/loss caused by changes in fair value	Accumulative changes in fair value accounting into the income account	Impairment provided in the period	Amount purchased in the period	Amount sold in the period	Other change	Closing amount
Financial assets								
1. Transactional financial assets (excluding derivative financial assets)	0.00							0.00
2. Derivative financial assets	789,205.34							77,586.17
3. Receivable financing	1,338,202.01							9,703,929.82
4. Investment in other equity tools	11,968,973.86	-11,968,973.86	-32,341,853.19					0.00
5. Other non-current financial assets	7,507,434.68	7,782.60						7,515,217.28
Subtotal	21,603,815.89	-11,961,191.26	-32,341,853.19	0.00	0.00	0.00	0.00	17,296,733.27
Investment real estate	5,750,831,172.12	122,109.40	63,887,326.00	0.00	0.00	0.00	-122,109.40	5,750,831,172.12
Total	5,772,434,988.01	-11,839,081.86	31,545,472.81	0.00	0.00	0.00	-122,109.40	5,768,127,905.39
Financial liabilities	293,400.00							1,439,675.00

Other change

Other changes are caused by adjustments to the settlement cost differences related to investment real estate construction contracts.

Major changes in the assets measurement property of the Company in the report period

□ Yes ☑ No

4. Right restriction of assets at the end of the period

Project	Closing book value (RMB)	Reason
Monetary capital	537,833,587.91	Various deposits
Notes receivable	27,805,230.54	Bills endorsed or discounted but not yet due
Account receivable	39,547,042.05	Loan by pledge
Fixed assets	43,896,677.62	Loan by pledge
Investment real estate	3,293,733,474.51	Loan by pledge
Non-current assets due in 1 year	321,983,047.30	Loan by pledge
Equity pledge	200,000,000.00	100% stake in Fangda Property Development held by the Company
Total	4,464,799,059.93	

VI. Investment

1. General situation

☑ Applicable □ Inapplicable

Investment (yuan) in the report period	Investment (yuan) in the previous period	Change
29,500,000.00	0.00	Inapplicable

2. Major equity investment in the report period

□ Applicable ☑ Inapplicable

3. Major non-equity investment in the report period

☑ Applicable □ Inapplicable

In RMB

Project name	Method of investment	Whether it is fixed assets investment	Industries involved in investment projects	Investment in the report period	Actual investment by the end of the report period	Capital source	Progress	Estimate return	Accumulated income realized by the end of the reporting period	Reasons for failing to reach the planned progress and expected income	Date of disclosure	Index for information disclosure
Fangda	Self-built	Yes	Mainly produc	29,500,000.0	30,000,000.0	Self-owned	1.36%	--	--	--	December 17,	Announceme

(Ganzhou) Low Carbon Intelligent Manufacturing Headquarters Base			e PVDF aluminum veneer, nano aluminum veneer and other new materials, smart curtain wall system, photovoltaic building integration system, aluminum alloy components, and precision steel components.	0	0	fund					2022	nt on Investment and Construction of Fangda (Ganzhou) Low Carbon Intelligent Manufacturing Headquarters Base released on http://www.cninfo.com.cn/
Total	--	--	--	29,500,000.00	30,000,000.00	--	--	--	--	--	--	--

4. Financial assets investment

(1) Securities investment

□ Applicable ☑ Inapplicable

The Company made no investment in securities in the report period

2. Derivative investment

☑ Applicable □ Inapplicable

1) Derivative investments for hedging purposes during the reporting period

☑ Applicable □ Inapplicable

In RMB10,000

Type	Initial investment amount	Gain/loss caused by changes in fair value	Accumulative changes in fair value accounting into the income account	Amount in this period	Amount sold in this period	Closing amount	Proportion of closing investment amount in the closing net assets in the report period
Shanghai aluminum	449.25	-114.63	-143.97	11,244.10	6,389.13	5,304.23	0.90%
Forward foreign exchange	3,087.95	-71.16	7.76	3,466.93	4,819.00	1,735.88	0.30%
Total	3,537.20	-185.79	-136.21	14,711.03	11,208.13	7,040.11	1.20%
Accounting policies and specific accounting principles of hedging business during the reporting period, as well as whether there are significant changes compared with the previous reporting period	The aluminum futures and forward foreign exchange businesses of the Company meet the applicable conditions of hedge accounting specified in the accounting standards and are applicable to hedge accounting, which are classified as cash flow hedging. The corresponding accounting policies and accounting principles have not changed from the previous reporting period.						
Description of actual profit and loss during the reporting period	Aluminum futures achieved a profit of RMB35,600. The actual income of the aluminum futures hedging instrument and the spot value change of the hedged aluminum ingot in the reporting period is RMB-501,500; The gains and losses arising from forward foreign exchange hedging instruments offset the value changes of the hedged items due to exchange rate fluctuations.						
Description of hedging effect	The profit and loss generated by the company's hedging instrument can offset the value change of the hedged item, and the hedging effect of the hedging business is good.						
Capital source	Self-owned fund						
Risk analysis and control measures for the derivative holding in the report period (including without limitation market, liquidity, credit, operation and	The aluminum futures hedging and foreign exchange derivatives trading businesses carried out by the Company are derivative investment businesses. The derivative investment business carried out by the Company follows the basic principle of locking the price and exchange rate of raw materials, does not carry out speculative trading operations, and carries out strict risk control when signing hedging contracts and closing positions. The Company has established and implemented the "Derivatives Investment Business Management Measures" and "Commodity Futures Hedging Business Internal Control and Risk Management System". It has made clear regulations on the approval authority, business management, risk management, information disclosure and file management of derivatives trading business, which can effectively control the risk of the Company's derivatives holding positions.						

legal risks)	
Changes in the market price or fair value of the derivative in the report period, the analysis of the derivative's fair value should disclose the method used and related assumptions and parameters.	Fair value of derivatives are measured at open prices in the open market
Lawsuit (if any)	No
Disclosure date of derivative investment approval by the Board of Directors (if any)	October 28, 2022
Opinions of independent directors on the Company's derivative investment and risk controlling	The Company carries out the hedging business of commodity futures options, which can effectively prevent and resolve the operational risks caused by commodity price fluctuations, make full use of the hedging function of the futures option market, and avoid the adverse impact that the large fluctuation of commodity prices may bring to the Company's operation. There is no speculative operation, which is in the interests of the Company and all shareholders. The Company has formulated the *Measures for the Management of Derivatives Investment Business* and the *Internal Control and Risk Management System of Commodity Futures Hedging Business*. By strengthening internal control and implementing risk prevention measures, the Company has formulated specific operating procedures for the Company's hedging business. The relevant examination and approval procedures for the Company to use its own funds to carry out hedging business in the commodity futures and options markets comply with relevant national laws, regulations and the relevant provisions of the *Articles of Association*. The relevant approval procedures for the Company's foreign exchange derivatives trading business comply with relevant national laws, regulations and the relevant provisions of the *Articles of Association*. The Company has formulated the *Management Measures for Derivatives Investment Business*, which is conducive to strengthening the risk management and risk control of the Company's foreign exchange derivatives transactions. The Company's foreign exchange derivatives trading business follows the principles of legality, prudence, safety and effectiveness, and the Company does not carry out foreign exchange transactions solely for profit. All foreign exchange derivatives trading businesses are based on normal production and operation, rely on specific business operations, and aim at avoiding and preventing exchange rate risks, which meet the needs of the Company's business development. There is no speculative operation or situation that damages the interests of the company and all shareholders, especially minority shareholders. The independent directors agreed that the Company should carry out derivative hedging business.

2) Derivative investment for the purpose of speculation during the reporting period

□ Applicable ☑ Inapplicable

During the reporting period, there was no derivative investment for the purpose of speculation.

5. Use of raised capital

□ Applicable ☑ Inapplicable

The Company used no raised capital in the report period.

VII. Major Assets and Equity Sales

1. Major assets sales

□ Applicable ☑ Inapplicable

The Company sold no assets in the report period.

2. Major equity sales

□ Applicable ☑ Inapplicable

VIII. Analysis of Major Joint Stock Companies

☑ Applicable □ Inapplicable

Major subsidiaries and joint stock companies affecting more than 10% of the Company's net profit

In RMB

Company	Type	Main business	Registered capital	Total assets	Net assets	Turnover	Operation profit	Net profit
Fangda Jianke	Subsidiaries	Curtain wall system and new materials	600,000,000.00	4,897,728,695.51	1,724,751,343.22	1,512,415,598.77	97,559,391.52	90,927,712.00
Fangda Zhiyuan	Subsidiaries	Subway screen door and service	105,000,000.00	960,076,223.74	322,905,846.94	285,276,452.10	54,306,435.30	46,942,135.52

Acquisition and disposal of subsidiaries in the report period

□ Applicable ☑ Inapplicable

Major joint-stock companies

During the reporting period, the operating income of Fangda Jianke was RMB1,512,415,598.77, of which the main business income was RMB1,511,439,722.89, the operating profit was RMB97,559,391.52, and the main business profit was RMB96,701,362.21; During this reporting period, the operating income of Zhiyuan Technology was RMB285,276,452.10, of which the main business income was RMB285,199,333.45, the operating profit was RMB54,306,435.30, and the main business profit was RMB54,229,316.65.

IX. Structural Entities Controlled by the Company

□ Applicable ☑ Inapplicable

X. Risks Facing the Company and Measures

1. Risks of macro environment and policy changes

Due to the complex and ever-changing international situation and other factors, the uncertainty of macroeconomic development has increased, and domestic and foreign risks and challenges have significantly increased. The Company's main business segments are closely related to macroeconomic and industrial policies and are greatly affected by the overall macro environment. If there are adverse changes in the international and domestic macroeconomic environment, slow economic development and reduced investment in fixed assets in the future, which will affect the demand of public building curtain wall industry and rail transit equipment industry, or face industry depression or excessive competition, which will have an adverse impact on the Company's future profitability, even project delay or suspension, deferred payment of projects under construction, etc, thus affecting the Company's operating performance.

In order to better cope with the opportunities and challenges brought by changes in the economic environment and policies, the Company will pay close attention to the changes in the macroeconomic and policy situation at home and abroad, timely adjust the Company's business strategy, further enhance the product competitiveness and operation and management ability, improve the market share, and deal with the risks brought by changes in the macro environment and policies.

2. Market competition risks

In the rail transit PSD market, the technology of other domestic manufacturers is becoming more and more mature, and the company may face the risk of intensified market competition. If the Company cannot maintain a leading position in the market, it will have a certain adverse impact on the development and benefits of the Company's rail transit PSD business. In this regard, the Company will continue to adopt a stable business policy, improve the competitive advantage of products through technological innovation and fine management, accelerate the return of funds, and improve the operation efficiency and market competitiveness of the Company.

In this regard, the Company will continue to adopt a stable business policy, improve the competitive advantage of products through technological innovation and fine management, accelerate the return of funds, and improve the operation efficiency and market competitiveness of the Company. While consolidating the domestic market, the Company will step up the efforts in exploring overseas markets, thus elevating our competitiveness in global markets and improving our resistance to risks.

3. Production and operation risks

The macro-economy and market demand have added to the fluctuation in prices of main raw materials such as aluminum and steel and labor, affecting the Company’s profitability and creating additional production and operation risks for the Company.

The Company will use futures products for hedging, negotiate additional contract amounts with partners, and reasonably arrange material procurement plans to hedge and transfer some of the risks of raw material price fluctuations; The Company implements a strict supplier management mechanism, actively improves the technological level of production management, increases technological research and development efforts, and is committed to improving technological processes, implementing digital system construction, improving the automation and intelligence of production equipment, and reducing raw material consumption. The Company will widely apply new technologies and processes, strengthen employee skill training, and improve quality and efficiency while ensuring safety.

4. Management risks

In recent years, with the expansion of the Company's business scale and the increase of the number of subsidiaries, the daily management of the company is becoming more and more difficult, which may face the management risk of industrial scale expansion. In addition, in recent years, the regulatory requirements for listed companies have been continuously improved and deepened. The Company needs to further strengthen management, continue to promote management reform, constantly optimize process and organizational structure, improve various rules and regulations, and vigorously introduce high-quality, highly skilled and multidisciplinary technology and management talents, gradually optimize the allocation of human resources, optimize the echelon structure, and effectively reduce the management risks brought by business development.

Chapter IV Corporation Governance

I. Annual and Extraordinary Shareholder Meetings Held During the Report Period

1. Annual shareholder meeting during the report period

Meeting	Type	Participation of investors	Date	Date of disclosure	Meeting resolution
2022 Annual Shareholder Meeting	Annual shareholders' meeting	25.46%	March 20, 2023	March 21, 2023	The following proposals were reviewed and approved: 1. Board of Directors' Work Report 2022; 2. Supervisory Committee' Work Report 2022; 3. Annual Report 2022 and the Summary; 4. Financial Settlement Report 2022; 5. 2022 Profit Distribution Plan; 6. Proposal on Applying for Credit Guarantee from Banks and Other Financial Institutions (special resolution); 7. Proposal on engaging of the CPA for Year 2023; Proposal on Re-electing the 10th Board of Directors of the Company (item by item); 8.1 The Proposal of Electing Mr. Xiong Jianming An Independent Director of the 10th Board of Directors; 8.2 Proposal of Electing Mr. Lin Kebin A Non-independent Director of the 10th Board of Directors; 8.3 Proposal of Electing Mr. Huang Yaying An Independent Director of the 10th Board of Directors; 8.4 Proposal on Electing Mr. Cao Zhongxiong as An Independent Director of the 10th Board of Directors; 8.5 Proposal on Electing Mr. Zhan Weizai as An Independent Director of the 10th Board of Directors; 9. Proposal on Re-electing the 10th Supervisory Committee of the Company (item by item); 9.1 Proposal of Electing Ms. Cao Naisi A Supervisor of the 10th Supervisory Committee of the Company; 9.2 Proposal on Electing Mr. Ye Zhiqing A Supervisor of the 10th Supervisory Committee of the Company; 10. Reviewing the remuneration plan for the 10th Board of Directors (including independent directors) and Supervisory Committee

2. Shareholders of preference shares of which voting right resume convening an extraordinary shareholders' meeting

□ Applicable ☑ Inapplicable

II. Changes in the Directors, Supervisors and Senior Executives

☑ Applicable □ Inapplicable

Name	Job	Type	Date	Reason
Xiong Jianming	Chairman	Elected	March 20, 2023	Re-elected
Xiong Xi	Chairman, President	Elected	March 20, 2023	Re-elected
Xiong Jianwei	Director	Elected	March 20, 2023	Re-elected

Lin Kebin	Director, vice president	Elected	March 20, 2023	Re-elected
Huang Yaying	Independent director	Elected	March 20, 2023	Re-elected
Cao Zhongxiong	Independent director	Elected	March 20, 2023	Re-elected
Zhan Weizai	Independent director	Elected	March 20, 2023	Re-elected
Cao Naisi	Supervisory Committee meeting convener	Elected	March 20, 2023	Re-elected
Fan Xiaodong	Supervisor	Elected	March 20, 2023	Re-elected
Ye Zhiqing	Supervisor	Elected	March 20, 2023	Re-elected
Wei Yuexing	Vice president	Engaged	March 20, 2023	Re-elected
Dong Gelin	Vice president	Engaged	March 20, 2023	Re-elected
Xiao Yangjian	Secretary of the Board	Engaged	March 20, 2023	Re-elected
Zhou Zhigang	Director, vice president	Leaving office	March 20, 2023	Office term expires
Guo Jinlong	Independent director	Leaving office	March 20, 2023	Office term expires
Dong Gelin	Supervisory Committee meeting convener	Leaving office	March 20, 2023	Office term expires

III. Profit Distribution and Reserve Capitalization in the Report Period

□ Applicable ☑ Inapplicable

The Company distributed no cash dividends or bonus shares and has no reserve capitalization plan.

IV. Share Incentive Schemes, Staff Shareholding Program or Other Incentive Plans

□ Applicable ☑ Inapplicable

There is no share incentive schemes, staff shareholding program or other incentive plans in the report period

Chapter V Environmental and Social Responsibility

I. Environmental Protection

Whether the Company and its subsidiaries are key polluting companies disclosed by the environmental protection authority

□ Yes ☑ No

Administrative penalties for environmental problems during the reporting period

Company or subsidiary	Reason	Violations	Punishment result	Impact on the production and operation of listed companies	Rectification measures of the Company
No	No	No	No	No	No

Refer to other environmental information disclosed by key pollutant discharge units

During the reporting period, the listed company and its subsidiaries were not key pollutant discharge units announced by the environmental protection department, and there were no administrative penalties for environmental problems.

Measures and effects taken to reduce carbon emissions during the reporting period

☑ Applicable □ Inapplicable

The Company has long been committed to green and sustainable development, and its industries such as smart curtain walls, photovoltaic building integration (BIPV), rail transit screen door systems, and solar photovoltaic power stations all carry environmental genes. The Company combines its own industry characteristics and integrates green, low-carbon, and environmental protection concepts into technological innovation. It has successively developed national and provincial key environmental protection new products such as ventilated and photovoltaic (BIPV) curtain walls, as well as nano self-cleaning and fireproof honeycomb aluminum composite panels. The subway screen door system developed by the Company with independent intellectual property rights has been awarded the "Manufacturing Single Champion Product" by the Ministry of Industry and Information Technology of the People's Republic of China. The aluminum plate products produced have been awarded the "Green Building Selection Product Certificate" by the National Building Materials Testing Center and have been selected into the "Green Building Selection Product Guidance Catalogue". The Company has also taken the lead in adopting the prefabricated concept in the industry for the design and installation of building curtain walls and subway screen doors, greatly improving installation efficiency, shortening construction cycles, and reducing construction waste, effectively promoting the green and low-carbon development of urban construction. In the first half of 2023, the new energy business's solar photovoltaic power generation reached 9.0146 million kilowatt hours, reducing carbon dioxide emissions by nearly 10,000 tons, and continuously contributing to achieving carbon peak and carbon neutrality goals. The Company was awarded the first batch of carbon emission measurement pilot enterprises for building decoration in Shenzhen.

The Company has established an environmental management system, and many subordinate companies have passed the ISO14001 environmental system certification. In their daily production and operation, they seriously implement the environmental protection laws and regulations such as the environmental protection law of the People's Republic of China, the water pollution prevention and control law of the People's Republic of China, the air pollution prevention and control law of the People's Republic of China, and the solid waste pollution prevention and control law of the People's Republic of China. The Company and its subsidiaries are not key polluting companies disclosed by the environmental protection authority

The Company advocates energy conservation and emission reduction, safety and environmental protection, and adheres to the comprehensive implementation of "green environmental protection" measures. The Company plans its production line reasonably, uses efficient and low consumption equipment, introduces advanced technology, and creates a good, green, and healthy office environment. The Company advocates green office, reduces the standby energy consumption of air conditioners, computers and other electrical equipment, and reasonably sets the air conditioning temperature in the office area to save energy. At the same time, the Company has established an electronic, networked, and remote office model, actively utilizing communication meetings, OA systems, and ERP systems to promote "paperless office", improve work efficiency, and reduce carbon emissions and various costs.

Reasons for non-disclosure of other environmental information

Inapplicable

II. Social Responsibilities

For many years, while creating corporate value, the Company has adhered to its original mission and fulfilled the social responsibility of listed companies. The Company actively assists in rural revitalization and has carried out industrial assistance in Guangdong, Jiangxi, Tibet, and other places. It has tailored measures to local conditions to help impoverished areas grow economic crops such as tea mushrooms and lilies, and built rural industrial "hematopoietic" projects such as greenhouse photovoltaic power stations and distributed photovoltaic power stations. The Company also actively participates in various public welfare activities, involving public welfare education assistance, rural medical assistance, disaster relief, environmental protection, public health, and many other aspects. The Company has been awarded honors such as "Advanced Private Enterprise in the National 'Ten Thousand Enterprises Helping Ten Thousand Villages' Precision Poverty Alleviation Action", "Outstanding Enterprise in Fulfilling Social Responsibility in China", "National Excellent Foreign Investment Enterprise - Top Ten Taxable Enterprises in Shenzhen", and "Guangdong May Day Labor Medal".

During the reporting period, the Company made a total of 217900 yuan in public welfare donations to the Shenzhen Workers' Relief Fund, the Jiangxi Provincial Travel Association, Zhuyuan Village and Chayuan Village in Luxi County, Pingxiang City, Jiangxi Province, respectively, for social welfare activities such as employee relief, care and assistance, and rural revitalization.

Chapter VI Significant Events

I. Commitments that Have Been Fulfilled and Not Fulfilled by Actual Controller, Shareholders, Related Parties, Acquirers of the Company

□ Applicable ☑ Inapplicable

There is no commitment that has not been fulfilled by actual controller, shareholders, related parties, acquirers of the Company

II. Non-operating Capital Use by the Controlling Shareholder or Related Parties in the Reporting Term

□ Applicable ☑ Inapplicable

The controlling shareholder and its affiliates occupied no capital for non-operating purpose of the Company during the report period.

III. Incompliant External Guarantee

□ Applicable ☑ Inapplicable

The Company made no incompliant external guarantee in the report period.

IV. Engaging and Dismissing of CPA

Whether the interim financial report is audited

□ Yes ☑ No

The interim report for H1 2015 has not been audited.

V. Statement of the Board on the “Non-Standard Auditors' Report” Issued by the CPA on the Current Report Period

□ Applicable ☑ Inapplicable

VI. Statement of the Board of Directors on the Non-standard Auditor's Report for H1 2014

□ Applicable ☑ Inapplicable

VII. Bankruptcy and Capital Reorganizing

□ Applicable ☑ Inapplicable

The Company has no bankruptcy or reorganization events in the report period.

VIII. Lawsuit

Significant lawsuit and arbitration

□ Applicable ☑ Inapplicable

The Company has no significant lawsuit or arbitration affair in the report period.

Other lawsuit

☑ Applicable □ Inapplicable

Basic information of litigation (arbitration)	Amount (in RMB10,000)	Whether estimated liabilities are formed	Progress of litigation (arbitration)	Litigation (arbitration) hearing results and impact	Enforcement of litigation (arbitration) judgment	Date of disclosure	Index for information disclosure
Summary of matters in which the subsidiaries as the plaintiff fail to meet the disclosure standards of major litigation (arbitration)	34,194.53	No	At trial	The case has not been closed yet, and it is not expected to have a significant impact on the company's operation and financial status	Inapplicable		
Summary of matters where the Company and its subsidiaries as defendants fail to meet the disclosure standards of major litigation (arbitration)	8,656.46	No	At trial	The case has not been closed yet, and it is not expected to have a significant impact on the company's operation and financial status	Inapplicable		

IX. Punishment and Rectification

□ Applicable ☑ Inapplicable

X. Credibility of the Company, Controlling Shareholder and Actual Controller

□ Applicable ☑ Inapplicable

The Company and its controlling shareholders and actual controllers do not fail to perform the effective judgment of the court, and the debts with a large amount are not paid off when due.

XI. Material Related Transactions

1. Related transactions related to routine operation

□ Applicable ☑ Inapplicable

The Company made no related transaction related to daily operating in the report period.

2. Related transactions related to assets transactions

□ Applicable ☑ Inapplicable

The Company made no related transaction of assets or equity requisition and sales in the report period.

3. Related transactions related to joint external investment

□ Applicable ☑ Inapplicable

The Company made no related transaction of joint external investment in the report period.

4. Related credits and debts

□ Applicable ☑ Inapplicable

The Company had no related debt in the report period.

5. Transactions with related financial companies

□ Applicable ☑ Inapplicable

There is no deposit, loan, credit or other financial business between the company and the related financial company.

6. Transactions between financial companies controlled by the company and related parties

□ Applicable ☑ Inapplicable

There is no deposit, loan, credit or other financial business between the financial company controlled by the company and its related parties.

7. Other major related transactions

□ Applicable ☑ Inapplicable

The Company has no other significant related transaction in the report period.

XII. Significant Contracts and Performance

1. Asset entrusting, leasing, contracting

(1) Asset entrusting

□ Applicable ☑ Inapplicable

The Company made no custody in the report period.

(2) Contracting

□ Applicable ☑ Inapplicable

The Company made no contract in the report period

(3) Leasing

□ Applicable ☑ Inapplicable

There is no leasing during the reporting period.

2. Significant guarantee

☑ Applicable □ Inapplicable

In RMB10,000

External guarantees made by the Company and subsidiaries (exclude those made for subsidiaries)										
Guarantee	Date of disclosur	Guarantee	Actual date	Actual amount	Type of guarante	Collateral (if any)	Counter guarante	Term	Completed or not	Related party

provided to	e	amount		of guarantee	e		e (if any)			
No										
Guarantee provided to subsidiaries										
Guarantee provided to	Date of disclosure	Guarantee amount	Actual date	Actual amount of guarantee	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term	Completed or not	Related party
Fangda Jianke	March 30, 2022	86,000	November 24, 2022	58,107.52	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Jianke	February 28, 2023	24,000	May 5, 2023	16,698.58	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Jianke	March 30, 2022	30,000	October 19, 2022	13,064.46	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Jianke	March 30, 2022	50,000	September 20, 2022	27,165.2	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Jianke	March 30, 2022	30,000	September 20, 2022	21,350	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Jianke	March 30, 2022	39,000	December 9,	30,203.73	Joint and several	No	No	since engage	No	Yes

			2022		liability guarantee			of contract to 3 years upon due of debt		
Fangda Jianke	March 30, 2022	15,000	May 23, 2022	14,000	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Jianke	March 30, 2022	48,000	December 15, 2022	34,404.31	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Jianke	February 28, 2023	20,000	March 31, 2023	10,000	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Jianke and Fangda Zhichuang	January 30, 2019	15,400	December 18, 2019	5,402.61	Joint and several liability guarantee	No	No	since engage of contract to 2 years upon due of debt	No	Yes
Fangda Jianke	March 30, 2022	20,000	August 10, 2022	8,424	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Jianke	March 30, 2022	4,000	September 8, 2022	4,000	Joint and several liability guarantee	No	No	since engage of contract to 3 years	No	Yes

								upon due of debt		
Fangda Jianke	February 28, 2023	4,000	May 15, 2023	4,000	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Jianke	March 30, 2022	60,000	January 21, 2023	5,000	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Zhiyuan	February 28, 2023	36,000	June 20, 2023	10,788.09	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Zhiyuan	March 21, 2021	15,000	March 9, 2022	3,373.52	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Zhiyuan	March 30, 2022	20,000	October 19, 2022	3,890.73	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Zhiyuan	March 30, 2022	15,000	November 1, 2022	3,652.92	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes

Fangda Zhiyuan	March 30, 2022	10,000	May 23, 2022	1,549.07	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Zhiyuan	February 28, 2023	18,000	March 22, 2023	20.87	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Yunzhu	February 28, 2023	600	May 11, 2023	51.85	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Yunzhu	March 30, 2022	800	August 19, 2022		Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Yunzhu	February 28, 2023	1,000	March 30, 2023	988.8	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda New Material	March 30, 2022	8,500	September 6, 2022	2,617.98	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda New Material	February 28, 2023	10,000	April 18, 2023	1,703.9	Joint and several liability guarante	No	No	since engage of contract	No	Yes

					e			to 3 years upon due of debt		
Fangda Property	December 4, 2019	135,000	February 25, 2020	87,000	Joint and several liability guarantee	No	No	since engage of contract to 2 years upon due of debt	No	Yes
Fangda Property	April 18, 2020	47,000	December 16, 2020	42,850	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Zhijian	February 28, 2023	7,000	May 15, 2023	2,999.85	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Total of guarantee to subsidiaries approved in the report term (B1)		571,900		Total of guarantee to subsidiaries actually occurred in the report term (B2)		219,173.36				
Total of guarantee to subsidiaries approved as of the report term (B3)		769,300		Total of balance of guarantee actually provided to the subsidiaries as of end of report term (B4)		413,307.99				
Guarantee provided to subsidiaries										
Guarantee provided to	Date of disclosure	Guarantee amount	Actual date	Actual amount of guarantee	Type of guarantee	Collateral (if any)	Counter guarantee (if any)	Term	Completed or not	Related party
No										
Total of guarantee provided by the Company (total of the above three)										
Total of guarantee approved in the report term (A1+B1+C1)		571,900		Total of guarantee occurred in the report term (A2+B2+C2)		219,173.36				
Total of guarantee		769,300		Total of guarantee		413,307.99				

approved as of end of report term (A3+B3+C3)		occurred as of the end of report term (A4+B4+C4)	
Percentage of the total guarantee occurred (A4+B4+C4) on net asset of the Company	70.43%		
Including:			
Guarantees provided to the shareholders, substantial controllers and the related parties (D)	0		
Guarantee provided directly or indirectly to objects with over 70% of liability on asset ratio (E)	0		
Amount of guarantee over 50% of the net asset (F)	119,893.02		
Total of the above 3 (D+E+F)	119,893.02		
For the unexpired guarantee contract, the guarantee liability has occurred during the reporting period or there is evidence that it is possible to bear joint and several repayment liability	No		
Statement of external guarantees violating the procedure	No		

Note of compound guarantee

No

3. Entrusted wealth management

□ Applicable ☑ Inapplicable

The Company made no trust investment in the report period

4. Other significant contract

□ Applicable ☑ Inapplicable

The Company entered into no other significant contract in the report.

XIII. Other material events

☑ Applicable □ Inapplicable

1. According to the Company's development strategy and in combination with the development needs of the rail transit screen door system industry of its subsidiary, Fangda Zhiyuan Technology Co., Ltd., the Company plans to spin off Fangda Zhiyuan Technology Co., Ltd. and list it on the Shenzhen Stock Exchange Growth Enterprise Board. On December 29, 2022, we received a notice from the Shenzhen Stock Exchange regarding the acceptance of the application documents for Fangda Zhiyuan Technology Co., Ltd.'s initial public offering of shares and listing on the Growth Enterprise Market (SZSS [2022] No. 577). As of the disclosure date of this report, the matter is in a normal review state.

2. To meet the needs of future business development, the company has invested in the construction of the Fangda (Ganzhou) low-carbon intelligent headquarters base project in Zhanggong District, Ganzhou City, Jiangxi Province. The specific situation is

detailed in the relevant announcement disclosed by the Company on December 17, 2022 on CNINFO. As of the disclosure date of this report, the company has obtained the construction land planning permit, land use certificate, construction project planning permit, etc., and all work is continuously progressing.

XIV. Material Events of Subsidiaries

□ Applicable ☑ Inapplicable

Chapter VII Changes in Share Capital and Shareholders

I. Changes in shares

1. Changes in shares

In share

	Before the change		Change (+,-)					After the change	
	Quantity	Proportion	Issued new shares	Bonus shares	Transferred from reserves	Others	Subtotal	Quantity	Proportion
I. Shares with trade restriction conditions	3,839,293	0.36%				21,750	21,750	3,861,043	0.36%
1. State-owned shares									
2. State-owned legal person shares									
3. Other domestic shares	3,839,293	0.36%				21,750	21,750	3,861,043	0.36%
Including: Shares held by domestic legal persons									
Domestic natural person shares	3,839,293	0.36%				21,750	21,750	3,861,043	0.36%
4. Shares held by foreign investors									
Including: Shares held by foreign legal persons									
Domestic natural person shares									
II. Unrestricted shares	1,070,034,934	99.64%				-21,750	-21,750	1,070,013,184	99.64%
1. Common shares in RMB	675,876,179	62.94%				-21,750	-21,750	675,854,429	62.94%
2. Foreign	394,158,755	36.70%						394,158,755	36.70%

shares in domestic market									
3. Foreign shares in overseas market									
4. Others									
III. Total of capital shares	1,073,874,227	100.00%				0	0	1,073,874,227	100.00%

Reasons

☑ Applicable □ Inapplicable

Mr. Ye Zhiqing, a supervisor elected at the 2022 shareholders' meeting of the company on March 20, 2023, holds 29,000 A-shares of the Company. According to relevant regulations, 21750 shares are executive lock-in shares with limited sales conditions. Therefore, the Company added 21750 shares with limited sales conditions and reduced 21750 shares with limited sales conditions.

Approval of the change

□ Applicable ☑ Inapplicable

Share transfer

□ Applicable ☑ Inapplicable

Progress in the implementation of share repurchase

□ Applicable ☑ Inapplicable

Progress in the implementation of the reduction of shareholding shares by means of centralized bidding

□ Applicable ☑ Inapplicable

Impacts on financial indicators including basic and diluted earnings per share, net assets per share attributable to common shareholders of the Company in the most recent year and period

□ Applicable ☑ Inapplicable

Others that need to be disclosed as required by the securities supervisor

□ Applicable ☑ Inapplicable

2. Changes in conditional shares

☑ Applicable □ Inapplicable

In share

Shareholder name	Conditional shares at beginning of the period	Released this period	Increased this period	Conditional shares at end of the period	Reason of condition	Date of releasing
Ye Zhiqing	0	0	21,750	21,750	Newly elected supervisors during the reporting period	25% of the annual shareholding is released from the sale
Total	0	0	21,750	21,750	--	--

II. Share placing and listing

□ Applicable ☑ Inapplicable

III. Shareholders and shareholding

In share

Number of shareholders of common shares at the end of the report period	52,993	Number of shareholders of preferred stocks of which voting rights recovered in the report period	0

Shareholders holding 5% of the Company's common shares or top-10 shareholders								
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of common shares held at the end of the report period	Change in the reporting period	Conditional common shares	Unconditional common shares	Pledge, marking or freezing	
							Share status	Quantity
Shenzhen Banglin Technologies Development Co., Ltd.	Domestic non-state legal person	11.11%	119,332,846	-		119,332,846		
Shengjiu Investment Ltd.	Foreign legal person	10.25%	110,116,276	1,536,958		110,116,276		
Fang Wei	Domestic natural person	4.48%	48,142,197	11,667,809		48,142,197		
Gong Qing Cheng Shi Li He Investment Management Partnership Enterprise (limited partner)	Domestic non-state legal person	1.48%	15,860,609	-		15,860,609		
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	Foreign legal person	0.51%	5,508,790	-		5,508,790		
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign legal person	0.49%	5,276,390	-133,222		5,276,390		
Zhou Youming	Domestic natural person	0.49%	5,234,660	2,351,400		5,234,660		

VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Foreign legal person	0.48%	5,124,227	-139,212		5,124,227		
Xiong Jianming	Domestic natural person	0.48%	5,110,257	-	3,832,693	1,277,564		
Qu Chunlin	Domestic natural person	0.41%	4,397,100	-		4,397,100		
A strategic investor or ordinary legal person becomes the Top10 shareholder due a stock issue.	No							
Notes to top ten shareholder relationship or "action in concert"	Among the shareholders, Shenzhen Banglin Technology Development Co., Ltd. and Shengjiu Investment Co., Ltd. are parties action-in-concert with Xiong Jianming. Shenzhen Banglin Technology Development Co., Ltd. and its parties action-in-concert and Gong Qing Cheng Shi Li He Investment Management Partnership Enterprise are related parties. The Company is not notified of other action-in-concert or related parties among the other holders.							
Description of the above shareholders involved in entrusted / entrusted voting right and waiver of voting right	No							
Special instructions on the existence of special repurchase account among the top 10 shareholders	No							

Top 10 shareholders of unconditional common shares			
Name of shareholder	Amount of common shares without sales restriction	Category of shares	
		Category of shares	Quantity
Shenzhen Banglin Technologies Development Co., Ltd.	119,332,846	RMB common shares	119,332,846
Shengjiu Investment Ltd.	110,116,276	Domestically listed foreign shares	110,116,276
Fang Wei	48,142,197	RMB common shares	48,142,197
Gong Qing Cheng Shi Li He Investment Management Partnership Enterprise (limited partner)	15,860,609	RMB common shares	15,860,609
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	5,508,790	Domestically listed foreign	5,508,790

		shares	
VANGUARD EMERGING MARKETS STOCK INDEX FUND	5,276,390	Domestically listed foreign shares	5,276,390
Zhou Youming	5,234,660	RMB common shares	5,234,660
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	5,124,227	Domestically listed foreign shares	5,124,227
Qu Chunlin	4,397,100	RMB common shares	4,397,100
First Shanghai Securities Limited	3,938,704	Domestically listed foreign shares	3,938,704
No action-in-concert or related parties among the top10 unconditional common share shareholders and between the top10 unconditional common share shareholders and the top10 common share shareholders	Among the shareholders, Shenzhen Banglin Technology Development Co., Ltd. and Shengjiu Investment Co., Ltd. are parties action-in-concert with Xiong Jianming. Shenzhen Banglin Technology Development Co., Ltd. and its parties action-in-concert and Gong Qing Cheng Shi Li He Investment Management Partnership Enterprise are related parties. The Company is not notified of other action-in-concert or related parties among the other holders.		
Top-10 common share shareholders participating in margin trade	No		

Agreed re-purchasing by the Company's top 10 shareholders of common shares and top 10 shareholders of unconditional common shares in the report period

□ Yes ☑ No

No agreed re-purchasing by the Company's top 10 shareholders of common shares and top 10 shareholders of unconditional common shares in the report period

IV. Changes in shareholding of Directors, Supervisors and Senior Management

☑ Applicable □ Inapplicable

Name	Position	Job status	Number of shares held at beginning of the period	Increased shares in this period (share)	Decreased shares in this period (share)	Number of shares held at end of the period	Number of restricted shares granted at the beginning of the period	Number of restricted shares granted in this period	Number of restricted shares granted at the end of the period
Xiong Jianming	Chairman	In office	5,110,257			5,110,257			

Xiong Xi	Chairman, President	In office	0			0			
Xiong Jianwei	Director	In office	0			0			
Lin Kebin	Chairman, vice president	In office	0			0			
Huang Yaying	Independent director	In office	0			0			
Cao Zhongxiong	Independent director	In office	0			0			
Zhan Weizai	Independent director	In office	0			0			
Cao Naisi	Supervisory Committee meeting convener	In office	0			0			
Fan Xiaodong	Supervisor	In office	8,800			8,800			
Ye Zhiqing	Supervisor	In office	29,000			29,000			
Wei Yuexing	Vice president	In office	0			0			
Dong Gelin	Vice president	In office	0			0			
Xiao Yangjian	Secretary of the Board	In office	0			0			
Zhou Zhigang	Director, vice president	Resigned	0			0			
Guo Jinlong	Independent director	Resigned	0			0			
Dong Gelin	Supervisory Committee meeting convener	Resigned	0			0			
Total	--	--	5,148,057	0	0	5,148,057	0	0	0

V. Changes in controlling shareholder or actual controller

Changes in the controlling shareholder in the reporting period

□ Applicable ☑ Inapplicable

No change in the controlling shareholder in the report period

Change in the actual controller in the report period

□ Applicable ☑ Inapplicable

No change in the actual shareholder in the report period

Chapter VIII Preferred Shares

□ Applicable ☑ Inapplicable

The Company had no preferred share in the report period.

Chapter IX Information about the Company's Securities

□ Applicable ☑ Inapplicable

Chapter X Financial Statements

I. Auditor's report

Whether the interim report is audited

□ Yes ☑ No

The financial statements for H1 2014 have not been audited.

II. Financial statements

Unit for statements in notes to financial statements: RMB yuan

1. Consolidated Balance Sheet

Prepared by: China Fangda Group Co., Ltd.

June 30, 2023

In RMB

Item	June 30, 2023	January 1, 2023
Current asset:		
Monetary capital	1,286,506,293.96	1,238,754,216.50
Settlement provision		
Outgoing call loan		
Transactional financial assets		
Derivative financial assets	77,586.17	789,205.34
Notes receivable	53,200,336.92	130,428,554.49
Account receivable	639,885,280.36	832,292,348.17
Receivable financing	9,703,929.82	1,338,202.01
Prepayment	24,606,127.42	20,631,650.59
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other receivables	163,623,479.94	155,379,024.22
Including: interest receivable		
Dividend receivable		
Repurchasing of financial assets		
Inventory	676,008,744.99	710,532,397.32
Contract assets	2,542,073,692.15	2,158,860,658.43
Assets held for sales		
Non-current assets due in 1 year	321,983,047.30	
Other current assets	227,624,785.92	200,981,963.60
Total current assets	5,945,293,304.95	5,449,988,220.67
Non-current assets:		

Loan and advancement provided		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term share equity investment	54,969,336.56	54,969,042.14
Investment in other equity tools		11,968,973.86
Other non-current financial assets	7,515,217.28	7,507,434.68
Investment real estate	5,760,292,920.72	5,760,517,577.11
Fixed assets	636,359,361.87	646,812,853.36
Construction in process	272,641.50	
Productive biological assets		
Gas & petrol		
Use right assets	19,572,056.81	19,449,693.40
Intangible assets	94,437,660.64	72,679,444.26
R&D expense		
Goodwill		
Long-term amortizable expenses	8,167,568.78	9,744,661.01
Deferred income tax assets	224,275,866.64	220,060,976.88
Other non-current assets	188,168,489.48	491,486,416.65
Total of non-current assets	6,994,031,120.28	7,295,197,073.35
Total of assets	12,939,324,425.23	12,745,185,294.02
Current liabilities		
Short-term loans	1,575,882,917.01	1,318,238,522.78
Loans from Central Bank		
Call loan received		
Transactional financial liabilities		
Derivative financial liabilities	1,439,675.00	293,400.00
Notes payable	761,789,844.33	734,890,208.56
Account payable	1,687,628,665.10	1,718,036,375.78
Prepayment received	2,640,045.93	1,439,653.84
Contract liabilities	111,056,258.14	207,993,671.55
Selling of repurchased financial assets		
Deposit received and held for others		
Entrusted trading of securities		
Entrusted selling of securities		
Employees' wage payable	36,639,314.27	67,150,863.91
Taxes payable	59,751,167.49	85,827,331.09
Other payables	109,992,243.02	113,425,377.70
Including: interest payable		
Dividend payable		
Fees and commissions payable		
Reinsurance fee payable		

Liabilities held for sales		
Non-current liabilities due in 1 year	118,865,039.42	83,778,647.06
Other current liabilities	50,689,992.84	48,133,198.49
Total current liabilities	4,516,375,162.55	4,379,207,250.76
Non-current liabilities:		
Insurance contract provision		
Long-term loans	1,193,000,000.00	1,263,500,000.00
Bond payable		
Including: preferred stock		
Perpetual bond		
Lease liabilities	8,553,119.00	6,907,456.55
Long-term payable	204,640,219.18	197,640,219.18
Long-term employees' wage payable		
Anticipated liabilities	5,520,119.55	3,372,553.84
Deferred earning	8,716,557.86	8,999,880.44
Deferred income tax liabilities	1,060,525,339.35	1,065,172,771.00
Other non-current liabilities		
Total of non-current liabilities	2,480,955,354.94	2,545,592,881.01
Total liabilities	6,997,330,517.49	6,924,800,131.77
Owner's equity:		
Share capital	1,073,874,227.00	1,073,874,227.00
Other equity tools		
Including: preferred stock		
Perpetual bond		
Capital reserves	11,459,588.40	11,459,588.40
Less: Shares in stock		
Other miscellaneous income	21,883,672.89	31,986,716.79
Special reserves		
Surplus reserve	79,324,940.43	79,324,940.43
Common risk provisions		
Retained profit	4,681,756,959.13	4,553,295,402.30
Total of owner's equity belong to the parent company	5,868,299,387.85	5,749,940,874.92
Minor shareholders' equity	73,694,519.89	70,444,287.33
Total of owners' equity	5,941,993,907.74	5,820,385,162.25
Total of liabilities and owner's interest	12,939,324,425.23	12,745,185,294.02

Legal representative: Xiong Jianming CFO: Lin Kebing Accounting Manager: Wu Bohua

2. Balance Sheet of the Parent Company

In RMB

Item	June 30, 2023	January 1, 2023
Current asset:		
Monetary capital	23,334,355.42	87,710,288.64
Transactional financial assets		
Derivative financial assets		
Notes receivable		

Account receivable	484,193.88	647,944.58
Receivable financing		
Prepayment	25,828.57	277,763.31
Other receivables	1,073,141,303.92	1,046,500,428.02
Including: interest receivable		
Dividend receivable		
Inventory		
Contract assets		
Assets held for sales		
Non-current assets due in 1 year		
Other current assets	1,610,485.59	1,395,020.37
Total current assets	1,098,596,167.38	1,136,531,444.92
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term share equity investment	1,486,831,253.00	1,457,331,253.00
Investment in other equity tools		11,968,973.86
Other non-current financial assets	30,000,001.00	30,000,001.00
Investment real estate	333,236,768.00	333,236,768.00
Fixed assets	64,892,170.19	66,203,194.37
Construction in process		
Productive biological assets		
Gas & petrol		
Use right assets	10,201,006.25	12,055,734.65
Intangible assets	887,443.37	1,038,211.65
R&D expense		
Goodwill		
Long-term amortizable expenses	295,311.04	393,807.16
Deferred income tax assets	34,531,293.77	30,304,587.98
Other non-current assets		
Total of non-current assets	1,960,875,246.62	1,942,532,531.67
Total of assets	3,059,471,414.00	3,079,063,976.59
Current liabilities		
Short-term loans	300,050,833.33	300,247,500.00
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable		
Account payable	823,993.04	803,645.08
Prepayment received	788,550.45	820,758.71
Contract liabilities		
Employees' wage payable	1,248,465.49	3,444,985.79

Taxes payable	868,784.39	353,816.35
Other payables	360,226,113.08	308,443,521.52
Including: interest payable		
Dividend payable		
Liabilities held for sales		
Non-current liabilities due in 1 year	3,747,236.76	3,613,300.13
Other current liabilities	27,859.15	25,213.92
Total current liabilities	667,781,835.69	617,752,741.50
Non-current liabilities:		
Long-term loans		
Bond payable		
Including: preferred stock		
Perpetual bond		
Lease liabilities	7,481,056.95	9,401,331.72
Long-term payable		
Long-term employees' wage payable		
Anticipated liabilities		
Deferred earning		
Deferred income tax liabilities	73,837,939.59	74,007,022.67
Other non-current liabilities		
Total of non-current liabilities	81,318,996.54	83,408,354.39
Total liabilities	749,100,832.23	701,161,095.89
Owner's equity:		
Share capital	1,073,874,227.00	1,073,874,227.00
Other equity tools		
Including: preferred stock		
Perpetual bond		
Capital reserves	360,835.52	360,835.52
Less: Shares in stock		
Other miscellaneous income	-10,082,945.37	-1,106,214.97
Special reserves		
Surplus reserve	79,324,940.43	79,324,940.43
Retained profit	1,166,893,524.19	1,225,449,092.72
Total of owners' equity	2,310,370,581.77	2,377,902,880.70
Total of liabilities and owner's interest	3,059,471,414.00	3,079,063,976.59

3. Consolidated Income Statement

In RMB

Item	H1 2023	H1 2022
1. Total revenue	2,078,846,877.32	1,613,063,315.30
Incl. Business income	2,078,846,877.32	1,613,063,315.30
Interest income		
Insurance fee earned		
Fee and commission received		
2. Total business cost	1,877,202,076.89	1,492,648,248.55

Incl. Business cost	1,624,230,468.63	1,259,515,842.60
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Net insurance policy responsibility reserves provided		
Insurance policy dividend paid		
Reinsurance expenses		
Taxes and surcharges	22,503,741.56	23,203,954.56
Sales expense	28,143,556.79	23,296,105.78
Administrative expense	79,590,941.46	74,193,251.57
R&D cost	88,989,510.66	72,809,311.17
Financial expenses	33,743,857.79	39,629,782.88
Including: interest cost	48,188,161.19	50,244,714.46
Interest income	12,097,319.82	19,918,179.96
Add: other gains	8,563,782.32	6,768,907.75
Investment gains ("-" for loss)	-2,361,833.19	4,595,678.43
Incl. Investment gains from affiliates and joint ventures	294.42	-32,974.15
Financial assets derecognised as a result of amortized cost	-2,362,127.61	-1,859,057.85
Exchange gains ("-" for loss)		
Net open hedge gains ("-" for loss)		
Gains from change of fair value ("-" for loss)	129,892.00	1,180,840.01
Credit impairment ("-" for loss)	20,274,577.59	25,016,298.34
Investment impairment loss ("-" for loss)	-14,673,904.92	-27,659,612.75
Investment gains ("-" for loss)	373,352.08	-815,581.50
3. Operational profit ("-" for loss)	213,950,666.31	129,501,597.03
Plus: non-operational income	204,046.54	446,386.82
Less: non-operational expenditure	569,862.59	2,578,001.31
4. Gross profit ("-" for loss)	213,584,850.26	127,369,982.54
Less: Income tax expenses	28,189,905.44	13,005,121.74
5. Net profit ("-" for net loss)	185,394,944.82	114,364,860.80
(1) By operating consistency		
1. Net profit from continuous operation ("-" for net loss)	185,394,944.82	114,364,860.80
2. Net profit from discontinuous operation ("-" for net loss)		
(2) By ownership		
1. Net profit attributable to the shareholders of the parent company	182,155,268.18	112,685,273.77
2. Gains and losses of minority shareholders (net losses are shown in "-")	3,239,676.64	1,679,587.03
6. After-tax net amount of other misc. incomes	-10,092,487.98	-427,835.59
After-tax net amount of other misc. incomes attributed to parent's owner	-10,103,043.90	-450,330.27
(1) Other misc. incomes that cannot be re-classified into gain and loss	-8,976,730.40	
1. Re-measure the change in the defined benefit plan		

2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Fair value change of investment in other equity tools	-8,976,730.40	
4. Fair value change of the Company's credit risk		
5. Others		
(2) Other misc. incomes that will be re-classified into gain and loss	-1,126,313.50	-450,330.27
1. Other comprehensive income that can be transferred to profit or loss under the equity method		
2. Fair value change of other debt investment		
3. Gains and losses from changes in fair value of available-for-sale financial assets		
4. Other credit investment credit impairment provisions		
5. Cash flow hedge reserve	-1,579,210.04	-960,094.83
6. Translation difference of foreign exchange statement	452,896.54	509,764.56
7. Others		
After-tax net of other misc. income attributed to minority shareholders	10,555.92	22,494.68
7. Total of misc. incomes	175,302,456.84	113,937,025.21
Total of misc. incomes attributable to the owners of the parent company	172,052,224.28	112,234,943.50
Total misc gains attributable to the minor shareholders	3,250,232.56	1,702,081.71
8. Earnings per share:		
(1) Basic earnings per share	0.17	0.10
(2) Diluted earnings per share	0.17	0.10

Net profit contributed by entities merged under common control in the report period was RMB0.00, net profit realized by parties merged during the previous period is RMB0.00.

Legal representative: Xiong Jianming CFO: Lin Kebing Accounting Manager: Wu Bohua

4. Income Statement of the Parent Company

In RMB

Item	H1 2023	H1 2022
1. Turnover	12,358,317.34	14,705,232.50
Less: Operation cost	0.00	418,824.01
Taxes and surcharges	659,523.84	655,596.71
Sales expense		
Administrative expense	14,762,448.49	15,050,027.61
R&D cost		
Financial expenses	3,690,612.01	6,762,805.90
Including: interest cost	3,898,333.33	5,419,166.67
Interest income	404,455.21	216,667.03
Add: other gains	78,916.83	72,308.39
Investment gains ("-" for loss)		431,992.15
Incl. Investment gains from affiliates and joint ventures		
Financial assets derecognised as a result of amortized cost ("-" for loss)		
Net open hedge gains ("-" for loss)		
Gains from change of fair value ("-" for loss)		

Credit impairment ("-" for loss)	398,974.45	-12,016.02
Investment impairment loss ("-" for loss)		
Investment gains ("-" for loss)		-26,723.69
2. Operational profit ("-" for loss)	-6,276,375.72	-7,716,460.90
Plus: non-operational income	44,168.06	0.84
Less: non-operational expenditure	33,194.93	47,636.27
3. Gross profit ("-" for loss)	-6,265,402.59	-7,764,096.33
Less: Income tax expenses	-1,403,545.41	-1,872,231.86
4. Net profit ("-" for net loss)	-4,861,857.18	-5,891,864.47
(1) Net profit from continuous operation ("-" for net loss)	-4,861,857.18	-5,891,864.47
(2) Net profit from discontinuous operation ("-" for net loss)		
5. After-tax net amount of other misc. incomes	-8,976,730.40	
(1) Other misc. incomes that cannot be re-classified into gain and loss	-8,976,730.40	
1. Re-measure the change in the defined benefit plan		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Fair value change of investment in other equity tools	-8,976,730.40	
4. Fair value change of the Company's credit risk		
5. Others		
(2) Other misc. incomes that will be re-classified into gain and loss		
1. Other comprehensive income that can be transferred to profit or loss under the equity method		
2. Fair value change of other debt investment		
3. Gains and losses from changes in fair value of available-for-sale financial assets		
4. Other credit investment credit impairment provisions		
5. Cash flow hedge reserve		
6. Translation difference of foreign exchange statement		
7. Others		
6. Total of misc. incomes	-13,838,587.58	-5,891,864.47
7. Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		

5. Consolidated Cash Flow Statement

In RMB

Item	H1 2023	H1 2022
1. Net cash flow from business operations:		
Cash received from sales of products and providing of services	1,920,455,087.38	1,404,641,263.99
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		

Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Cash received as interest, processing fee, and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Net cash received from trading securities		
Tax refunded	4,515,868.70	13,589,221.42
Other cash received from business operation	43,447,921.80	101,615,328.20
Sub-total of cash inflow from business operations	1,968,418,877.88	1,519,845,813.61
Cash paid for purchasing products and services	1,366,927,959.80	1,218,828,059.03
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Net increase in funds dismantled		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to and for the staff	238,020,813.88	224,849,803.47
Taxes paid	136,324,121.29	88,742,682.58
Other cash paid for business activities	264,459,694.04	294,006,061.57
Sub-total of cash outflow from business operations	2,005,732,589.01	1,826,426,606.65
Cash flow generated by business operations, net	-37,313,711.13	-306,580,793.04
2. Cash flow generated by investment:		
Cash received from investment recovery		2,282,234,066.40
Cash received as investment profit		2,513,790.26
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	27,880.04	2,041,120.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow generated from investment	27,880.04	2,286,788,976.66
Cash paid for construction of fixed assets, intangible assets and other long-term assets	60,206,301.90	19,887,603.68
Cash paid as investment		2,389,975,144.00
Net increase of loan against pledge		
Net cash paid for acquiring subsidiaries and other operational units		
Other cash paid for investment		
Subtotal of cash outflows	60,206,301.90	2,409,862,747.68
Cash flow generated by investment activities, net	-60,178,421.86	-123,073,771.02
3. Cash flow generated by financing activities:		
Cash received from investment		
Incl. Cash received from investment attracted by subsidiaries from minority shareholders		
Cash received from borrowed loans	1,173,858,273.98	1,168,411,688.20
Other cash received from financing activities		
Subtotal of cash inflow from financing activities	1,173,858,273.98	1,168,411,688.20
Cash paid to repay debts	946,000,000.00	328,500,000.00
Cash paid as dividend, profit, or interests	100,394,812.98	102,751,331.27
Incl. Dividend and profit paid by subsidiaries to minority shareholders		
Other cash paid for financing activities	68,686,816.10	609,596,798.70

Subtotal of cash outflow from financing activities	1,115,081,629.08	1,040,848,129.97
Net cash flow generated by financing activities	58,776,644.90	127,563,558.23
4. Influence of exchange rate changes on cash and cash equivalents	3,710,265.08	3,757,947.63
5. Net increase in cash and cash equivalents	-35,005,223.01	-298,333,058.20
Plus: Balance of cash and cash equivalents at the beginning of term	783,677,929.06	892,251,071.59
6. Balance of cash and cash equivalents at the end of the period	748,672,706.05	593,918,013.39

6. Cash Flow Statement of the Parent Company

In RMB

Item	H1 2023	H1 2022
1. Net cash flow from business operations:		
Cash received from sales of products and providing of services	9,210,418.74	10,460,521.63
Tax refunded		
Other cash received from business operation	2,268,519,986.44	1,764,596,018.97
Sub-total of cash inflow from business operations	2,277,730,405.18	1,775,056,540.60
Cash paid for purchasing products and services	1,697,321.13	981,699.47
Cash paid to and for the staff	10,382,381.77	11,795,461.40
Taxes paid	928,005.61	3,942,572.28
Other cash paid for business activities	2,241,886,586.57	1,647,625,265.89
Sub-total of cash outflow from business operations	2,254,894,295.08	1,664,344,999.04
Cash flow generated by business operations, net	22,836,110.10	110,711,541.56
2. Cash flow generated by investment:		
Cash received from investment recovery		845,000,000.00
Cash received as investment profit		431,992.15
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		675,000.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow generated from investment		846,106,992.15
Cash paid for construction of fixed assets, intangible assets and other long-term assets	1,350.00	113,230.00
Cash paid as investment	29,500,000.00	845,000,000.00
Net cash paid for acquiring subsidiaries and other operational units		
Other cash paid for investment		
Subtotal of cash outflows	29,501,350.00	845,113,230.00
Cash flow generated by investment activities, net	-29,501,350.00	993,762.15
3. Cash flow generated by financing activities:		
Cash received from investment		
Cash received from borrowed loans	300,000,000.00	300,000,000.00
Other cash received from financing activities		
Subtotal of cash inflow from financing activities	300,000,000.00	300,000,000.00
Cash paid to repay debts	300,000,000.00	300,000,000.00
Cash paid as dividend, profit, or interests	57,788,711.35	60,578,669.24
Other cash paid for financing activities		
Subtotal of cash outflow from financing activities	357,788,711.35	360,578,669.24
Net cash flow generated by financing activities	-57,788,711.35	-60,578,669.24
4. Influence of exchange rate changes on cash and cash equivalents	78,018.03	-22,654.47
5. Net increase in cash and cash equivalents	-64,375,933.22	51,103,980.00
Plus: Balance of cash and cash equivalents at the beginning of term	87,460,288.64	111,598,536.84
6. Balance of cash and cash equivalents at the end of the period	23,084,355.42	162,702,516.84

7. Statement of Change in Owners' Equity (Consolidated)

Amount of the Current Term

In RMB

Item	H1 2023														
	Owners' Equity Attributable to the Parent Company													Minor shareholders' equity	Total of owners' equity
	Share capital	Other equity tools			Capital reserves	Less: Shares in stock	Other miscellaneous income	Special reserves	Surplus reserve	Common risk provisions	Retained profit	Others	Subtotal		
		Preferred share	Perpetual bond	Others											
1. Balance at the end of last year	1,073,874,227.00				11,459,588.40		31,986,716.79		79,324,940.43		4,553,295,402.30		5,749,940,874.92	70,444,287.33	5,820,385,162.25
Plus: Changes in accounting policies															
Correction of previous errors															
Consolidation of entities under common control															
Others															
2. Balance at the beginning of current year	1,073,874,227.00				11,459,588.40		31,986,716.79		79,324,940.43		4,553,295,402.30		5,749,940,874.92	70,444,287.33	5,820,385,162.25
3. Change amount in the current period ("-" for decrease)							-10,103,043.90				128,461,556.83		118,358,512.93	3,250,232.56	121,608,745.49
(1) Total of misc. incomes							-10,103,043.90				182,155,268.18		172,052,224.28	3,250,232.56	175,302,456.84
(2) Investment or decreasing of capital by owners															
1. Common															

shares invested by owners															
2. Capital contributed by other equity instrument holders															
3. Amount of shares paid and accounted as owners' equity															
4. Others															
(3) Profit allotment											-53,693,711.35		-53,693,711.35		-53,693,711.35
1. Provision of surplus reserves															
2. Common risk provision															
3. Distribution to owners (or shareholders)											-53,693,711.35		-53,693,711.35		-53,693,711.35
4. Others															
(4) Internal carry-over of owners' equity															
1. Capitalizing of capital reserves (or share capital)															
2. Capitalizing of surplus reserves (or share capital)															
3. Surplus reserves used to cover losses															
4. Retained gain transferred															

due to change in set benefit program															
5. Other miscellaneous income															
6. Others															
(5) Special reserves															
1. Provided this year															
2. Used this period															
(6) Others															
4. Balance at the end of this period	1,073,874,227.00				11,459,588.40		21,883,672.89		79,324,940.43		4,681,756,959.13		5,868,299,387.85	73,694,519.89	5,941,993,907.74

Amount of Last Year

In RMB

Item	H1 2022														
	Owners' Equity Attributable to the Parent Company													Minor shareholders' equity	Total of owners' equity
	Share capital	Other equity tools			Capital reserves	Less: Shares in stock	Other miscellaneous income	Special reserves	Surplus reserve	Common risk provisions	Retained profit	Others	Subtotal		
		Preferred share	Perpetual bond	Others											
1. Balance at the end of last year	1,073,874,227.00				11,459,588.40		35,325,871.78		79,324,940.43		4,324,055,259.33		5,524,039,886.94	67,166,031.66	5,591,205,918.60
Plus: Changes in accounting policies															
Correction of previous errors															
Consolidation of entities under common control															
Others															
2. Balance at the beginning of	1,073,874,22				11,459,588.4		35,325,871.7		79,324,940.4		4,324,055,25		5,524,039,88	67,166,031.6	5,591,205,91

current year	7.00				0		8		3		9.33		6.94	6	8.60
3. Change amount in the current period ("-" for decrease)							-450,330.27				58,991,562.42		58,541,232.15	1,702,081.71	60,243,313.86
(1) Total of misc. incomes							-450,330.27				112,685,273.77		112,234,943.50	1,702,081.71	113,937,025.21
(2) Investment or decreasing of capital by owners															
1. Common shares invested by owners															
2. Capital contributed by other equity instrument holders															
3. Amount of shares paid and accounted as owners' equity															
4. Others															
(3) Profit allotment											-53,693,711.35		-53,693,711.35		-53,693,711.35
1. Provision of surplus reserves															
2. Common risk provision															
3. Distribution to owners (or shareholders)											-53,693,711.35		-53,693,711.35		-53,693,711.35
4. Others															
(4) Internal carry-over of owners' equity															

1. Capitalizing of capital reserves (or share capital)															
2. Capitalizing of surplus reserves (or share capital)															
3. Surplus reserves used to cover losses															
4. Retained gain transferred due to change in set benefit program															
5. Other miscellaneous income															
6. Others															
(5) Special reserves															
1. Provided this year															
2. Used this period															
(6) Others															
4. Balance at the end of this period	1,073,874,227.00				11,459,588.40		34,875,541.51		79,324,940.43		4,383,046,821.75		5,582,581,119.09	68,868,113.37	5,651,449,232.46

8. Statement of Change in Owners' Equity (Parent Company)

Amount of the Current Term

In RMB

Item	H1 2023											
	Share capital	Other equity tools			Capital reserves	Less: Shares in stock	Other miscellaneous income	Special reserves	Surplus reserve	Retained profit	Others	Total of owners' equity
		Preferred share	Perpetual bond	Others								
1. Balance at the end of last year	1,073,874,227.00				360,835.52		-1,106,214.97		79,324,940.43	1,225,449,092.72		2,377,902,880.70

Plus: Changes in accounting policies												
Correction of previous errors												
Others												
2. Balance at the beginning of current year	1,073,874,227.00				360,835.52		-1,106,214.97		79,324,940.43	1,225,449,092.72		2,377,902,880.70
3. Change amount in the current period ("-" for decrease)							-8,976,730.40			-58,555,568.53		-67,532,298.93
(1) Total of misc. incomes							-8,976,730.40			-4,861,857.18		-13,838,587.58
(2) Investment or decreasing of capital by owners												
1. Common shares invested by owners												
2. Capital contributed by other equity instrument holders												
3. Amount of shares paid and accounted as owners' equity												
4. Others												
(3) Profit allotment										-53,693,711.35		-53,693,711.35
1. Provision of surplus reserves												
2. Distribution to owners (or										-53,693,711.		-53,693,711.

shareholders)										35		35
3. Others												
(4) Internal carry-over of owners' equity												
1. Capitalizing of capital reserves (or share capital)												
2. Capitalizing of surplus reserves (or share capital)												
3. Surplus reserves used to cover losses												
4. Retained gain transferred due to change in set benefit program												
5. Other miscellaneous income												
6. Others												
(5) Special reserves												
1. Provided this year												
2. Used this period												
(6) Others												
4. Balance at the end of this period	1,073,874,227.00				360,835.52		-10,082,945.37		79,324,940.43	1,166,893,524.19		2,310,370,581.77

Amount of Last Year

In RMB

Item	H1 2022											
	Share capital	Other equity tools			Capital reserves	Less: Shares in stock	Other miscellaneous income	Special reserves	Surplus reserve	Retained profit	Others	Total of owners' equity
		Preferred share	Perpetual bond	Others								

1. Balance at the end of last year	1,073,874,227.00				360,835.52		-520,786.11		79,324,940.43	1,290,879,760.71		2,443,918,977.55
Plus: Changes in accounting policies												
Correction of previous errors												
Others												
2. Balance at the beginning of current year	1,073,874,227.00				360,835.52		-520,786.11		79,324,940.43	1,290,879,760.71		2,443,918,977.55
3. Change amount in the current period (“-“ for decrease)										-59,585,575.82		-59,585,575.82
(1) Total of misc. incomes										-5,891,864.47		-5,891,864.47
(2) Investment or decreasing of capital by owners												
1. Common shares invested by owners												
2. Capital contributed by other equity instrument holders												
3. Amount of shares paid and accounted as owners' equity												
4. Others												
(3) Profit allotment										-53,693,711.35		-53,693,711.35
1. Provision of surplus												

reserves												
2. Distribution to owners (or shareholders)										-53,693,711.35		-53,693,711.35
3. Others												
(4) Internal carry-over of owners' equity												
1. Capitalizing of capital reserves (or share capital)												
2. Capitalizing of surplus reserves (or share capital)												
3. Surplus reserves used to cover losses												
4. Retained gain transferred due to change in set benefit program												
5. Other miscellaneous income												
6. Others												
(5) Special reserves												
1. Provided this year												
2. Used this period												
(6) Others												
4. Balance at the end of this period	1,073,874,227.00				360,835.52		-520,786.11		79,324,940.43	1,231,294,184.89		2,384,333,401.73

III. General Information

China Fangda Group Co., Ltd. (the "Company" or the "Group") is a joint stock company registered in Shenzhen, Guangdong and was approved by the Government of Shenzhen with Document 深府办函 (1995) 194 号, and was founded, on the basis of Shenzhen Fangda Construction Material Co., Ltd., by way of share issuing in October 1995. The unified social credit code is: 91440300192448589C; registered address: Fangda Technology Building, Keji South 12th Road, South District, High-tech Industrial Park, Nanshan District, Shenzhen. Mr. Xiong Jianming is the legal representative.

The Company issued foreign currency shares (B shares) and local currency shares (A shares) and listed in November 1995 and April 1996 respectively in Shenzhen Stock Exchange. The Company received the Reply to the Non-public Share Issuance of Fangda China Group Co., Ltd. (CSRC License [2016] No.825) to allow the Company to conduct non-public issuance of 32,184,931 A-shares in June 20116. According to the profit distribution plan for 2016 approved by the 2016 general shareholders' meeting, the Company issued five shares for every ten shares to all shareholders through surplus capitalization based on the total 789,094,836 shares on December 31, 2016. The registered capital at the end of 2017 was RMB 1,183,642,254.00. The Company repurchased and cancelled 28,160,568.00 B shares in August 2018, 32,097,497.00 B shares in January 2019, 35,105,238.00 B shares in May 2020, 14404724.00 B shares in April 2021 and cancelled in April 2021. The existing registered capital is RMB1,073,874,227.00 yuan.

The Company has established the corporate governance structure of the General Meeting of Shareholders, the Board of Directors and the Board of Supervisors. At present, it has set up the President's Office, the Administration Department, the Human Resources Department, the Enterprise Management Department, the Finance Department, the Audit and Supervision Department, the Securities Department, the Legal Department, the Information Management Department, the Technology Innovation Department, the Development Planning Department and other departments, and has Shenzhen Fangda Construction Technology Group Co., Ltd. (hereinafter referred to as Fangda Construction Technology Co., Ltd.) Fangda Zhiyuan Technology Co., Ltd. (hereinafter referred to as Fangda Zhiyuan Technology Co., Ltd.), Fangda Jiangxi New Materials Co., Ltd., Fangda Real Estate Co., Ltd., Fangda New Energy Co., Ltd. and other subsidiaries.

The business nature and main business activities of the Company and its subsidiaries include: (1) curtain wall division, production and sales of curtain wall materials, design, production and installation of building curtain walls, and curtain wall testing and maintenance services; (2) Rail transit branch, assembly and processing of subway screen doors, screen door detection and maintenance services; (3) The real estate division is engaged in real estate development, operation and property management on the land that has legally obtained the right to use; (4) New energy division, photovoltaic power generation and sales; R&D, installation and sales of photovoltaic equipment, design and installation of photovoltaic power station project.

Date of financial statement approval: This financial statement is approved by the Board of Directors of the Company on August 25, 2023.

The total number of subsidiaries included in the consolidation scope of the Company in this period is 34, and there are no change and subsidiaries in consolidation scope in this period. Please refer to "Section X, VIII. Changes in the Consolidation Scope" and "Section X, IX. Interests in Other Entities" for details.

IV. Basis for the preparation of financial statements

1. Preparation basis

The Company prepares the financial statements based on continuous operation and according to actual transactions and events, with figures confirmed and measured in compliance with the Accounting Standards for Business Enterprises and other specific account standards, application guide and interpretations. The Company has also disclosed related financial information according to the requirement of the Regulations of Information Disclosure No.15 – General Provisions for Financial Statements (Revised in 2014) issued by the CSRC.

2. Continuous operation

The Company assessed the continuing operations capability of the Company for the 12 months from the end of the reporting period. No matters were found that would affect the Company's ability to continue as a going concern. It is reasonable for the Company to prepare financial statements based on continuing operations.

V. Significant Account Policies and Estimates

Specific accounting policy and estimate prompt:

The following major accounting policies and accounting estimates shall be formulated in accordance with the accounting standards of the enterprise. Unmentioned operations are carried out in accordance with the relevant accounting policies in the enterprise accounting standards.

1. Statement of compliance to the Enterprise Accounting Standard

These financial statements meet the requirements of the Accounting Standards for Business Enterprises and truly and fully reflect the Company's financial status, performance result, changes in shareholders' equity and cash flows.

2. Fiscal Period

The Company The fiscal period ranges between January 1 and December 31 of the Gregorian calendar.

3. Operation period

Our normal business cycle is one year

4. Bookkeeping standard money

The Company's bookkeeping standard currency is Renminbi, and overseas subsidiaries are based on the currency of the main economic environment in which they operate.

5. Accounting treatment of the entities under common and different control

(1) Consolidation of entities under common control

The assets and liabilities acquired by the Company in a business combination are measured at the book value of the combined party in the consolidated financial statements of the ultimate controlling party on the date of combination. Among them, if the accounting policy adopted by the merger party is different from that adopted by the Company before the merger, the accounting policy is unified based on the principle of importance, that is, the book value of the assets and liabilities of the merger party is adjusted according to the accounting policy of the Company. If there is a difference between the book value of the net assets acquired by the Company in the business combination and the book value of the consideration paid, first adjust the balance of the capital reserve (capital premium or equity premium), the balance of the capital reserve (capital premium or equity premium) If it is insufficient to offset, the surplus reserve and undistributed profits will be offset in sequence.

For the accounting treatment method of business combination under the same control through step-by-step transactions, see Chapter X, V. important accounting policies and accounting estimates. 6. Preparation method of consolidated financial statements (5) accounting treatment of special transactions.

(2) Consolidation of entities under different control

All identifiable assets and liabilities acquired by the Company during the merger shall be measured at its fair value on the date of purchase. Among them, if the accounting policy adopted by the merger party is different from that adopted by the Company before the merger, the accounting policy is unified based on the principle of importance, that is, the book value of the assets and liabilities of the merger party is adjusted according to the accounting policy of the Company. The merger cost of the Company on the date of purchase is greater than the fair value of the assets and liabilities recognized by the purchaser in the merger, and is recognized as goodwill. If the merger cost is less than the difference between the identifiable assets and the fair value of the liabilities obtained by the purchaser in the enterprise merger, the merger cost and the fair value of the identifiable assets and the liabilities obtained by the purchaser in the enterprise merger are reviewed, and the merger cost is still less than the fair value of the identifiable assets and liabilities obtained by the purchaser after the review, the difference is considered as the profit and loss of the current period of the merger.

For the accounting treatment method of business combination not under the same control through step-by-step transactions, see Chapter X, V. important accounting policies and accounting estimates. 6. Preparation method of consolidated financial statements (5) accounting treatment of special transactions.

(3) Treatment of related transaction fee in enterprise merger

Agency expenses and other administrative expenses such as auditing, legal consulting, or appraisal services occurred relating to the merger of entities are accounted into current income account when occurred. The transaction fees of equity certificates or liability certificates issued by the purchaser for payment for the acquisition are accounted at the initial amount of the certificates.

6. Preparation of Consolidated Financial Statements

(1) Consolidation scope

The consolidated scope of the consolidated financial statements is determined on a control basis and includes not only subsidiaries determined on the basis of voting rights (or similar voting rights) themselves or in conjunction with other arrangements, but also structured subjects determined on the basis of one or more contractual arrangements.

Control means the power possessed by the Company on invested entities to share variable returns by participating in related activities of the invested entities and to impact the amount of the returns by using the power. The subsidiary company is the subject controlled by the Company (including the enterprise, the divisible part of the invested unit and the structured subject controlled by the enterprise, etc.). The structured subject is the subject which is not designed to determine the controlling party by taking the voting right or similar right as the decisive factor.

(2) Preparation of Consolidated Financial Statements

The Company prepares consolidated financial statements based on the financial statements of itself and its subsidiaries and based on other relevant information.

The Company compiles consolidated financial statements, regards the whole enterprise group as an accounting entity, reflects the overall financial status, operating results and cash flow of the enterprise group according to the confirmation, measurement and presentation requirements of the relevant enterprise accounting standards, and the unified accounting policy and accounting period.

① Merge the assets, liabilities, owner's rights and interests, income, expenses and cash flow of parent company and subsidiary company.

② Offset the long-term equity investment of the parent company to the subsidiary company and the share of the parent company in the ownership rights of the subsidiary company.

③ Offset the influence of internal transaction between parent company, subsidiary company and subsidiary company. If an internal transaction indicates that the relevant asset has suffered an impairment loss, the part of the loss shall be confirmed in full.

④ adjust the special transaction from the angle of enterprise group.

(3) Processing of subsidiaries during the reporting period

① Increase of subsidiaries or business

A. Subsidiary or business increased by business combination under the same control

(A) When preparing the consolidated balance sheet, adjust the opening number of the consolidated balance sheet and adjust the related items of the comparative statement. The same report entity as the consolidated balance sheet will exist from the time of the final control party.

(B) When preparing the consolidated cash flow statement, the cash flows of the subsidiary and the business combination from the beginning of the current period to the end of the reporting period are included in the consolidated cash flow statement, and the related items of the comparative statement are adjusted, which is regarded as the combined report body since the final The controller has been there since the beginning of control.

(C) When preparing the consolidated cash flow statement, the cash flows of the subsidiary and the business combination from the beginning of the current period to the end of the reporting period are included in the consolidated cash flow statement, and the related items of the comparative statement are adjusted, which is regarded as the combined report body since the final The controller has been there since the beginning of control.

B. Subsidiary or business increased by business combination under the same control

(A) When preparing the consolidated balance sheet, the opening number of the consolidated balance sheet is not adjusted.

(B) When preparing the consolidated profit statement, the income, expense and profit of the subsidiary company and the business Purchase date and Closing balance shall be included in the consolidated profit statement.

(C) When the consolidated cash flow statement is prepared, the cash flow from the purchase date of the subsidiary to the end of the reporting period is included in the consolidated cash flow statement.

② Disposal of subsidiaries or business

A. When preparing the consolidated balance sheet, the opening number of the consolidated balance sheet is not adjusted.

B. When preparing the consolidated profit statement, the income, expense and profit of the subsidiary company and the business opening and disposal date shall be included in the consolidated profit statement.

C. When the consolidated cash flow statement is prepared, the cash flow from the Beginning of the period of the subsidiary to the end of the reporting period is included in the consolidated cash flow statement.

(4) Special considerations in consolidation offsets

① The long-term equity investment held by a subsidiary company shall be regarded as the inventory shares of the Company as a subtraction of the owner's rights and interests, which shall be listed under the item of "subtraction: Stock shares" under the item of owner's rights and interests in the consolidated balance sheet.

The long-term equity investments held by the subsidiaries are offset by the shares of the shareholders of the subsidiaries.

② The "special reserve" and "general risk preparation" projects, because they are neither real capital (or share capital) nor capital reserve, but also different from the retained income and undistributed profits, are restored according to the ownership of the parent company after the long-term equity investment is offset by the ownership rights and interests of the subsidiary company.

③ If there is a temporary difference between the book value of assets and liabilities in the consolidated balance sheet and the taxable basis of the taxpayer due to the offset of the unrealized internal sales gain or loss, the deferred income tax asset or the deferred income tax liability is confirmed in the consolidated balance sheet, and the income tax expense in the consolidated profit statement is adjusted, with the exception of the deferred income tax related to the transaction or event directly included in the owner's equity and the merger of the enterprise.

④ The unrealized internal transaction gains and losses incurred by the Company from selling assets to subsidiaries shall be fully offset against the "net profit attributable to the owners of the parent company". The unrealized internal transaction gains and losses arising from the sale of assets by the subsidiary to the Company shall be offset between the "net profit attributable to the owners of the parent company" and the "minority shareholder gains and losses" in accordance with the Company's distribution ratio to the subsidiary. The unrealized internal transaction gains and losses arising from the sale of assets between subsidiaries shall be offset between the "net profit attributable to the owners of the parent company" and the "minority shareholders' gains and losses" in accordance with the Company's distribution ratio to the seller's subsidiary .

⑤ If the current loss shared by the minority shareholders of the subsidiary exceeds the share of the minority shareholders in the owner 's equity of the subsidiary at the beginning of the period, the balance should still be offset against the minority shareholders 'equity.

(5) Accounting treatment of special transactions

① Purchase minority shareholders' equity

The Company purchases the shares of the subsidiaries owned by the minority shareholders of the subsidiaries. In the individual financial statements, the investment costs of the newly acquired long-term investments of the minority shares shall be measured at the fair value of the price paid. In the consolidated financial statements, the difference between the newly acquired long-term equity investment due to the purchase of minority equity and the share of net assets that should be continuously calculated by the subsidiary since the purchase date or the merger date should be adjusted according to the new shareholding ratio. The product (capital premium or equity premium), if the capital reserve is insufficient to offset, the surplus reserve and undistributed profits are offset in turn.

② Step-by-step acquisition of control of the subsidiary through multiple transactions

A. Enterprise merger under common control through multiple transactions

On the date of the merger, the Company determines the initial investment cost of the long-term equity investment in the individual financial statements based on the share of the subsidiary 's net assets that should be enjoyed after the merger in the final controller 's consolidated financial statements; the initial investment cost and the The difference between the book value of the long-term equity investment before the merger plus the book value of the consideration paid for new shares acquired on the merger date, the capital reserve (capital premium or equity premium) is adjusted, and the capital reserve (capital premium or equity premium) is insufficient to offset Reduced, in turn offset the surplus reserve and undistributed profits.

In consolidated financial statements, assets and liabilities obtained by the merging party from the merged party should be measured at the book value in the final controlling party's consolidated financial statements other than the adjustment made due to differences in accounting policies; adjust the capital surplus (share premium) according to the difference between the initial investment cost and the book value of the held investment before merger plus the book value of the consideration paid on the merger date. Where the capital surplus falls short, the retained income should be adjusted.

If the merging party holds the equity investment before acquiring the control of the merged party and is accounted for according to the equity method, the date of acquiring the original equity and the merging party and the merged party are in the same party's final control from the later date to the merger date The relevant gains and losses, other comprehensive income and other changes in owner's equity have been confirmed between them, and the retained earnings at the beginning of the comparative statement period should be offset separately.

A. Enterprise merger under common control through multiple transactions

On the merger day, in individual financial statements, the initial investment cost of the long-term equity investment on the merger day is based on the book value of the long-term equity investment previously held plus the sum of the additional investment costs on the merger day.

In the consolidated financial statements, the equity of the purchaser held prior to the date of purchase is revalued according to the fair value of the equity at the date of purchase, and the difference between the fair value and its book value is credited to the current investment income; If the shares held by the purchaser prior to the date of purchase involve other consolidated gains under the equity law accounting, the other consolidated gains related thereto shall be converted to the current gains on the date of purchase, with the exception of the other consolidated gains arising from the remeasurement of the net assets or net liabilities of the merged party. The Company disclosed in the notes the fair value of the equity of the purchased party held before the purchase date and the amount of related gains or losses remeasured according to the fair value.

(3) The Company disposes of long-term equity investment in subsidiaries without losing control

The parent company partially disposes of the long-term equity investment in the subsidiary company without losing control. In the consolidated financial statements, the disposal price corresponds to the disposal of the long-term equity investment. The difference between the shares is adjusted for the capital reserve (capital premium or equity premium). If the capital reserve is insufficient to offset, the retained earnings are adjusted.

④ The Company disposes of long-term equity investment in subsidiaries and loses control

A. One transaction disposition

If the Company loses control over the Invested Party due to the disposal of part of the equity investment, it shall remeasure the remaining equity according to its fair value at the date of loss of control when compiling the consolidated financial statement. The sum of the consideration obtained from the disposal of equity and the fair value of the remaining equity minus the difference between the share of the original subsidiary 's net assets that should be continuously calculated from the purchase date or the merger date, calculated as the loss of control The investment income of the current period.

Other comprehensive income and other owner's equity changes related to the equity investment of the atomic company are transferred to the current profit and loss when the control is lost, except for other comprehensive income arising from the remeasurement of the net benefits or net assets of the defined benefit plan by the investee. .

B. Multi-transaction step-by-step disposition

In consolidated financial statements, you should first determine whether a step-by-step transaction is a "blanket transaction".

If the step-by-step transaction does not belong to a "package deal", in the individual financial statements, for each transaction before the loss of control of the subsidiary, the book value of the long-term equity investment corresponding to each disposal of equity is carried forward, the price received and the disposal The difference between the book value of the long-term equity investment is included in the current investment income; in the consolidated financial statements, it should be handled in accordance with the relevant provisions of "the parent company disposes of the long-term equity investment in the subsidiary without losing control."

If a step-by-step transaction belongs to a "blanket transaction", the transaction shall be treated as a transaction that disposes of the subsidiary and loses control; In individual financial statements, the difference between each disposal price before the loss of control and the book value of the long-term equity investment corresponding to the equity being disposed of is first recognized as other consolidated gains and then converted to the current loss of control at the time of the loss of control; In the consolidated financial statements, for each transaction prior to the loss of control, the difference between the disposition of the price and the disposition of the investment corresponding to the share in the net assets of the subsidiary shall be recognized as other consolidated gains and shall, at the time of the loss of control, be transferred to the loss of control for the current period.

Where the terms, conditions, and economic impact of each transaction meet one or more of the following conditions, usually multiple transactions are treated as a "package deal":

(a) These transactions were concluded at the same time or in consideration of mutual influence.

(b) These transactions can only achieve the business result as a whole;

(c) The effectiveness of one transaction depends the occurance of at least another transaction;

(d) A single transaction is not economic and is economic when considered together with other transactions.

(5) Proportion of minority shareholders in factor companies who increase capital and dilute ownership of parent companies

Proportion of Others (minority shareholders in factor companies who increase capital , dilute Subsidiaries of parent companies. In the consolidated financial statements, the share of the parent company in the net book assets of the former subsidiary of the capital increase is calculated according to the share ratio of the parent company before the capital increase, the difference between the share and the net book assets of the latter subsidiary after the capital increase is calculated according to the share ratio of the parent company, the capital reserve (capital premium or capital premium), the capital reserve (capital premium or capital premium) is not offset, and the retained income is adjusted.

7. Recognition of cash and cash equivalents

Cash refers to cash in stock and deposits that can be used for payment at any time. Cash equivalents refer to investments with a short holding period (generally referring to expiry within three months from the date of purchase), strong liquidity, easy to convert to a known amount of cash, and little risk of value change.

8.Foreign exchange business and foreign exchange statement translation

(1) Methods for determining conversion rates in foreign currency transactions

When the Company's foreign currency transactions are initially confirmed, they will be converted into the bookkeeping standard currency at the spot exchange rate on the transaction date.

(2) Methods of conversion of foreign currency currency currency items on balance sheet days

At the balance sheet date, foreign currency items are translated on the spot exchange rate of the balance sheet date. The exchange differences caused by the difference in exchange rates on the balance sheet date and initial recognizing date or previous balance sheet date are included in the current profits and losses. Non-monetary items accounted in foreign currency and on historical costs are exchanged with the spot exchange rate on the transaction date. Non-monetary items accounted in foreign currency and on fair value are exchanged with the spot exchange rate on the determination date of the fair value. The exchange difference between the accounting standard-currency amount and the original accounting standard-currency amount are included in the current profits and losses.

(3) Translation of foreign exchange statements

Prior to the conversion of the financial statements of an enterprise's overseas operations, the accounting period and policy of the overseas operations should be adjusted to conform to the accounting period and policy of the enterprise. The financial statements of the corresponding currency (other than the functional currency) should be prepared according to the adjusted accounting policy and the accounting period. The financial statements of the overseas operations should be converted according to the following methods:

① The assets and liabilities items in the balance sheet are translated at the spot exchange rate on the balance sheet date. Except for the "undistributed profits" items, the owner's equity items are translated at the spot exchange rate when they occur.

② The income and expense items in the profit statement are converted at the spot exchange rate on the transaction date or the approximate exchange rate of the spot exchange rate.

③ The foreign currency cash flow and the foreign subsidiary's cash flow are converted using the immediate exchange rate or the approximate exchange rate at the date of the cash flow. The impact of exchange rate changes on cash should be used as an adjustment item and presented separately in the cash flow statement.

④ During the preparation of the consolidated financial statements, the resulting foreign currency financial statement conversion variance is presented separately under the owner's equity item in the consolidated balance sheet.

When foreign operations are disposed of and the control rights are lost, the difference in foreign currency statements related to the overseas operations that are listed in the shareholders' equity items in the balance sheet is transferred to the profit or loss for the current period, either in whole or in proportion to the disposal of the foreign operations.

9. Financial instrument

Financial instrument refers to a company's financial assets and contracts that form other units of financial liabilities or equity instruments.

(1) Recognition and de-recognition of financial instrument

The Company recognizes a financial asset or liability when it becomes one party in the financial instrument contract.

Financial asset is derecognized when:

① The contractual right to receive the cash flows of the financial assets is terminated;

② The financial asset is transferred and meets the following derecognition condition.

If the current obligation of a financial liability (or part of it) has been discharged, the Company derecognises the financial liability (or part of the financial liability). When the Company (borrower) and lender enter into an agreement to replace the original financial liabilities by undertaking new financial liabilities and the contract terms for the new financial liabilities are essentially different from those for the original one, the original financial liabilities will be derecognized and new financial liabilities will be recognized. Where the Company makes substantial amendments to the contract terms of the original financial liability (or part thereof), it shall terminate the original financial liability and confirm a new financial liability in accordance with the amended terms.

Financial asset transactions in regular ways are recognized and de-recognized on the transaction date. The conventional sale of financial assets means the delivery of financial assets in accordance with the contractual terms and conditions, at the time set out in the regulations or market practices. Transaction date refers to the date when the Company promises to buy or sell financial assets.

(2) Classification and subsequent measurement of financial assets

At initial recognition, the Company classifies financial assets into the following three categories based on the business model of managing financial assets and the contractual cash flow characteristics of financial assets: financial assets measured at amortized cost are measured at fair value and their changes are included in other financial assets with current profit and loss and financial assets measured at fair value through profit or loss. Unless the Company changes the business model for managing financial assets, in this case, all affected financial assets are reclassified on the first day of the first reporting period after the business model changes, otherwise the financial assets may not be initially confirmed.

Financial assets are measured at the fair value at the initial recognition. For financial assets measured at fair value with variations accounted into current income account, related transaction expenses are accounted into the current income. For other financial assets, the related transaction expenses are accounted into the initial recognized amounts. Bills receivable and accounts receivable arising from the sale of commodities or the provision of labor services that do not contain or do not consider significant financing components, the Company performs initial measurement according to the transaction price defined by the income standard.

The subsequent measurement of financial assets depends on their classification:

① Financial assets measured at amortized cost

Financial assets that meet the following conditions at the same time are classified as financial assets measured at amortized cost: The Company 's business model for managing this financial asset is to collect contractual cash flows as its goal; the contract terms of the financial asset stipulate that Cash flow is only the payment of principal and interest based on the outstanding principal amount. For such financial assets, the actual interest rate method is used for subsequent measurement according to the amortized cost. The gains or losses arising from the termination of recognition, amortization or impairment based on the actual interest rate method are included in the current profit and loss.

② Financial assets measured at fair value and whose changes are included in other comprehensive income

Financial assets that meet the following conditions at the same time are classified as financial assets measured at fair value and their changes are included in other comprehensive income: The Company's business model for managing this financial asset is to both target the collection of contractual cash flows and the sale of financial assets. Objective; The contractual terms of the financial asset stipulate that the cash flow generated on a specific date is only for the payment of principal and interest based on the outstanding principal amount. For such financial assets, fair value is used for subsequent measurement. Except for impairment losses or gains and exchange gains and losses recognized as current gains and losses, changes in the fair value of such financial assets are recognized as other comprehensive income. Until the financial asset is derecognized, its accumulated gains or losses are transferred to current gains and losses. However, the relevant interest income of the financial asset calculated by the actual interest rate method is included in the current profit and loss.

The Company irrevocably chooses to designate a portion of non-tradable equity instrument investment as a financial asset measured at fair value and whose variation is included in other consolidated income. Only the relevant dividend income is included in the current profit and loss, and the variation of fair value is recognized as other consolidated income.

③ Financial assets measured at fair value with variations accounted into current income account

The above financial assets measured at amortized cost and other financial assets measured at fair value and whose changes are included in other comprehensive income are classified as financial assets measured at fair value and whose changes are included in the current profit and loss. For such financial assets, fair value is used for subsequent measurement, and all changes in fair value are included in current profit and loss.

(3) Classification and measurement of financial liabilities

The Company classifies financial liabilities into financial liabilities measured at fair value and their changes included in the current profit and loss, loan commitments and financial guarantee contract liabilities for loans below market interest rates, and financial liabilities measured at amortized cost.

The subsequent measurement of financial liabilities depends on their classification:

① Financial liabilities measured at fair value with variations accounted into current income account

Such financial liabilities include transactional financial liabilities (including derivatives that are financial liabilities) and financial liabilities designated as at fair value through profit or loss. After the initial recognition, the financial liabilities are subsequently measured at fair value. Except for the hedge accounting, the gains or losses (including interest expenses) are recognized in profit or loss. However, for the financial liabilities designated as fair value and whose variations are included in the profits and losses of the current period, the variable amount of the fair value of the financial liability due to the variation of credit risk of the financial liability shall be included in the other consolidated income. When the financial liability is terminated, the cumulative gains and losses previously included in the other consolidated income shall be transferred out of the other consolidated income and shall be included in the retained income.

② Loan commitments and financial security contractual liabilities

A loan commitment is a promise that the Company provides to customers to issue loans to customers with established contract terms within the commitment period. Loan commitments are provided for impairment losses based on the expected credit loss model.

A financial guarantee contract refers to a contract that requires the Company to pay a specific amount of compensation to the contract holder who suffered a loss when a specific debtor is unable to repay the debt in accordance with the original or modified debt instrument terms. Financial guarantee contract liabilities are subsequently measured based on the higher of the loss reserve amount determined in accordance with the principle of impairment of financial instruments and the initial recognition amount after deducting the accumulated amortization amount determined in accordance with the revenue recognition principle.

③ Financial liabilities measured at amortized cost

After initial recognition, other financial liabilities are measured at amortized cost using the effective interest method.

Except in special circumstances, financial liabilities and equity instruments are distinguished according to the following principles:

① If the Company cannot unconditionally avoid delivering cash or other financial assets to fulfill a contractual obligation, the contractual obligation meets the definition of financial liability. While some financial instruments do not explicitly contain terms and conditions for the delivery of cash or other financial assets, they may indirectly form contractual obligations through other terms and conditions.

If a financial instrument is required to be settled with or can be settled with the Company's own equity instruments, the Company's own equity instrument used to settle the instrument needs to be considered as a substitute for cash or other financial assets or for the holder of the instrument to enjoy the remaining equity in the assets after all liabilities are deducted. If it is the former, the instrument is the financial liabilities of the issuer; if it is the latter, the instrument is the equity instrument of the issuer. In some cases, a financial instrument contract provides that the Company shall or may use its own instrument of interest, in which the amount of a contractual right or obligation is equal to the amount of the instrument of its own interest which may be acquired or delivered multiplied by its fair value at the time of settlement, whether the amount of the contractual right or obligation is fixed or is based entirely or in part on a variation of a variable other than the market price of the instrument of its own interest, such as the rate of interest, the price of a commodity or the price of a financial instrument, the contract is classified as a financial liability.

(4) Derivative financial instruments and embedded derivatives

Derivative financial instruments are initially measured at the fair value of the day when the derivative transaction contract is signed, and are subsequently measured at their fair values. Derivative financial instruments with a positive fair value are recognized as asset, and instruments with a negative fair value are recognized as liabilities.

The gains and losses arising from the change in fair value of derivatives are directly included in the profits and losses of the current period, except that the part of the cash flow that is valid in the hedge is included in the other consolidated income and transferred out when the hedged item affects the gain and loss of the current period.

For a hybrid instrument containing an embedded derivative instrument, if the principal contract is a financial asset, the hybrid instrument as a whole applies the relevant provisions of the financial asset classification. If the main contract is not a financial asset, and the hybrid instrument is not measured at fair value and its changes are included in the current profit and loss for accounting, the embedded derivative does not have a close relationship with the main contract in terms of economic characteristics and risks, and it is If the instruments with the same conditions and exist separately meet the definition of derivative instruments, the embedded derivative instruments are separated from the mixed instruments and treated as separate derivative financial instruments. If the fair value of the embedded derivative on the acquisition date or the subsequent balance sheet date cannot be measured separately, the hybrid instrument as a whole is designated as a financial asset or financial liability measured at fair value and whose changes are included in the current profit or loss.

(5) Financial instrument Less

The Company shall confirm the preparation for loss on the basis of expected credit loss for financial assets measured at amortization costs, creditor's rights investments measured at fair value, contractual assets, leasing receivables, loan commitments and financial guarantee contracts, etc.

① Measurement of expected credit losses of accounts receivable

The expected credit loss refers to the weighted average of the credit losses of financial instruments that are weighted by the risk of default. Credit loss refers to the difference between all contractual cash flows receivable from the contract and all cash flows expected to be received by the Company at the original actual interest rate, that is, the present value of all cash shortages. Among them, the financial assets which have been purchased or born by the Company shall be discounted according to the actual rate of credit adjustment of the financial assets.

The expected lifetime credit loss is the expected credit loss due to all possible default events during the entire expected life of the financial instrument.

Expected credit losses in the next 12 months are expected to result from possible defaults in financial instruments within 12 months after the balance sheet date (or estimated duration of financial instruments if the expected duration is less than 12 months) Credit losses are part of the expected lifetime credit loss.

On each balance sheet day, the Company measures the expected credit losses of financial instruments at different stages. Where the credit risk has not increased significantly since the initial confirmation of the financial instrument, it is in the first stage. The Company measures the preparation for loss according to the expected credit loss in the next 12 months. Where the credit risk has increased significantly since the initial confirmation but the credit impairment has not occurred, the financial instrument is in the second stage. Where a credit impairment has occurred since the initial confirmation of the financial instrument, it shall be in the third stage, and the Company shall prepare for measuring the expected credit loss of the whole survival period of the instrument.

For financial instruments with low credit risk on the balance sheet date, the Company assumes that the credit risk has not increased significantly since the initial recognition, and measures the loss provision based on the expected credit losses in the next 12 months.

For financial instruments that are in the first and second stages and with lower credit risk, the Company calculates interest income based on their book balances and actual interest rates without deduction for impairment provision. For financial instruments in the third stage, interest income is calculated based on the amortized cost and the actual interest rate after the book balance minus the provision for impairment.

Regarding bills receivable, accounts receivable and financing receivables, regardless of whether there is a significant financing component, the Company measures the loss provision based on the expected credit losses throughout the duration.

Accounts receivable/contract assets

Where there is objective evidence of impairment, as well as other receivable instruments, receivables, other receivables, receivables financing and long-term receivables applicable to individual assessments, separate impairment tests are performed to confirm expected credit losses and prepare individual impairment. For notes receivable, accounts receivable, other receivables, financing of receivables, long-term receivables, and contract assets for which there is no objective evidence of impairment, or when individual financial assets cannot be assessed at a reasonable cost, the Company divides bills receivable, accounts receivable, other receivables, receivable financing, long-term receivables, and contract assets into several combinations based on credit risk characteristics, and calculates expected credit losses on the basis of the combination. The basis for determining the combination is as follows:

The basis for determining the combination of notes receivable is as follows:

Notes Receivable Combination 1 Commercial Acceptance Bill

Notes Receivable Combination 2 Bank Acceptance Bill

For Notes receivable divided into portfolios, the Company refers to historical credit loss experience, combined with current conditions and predictions of future economic conditions, and calculates through default risk exposure and expected credit loss rate within the next 12 months or the entire duration Expected credit losses.

The basis for determining the combination of accounts receivable is as follows:

Accounts receivable combination 1 Accounts receivable business

Accounts receivable combination 2 Real estate receivable business

Accounts receivable combination 3 Others receivable business

Other receivable portfolio 4 Receivables from related parties within the scope of consolidation

For the accounts receivable divided into a combination, the Company refers to the historical credit loss experience, combined with the current situation and the forecast of the future economic situation, compiles the account receivable age and the whole expected credit loss rate table, and calculates the expected credit loss.

The basis for determining the combination of other receivables is as follows:

Other receivable portfolio 1 Interest receivable

Portfolio of other receivables 2 Dividends receivable

Other combinations of receivables 3 Deposit and margin receivable

Other receivable portfolio 4 Receivable advances

Combination of other receivables 5 Value-added tax receivable is increased and refunded

Other receivable portfolio 6 Receivables from related parties within the scope of consolidation

Other receivables portfolio 7 Other receivables

For other receivables divided into portfolios, the Company refers to historical credit loss experience, combined with current conditions and predictions of future economic conditions, and calculates through default risk exposure and expected credit loss rate within the next 12 months or the entire duration Expected credit losses.

The basis for determining the combination of receivables financing is as follows:

Receivables financing portfolio 1 bank acceptance bill

For Notes receivable divided into portfolios, the Company refers to historical credit loss experience, combined with current conditions and predictions of future economic conditions, and calculates through default risk exposure and expected credit loss rate within the next 12 months or the entire duration Expected credit losses.

The basis for determining the portfolio of contract assets is as follows:

Contract assets portfolio 1 conditional collection right of sales

Contract assets portfolio 2 Completed and unsettled project not meeting collection conditions

Contract assets portfolio 3 Quality guarantee deposit not meeting collection conditions

For contract assets divided into portfolios, the Company refers to historical credit loss experience, combined with current conditions and predictions of future economic conditions, and calculates through default risk exposure and expected credit loss rate within the next 12 months or the entire duration Expected credit losses.

Other debt investment

For other receivables divided into portfolios, the Company refers to historical credit loss experience, combined with current conditions and predictions of future economic conditions, and calculates through default risk exposure and expected credit loss rate within the next 12 months or the entire duration Expected credit losses.

② Lower credit risk

If the risk of default on financial instruments is low, the borrower's ability to meet its contractual cash flow obligations in the short term is strong, and even if the economic situation and operating environment are adversely changed over a long period of time, it may not necessarily reduce the receivables' performance of their contractual cash. The ability of the flow obligation, the financial instrument is considered to have a lower credit risk.

③ Significant increase in credit risk

The Company compares the default probability of the financial instrument during the expected lifetime determined by the balance sheet date with the default probability of the expected lifetime during the initial confirmation to determine the relative probability of the default probability of the financial instrument during the expected lifetime Changes to assess whether the credit risk of financial instruments has increased significantly since initial recognition.

In determining whether the credit risk has increased significantly since the initial recognition, the Company considers reasonable and evidenced information, including forward-looking information, that can be obtained without unnecessary additional costs or effort. The information considered by the Company includes:

A. Significant changes in internal price indicators resulting from changes in credit risk;

B. Adverse changes in business, financial or economic conditions that are expected to cause significant changes in the debtor's ability to perform its debt service obligations;

C. Whether the actual or expected operating results of the debtor have changed significantly; whether the regulatory, economic or technical environment of the debtor has undergone significant adverse changes;

D. Whether there is a significant change in the value of the collateral used as debt collateral or the guarantee provided by a third party or the quality of credit enhancement. These changes are expected to reduce the debtor's economic motivation for repayment within the time limit specified in the contract or affect the probability of default;

E. Whether there is a significant change in the economic motivation that is expected to reduce the debtor's repayment according to the contractual deadline;

F. Anticipated changes to the loan contract, including whether the expected violation of the contract may result in the exemption or revision of contract obligations, granting interest-free periods, rising interest rates, requiring additional collateral or guarantees, or making other changes to the contractual framework of financial instruments change;

G. Whether the expected performance and repayment behavior of the debtor has changed significantly;

H. Whether the contract payment is overdue for more than (including) 30 days.

Based on the nature of financial instruments, the Company assesses whether credit risk has increased significantly on the basis of a single financial instrument or combination of financial instruments. When conducting an assessment based on a combination of financial instruments, the Company can classify financial instruments based on common credit risk characteristics, such as overdue information and credit risk ratings.

If the overdue period exceeds 30 days, the Company has determined that the credit risk of financial instruments has increased significantly. Unless the Company does not have to pay excessive costs or efforts to obtain reasonable and warranted information, it proves that although it has exceeded the time limit of 30 days agreed upon in the Contract, credit risks have not increased significantly since the initial confirmation.

④ Financial assets with credit impairment

The Company assesses on the balance sheet date whether financial assets measured at amortized cost and credit investments measured at fair value and whose changes are included in other comprehensive income have undergone credit impairment. When one or more events that adversely affect the expected future cash flows of a financial asset occur, the financial asset becomes a financial asset that has suffered a credit impairment. Evidence that credit impairment has occurred in financial assets includes the following observable information:

Major financial difficulties have occurred to the issuer or the debtor; Breach of contract by the debtor, such as payment of interest or default or overdue of principal; (B) The concession that the debtor would not make under any other circumstances for economic or contractual considerations relating to the financial difficulties of the debtor; The debtor is likely to be bankrupt or undertake other financial restructuring; The financial difficulties of the issuer or debtor lead to the disappearance of the active market for the financial asset; To purchase or generate a financial asset at a substantial discount, which reflects the fact that a credit loss has occurred.

⑤ Presentation of expected credit loss measurement

In order to reflect the changes in the credit risk of financial instruments since the initial recognition, the Company re-measures the expected credit losses on each balance sheet date, and the increase or reversal of the loss provision resulting therefrom is included as an impairment loss or gain. Current profit and loss. For financial assets measured at amortized cost, the loss allowance offsets the book value of the financial asset listed on the balance sheet; for debt investments measured at fair value and whose changes are included in other comprehensive income, the Company Recognition of its loss provisions in gains does not offset the book value of the financial asset.

⑥ Canceled

If it is no longer reasonably expected that the contract cash flow of the financial assets will be fully or partially recovered, the book balance of the financial assets will be directly reduced. Such write-off constitute the derecognition of related financial assets. This usually occurs when the Company determines that the debtor has no assets or sources of income that generate sufficient cash flow to cover the amount that will be written down.

If the financial assets that have been written down are recovered in the future, the reversal of the impairment loss is included in the profit or loss of the current period.

(6) Transfer of financial assets

The transfer of financial assets refers to the following two situations:

A. Transfer the contractual right to receive cash flow of financial assets to another party;

B. Transfers the financial assets to the other party in whole or in part, but reserves the contractual right to collect the cash flow of the financial assets and undertakes the contractual obligation to pay the collected cash flow to one or more recipients.

① De-identification of transferred financial assets

Those who have transferred almost all risks and rewards in the ownership of financial assets to the transferee, or have neither transferred nor retained almost all the risks and rewards in the ownership of financial assets, but have given up control of the financial assets, terminate the confirmation The financial asset.

In determining whether control over the transferred financial asset has been waived, the actual capacity of the transferor to sell the financial asset is determined. If the transferor is able to sell the transferred financial assets wholly to a third party that does not have a relationship with them, and has no additional conditions to limit the sale, it indicates ds has waived control over the financial assets.

The Company pays attention to the essence of financial asset transfer when judging whether financial asset transfer meets the condition of financial asset termination.

If the overall transfer of financial assets meets the conditions for termination of confirmation, the difference between the following two amounts is included in the current profit and loss:

A. Continuing identification of transferred Book value；

B. The sum of the amount received as a result of the transfer and the amount accrued as a result of the change in the fair value of the transfer in respect of the termination recognized portion of the amount previously charged directly to the other consolidated proceeds (the financial assets involved in the transfer are those classified in accordance with Article 18 of Enterprise Accounting Standard No. 22 - Financial Instruments Recognition and Measurement as measured by the fair value and whose change is charged to the other consolidated proceeds).

If the partial transfer of financial assets meets the conditions for derecognition, the book value of the entire transferred financial assets will be included in the derecognized part and the unterminated part (in this case, the retained service assets are regarded as part of the continued recognition of financial assets) Between them, they are apportioned according to their respective relative fair values on the transfer date, and the difference between the following two amounts is included in the current profit and loss:

A. Termination of the book value of the recognized portion on the date of derecognition;

B. The sum of the amount received as a result of the transfer and the amount accrued as a result of the change in the fair value of the transfer in respect of the termination recognized portion of the amount previously charged to the other consolidated proceeds (the financial assets involved in the transfer are those classified in accordance with Article 18 of Enterprise Accounting Standard No. 22 - Financial Instruments Recognition and Measurement as measured by the fair value and whose change is charged to the other consolidated proceeds).

② Continue to be involved in the transferred financial assets

If neither transfer nor retain almost all the risks and rewards of the ownership of financial assets, and have not given up control of the financial assets, the relevant financial assets should be confirmed according to the extent of their continued involvement in the transferred financial assets, and the relevant liabilities should be recognized accordingly.

The extent to which the transferred financial assets continue to be involved refers to the extent to which the enterprise undertakes the risk or compensation of the value change of the transferred financial assets.

(III) Continuing identification of transferred financial assets

Where almost all risks and remuneration in relation to ownership of the transferred financial assets are retained, the whole of the transferred financial assets shall continue to be recognized and the consideration received shall be recognized as a financial liability.

The financial asset and the recognized related financial liabilities shall not offset each other. In the subsequent accounting period, the enterprise shall continue to recognize the income (or gain) generated by the financial asset and the costs (or losses) incurred by the financial liability.

(7) Deduction of financial assets and liabilities

Financial assets and financial liabilities should be listed separately in the balance sheet, and cannot be offset against each other. However, if the following conditions are met, the net amount offset by each other is listed in the balance sheet:

The Company has a statutory right to offset the confirmed amount, and such legal right is currently enforceable;

The Company plans to settle the net assets or realize the financial assets and liquidate the financial liabilities at the same time.

The transferring party shall not offset the transferred financial assets and related liabilities if it does not meet the conditions for terminating the recognition.

(8) Recognition of fair value of Finance instruments

For the method of determining the fair value of financial assets and financial liabilities, see Chapter X, V. important accounting policies and accounting estimates 34. Other important accounting policies and accounting estimates.

10. Notes receivable

See Chapter X, V, Important Accounting Policies and Accounting Estimates 9. Financial Tools.

11. Account receivable

See Chapter X, V, Important Accounting Policies and Accounting Estimates 9. Financial Tools.

The Company needs to comply with the disclosure requirements of the decoration and decoration industry in the *Guidelines for the Self-discipline and Supervision of Listed Companies of Shenzhen Stock Exchange No. 3 - Industry Information Disclosure*.

12. Receivable financing

See Chapter X, V, Important Accounting Policies and Accounting Estimates 9. Financial Tools.

13. Other receivables

See Chapter X, V, Important Accounting Policies and Accounting Estimates 9. Financial Tools.

14. Inventories

(1) Classification of inventories

Inventory refers to the finished products or commodities held by the Company for sale in daily activities, the products in process of production, the materials and materials consumed in the process of production or providing labor services, including entrusted processing materials, raw materials, products in process, materials in transit, stored goods, low value consumables, development costs, development products and contract performance costs, etc.

(2) Pricing of delivering inventory

Inventories are measured at cost when procured. Raw materials, products in process and commodity stocks in transit are measured by the weighted average method.

The inventory of real estate business mainly includes inventory materials, development costs, development products, etc. The actual costs of development products include land transfer payment, infrastructure and facility costs, installation engineering costs, borrows before completion of the development and other costs during the development process. The special maintenance funds collected in the first period are included in the development overheads. When the control right of development products is transferred, the individual valuation method is used to determine its actual cost.

(3) Inventory system

The Company inventory adopts the perpetual inventory system, counting at least once a year, the inventory profit and loss amount is included in the current year's profit and loss.

(4) Recognition of inventory realizable value and providing of impairment provision

On the balance sheet date, inventories are accounted depending on which is lower between the cost and the net realizable value. If the cost is higher than the net realizable value, the impairment provision will be made.

The realizable net value of inventory should be recognized based on solid evidence with the purpose of the inventory and after-balance-sheet-date events taken into consideration.

(1) In the course of normal production and operation, the net realizable value of finished goods, commodities and materials directly used for sale shall be determined by the estimated price of the inventory minus the estimated cost of sale and related taxes. The inventory held for the execution of a sales contract or a labor contract shall be measured on the basis of the contract price as its net realizable value; If the quantity held is greater than the quantity ordered under the sales contract, the net realizable value of the excess inventory is measured on the basis of the general sales price. For materials used for sale, the market price shall be used as the measurement basis for the net realizable value.

②In the normal production and operation process, the inventory of materials that need to be processed is determined by the amount of the estimated selling price of the finished product minus the estimated cost to be incurred at the time of completion, estimated sales expenses and related taxes Realize the net value. If the net realizable value of the finished product produced by it is higher than the cost, the material is measured at cost; If the decrease in the price of the material indicates that the net realizable value of the finished product is lower than the cost, the material is measured as the net realizable value and the inventory is prepared for a decrease based on its difference.

③ Depreciation preparation of inventory is generally based on a single inventory item; For a large number of inventories with a lower unit price, they are accrued by inventory type.

④ If the factors affecting the previous write-down of inventory value have disappeared on the balance sheet date, the amount of the write-down will be restored and transferred back within the amount of inventory depreciation reserve that has been accrued, and the amount returned will be included in the current profit and loss.

(5) Methods of amortization of swing materials

Low-value consumables are amortized on on-off amortization basis at using.

Packages are amortized on on-off amortization basis at using.

15. Contract assets

The Company presents contract assets or liabilities in the balance sheet according to the relationship between performance obligation and customer payment. The consideration for which the Company is entitled to receive (subject to factors other than the passage of time) for the transfer of goods or the provision of services to customers is listed as contract assets. The Company's obligation to transfer goods or provide services to customers for consideration received or receivable from customers is listed as contractual liabilities.

For the determination method and accounting treatment method of the Company's expected credit loss of contract assets, see 9. Financial instruments in Chapter X, V. Important accounting policies and accounting estimates.

Contract assets and contract liabilities are listed separately in the balance sheet. Contract assets and contract liabilities under the same contract are listed in net amount. If the net amount is the debit balance, it shall be listed in "contract assets" or "other non current assets" according to its liquidity; if the net amount is the credit balance, it shall be listed in "contract liabilities" or "other non current liabilities" according to its liquidity. Contract assets and contract liabilities under different contracts cannot offset each other.

16. Contract costs

Contract cost is divided into contract performance cost and contract acquisition cost.

The cost incurred by the Company in performing the contract shall be recognized as an asset when the following conditions are met simultaneously:

The cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), clearly borne by the customer, and other costs incurred only due to the contract;

② This cost increases the Company's future resources for fulfilling its performance obligations.

③ The cost is expected to be recovered.

If the incremental cost incurred by the Company to obtain the contract is expected to be recovered, it shall be recognized as an asset as the contract acquisition cost.

The assets related to the contract cost shall be amortised on the same basis as the income from goods or services related to the assets; however, if the amortization period of the contract acquisition cost is less than one year, the Company shall include it in the current profit and loss when it occurs.

If the book value of the assets related to the contract cost is higher than the difference between the following two items, the Company will make provision for impairment for the excess part and recognize it as the loss of asset impairment, and further consider whether the estimated liabilities related to the loss contract should be made:

① The residual consideration expected to be obtained due to the transfer of goods or services related to the asset;

② The estimated cost to be incurred for the transfer of the relevant goods or services.

If the above provision for impairment of assets is subsequently reversed, the book value of the asset after reversal shall not exceed the book value of the asset on the reversal date without provision for impairment.

The contract performance cost recognized as an asset with an amortization period of no more than one year or one normal business cycle at the time of initial recognition shall be listed in the "inventory" item, and the amortization period of no more than one year or one normal business cycle at the time of initial recognition shall be listed in the "other non current assets" item.

The contract acquisition cost recognized as an asset shall be listed in the item of "other current assets" when the amortization period does not exceed one year or one normal business cycle at the time of initial recognition, and listed in the item of "other non current assets" when the amortization period exceeds one year or one normal business cycle at the time of initial recognition.

17. Long-term share equity investment

The Group's long-term equity investment includes control on invested entities and significant impacts on equity investment. Invested entities on which the Group has significant impacts are associates of the Group.

(1) Basis for recognition of common control and major influence on invested entities

Common control refers to the common control of an arrangement in accordance with the relevant agreement, and the relevant activities of the arrangement must be agreed upon by the participants who share control. In determining whether there is common control, the first step is to determine whether all or a group of participants collectively control the arrangement, which is considered collective control by all or a group of participants if all or a group of participants must act together to determine the activities associated with the arrangement. Secondly, it is judged whether the decision on related activities of the arrangement must be agreed by the participants who collectively control the arrangement. If there is a combination of two or more parties that can collectively control an arrangement, it does not constitute joint control. When judging whether there is joint control, the protective rights enjoyed are not considered.

Major influence refers to the power to participate in decision-making of financial and operation policies of a company, but cannot control or jointly control the making of the policies. When considering whether the Company can impose significant impacts on the invested entity, impacts of conversion of shares with voting rights held directly or indirectly by the investor and voting rights that can be executed in this period held by the investor and other party into shares of the invested entity should be considered.

If the Company directly or through subsidiaries holds more than 20% (inclusive) but less than 50% of the shares with voting rights of the invested entity, unless there is clear evidence proving that the Company cannot participate the decision-making of production and operation of the invested entity, the Company has major influence on the invested entity.

(2) Recognition of initial investment costs

- Long-term equity investments formed by merger of enterprises shall be determined in accordance with the following provisions:

A. In the case of an enterprise merger under the same control, where the merging party makes a valuation of the merger by payment of cash, transfer of non-cash assets or undertaking liabilities, the share of the book value of the owner's interest in the final controlling party's consolidated financial statements as the initial investment cost of the long-term equity investment at the date of the merger. The difference between the initial investment cost of long-term equity investment and the cash paid, the transferred non-cash assets and the book value of the debt assumed shall be adjusted to the capital reserve; if the capital reserve is insufficient to offset, the retained earnings shall be adjusted;

Long-term equity investment generated by enterprise merger: for long-term equity investment obtained by merger of enterprises under common control, the obtained share of book value of the interests of the merged party's owner in the consolidate financial statements on the merger date is costs; for long-term equity investment obtained by merger of enterprises not under common control, the merger cost is the investment cost. Adjust the capital reserve according to the difference between the initial investment cost of long-term equity investment and the total face value of the issued shares. If the capital reserve is insufficient to offset or reduce, the retained income shall be adjusted;

For merger of entities under different control, the merger cost is the fair value of the asset paid, liability undertaken, and equity securities issued for exchanging of control power over the entities at the day of acquisition. Agency expenses and other administrative expenses such as auditing, legal consulting, or appraisal services occurred relating to the merger of entities are accounted into current income account when occurred.

- Long-term equity investments formed by merger of enterprises shall be determined in accordance with the following provisions:

For long-term equity investment obtained by cash, the actually paid consideration is the initial investment cost. Initial investment costs include expenses, taxes and other necessary expenditures directly related to the acquisition of long-term equity investments;

B. Long-term equity investments acquired from the issuance of interest securities are the initial investment costs based on the fair value of the issue interest securities;

C. For long-term equity investments obtained through non-monetary asset exchanges, if the exchange has commercial substance and the fair value of the exchanged assets or exchanged assets can be reliably measured, the fair value of the exchanged assets and relevant taxes shall be used as the initial Investment cost, the difference between the fair value and book value of the swapped-out asset is included in the current profit and loss; if the non-monetary asset exchange does not meet the above two conditions at the same time, the book value of the swapped-out asset and relevant taxes will be used as the initial investment cost.

D. Long-term equity investments acquired through debt restructuring determine their recorded value at the fair value of the waived claims and other costs such as taxes directly attributable to the assets and account for the difference between the fair value and the book value of the waived claims.

(3) Subsequent measurement and recognition of gain/loss

The Company uses the cost method to measure long-term share equity investment in which the Company can control the invested entity; and uses the equity method to measure long-term share equity investment in which the Company has substantial influence on the invested entity.

① Cost

For the long-term equity investment measured on the cost basis, except for the announced cash dividend or profit included in the practical cost or price when the investment was made, the cash dividends or profit distributed by the invested entity are recognized as investment gains in the current gain/loss account.

Equity

Gains from long-term equity investment measured by equity

When the equity method is used to measure long-term equity investment, the investment cost will not be adjusted if the investment cost of the long-term equity investment is larger than the share of fair value of the recognizable assets of the invested entity. When it is smaller than the share of fair value of the recognizable assets of the invested entity, the book value will be adjusted and the difference is included in the current gains of the investment.

When the equity method is used, the current investment gain is the share of the net gain realized in the current year that can be shared or borne, recognized as investment gain and other misc. income. The book value of the long-term equity investment is adjusted accordingly. The book value of the long-term equity investment should be accordingly decreased based on the share of profit or cash dividend announced by the invested entity; according to other changes in the owner's equity except for net profit and loss, other misc income and profit distribution of the invested entity, adjust the book value of the long-term equity investment and record it in the capital surplus (other capital surplus). When the share of the net gains that can be enjoyed is recognized, it is recognized after the net profit of the invested entity is adjusted based on the fair value of the recognizeable assets of the invested entity according to the Company's accounting policies and accounting period. Where the accounting policy and accounting period adopted by the Invested unit are inconsistent with the Company, the financial statements of the Invested unit shall be adjusted in accordance with the accounting policy and accounting period of the Company, and the investment income and other consolidated income shall be recognized. Internal transaction gain not realized between the Company and affiliates is measured according to the shareholding proportion and the investment gains is recoginzied after deduction. The unrealized internal transaction loss between the Company and the invested entity is the impairment loss of transferred assets and should not be written off.

Where substantial influence on invested entities is imposed or joint control is implemented due to increase in investment, the sum of the fair value of the original equity and increased investment on the conversion date is the initial investment cost under the equity method. If the equity investment originally held is classified as other equity instrument investment, the difference between the fair value and the book value, as well as the accumulated gains or losses originally included in other comprehensive income, shall be transferred out of other comprehensive income and included in retained income in the current period when the equity method is adopted.

Where joint control or substantial influence on invested entities is lost due to disposal of part of investment, the remaining equity after the disposal should be treated according to the Enterprise Accounting Standard No.22 – Recognition and Measurement of Financial Instruments from the date of losing the joint control or substantial influence. The difference between the fair value and book value should be accounted the profit and loss of the current period. For other misc. incomes of original share equity investment determined using the equity method, when the equity method is no longer used, it should be treated based on the same basis of the treatment of related assets or liability of the invested entities; the other owners' interests related to the original share equity investment should be transferred to gain/loss of the current period.

(4) Equity investment held for sale

For the remaining equity investments not classified as assets held for sale, the equity method is adopted for accounting treatment.

Equity investments classified as held for sale to associates that are no longer eligible to hold classified assets for sale are retrospectively adjusted using the equity method starting from the date that they are classified as held for sale. The classification is adjusted to hold the financial statements for the period to be sold.

(5) Impairment examination and providing of impairment provision

For the investment in subsidiaries and associated enterprises, the method of withdrawing asset impairment is shown in Chapter X, V. important accounting policies and accounting estimates. 24. Impairment of long-term assets.

XVIII. Investment real estates

(1) Classification of investment real estate

Investment real estates are held for rent or capital appreciation, or both. These include, inter alia:

① Leased land using right

(2) the right to use the land that is transferred after holding and preparing for the increment.

③ Leased building

(2) Measurement of investment real estate

For investment real estates with an active real estate transaction market and the Company can obtain market price and other information of same or similar real estates to reasonably estimate the investment real estates' fair value, the Company will use the fair value mode to measure the investment real estates subsequently. Variations in fair value are accounted into the current gain/loss account.

The fair value of investment real estate is determined with reference to the current market prices of same or similar real estates in active markets; when no such price is available, with reference to the recent transaction prices and consideration of factors including transaction background, date and district to reasonably estimate the fair value; or based on the estimated lease gains and present value of related cash flows.

For investment real estate under construction (including investment real estate under construction for the first time), if the fair value cannot be reliably determined but the expected fair value of the real estate after completion is continuously and reliably obtained, the investment real estate under construction is measured by cost. When the fair value can be measured reliably or after completion (the earlier one), it is measured at fair value. For an investment real estate whose fair value is proven unable to be obtained continuously and reliably by objective evidence, the real estate will be measured at cost basis until it is disposed and no residual value remains as assumed.

If the cost model is used for subsequent measurement of investment real estate, depreciation or amortization is calculated according to the straight-line method after the cost of investment real estate minus accumulated impairment and net residual value. See this Chapter X V. Important accounting policies, for the method of accruing asset impairment 24. Impairment of long-term assets in accounting estimates.

The types of investment real estate, estimated economic useful life and estimated net residual value rate are determined as follows:

Type	Service year (year)	Residual rate %	Annual depreciation rate %
Houses & buildings	20-50	10.00	1.80-4.50

19. Fixed assets

(1) Recognition conditions

Fixed assets are recognized at the actual cost of acquisition when the following conditions are met: (1) The economic benefits associated with the fixed assets are likely to flow into the enterprise.

① The economic benefits related to this fixed asset are likely to flow into the enterprise.
② The cost of fixed assets can be reliably measured.

Overhaul cost generated by regular examination on fixed assets is recognized as fixed assets costs when there is evidence proving that it meets fix assets recognition conditions. If not, it will be accounted into the current gain/loss account.

(2) Depreciation method

Type	Depreciation method	Service year	Residual rate	Annual depreciation rate %
Houses & buildings	Average age	20-50 years	10%	1.8%-4.5%
Mechanical equipment	Average age	10	10%	9%
Transportation facilities	Average age	5	10%	18%
Electronics and other devices	Average age	5	10%	18%
PV power plants	Average age	20	5%	4.75%

For fixed assets for which depreciation provision is made, the depreciation rate will be determined after the accumulative depreciation provision amount is deducted.

At end of each fiscal year, verification will be made on the useful life, predicted retained value, and depreciation basis. The useful life will be adjusted if the useful life is different from the predicted one; the net residual value will be adjusted if the net residual value is different from the predicted one.

20. Construction in process

(1) Construction in progress is accounted for by project classification.

(2) Standard and timing for transferring construction in process into fixed assets

The full expenditure incurred on the construction-in-progress project as a fixed asset is recorded as the value of the asset before the asset is constructed to the intended usable state. This includes construction costs, the original cost of equipment, other necessary expenditures incurred in order to enable the construction works to reach the intended usable status and the borrowing costs incurred for the specific borrowing of the project and the general borrowing expenses incurred before the assets reach the intended usable status. Construction in process will be transferred to fixed assets when it reaches the preset service condition. The fixed assets that have reached the intended usable state but have not been completed shall be transferred to the fixed assets according to the estimated value according to the estimated value according to the estimated value according to the project budget, cost or actual project cost, etc. The depreciation of the fixed assets shall be accrued according to the Company's fixed assets depreciation policy. The original estimated value shall be adjusted according to the actual cost after the completion.

XXI. Borrowing expenses

(1) Recognition principles for capitalization of borrowing expenses

Borrowing expenses occurred to the Company that can be accounted as purchasing or production of asset satisfying the conditions of capitalizing, are capitalized and accounted as cost of related asset.

(1) Asset expenditure has occurred;

② The borrowing expense has already occurred;

③ Purchasing or production activity, which is necessary for the asset to reach the useful status, has already started.

Other interest on loans, discounts or premiums and exchange differences are included in the income and loss incurred in the current period.

If the construction or production of assets satisfying the capitalizing conditions is suspended abnormally for over 3 months, capitalizing of borrowing expenses shall be suspended. During the normal suspension period, borrowing expenses will be capitalized continuously.

When the asset satisfying the capitalizing conditions has reached its usable or sellable status, capitalizing of borrowing expenses shall be terminated.

(2) Calculation of the capitalization amount of borrowing expense

Interest expenses generated by special borrowings less the interests income obtained from the deposit of unused borrowings or investment gains from temporary investment is capitalized; the capitalization amount for general borrowing is determined based on the capitalization rate which is the exceeding part of the accumulative assets expense over weighted average of the assets expense of the special borrowing/used general borrowing.

If the assets that are constructed or produced under the condition of capitalization occupy the general borrowing, the interest amount to be capitalized in the general borrowing shall be calculated and determined by multiplying the capital rate of the general borrowing by the weighted average of the asset expenditure of the accumulated assets whose expenditure exceeds that of the specialized borrowing. The capitalization ratio is the weighted average interest rate of general borrowings.

22. Use right assets

The term "right to use assets" refers to the right of the lessee to use the leased assets during the lease term.

At the beginning of the lease term, the right of use assets are initially measured at cost. This cost includes:

(1) The initial measurement amount of lease liabilities;

(2) For the lease payment paid on or before the beginning of the lease term, if there is lease incentive, the relevant amount of lease incentive enjoyed shall be deducted;

(3) Initial direct expenses incurred by the lessee;

(4) The estimated cost incurred by the lessee for dismantling and removing the leased assets, restoring the site where the leased assets are located or restoring the leased assets to the state agreed in the lease terms. The Company recognizes and measures the cost in accordance with the recognition standards and measurement methods of estimated liabilities. See 29. Estimated liabilities in Chapter X, V. important accounting policies and accounting estimates for details. If the above costs are incurred for the production of inventories, they will be included in the cost of inventories.

Depreciation of right of use assets is accrued by using the straight-line method. If it can be reasonably determined that the ownership of the leased asset will be obtained at the expiration of the lease term, the depreciation rate shall be determined according to the asset category of the right to use and the estimated net residual value rate within the expected remaining service life of the leased asset; If it is impossible to reasonably determine that the ownership of the leased asset will be obtained at the expiration of the lease term, the depreciation rate shall be determined according to the asset category of the right of use within the shorter of the lease term and the remaining service life of the leased asset.

23. Intangible assets

(1) Pricing method, service life and depreciation test

The valuation method of intangible assets: recorded at the actual cost at the time of acquisition.

Amortization of intangible assets:

① Useful life of intangible assets with limited useful life

Item	Estimated useful life	Basis
Land using right	Term	Use right assets
Trademarks and patents	10	Reference to determine the lifetime of a company for which it can bring economic benefits
Proprietary technology	10	Reference to determine the lifetime of a company for which it can bring economic benefits
Software	5. 10 years	Reference to determine the lifetime of a company for which it can bring economic benefits

At the end of each year, the Company will reexamine the useful life and amortization basis of intangible assets with limited useful life. Upon review, the service life and amortization methods of intangible assets at the end of the period are not different from those previously estimated.

② Intangible assets which cannot be foreseeable to bring economic benefits to enterprises shall be regarded as intangible assets whose useful life is uncertain. For intangible assets with uncertain service life, the Company reviews the service life of intangible assets with uncertain service life at the end of each year. If it is still uncertain after rechecking, it shall conduct an impairment test on the balance sheet date.

③ Amortization of intangible assets

For intangible assets with limited service life, the Company shall determine their service life at the time of acquisition, and shall use the straight line method system to reasonably amortize their service life, and the amortization amount shall be included in the profit and loss of the current period according to the beneficial items. The specific amortization amount is the amount after the cost is deducted from the estimated residual value. For fixed assets for which depreciation provision is made, the depreciation rate will be determined after the accumulative depreciation provision amount is deducted. The residual value of an intangible asset with limited useful life is treated as zero, except where a third party undertakes to purchase the intangible asset at the end of its useful life or to obtain expected residual value information based on the active market, which is likely to exist at the end of its useful life.

Intangible assets with uncertain service life will not be amortized. At the end of each year, the useful life of intangible assets with uncertain useful life is reviewed, and if there is evidence that the useful life of intangible assets is limited, the useful life is estimated and the system is reasonably amortized within the expected useful life.

(2) Accounting policies for internal R&D expenses

Specific standard for distinguish between research and development stage：

① The Company takes the information and related preparatory activities for further development activities as the research stage, and the intangible assets expenditure in the research stage is included in the current profit and loss period.

② The development activities carried out after the Company has completed the research stage as the development stage.

Expenditures in the development phase can be recognized as intangible assets only when the following conditions are met:

A. It is technically feasible to complete the intangible asset so that it can be used or sold;

B. Have the intention to complete the intangible asset and use or sell it;

C. The way intangible assets generate economic benefits, including the ability to prove that the products produced by the intangible assets exist in the market or the intangible assets themselves exist in the market, and the intangible assets will be used internally, which can prove their usefulness;

D. Have sufficient technical, financial and other resource support to complete the development of the intangible asset, and have the ability to use or sell the intangible asset;

E. The expenditure attributable to the development stage of the intangible asset can be reliably measured.

24. Assets impairment

The Group uses the cost mode to continue measuring the assets impairment to investment real estate, fixed assets construction in progress, intangible assets and goodwill (except for the inventories, investment real estate measured by the fair value mode, deferred income tax assets and financial assets). The method is determined as follows:

The Company judges whether there is a sign of impairment to assets on the balance sheet day. If such sign exists, the Company estimates the recoverable amount and conducts the impairment test. Impairment test is conducted annually for goodwill generated by mergers and intangible assets that have not reached the useful condition no matter whether the impairment sign exists.

The recoverable amount is determined by the higher of the net of fair value minus disposal expense and the present value of the predicted future cash flow. The Company estimates the recoverable amount on the individual asset item basis; whether it is hard to estimate the recoverable amount on the individual asset item basis, determine the recoverable amount based on the asset group that the assets belong to. The assets group is determined by whether the main cash flow generated by the Group is independent from those generated by other assets or assets groups.

When the recoverable amount of the assets or assets group is lower than its book value, the Company writes down the book value to the recoverable amount, the write-down amount is accounted into the current income account and the assets impairment provision is made.

For goodwill impairment test, the book value of goodwill generated by mergers is amortized through reasonable measures since the purchase day to related asset groups; those cannot be amortized to related assets groups are amortized to related combination of asset groups. The related asset groups or combination of asset groups refer to those that can benefit from the synergistic effect of mergers and must not exceed to the reporting range determined by the Company.

When the impairment test is conducted, if there is sign of impairment to the asset group or combination of asset groups related to goodwill, first perform impair test for asset group or combination of asset groups without goodwill and calculate the recoverable amount and recognize the related impairment loss. Then conduct impairment test on those with goodwill, compare the book value with recoverable amount. If the recoverable amount is lower than the book value, recognize the impairment loss of the goodwill.

Once recognized, the asset impairment loss cannot be written back in subsequent accounting period.

25. Long-term amortizable expenses

The long-term deferred expenses shall be used to calculate the expenses that have occurred but should be borne by the Company in the current and subsequent periods with a amortization period of more than one year. The Company's long-term deferred expenses are amortized averagely during the benefit period.

26. Contract liabilities

See 15. Contract assets in Chapter X, V. Important Accounting Policies and Accounting Estimates for details.

27. Staff remuneration

(1) Accounting of operational leasing

① Basic salary of employees (salary, bonus, allowance, subsidy)

In the accounting period for which the staff and workers provide services, the Company shall confirm the actual short-term remuneration as liabilities and shall account for the current income and loss, except as required or permitted by other accounting standards.

② Employee welfare

The employee benefits incurred by the Company shall be included in the current profit and loss or related asset costs according to the actual amount incurred. Where the employee's benefit is non-monetary, it shall be measured on the basis of fair value.

③ Social insurance premiums and housing accumulation funds such as health insurance premiums, work injury premiums, birth insurance premiums, trade union funds and staff and education funds

The Company pays the medical insurance premiums, work injury insurance premiums, birth insurance premiums, etc. social insurance premiums and housing accumulation funds for the staff and workers, as well as the union funds and the staff and workers education funds according to the regulations, in the accounting period for which the staff and workers provide services, the corresponding salary amount of the staff and workers, and confirms the corresponding liabilities, which are included in the current profit and loss or related asset costs.

④ Short-term paid leave

The Company accumulates the salary of the employees who are absent from work with pay when the employees provide service, thus increasing their future right of absence with pay. The Company confirms the salary of the employee related to the absence of non-cumulative salary during the actual absence accounting period.

⑤ Short-term profit share program

If the profit-sharing plan meets the following conditions at the same time, the Company shall confirm the salary payable to the staff and workers:

A. The legal or presumptive obligation of the enterprise to pay the remuneration of its employees as a result of past matters;

B. The amount of employee compensation obligations due to the profit sharing plan can be reliably estimated.

(2) Accounting of post-employment welfare

The Company's post-employment benefit plan is defined contribution plan. Defined contribution plans include basic endowment insurance, unemployment insurance, etc. During the accounting period when employees provide services for them, the Company shall recognize the deposit amount calculated according to the defined deposit plan as liabilities and include it in the current profits and losses or related asset costs.

(3) Accounting of dismiss welfare

If the Company provides termination benefits to employees, the employee compensation liabilities arising from the termination benefits shall be recognized at the earliest of the following two and shall be included in the current profit and loss:

① When the enterprise cannot unilaterally withdraw the termination benefits provided due to the termination of labor relations plan or layoff proposal; ② When the enterprise confirms the costs or expenses related to restructuring involving the payment of dismissal benefits.

28. Lease liabilities

The lease liabilities are initially measured Company shall according to the present value of the unpaid lease payments at the beginning of the lease term. The lease payment includes the following five items:

(1) Fixed payment amount and substantial fixed payment amount. If there is lease incentive, the relevant amount of lease incentive shall be deducted;

(2) Variable lease payments depending on index or ratio;

(3) The exercise price of the purchase option, provided that the lessee reasonably determines that the option will be exercised;

(4) The amount to be paid for exercising the option to terminate the lease, provided that the lease term reflects that the lessee will exercise the option to terminate the lease;

(5) The amount expected to be paid according to the residual value of the guarantee provided by the lessee.

When calculating the present value of lease payments, the implicit interest rate of the lease is used as the discount rate. If the implicit interest rate of the lease cannot be determined, the incremental borrowing interest rate of the company is used as the discount rate. The difference between the lease payment amount and its present value is regarded as unrecognized financing expenses, and the interest expenses are recognized according to the discount rate of the present value of the lease payment amount during each period of the lease term and included in the current profit and loss. The amount of variable lease payments not included in the measurement of lease liabilities shall be included in the current profit and loss when actually incurred.

After the beginning date of the lease term, when the actual fixed payment amount changes, the expected payable amount of the guaranteed residual value changes, the index or ratio used to determine the lease payment amount changes, the evaluation results or actual exercise of the purchase option, renewal option or termination option changes, the Company remeasures the lease liability according to the present value of the changed lease payment amount, And adjust the book value of the right to use assets accordingly.

29. Anticipated liabilities

(1) Recognition standards of anticipated liabilities

When responsibilities occurred in connection to contingent issues, and all of the following conditions are satisfied, they are recognized as expectable liability in the balance sheet:

① This responsibility is a current responsibility undertaken by the Company;

② Execution of this responsibility may cause financial benefit outflow from the Company;

③ Amount of the liability can be reliably measured.

(2) Measurement of anticipated liabilities

Expected liabilities are initially measured at the best estimation on the expenses to exercise the current responsibility, and with considerations to the relative risks, uncertainty, and periodic value of currency. On each balance sheet date, review the book value of the estimated liabilities. Where there is conclusive evidence that the book value does not reflect the current best estimate, the book value is adjusted to the current best estimate.

30. Revenue

The Company needs to comply with the disclosure requirements of the decoration and decoration industry in the *Guidelines for the Self-discipline and Supervision of Listed Companies of Shenzhen Stock Exchange No. 3 - Industry Information Disclosure*.

(1) General principles

Income is the total inflow of economic benefits formed in the daily activities of the Company, which will lead to the increase of shareholders' equity and has nothing to do with the capital invested by shareholders.

The Company has fulfilled the performance obligation in the contract, that is, the revenue is recognized when the customer obtains the control right of relevant goods. To obtain the control right of the relevant commodity means to be able to dominate the use of the commodity and obtain almost all the economic benefits from it.

If there are two or more performance obligations in the contract, the Company will allocate the transaction price to each single performance obligation according to the relative proportion of the separate selling price of the goods or services promised by each single performance obligation on the start date of the contract, and measure the income according to the transaction price allocated to each single performance obligation.

The transaction price refers to the amount of consideration that the Company is expected to be entitled to receive due to the transfer of goods or services to customers, excluding the amount collected on behalf of a third party. When determining the contract transaction price, if there is a variable consideration, the Company shall determine the best estimate of the variable consideration according to the expected value or the most likely amount, and include it in the transaction price with the amount not exceeding the accumulated recognized income when the relevant uncertainty is eliminated, which is most likely not to have a significant reversal. If there is a significant financing component in the contract, the Company will determine the transaction price according to the amount payable in cash when the customer obtains the control right of the commodity. The difference between the transaction price and the contract consideration will be amortised by the effective interest method during the contract period. If the interval between the control right transfer and the customer's payment is less than one year, the Company will not consider the financing component Points.

If one of the following conditions is met, the performance obligation shall be performed within a certain period of time; otherwise, the performance obligation shall be performed at a certain point of time:

① When the customer performs the contract in the Company, he obtains and consumes the economic benefits brought by the Company's performance;

② Customers can control the goods under construction during the performance of the contract;

③ The goods produced by the Company in the process of performance have irreplaceable uses, and the Company has the right to collect money for the performance part that has been completed so far during the whole contract period.

For the performance obligations performed within a certain period of time, the Company shall recognize the revenue according to the performance progress within that period, except that the performance progress cannot be reasonably determined. The Company determines the performance schedule of providing services according to the input method. When the progress of performance cannot be reasonably determined, if the cost incurred by the Company is expected to be compensated, the revenue shall be recognized according to the amount of cost incurred until the progress of performance can be reasonably determined.

For the performance obligation performed at a certain time point, the Company recognizes the revenue at the time point when the customer obtains the control right of relevant goods. In determining whether a customer has acquired control of goods or services, the Company will consider the following signs:

① The Company has the right to receive payment for the goods or services, that is, the customer has the obligation to pay for the goods;

② The Company has transferred the legal ownership of the goods to the customer, that is, the customer has the legal ownership of the goods;

③ The Company has transferred the goods in kind to the customer, that is, the customer has possessed the goods in kind;

④ The Company has transferred the main risks and rewards of the ownership of the goods to the customer, that is, the customer has obtained the main risks and rewards of the ownership of the goods;

⑤ The product has been accepted by the customer.

Sales return clause

For the sales with sales return clauses, when the customer obtains the control right of the relevant goods, the Company shall recognize the revenue according to the amount of consideration it is entitled to obtain due to the transfer of the goods to the customer, and recognize the amount expected to be returned due to the sales return as the estimated liability; at the same time, the

Company shall deduct the estimated cost of recovering the goods according to the book value of the expected returned goods at the time of transfer(The balance after deducting the value of the returned goods is recognized as an asset, that is, the cost of return receivable, which is carried forward by deducting the net cost of the above assets according to the book value of the transferred goods at the time of transfer. On each balance sheet date, the Company re estimates the return of future sales and re measures the above assets and liabilities.

Warranty obligations

According to the contract and legal provisions, the Company provides quality assurance for the goods sold and the projects constructed. For the guarantee quality assurance to ensure that the goods sold meet the established standards, the Company conducts accounting treatment in accordance with the accounting standards for Business Enterprises No. 13 - contingencies. For the service quality assurance which provides a separate service in addition to guaranteeing that the goods sold meet the established standards, the Company takes it as a single performance obligation, allocates part of the transaction price to the service quality assurance according to the relative proportion of the separate selling price of the goods and service quality assurance, and recognizes the revenue when the customer obtains the service control right. When evaluating whether the quality assurance provides a separate service in addition to assuring customers that the goods sold meet the established standards, the Company considers whether the quality assurance is a statutory requirement, the quality assurance period, and the nature of the Company's commitment to perform the task.

Customer consideration payable

If there is consideration payable to the customer in the contract, unless the consideration is to obtain other clearly distinguishable goods or services from the customer, the Company will offset the transaction price with the consideration payable, and offset the current income at the later time of confirming the relevant income or paying (or promising to pay) the customer's consideration.

Contractual rights not exercised by customers

If the Company advances sales of goods or services to customers, the amount shall be recognized as liabilities first, and then converted into income when relevant performance obligations are fulfilled. When the Company does not need to return the advance payment and the customer may give up all or part of the contract rights, if the Company expects to have the right to obtain the amount related to the contract rights given up by the customer, the above amount shall be recognized as income in proportion according to the mode of the customer exercising the contract rights; otherwise, the Company only has the very low possibility of the customer requiring to perform the remaining performance obligations The relevant balance of the above liabilities is converted into income.

Contract change

When the project contract between the Company and the customer is changed:

① If the contract change increases the clearly distinguishable construction service and contract price, and the new contract price reflects the separate price of the new construction service, the Company will treat the contract change as a separate contract for accounting;

② If the contract change does not belong to the above-mentioned situation (1), and there is a clear distinction between the transferred construction service and the non transferred construction service on the date of contract change, the Company will regard it as the termination of the original contract, and at the same time, combine the non performance part of the original contract and the contract change part into a new contract for accounting treatment;

③ If the contract change does not belong to the above situation (1), and there is no clear distinction between the transferred construction services and the non transferred construction services on the date of contract change, the Company will take the contract change part as an integral part of the original contract for accounting treatment, and the resulting impact on the recognized income will be adjusted to the current income on the date of contract change.

(2) Specific methods

The specific methods of revenue recognition of the Company are as follows:

① Commodity sales contract

The commodity sales contract between the company and the customer includes the performance obligation of transferring curtain wall materials, screen door materials, electric energy, etc., which belongs to the performance obligation at a certain time point.

Revenue from domestic sales of products is recognized at the time when the customer obtains the right of control of the goods on the basis of comprehensive consideration of the following factors: the Ccompany has delivered the products to the customer according to the contract, the customer has accepted the goods, the payment for goods has been recovered or the receipt has been obtained, and the relevant economic benefits are likely to flow in, the main risks and rewards of the ownership of the goods have been transferred, the legal ownership has been transferred;

The following conditions should be met for the recognition of export product revenue: the Company has declared the product according to the contract, obtained the bill of lading, collected the payment for goods or obtained the receipt certificate, and the relevant economic benefits are likely to flow in, the main risks and rewards of the ownership of goods have been transferred, and the legal ownership of goods has been transferred.

② Service contract

The service contract between the Company and its customers includes the performance obligations of metro platform screen door operation maintenance, curtain wall maintenance and property services. As the Company's performance at the same time, the customers obtain and consume the economic benefits brought by the Company's performance, the Company takes it as the performance obligation within a certain period of time and allocates it equally during the service provision period.

③ Engineering contract

The project contract between the Company and the customer includes the performance obligations of curtain wall project and metro platform screen door project construction. As the customer can control the goods under construction in the process of the Company's performance, the Company takes them as the performance obligations within a certain period of time, and recognizes the income according to the performance progress, except that the performance progress cannot be reasonably determined. The Company determines the performance schedule of providing construction services according to the input method. The performance schedule shall be determined according to the proportion of the actual contract cost to the estimated total contract cost.

④ Real estate sales contract

The income of the Company's real estate development business is recognized when the control of the property is transferred to the customer. Based on the terms of the sales contract and the legal provisions applicable to the contract, the control of the property can be transferred within a certain period of time or at a certain point in time. Only if the goods produced by the Company during the performance of the contract have irreplaceable uses, and the Company has the right to collect payment for the cumulative performance part that has been completed during the entire contract period, the performance obligation has been completed during the contract period. The progress is recognized as revenue within a period of time, and the progress of the completed performance obligations is determined in accordance with the ratio of the contract costs actually incurred to complete the performance obligations to the estimated total cost of the contract. Otherwise, the income is recognized when the customer obtains the physical ownership or legal ownership of the completed property and the Company has obtained the current right of collection and is likely to recover the consideration. When confirming the contract transaction price, if the financing component is significant, the Company will adjust the contract commitment consideration according to the financing component of the contract.

(3) Differences in revenue recognition accounting policies caused by different business models of similar businesses

There is no difference in revenue recognition due to the adoption of different accounting policies for similar businesses.

31. Government subsidy

(1) Government subsidy

Government subsidies are recognized when the following conditions are met:

① Requirements attached to government subsidies;

② The Company can receive government subsidies.

(2) Government subsidy

When a government subsidy is monetary capital, it is measured at the received or receivable amount. None monetary capital are measured at fair value; if no reliable fair value available, recognized at RMB1.

(3) Recognition of government subsidies

① Assets-related

Government subsidies related to assets are obtained by the Company to purchase, build or formulate in other manners long-term assets; or subsidies related to benefits. If the asset-related government subsidy is recognized as deferred gain, should be recorded in gain and loss in the service life. Government subsidy measured at the nominal amount is accounted into current income account. If the relevant assets are sold, transferred, scrapped or damaged before the end of their useful life, the unallocated relevant deferred income balance shall be transferred to the profit and loss of the current period of disposition of the assets.

Gain-related government subsidy should be accounted as follows:

The Company divides government subsidies into assets-related and earnings-related government subsidies. Gain-related government subsidy should be accounted as follows:

Subsidy that will be used to compensate related future costs or losses should be recognized as deferred gain and recorded in the gain and loss of the current report and offset related cost;

Subsidy that is used to compensate existing cost or loss should be recorded in the gain and loss of the current period or offset related cost.

For government subsidies that include both asset-related and income-related parts, separate different parts for accounting treatment; It is difficult to distinguish between the overall classification of government subsidies related to benefits.

Government subsidy related to routine operations should be recorded in other gains or offset related cost. Government subsidy not related to routine operations should be recorded in non-operating income or expense.

③ Policy preferential loan discount

The policy-based preferential loan obtained has interest subsidy. If the government allocates the interest-subsidy funds to the lending bank, the loan amount actually received will be used as the entry value of the loan, and the borrowing cost will be calculated based on the loan principal and policy-based preferential interest rate.

If the government allocates the interest-bearing funds directly to the Group, discount interest will offset the borrowing costs.

④ Government subsidy refund

When a confirmed government subsidy needs to be returned, the book value of the asset is adjusted against the book value of the relevant asset at initial recognition. If there is a related deferred income balance, the book balance of the related deferred income is written off and the excess is credited to the current profit or loss; In other cases, it is directly included in the current profit and loss.

32. Differed income tax assets and differed income tax liabilities

The Company uses the temporary difference between the book value of the assets and liabilities on the balance sheet day and the tax base and the liabilities method to recognize the deferred income tax. 26. Deferred income tax assets and deferred income tax liabilities

(1) Deferred income tax assets

For deductible temporary discrepancies, deductible losses and tax offsets that can be carried forward for future years, the impact on income tax is calculated at the estimated income tax rate for the transfer-back period and the impact is recognized as deferred income tax assets, provided that the Company is likely to obtain future taxable income for deductible temporary discrepancies, deductible losses and tax offsets.

At the same time, the impact on income tax of deductible temporary discrepancies resulting from the initial recognition of assets or liabilities in transactions or matters with the following characteristics is inconclusive as deferred income tax assets:

A. The transaction is not a business combination;

B. the transaction is not a merger and the transaction does not affect the accounting profit or taxable proceeds;

In the event of temporary discrepancy of deductible investment related to subsidiaries, joint ventures and joint ventures, and meeting the following two conditions, the amount of impact (talent) on income tax shall be deemed as deferred income tax assets:

A. Temporary discrepancies are likely to be reversed in the foreseeable future;

B. In the future, it is likely to obtain taxable income that can be used to offset the deductible temporary differences;

On the balance sheet date, if there is conclusive evidence that sufficient taxable income is likely to be obtained in the future to offset the deductible temporary differences, the deferred income tax assets that have not been recognized in the previous period are recognized.

On the balance sheet day, the Company re-examines the book value of the deferred income tax assets. If it is unlikely to have adequate taxable proceeds to reduce the benefits of the deferred income tax assets, less the deferred income tax assets' book value. When there is adequate taxable proceeds, the lessened amount will be reversed.

(2) Deferred income tax assets

All provisional differences in taxable income of the Company shall be measured on the basis of the estimated income tax rate for the period of transfer-back and shall be recognized as deferred income tax liabilities, except that:

At the same time, the impact on income tax of deductible temporary discrepancies resulting the initial recognition of assets or liabilities in transactions or matters with the following characteristics is inconclusive as deferred income tax Liabilities:

A. Initial recognition of goodwill;

B. Initial recognition of goodwill, or of assets or liabilities generated in transactions with the following features: the transaction is not a merger and the transaction does not affect the accounting profit or taxable proceeds;

② For the taxable temporary differences related to the investment of subsidiaries and associated enterprises, the impact on income tax is generally recognized as deferred income tax liabilities, except that the following two conditions are met at the same time:

A. The Company is able to control the time of temporary discrepancy transfers;

B Temporary discrepancies are likely to be reversed in the foreseeable future;

(3) Deferred income tax assets

(1) Deferred income tax liabilities or assets associated with enterprise consolidation

Temporary difference of taxable tax or deductible temporary difference generated by enterprise merger under non-same control. When deferred income tax liability or deferred income tax asset is recognized, related deferred income tax expense (or income) is usually adjusted as recognized goodwill in enterprise merger.

② Amount of shares paid and accounted as owners' equity

Except for the adjustment goodwill generated by mergers or deferred income tax related to transactions or events directly accounted into the owners' equity, income tax is accounted as income tax expense into the current gain/loss account. The impact of temporary differences on income tax is included in the transactions or events of owner's equity, including: other comprehensive income formed by changes in the fair value of other creditor's rights investment, retroactive adjustment method for changes in accounting policies or retroactive restatement method for correction of previous (important) accounting errors, adjustment of opening retained earnings, and mixed financial instruments containing both liability and equity components are included in owner's equity at initial recognition.

③ Compensation for losses and tax deductions

A. Compensable losses and tax deductions from the Company's own operations

Deductible losses refer to the losses calculated and determined in accordance with the provisions of the tax law that are allowed to be made up with the taxable income of subsequent years. The uncovered losses (deductible losses) and tax deductions that can be carried forward in accordance with the tax law are treated as deductible temporary differences. When it is expected that sufficient taxable income is likely to be obtained in the future period when it is expected to be available to make up for losses or tax deductions, the corresponding deferred income tax assets are recognized within the limit of the taxable income that is likely to be obtained, while reducing the current period Income tax expense in the income statement.

B. Compensable uncovered losses of the merged company due to business merger

In a business combination, if the Company obtains the deductible temporary difference of the purchased party and does not meet the deferred income tax asset recognition conditions on the purchase date, it shall not be recognized. Within 12 months after the purchase date, if new or further information is obtained indicating that the relevant conditions on the purchase date already exist, and the economic benefits brought about by the temporary difference are expected to be deducted on the purchase date, confirm the relevant delivery. Deferred income tax assets, while reducing goodwill, if the goodwill is not enough to offset, the difference is recognized as the current profit and loss; except for the above circumstances, the deferred tax assets related to the business combination are recognized and included in the current profit and loss.

④Temporary difference caused by merger offset

If there is a temporary difference between the book value of assets and liabilities in the consolidated balance sheet and the taxable basis of the taxpayer due to the offset of the unrealized internal sales gain or loss, the deferred income tax asset or the deferred income tax liability is confirmed in the consolidated balance sheet, and the income tax expense in the consolidated profit statement is adjusted, with the exception of the deferred income tax related to the transaction or event directly included in the owner's equity and the merger of the enterprise.

⑤ Share payment settled by equity

If the tax law provides for allowable pre-tax deduction of expenses related to share payment, within the period for which the cost and expense are recognized in accordance with the accounting standards, the Company shall calculate the tax basis and temporary discrepancy based on the estimated pre-tax deduction amount at the end of the accounting period and confirm the relevant deferred income tax if it meets the conditions for confirmation. Of these, the amount that can be deducted before tax in the future exceeds the cost related to share payment recognized in accordance with the accounting standards, and the excess income tax shall be directly included in the owner's equity.

33. Leasing

(1) Identification of lease

On the commencement date of the contract, the company evaluates whether the contract is a lease or includes a lease. If one party in the contract transfers the right to control the use of one or more identified assets within a certain period in exchange for consideration, the contract is a lease or includes a lease. In order to determine whether the contract transfers the right to control the use of the identified assets within a certain period, the company evaluates whether the customers in the contract have the right to obtain almost all the economic benefits arising from the use of the identified assets during the use period, and have the right to dominate the use of the identified assets during the use period.

(2) Separate identification of lease

If the contract includes multiple separate leases at the same time, the company will split the contract and conduct accounting treatment for each separate lease. If the following conditions are met at the same time, the right to use the identified asset constitutes a separate lease in the contract: ① the lessee can profit from using the asset alone or together with other easily available resources; ② The asset is not highly dependent or highly related to other assets in the contract.

(3) Accounting treatment method of the Company as lessee

On the beginning date of the lease term, the Company recognizes the lease with a lease term of no more than 12 months and excluding the purchase option as a short-term lease; When a single leased asset is a brand-new asset, the lease with lower value is recognized as a low value asset lease. If the Company sublets or expects to sublet the leased assets, the original lease is not recognized as a low value asset lease.

For all short-term leases and low value asset leases, the Company will record the lease payment amount into the relevant asset cost or current profit and loss according to the straight-line method (or other systematic and reasonable methods) in each period of the lease term.

In addition to the above short-term leases and low value asset leases with simplified treatment, the Company recognizes the right to use assets and lease liabilities for the lease on the beginning date of the lease term.

① Use right assets

The term "right to use assets" refers to the right of the lessee to use the leased assets during the lease term.

At the beginning of the lease term, the right of use assets are initially measured at cost. This cost includes:

- The initial measurement amount of lease liabilities;
- For the lease payment paid on or before the beginning of the lease term, if there is lease incentive, the relevant amount of lease incentive enjoyed shall be deducted;
- Initial direct expenses incurred by the lessee;
- The estimated cost incurred by the lessee for dismantling and removing the leased assets, restoring the site where the leased assets are located or restoring the leased assets to the state agreed in the lease terms. The Company recognizes and measures the cost according to the recognition standard and measurement method of estimated liabilities. If the above costs are incurred for the production of inventories, they will be included in the cost of inventories.

Depreciation of right of use assets is accrued by using the straight-line method. If it can be reasonably determined that the ownership of the leased asset will be obtained at the expiration of the lease term, the depreciation rate shall be determined according to the asset category of the right to use and the estimated net residual value rate within the expected remaining service life of the leased asset; If it is impossible to reasonably determine that the ownership of the leased asset will be obtained at the expiration of the lease term, the depreciation rate shall be determined according to the asset category of the right of use within the shorter of the lease term and the remaining service life of the leased asset.

② Lease liabilities

The lease liabilities are initially measured Company shall according to the present value of the unpaid lease payments at the beginning of the lease term. The lease payment includes the following five items:

- Fixed payment amount and substantial fixed payment amount. If there is lease incentive, the relevant amount of lease incentive shall be deducted;

- Variable lease payments depending on index or ratio;
- The exercise price of the purchase option, provided that the lessee reasonably determines that the option will be exercised;
- The amount to be paid for exercising the option to terminate the lease, provided that the lease term reflects that the lessee will exercise the option to terminate the lease;
- The amount expected to be paid according to the residual value of the guarantee provided by the lessee.

When calculating the present value of lease payments, the implicit interest rate of the lease is used as the discount rate. If the implicit interest rate of the lease cannot be determined, the incremental borrowing interest rate of the company is used as the discount rate. The difference between the lease payment amount and its present value is regarded as unrecognized financing expenses, and the interest expenses are recognized according to the discount rate of the present value of the lease payment amount during each period of the lease term and included in the current profit and loss. The amount of variable lease payments not included in the measurement of lease liabilities shall be included in the current profit and loss when actually incurred.

After the beginning date of the lease term, when the actual fixed payment amount changes, the expected payable amount of the guaranteed residual value changes, the index or ratio used to determine the lease payment amount changes, the evaluation results or actual exercise of the purchase option, renewal option or termination option changes, the Company remeasures the lease liability according to the present value of the changed lease payment amount, And adjust the book value of the right to use assets accordingly.

(4) Accounting treatment method of the Company as lessor

On the lease commencement date, the Company classifies leases that have substantially transferred almost all the risks and rewards related to the ownership of the leased assets as financial leases, and all other leases are operating leases.

① Operating lease

During each period of the lease term, the Company recognizes the lease receipts as rental income according to the straight-line method (or other systematic and reasonable methods), and the initial direct expenses incurred are capitalized, amortized on the same basis as the recognition of rental income, and included in the current profit and loss by stages. The variable lease payments obtained by the Company related to operating leases that are not included in the lease receipts are included in the current profits and losses when actually incurred.

② Finance lease

On the lease beginning date, the Company recognizes the financial lease receivables according to the net amount of the lease investment (the sum of the unsecured residual value and the present value of the lease receipts not received on the lease beginning date discounted according to the lease embedded interest rate), and terminates the recognition of the financial lease assets. During each period of the lease term, the Company calculates and recognizes the interest income according to the interest rate embedded in the lease.

The amount of variable lease payments obtained by the Company that are not included in the measurement of net lease investment shall be included in the current profit and loss when actually incurred.

(5) Accounting treatment of lease change

① Change of lease as a separate lease

If the lease changes and meets the following conditions at the same time, the Company will treat the lease change as a separate lease for accounting: a. the lease change expands the lease scope by increasing the use right of one or more leased assets; B. The increased consideration is equivalent to the amount adjusted according to the conditions of the contract at the separate price for most of the expansion of the lease scope.

② The lease change is not treated as a separate lease

A. The Company as lessee

On the effective date of the lease change, the Company reconfirmed the lease term and discounted the changed lease payment at the revised discount rate to re-measure the lease liability. When calculating the present value of the lease payment after the change, the implicit interest rate of the lease during the remaining lease period shall be used as the discount rate; If it is impossible to determine the implicit interest rate of the lease for the remaining lease period, the incremental loan interest rate on the effective date of the lease change shall be used as the discount rate.

The impact of the above lease liability adjustment shall be accounted for according to the following circumstances:

- If the lease scope is reduced or the lease term is shortened due to the lease change, the book value of the right to use assets shall be reduced, and the relevant gains or losses of partial or complete termination of the lease shall be included in the current profits and losses;
- For other lease changes, the book value of the right to use assets shall be adjusted accordingly.

The Company as leasor

If the operating lease is changed, the Company will treat it as a new lease for accounting from the effective date of the change, and the amount of lease receipts received in advance or receivable related to the lease before the change is regarded as the amount of new lease receipts.

If the change of financial lease is not accounted for as a separate lease, the Company will deal with the changed lease under the following circumstances: if the change of lease takes effect on the lease commencement date and the lease will be classified as an operating lease, the Company will account for it as a new lease from the effective date of lease change, and take the net lease investment before the effective date of lease change as the book value of leased assets; If the lease change takes effect on the lease commencement date, the lease will be classified as a financial lease, and the Company will conduct accounting treatment in accordance with the provisions on modifying or renegotiating the contract.

(6) Sale and lease-back

The Company assesses and determines whether the asset transfer in the sale and leaseback transaction is a sale in accordance with the provisions of 30. Income in Chapter X, V, Important accounting policies and accounting estimates.

- The Company as seller (lessee)

If the asset transfer in the sale and leaseback transaction does not belong to sales, the Company will continue to recognize the transferred assets, recognize a financial liability equal to the transfer income, and conduct accounting treatment for the financial liability in accordance with 9。 Financial instruments in Chapter X, V, Important accounting policies and accounting estimates. If the asset transfer belongs to sales, the Company measures the right to use assets formed by sale and leaseback according to the part of the book value of the original assets related to the right to use obtained by leaseback, and only recognizes the relevant gains or losses on the rights transferred to the lessor.

- The Company as buyer (lessor)

If the asset transfer in the sale and leaseback transaction does not belong to sales, the company does not recognize the transferred asset, but recognizes a financial asset equal to the transfer income, and carries out accounting treatment on the financial asset in accordance with 9. Financial instruments in Chapter X, V. Important accounting policies and accounting estimates. If the asset transfer belongs to sales, the Company shall conduct accounting treatment for asset purchase and asset lease in accordance with other applicable accounting standards for business enterprises.

34. Other significant accounting policies and estimates

(1) Measurement of Fair Value

Fair value refers to the amount of asset exchange or liabilities settlement by both transaction parties familiar with the situation in a fair deal on a voluntary basis.

The Company measures the fair value of related assets or liabilities at the prices in the main market. If there is no major market, the Company measures the fair value of the relevant assets or liabilities at the most favorable market prices. The Group uses assumptions that market participants use to maximize their economic benefits when pricing the asset or liability.

The main market refers to the market with the highest transaction volume and activity of the related assets or liabilities. The most favorable market means the market that can sell the related assets at the highest amount or transfer the related liabilities at the lowest amount after considering the transaction cost and transportation cost.

For financial assets or liabilities in an active market, The Company determines their fair value based on quotations in the active market. If there is no active market, the Company uses evaluation techniques to determine the fair value.

For the measurement of non-financial assets at fair value, the ability of market participants to use the assets for optimal purposes to generate economic benefits, or the ability to sell the assets to other market participants that can be used for optimal purposes to generate economic benefits.

① Valuation technology

The Company adopts valuation techniques that are applicable in the current period and are supported by sufficient data and other information. The valuation techniques used mainly include market method, income method and cost method. The Company uses a method consistent with one or more of the valuation techniques to measure fair value. If multiple valuation techniques are used to measure fair value, the reasonableness of each valuation result shall be considered, and the fair value shall be selected as the most representative of fair value under the current circumstances. The amount of value is regarded as fair value.

The The Company equipment are applicable in the current circumstances and have sufficient available data and other information to support the use of the relevant observable input values prioritized. Unobservable input values are used only when the observable input value cannot be obtained or is not feasible. Observable input values are input values that can be obtained from market data. The Group uses assumptions that market participants use to maximize their economic benefits when pricing the asset or liability. Non-observable input values are input values that cannot be obtained from market data. The input value is obtained based on the best information available on assumptions used by market participants in pricing the relevant asset or liability.

②Fair value hierarchy

This company divides the input value used in fair value measurement into three levels, and first uses the first level input value, then uses the second level input value, and finally uses the third level input value. First level: quotation of same assets or liabilities in an active market (unadjusted) The second level input value is a directly or indirectly observable input value of the asset or liability in addition to the first level input value. The input value of the third level is the unobservable input value of the related asset or liability.

(2) Accounting of hedging

(2.1) Classification of inventories

The Company's hedge is a cash flow hedge.

Cash flow hedging refers to the hedging of cash flow risk. The change in cash flow is derived from specific risks associated with recognized assets or liabilities, expected transactions that are likely to occur, or with respect to the components of the above-mentioned project and will affect the profits and losses of the enterprise.

(2.2) Hedging tools and hedged projects

Hedging means a financial instrument designated by the Company for the purpose of hedging, whose fair value or cash flow variation is expected to offset the fair value or cash flow variation of the hedged item, including:

① Financial liabilities measured at fair value with variations accounted into current income account Check-out options can only be used as a hedging tool if the option is hedged, including those embedded in a hybrid contract. Derivatives embedded in a hybrid contract but not split cannot be used as separate hedging tools.

② Non-derivative financial assets or non-derivative financial liabilities that are measured at fair value and whose changes are included in the current profit and loss, but designated as fair value and whose changes are included in the current profit and loss, and their own credit risk changes caused by changes in fair value except for financial liabilities included in other comprehensive income.

Own equity instruments are not financial assets or financial liabilities and cannot be used as hedging instruments.

A hedged item refers to an item that exposes the Company to the risk of changes in fair value or cash flow and is designated as the hedged object and can be reliably measured. The Company designates the following individual projects, project portfolios or their components as hedged projects:

① Confirmed assets or liabilities.

② Confirmed commitments that have not yet been confirmed. Confirmed commitment refers to a legally binding agreement to exchange a specific amount of resources at an agreed price on a specific date or period in the future.

③ Expected transactions that are likely to occur. Anticipated transactions refer to transactions that have not yet been committed but are expected to occur.

④ Net investment in overseas operations.

The above-mentioned project components refer to the parts that are less than the overall fair value or cash flow changes of the project. The Company designates the following project components or their combinations as hedged items:

① The part of the change in fair value or cash flow (risk component) that is only caused by one or more specific risks in the overall fair value or cash flow changes of the project. According to the assessment in a specific market environment, the risk component should be able to be individually identified and reliably measured. The risk component also includes the part where the fair value or cash flow of the hedged item changes only above or below a specific price or other variables.

② One or more selected contractual cash flows.

③ The component of the nominal amount of the project, that is, the specific part of the whole amount or quantity of the project, may be a certain proportion of the whole project, or may be a certain level of the whole project. If a certain level includes early repayment rights and the fair value of the early repayment rights is affected by changes in the risk of the hedge, the level shall not be designated as the hedged item of the fair value hedge, but in the measurement of the hedged item except when the fair value has included the influence of the prepayment right.

(2.3) Evaluation of hedging relationship

When the hedging relationship is initially specified, the Group officially specifies the related hedging relationships with official documents recording the hedging relationships, risk management targets and hedging strategies. This document sets out the hedging tools, hedged items, the nature of hedged risks, and the Company's assessment of hedged effectiveness. Hedging means a financial instrument designated by the Company for the purpose of hedging, whose fair value or cash flow variation is offset the fair value or cash flow variation of the hedged item, including: Such hedges are continuously evaluated on and after the initial specified date to meet the requirements for hedging validity.

If the hedging instrument has expired, been sold, the contract is terminated or exercised (but the extension or replacement as part of the hedging strategy is not treated as expired or contract termination), or the risk management objective changes, resulting in hedging The relationship no longer meets the risk management objectives, or the economic relationship between the hedged item and the hedging instrument no longer exists, or the impact of credit risk begins to dominate in the value changes caused by the economic relationship between the hedged item and the hedging instrument, or when the hedge no longer meets the other conditions of the hedge accounting method, the Company terminates the use of hedge accounting.

If the hedging relationship no longer meets the requirements for hedging effectiveness due to the hedging ratio, but the risk management objective of the designated hedging relationship has not changed, the Company shall rebalance the hedging relationship.

(2.4) Revenue the of revenue recognition and measurement

If the conditions for applying hedge accounting method are met, it shall be handled according to the following methods:

Cash flow hedging

The part of hedging tool gains or losses that is valid for hedging is recognized as other comprehensive income as a cash flow hedging reserve, and the part that is invalid for hedging (that is, other gains or losses after deducting other comprehensive income), are counted Into the current profit and loss. The amount of cash flow hedging reserve is determined according to the lower of the absolute amounts of the following two items: ①accumulated gains or losses of hedging instruments since the hedging. The amount in the effective arbitrage is recognized by the accumulative gains or losses from the starting of arbitrage and accumulative changes to the current value of future forecast cash flows from the start of arbitrage.

If the expected transaction of the hedged asset is subsequently recognized as a non-financial asset or non-financial liability, or if the expected transaction of the non-financial asset or non-financial liability forms a defined commitment to the applicable fair value hedge accounting, the amount of the cash flow hedge reserve originally recognized in the other consolidated income is transferred out to account for the initial recognized amount of the asset or liability. For the remaining cash flow hedges, during the same period when the expected cash flow to be hedged affects the profit and loss, if the expected sales occur, the cash flow hedge reserve recognized in other comprehensive income is transferred out and included in the current profit and loss.

(3) Repurchase of the Company's shares

(3.1) In the event of a reduction in the Company's share capital as approved by legal procedure, the Company shall reduce the share capital by the total amount of the written-off shares, adjust the owner's equity by the difference between the price paid by the purchased stocks (including transaction costs) and the total amount of the written-off shares, offset the capital reserve (share capital premium), surplus reserve and undistributed profits in turn; A portion of a capital reserve (share capital premium) that is less than the total face value and less than the total face value.

(3.2) The total expenditure of the repurchase shares of the Company, which is managed as an inventory share before they are cancelled or transferred, is converted to the cost of the inventory shares.

(3.3) Increase in the capital reserve (capital premium) at the time of transfer of an inventory unit, the portion of the transfer income above the cost of the inventory unit; Lower than the inventory stock cost, the capital reserve (share capital premium), surplus reserve, undistributed profits in turn.

(4) Significant accounting judgment and estimate

The Company continuously reviews significant accounting judgment and estimate adopted for the reasonable forecast of future events based on its historical experience and other factors. Significant accounting judgment and assumptions that may lead to major adjustment of the book value of assets and liabilities in the next accounting year are listed as follows:

Classification of financial assets

The major judgements involved in the classification of financial assets include the analysis of business model and contract cash flow characteristics.

The company determines the business mode of managing financial assets at the level of financial asset portfolio, taking into account such factors as how to evaluate and report financial asset performance to key managers, the risks that affect financial asset performance and how to manage it, and how to obtain remuneration for related business managers.

When the company assesses whether the contractual cash flow of financial assets is consistent with the basic borrowing arrangement, there are the following main judgments: whether the principal may change due to early repayment and other reasons during the duration of the period or the amount of change; whether the interest Including the time value of money, credit risk, other basic borrowing risks, and consideration of costs and profits. For example, does the amount paid in advance reflect only the unpaid principal and the interest based on the unpaid principal, as well as the reasonable compensation paid for early termination of the contract.

Measurement of expected credit losses of accounts receivable

The Company calculates the expected credit loss of accounts receivable through the risk exposure of accounts receivable default and the expected credit loss rate, and determines the expected credit loss rate based on the default probability and the default loss rate. When determining the expected credit loss rate, the Company uses internal historical credit loss experience and other data, combined with current conditions and forward-looking information to adjust the historical data. When considering forward-looking information, the indicators used by the Company include the risks of economic downturn, changes in the external market environment, technological environment, and customer conditions. The Company regularly monitors and reviews assumptions related to the calculation of expected credit losses.

Deferred income tax assets

If there is adequate taxable profit to deduct the loss, the deferred income tax assets should be recognized by all the unused tax loss. This requires the management to make a lot of judgment to forecast the time and amount of future taxable profit and determine the amount of the deferred tax assets based on the taxation strategy.

Income recognition

The Company's revenue from providing curtain wall construction and metro platform screen door installation services is recognized over a period of time. The recognition of the income and profit of such engineering installation services depends on the Company's estimation of the contract results and performance progress. If the actual amount of total revenue and total cost is higher or lower than the estimated value of the management, it will affect the amount of revenue and profit recognition of the Company in the future.

Engineering contract

The management shall make relevant judgment to confirm the income and expenses of project contracting business according to the performance progress. If losses are expected to occur in the project contract, such losses shall be recognized as current expenses. The management of the Company estimates the possible losses according to the budget of the project contract. The Company determines the transaction price according to the terms of the contract and in combination with previous customary practices, and considers the influence of variable consideration, major financing components in the contract and other factors. During the performance of the contract, the Company continuously reviews the estimated total contract revenue and the estimated total contract cost. When the initial estimate changes, such as contract changes, claims and awards, the estimated total contract revenue and the estimated total contract cost are revised. When the estimated total contract cost exceeds the total contract revenue, the main business cost and estimated liabilities shall be recognized according to the loss contract to be executed.

Estimate of fair value

The Company uses fair value to measure investment real estate and needs to estimate the fair value of investment real estate at least quarterly. This requires the management to reasonably estimate the fair value of the investment real estate with the help of valuation experts.

35. Major changes in accounting policies and estimates

1. Changes in important accounting policies

□ Applicable ☑ Inapplicable

(2) Changes in major accounting estimates

□ Applicable ☑ Inapplicable

(3) Implementation of new accounting standards adjustment for the first time starting from 2023, and implementation of financial statement related items at the beginning of the year for the first time

□ Applicable ☑ Inapplicable

VI. Taxation

1. Major taxes and tax rates

Tax	Tax basis	Tax rate
VAT	Taxable income	1%, 3%, 5%, 6%, 9%, 13%
City maintenance and construction tax	Taxable turnover	1%, 5%, 7%
Enterprise income tax	Taxable income	See the following table
Education surtax	Taxable turnover	3%
Local education surtax	Taxable turnover	2%

Tax rates applicable for different tax payers

Tax payer	Income tax rate
The Company	25%
Fangda Jianke	15%
Fangda Zhiyuan Technology	15%
Fangda Jiangxi New Material	15%
Chengdu Fangda Construction Technology Co., Ltd. (hereinafter Fangda Chengdu Technology)	15%
Dongguan Fangda New Material Co., Ltd. (hereinafter Fangda Dongguan New Material)	15%
Fangda Property	25%
Fangda New Energy	25%
Shenzhen Fangda Property Development Co., Ltd. (hereinafter Fangda Property Development)	25%
Jiangxi Fangda Property Development Co., Ltd. (hereinafter Fangda Jiangxi Property Development)	25%
Pingxiang Fangda Luxin New Energy Co., Ltd. (hereinafter Fangda Luxin New Energy)	25%
Nanchang Xinjian Fangda New Energy Co., Ltd. (hereinafter Fangda Xinjian New Energy)	25%
Dongguan Fangda New Energy Co., Ltd. (hereinafter Fangda Dongguan New Energy)	25%
Shenzhen QIanhai Kechuangyuan Software Co., Lt.d (hereinafter Kechuangyuan Software)	25%
Fangda Zhiyuan Technology (Hong Kong) Co., Ltd, (Fangda Zhiyuan Hong Kong)	16.50%
Fangda Zhiyuan Technology (Wuhan) Co., Ltd, (Fangda Wuhan Zhiyuan)	25%
Fangda Zhiyuan Technology (Nanchang) Co., Ltd, (Fangda Nanchang Zhiyuan)	25%
Fangda Zhiyuan Technology (Dongguan) Co., Ltd, (Fangda Dongguan Zhiyuan)	25%
General Rail Technology Private Limited	17%
Shihui International Holding Co., Ltd. (hereinafter Fangda Shihui International)	16.50%
Shenzhen Hongjun Investment Co., Ltd. (hereinafter Fangda Hongjun Investment)	25%
Fangda Australia Pty Ltd	30%
Shanghai Fangda Zhijian Technology Co., Ltd. (hereinafter referred to as Fangda Shanghai Zhijian company)	15%
Shenzhen Fangda Yunzhi Technology Co., Ltd. (hereinafter Fangda Yunzhi)	25%
Shanghai Fangda Jianzhi Technology Co., Ltd. (hereinafter Fangda Shanghai Jianzhi)	25%

Shenzhen Zhongrong Litai Investment Co. Ltd. (Zhongrong Litai)	25%
Chengdu Fangda Curtain Wall Technology Co., Ltd. (hereinafter Fangda Chengdu Curtain Wall)	25%
Fangda Southeast Asia Co., Ltd. (hereinafter Fangda Southeast Asia)	20%
Shenzhen Xunfu Investment Co., Ltd. (hereinafter referred to as Fangda Xunfu Investment)	25%
Shenzhen Lifu Investment Co., Ltd. (hereinafter referred to as Fangda Lifu Investment)	25%
Shenzhen Fangda Investment Partnership (Limited Partnership) (hereinafter referred to as Fangda Investment)	Inapplicable
Fangda Jianke (Hong Kong) Co., Ltd. (hereinafter Fangda Jianke Hong Kong)	16.50%
Shenzhen Fangda Yunzhu Technology Co., Ltd. (hereinafter Fangda Yunzhu)	15%
Shenzhen Yunzhu Testing Technology Co., Ltd. (Hereinafter Fangda Yunzhu Testing)	25%
Jiangxi Fangda Intelligent Manufacturing Technology Co., Ltd. (hereinafter referred to as Fangda Intelligent Manufacturing Company)	25%

2. Tax preference

(1) On December 23, 2021, the subsidiary Fangda Jianke obtained the certificate of high-tech enterprise jointly issued by Shenzhen Science and Technology Innovation Commission, Shenzhen Finance Bureau, State Administration of Taxation and Shenzhen Taxation Bureau. The certificate number is GR202144200527. Within three years after obtaining the qualification of high-tech enterprise (from 2021 to 2023), the income tax will be levied at 15%.

(2) On December 23, 2021, the subsidiary Fangda Zhiyuan Technology Co., Ltd. obtained the certificate of high tech enterprise jointly issued by Shenzhen Science and Technology Innovation Commission, Shenzhen Finance Bureau, State Administration of Taxation and Shenzhen Taxation Bureau. The certificate number is GR202144205924. Within three years after obtaining the qualification of high tech enterprise (from 2021 to 2023), the income tax will be levied at 15%.

(3) On November 3, 2021, the subsidiary Fangda Jiangxi New Material Co., Ltd. obtained the certificate of high tech enterprise jointly issued by Jiangxi Provincial Department of Science and Technology, Jiangxi Provincial Department of Finance, State Administration of Taxation and Jiangxi Provincial Bureau of Taxation. The certificate number is GR202136000174. Within three years after obtaining the qualification of high tech enterprise (2021-2023), the income tax will continue to be levied at 15%.

(4) On December 3, 2020, the subsidiary Fangda Chengdu Technology obtained the certificate of high tech enterprise No. GR202051002193 jointly issued by the Department of Science and Technology of Sichuan Province, the Department of Finance of Sichuan Province, the State Administration of Taxation and the Sichuan Provincial Taxation Bureau. Within three years after obtaining the qualification of high tech enterprise (2020 December-2023 December), the income tax will continue to be levied at 15%.

(5) On December 22, 2022, the subsidiary Fangda Dongguan New Materials Co., Ltd. obtained the certificate of high tech enterprise No.GR202244006622 jointly issued by Guangdong Provincial Department of science and technology, Guangdong

Provincial Department of Finance and Guangdong Provincial Taxation Bureau. Within three years (from 2022 to 2024) after obtaining the qualification of high tech enterprise, the income tax will be charged at 15%.

(6) The subsidiary Kechuangyuan Software is an enterprise located in Qianhai Shenzhen Hong Kong Modern Service Industry Cooperation Zone. Its main business meets the conditions of Preferential Catalogue of Enterprise Income Tax in Qianhai Shenzhen Hong Kong Modern Service Industry Cooperation Zone (2021)(the Regulation shall be implemented from January 1, 2021 to December 31, 2025), and the income tax is levied at 15%.

(7) On November 12, 2020, the subsidiary Fangda Shanghai Zhijian obtained the certificate of high tech enterprise No.GR202031001525 jointly issued by Shanghai Science and Technology Commission, Shanghai Finance Bureau and Shanghai Taxation Bureau. Within three years (from 2020 November to 2023 November) after obtaining the qualification of high tech enterprise, the income tax will continue to be charged at 15%.

(8) On December 11, 2020, the subsidiary Fangda Yunzhu Co., Ltd. obtained the certificate of high tech enterprise jointly issued by Shenzhen Science and Technology Innovation Commission, Shenzhen Finance Bureau, State Administration of Taxation and Shenzhen Taxation Bureau. The certificate number is GR202044202438. Within three years after obtaining the qualification of high tech enterprise (from 2020 December to 2023 December), the income tax will be levied at 15%.

(9) According to the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Implementing Income Tax Preferential Policies for Small and Micro Enterprises (Announcement No. 13 of 2022) and the Announcement of the Ministry of Finance and the State Administration of Taxation on Income Tax Preferential Policies for Small and Micro Enterprises and Individual Industrial and Commercial Households (Announcement No. 6 of 2023) issued by the Ministry of Finance and the State Administration of Taxation, some companies belong to small and micro profit enterprises in 2023, Their income shall be subject to corporate income tax in accordance with the provisions of the aforementioned documents.

VII. Notes to the consolidated financial statements

1. Monetary capital

In RMB

Item	Closing balance	Opening balance
Inventory cash:	5,350.98	149.81
Bank deposits	778,541,607.39	809,288,523.64
Other monetary capital	507,959,335.59	429,465,543.05
Total	1,286,506,293.96	1,238,754,216.50
Including: total amount deposited in overseas	40,703,365.79	49,596,440.24

The total amount of money that has restrictions on use due to mortgage, pledge or freezing	537,833,587.91	455,076,287.44

Notes:

(1) The restricted funds used in the ending balance of bank deposits are RMB36,219,081.10, mainly consisting of RMB20,435,919.19 in the special account for labor insurance and migrant worker wages, and RMB15,454,841.23 in the loan supervision account; The restricted funds used in the ending balance of other monetary funds are RMB501,614,506.81, mainly including deposit for bills of exchange and guarantee letter issuance. In addition, there are no other funds in the monetary funds at the end of the period that have restrictions on use and potential recovery risks due to mortgages, pledges or freezing.

(2) In the preparation of the cash flow statement, the above-mentioned deposits and other restricted deposits are not used as cash and cash equivalents.

(3) At the end of the period, the Company's total amount deposited abroad was RMB40,703,365.79.

2. Derivative financial assets

In RMB

Item	Closing balance	Opening balance
Forward foreign exchange contract	77,586.17	789,205.34
Total	77,586.17	789,205.34

3. Notes receivable

(1) Classification of notes receivable

In RMB

Item	Closing balance	Opening balance
Bank acceptance	19,796,134.07	18,434,258.87
Commercial acceptance	33,404,202.85	111,994,295.62
Total	53,200,336.92	130,428,554.49

In RMB

Type	Closing balance					Opening balance				
	Remaining book value		Bad debt provision		Book value	Remaining book value		Bad debt provision		Book value
	Amount	Proportion	Amount	Provision rate		Amount	Proportion	Amount	Provision rate	
Including:										
Notes receivab	53,788,028.76	100.00%	587,691.84	1.09%	53,200,336.92	132,708,717.05	100.00%	2,280,162.56	1.72%	130,428,554.49

le with provision for bad debts by portfolio										
Including:										
Bank acceptance	19,796,134.07	36.80%			19,796,134.07	18,434,258.87	13.89%			18,434,258.87
Commercial acceptance	33,991,894.69	63.20%	587,691.84	1.73%	33,404,202.85	114,274,458.18	86.11%	2,280,162.56	2.00%	111,994,295.62
Total	53,788,028.76	100.00%	587,691.84	1.09%	53,200,336.92	132,708,717.05	100.00%	2,280,162.56	1.72%	130,428,554.49

Provision for bad debts by combination: trade acceptance

In RMB

Name	Closing balance		
	Remaining book value	Bad debt provision	Provision rate
Commercial acceptance	33,991,894.69	587,691.84	1.73%

Provision for bad debts by combination: bank acceptance

In RMB

Name	Closing balance		
	Remaining book value	Bad debt provision	Provision rate
Bank acceptance	19,796,134.07	0.00	0.00%

If the provision for bad debts of bills receivable is made in accordance with the general model of expected credit losses, please refer to the disclosure of other receivables to disclose information about bad debts:

□ Applicable ☑ Inapplicable

(2) Bad debt provision made, returned or recovered in the period

Bad debt provision made in the period:

In RMB

Type	Opening balance	Change in the period				Closing balance
		Provision	Written-back or recovered	Canceled	Others	
Commercial acceptance	2,280,162.56	-1,692,470.72				587,691.84
Total	2,280,162.56	-1,692,470.72				587,691.84

Including significant recovery or reversal:

□ Applicable ☑ Inapplicable

(3) The Group has no endorsed or discounted immature receivable notes at the end of the period.

In RMB

Item	De-recognized amount	Not de-recognized amount

Bank acceptance		19,496,134.07
Commercial acceptance		8,309,096.47
Total		27,805,230.54

(4) Notes transferred to accounts receivable due to default of the issue at the end of period

In RMB

Item	Amount transferred to accounts receivable at the end of the period
Commercial acceptance	11,332,317.70
Total	11,332,317.70

4. Account receivable

(1) Account receivable disclosed by categories

In RMB

Type	Closing balance					Opening balance				
	Remaining book value		Bad debt provision		Book value	Remaining book value		Bad debt provision		Book value
	Amount	Proportion	Amount	Provision rate		Amount	Proportion	Amount	Provision rate	
Account receivable for which bad debt provision is made by group	80,430,339.27	9.51%	74,382,698.73	92.48%	6,047,640.54	89,501,875.22	8.46%	83,454,234.68	93.24%	6,047,640.54
Including:										
Customer 1	54,873,223.21	6.49%	54,873,223.21	100.00%		54,873,223.21	5.19%	54,873,223.21	100.00%	
Customer 2	13,461,834.96	1.59%	13,461,834.96	100.00%		13,461,834.96	1.27%	13,461,834.96	100.00%	
Customer 3	4,998,860.10	0.59%	2,499,430.06	50.00%	2,499,430.04	4,998,860.10	0.47%	2,499,430.06	50.00%	2,499,430.04
Customer 4	7,096,421.00	0.84%	3,548,210.50	50.00%	3,548,210.50	7,096,421.00	0.67%	3,548,210.50	50.00%	3,548,210.50
Customer 5						9,071,535.95	0.86%	9,071,535.95	100.00%	
Account receivable for which bad debt provision is made by	765,378,383.41	90.00%	131,540,743.59	17.19%	633,837,639.82	968,358,465.15	91.54%	142,113,757.52	14.68%	826,244,707.63

group										
Including:										
1. Portfolio 1: Engineering operations section	547,227,703.34	64.70%	121,260,383.44	22.16%	425,967,319.90	714,451,919.44	67.54%	128,787,757.87	18.03%	585,664,161.57
2. Portfolio 2: Real estate business payments	133,544,450.99	15.79%	6,959,844.99	5.21%	126,584,606.00	167,560,235.16	15.84%	7,893,605.97	4.71%	159,666,629.19
3. Combination 3: Other business models	84,606,229.08	10.00%	3,320,515.16	3.92%	81,285,713.92	86,346,310.55	8.16%	5,432,393.68	6.29%	80,913,916.87
Total	845,808,722.68	100.00%	205,923,442.32	24.35%	639,885,280.36	1,057,860,340.37	100.00%	225,567,992.20	21.32%	832,292,348.17

Separate bad debt provision:

In RMB

Name	Closing balance			
	Remaining book value	Bad debt provision	Provision rate	Reason
1. Customer 1	54,873,223.21	54,873,223.21	100.00%	Customer credit status deteriorates and is hard to recover
2. Customer 2	13,461,834.96	13,461,834.96	100.00%	Customer credit status deteriorates and is hard to recover
3. Customer 3	4,998,860.10	2,499,430.06	50.00%	Customer credit status deteriorates
4. Customer 4	7,096,421.00	3,548,210.50	50.00%	Customer credit status deteriorates
Total	80,430,339.27	74,382,698.73		

Provision for bad debts by combination: Portfolio 1: Engineering business

In RMB

Name	Closing balance		
	Remaining book value	Bad debt provision	Provision rate
Less than 1 year	246,808,063.70	4,837,438.05	1.96%
1-2 years	97,695,067.95	5,529,540.85	5.66%
2-3 years	60,634,127.27	7,736,914.64	12.76%
3-4 years	33,524,474.50	6,624,436.16	19.76%
4-5 years	21,171,562.60	9,137,646.42	43.16%
Over 5 years	87,394,407.32	87,394,407.32	100.00%
Total	547,227,703.34	121,260,383.44	

Group recognition basis:

See 9. Financial Tools in Chapter X, V, Important Accounting Policies and Accounting Estimates for the recognition criteria and instructions for withdrawing bad debt reserves by portfolio

Bad debt provision by portfolio: portfolio 2: real estate business funds

In RMB

Name	Closing balance		
	Remaining book value	Bad debt provision	Provision rate
Less than 1 year	93,253,634.23	932,536.35	1.00%
1-2 years	82,491.13	4,124.55	5.00%
2-3 years	80,647.44	4,032.37	5.00%
3-4 years	22,273,070.00	3,340,960.50	15.00%
4-5 years			
Over 5 years	17,854,608.19	2,678,191.22	15.00%
Total	133,544,450.99	6,959,844.99	

Provision for bad debts by combination: portfolio 3: Others business

In RMB

Name	Closing balance		
	Remaining book value	Bad debt provision	Provision rate
Less than 1 year	57,933,653.13	422,912.67	0.73%
1-2 years	18,399,929.48	386,398.53	2.10%
2-3 years	3,371,027.41	283,840.51	8.42%
3-4 years	3,308,522.70	819,851.93	24.78%
4-5 years	1,371,649.28	1,186,064.44	86.47%
Over 5 years	221,447.08	221,447.08	100.00%
Total	84,606,229.08	3,320,515.16	

If the provision for bad debts of accounts receivable is made in accordance with the general model of expected credit losses, please refer to the disclosure of other receivables to disclose information about bad debts:

□ Applicable ☑ Inapplicable

Account age

In RMB

Age	Closing balance
Within 1 year (inclusive)	397,995,351.06
1-2 years	116,177,488.56
2-3 years	64,518,448.43
Over 3 years	267,117,434.63
3-4 years	59,106,067.20
4-5 years	32,802,831.15
Over 5 years	175,208,536.28
Total	845,808,722.68

Accounts receivable with significant individual amounts over three years of age:

Customer	Balance of accounts receivable of over 3 years	Balance of provision for bad debts	Reason of the age	Whether there is a risk of recovery
Customer 1	54,873,223.21	54,873,223.21	Customer credit status deteriorates	Yes
Customer 2	25,647,044.22	25,647,044.22	Customer credit status deteriorates	Yes

Customer 3	17,374,148.42	17,374,148.42	Customer credit status deteriorates	Yes
Customer 4	13,461,834.96	13,461,834.96	Customer credit status deteriorates	Yes
Total	111,356,250.81	111,356,250.81		

(2) Bad debt provision made, returned or recovered in the period

Bad debt provision made in the period:

In RMB

Type	Opening balance	Change in the period				Closing balance
		Provision	Written-back or recovered	Canceled	Others	
Separate bad debt provision	83,454,234.68		9,071,535.95			74,382,698.73
1. Portfolio 1: Engineering operations section	128,787,757.87	-7,181,743.93		345,630.50		121,260,383.44
2. Portfolio 2: Real estate business payments	7,893,605.97	-933,760.98				6,959,844.99
3. Combination 3: Other business models	5,432,393.68	-2,111,878.52				3,320,515.16
Total	225,567,992.20	-10,227,383.43	9,071,535.95	345,630.50		205,923,442.32

Including significant recovery or reversal:

In RMB

Entity	Written-back or recovered amount	Method
Customer 1	9,071,535.95	After applying for bankruptcy liquidation, the customer shall have priority to receive compensation and be recovered by bank transfer
Total	9,071,535.95	

After the Company verified that 100% of the bad debt reserves were withdrawn in the early stage, it was difficult for the management to recover the original accounts receivable in full. Subsequently, the company made unremitting efforts to obtain the priority right of repayment of the project funds through litigation, application for bankruptcy liquidation of the customer, and finally recovered the above funds through priority repayment after the bankruptcy liquidation of the customer 1.

(3) Written-off account receivable during the period

In RMB

Item	Amount
Account receivable written off	345,630.50

(4) Balance of top 5 accounts receivable at the end of the period

In RMB

Entity	Closing balance of accounts receivable	Percentage (%)	Balance of bad debt provision at the end of the period
No.1	54,873,223.21	6.49%	54,873,223.21
No.2	42,535,101.14	5.03%	6,043,225.96
No.3	31,500,000.00	3.72%	2,214,033.38
No.4	26,609,788.45	3.15%	1,492,136.53
No.5	26,002,530.93	3.07%	25,667,164.77
Total	181,520,643.73	21.46%	

(5) Receivables derecognized due to transfer of financial assets

In RMB

Customer	Way of transfer	De-recognized amount	Gain or loss related to the de-recognition
Customer 1	Factoring	15,744,556.14	-524,992.11
Customer 2	Factoring	15,516,080.12	-326,570.39
Customer 3	Factoring	12,217,700.00	-425,127.73
Customer 4	Factoring	6,514,269.60	-242,897.38
Customer 5	Factoring	3,604,432.50	-122,127.97
Customer 6	Factoring	8,518,028.24	116,089.38
Customer 7	Factoring	4,838,904.94	-193,501.09
Customer 8	Factoring	7,631,987.06	-241,849.95
Customer 9	Factoring	2,000,000.00	-55,333.33
Customer 10	Factoring	6,000,000.00	-74,375.00
Customer 11	Factoring	3,318,734.36	-121,175.29
Customer 12	Factoring	4,096,559.14	-133,820.93
Customer 13	Factoring	524,197.43	-16,445.82
Total		90,525,449.53	-2,362,127.61

5. Receivable financing

In RMB

Item	Closing balance	Opening balance
Notes receivable	9,703,929.82	1,338,202.01
Total	9,703,929.82	1,338,202.01

Increase or decrease in the current period of receivables financing and changes in fair value

□ Applicable ☑ Inapplicable

If the provision for financing impairment of receivables is accrued in accordance with the general expected credit loss model, please refer to the disclosure of other receivables to disclose the relevant information of the impairment provision:

□ Applicable ☑ Inapplicable

6. Prepayment

(1) Account ages of prepayments

In RMB

Age	Closing balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Less than 1 year	20,277,587.64	82.41%	14,930,557.32	72.37%
1-2 years	1,046,199.43	4.25%	2,913,056.11	14.12%
2-3 years	428,425.01	1.74%	582,237.19	2.82%
Over 3 years	2,853,915.34	11.60%	2,205,799.97	10.69%
Total	24,606,127.42		20,631,650.59	

(2) Balance of top 5 prepayments at the end of the period

The total of top5 prepayments in terms of the prepaid entities in the period is RMB7,008,762.08, accounting for 28.48% of the total prepayments at the end of the period.

7. Other receivables

In RMB

Item	Closing balance	Opening balance
Other receivables	163,623,479.94	155,379,024.22
Total	163,623,479.94	155,379,024.22

(1) Other receivables

1) Other receivables are disclosed by nature

In RMB

By nature	Closing balance of book value	Opening balance of book value
Deposit	100,845,767.52	99,789,014.58
Construction borrowing and advanced payment	38,500,146.40	33,008,395.75
Staff borrowing and petty cash	2,347,718.13	1,439,503.90
VAT refund receivable	1,863,267.34	1,946,422.08
Debt by Luo Huichi		11,242,291.48
Others	31,966,759.17	30,122,981.20
Total	175,523,658.56	177,548,608.99

2) Method of bad debt provision

In RMB

Bad debt provision	First stage	Second stage	Third stage	Total
	Expected credit losses in the next 12	Expected credit loss for the entire duration (no	Expected credit loss for the entire duration (credit	

	months	credit impairment)	impairment has occurred)	
Balance on January 1, 2023	2,063,971.54	117,684.26	19,987,928.97	22,169,584.77
Balance on January 1, 2023 in the current period				
-- transferred to the second stage				
-- transferred to the third stage				
-- transferred back to second stage				
-- transferred back to first stage				
Provision	264,051.64	-8,960.72	754,598.59	1,009,689.51
Transferred back in the current period			292,877.00	292,877.00
Written off in the current period				
Canceled in the current period			10,992,291.48	10,992,291.48
Other change	5,811.34		261.48	6,072.82
Balance on June 30, 2023	2,333,834.52	108,723.54	9,457,620.56	11,900,178.62

Account age

In RMB

Age	Closing balance
Within 1 year (inclusive)	30,012,892.96
1-2 years	7,102,785.94
2-3 years	23,477,143.64
Over 3 years	114,930,836.02
3-4 years	6,059,121.55
4-5 years	82,166,283.63
Over 5 years	26,705,430.84
Total	175,523,658.56

3) Bad debt provision made, returned or recovered in the period

Bad debt provision made in the period:

In RMB

Type	Opening balance	Change in the period				Closing balance
		Provision	Written-back or recovered	Canceled	Others	
Separate bad debt provision	15,026,957.59		292,877.00	10,992,291.48		3,741,789.11
Provision for bad debts by combination	7,142,627.18	1,009,689.51			6,072.82	8,158,389.51

Total	22,169,584.77	1,009,689.51	292,877.00	10,992,291.48	6,072.82	11,900,178.62

4) Other receivable written off in the current period

In RMB

Item	Amount
Luo Huichi	10,992,291.48

Including significant other receivable:

In RMB

Entity	Nature	Amount	Reason	Writing-off procedure	Related transaction
Luo Huichi	Debt by Luo Huichi	10,992,291.48	Impossible enforcement of property, with minimal possibility of subsequent recovery	Approved by the senior management	No
Total		10,992,291.48			

5) Balance of top 5 other receivables at the end of the period

In RMB

Entity	By nature	Closing balance	Age	Percentage (%)	Balance of bad debt provision at the end of the period
Shenzhen Yikang Real Estate Co. Ltd.	Deposit and prepaid expenses	70,062,675.83	4-5 years	43.33%	1,133,333.87
		6,000,000.00	Less than 1 year		
Bangshen Electronics (Shenzhen) Co., Ltd.	Deposit	20,000,000.00	Over 5 years	11.39%	298,000.00
Shenzhen Rijiasheng Trading Co., Ltd	Others	18,708,945.57	2-3 years	10.66%	3,741,789.11
Shenzhen Henggang Dakang Co., Ltd.	Deposit	8,000,000.00	4-5 years	4.56%	119,200.00
China Merchants Futures Brokerage Co., Ltd.	Deposit	6,217,934.50	Less than 1 year	3.54%	92,647.22
Total		128,989,555.90		73.49%	5,384,970.20

6) Items involving government subsidies:

In RMB

Entity	Governmental subsidy	Closing balance	Closing age	Estimated time, amount and basis of receipt

Shenzhen Tax Bureau of State Administration of Taxation	Receivable refund of VAT	964,545.88	Less than 1 year	Full recovered in less than 1 year

8. Inventories

Whether the Company needs to comply with disclosure requirements of the real estate industry.
No

(1) Classification of inventories

In RMB

Item	Closing balance			Opening balance		
	Remaining book value	Provision for inventory depreciation or contract performance cost impairment provision	Book value	Remaining book value	Provision for inventory depreciation or contract performance cost impairment provision	Book value
Raw materials	102,216,693.48		102,216,693.48	124,041,162.65		124,041,162.65
Product in process	58,413,723.22		58,413,723.22	95,231,082.82		95,231,082.82
Finished goods in stock	11,448,102.53		11,448,102.53	8,937,351.29		8,937,351.29
Contract performance costs	89,656,600.87		89,656,600.87	88,165,638.94		88,165,638.94
Goods delivered	33,343,876.40		33,343,876.40	1,675,486.58		1,675,486.58
Low price consumable	325,030.91		325,030.91	193,880.28		193,880.28
OEM materials	14,738,285.32		14,738,285.32	22,479,288.26		22,479,288.26
Development cost	221,831,857.26		221,831,857.26	219,112,637.71		219,112,637.71
Development products	144,034,575.00		144,034,575.00	150,695,868.79		150,695,868.79
Total	676,008,744.99		676,008,744.99	710,532,397.32		710,532,397.32

(2) Balance at the end of the period includes capitalization of borrowing expense

As of June 30, 2023, the capitalization amount of borrowing costs in the ending inventory balance is RMB5,626,053.35.

(3) Explanation of the current amortization amount of contract performance cost

The current amortization amount of contract performance costs is included in operating costs.

9. Contract assets

In RMB

Item	Closing balance			Opening balance		
	Remaining book value	Impairment provision	Book value	Remaining book value	Impairment provision	Book value
Completed and unsettled project funds that fail to meet the collection conditions	2,582,968,526.03	191,861,131.57	2,391,107,394.46	2,176,000,625.48	173,393,371.22	2,002,607,254.26
Quality guarantee deposit that fails to meet the collection conditions	119,839,601.21	16,134,937.67	103,704,663.54	133,413,895.62	19,336,873.48	114,077,022.14
Sales funds with conditional collection right	47,686,304.24	424,670.09	47,261,634.15	42,541,809.75	365,427.72	42,176,382.03
Total	2,750,494,431.48	208,420,739.33	2,542,073,692.15	2,351,956,330.85	193,095,672.42	2,158,860,658.43

The amount and reasons for major changes in the book value of contract assets during the current period:

In RMB

Item	Change	Reason
Completed and unsettled project funds	388,500,140.20	This is mainly due to the unsettled project funds with conditional collection rights arising from the revenue recognized in the project contract this year
Total	388,500,140.20	——

If the provision for impairment of contract assets is made in accordance with the general model of expected credit losses, please refer to the disclosure of other receivables to disclose information about impairment:

□ Applicable ☑ Inapplicable

Provision made for bad debts of contract assets in this period

In RMB

Item	Provision	Transferred back in the current period	Written off in the current period	Reason
Separate bad debt provision				
Provision for bad debts by combination	15,325,066.91			
Total	15,325,066.91			

10. Non-current assets due in 1 year

In RMB

Item	Closing balance	Opening balance
Certificate of deposit	321,983,047.30	

Total	321,983,047.30	

11. Other current assets

In RMB

Item	Closing balance	Opening balance
Reclassification of VAT debit balance and input to be certified	205,783,723.96	174,264,248.29
Overpayment and prepayment of income tax	4,706,850.28	3,997,524.27
Other prepaid taxes	4,136,441.06	3,348,706.84
Payment to be collected on behalf of suppliers	3,003,841.89	12,015,367.57
Agencies	4,222,606.85	2,064,871.00
Deferred discount expenses and others	5,771,321.88	5,291,245.63
Total	227,624,785.92	200,981,963.60

12. Long-term share equity investment

In RMB

Invested entity	Opening book value	Change (+,-)								Closing book value	Balance of impairment provision at the end of the period
		Increased investment	Decreased investment	Investment gain and loss recognized using the equity method	Other miscellaneous income adjustment	Other equity change	Cash dividend or profit announced	Impairment provision	Others		
1. Joint venture											
2. Associate											
Jiangxi Business Innovative Property Joint Stock Co., Ltd.&Shenzhen Ganshang Joint Investment Co., Ltd.	54,969,042.14			294.42						54,969,336.56	
Subtota	54,969,042.14			294.42						54,969,336.56	

l											
Total	54,969,042.14			294.42						54,969,336.56	

13. Investment in other equity tools

In RMB

Item	Closing balance	Opening balance
Unlisted equity instrument investment		11,968,973.86
Total		11,968,973.86

Sub-disclosure of non-tradable equity instrument investment in the current period

In RMB

Project name	Dividend recognized in the period	Total gain	Total loss	Amount of other comprehensive income transferred to retained earnings	Reason for measurement at fair value with variations accounted into current income account	Reason for transfer of other miscellaneous into income
Shenyang Fangda			28,562,575.67			
Shenzhen Huihai Yirong Internet Service Co., Ltd.			3,779,277.52			

14. Other non-current financial assets

In RMB

Item	Closing balance	Opening balance
Financial assets measured at fair value with variations accounted into current income account	7,515,217.28	7,507,434.68
Total	7,515,217.28	7,507,434.68

15. Investment real estates

(1) Investment real estate measured at costs

☑ Applicable □ Inapplicable

In RMB

Item	Houses & buildings	Total
I. Book value		
1. Opening balance	17,388,824.39	17,388,824.39
2. Increase in this period		
3. Decrease in this period		
4. Closing balance	17,388,824.39	17,388,824.39

II. Accumulative depreciation and amortization		
1. Opening balance	7,702,419.40	7,702,419.40
2. Increase in this period	224,656.39	224,656.39
(1) Provision or amortization	224,656.39	224,656.39
3. Decrease in this period		
4. Closing balance	7,927,075.79	7,927,075.79
III. Impairment provision		
1. Opening balance		
2. Increase in this period		
3. Decrease in this period		
4. Closing balance		
IV. Book value		
1. Closing book value	9,461,748.60	9,461,748.60
2. Opening book value	9,686,404.99	9,686,404.99

(2) Investment real estate measured at fair value

☑ Applicable □ Inapplicable

In RMB

Item	Houses & buildings	Total
I. Opening balance	5,750,831,172.12	5,750,831,172.12
II. Change in this period	0.00	0.00
Add: external purchase		
Less: other transfer-out	122,109.40	122,109.40
Change in fair value	122,109.40	122,109.40
III. Closing balance	5,750,831,172.12	5,750,831,172.12

16. Fixed assets

In RMB

Item	Closing balance	Opening balance
Fixed assets	636,359,361.87	646,812,853.36
Total	636,359,361.87	646,812,853.36

(1) Fixed assets

In RMB

Item	Houses & buildings	Mechanical equipment	Transportation facilities	Electronics and other devices	PV power plants	Total
I. Book value						
1. Opening balance	607,215,899.93	130,812,618.16	20,276,104.91	51,941,275.99	129,596,434.84	939,842,333.83
2. Increase in	1,341,577.70	2,245,168.14	252,718.76	553,624.55		4,393,089.15

this period						
(1) Purchase		2,245,168.14	244,108.23	553,624.55		3,042,900.92
(2) Transfer-in of construction in progress	1,341,577.70					1,341,577.70
(3) Other increases			8,610.53			8,610.53
3. Decrease in this period		785,123.03	312,615.00	207,052.91		1,304,790.94
(1) Disposal or retirement		785,123.03	312,615.00	207,052.91		1,304,790.94
4. Closing balance	608,557,477.63	132,272,663.27	20,216,208.67	52,287,847.63	129,596,434.84	942,930,632.04
II. Accumulative depreciation		0.00	2,883.60	540,740.68	40,654,236.34	41,197,860.62
1. Opening balance	112,024,116.79	93,123,314.47	14,710,157.32	32,421,186.05	40,654,236.34	292,933,010.97
2. Increase in this period	7,705,395.54	2,163,460.35	536,514.46	1,198,861.38	3,074,220.06	14,678,451.79
(1) Provision	7,705,395.54	2,163,460.35	530,207.91	1,198,820.16	3,074,220.06	14,672,104.02
(2) Other increases			6,306.56	41.22		6,347.77
3. Decrease in this period		705,986.38	281,353.50	149,322.21		1,136,662.09
(1) Disposal or retirement		705,986.38	281,353.50	149,322.21		1,136,662.09
4. Closing balance	119,729,512.33	94,580,788.44	14,965,318.28	33,470,725.22	43,728,456.40	306,474,800.67
III. Impairment provision						
1. Opening balance		79,843.20		16,626.30		96,469.50
2. Increase in this period						
3. Decrease in this period						
4. Closing balance		79,843.20		16,626.30		96,469.50
IV. Book value						
1. Closing book value	488,827,965.30	37,612,031.63	5,250,890.39	18,800,496.11	85,867,978.44	636,359,361.87
2. Opening book value	495,191,783.14	37,609,460.49	5,565,947.59	19,503,463.64	88,942,198.50	646,812,853.36

(2) Fixed assets without ownership certificate

In RMB

Item	Book value	Reason

Yuehai Office Building C 502	109,384.41	Historical reasons

17. Construction in process

In RMB

Item	Closing balance	Opening balance
Construction in process	272,641.50	
Total	272,641.50	

(1) Construction in progress

In RMB

Item	Closing balance			Opening balance		
	Remaining book value	Impairment provision	Book value	Remaining book value	Impairment provision	Book value
Fangda (Ganzhou) Low Carbon Intelligent Manufacturing Headquarters Base	272,641.50		272,641.50			
Total	272,641.50		272,641.50			

18. Use right assets

In RMB

Item	Houses & buildings	Transportation facilities	Total
I. Book value			
1. Opening balance	37,907,485.94	707,871.75	38,615,357.69
2. Increase in this period	7,581,754.91	1,348,069.46	8,929,824.37
3. Decrease in this period	5,582,322.29	707,871.75	6,290,194.04
4. Closing balance	39,906,918.56	1,348,069.46	41,254,988.02
II. Accumulative depreciation			
1. Opening balance	18,558,917.17	606,747.12	19,165,664.29
2. Increase in this period	7,043,989.57	326,658.11	7,370,647.68
(1) Provision	7,043,989.57	326,658.11	7,370,647.68
3. Decrease in this period	4,145,509.01	707,871.75	4,853,380.76
(1) Disposal	4,145,509.01	707,871.75	4,853,380.76
4. Closing balance	21,457,397.73	225,533.48	21,682,931.21
III. Impairment provision			
1. Opening balance			
2. Increase in this period			
3. Decrease in this period			
4. Closing balance			
IV. Book value			

1. Closing book value	18,449,520.83	1,122,535.98	19,572,056.81
2. Opening book value	19,348,568.77	101,124.63	19,449,693.40

Other note: The depreciation amount for the use rights assets from January to June 2023 is RMB7,370,647.68.

19. Intangible assets

(1) Intangible assets

In RMB

Item	Land using right	Patent	Unpatented technologies	Total
I. Book value				
1. Opening balance	80,404,737.13	9,013,772.69	23,529,100.66	112,947,610.48
2. Increase in this period	24,179,649.75	2,250.00	28,301.89	24,210,201.64
(1) Purchase	24,179,649.75	2,250.00	28,301.89	24,210,201.64
3. Decrease in this period				
4. Closing balance	104,584,386.88	9,016,022.69	23,557,402.55	137,157,812.12
II. Accumulative amortization				
1. Opening balance	19,666,143.94	8,799,771.79	11,802,250.49	40,268,166.22
2. Increase in this period	1,389,426.16	64,971.56	997,587.54	2,451,985.26
(1) Provision	1,389,426.16	64,971.56	997,587.54	2,451,985.26
3. Decrease in this period				
4. Closing balance	21,055,570.10	8,864,743.35	12,799,838.03	42,720,151.48
III. Impairment provision				
1. Opening balance				
2. Increase in this period				
3. Decrease in this period				
4. Closing balance				
IV. Book value				
1. Closing book value	83,528,816.78	151,279.34	10,757,564.52	94,437,660.64
2. Opening book value	60,738,593.19	214,000.90	11,726,850.17	72,679,444.26

20. Long-term amortizable expenses

In RMB

Item	Opening balance	Increase in this period	Amortized amount in this period	Closing balance
Sporadic decoration and	3,915,832.11	434,690.73	859,924.60	3,490,598.24

renovation costs of Fangda City				
Sporadic decoration and renovation costs of Fangda Center	1,069,259.56		182,780.58	886,478.98
Xuanfeng Chayuan village and Zhuyuan village land transfer compensation	972,425.54		28,050.78	944,374.76
Reconstruction project of sample room	115,713.78		57,856.80	57,856.98
Membership fee	704,999.96		145,000.02	559,999.94
Factory wall painting and rolling shutter door engineering	126,403.20		22,982.40	103,420.80
Plant ground reconstruction project	232,431.71		43,581.00	188,850.71
High voltage network access fee of East China base	487,104.91		153,822.66	333,282.25
Management consulting service fee	113,569.36		32,448.36	81,121.00
Warehouse addition and renovation project	90,825.75		30,275.22	60,550.53
Others	1,916,095.13	95,284.04	550,344.58	1,461,034.59
Total	9,744,661.01	529,974.77	2,107,067.00	8,167,568.78

21. Differed income tax assets and differed income tax liabilities

(1) Non-deducted deferred income tax assets

In RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Assets impairment provision	322,430,180.61	59,250,112.15	295,671,508.97	54,047,399.06
Unrealized profit of internal transactions	401,088,842.35	84,107,333.49	394,667,372.22	83,176,747.29
Deductible loss	173,556,570.33	34,939,379.79	160,102,622.27	32,419,194.27
Credit impairment provision	218,301,555.44	33,956,712.23	249,948,173.84	39,913,829.96
Anticipated liabilities	5,518,214.79	827,732.22	3,372,553.84	505,883.08
Deferred earning	3,511,556.86	543,157.44	3,610,875.25	558,241.49
Change in fair value	6,578,309.27	990,583.24	5,433,747.37	815,062.11
Tax differences under new lease criteria	386,406.38	43,400.05	1,316,989.65	195,214.63
Accrued and unpaid land tax	20,300,503.81	5,075,125.96	20,133,488.43	5,033,372.11
Reserved expense	30,496,974.99	4,542,330.07	22,640,219.20	3,396,032.88
Total	1,182,169,114.83	224,275,866.64	1,156,897,551.04	220,060,976.88

(2) Non-deducted deferred income tax liabilities

In RMB

Item	Closing balance	Opening balance

	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
Change in fair value	4,186,741,285.94	1,046,677,562.89	4,188,015,507.12	1,046,924,956.27
Acquire premium to form inventory	1,535,605.48	383,901.37	1,535,605.47	383,901.37
Estimated gross margin when Fangda City records income, but does not reach the taxable income level	23,383,161.34	5,845,790.33	38,783,686.70	9,695,921.68
Rental income	30,472,339.02	7,618,084.76	32,671,966.71	8,167,991.68
Total	4,242,132,391.78	1,060,525,339.35	4,261,006,766.00	1,065,172,771.00

(3) Net deferred income tax assets or liabilities listed

In RMB

Item	Deferred income tax assets and liabilities at the end of the period	Offset balance of deferred income tax assets or liabilities after offsetting	Deferred income tax assets and liabilities at the beginning of the period	Offset balance of deferred income tax assets or liabilities after offsetting
Deferred income tax assets		224,275,866.64		220,060,976.88
Deferred income tax liabilities		1,060,525,339.35		1,065,172,771.00

(4) Details of unrecognized deferred income tax assets

In RMB

Item	Closing balance	Opening balance
Deductible temporary difference	330,995.20	146,089.64
Deductible loss	18,653,471.92	16,177,447.74
Total	18,984,467.12	16,323,537.38

(5) Deductible losses of the un-recognized deferred income tax asset will expire in the following years

In RMB

Year	Closing amount	Opening amount	Remarks
2023	4,575,983.46	4,575,983.46	
2024	1,276,235.76	1,276,235.76	
2025	213,129.83	213,129.83	
2026	2,355,213.17	2,355,213.17	
2027	7,756,885.52	7,756,885.52	
2028	2,476,024.18		
Total	18,653,471.92	16,177,447.74	

22. Other non-current assets

In RMB

Item	Closing balance			Opening balance		
	Remaining	Impairment	Book value	Remaining	Impairment	Book value

	book value	provision		book value	provision	
Contract assets	97,421,283.71	5,282,135.78	92,139,147.93	105,183,978.15	5,709,693.38	99,474,284.77
Prepaid house and equipment amount	94,025,341.55		94,025,341.55	73,077,190.00		73,077,190.00
Certificate of deposit				316,929,580.18		316,929,580.18
Others	2,004,000.00		2,004,000.00	2,005,361.70		2,005,361.70
Total	193,450,625.26	5,282,135.78	188,168,489.48	497,196,110.03	5,709,693.38	491,486,416.65

23. Short-term borrowings

(1) Classification of short-term borrowings

In RMB

Item	Closing balance	Opening balance
Guarantee loan	179,944,444.40	120,136,861.08
Credit borrow	300,050,833.33	300,247,500.00
Bank acceptance bill financing loan	773,500,000.00	797,889,951.95
Other financing loans	242,277,417.06	59,903,587.53
Guarantee and pledge loan	80,110,222.22	40,060,622.22
Total	1,575,882,917.01	1,318,238,522.78

24. Derivative financial liabilities

In RMB

Item	Closing balance	Opening balance
Futures contracts	1,439,675.00	293,400.00
Total	1,439,675.00	293,400.00

25. Notes payable

In RMB

Type	Closing balance	Opening balance
Commercial acceptance	15,736,648.36	44,531,921.12
Bank acceptance	746,053,195.97	690,358,287.44
Total	761,789,844.33	734,890,208.56

26. Account payable

(1) Account payable

In RMB

Item	Closing balance	Opening balance
Account repayable and engineering repayable	1,183,404,419.50	1,259,574,096.29
Construction payable	25,890,280.89	44,523,769.88

Payable installation and implementation fees	457,309,209.28	394,228,364.88
Others	21,024,755.43	19,710,144.73
Total	1,687,628,665.10	1,718,036,375.78

(2) Significant payables aging more than 1 year

In RMB

Item	Closing balance	Reason
Supplier 1	26,934,513.76	Not mature
Total	26,934,513.76	

27. Prepayment received

(1) Prepayment received

In RMB

Item	Closing balance	Opening balance
Rental	2,640,045.93	1,439,653.84
Total	2,640,045.93	1,439,653.84

28. Contract liabilities

In RMB

Item	Closing balance	Opening balance
Project funds collected in advance	107,103,236.39	194,354,649.37
Material loan	3,468,658.36	12,114,464.00
Real estate sales payment		586,105.50
Others	484,363.39	938,452.68
Total	111,056,258.14	207,993,671.55

The amount and reason for the significant change in the book value during the reporting period

In RMB

Item	Change	Reason
Project funds collected in advance	-87,251,412.98	Mainly due to the gradual performance of engineering contract and its conversion into income
Total	-87,251,412.98	——

29. Employees' wage payable

(1) Employees' wage payable

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Short-term remuneration	66,789,434.45	194,725,235.15	225,231,077.98	36,283,591.62
2. Retirement pension program-defined contribution plan	314,429.46	10,879,267.13	10,911,206.94	282,489.65
3. Dismiss compensation	47,000.00	909,479.06	883,246.06	73,233.00

Total	67,150,863.91	206,513,981.34	237,025,530.98	36,639,314.27

(2) Short-term remuneration

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Wage, bonus, allowance and subsidies	64,995,965.84	179,466,479.40	209,463,601.45	34,998,843.79
2. Employee welfare	475,904.12	5,132,401.54	5,522,948.92	85,356.74
3. Social insurance	332,303.60	4,793,845.56	4,998,340.12	127,809.04
Including: medical insurance	279,363.18	3,892,157.44	4,065,915.45	105,605.17
Labor injury insurance	6,383.71	302,729.85	304,900.67	4,212.89
Breeding insurance	46,556.71	471,206.27	499,772.00	17,990.98
Medical insurance		127,752.00	127,752.00	
4. Housing fund	105,608.96	4,602,759.10	4,505,425.09	202,942.97
5. Labor union budget and staff education fund	544,359.10	478,360.69	479,644.86	543,074.93
6. Short-term paid leave	335,292.83		9,728.68	325,564.15
7. Short-term profit share program		251,388.86	251,388.86	
Total	66,789,434.45	194,725,235.15	225,231,077.98	36,283,591.62

(3) Defined contribution plan

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Basic pension	306,672.38	10,521,088.20	10,551,938.71	275,821.87
2. Unemployment insurance	7,757.08	358,178.93	359,268.23	6,667.78
Total	314,429.46	10,879,267.13	10,911,206.94	282,489.65

30. Taxes payable

In RMB

Item	Closing balance	Opening balance
VAT	7,088,922.68	14,657,864.98
Enterprise income tax	18,340,655.14	28,092,096.58
Personal income tax	1,224,280.65	1,663,123.30
City maintenance and construction tax	1,346,649.54	1,651,960.05
Land using tax	495,167.14	256,490.15
Property tax	8,315,881.79	1,072,014.83
Education surtax	665,251.02	805,376.76
Local education surtax	304,777.82	397,447.79
Land VAT	21,453,843.28	36,201,588.58
Others	515,738.43	1,029,368.07

Total	59,751,167.49	85,827,331.09

31. Other payables

In RMB

Item	Closing balance	Opening balance
Other payables	109,992,243.02	113,425,377.70
Total	109,992,243.02	113,425,377.70

(1) Other payables

1) Other payables presented by nature

In RMB

Item	Closing balance	Opening balance
Performance and quality deposit	46,288,865.35	44,484,884.33
Deposit	26,948,685.34	19,901,002.35
Reserved expense	3,666,345.98	5,871,887.95
Others	33,088,346.35	43,167,603.07
Total	109,992,243.02	113,425,377.70

(2) Significant payables aging more than 1 year

In RMB

Item	Closing balance	Reason
Shenzhen Yikang Real Estate Co. Ltd.	26,044,709.60	Payment paid as agreed in the contract
Total	26,044,709.60	

32. Non-current liabilities due within 1 year

In RMB

Item	Closing balance	Opening balance
Long-term loans due within 1 year	107,165,815.07	72,037,200.00
Lease liabilities due within one year	11,699,224.35	11,741,447.06
Total	118,865,039.42	83,778,647.06

33. Other current liabilities

In RMB

Item	Closing balance	Opening balance
Unterminated notes receivable	27,805,230.54	20,093,677.84
Substituted money on VAT	22,884,762.30	28,039,520.65
Total	50,689,992.84	48,133,198.49

34. Long-term borrowings

(1) Classification of long-term borrowings

In RMB

Item	Closing balance	Opening balance
Guaranteed and mortgage loans	429,596,438.36	444,204,672.22
Guarantee, mortgage and pledge loan	870,569,376.71	891,332,527.78
Less: Long-term loans due within 1 year	107,165,815.07	72,037,200.00
Total	1,193,000,000.00	1,263,500,000.00

Notes to classification of long-term borrowings:

The pledge in the above-mentioned guarantee, mortgage and pledge loans is pledged by the 99% equity of the subsidiary Fangda Real Estate held by the Company, the 1% equity of the subsidiary Fangda Real Estate held by the subsidiary Hongjun Investment Company and the rent receivable of the self-owned Dacheng rental property; The above guarantees and mortgage loans are guaranteed by the Company and its subsidiary Fangda Real Estate, and the subsidiary Fangda Property Company provides mortgage guarantees for part of the property of Fangda Property Company in Dacheng.

Other notes, including interest rate range: the interest rate period of long-term loans is 3%-6%.

35. Lease liabilities

In RMB

Item	Closing balance	Opening balance
Lease payments	21,009,104.91	19,363,493.20
Less: unrecognized financing expenses	756,761.56	714,589.59
Less: lease liabilities due within one year	11,699,224.35	11,741,447.06
Total	8,553,119.00	6,907,456.55

36. Long-term payables

In RMB

Item	Closing balance	Opening balance
Long-term payable	204,640,219.18	197,640,219.18
Total	204,640,219.18	197,640,219.18

(1) Long term accounts payable listed by nature

In RMB

Item	Closing balance	Opening balance
Disposal of equity repurchase	204,640,219.18	197,640,219.18

37. Anticipated liabilities

In RMB

Item	Closing balance	Opening balance	Reason
Product quality warranty	5,263,801.13	3,108,521.87	
Loss contract to be executed	256,318.42	264,031.97	
Total	5,520,119.55	3,372,553.84	

38. Deferred earning

In RMB

Item	Opening balance	Increase	Decrease	Closing balance	Reason
Government subsidy	8,999,880.44		283,322.58	8,716,557.86	See the following table
Total	8,999,880.44		283,322.58	8,716,557.86	

Items involving government subsidies:

In RMB

Liabilities	Opening balance	Amount of new subsidy	Amount included in non-operating revenue	Other misc. gains recorded in this period	Costs offset in the period	Other change	Closing balance	Related to assets/earning
Railway transport screen door controlling system and information transmission technology	20,940.89			9,452.16			11,488.73	Assets-related
Major investment project prize from Industry and Trade Development Division of Dongguan Finance Bureau	1,452,381.50			28,571.40			1,423,810.10	Assets-related
Distributed PV power generation project subsidy sponsored by Dongguan Reform and Development Commission	318,750.29			12,499.98			306,250.31	Assets-related
Subsidized land transfer	166,101.95			1,862.82			164,239.13	Assets-related
Special subsidy for industrial transformation, upgrading and development	686,666.61			40,000.02			646,666.59	Assets-related
Enterprise informationization subsidy project of Shenzhen Small and Medium Enterprise Service	324,000.00			24,000.00			300,000.00	Assets-related

Agency								
National Industry Revitalization and Technology Renovation Project fund	5,070,254.90			153,864.30			4,916,390.60	Assets-related
Subsidy for new plant	960,784.30			13,071.90			947,712.40	Assets-related
Total	8,999,880.44			283,322.58			8,716,557.86	

39. Capital share

In RMB

	Opening balance	Change (+,-)					Closing balance
		Issued new shares	Bonus shares	Transferred from reserves	Others	Subtotal	
Total of capital shares	1,073,874,227.00						1,073,874,227.00

40. Capital reserve

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
Capital premium (share capital premium)	10,005,491.05			10,005,491.05
Other capital reserves	1,454,097.35			1,454,097.35
Total	11,459,588.40			11,459,588.40

41. Other miscellaneous income

In RMB

Item	Opening balance	Amount occurred in the current period						Closing balance
		Amount before income tax	Less: amount written into other gains and transferred into gain/loss in previous terms	Less: amount written into other gains and transferred into gain/loss in previous terms	Less: Income tax expenses	After-tax amount attributed to the parent	After-tax amount attributed to minority shareholders	
I. Other comprehensive income that will not be subsequently reclassified into profit	-16,224,478.87	-11,968,973.86			-2,992,243.47	-8,976,730.39		-25,201,209.26

and loss								
Fair value change of investment in other equity tools	-16,224,478.87	-11,968,973.86			-2,992,243.46	-8,976,730.39		-25,201,209.26
2. Other misc. incomes that will be re-classified into gain and loss	48,211,195.66	-1,209,307.84	185,133.87		-278,684.13	-1,126,313.51	10,555.92	47,084,882.15
Cash flow hedge reserve	448,562.20	-1,672,760.30	185,133.87		-278,684.13	-1,579,210.04		-1,130,647.84
Translation difference of foreign exchange statement	-152,861.04	463,452.46				452,896.53	10,555.92	300,035.49
Investment real estate measured at fair value	47,915,494.50							47,915,494.50
Other miscellaneous income	31,986,716.79	-13,178,281.70	185,133.87		-3,270,927.60	-10,103,043.90	10,555.92	21,883,672.89

42. Surplus reserves

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserves	79,324,940.43			79,324,940.43
Total	79,324,940.43			79,324,940.43

43. Retained profit

In RMB

Item	Current period	Last period
Adjustment on retained profit of previous period	4,553,295,402.30	4,324,055,259.33
Total of retained profit at beginning of year adjusted (+ for increase, - for decrease)		
Retained profit adjusted at beginning of year	4,553,295,402.30	4,324,055,259.33
Plus: Net profit attributable to owners of the parent	182,155,268.18	112,685,273.77

Common share dividend payable	53,693,711.35	53,693,711.35
Closing retained profit	4,681,756,959.13	4,383,046,821.75

44. Operational revenue and costs

In RMB

Item	Amount occurred in the current period		Occurred in previous period	
	Income	Cost	Income	Cost
Main business	1,994,095,251.72	1,613,648,910.68	1,523,656,283.61	1,238,697,976.76
Other businesses	84,751,625.60	10,581,557.95	89,407,031.69	20,817,865.84
Total	2,078,846,877.32	1,624,230,468.63	1,613,063,315.30	1,259,515,842.60

Income information:

In RMB

Contract classification	Segment 1- curtain wall	Segment 2 - rail transit division	Segment 3 - real estate segment	Segment 4 - new energy	Segment 5 - other segments	Total
Type of product	1,654,849,166.62	291,615,462.85	115,913,190.77	8,947,285.78	7,521,771.30	2,078,846,877.32
Including:						
Curtain wall system and new materials	1,654,849,166.62					1,654,849,166.62
Subway screen door and service		291,615,462.85				291,615,462.85
Real estate rental and sales and property services			115,913,190.77			115,913,190.77
PV power generation products				8,947,285.78		8,947,285.78
Others					7,521,771.30	7,521,771.30
Total	1,654,849,166.62	291,615,462.85	115,913,190.77	8,947,285.78	7,521,771.30	2,078,846,877.32

Information related to performance obligations:

For curtain wall materials, real estate and other commodity sales transactions, the Company completes the performance obligations when the customer obtains the control of the relevant commodities; for providing building curtain wall, Metro screen door design, production and installation and other service transactions, the Company confirms the completed performance obligations according to the performance progress during the whole service period. The contract price of the Company is usually due within one year, and there is no significant financing component.

Information related to the transaction price allocated to the remaining performance obligations:

The amount of revenue corresponding to the performance obligations that have been signed, but not yet performed or not yet performed at the end of the reporting period is RMB7,808,210,644.67, of which RMB2,330,231,497.17 is expected to be recognized in 2023 H2, and RMB3,451,005,032.62 is expected to be recognized in 2024, RMB2,026,974,114.88 is expected to be recognized in 2025 and beyond.

45. Taxes and surcharges

In RMB

Item	Amount occurred in the current period	Occurred in previous period
City maintenance and construction tax	4,446,267.60	2,999,118.26
Education surtax	2,918,968.56	1,950,119.60
Property tax	9,523,215.93	6,877,755.11
Land using tax	888,300.59	661,851.40
Vehicle usage tax	10,290.00	14,640.00
Stamp tax	1,554,773.97	941,023.02
Land VAT	2,802,673.55	9,521,953.79
Others	359,251.36	237,493.38
Total	22,503,741.56	23,203,954.56

46. Sales expense

In RMB

Item	Amount occurred in the current period	Occurred in previous period
Labor costs	13,183,424.46	11,286,857.24
Sales agency fee	1,773,126.99	2,383,695.88
Entertainment expense	2,554,127.30	1,534,727.49
Travel expense	1,390,759.29	440,012.56
Advertisement and promotion fee	830,068.74	589,409.30
Amortization of right of use assets and lease fees	83,983.81	462,611.74
Others	8,328,066.20	6,598,791.57
Total	28,143,556.79	23,296,105.78

47. Management expense

In RMB

Item	Amount occurred in the current period	Occurred in previous period
Labor costs	51,557,093.96	51,258,947.78
Agencies	3,942,772.45	2,977,450.48
Depreciation and amortization	7,282,563.56	6,784,107.02
Office expense	5,141,931.61	4,110,000.28
Entertainment expense	2,551,085.91	2,079,903.87
Amortization of right of use assets and lease fees	1,904,893.13	2,678,867.12
Lawsuit	2,954,790.97	239,447.70
Travel expense	1,575,151.34	846,221.42
Others	2,680,658.53	3,218,305.90
Total	79,590,941.46	74,193,251.57

48. R&D cost

In RMB

Item	Amount occurred in the current period	Occurred in previous period
Labor costs	48,716,037.44	43,761,777.28

Material costs	29,157,592.26	22,539,028.06
Agencies	4,191,108.26	4,002,025.54
Depreciation costs	999,888.33	530,096.72
Amortization of intangible assets	497,817.82	495,249.97
Others	5,427,066.55	1,481,133.60
Total	88,989,510.66	72,809,311.17

49. Financial expense

In RMB

Item	Amount occurred in the current period	Occurred in previous period
Interest expense	48,188,161.19	50,244,714.46
Less: interest capitalization		
Less: discount government subsidies	308,700.00	308,700.00
Less: Interest income	12,097,319.82	19,918,179.96
Acceptant discount	7,888,113.87	11,494,770.87
Exchange gain/loss	-11,140,562.06	-3,678,984.41
Commission charges and others	1,214,164.61	1,796,161.92
Total	33,743,857.79	39,629,782.88

50. Other gains

In RMB

Source	Amount occurred in the current period	Occurred in previous period
Government subsidies related to deferred income (related to assets)	283,322.58	283,322.58
Government subsidies directly included in current profits and losses (related to income)	7,695,968.32	5,945,520.73
Other items related to daily activities and included in other income	584,491.42	540,064.44
Total	8,563,782.32	6,768,907.75

51. Investment income

In RMB

Item	Amount occurred in the current period	Occurred in previous period
Gains from long-term equity investment measured by equity	294.42	-32,974.15
Financial assets derecognised as a result of amortized cost	-2,362,127.61	-1,859,057.85
Investment income from disposal of trading financial assets		2,382,310.79
Interest income from debt investment during the holding period		3,454,345.45
Others		651,054.19
Total	-2,361,833.19	4,595,678.43

52. Income from fair value fluctuation

In RMB

Source of income from fluctuation of fair value	Amount occurred in the current period	Occurred in previous period
Investment real estate measured at fair value	122,109.40	1,068,328.60
Other non-current financial assets	7,782.60	-20,657.41
Transactional financial assets		133,168.82
Total	129,892.00	1,180,840.01

53. Credit impairment loss

In RMB

Item	Amount occurred in the current period	Occurred in previous period
Bad debt loss of other receivables	-716,812.51	-1,581,252.49
Bad debt loss of accounts receivable and notes receivable	20,991,390.10	26,597,550.83
Total	20,274,577.59	25,016,298.34

54. Assets impairment loss

In RMB

Item	Amount occurred in the current period	Occurred in previous period
Contract asset impairment loss	-14,673,904.92	-27,659,612.75
Total	-14,673,904.92	-27,659,612.75

55. Assets disposal gains

In RMB

Source	Amount occurred in the current period	Occurred in previous period
Gain and loss from disposal of fixed assets ("-" for loss)	50,072.23	-815,581.50
Gains or losses from the disposal of right-of-use assets	323,279.85	
Total	373,352.08	-815,581.50

56. Non-business income

In RMB

Item	Amount occurred in the current period	Occurred in previous period	Amount accounted into the current accidental gain/loss
Penalty income	106,311.57	122,506.66	106,311.57
Compensation received	39,036.80	4,887.00	39,036.80
Payable account not able to be paid		115,354.80	
Others	58,698.17	203,638.36	58,698.17
Total	204,046.54	446,386.82	204,046.54

57. Non-business expenses

In RMB

Item	Amount occurred in the current period	Occurred in previous period	Amount accounted into the current accidental gain/loss
Donation	217,861.40	2,338,000.00	217,861.40
Loss from retirement os damaged non-current assets	23,473.88	159,921.17	23,473.88
Penalty and overdue fine	43,356.01	79,324.94	43,356.01
Lawsuit indemnity	53,158.01		53,158.01
Others	232,013.29	755.20	232,013.29
Total	569,862.59	2,578,001.31	569,862.59

58. Income tax expenses

(1) Details about income tax expense

In RMB

Item	Amount occurred in the current period	Occurred in previous period
Income tax expenses in this period	33,781,299.25	24,417,052.77
Deferred income tax expenses	-5,591,393.81	-11,411,931.03
Total	28,189,905.44	13,005,121.74

(2) Adjustment process of accounting profit and income tax expense

In RMB

Item	Amount occurred in the current period
Total profit	213,584,850.26
Income tax expenses calculated based on the legal (or applicable) tax rates	53,396,212.56
Impacts of different tax rates applicable for some subsidiaries	-18,251,152.56
Impacts of income tax before adjustment	4,357,682.86
Impacts of non-deductible cost, expense and loss	1,408,844.29
Deductible temporary difference and deductible loss of unrecognized deferred income tax assets	417,447.30
Profit and loss of associates and joint ventures calculated using the equity method	-73.61
Impact of tax rate change on the opening balance of deferred income tax	-200.45
Taxation impact of R&D expense and (presented with “-”)	-13,138,854.97
Income tax expenses	28,189,905.44

59. Other miscellaneous income

See Note VII 41.

60. Notes to the cash flow statement

(1) Other cash inflow related to operation

In RMB

Item	Amount occurred in the current period	Occurred in previous period
Interest income	4,863,151.74	1,798,697.05
Subsidy income	6,530,882.67	3,443,499.94
Retrieving of bidding deposits	20,253,140.27	28,957,397.39
Other operating accounts	11,800,747.12	67,415,733.82
Total	43,447,921.80	101,615,328.20

(2) Other cash paid related to operation

In RMB

Item	Amount occurred in the current period	Occurred in previous period
Oocket expenses	25,234,094.43	18,401,123.38
Bidding deposit paid	17,035,960.19	39,026,573.21
Net draft deposit net paid	199,180,751.42	181,744,397.40
Other trades	23,008,888.00	54,833,967.58
Total	264,459,694.04	294,006,061.57

(3) Other cash paid related to financing activities

In RMB

Item	Amount occurred in the current period	Occurred in previous period
Bill discount financing deposit	60,589,831.95	604,311,403.85
Principal and interest of lease liabilities	8,096,984.15	5,285,394.85
Total	68,686,816.10	609,596,798.70

61. Supplementary data of cash flow statement

(1) Supplementary data of cash flow statement

In RMB

Supplementary information	Amount of the Current Term	Amount of the Previous Term
1. Net profit adjusted to cash flow related to business operations:		
Net profit	185,394,944.82	114,364,860.80
Plus: Asset impairment provision	-5,600,672.67	2,643,314.41
Fixed asset depreciation, gas and petrol depreciation, production goods depreciation	14,896,760.41	15,224,319.96
Depreciation of right to use assets	7,370,647.68	6,615,143.02
Amortization of intangible assets	2,451,985.26	2,228,550.37
Amortization of long-term amortizable expenses	2,107,067.00	1,578,076.52
Loss from disposal of fixed assets, intangible assets, and other long-term assets ("-" for gains)	-373,352.08	815,581.50
Loss from fixed asset discard ("-" for gains)	23,473.88	159,921.17

Loss from fair value fluctuation ("-" for gains)	-129,892.00	-1,180,840.01
Financial expenses ("-" for gains)	56,076,275.06	61,739,485.33
Investment losses ("-" for gains)	-294.42	-6,454,736.28
Decrease of deferred income tax asset ("-" for increase)	-4,214,889.76	-8,571,096.06
Increase of deferred income tax asset ("-" for increase)	-4,647,431.65	-3,012,044.14
Decrease of inventory ("-" for increase)	34,523,652.33	14,668,390.43
Decrease of operational receivable items ("-" for increase)	-149,791,569.44	-293,658,104.04
Increase of operational receivable items ("-" for decrease)	-154,844,906.67	-177,019,400.45
Others	-20,555,508.88	-36,722,215.57
Cash flow generated by business operations, net	-37,313,711.13	-306,580,793.04
2. Major investment and financing activities with no cash involved:		
Debt transferred to assets		
Convertible corporate bonds due within one year		
Fixed assets under finance leases		
3. Net change in cash and cash equivalents:		
Balance of cash at period end	748,672,706.05	593,918,013.39
Less: Initial balance of cash	783,677,929.06	892,251,071.59
Add: Ending balance of cash equivalents		
Less: Ending balance of cash equivalents		
Net increase in cash and cash equivalents	-35,005,223.01	-298,333,058.20

(2) Composition of cash and cash equivalents

In RMB

Item	Closing balance	Opening balance
I. Cash	748,672,706.05	783,677,929.06
Including: Cash in stock	5,350.98	149.81
Bank savings can be used at any time	742,322,526.29	776,383,701.29
Other monetary capital can be used at any time	6,344,828.78	7,294,077.96
2. Cash equivalents		
III. Balance of cash and cash equivalents at end of term	748,672,706.05	783,677,929.06

62. Assets with restricted ownership or use rights

In RMB

Item	Closing book value	Reason
Monetary capital	537,833,587.91	Various deposits
Notes receivable	27,805,230.54	Bills endorsed or discounted but not yet due
Fixed assets	43,896,677.62	Loan by pledge
Account receivable	39,547,042.05	Loan by pledge
Investment real estate	3,293,733,474.51	Loan by pledge
Non-current assets due in 1 year	321,983,047.30	Loan by pledge

Equity pledge	200,000,000.00	100% stake in Fangda Property Development held by the Company
Total	4,464,799,059.93	

63. Foreign currency monetary items

(1) Foreign currency monetary items

In RMB

Item	Closing foreign currency balance	Exchange rate	Closing RMB balance
Monetary capital			54,038,995.75
Including: USD	4,889,797.02	7.225800	35,332,693.85
Euro	0.86	7.877100	6.77
HK Dollar	5,873,247.95	0.921980	5,415,021.91
INR	52,090,006.86	0.088025	4,585,222.85
Vietnamese currency	12,313,820.00	0.000307	3,774.78
SGD	438,636.43	5.344200	2,344,160.81
AUD	1,324,828.05	4.799200	6,358,114.78
Account receivable			25,680,970.40
Including: USD	2,318,655.02	7.225800	16,754,137.44
INR	7,058,471.00	0.088025	621,321.91
AUD	1,251,541.83	4.799200	6,006,399.55
Vietnamese currency	7,500,000,000.00	0.000307	2,299,111.50
Contract assets			189,210,828.74
Including: USD	17,057,897.01	7.225800	123,256,952.22
HK Dollar	20,511,073.82	0.921980	18,910,799.84
INR	97,365,653.65	0.088025	8,570,611.66
AUD	280,781.11	4.799200	1,347,524.70
Euro	4,713,021.33	7.877100	37,124,940.32
Other receivables			1,869,208.96
Including: USD	160,310.49	7.225800	1,158,371.54
HK Dollar	671,784.63	0.921980	619,372.00
INR	931,430.68	0.088025	81,989.19
SGD	1,773.18	5.344200	9,476.23
Account payable			14,941,711.05
Including: USD	1,223,641.16	7.225800	8,841,786.29
INR	22,669,594.77	0.088025	1,995,491.08
HK Dollar	4,451,760.00	0.921980	4,104,433.68
Other payables			152,810.55
Including: USD	3,323.20	7.225800	24,012.78
HK Dollar	124,855.10	0.921980	115,113.91
Vietnamese currency	44,638,518.52	0.000307	13,683.86

(2) The note of overseas operating entities should include the main operation places, book keeping currencies and selection basis. Where the book keeping currency is changed, the reason should also be explained.

□ Applicable ☑ Inapplicable

64. Hedging

Hedging items and related tools, qualitative and quantitative information about hedging risks:

Type	Hedged item	Hedging tools	Hedged risk
Cash flow hedging	Aluminum material purchase forward transaction	Aluminum futures contract	The price of raw materials has risen, leading to an increase in expected transaction procurement costs;
	Forward foreign exchange transaction	Forward foreign exchange contract	The depreciation of foreign currency leads to the decrease of actual collection

65. Government subsidy

(1) Government subsidy profiles

In RMB

Type	Amount	Item	Amount accounted into the current gain/loss
National Industry Revitalization and Technology Renovation Project fund	4,916,390.60	Deferred earning	153,864.30
Individual champion allocation from Shenzhen Municipal Bureau of Industry and Information Technology	2,000,000.00	Other gains	2,000,000.00
Value added tax immediate refund	1,699,093.53	Other gains	1,699,093.53
R&D subsidy	1,326,100.00	Other gains	1,326,100.00
Major investment project prize from Industry and Trade Development Division of Dongguan Finance Bureau	1,423,810.10	Deferred earning	28,571.40
Award for stable growth of the construction industry in 2022	1,000,000.00	Other gains	1,000,000.00
Energy saving and environmental protection metal curtain wall production technology transformation project	947,712.40	Deferred earning	13,071.90
Special subsidy for industrial transformation, upgrading and development	646,666.59	Deferred earning	40,000.02
Hi-tech enterprise development subsidy and award	500,000.00	Other gains	500,000.00
Support for steady industrial growth in Shenzhen	385,000.00	Other gains	385,000.00
Discount subsidy	308,700.00	Financial expenses	308,700.00
Enterprise informationization subsidy project of Shenzhen Small and Medium Enterprise Service Agency	300,000.00	Deferred earning	24,000.00
Shenzhen SME Service Bureau subsidy for specialized, refined, and emerging companies	200,000.00	Other gains	200,000.00
Outstanding contribution award of Nanchang high tech zone	200,000.00	Other gains	200,000.00
Shenzhen Municipal Bureau of Industry and Information technology award project for specialized, refined, and new enterprises	200,000.00	Other gains	200,000.00
Others	211,626.32	Other gains/deferred gains	209,589.75
Total	16,265,099.54		8,287,990.90

(2) Government subsidy refund

□ Applicable ☑ Inapplicable

66. Others

(1) The Company as leasee

In RMB

Item	January-June 2023
Short term lease expenses with simplified treatment included in current profit and loss	23,422,339.52
Lease expenses of low value assets with simplified treatment included in current profit and loss (except short-term lease)	100,689.29
Interest expense on lease liabilities	465,093.28
Total cash outflow related to leasing	31,647,316.58

(2) The Company is the leasor

Operating lease

A. Rental income

In RMB

Item	January-June 2023
Rental income	73,425,170.71
Including: income related to variable lease payments not included in the measurement of lease receipts	190,599.66

B. Undiscounted lease receipts to be received in each of the five consecutive fiscal years after the balance sheet date, and the total undiscounted lease receipts to be received in the remaining years

In RMB

Year	Amount
2023 H2	78,862,199.38
2024	117,426,562.03
2025	97,198,392.07
2026	75,678,364.35
2027	46,399,602.29
2028	30,285,852.66
Total undiscounted lease receipts to be received after 2028	93,380,127.88

Including Within 1 year (inclusive)	18,574,513.57
1-2 years	12,835,912.30
2-3 years	9,976,941.56
Over 3 years	51,992,760.45

VIII. Change to Consolidation Scope

1. Change to the consolidation scope for other reasons

Change in the consolidation scope due to other reasons (such as new subsidiaries and liquidation of subsidiaries) and the situations:

There has been no change in the scope of consolidation in this period.

IX. Equity in Other Entities

1. Interests in subsidiaries

(1) Group Composition

Company	Place of business	Registered address	Business	Shareholding percentage		Obtaining method
				Direct	Indirect	
Fangda Jianke	Shenzhen	Shenzhen	Designing, manufacturing, and installation of curtain walls	98.66%	1.34%	Incorporation
Fangda Zhiyuan Technology	Shenzhen	Shenzhen	Production, processing and installation of subway screen doors		83.10%	Incorporation
Fangda Jiangxi New Material	Nanchang	Nanchang	Prodution and sales of new-type materialsm composite materials and production of curtain walls	75.00%	25.00%	Incorporation
Fangda Property	Shenzhen	Shenzhen	Real estate development and operation	99.00%	1.00%	Incorporation
Fangda New Energy	Shenzhen	Shenzhen	Design and construction of PV power plants	99.00%	1.00%	Incorporation
Fangda Chengdu Technology	Chengdu	Chengdu	Trusted processing of building curtain wall materials		100.00%	Incorporation
Shihui International	Virgin Islands	Virgin Islands	Investment	100.00%		Incorporation
Fangda Dongguan New Material	Dongguan	Dongguan	Installation and sales of building curtain walls		100.00%	Incorporation
Fangda Property Management	Shenzhen	Shenzhen	Property management		100.00%	Incorporation
Fangda Jiangxi Property Development	Nanchang	Nanchang	Real estate development and operation		100.00%	Incorporation
Fangda Luxin New Energy	Pingxiang	Pingxiang	Design and construction of PV power plants		100.00%	Incorporation
Fangda Xinjian New Energy	Nanchang	Nanchang	Design and construction of PV power plants		100.00%	Incorporation
Fangda Dongguan New Energy	Dongguan	Dongguan	Design and construction of PV power plants		100.00%	Incorporation

Kechuangyuan Software	Shenzhen	Shenzhen	Software development		83.10%	Incorporation
Fangda Zhiyuan Technology Hong Kong	Hong Kong	Hong Kong	Metro screen door		83.10%	Incorporation
Fangda Hongjun Investment	Shenzhen	Shenzhen	Investment	98.00%	2.00%	Incorporation
Fangda Australia	Australia	Australia	Designing, manufacturing, and installation of curtain walls		100.00%	Incorporation
Fangda Yunzhi	Shenzhen	Shenzhen	Technology development and sales; Invest in industry; Operation management of science and technology park		100.00%	Incorporation
Chengda Curtain Wall Company	Chengdu	Chengdu	Building decoration and other construction industry		100.00%	Incorporation
Fangda Southeast Asia	Vietnam	Vietnam	Designing, manufacturing, and installation of curtain walls		100.00%	Incorporation
Fangda Shanghai Zhijian	Shanghai	Shanghai	Intelligent technology, new energy, automated technology	30.00%	70.00%	Incorporation
Fangda Shanghai Jianzhi	Shanghai	Shanghai	Construction technology, intelligent technology, automation technology, design, production and installation of building curtain walls		100.00%	Incorporation
Zhongrong Litai	Shenzhen	Shenzhen	Business service		55.00%	Purchase
Fangda Investment	Shenzhen	Shenzhen	Project investment and investment consultancy	99.00%	0.52%	Incorporation
Fangda Lifu Investment	Shenzhen	Shenzhen	Project investment and investment consultancy		52.00%	Incorporation
Fangda Xunfu Investment	Shenzhen	Shenzhen	Project investment and investment consultancy		100.00%	Incorporation
Fangda Jianke Hong Kong	Hong Kong	Hong Kong	Design, sale and installation of building curtain wall		100.00%	Incorporation
Yunzhu Technology	Shenzhen	Shenzhen	Inspection, technical service and consultation of building safety and building energy saving system		100.00%	Consolidation of entities under common control
Fangda Yunzhu Testing	Shenzhen	Shenzhen	Inspection, technical service and consultation of building safety and building energy saving system		100.00%	Consolidation of entities under common control
General Metro Technology Co., Ltd	Singapore	Singapore	Production, processing and installation of subway screen doors		83.10%	Incorporation
Fangda Zhiyuan Technology Wuhan	Wuhan	Wuhan	Production, processing and installation of subway screen doors		83.10%	Incorporation
Fangda Zhiyuan Technology Nanchang	Nanchang	Nanchang	Production, processing and installation of subway screen doors		83.10%	Incorporation
Fangda Zhiyuan Technology Dongguan	Dongguan	Dongguan	Production, processing and installation of subway screen doors		83.10%	Incorporation
Fangda Intelligent Manufacturing	Ganzhou	Ganzhou	Prodution and sales of new-type materialsm composite materials	99.00%	1.00%	Incorporation

			and production of curtain walls			

(2) Major non wholly-owned subsidiaries

In RMB

Company	Shareholding of minority shareholders	Profit and loss attributed to minority shareholders	Dividend to be distributed to minority shareholders	Interest balance of minority shareholders in the end of the period
Zhongrong Litai	45.00%	-34,438.52		48,320,086.70
Fangda Zhiyuan Technology	5.96%	3,274,458.52		24,148,372.78

Note: In May 2021l the Company's subsidiaries Fangda Construction Technology Co., Ltd. and Jiangxi Fangda New Material Co., Ltd. transfer 10.9375% of the equity of Fangda Zhiyuan Technology Co., Ltd. because the Company cannot unconditionally avoid performing its contractual obligations by delivering cash or other financial assets, the Company recognizes the contractual obligations as financial liabilities, and accordingly does not recognize minority shareholders' equity.

(3) Financial highlights of major non wholly owned subsidiaries

In RMB

Company	Closing balance						Opening balance					
	Current assets	Non-current assets	Total of assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total of assets	Current liabilities	Non-current liabilities	Total liabilities
Zhongrong Litai	209,537,112.08	328,400.74	209,865,512.82	102,244,408.38	243,133.99	102,487,542.37	208,737,205.21	371,747.97	209,108,953.18	101,349,268.59	305,184.09	101,654,452.68
Fangda Zhiyuan Technology	806,580,699.09	152,604,545.70	959,185,244.79	537,099,105.97	16,912,098.83	554,011,204.80	770,739,460.72	135,423,070.69	906,162,531.41	540,848,850.07	15,118,392.71	555,967,242.78

In RMB

Company	Amount occurred in the current period				Occurred in previous period			
	Turnover	Net profit	Total of misc. incomes	Business operation cash flows	Turnover	Net profit	Total of misc. incomes	Business operation cash flows
Zhongrong Litai	55,045.86	-76,530.05	-76,530.05	101,149.87	82,951.18	-54,116.91	-54,116.91	-8,017.93
Fangda Zhiyuan Technology	291,615,462.85	54,940,579.16	55,117,691.94	-34,107,845.79	300,269,751.24	28,566,000.91	28,963,818.88	-105,649,962.94

2. Interests in joint ventures or associates

(1) Financial summary of insignificant joint ventures and associates

In RMB

	Closing balance/amount occurred in this period	Opening balance/amount occurred in previous period
Associate:		
Total book value of investment	54,969,336.56	54,969,042.14
Total shareholding		
Net profit	294.42	-32,974.15
--Total of misc. incomes	294.42	-32,974.15

X. Risks of Financial Tools

The risks associated with the financial instruments of the Company arise from the various financial assets and liabilities recognized by the Company in the course of its operations, including credit risks, liquidity risks and market risks.

The management objectives and policies of various risks related to financial instruments are governed by the management of the Company. The operating management is responsible for daily risk management through functional departments (for example, the Company's credit management department reviews the Company's credit sales on a case-by-case basis). The internal audit department of the Company conducts daily supervision of the implementation of the Company's risk management policies and procedures, and reports relevant findings to the Company's audit committee in a timely manner.

The overall goal of the Company's risk management is to formulate risk management policies that minimize the risks associated with various financial instruments without excessively affecting the Company's competitiveness and resilience.

Credit risk

Credit risk is caused by the failure of one party of a financial instrument in performing its obligations, causing the risk of financial loss for the other party. The credit risk of the Company mainly comes from monetary capital, notes receivable, accounts receivable, other receivables, receivables financing, contract assets, etc. The credit risk of these financial assets comes from the default of the counterparties, and the maximum risk exposure is equal to the book amount of these instruments.

The Company's money and funds are mainly deposited in the commercial banks and other financial institutions. The Company believes that these commercial banks have higher reputation and asset status and have lower credit risk.

For notes receivable, accounts receivable, other receivables, receivables financing and contract assets, the Company sets relevant policies to control credit risk exposure. The Group set the credit line and term for debtors according to their financial status, external rating, and possibility of getting third-party guarantee, credit record and other factors. The Group regularly monitors debtors' credit record. For those with poor credit record, the Group will send written payment reminders, shorten or cancel credit term to lower the general credit risk.

(1) Significant increases in credit risk

The credit risk of the financial instrument has not increased significantly since the initial confirmation. In determining whether the credit risk has increased significantly since the initial recognition, the Company considers reasonable and evidenced information, including forward-looking information, that can be obtained without unnecessary additional costs or effort. The Company determines the relative risk of default risk of the financial instrument by comparing the risk of default of the financial instrument on the balance sheet date with the risk of default on the initial recognition date to assess the credit risk of the financial instrument from initial recognition.

When one or more of the following quantitative and qualitative criteria are triggered, the Company believes that the credit risk of financial instruments has increased significantly: the quantitative criteria are mainly the probability of default in the remaining life of the reporting date increased by more than a certain proportion compared with the initial recognition; the qualitative criteria are the major adverse changes in the operation or financial situation of the major debtors, the early warning of customer list, etc.

(2) Definition of assets where credit impairment has occurred

In order to determine whether or not credit impairment occurs, the standard adopted by our company is consistent with the credit risk management target for related financial instruments, and quantitative and qualitative indicators are considered.

Major financial difficulties have occurred to the issuer or the debtor; Breach of contract by the debtor, such as payment of interest or default or overdue of principal; (B) The concession that the debtor would not make under any other circumstances for economic or contractual considerations relating to the financial difficulties of the debtor; The debtor is likely to be bankrupt or undertake other financial restructuring; The financial difficulties of the issuer or debtor lead to the disappearance of the active market for the financial asset; To purchase or generate a financial asset at a substantial discount, which reflects the fact that a credit loss has occurred.

Credit impairment in financial assets may be caused by a combination of multiple events, not necessarily by events that can be identified separately.

(3) Expected credit loss measurement

Depending on whether there is a significant increase in credit risk and whether a credit impairment has occurred, the Company prepares different assets for a 12-month or full expected credit loss. The key parameters of expected credit loss measurement include default probability, default loss rate and default risk exposure. Taking into account the quantitative analysis and forward-looking information of historical statistics (such as counterparty ratings, guaranty methods, collateral categories, repayment methods, etc.), the Company establishes the default probability, default loss rate and default risk exposure model.

Definition:

The probability of default refers to the possibility that the debtor will not be able to fulfill its obligation to pay in the next 12 months or throughout the remaining period.

Breach Loss Rate means the extent of loss expected by the Company for breach risk exposure. Depending on the type of counterparty, the manner and priority of recourse, and the different collateral, the default loss rate is also different. The default loss rate is the percentage of the risk exposure loss at the time of the default, calculated on the basis of the next 12 months or the entire lifetime.

Exposure to default is the amount payable to the Company at the time of default in the next 12 months or throughout the remaining life. Prospective information credit risks significantly increased and expected credit losses were calculated. Through the analysis of historical data, the Company has identified the key economic indexes that affect the credit risk of each business type and the expected credit loss.

The largest credit risk facing the Group is the book value of each financial asset on the balance sheet. The Group makes no guarantee that may cause the Group credit risks.

Among the Group's receivables, accounts receivable from top 5 customers account for 21.46% of the total accounts receivable (beginning of the period: 26.41%); among other receivables, other receivables from top 5 customers account for 73.49% of the total other receivables (beginning of the period: 72.10%).

Liquidity risk

Liquidity risk is the risk of capital shortage when the Group needs to pay cash or settled with other financial assets. The Company is responsible for the cash management of its subsidiaries, including short-term investments in cash surpluses and loans to meet projected cash requirements. The Company's policy is to regularly monitor short and long-term liquidity requirements and compliance with borrowing agreements to ensure adequate cash reserves and readily available securities.

As of June 30, 2023, the maturity of the Company's financial liabilities is as follows:

Amount: in RMB10,000

Item	June 30, 2023			
	Less than 1 year	Within 1-3 years	Over 3 years	Total
Short-term loans	157,588.29			157,588.29
Derivative financial liabilities	143.97			143.97
Notes payable	76,178.98			76,178.98
Account payable	166,492.35	2,010.72	259.8	168,762.87
Employees' wage payable	3,663.93			3,663.93
Other payables	6,960.25	967.87	3,071.10	10,999.22
Non-current liabilities due in 1 year	11,886.50			11,886.50
Other current liabilities	5,069.00			5,069.00
Long-term loans		43,500.00	75,800.00	119,300.00
Lease liabilities		759.61	95.7	855.31
Long-term payable		20,464.02		20,464.02
Total liabilities	427,983.27	67,702.22	79,226.60	574,912.09

(Continued)

Item	December 31, 2022			
	Less than 1 year	Within 1-3 years	Over 3 years	Total
Short-term loans	131,823.85			131,823.85
Derivative financial liabilities	29.34			29.34
Notes payable	73,489.02			73,489.02
Account payable	168,254.83	3,119.05	429.76	171,803.64

Employees' wage payable	6,715.09			6,715.09
Other payables	7,228.45	1,099.12	3,014.97	11,342.54
Non-current liabilities due in 1 year	8,377.86			8,377.86
Other current liabilities	4,813.32			4,813.32
Long-term loans		63,146.28	63,203.72	126,350.00
Lease liabilities		681.92	8.83	690.75
Long-term payable		19,764.02		19,764.02
Total liabilities	400,731.76	87,810.39	66,657.28	555,199.43

Market risk

(1) Credit risks

The exchange rate risk of the Company mainly comes from the assets and liabilities of the Company and its subsidiaries in foreign currency not denominated in its functional currency. Except for the use of Hong Kong dollars, United States dollars, Australian dollars, Vietnamese dong, euro, Indian rupees or Singapore currencies by its subsidiaries established in and outside the Hong Kong Special Administrative Region, other major businesses of the Company shall be denominated in Renminbi.

As of June 30, 2023, the Company's foreign currency financial assets and liabilities at the end of the period are listed in Chapter X, VII, item note 63 of consolidated financial statements and description of foreign currency monetary items.

The Company pays close attention to the impact of exchange rate changes on the Company's exchange rate risk. The Company continuously monitors the scale of foreign currency transactions and foreign currency assets and liabilities to minimize foreign exchange risks. To this end, the Company may avoid foreign exchange risks by signing forward foreign exchange contracts or currency swap contracts.

(2) Exchange rate risk

The Group's interest rate risk mainly arises from long-term interest-bearing debts such as long-term bank loans. Financial liabilities with floating interest rate cause cash flow interest rate risk for the Group. Financial liabilities with fixed interest rate cause fair value interest rate risk for the Group. The Group decides the proportion between fixed interest rate and floating interest rate according to the market environment and regularly reviews and monitors the combination of fixed and floating interest rate instruments.

The Group Finance Department of the Company continuously monitors the Group interest rate level. The rising interest rate will increase the cost of the new interest-bearing debt and the interest expenditure on interest-bearing debt which has not yet been paid by the Company at the floating rate, and will have a significant adverse effect on the Company's financial performance. Management will make adjustments in time according to the latest market conditions.

As of June 30, 2023, when other risk variables remain unchanged, if the borrowing interest rate calculated by floating interest rate increases or decreases by 50 basis points, the net profit of the company in that year will decrease or increase by RMB5,994,400 (December 31, 2022: RMB6,125,600).

XI. Fair Value

1. Closing fair value of assets and liabilities measured at fair value

In RMB

Item	Closing fair value			
	First level fair value	Second level fair value	Third level fair value	Total
1. Continuous fair value measurement	--	--	--	--
(I) Transactional financial assets	77,586.17			77,586.17
1. Financial assets measured at fair value with variations accounted into current income account	77,586.17			77,586.17
(1) Derivative financial assets	77,586.17			77,586.17
(2) Receivable financing			9,703,929.82	9,703,929.82
(3) Investment real estate		5,750,831,172.12		5,750,831,172.12
1. Leased building		5,750,831,172.12		5,750,831,172.12
(4) Other non-current financial assets			7,515,217.28	7,515,217.28
Total assets measured at fair value continuously	77,586.17	5,750,831,172.12	17,219,147.10	5,768,127,905.39
(5) Transactional financial liabilities	1,439,675.00			1,439,675.00
1. Derivative financial liabilities	1,439,675.00			1,439,675.00
Total assets measured at fair value continuously	1,439,675.00			1,439,675.00
2. Discontinuous fair value measurement	--	--	--	--

2. Recognition basis of market value of continuous and discontinuous items measured at first level fair value

The Group determines the fair value using quotation in an active market for financial instruments traded in an active market;

3. Valuation technique and qualitative and quantitative information for key parameters of continuous and discontinuous second level fair value items

For investment real estate, the Company adopts valuation technology to determine its fair value. The valuation techniques adopted are mainly the market comparison method and the income method, and the rent and resale model. The input value of valuation technology mainly includes comparable market unit price, market rent, vacancy rate, growth rate, rate of return, etc.

4. Valuation technique and qualitative and quantitative information for key parameters of continuous and discontinuous third level fair value items

If there is no active market, the Company uses evaluation techniques to determine the fair value. The valuation models are mainly cash flow discount model and market comparable company model. The input value of valuation technology mainly includes risk-free interest rate, benchmark interest rate, exchange rate, credit point difference, liquidity premium, lack of liquidity discount, etc.

5. Switch between different levels, switch reason and switching time policy

The Company takes the occurrence date of the events leading to the transition between levels as the time point to confirm the transition between levels. In the period, there is no switch in the financial assets measured at fair value between the first and second level or transfer in or out of the third level.

6. Fair value of financial assets and liabilities not measured at fair value

Financial assets and liabilities measured at amortized cost include: monetary capital, bills receivable, accounts receivable, other receivables, short-term borrowings, notes payable, employee compensation payable, accounts payables, other payables, and long-term payables.

XII. Related Parties and Transactions

1. Parent of the Company

Parent	Registered address	Business	Registered capital	Share of the parent co. in the Company	Voting power of the parent company
Shenzhen Banglin Technologies Development Co., Ltd.	Shenzhen	Industrial investment	RMB30 million	11.11%	11.11%
Shengjiu Investment Ltd.	Hong Kong	Industrial investment	HKD1 million	10.25%	10.25%

Particulars about the parent of the Company

① All of the investors of Shenzhen Banglin Technology Development Co., Ltd., the holding shareholder of the Company, are natural persons. Among them, Chairman Xiong Jianming is holding 85％ shares, and Mr. Xiong Xi – son of Mr. Xiong Jianming, is holding 15% of the shares.

②Among the top 10 shareholders, Shenzhen Banglin Technology Development Co., Ltd. and Shengjiu Investment Co., Ltd. are parties action-in-concert with Xiong Jianming.

The final controller of the Company is Xiong Jianming.

2. Subsidiaries of the Company

For details of subsidiaries of the enterprise, please refer to Note IX, rights and interests in other entities.

3. Joint ventures and associates

Information about other joint ventures or associates with related transactions in this period or with balance generated by related transactions in previous period:

Joint venture or associate	Relationship with the Company
Ganshang Joint Investment	Affiliates of the Company

4. Other associates

Other related parties	Relationship with the Company
Jiangxi Business Innovative Property Joint Stock Co., Ltd.	Affiliates of the Company
Gong Qing Cheng Shi Li He Investment Management Partnership Enterprise (limited partner)	Affiliated relationship with Shenzhen Banglin Technology Development Co., Ltd.
Shenyang Fangda	Subsidiary in liquidation
Shenzhen Yikang Real Estate Co. Ltd.	Controlled subsidiaries
Shenzhen Qijian Technology Co., Ltd. (Qijian Technology)	Common actual controller
Director, manager and secretary of the Board	Key management

5. Related transactions

(1) Related transactions for purchase and sale of goods, provision and acceptance of services

Sales of goods and services

In RMB

Affiliated party	Related transaction	Amount occurred in the current period	Occurred in previous period
Qijian Technology	Property service and sales of goods	124,524.04	112,319.60

(2) Related leasing

The Company is the leasor:

In RMB

Name of the leasee	Category of asset for lease	Rental recognized in the period	Rental recognized in the period
Qijian Technology	Houses & buildings	434,285.70	434,285.70

(3) Related guarantees

The Company is the guarantor:

In RMB10,000

Beneficiary party	Amount guaranteed	Start date	Due date	Completed or not
Fangda Jianke	24,000.00	March 9, 2022	Three years after the expiration date of debt performance	Yes
Fangda New Material	10,000.00	April 20, 2022	Three years after the expiration date of debt performance	Yes
Fangda Zhijian	7,000.00	June 1, 2022	Three years after the expiration date of debt performance	Yes
Fangda Zhiyuan	40,000.00	July 4, 2022	Three years after the expiration date of debt performance	Yes
Fangda Zhiyuan	15,000.00	March 9, 2022	Three years after the expiration date of debt performance	Yes

Fangda Yunzhu	600.00	May 10, 2022	Three years after the expiration date of debt performance	Yes
Total amount of guarantee fulfilled	96,600.00			
Fangda Jianke	86,000.00	November 24, 2022	Three years after the expiration date of debt performance	No
Fangda Jianke	39,000.00	December 9, 2022	Three years after the expiration date of debt performance	No
Fangda New Material	10,000.00	April 18, 2023	Three years after the expiration date of debt performance	No
Fangda Yunzhu	1,000.00	March 30, 2023	Three years after the expiration date of debt performance	No
Fangda New Material	8,500.00	September 6, 2022	Three years after the expiration date of debt performance	No
Fangda Jianke	15,000.00	May 23, 2022	Three years after the expiration date of debt performance	No
Fangda Zhijian	7,000.00	May 15, 2023	Three years after the expiration date of debt performance	No
Fangda Jianke	48,000.00	December 15, 2022	Three years after the expiration date of debt performance	No
Fangda Zhiyuan	18,000.00	March 22, 2023	Three years after the expiration date of debt performance	No
Fangda Jianke	50,000.00	September 20, 2022	Three years after the expiration date of debt performance	No
Fangda Jianke	30,000.00	October 19, 2022	Three years after the expiration date of debt performance	No
Fangda Jianke	30,000.00	September 20, 2022	Three years after the expiration date of debt performance	No
Fangda Jianke	4,000.00	September 8, 2022	Three years after the expiration date of debt performance	No
Fangda Jianke	4,000.00	May 15, 2023	Three years after the expiration date of debt performance	No
Fangda Jianke	20,000.00	August 10, 2022	Three years after the expiration date of debt performance	No
Fangda Jianke	60,000.00	January 21, 2023	Three years after the expiration date of debt performance	No
Fangda Zhiyuan	36,000.00	June 20, 2023	Three years after the expiration date of debt performance	No
Fangda Jianke	24,000.00	May 5, 2023	Three years after the expiration date of debt performance	No
Fangda Zhiyuan	15,000.00	May 5, 2022	Three years after the expiration date of debt performance	No
Fangda Zhiyuan	20,000.00	October 19, 2022	Three years after the expiration date of debt performance	No
Fangda Zhiyuan	15,000.00	November 1, 2022	Three years after the expiration date of debt performance	No
Fangda Zhiyuan	10,000.00	May 23, 2022	Three years after the expiration date of debt performance	No
Fangda Yunzhu	600.00	May 11, 2023	Three years after the expiration date of debt performance	No
Fangda Yunzhu	800.00	August 19, 2022	Three years after the expiration date of debt performance	No
Fangda Jianke	20,000.00	March 31, 2023	Three years after the expiration date of debt performance	No
Fangda Property	135,000.00	February 25, 2020	Two years after the expiration date of debt performance	No
Fangda Property	47,000.00	December 16, 2020	Three years after the expiration	No

			date of debt performance	
Fangda Jianke and Zhiyuan Technology	15,400.00	December 18, 2019	Two years after the expiration date of debt performance	No
Total amount of guarantee being performed	769,300.00			

Description of related party guarantee: The above-mentioned guarantees are all associated guarantees within interested entities of the Company.

(4) Remuneration of key management

In RMB

Item	Amount occurred in the current period	Occurred in previous period
Directors, supervisors and senior management	4,799,048.45	4,289,505.05

6. Receivable and payables due with related parties

(1) Receivable interest

In RMB

Project name	Affiliated party	Closing balance		Opening balance	
		Remaining book value	Bad debt provision	Remaining book value	Bad debt provision
Account receivable	Qijian Technology			4,708.76	47.09
Other receivables	Shenyang Fangda			42,877.00	42,877.00
Other receivables	Ganshang Joint Investment	3,791,089.25	56,487.23	3,791,089.25	56,487.23
Other receivables	Shenzhen Yikang Real Estate Co. Ltd.	76,062,675.83	1,133,333.87	70,062,675.83	1,043,933.87

(2) Receivable interest

In RMB

Project name	Affiliated party	Closing balance of book value	Opening balance of book value
Other payables	Shenzhen Yikang Real Estate Co. Ltd.	26,044,709.60	25,305,047.71
Other payables	Qijian Technology	400.00	400.00
Other payables	Ganshang Joint Investment	3,355.36	3,355.36

XIII. Contingent Events

1. Major commitments

Major commitments that exist on the balance sheet day

On November 6, 2017, Fangda Real Estate Co., Ltd., a subsidiary of the Company, and Bangshen Electronics (Shenzhen) Co., Ltd. signed the "Joint Development Agreement on Fangda Bangshen Industrial Park (Temporary Name) Urban Renewal Project", and the two parties agreed to develop cooperatively. In order to develop urban renewing projects such as a "renovation project", Fangda Real Estate provided Party A with property compensation through renovating and renovating the property allocation terms agreed upon by both parties, and obtained independent development rights of the project. As of June 30, 2023, Fangda Real Estate has paid a deposit of RMB 20,000,000.

(2) In July 2018 ,the Company's subsidiary Fangda Real Estate Co. Ltd. (Party A) signed a contract with Shenzhen Yikang Real Estate Co. Ltd. (Party B1) and Shenzhen Qianhai Zhongzheng Dingfeng No. 6 Investment Enterprise (Limited Partnership) (Party B2), "Shenzhen Henggang Dakang Village Project Cooperation Agreement". Party B agrees to transfer the entire equity of the project company it holds and the entire development interest of the project to Party A. Party A shall pay Party B a total of RMB600 million for the cooperation price. As of June 30, 2023, Fangda Property has paid Party B and the project company RMB50 million of security deposit, RMB20 million of service fee, RMB61,937,200 of equity transfer and RMB79,062,800 of other related payments.

In May 2021, the subsidiaries Fangda Jianke, Fangda Jiangxi New Material and CITIC Securities Investment Co., Ltd., Shenzhen Hi Tech Investment Venture Capital Co., Ltd., Shenzhen Qianhai Pengchen Investment Partnership (limited partnership), Gongqingcheng Longrun Spring Investment Partnership (limited partnership), Shenzhen Jiayuan Capital Management Co., Ltd and Gongqingcheng Huasheng Botai Investment Partnership (limited partnership) (hereinafter referred to as the "Transferee") signed equity transfer agreements to transfer 10.9375% of the total equity of Fangda Zhiyuan Technology, with the transfer amount of RMB 175 million. The agreement also stipulates that if Fangda Zhiyuan Technology fails to start and complete the qualified listing before May 31, 2025, the transferee has the right to require Fangda Jianke and Fangda Jiangxi New Material to repurchase or transfer all or part of the equity of Fangda Zhiyuan Technology held by the transferee.

The Company has no other commitments that should be disclosed by June 30, 2023.

2. Contingencies

Significant contingencies on the balance sheet date:

(1) Contingent liabilities formed by material lawsuit or arbitration, and their influences on the financial position

① On June 19, 2019, Langfang Aomei Jiye Real Estate Development Co., Ltd. filed a lawsuit against Fangda Jianke in the People's Court of Langfang Development Zone, demanding compensation of RMB19,721,315.00, and filed an application for appraisal of quality, repair cost and uncompleted project cost on December 26, 2019; Fangda Jianke filed a counterclaim on September 11, 2019, demanding payment of RMB13,939,863.27, and put forward the application for completed project cost appraisal on November 22, 2019. As of the date of this report, the case is still under trial.

② In March 2022, Xiangheng Real Estate (Jinan) Co., Ltd. filed an arbitration with the Jinan Arbitration Commission, requesting Fangda Jianke to bear the deduction, maintenance, rectification and rework costs of RMB8,956,563.81 and lawyer's fees of RMB350,000.00 caused by the quality problems of the supply and installation of aluminum alloy doors and windows, louvers and curtain walls of Jinan Kerry comprehensive development project (phase I and II); In April 2022, Fangda Construction Technology Co., Ltd. filed an anti arbitration application, requiring Xiangheng Real Estate (Jinan) Co., Ltd. to pay a total of RMB18,062,462.28 for the project funds and project expenses. As of the date of this report, the two cases are under joint trial.

③ In September 2022, Fangda Jianke Co., Ltd. filed a lawsuit to the People's Court of Longhua District, requiring Longguang Engineering Construction Co., Ltd. to pay the total principal and interest of the project funds of Longguang Jiuzuan Project Plot 05 and Plot 09 to Fangda Construction Technology Co., Ltd., totaling RMB33,197,543.00. As of the date of this report, the case of the Jiuzhuan 05 plot project has been adjudicated in first instance, with Longguang Company being sentenced to pay the engineering fee of RMB7,709,679.55, the quality assurance deposit of RMB6,033,911.38, and corresponding interest to Fangda Construction Technology Company. Longguang Company has the priority right to be compensated for the sale and auction price of the curtain wall production and installation project of the project; Due to both parties filing appeals, it is currently in the second instance. The Jiuzhuan 09 plot project is still under first instance review.

④ In October 2022, Fangda Jianke Co., Ltd. filed a lawsuit to the People's Court of Danzhou City, Hainan Province, requesting Danzhou Dongtuo Tourism Development Co., Ltd. to pay to Fangda Jianke Co., Ltd. a total of RMB27,863,564.06 of the principal and interest of the project payment for the Hengda Huadao Project. As of the date of this report, the court has filed a case and the case is currently under trial.

⑤ In October 2022, Fangda Jianke Co., Ltd. filed an application for arbitration with the Guiyang Arbitration Commission, requiring Zhongtian Urban Investment Group Guiyang International Financial Center Co., Ltd. to pay Fangda Jianke Co., Ltd. a total of RMB10,818,847.31 of the principal and interest of the curtain wall project of Building 7 and Building 9 in the first phase of Guiyang International Financial Center Business District. As of the date of this report, the arbitration tribunal has filed a case and held a hearing, waiting for an award.

⑥ In September 2022, Fangda Real Estate Co., Ltd. filed a lawsuit to the People's Court of Nanshan District, Shenzhen, requiring Shenzhen Hongtao Group Co., Ltd. to pay the total principal and interest of Fangda Real Estate Co., Ltd. to Fangda Real Estate Co., Ltd. for the purchase of building 3 # in Fangda City, amounting to RMB56,527,427.01, and Hongtao Company's counterclaim party, Dada Real Estate Co., Ltd., requested to cancel the signed Supplementary Agreement on Real Estate Sales and pay the liquidated damages of RMB44,046,859.04 for overdue certificate processing. As of the disclosure date of this report, the court has issued a first instance judgment, ruling that Hongtao Company shall pay Fangda Real Estate Company the purchase price of RMB40,127,678.19 and overdue payment interest (temporarily calculated as RMB8,418,135.54 until June 30, 2022). The subsequent interest shall be calculated based on RMB40,127,678.19 and continue to be calculated until the actual payment date according to the loan market quotation interest rate standard published by the National Interbank Funding Center. Reject all counterclaim requests from Hongtao Company. At present, both parties have filed an appeal and the case has entered the second instance process.

⑦ In September 2022, Fangda Real Estate filed a lawsuit with the People's Court of Nanshan District, Shenzhen City, requesting the court to order the cancellation of the Shenzhen Real Estate Sales Contract (Cash Sale) signed by Fangda Real Estate and Shenzhen Rijiasheng Trading Co., Ltd., and order Rijiasheng to pay the bank mortgage loan compensation of RMB18,796,489.12 and interest of RMB3,800,495.61 to Fangda Real Estate, and the liquidated damages for contract cancellation of RMB3,428,313.10, occupation fee Please refund the overdue fee. In September 2022, Shenzhen Rijiasheng Trading Co., Ltd. filed a lawsuit to the People's Court of Nanshan District, Shenzhen, requesting Fangda Real Estate to perform the obligation of handling the certificate and bear the liquidated damages for overdue handling of the certificate. The provisional amount of RMB3,669,046.43 is actually calculated until the certificate is completed. As of the date of this report, the court has issued first instance judgments, with Fangda Real Estate Company v. Japan Jiasheng Company ruling supporting the termination of the contract and paying the bank mortgage loan repayment of RMB18,708,945.57 and interest of RMB3,790,999.98, as well as paying a breach of contract penalty of RMB1,714,156.55 and the occupancy and use fee of the house. The case of Rijia Sheng Company v. Da Real Estate Company was ruled to reject all litigation requests. At present, both parties have filed an appeal and the case has entered the second instance process.

⑧ In July 2022, Wang Weihong filed a lawsuit on the ground that Fang Dajianke Company constituted a preservation error in the (2015) YYYZFMCZ No. 01205 case, claiming that Fang Dajianke Company compensated for the loss of RMB2,325,779.17, and another lawsuit claimed that Fang Dajianke Company owed its project payment principal of RMB4.78 million and interest. The court of first instance in both cases has ruled against all of Wang Weihong's claims. As of the date of this report, the second instance court in the case of preservation error has revised the judgment that Fang Dajian Technology Company paid interest loss of RMB44,197.44 to Wang Weihong, which has been fulfilled. The second instance court of the first and second instance of the construction project dispute has ruled to remand the case for retrial, and currently has not received any information on the retrial case.

⑨ Fangda Zhiyuan Technology Co., Ltd. and Shenzhen BYD Supply Chain Management Co., Ltd. (hereinafter referred to as "BYD") have a purchase and sales contract dispute, and BYD has defaulted on payment for goods. Fangda Zhiyuan Technology Co., Ltd. filed a lawsuit to the People's Court of Pingshan District on October 20, 2022, demanding payment of RMB5.4532 million for raw materials and storage and management fees. The case was accepted by the court on February 13, 2023, and as of the date of this report, it has been settled through settlement.

⑩ In April 2023, Fangda Jianke Company filed a lawsuit with the Guangzhou Intermediate People's Court, demanding the termination of the construction contract signed with Guangzhou Kaidar Investment Co., Ltd. for the Kaidar Hub International Plaza project, and requiring Guangzhou Kaidar Investment Co., Ltd. to pay the principal amount of the project payment of RMB113,529,244.60 and interest to Fangda Jianke Company, and claiming the priority right to receive compensation for the construction project price. As of the date of this report, the court has filed a case and the case is currently under trial.

⑪ In June 2023, Fangda Jianke Company filed a lawsuit with the People's Court of Shapingba District, Chongqing, demanding that Chongqing Longhu Jingnan Real Estate Development Co., Ltd. pay Fangda Jianke Company the principal amount of RMB9,754,668.59 and overdue interest for the Chongqing Longhu Shapingba project, and claim the priority right to receive compensation for the construction project price. As of the disclosure date of this report, the court has filed and accepted the case, and it is currently under trial.

(2) Contingent liabilities formed by providing of guarantee to other companies' debts and their influences on financial situation

By June 30, 2023, the Company has provided loan guarantees for the following entities:

In RMB10,000

Name of guaranteed entity	Guarantee	Amount	Term	Remarks
Fangda Property	Guarantee and mortgage guarantee	87,000.00	2020.03.13-2030.03.12	
Fangda Property	Guarantee	42,850.00	2021.03.18-2031.03.18	
Fangda Jianke	Guarantee and mortgage guarantee	4,000.00	2022.09.08-2023.09.03	
Fangda Jianke	Guarantee	4,000.00	2023.02.27-2024.02.27	
Fangda Jianke	Guarantee	5,000.00	2023.03.17-2024.03.17	
Fangda Jianke	Guarantee and mortgage guarantee	4,000.00	2023.05.22-2024.05.16	
Fangda Yunzhu	Guarantee	980.00	2022.05.18-2024.05.17	
Fangda Jianke	Guarantee	5,000.00	2023.05.26-2024.05.25	
Fangda Zhiyuan Technology	Guarantee	3,000.00	2022.07.25-2023.07.25	
Total		155,830.00		

Notes:: ① Providing debt guarantees to other units is all related guarantees between internal equity entities of the company.

② The Company's property business provides periodic mortgage guarantee for property purchasers. The term of the periodic guarantee lasts from the effectiveness of guarantee contracts to the completion of mortgage registration and transfer of housing ownership certificates to banks. By June 30, 2023, the Company has provided periodic guarantee of RMB13,102,400.

(3) Other contingent liabilities and their influences

The Company has no other contingent events that should be disclosed by June 30, 2023.

3. Others

Status of non-revocation of company as at June 30, 2023：

Currency	Guarantee balance (original currency)	Deposit (RMB)	Credit line used (RMB)
CNY	775,140,903.15	823,387.12	774,317,516.03
INR	82,691,782.78	46,099.32	7,232,844.86
HKD	15,349,982.00	15,000,000.00	
USD	2,507,136.33	1,483,068.77	16,632,996.92
SGD	2,700,000.00		14,429,340.00
AUD	2,388,000.00		11,460,489.60
EUR	3,771,764.01		29,710,562.28
Total		17,352,555.21	853,783,749.69

XIV. Post-balance-sheet events

1. Notes to other issues in post balance sheet period

The Company has no issues in post balance sheet period that need to be disclosed on August 25, 2023 (report date approved by the Board of Directors).

XV. Other material events

1. Segment information

(1) Recognition basis and accounting policy for segment report

The Group divides its businesses into five reporting segments. The reporting segments are determined based on financial information required by routine internal management. The Group's management regularly review the operating results of the reporting segments to determine resource distribution and evaluate their performance.

The reporting segments are:

(1) Curtain wall segment, production and sales of curtain wall materials, construction curtain wall design, production and installation;

(2) Rail transport segment: assembly and processing of metro screen doors;

(3) Real estate segment: development and operating of real estate on land of which land use right is legally obtained by the Company; property management;

(4) New energy segment: photovoltaic power generation, photovoltaic power plant sales, photovoltaic equipment R & D, installation, and sales, and photovoltaic power plant engineering design and installation

(5) Others

The segment report information is disclosed based on the accounting policies and measurement standards used by the segments when reporting to the management. The policies and standards should be consistent with those used in preparing the financial statement.

(2) Financial information

In RMB

Item	Curtain wall	Rail transport	Real estate	New energy	Others	Offset between segments	Total
Turnover	1,657,229,551.12	291,615,462.85	119,931,935.09	9,302,428.34	12,353,745.91	11,586,245.99	2,078,846,877.32
Including: external transaction income	1,654,849,166.62	291,615,462.85	115,913,190.77	8,947,285.78	7,521,771.30		2,078,846,877.32
Inter-segment transaction income	2,380,384.50	0.00	4,018,744.32	355,142.56	4,831,974.61	11,586,245.99	
Including: major business turnover	1,643,016,529.06	291,538,344.20	52,962,063.40	9,302,428.34		2,724,113.27	1,994,095,251.72
Operating cost	1,385,103,438.12	209,278,784.39	28,749,363.23	3,936,675.50		2,837,792.61	1,624,230,468.63
Including: major business cost	1,378,141,699.70	209,278,784.39	25,085,173.65	3,936,675.50		2,793,422.55	1,613,648,910.68
Operation cost	141,557,736.53	18,560,695.28	56,178,619.48	361,845.62	8,595,089.34	-15,411,756.13	240,665,742.38
Operating profit/(loss)	130,484,288.83	63,775,983.18	35,330,704.82	5,003,907.22	3,758,656.60	24,402,874.34	213,950,666.31
Total assets	5,601,395,088.68	959,185,244.79	6,244,489,449.25	189,418,976.71	3,105,309,132.15	3,160,473,466.34	12,939,324,425.23
Total liabilities	3,458,793,622.07	554,011,204.80	3,477,503,320.01	70,343,151.34	821,262,631.09	1,384,583,411.82	6,997,330,517.49

(3) Others

Since 88.09% of the Group's revenue comes from Chinese customer and 90% of the Group's assets are in China, no detailed regional information is needed.

XVI. Notes to Financial Statements of the Parent

1. Account receivable

(1) Account receivable disclosed by categories

In RMB

Type	Closing balance					Opening balance				
	Remaining book value		Bad debt provision		Book value	Remaining book value		Bad debt provision		Book value
	Amount	Proporti	Amount	Provisio		Amount	Proporti	Amount	Provisio	

		on		n rate			on		n rate	
Including:										
Account receivable for which bad debt provision is made by group	538,064.33	100.00%	53,870.45	10.01%	484,193.88	680,529.54	100.00%	32,584.96	4.79%	647,944.58
Including:										
Portfolio 3. Others	538,064.33	100.00%	53,870.45	10.01%	484,193.88	680,529.54	100.00%	32,584.96	4.79%	647,944.58
Total	538,064.33	100.00%	53,870.45	10.01%	484,193.88	680,529.54	100.00%	32,584.96	4.79%	647,944.58

Provision for bad debts by combination:

In RMB

Name	Closing balance		
	Remaining book value	Bad debt provision	Provision rate
Portfolio 3. Others	538,064.33	53,870.45	10.01%
Total	538,064.33	53,870.45	

Group recognition basis:

See 9. Financial Tools in Chapter X, V, Important Accounting Policies and Accounting Estimates for the recognition criteria and instructions for withdrawing bad debt reserves by portfolio

If the provision for bad debts of accounts receivable is made in accordance with the general model of expected credit losses, please refer to the disclosure of other receivables to disclose information about bad debts:

□ Applicable ☑ Inapplicable

Account age

In RMB

Age	Closing balance
Within 1 year (inclusive)	178,934.44
2-3 years	222,666.00
3-4 years	136,463.89
Total	538,064.33

(2) Bad debt provision made, returned or recovered in the period

Bad debt provision made in the period:

In RMB

Type	Opening balance	Change in the period				Closing balance
		Provision	Written-back or recovered	Canceled	Others	

Portfolio 3. Others	32,584.96	21,285.49				53,870.45
Total	32,584.96	21,285.49				53,870.45

(3) Balance of top 5 accounts receivable at the end of the period

In RMB

Entity	Closing balance of accounts receivable	Percentage (%)	Balance of bad debt provision at the end of the period
Top five summary	538,064.33	100.00%	53,870.45
Total	538,064.33	100.00%	

2. Other receivables

In RMB

Item	Closing balance	Opening balance
Other receivables	1,073,141,303.92	1,046,500,428.02
Total	1,073,141,303.92	1,046,500,428.02

(1) Other receivables

1) Other receivables are disclosed by nature

In RMB

By nature	Closing balance of book value	Opening balance of book value
Deposit	80,000.00	150,699.54
Debt by Luo Huichi		11,242,291.48
Others	64,732.30	396,561.98
Accounts between related parties within the scope of consolidation	1,072,998,703.01	1,046,003,558.83
Total	1,073,143,435.31	1,057,793,111.83

2) Method of bad debt provision

In RMB

Bad debt provision	First stage	Second stage	Third stage	Total
	Expected credit losses in the next 12 months	Expected credit loss for the entire duration (no credit impairment)	Expected credit loss for the entire duration (credit impairment has occurred)	
Balance on January 1, 2023	7,515.33		11,285,168.48	11,292,683.81
Balance on January 1, 2023 in the current period				
Provision	-5,383.94			-5,383.94
Transferred back in the current period			292,877.00	292,877.00
Canceled in the current period			10,992,291.48	10,992,291.48

Balance on June 30, 2023	2,131.39			2,131.39

Account age

In RMB

Age	Closing balance
Within 1 year (inclusive)	87,317,526.23
1-2 years	273,452,880.00
2-3 years	476,158,158.54
Over 3 years	236,214,870.54
3-4 years	205,755,077.45
4-5 years	0.00
Over 5 years	30,459,793.09
Total	1,073,143,435.31

3) Bad debt provision made, returned or recovered in the period

Bad debt provision made in the period:

In RMB

Type	Opening balance	Change in the period				Closing balance
		Provision	Written-back or recovered	Canceled	Others	
Other receivables and bad debt provision	11,292,683.81	-5,383.94	292,877.00	10,992,291.48		2,131.39
Total	11,292,683.81	-5,383.94	292,877.00	10,992,291.48		2,131.39

4) Other receivable written off in the current period

In RMB

Item	Amount
Luo Huichi	10,992,291.48

Including significant other receivable:

In RMB

Entity	Nature	Amount	Reason	Writing-off procedure	Related transaction
Luo Huichi	Debt by Luo Huichi	10,992,291.48	Impossible enforcement of property, with minimal possibility of subsequent recovery	Approved by the senior management	No
Total		10,992,291.48			

5) Balance of top 5 other receivables at the end of the period

In RMB

Entity	By nature	Closing balance	Age	Percentage (%)	Balance of bad debt provision at the end of the period
Fangda Property	Affiliated party payment	74,529,980.00	Less than 1 year	79.18%	
		108,902,550.00	1-2 years		
		460,489,120.00	2-3 years		
		205,755,077.45	3-4 years		
Fangda Jiangxi Property Development	Affiliated party payment	2,500,000.00	Less than 1 year	17.02%	
		164,550,000.00	1-2 years		
		15,589,038.54	2-3 years		
Shihui International	Affiliated party payment	30,459,793.09	Over 5 years	2.84%	
Yunzhu Technology	Affiliated party payment	10,035,928.48	Less than 1 year	0.94%	
Fangda Zhiyuan Technology	Affiliated party payment	149,721.00	Less than 1 year	0.01%	
Total		1,072,961,208.56		99.99%	

3. Long-term share equity investment

In RMB

Item	Closing balance			Opening balance		
	Remaining book value	Impairment provision	Book value	Remaining book value	Impairment provision	Book value
Investment in subsidiaries	1,486,831,253.00		1,486,831,253.00	1,457,331,253.00		1,457,331,253.00
Total	1,486,831,253.00		1,486,831,253.00	1,457,331,253.00		1,457,331,253.00

(1) Investment in subsidiaries

In RMB

Invested entity	Opening book value	Change (+,-)				Closing book value	Balance of impairment provision at the end of the period
		Increased investment	Decreased investment	Impairment provision	Others		
Fangda Jianke	751,950,000.00					751,950,000.00	
Fangda Jiangxi New Material	74,496,600.00					74,496,600.00	
Fangda Property	198,000,000.00					198,000,000.00	
Shihui International	61,653.00					61,653.00	
Fangda New Energy	99,000,000.00					99,000,000.00	
Fangda Hongjun Investment	98,000,000.00					98,000,000.00	
Fangda	235,323,000.					235,323,000.	

Investment	00					00	
Fangda Intelligent Manufacturing	500,000.00	29,500,000.00				30,000,000.00	
Total	1,457,331,253.00	29,500,000.00				1,486,831,253.00	

4. Operational revenue and costs

In RMB

Item	Amount occurred in the current period		Occurred in previous period	
	Income	Cost	Income	Cost
Other businesses	12,358,317.34		14,705,232.50	418,824.01
Total	12,358,317.34		14,705,232.50	418,824.01

Income information:

In RMB

Contract classification	Segment 1 - other segments	Total
Type of product		
Including:		
Other businesses	12,358,317.34	12,358,317.34
Total	12,358,317.34	12,358,317.34

Information related to performance obligations:

The operating income of the parent company comes from property rental income.

5. Investment income

In RMB

Item	Amount occurred in the current period	Occurred in previous period
Investment gain of financial products		431,992.15
Total		431,992.15

XVII. Supplementary Materials

1. Detailed accidental gain/loss

☑ Applicable □ Inapplicable

In RMB

Item	Amount	Notes
Non-current asset disposal gain/loss (including the write-off part for which assets impairment provision is made)	373,352.08	
Government subsidies accounted into current gain/loss account, other than those closely related to the Company's common business, comply with the national policy and continues to enjoy at certain fixed rate or amount.	6,748,993.91	
Gain/loss from change of fair value of transactional financial asset and	7,782.60	

liabilities, and investment gains from disposal of transactional financial assets and liabilities and sellable financial assets, other than valid period value instruments related to the Company's common businesses		
Write-back of impairment provision of receivables for which impairment test is performed individually	4,750,256.42	
Gain/loss from change of fair value of investment property measured at fair value in follow-up measurement	122,109.40	
Other non-business income and expenditures other than the above	-365,816.05	
Less: Influenced amount of income tax	1,835,470.87	
Influenced amount of minority shareholders' equity	130,276.06	
Total	9,670,931.43	--

Other gain/loss items satisfying the definition of non-recurring gain/loss account:

□ Applicable ☑ Inapplicable

The Company has no other gain/loss items satisfying the definition of non-recurring gain/loss account

Circumstance that should be defined as recurrent profit and loss to Explanation Announcement of Information Disclosure No. 1 - Non-recurring gain/loss

□ Applicable ☑ Inapplicable

2. Net income on asset ratio and earning per share

Profit of the report period	Weighted average net income/asset ratio	Earning per share	
		Basic earnings per share (yuan/share)	Diluted Earnings per share (yuan/share)
Net profit attributable to common shareholders of the Company	3.14%	0.17	0.17
Net profit attributable to the common owners of the PLC after deducting of non-recurring gains/losses	2.97%	0.16	0.16

3. Differences in accounting data under domestic and foreign accounting standards

(1) Differences in net profits and assets in financial statements disclosed according to the international and Chinese account standards

□ Applicable ☑ Inapplicable

(2) Differences in net profits and assets in financial statements disclosed according to the international and Chinese account standards

□ Applicable ☑ Inapplicable

(3) Differences in financial data using domestic and foreign accounting standards, the overseas institution name should be specified if the difference in data audited by an overseas auditor is adjusted

No