China Fangda Group Co., Ltd.

2024 Interim Report

August 2024

Chapter 1 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 detailed the risks that the Company may face in this report. Please refer to the content of Section III Management Discussion and Analysis, X. Risks Facing the Company and Measures.

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

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	Chengdu 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 Yunzhu	Refers to	Shenzhen Fangda Yunzhu Technology Co., Ltd.
Fangda Zhijian	Refers to	Shanghai Fangda Zhijian Technology Co., Ltd
Fangda Intelligent Manufacturing	Refers to	Jiangxi Fangda Intelligent Manufacturing Technology Co., Ltd.
SZSE	Refers to	Shenzhen Stock Exchange

Chapter II About the Company and Financial Highlights

1. 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		

2. Contacts and liaisons

	Secretary of the Board	Representative of Stock Affairs
Name	Xiao Yangjian	Guo Linchen
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3. 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 2023 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 2023 annual report for specific details.

3. Other information

Whether other relevant information has changed during the reporting period

□ Applicable ☑ Inapplicable

4. 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)	2,133,845,587.76	2,078,846,877.32	2.65%
Net profit attributable to shareholders of the listed company (yuan)	116,795,117.62	182,155,268.18	-35.88%
Net profit attributable to the shareholders of the listed company and after deducting of non-recurring gain/loss (yuan)	111,689,105.39	172,484,336.75	-35.25%
Net cash flow generated by business operation (yuan)	-171,530,998.21	-37,313,711.13	-359.70%
Basic earnings per share (yuan/share)	0.11	0.17	-35.29%
Diluted Earnings per share (yuan/share)	0.11	0.17	-35.29%
Weighted average net income/asset ratio	1.95%	3.14%	-1.19%
	End of the report period	End of last year	Year-on-year change
Total asset (yuan)	13,756,615,957.93	13,376,351,856.86	2.84%
Net profit attributable to the shareholders of the listed company (RMB)	6,019,556,660.44	5,960,140,567.07	1.00%

The Company's operating income increased by 2.65% in the first half of 2024, while the net profit attributable to shareholders of the listed company decreased by 35.88%. This is mainly due to the 3.3 percentage point decrease in the overall gross profit margin caused by the differences in gross profit margins of different projects in the curtain wall and new materials industry and the rail transit screen door industry; as well as the impact of economic downward pressure, the delay in project settlement and payment progress has led to an increase in the bad debt loss of receivables accrued in this period.

5. 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.

6. 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)	-1,490.22	
Government grants recognized in the current period's profit or loss (except for government grants that are closely related to the Company's normal business operations, in line with national policies and in accordance with defined criteria, and have a continuous impact on the Company's profit or loss)	7,230,976.70	
Gains and losses from changes in the fair value of financial assets and liabilities held by non-financial corporations and gains and losses from the disposal of financial assets and liabilities, except for effective hedging operations related to the Company's normal business operations	-888,100.88	
Gain/loss from change of fair value of investment property measured at fair value in follow-up measurement	555,662.75	
Other non-business income and expenditures other than the above	-356,942.93	
Less: Influenced amount of income tax	1,469,609.41	
Influenced amount of minority shareholders' equity (after-tax)	-35,516.22	
Total	5,106,012.23	

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

1. Major businesses of the Company during the report period

The Company mainly engages in smart curtain wall systems and new materials, rail transit smart screen door equipment, new energy, and business management and services. The Company gives full play to its technical and brand advantages, and vigorously promotes intelligent manufacturing and green manufacturing. The Company's main products, such as smart curtain walls and rail transit intelligent screen door systems, have become benchmarks in the global industry. The urban rail transit platform screen door system has been recognized as a "manufacturing individual champion product" by the Ministry of Industry and Information Technology of the People's Republic of China, and the comprehensive strength of smart curtain walls ranks among the top. The Company currently has 7 national high-tech enterprises, 6 "specialized and innovative" enterprises, 2 "national intellectual property advantageous enterprises," and 2 provincial-level engineering technology research centers. We have established a layout with Shenzhen as the headquarters and industrial bases in Dongguan, Nanchang, Shanghai, Chengdu, and Ganzhou (under construction). Branch offices have been set up in countries and regions along the Belt and Road Initiative, such as Singapore, India, Australia, Bangladesh, the United Arab Emirates, and Hong Kong.

In the first half of 2024, the downward pressure on the global economy remained unabated, the external environment became more complex, severe and uncertain, domestic effective demand was still insufficient, and the industry faced pressure and challenges. The Company actively perceived market opportunities, timely adjusted business strategies, focused on "controlling risks, expanding markets, reducing inventories, and seeking innovation", further accelerated the pace of scientific and technological innovation, increased the intensity of refined management of improving quality and efficiency, worked together, and faced difficulties, basically achieving the goals set at the beginning of the year. During the reporting period, the Company achieved operating income of RMB2,133,845,600, an increase of 2.65% compared with the same period last year; the net profit attributable to the owners of the parent company was RMB116,795,100, a decrease of 35.88% compared with the same period last year. As of the end of the reporting period, the Company's order reserve was RMB9,031,660,800, an increase of 6.44% compared with the same period last year, which was 4.23 times the operating income in the first half of 2024, laying a good foundation for the Company to achieve its future production and operation goals.

(I) Smart curtain wall system and new materials

1. Industry development

The Company's smart curtain wall business has continued to grow with the development of urban construction and is one of the important industries in the national economic construction, closely linked to the level of macroeconomic development. In the first half of 2024, China's economic operation was generally stable. Data from the National Bureau of Statistics shows that the gross domestic product in the first half of 2024 was RMB61,683.6 billion, a year-on-year increase of 5.0%; the total output value of the construction industry was RMB13,831.2 billion, a year-on-year increase of 4.8%, maintaining a steady growth.

China is vigorously promoting the construction of a modern industrial system, cultivating and developing new-quality productive forces through scientific and technological innovation. In May 2024, the State Council issued the "2024-2025 Energy Conservation and Carbon Reduction Action Plan", which proposed to "vigorously develop prefabricated buildings, actively promote intelligent construction, and accelerate the construction of building photovoltaic integration". The country's implementation of a series of measures to promote industrial innovation through scientific and technological innovation and deploy energy conservation and carbon reduction actions has brought new opportunities for the optimization and upgrading of the curtain wall industry chain. The in-depth application of digital technologies such as artificial intelligence and big data will accelerate the high-end, intelligent, and green development of the curtain wall industry, injecting new momentum into the industry. The Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Delta, and other regions with economic development advantages are the power sources for high-quality development. The acceleration of the construction of regional central cities and the construction of urban supporting infrastructure will also promote the development of the curtain wall industry. The accelerated construction of the national unified market has provided more market opportunities for the industry's leading enterprises. The high-quality construction of "One Belt, One Road" is going deeper and deeper, creating a favorable market environment for enterprises to expand overseas markets.

2. Business Status

(1) Main products and purposes

The Company's smart curtain walls are widely used on the exterior walls or roofs of various buildings such as high-end office buildings, corporate headquarters, urban complexes, hotels, large venues, enterprises, institutions, or government office buildings, and high-end residences. They can effectively improve the visual aesthetics of buildings, enhance the energy conservation and environmental protection of buildings, and better meet people's work and life needs. Smart curtain wall is a curtain wall solution that combines modern building technology and intelligent systems. It is a curtain wall technology developed on the basis of intelligent buildings, integrating the moderate control of building supporting technologies (such as heating, cooling, lighting, and electricity), and reducing the energy consumption of buildings through digital, artificial intelligence and other technologies. With the high-quality products trusted by customers, the Company's smart curtain wall products have won the Luban Prize (National Quality Engineering Award), the highest award in the field of architecture in China, many times. Its competitiveness ranks among the top in the global industry and is a well-known global curtain wall brand, reflecting the high-quality characteristics of the new-quality productive forces.The company also provides technical services and maintenance, functional renovation services for existing building exterior maintenance systems, as well as building waterproofing, anti-corrosion, and insulation services.

The Company has fully utilized its advantages to provide house and building testing, energy saving retrofit, building water-proof and corrosion-proof, technical services, and maintenance services. During the reporting period, the construction area of the above-mentioned services provided by the Company reached over 7 million square meters.

New materials, with the development direction of low carbon, environmental protection, intelligence, and sustainability, are one of the industries that the Company vigorously develops. The Company has strong R&D strength and an advanced production and manufacturing base of PVDF aluminum veneer and aluminum honeycomb panel, and its products have been widely used in major projects in more than 160 cities around the world.

(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, installation and construction contracting orders are mainly obtained through the bidding (open bidding, invited bidding) method. According to the order requirements, the Company provides an overall solution of design, raw material procurement, production and processing, installation and construction, and after-sales service. It has typical non-standardized and customized characteristics. The gross profit margin level of each order is affected by multiple factors, and there are certain differences due to the owner's capital budget investment, the bidding process, product materials, the complexity of the building structure and construction, the project duration, the construction site and cost management. In addition, 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 high-end curtain wall market has gradually matured, industry competition has intensified, and the degree of industry concentration and scale will continue to deepen. The Company has the advantages of talents, technology and brand, and the industry-leading enterprises that can undertake complex, innovative and comprehensive projects have shown their advantages in market competition. The technological innovation based on technologies such as intelligence, modular assembly, BIM, and VR continues to deepen. In the future, with the wave of industrial upgrading, green buildings, technological innovation, and digitalization will become important driving forces for the development of the industry.

The Company has been deeply involved in the curtain wall industry for more than 30 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. It is the first one in the same industry in the country to set up enterprise post-doctoral workstations, provincial engineering technology research centers, research and design institutes and other research and development institutions, with independent innovation capability and technology level reaching the advanced level in the same industry in the country, with the innovative characteristics of new quality productivity. Good social credibility, high quality service quality, successfully established the company's brand awareness and reputation, fully demonstrated the strength of the Company as the industry leader. The Company will closely follow the national strategic orientation, seize important opportunities such as domestic and international dual circulation, expanding domestic demand, unified large market, scientific and technological innovation, and green development, and continuously create new value and new momentum by consolidating and enhancing the industry leading position of its existing core businesses, and achieve the goal of continuous growth in scale.

(4) Business drive

① Sufficient order reserves and record high overseas orders

After more than 30 years of technical precipitation and experience accumulation, the Company's smart curtain wall system and new materials industry have formed an integrated solution that integrates R&D, design, production, project management and construction, and maintenance services. The industrial supporting facilities are complete, and it has strong comprehensive strength in terms of quality, cost and service, and has been highly recognized by the industry and many professionals, and has a good reputation. During the reporting period, the Company continued to focus on expanding key regions and major projects, and deeply cultivated the high-end smart curtain wall field of projects such as super high-rise buildings, government public cultural venues buildings, and corporate headquarters buildings. In the context of intensified industry competition, the Company still signed a number of high-quality curtain wall project orders, including: Shenzhen Bay Super Headquarters Base Project - Shenzhen Bay Coastal Business Center Lot 1, Shenzhen ZTE Headquarters Building; Enterprise Headquarters Project - Shenzhen Ganghong Group Headquarters Building, Chengdu Beiyikang Manufacturing and R&D Center, Dongguan OPPO Binhaiwan Senior Talent Housing Project; High-end Industrial Park Project - Shenzhen Xinchuang Technology Building, Guangzhou Haihao Biological Innovation Port; Government Public Cultural Venue Project - Beijing China International Publishing Exchange Center; Super High-rise Building - Shenzhen Bay Area Smart Plaza Project, etc. While the domestic business is steadily advancing, the overseas order volume has reached a record high, and the amount of newly signed overseas curtain wall project orders in the reporting period increased by 59.56% compared with the same period last year. As of the end of the reporting period, the order reserve amount of the Company's smart curtain wall and new materials industry reached RMB6,756,657,000, an increase of 1.98% compared with the same period last year, which is 3.89 times the operating income of the Company's curtain wall system and materials industry in the first half of 2024.

In order to further expand the demand for production capacity, the Company has newly built Fangda (Ganzhou) Low-carbon Intelligent Base, and the construction of the first phase of the project has been basically completed, and the commissioning of production equipment is currently underway. The base has built a production and operation system integrating 5G, digitalization, the Internet of Things and intelligence, and is leading the industry in terms of system innovation, product research and development, and production and manufacturing. It is a demonstration base for the new quality productive forces of the digital economy. The commissioning of this base will further improve and upgrade the Company's industrial layout and provide a guarantee for the Company's sustainable development.

② Driven by innovation, continue to strengthen the construction of intelligent digitalization

The Company continues to enhance its independent innovation ability, increase R&D investment, and strengthen the Company's core competitiveness in various business fields through technological innovation and digital construction. In recent years, the Company has accelerated technological innovation and the transformation of achievements, continuously made breakthroughs in key core technologies, implemented the transformation of 30 scientific and technological achievements such as the ultra-high curtain wall flat push window system, the high-airtight energy-saving ventilation unit curtain wall system, and the assembly technology of special-shaped large plates, and launched multiple innovative products such as fabricated curtain wall windows, new heat-insulating window unit curtain wall systems, simple steel-aluminum combined keel glass curtain wall fabricated systems, and energy-saving internal circulation curtain walls, creating a number of "Chinese enterprise records". In addition, the Company independently developed an ultra-low energy consumption window-wall combination system to better meet the domestic and foreign demand for high-end curtain walls and the requirements of green and low-carbon buildings. In the future, the Company will combine intelligent and Internet of Things technologies, continue to research and develop and promote the application of smart curtain walls, further accelerate the development of new-quality productive forces, and maintain the leading position in the industry. During the reporting period, the Company's R&D expenses were RMB85,639,600, accounting for 4.01% of operating income.

During the reporting period, the Company accelerated the construction of "Digital Fangda", and completed the development and application of the contract management platform, refined management platform and cost management system on the basis of the independently developed PMS project management platform, MES production management platform, VPO supplier management platform, and quality and safety management platform, and opened up the information management of the complete chain in the process of contract execution, realizing the all-round monitoring and real-time sharing from material supply, production status, factory processing progress to project management status, which greatly simplifies the process of information data processing, provides real-time business data support for management decision-making, and meets the refined management requirements of curtain wall products. The Company combines artificial intelligence applications, continuously researches and develops and promotes the parametric design and blanking of curtain walls in the design end of curtain wall products through CATIA, Rhino and other software and independent programming to improve design efficiency; in the processing end of curtain wall products, combined with the application of the original intelligent equipment and production lines, through technological transformation to improve the application scope of intelligent manufacturing, improve the overall production efficiency and product quality.

During the reporting period, the Company completed the establishment of 40 R&D projects of smart curtain wall systems and new materials, and newly applied for 5 patents and newly authorized 8 patents. It has successively obtained 665 patent technologies and 21 software copyrights for smart curtain wall systems and new materials, participated in the compilation of 22 national/industry technical specifications and standards, and 6 subsidiaries engaged in the smart curtain wall system and new materials industry are national high-tech enterprises, of which 5 are "specialized, refined, and innovative" enterprises, and have successively been awarded honors such as national intellectual property advantage enterprises, "specialized, refined, and innovative" small giants, Guangdong Provincial Engineering Technology Research Center, Jiangxi Provincial Enterprise Technology Center, Jiangxi Provincial Intelligent Manufacturing Benchmarking Enterprise, Guangdong Provincial Innovative SMEs, and enterprise innovation records, demonstrating the Company's leading position and comprehensive strength in curtain wall product design, manufacturing and installation technology.

③ Firmly implement the "going out" strategy and accelerate the pace of overseas market expansion

During the reporting period, the Company combined its own comprehensive advantages accumulated in the field of smart curtain wall business, such as technological advantages, market advantages, advanced manufacturing advantages, and refined management, implemented the "going out" strategy, while consolidating the Australian market, vigorously expanded the markets in Southeast Asia, the Middle East, Hong Kong, Japan, South Korea, and went to the international stage more widely and deeply, optimized the customer structure, and enhanced the Company's competitiveness and brand influence in the overseas market. On the premise of strictly controlling risks, establish an efficient overseas team organization structure and cultivate a project team with an international perspective. In the future, the Company will combine domestic and foreign project management experience, optimize and improve the overseas project planning management system and quality control system, strengthen the pre-planning and planning management of overseas projects, and promote the refined management of overseas projects. According to the progress of overseas market business expansion, concentrate high-quality human and material resources to provide sufficient resource guarantee for overseas business to meet the needs of overseas business development.

(II) Rail transport smart screen door business

1. Industry development

Rail transit intelligent platform screen door system is an indispensable and important part of the urban rail transit industry chain, which is closely related to the level of national economic development, urban rail transit development and construction planning. The "Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Long-Term Goals for 2035" proposes to accelerate the construction of a transportation power, and it is expected that during the "14th Five-Year Plan" period, China will add 3,000 kilometers of urban rail transit operating mileage and 3,000 kilometers of intercity railways and urban (suburban) railways.

According to the statistics of the China Association of Metros, in the first half of 2024, a total of 194.06 kilometers of new urban rail transit operating lines were added, 6 new operating lines were added, and 4 sections of new post-opening sections or extensions of existing lines were added, and a total of 132 new operating stations were opened. As of June 30, 2024, a total of 58 cities in the Chinese mainland have put into operation 11,409.79 kilometers of urban rail transit lines. It is expected that more than 600 kilometers of urban rail transit operating lines will be opened in the second half of 2024, and the total length of new urban rail transit lines put into operation throughout the year is expected to exceed 800 kilometers.

With the continuous increase in the number of operating mileage of urban rail transit, China has become a country with the longest operating mileage and a high-density line network in the world. The rail transit platform screen door system that was put into operation in the early stage has gradually entered a critical period of maintenance, and the rail transit industry is entering an important stage where construction and operation and maintenance go hand in hand. The expansion of operation and maintenance demand indicates the huge potential of the rail transit aftermarket. Especially against the background of the increasing independent innovation ability in our country, the huge operation and maintenance market will bring new development opportunities and business growth space to rail transit aftermarket enterprises.

With the Belt and Road countries and regions increasing investment in urban rail transit construction, Chinese high-end equipment manufacturing enterprises are expected to play a greater role in the international market. As a leader and promoter in the field of construction and operation and maintenance of rail transit platform screen door systems, the Company will continue to be guided by national strategies and related industrial policies, comply with industrial development trends and market demands, increase technological innovation efforts, continuously improve its core competitiveness, focus on developing high-tech value-added products, and further improve the Company's market share in rail transit platform screen door systems.

2. Business Status

(1) Main products and purposes

The Company's main products are platform screen smart 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 railroads, which can realize the opening of platform safety doors according to different models of incoming high-speed railways and intelligent corresponding train doors, which will open up new application scenarios and new market space in the future.

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 doors also have 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 smart screen door equipment business is its subsidiary, Fangda Zhiyuan. Fangda Zhiyuan is a supplier and service provider of rail transit smart screen door systems that integrates research and development, design, manufacturing, installation, and technical services, with a complete industrial chain. A mature and complete management system for research and development, procurement, production, sales and O&M 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; in terms of operation and maintenance, the Company already has an intelligent operation and maintenance guarantee system for platform screen doors, which can monitor the operation data in real time and quickly diagnose and eliminate faults.

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

As a world-class rail transit platform screen door system supplier, the Company continues to consolidate its leading position in the industry. The Company's rail transit intelligent platform screen door system has a coverage rate of more than 60% in the domestic cities where the subway is in operation, covering more than 100 lines in more than 40 cities around the world, and continues to lead the way strongly. The Company continues to strengthen the expansion of overseas markets, and the forward-looking layout has achieved a first-mover advantage. It has won a good reputation in the industry in many international high-quality projects such as Singapore, Malaysia, Hong Kong and India, which has effectively enhanced the Company's brand power and influence in the global rail transit industry, and is gradually becoming an important participant in the field of international rail transit platform screen door systems.

The Company has been dedicated to operating in the field of rail transit platform screen doors for more than 20 years, and has successfully developed a rail transit intelligent platform screen door system with independent intellectual property rights and maintained a technological leading advantage. The Company has a comprehensive team of professional talents in R&D, design, manufacturing, installation and technical services, and has edited the first industry standard for rail transit platform screen doors, "Urban Rail Transit Platform Screen Doors" (CJ/T236-2022), and participated in the preparation of the group standard "Urban Rail Transit Fully Automatic Operation System Acceptance Specification" (T/URTA0009-2022). Currently, it is leading the drafting of the first national standard in the industry, "Urban Rail Transit Platform Screen Door System", fully demonstrating the Company's deep technical accumulation and leading position. In addition, the Company's urban rail transit platform safety door has been recognized as a "manufacturing single champion product" by the Ministry of Industry and Information Technology of the People's Republic of China. Fangda Zhiyuan has received various honors and qualifications, including being recognized as a National Intellectual Property Advantage Enterprise, winning the Guangdong Science and Technology Award, obtaining the National Key New Product Certificate, being certified as a demonstration project in the National Torch Program for industrialization, establishing the Guangdong Intelligent Rail Transit Platform Door Engineering Research Center, winning the Shenzhen Science and Technology Progress Award, and being awarded the title of "Specialized, Refined, Special, and New" Enterprise in Shenzhen. Additionally, the company has obtained the International Railway Industry Standard (IRIS) management system and RAMS certifications. 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.

The technology in the field of rail transit platform screen door systems continues to develop and progress, and the market competition is becoming increasingly fierce. The Company will continue to grasp the opportunities of the global rail transit market development and become a leading enterprise in rail transit platform screen doors with more leading technological innovation, more reliable system safety, more advanced management level, and more trusted brand image.

(4) Business drive

① Deeply Cultivate the Overseas Market and Build a Good Market Pattern

As a pioneer and leader in the rail transit platform screen door industry, the Company firmly implements the national strategy of "going out", actively responds to the "Belt and Road Initiative", continuously enhances the intrinsic value of the brand, and gains recognition in domestic and foreign markets through innovative technologies, high-quality products, and excellent services based on its own advantages. For more than ten years, the Company has continued to deeply cultivate the overseas market, make forward-looking layouts, seize opportunities, and has obtained heavyweight rail transit platform screen door system projects in countries and regions along the "Belt and Road Initiative" such as Singapore, Malaysia, Hong Kong, China, Taipei, China, Thailand, India, Greece, and Colombia, and has received high recognition and praise from the industry. The "going out" business territory has gradually expanded, and "Fangda Manufacturing" has become a shining Chinese business card for the world's rail transit platform screen door. In the future, it will continue to help China's manufacturing move towards a high-quality development path through continuous technological innovation. During the reporting period, the domestic operating income of the Company's rail transit intelligent platform screen door industry accounted for approximately 57.05%, and the overseas operating income accounted for approximately 42.95%, forming a new development pattern of mutual promotion between the domestic and international double cycles. With the in-depth expansion of the Company's overseas business, the Company's overseas business will continue to grow. As of the end of the reporting period, the Company's rail transit intelligent platform screen door industry had an order reserve of RMB2,275,003,800, which was 8.64 times the operating income of the rail transit intelligent platform screen door industry in the first half of 2024. The order reserve was sufficient, laying a solid foundation for ensuring the continuous release of subsequent performance. Despite the weak global economic recovery and insufficient domestic demand, the rail transit platform smart door industry of the Company has shown strong vitality, demonstrating its comprehensive strength in technology, brand, market, and strong competitiveness, as well as significant advantages in new production capacity.

② Continuously Promote Technological Innovation and Strive to Build Industry Benchmarks

The core technology threshold of the rail transit platform screen door industry is high, and there are extremely high requirements for the safety, reliability, stability and sustainability of products and services. The Company is a national high-tech enterprise engaged in the R&D, design, manufacturing, installation and operation and maintenance of rail transit platform screen door systems, and has an independent intellectual property rights rail transit platform screen door control system. The Company's urban rail transit platform safety door products have been awarded the national "manufacturing single champion product" by the Ministry of Industry and Information Technology, and has edited and revised the first industry standard for rail transit platform screen doors, "Urban Rail Transit Platform Screen Doors" (CJ/T236-2022), and participated in the preparation of the group standard "Urban Rail Transit Fully Automatic Operation System Acceptance Specification" (T/URTA0009-2022). During the reporting period, the Company led the drafting of the first national standard "Urban Rail Transit Platform Screen Door System", which will have important guiding significance for the development of rail transit platform screen doors in China. As of the end of the reporting period, the Company has 134 domestic and foreign patents for the intelligent platform screen door system of urban rail transit (including 56 invention patents and 20 international PCT patents), and 12 computer software copyrights, forming a core technology group and intellectual property system with completely independent intellectual property rights.

The Company promotes the self-reliance and self-improvement of the industry's science and technology through innovation. Through the completely independent intellectual property rights of the rail transit platform screen door control system, it integrates artificial intelligence and big data technology to continuously innovate. It has successively developed platform screen door systems that match "driverless" trains, and health prediction technology for key components of platform screen doors based on big data, which have been successfully applied in multiple projects. It has important demonstration significance for promoting the construction of smart metros and leading the technological upgrading of the rail transit industry. The urban rail transit visual multimedia full-height platform screen door product developed by the Company has been recognized as a "Shenzhen Enterprise Innovation Record". Furthermore, the Company has successfully developed a platform safety door system suitable for high-speed railway environments. This system allows intelligent opening of platform safety doors based on different train models entering the station. The product has obtained 36 patents. This technology solves the problem of adding to existing high-speed rail platforms, and can also be applied to new high-speed rail platforms. Currently, the Company is actively promoting the product in the market to realize its application as soon as possible, opening up new application scenarios and market opportunities.

During the reporting period, in order to meet the market demand for adding platform screen doors to old rail transit lines, the Company independently developed a three-module full-height platform screen door structure product, which is a product between the fabricated platform screen door structure and the bulk platform screen door structure. It not only solves the operation problems such as installation space, operation time, and restricted use of rail vehicles, but also greatly improves the installation quality through large modular factory assembly. This product fills the market gap and has important demonstration significance for promoting the quality and efficiency improvement and green development of the rail transit industry. During the reporting period, Fangda Zhiyuan was selected into the "2023 Guangdong-Hong Kong-Macao Greater Bay Area Innovation Achievement List".

③ The demand for maintenance is constantly expanding, and the maintenance business is growing year by year

With the continuous increase in the number of operating mileage of urban rail transit, China has become a country with the longest operating mileage and a high-density line network in the world. Professional maintenance and repair have become the long-term necessary work for rail transit operation. The expansion of operation and maintenance demand indicates the huge potential of the rail transit aftermarket. The Company has the technical service advantages of the entire industrial chain of the rail transit platform screen door system. The independently developed intelligent operation and maintenance guarantee system for platform screen doors can accurately locate the possible faulty components, faulty positions, and faulty reasons of the system by real-time monitoring, statistics, and analysis of the operating conditions of site equipment, reduce the personnel input of system operation and maintenance, improve the reliability and safety of the platform screen door system, and improve the intelligent level of station operation. At the same time, the technical service team can also combine the operation and maintenance system to provide customers with professional technical support in a timely and efficient manner. During the reporting period, the Company's rail transit platform screen door industry maintenance revenue was RMB32,532,100, an increase of 4.31% compared with the same period last year, accounting for 12.35% of the revenue of the rail transit platform screen door business. The good development opportunities of the Company's professional technical maintenance service business have gradually emerged.

(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 experience. In China, the Company has completed the earliest 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) Business Management and Services

The commercial development management and property service projects operated by the Company are mainly in Shenzhen City and Nanchang City. As a first-tier city, Shenzhen has a relatively high market activity. At the same time, with the in-depth advancement of the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, Shenzhen's strong development trend and the positive signals continuously released by national policies have been highly recognized by the market, and the sales and rental de-stocking rate of the Company's Shenzhen Fangda City project is relatively fast. At the end of the reporting period, the sales rate of Shenzhen Fangda Town project was 98.70%, and the leasing rate of self owned properties was 81.67%. 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 42.21%, and the occupancy rate of self-owned properties was 91.68%.

The two urban renewal projects of the Company located in Shenzhen are also continuously advancing, among which the Shenzhen Henggang Dakang Project is orderly promoting the planning and approval work; the Shenzhen Fuyong Fangda Bangshen Project is steadily advancing the review of the renewal plan.

II. Core Competitiveness Analysis

(I) Smart curtain wall system and material

1. Technological Innovation Advantage

Adhering to the business philosophy of "technology-oriented and innovation-driven", the Company continuously strengthens technological innovation, grasps the development trend of the curtain wall industry in the process of meeting market demand, and improves the competitiveness of the Company's products, solutions and services. The Company has successively participated in the formulation of 22 national or industry standards such as the "Design Standard for Energy Efficiency of Public Buildings", and has taken the lead in establishing R&D institutions such as enterprise postdoctoral workstations, provincial engineering technology research centers, and research and design institutes in the same industry across the country. The independent innovation ability and technical level have reached the advanced level in the domestic same industry. Six subsidiaries engaged in the intelligent curtain wall system and materials industry are national high-tech enterprises, five of which are "specialized, refined, and innovative" enterprises, providing strong platform support for the Company to achieve high-quality innovative development. They have been awarded honors such as national intellectual property advantage enterprises, "specialized, refined, and innovative" little giants, Guangdong Provincial Engineering Technology Research Center, Jiangxi Provincial Enterprise Technology Center, Jiangxi Provincial Intelligent Manufacturing Benchmarking Enterprise, and Guangdong Provincial Innovative SMEs. The Company's independent innovation and continuous innovation have created the Company's leading technological level and product delivery capabilities.

As a leading enterprise in the curtain wall industry, the Company accelerates scientific and technological innovation and the transformation of achievements, continuously breaks through key core technologies, and creates many enterprise records. The Company vigorously promotes intelligent construction and refined management, applies emerging technologies such as big data, cloud computing, and 5G to production and management, independently develops a "contract-centered" full-chain information management system, builds a modern factory through digital and intelligent production line construction, continuously improves the level of scientific decision-making and operational efficiency, effectively enhances the Company's competitiveness, and provides an important guarantee for the Company's development.

2. Brand Value Advantage

The Company's brand advantage can bring more business opportunities and partnerships. The Company has been deeply engaged in the curtain wall field for more than 30 years, always adheres to quality first, and has received high recognition from the industry and many professionals with its long-term excellent product advantages and service quality, and has a good reputation. It is one of the preferred brands in the domestic high-end curtain wall system materials industry. At the same time, the Company consolidates the brand value advantage and actively promotes the Company's business development by continuously improving product quality and optimizing service efficiency. The Company has won "National Quality Award", "Luban Award (National Quality Engineering Award)", Zhan Tianyou award, China Architectural Decoration Award and more than 200 provincial and ministerial awards. It has created thousands of landmark projects worldwide and has become the leading brands in the field of high-end curtain wall. The Fangda trademark has been recognized as a "China Well-known Trademark," and has also been awarded the titles of "International Reputation Brand" and "Shenzhen Old Brand."

3. Industrial layout advantages

Through years of development, the Company has established a nationwide industrial layout centered around its Shenzhen headquarters, with production bases in Shanghai, Chengdu, Nanchang, Dongguan, and Ganzhou (under construction). The Company possesses a comprehensive solution that integrates research and development, design, manufacturing, project management, construction, and maintenance services, thus creating a complete industrial chain in the curtain wall systems and materials sector. Among them, Dongguan Songshanhu Base is one of the most advanced high-end curtain wall system production bases in the industry, with industry-leading capabilities in R&D design, manufacturing, and smart curtain wall system delivery. The construction of the first phase of the Ganzhou Base has been basically completed, and the production equipment is currently being debugged. In the future, it will be an industry-leading digital economy new quality productivity demonstration base integrating system innovation, R & D, and manufacturing.

The Company's well-established production base layout and complete industry chain optimize production costs, enhances efficiency, and enable rapid response to changes in market demand, providing an important guarantee for increasing market share and overall competitiveness.

4. Talent

The Company implements an innovation-driven development strategy, speeds up the training of innovative talents through multiple channels, actively introduces and nurtures various professional and technical and management talents, and is committed to building an innovative and efficient management and operation team. After years of development, the Company has an experienced and international senior management team and a professional and highly effective middle management team. It has a complete talent training system and talent reserve, as well as a smooth career development path for talents. At the same time, it has a complete incentive and evaluation system for the transformation of scientific and technological achievements, which fully stimulates the innovation vitality of R & D personnel, supports and leads the Company's quality improvement and efficiency increase, and sustainable and healthy development with scientific and technological innovation, and unswervingly takes the road of independent innovation, truly becoming a force to promote high-quality development of the enterprise. During the reporting period, the Company recruited 97 fresh graduates, laying a solid foundation for the Company's talent reserve.

(II) Rail transport screen door business

1. Technical R&D advantage

The Company adheres to independent innovation and was the first in China to develop a proprietary railway platform screen door system, breaking the monopoly of foreign companies in China's railway platform screen door market. Through years of continuous engineering practice and technological innovation, the Company has accumulated profound technical expertise and possesses a strong advantage in technology research and development. The Company has established a mature technology research and development system. Fangda Zhiyuan's platform screen door system research center has been awarded the Guangdong Provincial Engineering Technology Center by the Guangdong Provincial Department of Science and Technology. The R&D team possesses strong technological innovation capabilities, and its research outcomes have successively won Guangdong Provincial Science and Technology Awards and Shenzhen Municipal Science and Technology Progress Awards. The Company's urban rail transit platform screen doors have been recognized as a "single-champion product in manufacturing" by the Ministry of Industry and Information Technology. Fangda Zhiyuan has been selected as a "National Intellectual Property Advantage Enterprise" and a Shenzhen "specialized and innovative" enterprise. The Company has taken the lead in compiling the first Chinese industry standard for "Urban Rail Transit Platform Screen Doors" and is currently leading the drafting of the first national standard for "Urban Rail Transit Platform Screen Doors". The R&D project of urban rail transit visual multimedia full-height platform screen doors has been recognized as a "Shenzhen Enterprise Innovation Record", demonstrating Fangda's continuous comprehensive leading position and industry benchmark status in the field of urban rail transit equipment.

During the operation and development, the Company has always maintained a high level of R&D investment, formed a wealth of innovative achievements, and obtained a number of intellectual property rights in the structure, electrical, control, system reliability and safety of PSD system. Through the accumulation of its own patents, software copyrights and proprietary technologies, the Company has built a completely independent and controllable platform for the basic technology of platform door control system. They are developed and produced by the Company, which can quickly diagnose and eliminate various system control problems. On the basis of the basic platform, the Company has successively developed anti-pinch system based on image recognition, embedded display system, intelligent operation and maintenance system and other modules, which can be flexibly customized according to specific requirements and can better meet customer needs.

The Company has innovatively developed a safety door product for high-speed rail platforms, specifically targeting high-speed or intercity platforms where multiple train models dock. The product allows for the arbitrary setting of door unit positions and sizes, accommodating different train body specifications and door opening positions. It serves as an ideal platform door solution for high-speed and intercity platforms with multiple train models docking or uncertain train models docking. This product satisfies the needs of trunk railways, intercity railways, urban (suburban) railways, and seamless integration scenarios between urban rail transit systems. It can automatically open and close doors at any position and ensures passenger safety protection on station platforms. Currently, the Company is actively promoting the product in the market to achieve early implementation and explore new application scenarios and market opportunities.

2. Industry chain advantage

As the first enterprise to enter the metro screen door industry in China, the Company is able to provide R & D, design, manufacturing, engineering construction, technical services, technical training, system maintenance, spare parts supply as part of the whole industry chain. A complete industrial chain helps the Company to realize resource sharing at all stages and meet the market demand for specialized products and services, thereby effectively reducing the Company's production and management costs and improving profitability and competitive advantages.

With the continuous increase in the number of operating miles of urban rail transit in China, China has become a major country in rail transit with the longest operating mileage and a high-density line network in the world. Many subway platform screen door systems have entered the maintenance period, and the Company actively expands subway maintenance business. 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 operations and maintenance service team is now present in over 30 cities worldwide. With the continuous improvement of service capabilities and customer recognition, the contribution of technical service revenue is expected to increase year by year.

3. Brand and Market Position Advantage

As an early entrant into the platform screen door system field in China, the Company has received high praise and recognition from many customers with its outstanding advantages such as product safety, reliability, usability, and sustainability, and has established the Fangda brand advantage and market position. During the reporting period, Fangda Zhiyuan won the "2023 Excellent Equipment Supplier" and "Shenzhen Metro Line 8 Phase II Project Excellent Contribution Unit" of Shenzhen Metro Construction Group, and the maintenance project was rated as the "2023 Platform Door Professional Outsourcing Service Project" of the Mechanical and Electrical Center of Wuhan Metro Operation Co., Ltd. and the "Excellent Outsourcing Maintenance Project" of Wuhan Railway Transport Service Media Co., Ltd.

According to the information released by RT Rail Transit Network, Fangda Zhiyuan topped the list of successful bidders for urban rail transit platform screen doors in China in 2023, ranking first in the number of bid-winning stations. It won 6 urban rail platform screen door system projects throughout the year, involving 5 lines and 123 stations. During the reporting period, relying on a good brand image and market awareness, the Company successively won and signed orders for platform screen door system projects such as Hefei Rail Transit Line 8, Shenyang Metro Line 1 East Extension, and Shenyang Metro Line 3 Phase I. At the same time, it also obtained orders for professional technical maintenance services for rail transit platform screen doors in Nanning Metro Line 5, Wuhan Rail Transit Line 6, Wuhan-Xiaogan Intercity Railway, Wuhan-Xianning Intercity Railway, and other projects. In addition, the Company took the lead in going to the international market and has obtained several important projects in Singapore, Hong Kong, China, Malaysia, India, Greece, Colombia, and other countries and regions. The Company's product design capabilities, delivery timeliness, and product quality stability have been fully recognized by overseas customers. The Company's good brand image and market awareness help to continuously improve the Company's competitiveness and lay a solid foundation for the healthy development of the Company.

4. Organizational structure advantage

The Company offers customized urban rail transit platform screen door systems, which involve various management stages from order acquisition to final project delivery, including research and development, design, manufacturing, testing, installation, and maintenance. These services are characterized by high contract work refinement and long performance cycles. To provide more comprehensive services, the Company has established an organizational structure that meets customer needs, equipped with professionals in each service stage.

The Company possesses outstanding professional capabilities and a well-configured research and development team, capable of providing technical solutions for customers' special requirements. In terms of product design, the Company's technical team has extensive experience. In product manufacturing, the Company owns a large-scale production factory and has a complete and reliable supply chain. For product testing, the Company has well-equipped and professional testing equipment and methods. In terms of installation, the Company holds the first-level qualification of national construction mechanical and electrical installation engineering, enabling it to independently undertake installation work as stipulated by contracts. In terms of maintenance, the Company has an operations and maintenance center with professional maintenance teams. Maintenance centers are established at customer locations and project sites, allowing for faster and more considerate services.

(3) New energy industry

The Company's new energy industry primarily focuses on the application of new energy and energy-saving technologies, such as solar photovoltaic power plants and building-integrated photovoltaics (BIPV). Its business scope spans across the construction and photovoltaic power generation industries. The Company has been actively developing solar photovoltaic curtain wall system technology for over twenty years. It is one of the domestic enterprises that started early in the design, manufacturing, and integration of solar photovoltaic building-integrated (BIPV) systems.

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, in terms of product system integration, the Company has over twenty years of experience in electromechanical product integration and project management. It possesses professional qualifications in mechanical and electrical installation, among others.

(4) Business Management and Services

Located in the core area of the Guangdong-Hong Kong-Macao Greater Bay Area, the Company adopts a differentiation competition strategy, with a focus on operating self-owned properties like Fangda Town, and accelerating two urban renewal projects in Shenzhen. Meanwhile, through years of operation services, the Company has established a professional and capable team, efficient management processes and information systems, and accumulated rich experience, which can provide high-quality management and services.

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	2,133,845,587.76	2,078,846,877.32	2.65%	
Operating cost	1,737,599,184.98	1,624,230,468.63	6.98%	
Sales expense	23,558,271.96	28,143,556.79	-16.29%	
Administrative expense	84,841,558.95	79,590,941.46	6.60%	
Financial expenses	31,489,983.09	33,743,857.79	-6.68%	
Income tax expenses	16,519,019.26	28,189,905.44	-41.40%	Mainly due to a decrease in total profit
R&D investment	85,639,602.88	88,989,510.66	-3.76%	
Cash flow generated by business operations, net	-171,530,998.21	-37,313,711.13	-359.70%	Mainly due to the decrease in cash flow from operating activities of the curtain wall and materials business compared to the same period last year.
Cash flow generated by investment activities, net	-166,718,423.79	-60,178,421.86	-177.04%	The net outflow of investment activities in this period is mainly due to the construction of Fangda (Ganzhou) Low-carbon Intelligent Manufacturing Base and the investment in machinery and equipment.
Net cash flow generated by financing activities	465,466,353.53	58,776,644.90	691.92%	Mainly due to the increase in net inflow of bank financing activities in this period.
Net increase in cash and cash equivalents	128,801,152.42	-35,005,223.01	467.95%	Mainly due to the changes in the net cash flow from operating activities, investing activities, and financing activities.
Credit impairment ("-" for loss)	-7,874,799.00	20,274,577.59	-138.84%	Mainly due to the increase in the bad debt provision for accounts receivable in this period.
Investment impairment loss ("-" for loss)	-15,876,085.85	-14,673,904.92	-8.19%	
After-tax net of other misc. income attributed to the shareholders of the parent company	28,592,893.06	-10,103,043.90	383.01%	Mainly due to the conversion of some self-used properties to rentals in this period, from fixed assets to investment properties measured at fair value.

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	2,133,845,587.76	100%	2,078,846,877.32	100%	2.65%
Industry					
Metal production	1,737,754,739.77	81.44%	1,654,849,166.62	79.60%	5.01%
Railroad industry	263,455,042.38	12.35%	291,615,462.85	14.03%	-9.66%
Commercial real estate	118,828,634.36	5.57%	115,913,190.77	5.58%	2.52%
New energy industry	7,061,695.63	0.33%	8,947,285.78	0.43%	-21.07%
Others	6,745,475.62	0.32%	7,521,771.30	0.36%	-10.32%
Product					
Curtain wall system and new materials	1,737,754,739.77	81.44%	1,654,849,166.62	79.60%	5.01%
Subway screen door and service	263,455,042.38	12.35%	291,615,462.85	14.03%	-9.66%
Commercial real estate leasing and property services	118,828,634.36	5.57%	115,913,190.77	5.58%	2.52%
PV power generation products	7,061,695.63	0.33%	8,947,285.78	0.43%	-21.07%
Others	6,745,475.62	0.32%	7,521,771.30	0.36%	-10.32%
District					
In China	1,955,457,106.44	91.64%	1,831,339,689.35	88.09%	6.78%
Out of China	178,388,481.32	8.36%	247,507,187.97	11.91%	-27.93%

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	1,737,754,739.77	1,498,853,634.92	13.75%	5.01%	8.29%	-2.61%
Railroad industry	263,455,042.38	204,334,717.47	22.44%	-9.66%	-1.59%	-6.36%
Commercial real estate	118,828,634.36	30,419,966.05	74.40%	2.52%	6.58%	-0.98%
Product						
Curtain wall system and new materials	1,737,754,739.77	1,498,853,634.92	13.75%	5.01%	8.29%	-2.61%
Subway screen	263,455,042.38	204,334,717.47	22.44%	-9.66%	-1.59%	-6.36%

door and service						
Commercial real estate leasing and property services	118,828,634.36	30,419,966.05	74.40%	2.52%	6.58%	-0.98%
District						
In China	1,955,457,106.44	1,607,183,210.73	17.81%	6.78%	10.04%	-2.44%

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	-2,082,121.20	-1.55%		No
Gain/loss caused by changes in fair value	558,364.87	0.42%		No
Assets impairment	-15,876,085.85	-11.81%	Provision for impairment of contract assets	No
Non-operating revenue	178,760.55	0.13%		No
Non-business expenses	535,703.48	0.40%		No
Credit impairment loss	-7,874,799.00	-5.86%	Mainly the bad debt provision for 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	1,685,006,677.59	12.25%	1,425,151,116.24	10.65%	1.60%	
Account receivable	1,022,698,982.69	7.43%	911,486,914.19	6.81%	0.62%	
Contract assets	2,615,862,223.46	19.02%	2,488,429,802.41	18.60%	0.42%	
Inventory	752,777,729.07	5.47%	755,624,486.51	5.65%	-0.18%	
Investment real estate	5,684,258,283.56	41.32%	5,756,809,168.26	43.04%	-1.72%	
Long-term	54,722,057.88	0.40%	54,757,017.40	0.41%	-0.01%	

share equity investment						
in fixed assets	723,454,635.28	5.26%	620,828,178.38	4.64%	0.62%	
Construction in process	242,897,579.60	1.77%	109,414,347.33	0.82%	0.95%	
Use right assets	23,987,257.81	0.17%	20,776,829.58	0.16%	0.01%	
Short-term loans	2,428,741,196.99	17.66%	2,208,055,039.21	16.51%	1.15%	
Contract liabilities	217,382,606.30	1.58%	198,164,209.47	1.48%	0.10%	
Long-term loans	880,000,000.00	6.40%	660,000,000.00	4.93%	1.47%	
Lease liabilities	12,122,587.89	0.09%	6,675,870.04	0.05%	0.04%	

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	173,737.06							0.00
3. Other non-current financial assets	7,455,617.17	2,702.12					-1,087,037.25	6,371,282.04
4. Receivable financing	6,979,428.14							4,668,854.47

Subtotal	14,608,782.37	2,702.12					-1,087,037.25	11,040,136.51
Investment real estate	5,747,572,171.31	555,662.75	103,340,456.61			3,189,499.43	-69,692,344.00	5,675,245,990.63
Total	5,762,180,953.68	558,364.87	103,340,456.61	0.00	0.00	3,189,499.43	-70,779,381.25	5,686,286,127.14
Financial liabilities	0.00						0.00	628,367.00

Other change

The other changes in other non-current financial assets RMB-1,087,037.25 were due to the recovery of some investments; the other changes in investment real estate RMB-69,692,344.00, mainly due to the increase of RMB84,275,738.00 caused by the transfer of inventory and fixed assets, and the decrease of RMB153,968,082.00 caused by the transfer of investment real estate to self-used fixed assets.

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

Item	Book value on June 30, 2024 (RMB)	Reason
Monetary capital	776,544,406.75	Various deposits
Notes receivable	21,096,517.86	Bills endorsed or discounted but not yet due
Account receivable	34,843,474.59	Loan by pledge
Construction in process	228,077,468.49	Loan by pledge
in fixed assets	141,500,759.61	Loan by pledge
Investment real estate	1,827,299,718.88	Loan by pledge
Intangible assets	23,454,260.19	Loan by pledge
Equity pledge	200,000,000.00	100% stake in Fangda Property Development held by the Company
Total	3,252,816,606.37	

VI. Investment

1. General situation

☑ Applicable □ Inapplicable

Investment (yuan) in the report period	Investment (yuan) in the previous period	Change
205,541,120.00	29,500,000.00	596.75%

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	Disclosure date (if any)	Disclosure source (if any)
Phase 1 of Fangda (Ganzhou) Low Carbon Intelligent Manufacturing Headquarters Base	Self-built	Yes	Mainly produce PVDF aluminum veneer, nano aluminum veneer and other new materials, smart curtain wall system, photovoltaic building integration system, aluminum alloy compo	205,541,120.00	275,541,120.00	Self-owned fund	73.26%			--	December 17, 2022	Announcement on Investment and Construction of Fangda (Ganzhou) Low Carbon Intelligent Manufacturing Headquarters Base released on http://www.cninfo.com.cn/

			nents, and precision steel components.									
Total	--	--	--	205,541,120.00	275,541,120.00	--	73.26%	--	--	--	--	--

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	Opening 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
Forward foreign exchange	6,210.72	6,210.72	-80.21	-62.84	1,001.00	4,530.88	2,680.84	0.45%
Total	6,210.72	6,210.72	-80.21	-62.84	1,001.00	4,530.88	2,680.84	0.45%
Accounting policies and specific accounting principles of hedging business during the reporting period, as well as	The forward foreign exchange business of the Company meets 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.							

whether there are significant changes compared with the previous reporting period	
Description of actual profit and loss during the reporting period	During the reporting period, the gains and losses generated by the forward foreign exchange hedging instrument 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 legal risks)	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.
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	Fair value of derivatives are measured at open prices in the open market

assumptions and parameters.	
Lawsuit (if any)	No
Disclosure date of derivative investment approval by the Board of Directors (if any)	October 30, 2023

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 materials	600,000,000.00	5,948,864,608.12	1,811,503,620.79	1,578,189,190.18	46,841,972.51	47,857,077.16
Fangda Zhiyuan	Subsidiaries	Subway screen door and service	105,000,000.00	1,021,524,281.13	317,724,568.13	263,455,042.38	20,534,500.56	17,975,469.57

Fangda Property	Subsidiaries	Real estate sales	200,000,000.00	5,692,737,095.14	2,625,192,476.55	69,807,930.73	29,267,733.01	21,916,684.66
Fangda Property Management	Subsidiaries	Property management service	10,000,000.00	72,310,714.92	51,234,334.12	39,240,929.86	16,363,554.84	12,287,341.85

Acquisition and disposal of subsidiaries in the report period

☑ Applicable □ Inapplicable

Company	Acquisition and disposal of subsidiaries in the report period	Impacts on overall production, operation and performance
Fangda Curtain Wall Singapore	Newly set	None
Shenzhen Fangda Investment Partnership (Limited Partnership)	Decrease due to liquidation and cancellation	None

Major joint-stock companies

During this reporting period, the operating income of Fangda Construction Technology Co., Ltd. was RMB1,578,189,190.18, of which the main business income was RMB1,573,343,071.67, and the operating profit was RMB46,841,972.51, of which the main business profit was RMB45,444,687.42; the operating income of Fangda Zhiyuan Co., Ltd. was RMB263,455,042.38, of which the main business income was RMB263,135,057.05, and the operating profit was RMB20,534,500.56, of which the main business profit was RMB20,415,148.95; the operating income of Fangda Real Estate Co., Ltd. was RMB69,807,930.73, of which the main business income was RMB69,397,823.54, and the operating profit was RMB29,267,733.01, of which the main business profit was RMB28,857,625.82; the operating income of Fangda Property Management Co., Ltd. was RMB39,240,929.86, of which the main business income was RMB39,240,929.86, and the operating profit was RMB16,363,554.84, of which the main business profit was RMB16,363,554.84.

IX. Structural entities controlled by the Company

□ Applicable ☑ Inapplicable

X. Risks facing the Company and measures

1. Risks of macro environment and policy changes

The Company's main business segments are closely related to macroeconomic and industrial policies and are greatly affected by the overall macro environment. The year 2024 is a year in which the Company takes significant strides towards the global market. If there are adverse changes in the international and domestic macroeconomic environment, weak economic momentum 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 respond to the opportunities and challenges brought about by changes in the economic environment and policies, the Company will closely monitor changes in the domestic and international macroeconomic and policy situations, adjust the Company's business strategies in a timely manner, make overall use of domestic and international markets and resources, further enhance the competitiveness of products and the ability to operate and manage, and increase market share. The core technology will be actively extended to other industries, centering on the key strategic directions of the country, and efforts will be made to build a diversified industrial pattern with a reasonable structure, scientific layout, and collaborative efficiency to cope with the risks brought about by changes in the macro environment and policies.

2. Market competition risks

The overall design level and quality requirements of China's curtain wall industry are constantly improving. Although the industry concentration is low, in the high-end market, especially the majority of the national landmark and regional key curtain wall projects are contracted by the leading domestic curtain wall enterprises, regional competition will become more intense, and the Company's traditional competitive products will face price space compression. The Company will face certain market competition risks in the future. 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 addition, industry competition and opportunities coexist, and market development puts forward high requirements for the combination of new technology applications, and the standards for product design, development, and upgrading are improved. If market demand research is not sufficient, or the future development and changes of technology cannot be accurately predicted, it may lead to the insufficient combination of modern technology and the Company's existing technology, which is not conducive to the company maintaining its leading position in forward-looking and leading scientific and technological innovation.

In response, the Company will continue to adopt a proactive and prudent business policy, strengthen resource support for key areas, enhance product competitive advantages through technological innovation and refined management, accelerate the promotion of leading scientific research projects, carry out digital and intelligent technology research and application, form a working mechanism integrating market and R&D, and timely formulate countermeasures in terms of technology R&D and market operation, and strengthen communication with existing partners. Accelerate the return of funds and improve the Company's operational efficiency and market competitiveness. 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. Risk of Accounts Receivable Recovery

Some of the smart curtain wall projects contracted by the Company have the characteristics of long construction period, large investment, slow settlement, and lagging recovery. In recent years, with the growth of the Company's revenue scale, the amount of accounts receivable has also been increasing, which may cause the Company's capital turnover speed and operational efficiency to decrease, resulting in liquidity risks and bad debt losses.

The Company will further strengthen the risk prevention awareness of accounts receivable recovery, strengthen customer credit evaluation, carefully select partners and customers, and prioritize capital risk control. Regularly analyze and dynamically monitor the contract assets and accounts receivable of key projects, strengthen incentives and constraints, and take multiple measures and comprehensive measures to promote the recovery of funds through normalized and listed management and control.

4. Management risks

With the continuous expansion of the Company's asset scale, personnel scale, and business scale, and the increase in the number of subsidiaries, the difficulty of the Company's daily management work is increasing, and it 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.

XI. Implementation of the Action Plan for "Double Improvement of Quality and Return"

Has the Company disclosed an action plan for "Double Improvement of Quality and Return".

□ Yes ☑ No

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
1st Provisional Shareholders' Meeting 2024	Extraordinary shareholders' meeting	23.93%	January 8, 2024	January 9, 2024	Please refer to the information published on http://www.cninfo.com.cn *Announcement on the Resolution of the 2024 1st Extraordinary Meeting of Shareholders of China Fangda Group Co., Ltd.*
2023 Annual Shareholder Meeting	Annual shareholders' meeting	24.21%	April 22, 2024	April 23, 2024	Please refer to the information published on http://www.cninfo.com.cn *Announcement on the Resolution of the 2023 General Meeting of Shareholders of China Fangda Group Co., Ltd.*

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
Huang Yaying	Independent director	Resigned	January 8, 2024	Huang Yaying has resigned due to personal reasons
Song Ming	Independent director	Elected	January 8, 2024	Was elected as an independent director of the Company at the first extraordinary general meeting of

				shareholders in 2024
Xiong Xi	Vice chairman	Elected	March 18, 2024	Was elected as the Vice Chairman at the seventh meeting of the 10th Board of Directors.

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

V. Environmental and social responsibility

1. 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
Inapplicable	Inapplicable	Inapplicable	Inapplicable	Inapplicable	Inapplicable

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

Since its inception, the Company has adhered to the mission of green and environmental protection, actively exploring the path of environmental friendliness and complementary development of the enterprise. The Company's smart curtain wall, photovoltaic building integration (BIPV) project, rail transit PSD system, solar photovoltaic power station and other industries have energy-saving and environmental protection attributes. Combined with the characteristics of the industry, the Company has successively developed national and provincial key environmental protection new products such as ventilated and photovoltaic curtain walls, nano self-cleaning and fireproof honeycomb aluminum composite plates, and takes the lead in developing the railway transport PSD system with independent intellectual property rights in China. The Company's "full height open platform screen door of rail transit" technology has reduced the energy consumption of air conditioning and ventilation system by more than 20%, and the products of double-layer breathing curtain wall system save energy by more than 30% compared with the traditional curtain wall. During the reporting period, the Company continued to increase its research and development efforts in green and low-carbon technologies, independently developed ultra-low energy consumption window-wall combination curtain wall systems, three-module full-height platform screen door structure products, etc., and adhered to integrating the concept of green development into the entire life cycle of product design, manufacturing and installation, and service operation, continuously promoting the transformation of production methods to green and low-carbon.

During the reporting period, the new energy industry's solar photovoltaic power generation was 7.262 million kWh, equivalent to saving 2,614.24 tons of standard coal, reducing carbon dioxide emissions by nearly 7,240 tons, reducing sulfur dioxide emissions by 85 tons, and reducing water resource usage by 29,048 tons, continuously contributing to the realization of carbon peak and carbon neutrality goals.

Reasons for non-disclosure of other environmental information

Inapplicable

2. Social responsibilities

While creating economic value, the Company attaches great importance to the sustainable development of the environment and society, actively fulfills corporate social responsibility, and has voluntarily issued social responsibility reports for 6 consecutive years. By setting a positive example in the fields of ecological environment protection and promoting social development, it demonstrates the responsibility of the enterprise. The Company has carried out industrial support in Guangdong, Shaanxi, Guizhou, Jiangxi and Tibet, helping rural areas to plant cash crops such as tea mushrooms and lilies according to local conditions, supporting rural collective breeding industry projects, constructing greenhouse photovoltaic power stations, distributed photovoltaic power stations and other rural industrial "blood-creation" projects, and fostering new impetus to the development of rural economy, helping to build a thriving industry and ecological development. Helping to build a beautiful countryside in the new era of prosperous industry, ecological livability, civilized countryside, effective governance, and affluent life, which has achieved good social effects and gained high praise from all walks of life.

In addition, the Company actively participates in various public welfare activities, involving many aspects such as public welfare education, public health, rural medical assistance, disaster relief, environmental protection, and rural revitalization, fulfills corporate social responsibility, and contributes to building a harmonious society and promoting social progress. During the reporting period, the Company once again won the honor of "Outstanding Enterprise in Fulfilling Social Responsibility".

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 lawsuits

☑ 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)	43,569.07	No	In the stage of filing, trial, or execution	Some cases are under trial, and it is expected that they will not have a significant impact on the company's operations and financial situation; for some cases, the judgment has come into effect, and the final actual impact shall be subject to the execution result	Some cases are under execution		
Summary of matters where the Company and its subsidiaries as defendants fail to meet the disclosure standards of major litigation (arbitration)	6,905.83	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

The Company received no major penalty and made no correction in the report period.

X. Credibility of the Company, controlling shareholder and actual controller

□ Applicable ☑ Inapplicable

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 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										
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	February 28, 2023	93,000	December 28, 2023	65,159.21	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Jianke	April 2, 2024	24,000	May 27, 2024	21,746.4	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	30,000	September 25, 2023	19,116.9	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	50,000	September 28, 2023	29,076.89	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	30,000	October 20, 2023	19,085.99	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	39,000	January 24, 2024	24,300.15	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Jianke	April 2, 2024	15,000	May 11, 2024	15,000	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	48,000	December 15, 2023	30,817.45	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	50,000	October 23, 2023	50,000	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	11,400	August 16, 2023	3,146.6	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	October 9, 2023	9,900	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes

Fangda Jianke	April 2, 2024	4,000	June 20, 2024	4,000	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Jianke	April 2, 2024	60,000	June 27, 2024	35,000	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	30,000	December 21, 2023	19,961.82	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	November 2, 2023	10,000	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Zhiyuan	April 2, 2024	36,000	June 27, 2024	15,271.84	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Zhiyuan	April 2, 2024	15,000	May 30, 2024	2,162.36	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	20,000	October 7, 2023	2,713.31	Joint and several liability guarante	No	No	since engage of contract	No	Yes

					e			to 3 years upon due of debt		
Fangda Zhiyuan	February 28, 2023	15,000	September 25, 2023	9,716.51	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Zhiyuan	April 2, 2024	10,000	May 11, 2024	997.57	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	December 15, 2023	6,098.37	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	15,550	November 21, 2023	7,880.7	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	10,000	September 25, 2023	70.41	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	10,000	December 21, 2023		Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of	No	Yes

								debt		
Fangda Yunzhu	April 2, 2024	600	June 3, 2024	24.15	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Yunzhu	April 2, 2024	1,000	May 7, 2024		Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Yunzhu	April 2, 2024	1,000	June 28, 2024	1,000	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Jiangxi New Material	February 28, 2023	8,500	November 2, 2023	4,987.16	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Jiangxi New Material	February 28, 2023	10,000	April 18, 2023	2,064.07	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Property	December 4, 2019	135,000	February 25, 2020	66,000	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Zhijian	April 2, 2024	7,000	May 8, 2024	5,774.01	Joint and several	No	No	since engage	No	Yes

					liability guarantee			of contract to 3 years upon due of debt		
Fangda Intelligent Manufacturing	December 23, 2023	30,000	February 22, 2024	25,000	Joint and several liability guarantee	No	No	since engage of contract to 3 years upon due of debt	No	Yes
Fangda Zhiyuan	December 23, 2023	31,896.02	February 17, 2024	31,896.02	Joint and several liability guarantee	No	No	From the date of issuance of the guarantee letter to the completion of the project contract	No	Yes
Fangda Zhiyuan	December 23, 2023	24,885.16	February 17, 2024	24,885.16	Joint and several liability guarantee	No	No	From the date of issuance of the guarantee letter to the completion of the project contract	No	Yes
Total of guarantee to subsidiaries approved in the report term (B1)		788,831.18		Total of guarantee to subsidiaries actually occurred in the report term (B2)		371,236.68				
Total of guarantee to subsidiaries approved as of the report term (B3)		923,831.18		Total of balance of guarantee actually provided to the subsidiaries as of end of report term (B4)		562,853.05				
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)	788,831.18	Total of guarantee occurred in the report term (A2+B2+C2)	371,236.68
Total of guarantee approved as of end of report term (A3+B3+C3)	923,831.18	Total of guarantee occurred as of the end of report term (A4+B4+C4)	562,853.05
Percentage of the total guarantee occurred (A4+B4+C4) on net asset of the Company		93.50%	
Including:			
Balance of guarantees provided to shareholders, actual controllers, and their affiliates(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)		261,875.22	
Total of the above 3 (D+E+F)		261,875.22	
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 (if any)		No	
Statement of external guarantees violating the procedure (if any)		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 contracts

□ Applicable ☑ Inapplicable

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

13. Other material events

☑ Applicable □ Inapplicable

To meet the needs of future business development, the 17th meeting of the 9th board of directors of the Company reviewed and approved the "Proposal on the Investment and Construction of Fangda (Ganzhou) Low-carbon Intelligent Manufacturing Headquarters Base", and agreed that the Company would invest in the construction of Fangda (Ganzhou) Low-carbon Intelligent Base in Zhanggong District, Ganzhou, Jiangxi Province. For details, please refer to the relevant announcement disclosed by the

Company on the website of Juchao Information on December 17, 2022. As of the date of this report's disclosure, the construction of the first phase of Fangda (Ganzhou) Low-carbon Intelligent Base has been basically completed, the main large-scale equipment has been purchased and installed as planned, and the commissioning of production equipment is currently underway.

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	3,861,043	0.36%					0	3,861,043	0.36%
1. State-owned shares							0		
2. State-owned legal person shares							0		
3. Other domestic shares	3,861,043	0.36%					0	3,861,043	0.36%
Including: Shares held by domestic legal persons							0		
Domestic natural person shares	3,861,043	0.36%					0	3,861,043	0.36%
4. Shares held by foreign investors							0		
Including: Shares held by foreign legal persons							0		
Domestic natural person shares							0		
II.	1,070,013,184	99.64%					0	1,070,013,184	99.64

Unrestricted shares									%
1. Common shares in RMB	675,854,429	62.94%					0	675,854,429	62.94%
2. Foreign shares in domestic market	394,158,755	36.70%					0	394,158,755	36.70%
3. Foreign shares in overseas market							0		
4. Others							0		
III. Total of capital shares	1,073,874,227	100.00%					0	1,073,874,227	100.00%

Reasons

□ Applicable ☑ Inapplicable

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

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		48,268		Number of shareholders of preferred stocks of which voting rights recovered in the report period (if any)			0	
Shareholding situation of ordinary shareholders holding more than 5% or the top 10 ordinary shareholders (excluding lending shares through refinancing)								
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	0	0	119,332,846	Inapplicable	0
Shengjiu Investment Ltd.	Foreign legal person	10.25%	110,116,276	0	0	110,116,276	Inapplicable	0
Fang Wei	Domestic natural person	4.31%	46,252,139	1,923,600	0	46,252,139	Inapplicable	0
Gong Qing Cheng Shi Li He Investment Management Partnership Enterprise (limited partner)	Domestic non-state legal person	1.48%	15,860,609	0	0	15,860,609	Inapplicable	0
Zhou Youming	Domestic natural person	1.02%	10,974,910	213,700	0	10,974,910	Inapplicable	0
Wu Xuandong	Domestic natural person	0.54%	5,827,436	441,686	0	5,827,436	Inapplicable	0
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	Foreign legal person	0.51%	5,470,550	0	0	5,470,550	Inapplicable	0
Xiong Jianming	Domestic natural person	0.48%	5,110,257	0	3,832,693	1,277,564	Inapplicable	0
Zhuang Liangjin	Domestic natural person	0.42%	4,550,000	281,000	0	4,550,000	Inapplicable	0
Qu Chunlin	Domestic natural person	0.41%	4,444,000	0	0	4,444,000	Inapplicable	0
Strategic investors or		No						

general legal persons become the top 10 ordinary shareholders due to the placement of new shares (if any)	
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 (if any)	No

Shareholding of the top 10 unrestricted ordinary shareholders (excluding lending shares through refinancing and executive restricted 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	46,252,139	RMB common shares	46,252,139
Gong Qing Cheng Shi Li He Investment Management Partnership Enterprise (limited partner)	15,860,609	RMB common shares	15,860,609
Zhou Youming	10,974,910	RMB common shares	10,974,910
Wu Xuandong	5,827,436	RMB common shares	5,827,436
Shenwan Hongyuan Securities (Hong Kong) Co., Ltd.	5,470,550	Domestically listed foreign shares	5,470,550
Zhuang Liangjin	4,550,000	RMB common shares	4,550,000
Qu Chunlin	4,444,000	RMB common	4,444,000

		shares	
VANGUARD EMERGING MARKETS STOCK INDEX FUND	4,200,804	Domestically listed foreign shares	4,200,804
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 (if any)	Wu Xuandong holds 5,827,436 shares of the company through the margin trading security deposit account of Huaxi Securities Co., Ltd.; Zhuang Liangjin holds 4,550,000 shares of the company through the margin trading security deposit account of Great Wall Securities Co., Ltd.		

The situation of lending shares by shareholders holding more than 5% of the shares, the top 10 shareholders, and the top 10 unrestricted tradable shareholders in the refinancing business.

□ Applicable ☑ Inapplicable

The top 10 shareholders and the top 10 unrestricted tradable shareholders have changed compared with the previous period due to the lending/returning of refinancing.

□ Applicable ☑ Inapplicable

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

The Company’s Directors, supervisors and senior management shareholding has remained unchanged during the report period. For details, please refer to the 2023 annual report.

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, 2024

In RMB

Item	Closing balance	Opening balance
Current asset:		
Monetary capital	1,685,006,677.59	1,425,151,116.24
Settlement provision		
Outgoing call loan		
Transactional financial assets		
Derivative financial assets		173,737.06
Notes receivable	35,745,717.64	47,372,881.27
Account receivable	1,022,698,982.69	911,486,914.19
Receivable financing	4,668,854.47	6,979,428.14
Prepayment	40,683,545.08	33,976,569.36
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Other receivables	151,311,534.99	145,113,323.33
Including: interest receivable		
Dividend receivable		
Repurchasing of financial assets		
Inventory	752,777,729.07	755,624,486.51
Including: data assets		
Contract assets	2,615,862,223.46	2,488,429,802.41
Assets held for sales		
Non-current assets due in 1 year		327,120,273.54
Other current assets	281,266,692.03	248,401,322.80
Total current assets	6,590,021,957.02	6,389,829,854.85

Non-current assets:		
Loan and advancement provided		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term share equity investment	54,722,057.88	54,757,017.40
Investment in other equity tools		
Other non-current financial assets	6,371,282.04	7,455,617.17
Investment real estate	5,684,258,283.56	5,756,809,168.26
in fixed assets	723,454,635.28	620,828,178.38
Construction in process	242,897,579.60	109,414,347.33
Productive biological assets		
Gas & petrol		
Use right assets	23,987,257.81	20,776,829.58
Intangible assets	136,750,123.83	140,073,209.88
Including: data assets		
R&D expense		
Including: data assets		
Goodwill		
Long-term amortizable expenses	5,074,172.96	6,749,314.04
Deferred income tax assets	189,628,993.91	182,858,549.07
Other non-current assets	99,449,614.04	86,799,770.90
Total of non-current assets	7,166,594,000.91	6,986,522,002.01
Total of assets	13,756,615,957.93	13,376,351,856.86
Current liabilities		
Short-term loans	2,428,741,196.99	2,208,055,039.21
Loans from Central Bank		
Call loan received		
Transactional financial liabilities		
Derivative financial liabilities	628,367.00	
Notes payable	930,323,177.19	868,886,946.79
Account payable	1,871,295,313.20	1,972,293,782.27
Prepayment received	1,799,054.73	1,432,885.03
Contract liabilities	217,382,606.30	198,164,209.47
Selling of repurchased financial assets		
Deposit received and held for others		
Entrusted trading of securities		
Entrusted selling of securities		
Employees' wage payable	33,499,836.34	74,063,112.26
Taxes payable	50,598,844.92	42,375,068.55
Other payables	117,203,529.49	117,581,764.15
Including: interest payable		

Dividend payable	6,962,732.02	
Fees and commissions payable		
Reinsurance fee payable		
Liabilities held for sales		
Non-current liabilities due in 1 year	44,012,088.95	64,135,136.46
Other current liabilities	47,206,729.29	53,524,655.05
Total current liabilities	5,742,690,744.40	5,600,512,599.24
Non-current liabilities:		
Insurance contract provision		
Long-term loans	880,000,000.00	660,000,000.00
Bond payable		
Including: preferred stock		
Perpetual bond		
Lease liabilities	12,122,587.89	6,675,870.04
Long-term payable		48,400,000.00
Long-term employees' wage payable		
Anticipated liabilities	4,325,637.41	4,842,411.47
Deferred earning	10,987,372.47	8,978,678.72
Deferred income tax liabilities	1,019,250,955.77	1,012,146,459.12
Other non-current liabilities		
Total of non-current liabilities	1,926,686,553.54	1,741,043,419.35
Total liabilities	7,669,377,297.94	7,341,556,018.59
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	11,397,609.25	11,459,588.40
Less: Shares in stock		
Other miscellaneous income	51,714,763.85	23,121,870.79
Special reserves		
Surplus reserve	79,324,940.43	79,324,940.43
Common risk provisions		
Retained profit	4,803,245,119.91	4,772,359,940.45
Total of owner's equity belong to the parent company	6,019,556,660.44	5,960,140,567.07
Minor shareholders' equity	67,681,999.55	74,655,271.20
Total of owners' equity	6,087,238,659.99	6,034,795,838.27
Total of liabilities and owner's interest	13,756,615,957.93	13,376,351,856.86

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

2. Balance Sheet of the Parent Company

In RMB

Item	Closing balance	Opening balance
Current asset:		
Monetary capital	20,165,378.71	45,926,194.32

Transactional financial assets		
Derivative financial assets		
Notes receivable		
Account receivable	1,262,717.75	683,592.53
Receivable financing		
Prepayment	3,743.53	324,209.77
Other receivables	1,699,175,362.68	1,684,718,397.92
Including: interest receivable		
Dividend receivable	62,142,383.24	
Inventory		
Including: data assets		
Contract assets		
Assets held for sales		
Non-current assets due in 1 year		
Other current assets	1,853,974.86	1,849,530.81
Total current assets	1,722,461,177.53	1,733,501,925.35
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term share equity investment	1,657,062,530.00	1,526,831,253.00
Investment in other equity tools		
Other non-current financial assets	30,000,001.00	30,000,001.00
Investment real estate	384,737,300.00	333,236,768.00
in fixed assets	47,583,051.05	63,599,689.10
Construction in process		
Productive biological assets		
Gas & petrol		
Use right assets	9,815,568.14	8,346,277.85
Intangible assets	789,827.08	852,064.55
Including: data assets		
R&D expense		
Including: data assets		
Goodwill		
Long-term amortizable expenses	342,110.12	472,845.61
Deferred income tax assets		
Other non-current assets		
Total of non-current assets	2,130,330,387.39	1,963,338,899.11
Total of assets	3,852,791,564.92	3,696,840,824.46
Current liabilities		
Short-term loans		300,270,416.67
Transactional financial liabilities		

Derivative financial liabilities		
Notes payable		
Account payable	794,548.40	804,004.81
Prepayment received	838,815.46	736,644.20
Contract liabilities		
Employees' wage payable	1,145,268.30	2,781,026.66
Taxes payable	862,779.03	364,147.97
Other payables	1,492,940,467.78	1,041,696,906.24
Including: interest payable		
Dividend payable		
Liabilities held for sales		
Non-current liabilities due in 1 year	3,465,350.33	3,936,569.69
Other current liabilities	67,307.52	41,741.14
Total current liabilities	1,500,114,536.82	1,350,631,457.38
Non-current liabilities:		
Long-term loans		
Bond payable		
Including: preferred stock		
Perpetual bond		
Lease liabilities	6,396,978.38	5,464,762.02
Long-term payable		
Long-term employees' wage payable		
Anticipated liabilities		
Deferred earning		
Deferred income tax liabilities	45,249,920.10	37,279,049.28
Other non-current liabilities		
Total of non-current liabilities	51,646,898.48	42,743,811.30
Total liabilities	1,551,761,435.30	1,393,375,268.68
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	18,309,808.71	-10,082,945.37
Special reserves		
Surplus reserve	79,324,940.43	79,324,940.43
Retained profit	1,129,160,317.96	1,159,988,498.20
Total of owners' equity	2,301,030,129.62	2,303,465,555.78
Total of liabilities and owner's interest	3,852,791,564.92	3,696,840,824.46

3. Consolidated Income Statement

In RMB

Item	H1 2024	H1 2023

1. Total revenue	2,133,845,587.76	2,078,846,877.32
Incl. Business income	2,133,845,587.76	2,078,846,877.32
Interest income		
Insurance fee earned		
Fee and commission received		
2. Total business cost	1,985,288,554.65	1,877,202,076.89
Incl. Business cost	1,737,599,184.98	1,624,230,468.63
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	22,159,952.79	22,503,741.56
Sales expense	23,558,271.96	28,143,556.79
Administrative expense	84,841,558.95	79,590,941.46
R&D cost	85,639,602.88	88,989,510.66
Financial expenses	31,489,983.09	33,743,857.79
Including: interest cost	29,211,652.87	48,188,161.19
Interest income	11,466,633.99	12,097,319.82
Add: other gains	11,462,337.51	8,563,782.32
Investment gains ("-" for loss)	-2,082,121.20	-2,361,833.19
Incl. Investment gains from affiliates and joint ventures	-34,959.52	294.42
Financial assets de-recognized as a result of amortized cost	-1,123,208.42	-2,362,127.61
Exchange gains ("-" for loss)		
Net open hedge gains ("-" for loss)		
Gains from change of fair value ("-" for loss)	558,364.87	129,892.00
Credit impairment ("-" for loss)	-7,874,799.00	20,274,577.59
Investment impairment loss ("-" for loss)	-15,876,085.85	-14,673,904.92
Investment gains ("-" for loss)	-1,490.22	373,352.08
3. Operational profit ("-" for loss)	134,743,239.22	213,950,666.31
Plus: non-operational income	178,760.55	204,046.54
Less: non-operational expenditure	535,703.48	569,862.59
4. Gross profit ("-" for loss)	134,386,296.29	213,584,850.26
Less: Income tax expenses	16,519,019.26	28,189,905.44
5. Net profit ("-" for net loss)	117,867,277.03	185,394,944.82
(1) By operating consistency		
1. Net profit from continuous operation ("-" for net loss)	117,867,277.03	185,394,944.82
2. Net profit from discontinuous operation ("-" for net loss)		
(2) By ownership		
1. Net profit attributable to the shareholders of the parent company	116,795,117.62	182,155,268.18
2. Gains and losses of minority shareholders (net losses are	1,072,159.41	3,239,676.64

shown in "-")		
6. After-tax net amount of other misc. incomes	28,588,475.40	-10,092,487.98
After-tax net amount of other misc. incomes attributed to parent's owner	28,592,893.06	-10,103,043.90
(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	28,592,893.06	-1,126,313.50
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	-676,913.84	-1,579,210.04
6. Translation difference of foreign exchange statement	-320,041.06	452,896.54
7. Others	29,589,847.96	
After-tax net of other misc. income attributed to minority shareholders	-4,417.66	10,555.92
7. Total of misc. incomes	146,455,752.43	175,302,456.84
Total of misc. incomes attributable to the owners of the parent company	145,388,010.68	172,052,224.28
Total misc gains attributable to the minor shareholders	1,067,741.75	3,250,232.56
8. Earnings per share:		
(1) Basic earnings per share	0.11	0.17
(2) Diluted earnings per share	0.11	0.17

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 2024	H1 2023
1. Turnover	10,908,179.61	12,358,317.34
Less: Operation cost	38,387.33	
Taxes and surcharges	800,435.12	659,523.84
Sales expense		
Administrative expense	14,985,010.04	14,762,448.49
R&D cost		
Financial expenses	4,743,454.39	3,690,612.01
Including: interest cost	4,028,333.33	3,898,333.33
Interest income	176,948.43	404,455.21
Add: other gains	92,490.50	78,916.83
Investment gains ("-" for loss)	62,189,550.62	

Incl. Investment gains from affiliates and joint ventures		
Financial assets de-recognized 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)	-87,996.70	398,974.45
Investment impairment loss ("-" for loss)		
Investment gains ("-" for loss)	1,053,415.23	
2. Operational profit ("-" for loss)	53,588,352.38	-6,276,375.72
Plus: non-operational income	5,025.00	44,168.06
Less: non-operational expenditure	5,000.00	33,194.93
4. Gross profit ("-" for loss)	53,588,377.38	-6,265,402.59
Less: Income tax expenses	-1,493,380.54	-1,403,545.41
4. Net profit ("-" for net loss)	55,081,757.92	-4,861,857.18
1. Net profit from continuous operation ("-" for net loss)	55,081,757.92	-4,861,857.18
2. Net profit from discontinuous operation ("-" for net loss)		
5. After-tax net amount of other misc. incomes	28,392,754.08	-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	28,392,754.08	
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	28,392,754.08	
6. Total of misc. incomes	83,474,512.00	-13,838,587.58
7. Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		

5. Consolidated Cash Flow Statement

In RMB

Item	H1 2024	H1 2023
1. Net cash flow from business operations:		
Cash received from sales of products and providing of	2,015,279,577.92	1,920,455,087.38

services		
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	3,542,492.79	4,515,868.70
Other cash received from business operation	43,910,264.70	43,447,921.80
Sub-total of cash inflow from business operations	2,062,732,335.41	1,968,418,877.88
Cash paid for purchasing products and services	1,575,961,682.07	1,366,927,959.80
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	265,431,660.16	238,020,813.88
Taxes paid	80,833,799.58	136,324,121.29
Other cash paid for business activities	312,036,191.81	264,459,694.04
Sub-total of cash outflow from business operations	2,234,263,333.62	2,005,732,589.01
Cash flow generated by business operations, net	-171,530,998.21	-37,313,711.13
2. Cash flow generated by investment:		
Cash received from investment recovery	985,601.68	
Cash received as investment profit	101,435.57	
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	266,715.00	27,880.04
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow generated from investment	1,353,752.25	27,880.04
Cash paid for construction of fixed assets, intangible assets and other long-term assets	167,181,373.04	60,206,301.90
Cash paid as investment		
Net increase of loan against pledge		
Net cash paid for acquiring subsidiaries and other operational units		
Other cash paid for investment	890,803.00	
Subtotal of cash outflows	168,072,176.04	60,206,301.90
Cash flow generated by investment activities, net	-166,718,423.79	-60,178,421.86
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	2,253,971,200.00	1,173,858,273.98
Other cash received from financing activities	330,600,944.44	
Subtotal of cash inflow from financing activities	2,584,572,144.44	1,173,858,273.98

Cash paid to repay debts	1,769,800,000.00	946,000,000.00
Cash paid as dividend, profit, or interests	124,740,119.51	100,394,812.98
Incl. Dividend and profit paid by subsidiaries to minority shareholders		
Other cash paid for financing activities	224,565,671.40	68,686,816.10
Subtotal of cash outflow from financing activities	2,119,105,790.91	1,115,081,629.08
Net cash flow generated by financing activities	465,466,353.53	58,776,644.90
4. Influence of exchange rate changes on cash and cash equivalents	1,584,220.89	3,710,265.08
5. Net increase in cash and cash equivalents	128,801,152.42	-35,005,223.01
Plus: Balance of cash and cash equivalents at the beginning of term	779,661,118.42	783,677,929.06
6. Balance of cash and cash equivalents at the end of the period	908,462,270.84	748,672,706.05

6. Cash Flow Statement of the Parent Company

In RMB

Item	H1 2024	H1 2023
1. Net cash flow from business operations:		
Cash received from sales of products and providing of services	14,751,757.54	9,210,418.74
Tax refunded		
Other cash received from business operation	1,300,660,929.18	2,268,519,986.44
Sub-total of cash inflow from business operations	1,315,412,686.72	2,277,730,405.18
Cash paid for purchasing products and services	1,426,152.31	1,697,321.13
Cash paid to and for the staff	9,514,951.33	10,382,381.77
Taxes paid	760,711.10	928,005.61
Other cash paid for business activities	808,337,232.77	2,241,886,586.57
Sub-total of cash outflow from business operations	820,039,047.51	2,254,894,295.08
Cash flow generated by business operations, net	495,373,639.21	22,836,110.10
2. Cash flow generated by investment:		
Cash received from investment recovery	235,323,000.00	
Cash received as investment profit	47,167.38	
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow generated from investment	235,370,167.38	
Cash paid for construction of fixed assets, intangible assets and other long-term assets	26,733.00	1,350.00
Cash paid as investment	365,554,277.00	29,500,000.00
Net cash paid for acquiring subsidiaries and other operational units		
Other cash paid for investment		
Subtotal of cash outflows	365,581,010.00	29,501,350.00
Cash flow generated by investment activities, net	-130,210,842.62	-29,501,350.00
3. Cash flow generated by financing activities:		
Cash received from investment		
Cash received from borrowed loans		300,000,000.00
Other cash received from financing activities		
Subtotal of cash inflow from financing activities		300,000,000.00
Cash paid to repay debts	300,000,000.00	300,000,000.00
Cash paid as dividend, profit, or interests	90,940,972.34	57,788,711.35
Other cash paid for financing activities		

Subtotal of cash outflow from financing activities	390,940,972.34	357,788,711.35
Net cash flow generated by financing activities	-390,940,972.34	-57,788,711.35
4. Influence of exchange rate changes on cash and cash equivalents	17,360.14	78,018.03
5. Net increase in cash and cash equivalents	-25,760,815.61	-64,375,933.22
Plus: Balance of cash and cash equivalents at the beginning of term	45,676,194.32	87,460,288.64
6. Balance of cash and cash equivalents at the end of the period	19,915,378.71	23,084,355.42

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

Amount of the Current Term

In RMB

Item	H1 2024														
	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		23,121,870.79		79,324,940.43		4,772,359,940.45		5,960,140,567.07	74,655,271.20	6,034,795,838.27
Plus: Changes in accounting policies															
Correction of previous errors															
Others															
2. Balance at the beginning of current year	1,073,874,227.00				11,459,588.40		23,121,870.79		79,324,940.43		4,772,359,940.45		5,960,140,567.07	74,655,271.20	6,034,795,838.27
3. Change amount in the current period ("-" for decrease)					-61,979.15		28,592,893.06				30,885,179.46		59,416,093.37	-6,973,271.65	52,442,821.72
(1) Total of misc. incomes							28,592,893.06				116,795,117.62		145,388,010.68	1,067,741.75	146,455,752.43
(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											-85,909,938.16		-85,909,938.16	-6,962,732.02	-92,872,670.18
1. Provision of surplus reserves															
2. Common risk provision															
3. Distribution to owners (or shareholders)											-85,909,938.16		-85,909,938.16	-6,962,732.02	-92,872,670.18
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					-61,979.15								-61,979.15	-1,078,281.38	-1,140,260.53
4. Balance at the end of this period	1,073,874,227.00				11,397,609.25		51,714,763.85		79,324,940.43		4,803,245,119.91		6,019,556,660.44	67,681,999.55	6,087,238,659.99

Amount of Last Year

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															
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							-				128,		118,	3,25	121,

amount in the current period ("-" for decrease)							10,103,043.90				461,556.83		358,512.93	0,232.56	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

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

Amount of the Current Term

In RMB

Item	H1 2024											
	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		-10,082,945.37		79,324,940.43	1,159,988,498.20		2,303,465,555.78
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		-10,082,945.37		79,324,940.43	1,159,988,498.20		2,303,465,555.78
3. Change amount in the current period ("-" for decrease)							28,392,754.08			-30,828,180.24		-2,435,426.16
(1) Total of misc. incomes							28,392,754.08			55,081,757.92		83,474,512.00
(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										-85,909,938.16		-85,909,938.16
1. Provision of surplus reserves												
2. Distribution to owners (or shareholders)										-85,909,938.16		-85,909,938.16
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		18,309,808.71		79,324,940.43	1,129,160,317.96		2,301,030,129.62

Amount of Last Year

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										-53,693,711.35		-53,693,711.35

shareholders)												
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

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 2016 profit distribution plan approved by the 2016 general meeting of shareholders, based on the total share capital of 789,094,836 shares as of December 31, 2016, the Company transferred 5 shares for every 10 shares to all shareholders with the capital reserve. The registered capital at the end of 2017 was RMB 1,183,642,254.00. The Company repurchased and canceled 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 26, 2024.

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 2023) issued by the CSRC.

2. Continuous operation

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 2023) issued by the CSRC.

V. Significant Account Policies and Estimates

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. Method for determining importance criteria and selection criteria

☑ Applicable □ Inapplicable

Item	Importance criteria
Amount of bad debt reserves recovered or reversed for important accounts receivable in the current period; important accounts receivable write off	Amount greater than 5% of the total consolidated profit and greater than RMB5 million
Important ongoing projects	Amount greater than 1% of total consolidated net assets
Important payables with an aging of over 1 year	A single project is greater than 0.1% of the combined total assets
Major non wholly-owned subsidiaries	Individual net assets greater than 1% of the total consolidated net assets
Important joint ventures and associates	The investment return is greater than 5% of the total consolidated profit and is greater than RMB5 million

6. 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 not under the same control through step-by-step transactions, see Chapter X, V. important accounting policies and accounting estimates 7. (6).

(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. 7. (6).

(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.

7. Judgment criteria for control and preparation methods for consolidated financial statements

(1) Determination of control criteria and consolidation scope

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 definition of control includes three basic elements: first, the investor has the power over the investee; second, enjoys variable returns due to participation in the investee's related activities; and third, has the ability to use the power over the investee to influence its return amount. When the Company's investment in the invested party meets the above three elements, it indicates that the Company can control the invested party.

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.

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) Special provisions regarding the parent company being an investment entity

If the parent company is an investment entity, only those subsidiary companies that provide services related to investment activities of the investment entity shall be included in the consolidation scope. Other subsidiary companies shall not be consolidated and their equity investments shall be recognized as financial assets measured at fair value with changes in fair value recognized in profit or loss.

The parent company qualifies as an investment entity when it simultaneously meets the following conditions:

① The company obtains funds from one or more investors with the purpose of providing investment management services to the investors.

② The sole purpose of the company's operations is to generate returns for the investors through capital appreciation, investment income, or both.

③ The company evaluates and assesses the performance of almost all of its investments based on fair value.

When the parent company changes from a non-investment entity to an investment entity, it shall only include those subsidiary companies that provide relevant services for its investment activities in the preparation of consolidated financial statements. Other subsidiary companies shall no longer be consolidated, and the principle of recognizing partially disposed subsidiary companies' equity while retaining control shall be applied.

When the parent company changes from an investment entity to a non-investment entity, the subsidiary companies that were previously not included in the consolidation financial statements shall be included as of the date of the change. The fair value of these subsidiary companies on the date of the change shall be regarded as the transaction price of the acquisition and accounted for using the accounting treatment for business combinations under common control.

(3) 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.

(4) 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.

(5) 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.

(6) 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 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 occurrence 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.

8. 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.

9.Foreign exchange business and foreign exchange statement translation

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

The Company translates foreign currency transactions into the functional currency at the initial recognition using the spot exchange rate on the transaction date or an approximate exchange rate that is determined according to a reasonable method and is close to the spot exchange rate on the transaction date. The resulting amount is recorded in the accounting currency.

(2) Methods of conversion of foreign currency 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.

10. 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:

a. 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.

B. 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 for determining the fair value of financial assets and financial liabilities, see 33 (3) in Chapter X, V. Important accounting policies and accounting estimates.

11. Notes receivable

See Chapter X, V, Important Accounting Policies and Accounting Estimates 10. Financial Tools.

12. Account receivable

See Chapter X, V, Important Accounting Policies and Accounting Estimates 10. 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*.

13. Receivable financing

See Chapter X, V, Important Accounting Policies and Accounting Estimates 10. Financial Tools.

14. Other receivables

See Chapter X, V, Important Accounting Policies and Accounting Estimates 10. Financial Tools.

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.

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.

For the determination method and accounting treatment method of the Company's expected credit loss of contract assets, see 10. Financial instruments in Chapter X, V. Important accounting policies and accounting estimates.

16. 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) Criteria for recognizing and providing for provision for decline in value of inventories

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 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.

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 recognizable 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 investments in subsidiaries, associates and joint ventures, the method of accruing asset impairment is shown in 23. Long-term asset impairment in Chapter X, V. Important accounting policies and accounting estimates.

XVIII. Investment real estate

(1) Classification of investment real estate

Investment real estate 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 estate with an active real estate transaction market and the Company can obtain market price and other information of same or similar real estate to reasonably estimate the investment real estate' fair value, the Company will use the fair value mode to measure the investment real estate 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 estate 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 23. 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.

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.

② The cost of the fixed assets can be measured reliably.

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

Mechanical equipment	Average age	10	10.00	9.00
Transportation facilities	Average age	5	10.00	18.00
Electronics and other devices	Average age	5	10.00	18.00
PV power plants	Average age	20	5.00	4.75

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.

XXII. Intangible assets

Recorded at the actual cost of acquisition.

(1) 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) Scope of R&D expenditures and related accounting treatment

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.

Specific conditions for capitalization of expenditures in the development phase

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.

23. 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.

24. 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.

25. Contract liabilities

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

26. 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 An enterprise may not unilaterally withdraw the resignation benefits provided for by the dismissal plan or reduction proposal;

② When the enterprise recognizes the costs or expenses related to the reorganization involving the payment of resignation benefits.

27. 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.

28. Revenue

(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 amortized 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 progress of performance for the provision of services on the basis of the input (or output) 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 construction 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) The specific methods of revenue recognition of the Company are as follows:

- 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 Company 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.

- 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.

- 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.

- 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. 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) Adoption of different business models for the same type of business involving different revenue recognition and measurement methods

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

29. 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 amortized 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.

30. 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.

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

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 effects of temporary discrepancy on income tax include the following: Other integrated benefits such as fair value change of financial assets available for sale, retroactive adjustment of accounting policy changes or retroactive restatement of accounting error correction discrepancy to adjust the initial retained income, and mixed financial instruments including liabilities and equity.

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.

(4) Basis for presentation of deferred tax assets and deferred tax liabilities on a net basis

The deferred income tax assets and deferred income tax liabilities of the company are presented as a net amount after offsetting when the following conditions are met simultaneously:

The Company has a legal right to offset current income tax assets and current income tax liabilities on a net basis.

The deferred income tax assets and deferred income tax liabilities are related to income taxes levied by the same tax authority on the same taxable entity, or are related to income taxes levied by different tax authorities but the significant deferred income tax assets and deferred income tax liabilities will be settled on a net basis for current income taxes or simultaneous acquisition of assets and settlement of liabilities within each future period in which the related taxable entity intends to settle the current income tax assets and liabilities on a net basis.

32. 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 in accordance with the recognition standards and measurement methods of estimated liabilities. See 27. 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.

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 28. 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 10。 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 10. 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.

33. Other significant accounting policies and estimates

(1) Accounting of hedging

(1.1) Classification of inventories

The Company divides its hedging strategies into fair value hedges, cash flow hedges, and net investment hedges.

① Fair value hedge. It refers to hedging activities conducted to mitigate the risk of changes in the fair value of recognized assets or liabilities, unrecognized firm commitments, or components of the aforementioned items. The fair value changes are caused by specific risks that will impact the Company's profit or other comprehensive income.

① 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.

③ Net investment hedge for overseas operations refers to hedging activities conducted to mitigate the foreign exchange risk exposure of the net investment in overseas operations. The hedged risk in the net investment hedge is the translation difference between the functional currency of the overseas operations and the reporting currency of the parent company.

(1.2) 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.

(1.3) 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.

(1.4) 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:

① Fair value hedging

Gains or losses arising from hedging instruments are recognized in the current period's income statement. If the hedging is conducted for specified non-derivative equity investments (or components thereof) measured at fair value with changes in fair value recognized in other comprehensive income, gains or losses from the hedging instruments are recognized in other comprehensive income. Gains or losses arising from the hedged items due to the hedging risk exposure are recognized in the income statement. At the same time, the carrying amount of the designated hedged items that are not measured at fair value is adjusted. If the hedged item is a specified non-derivative equity investment (or component thereof) measured at fair value with changes in fair value recognized in other comprehensive income, gains or losses resulting from the hedging risk exposure are recognized in other comprehensive income, and the carrying amount of the hedged item has already been measured at fair value and does not require adjustment.

Regarding fair value hedges related to financial instruments (or components thereof) measured at amortized cost, any adjustments made to the carrying amount of the hedged item are amortized using the effective interest rate recalculated from the date of the commencement of amortization and recognized in the income statement. The amortization date for adjustments should begin from the adjustment date and should not be later than the point at which hedging gains and losses are adjusted upon termination of the hedged item. For hedged items that are financial assets (or components thereof) measured at fair value with changes in fair value recognized in other comprehensive income, the accumulated hedging gains or losses should be amortized in the same manner and recognized in the income statement. However, the carrying amount of the financial assets (or components thereof) should not be adjusted.

For hedged items that are unrecognized firm commitments (or components thereof), the cumulative fair value changes caused by the hedging risk after the hedging relationship is designated should be recognized as an asset or liability. The related gains or losses should be recognized in the income statement. When fulfilling a firm commitment and acquiring an asset or assuming a liability, the initial recognized amount of the asset or liability should be adjusted to include the cumulative fair value changes of the designated hedged item that have been recognized.

② 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 Net investment in overseas operations hedge

For hedging of foreign operation net investments, the portion of gains or losses from the hedging instruments that qualify as effective hedges is directly recognized in other comprehensive income. The portion of gains or losses from the hedging instruments that do not qualify as effective hedges is recognized in the income statement. Upon disposal of the foreign operation, the previously recognized gains or losses from the hedging instruments reflected in other comprehensive income are reclassified to the income statement.

(2) Repurchase of the Company's shares

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.

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 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.

(3) 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.

(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.

Development cost

For property that has been handed over with income recognized, but whose public facilities have not been constructed or not been completed, the management will estimate the development cost for the part that has not been started according to the budget to reflect the operation result of the property sales.

34. 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 2024, 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, and 13
City maintenance and construction tax	Taxable turnover	1, 5, 7
Education surtax	Taxable turnover	3
Local education surtax	Taxable turnover	2
Enterprise income tax	Taxable income	See the following table

Tax rates applicable for different tax payers

Tax payer	Income tax rate
The Company	25%
Shenzhen Fangda Jianke Co., Ltd. (hereinafter Fangda Jianke)	15%
Fangda Zhiyuan Technology Co., Ltd. (hereinafter Fangda Zhiyuan)	15%
Fangda New Material (Jiangxi) Co., Ltd. (hereinafter 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)	25%
Shenzhen Fangda Property Development Co., Ltd. (hereinafter Fangda Property Development)	25%
Shenzhen Fangda New Energy Co., Ltd. (hereinafter 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 Railway Transportation Equipment (Dongguan) Co., Ltd. (hereinafter referred to as Fangda Zhiyuan Dongguan)	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 (hereinafter Fangda Australia)	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)	15%
Shenzhen Fangda Jianchuang Technology Co., Ltd. (hereinafter Fangda Jianchuang)	25%
Fangda Curtain Wall Singapore Co., Ltd. (hereinafter Singapore Curtain Wall)	17%

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 December 2021 to December 2024), 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 December 2021 to December 2024), 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 (from November 2021 to November 2024), the income tax will continue to be levied at 15%.

(4) On October 16, 2023, our subsidiary, Fangda Chengdu Technology Company, obtained the "High-tech Enterprise Certificate" jointly issued by the Science and Technology Department of Sichuan Province, the Finance Department of Sichuan Province, and the State Taxation Bureau of Sichuan Province. The certificate number is GR202351000927. For the next three years (from October 2023 to October 2026) following the qualification as a high-tech enterprise, the income tax will continue to be levied at a rate of 15%.

(5) 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), and the income tax is levied at 15% from January 1, 2021 to December 31, 2021.

(9) On November 15, 2023, the subsidiary Fangda Shanghai Zhijian obtained the certificate GR202331002267 of high tech enterprise jointly issued by Shanghai Science and Technology Commission, Shanghai Finance Bureau and Shanghai Taxation Bureau. Within three years (from November 2023 to November 2026) after obtaining the qualification of high tech enterprise, the income tax will continue to be charged at 15%.

(7) On December 11, 2021, 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 GR202344205791. Within three years after obtaining the qualification of high tech enterprise (from November 2023 to November 2026), the income tax will be levied at 15%.

(8) According to the "Announcement on Continuing the Enterprise Income Tax Policy for the Western Development" jointly issued by the Ministry of Finance, the State Taxation Administration, and the National Development and Reform Commission ([2020] No. 23), from January 1, 2021 to December 31, 2030, for eligible encouraged industrial enterprises located in

the western region, the enterprise income tax will be levied at a reduced rate of 15%. The enterprise income tax policy of Ganzhou City, Jiangxi Province is implemented by referring to that of the western region. The subsidiary Fangda Intelligent Manufacturing belongs to an encouraged industrial enterprise established in Ganzhou City, and is applicable to the preferential tax rate of 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), some companies belong to small and micro profit enterprises in 2024, 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:	28,569.08	752.40
Bank deposits	910,364,188.39	787,363,734.05
Other monetary capital	774,613,920.12	637,786,629.79
Total	1,685,006,677.59	1,425,151,116.24
Including: total amount deposited in overseas	54,843,904.16	45,201,676.97

(1) Among the ending balance of bank deposits, RMB16,281,762.80 of restricted funds are mainly the deposits of the labor insurance special account and the peasant workers' wage special account; among the ending balance of other monetary funds, RMB760,262,643.95 of restricted funds are mainly the deposit for bank draft guarantee, guarantee deposit for letter of guarantee, etc. In the preparation of the cash flow statement, the above-mentioned deposits and other restricted deposits are not used as cash and cash equivalents.

(2) 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. Derivative financial assets

In RMB

Item	Closing balance	Opening balance
Forward foreign exchange contract		173,737.06
Total		173,737.06

3. Notes receivable

(1) Classification of notes receivable

In RMB

Item	Closing balance	Opening balance
Bank acceptance	23,120,212.57	21,487,899.17
Commercial acceptance	12,625,505.07	25,884,982.10
Total	35,745,717.64	47,372,881.27

(2) Disclosure by bad debt accrual method

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	
Notes receivable with provision for bad debts by portfolio	35,886,466.21	100.00%	140,748.57	0.39%	35,745,717.64	47,778,354.93	100.00%	405,473.66	0.85%	47,372,881.27
Including:										
Commercial acceptance	12,766,253.64	35.57%	140,748.57	1.10%	12,625,505.07	26,290,455.76	55.03%	405,473.66	1.54%	25,884,982.10
Bank acceptance	23,120,212.57	64.43%			23,120,212.57	21,487,899.17	44.97%			21,487,899.17
Total	35,886,466.21	100.00%	140,748.57	0.39%	35,745,717.64	47,778,354.93	100.00%	405,473.66	0.85%	47,372,881.27

Category name for bad debt provision by combination: commercial acceptance bill

In RMB

Name	Closing balance		
	Remaining book value	Bad debt provision	Provision rate
Commercial acceptance	12,766,253.64	140,748.57	1.10%

Total	12,766,253.64	140,748.57	

Group recognition basis:

See 10. 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

Provision for bad debts by combination: commercial acceptance

In RMB

Name	Closing balance		
	Remaining book value	Bad debt provision	Provision rate
Bank acceptance	23,120,212.57	0.00	0.00%
Total	23,120,212.57	0.00	

If the provision for bad debts on accounts receivable is being made based on the expected credit loss general model:

□ Applicable ☑ Inapplicable

(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	
Commercial acceptance	405,473.66	-264,725.09				140,748.57
Total	405,473.66	-264,725.09				140,748.57

Including significant recovery or reversal:

□ Applicable ☑ Inapplicable

(4) 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		13,762,837.86
Commercial acceptance		7,400,000.00
Total		21,162,837.86

4. Account receivable

(1) Account age

In RMB

Age	Closing balance of book value	Opening balance of book value
Within 1 year (inclusive)	538,042,036.66	480,886,398.43
1-2 years	206,145,753.93	202,348,687.37

2-3 years	131,541,359.44	158,881,321.32
Over 3 years	420,378,866.26	335,427,049.97
3-4 years	128,856,475.72	134,723,171.92
4-5 years	71,173,297.55	50,830,831.78
Over 5 years	220,349,092.99	149,873,046.27
Total	1,296,108,016.29	1,177,543,457.09

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*.

Significant individual amounts of accounts receivable in the curtain wall and materials industry that have exceeded three years in age

Customer	Balance of accounts receivable of over 3 years (RMB)	Balance of provision for bad debts (RMB)	Reason of the age	Whether there is a risk of recovery
Customer 1	84,240,997.92	30,548,361.04	Customer credit status deteriorates	Yes
Customer 2	54,873,223.21	54,873,223.21	Customer credit status deteriorates	Yes
Customer 3	28,415,073.84	28,415,073.84	Customer credit status deteriorates	Yes
Customer 4	26,737,669.61	13,195,726.65	Customer credit status deteriorates	Yes
Customer 5	17,374,148.42	17,374,148.42	Customer credit status deteriorates	Yes

(2) Disclosure by bad debt accrual method

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	6.21%	74,382,698.73	92.48%	6,047,640.54	80,430,339.27	6.83%	74,382,698.73	92.48%	6,047,640.54
Including:										
Customer 1	54,873,223.21	4.23%	54,873,223.21	100.00%	0.00	54,873,223.21	4.67%	54,873,223.21	100.00%	0.00
Customer 2	13,461,834.96	1.04%	13,461,834.96	100.00%	0.00	13,461,834.96	1.14%	13,461,834.96	100.00%	0.00
Customer 3	7,096,421.00	0.55%	3,548,210.50	50.00%	3,548,210.50	7,096,421.00	0.60%	3,548,210.50	50.00%	3,548,210.50
Customer 4	4,998,860.10	0.39%	2,499,430.06	50.00%	2,499,430.04	4,998,860.10	0.42%	2,499,430.06	50.00%	2,499,430.04
Account	1,215,67	93.79%	199,026,	16.37%	1,016,65	1,097,11	93.17%	191,673,	17.47%	905,439,

receivable for which bad debt provision is made by group	7,677.02		334.87		1,342.15	3,117.82		844.17		273.65
Including:										
Portfolio 1: Engineering operations section	990,710,144.67	76.44%	188,170,141.80	18.99%	802,540,002.87	881,971,973.34	74.90%	181,121,184.71	20.54%	700,850,788.63
Portfolio 2: Real estate business payments	141,312,996.69	10.90%	7,950,412.66	5.63%	133,362,584.03	144,374,822.98	12.26%	8,293,566.86	5.74%	136,081,256.12
Portfolio 3: Other business models	83,654,535.66	6.45%	2,905,780.41	3.47%	80,748,755.25	70,766,321.50	6.01%	2,259,092.60	3.19%	68,507,228.90
Total	1,296,108,016.29	100.00%	273,409,033.60	21.09%	1,022,698,982.69	1,177,543,457.09	100.00%	266,056,542.90	22.59%	911,486,914.19

Category name for bad debt provision by individual: customer

In RMB

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

Category name for bad debt provision by combination: combination 1: engineering business payments

In RMB

Name	Closing balance		
	Remaining book value	Bad debt provision	Provision rate
Less than 1 year	410,147,721.97	8,038,895.37	1.96%

1-2 years	156,913,107.59	8,881,281.90	5.66%
2-3 years	128,038,088.80	16,337,660.87	12.76%
3-4 years	125,154,409.76	24,730,511.37	19.76%
4-5 years	70,856,833.66	30,581,809.40	43.16%
Over 5 years	99,599,982.89	99,599,982.89	100.00%
Total	990,710,144.67	188,170,141.80	

Group recognition basis:

See 10. 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

Category name for bad debt provision by combination: combination 2: real estate business payments

In RMB

Name	Closing balance		
	Remaining book value	Bad debt provision	Provision rate
Less than 1 year	78,334,238.26	783,342.40	1.00%
1-2 years	22,791,467.48	1,139,573.37	5.00%
2-3 years	5,967.48	298.38	5.00%
3-4 years	53,645.28	8,046.79	15.00%
4-5 years			
Over 5 years	40,127,678.19	6,019,151.72	15.00%
Total	141,312,996.69	7,950,412.66	

Category name for bad debt provision by combination: combination 3: other business payments.

In RMB

Name	Closing balance		
	Remaining book value	Bad debt provision	Provision rate
Less than 1 year	49,560,076.43	361,788.56	0.73%
1-2 years	26,441,178.86	555,264.76	2.10%
2-3 years	3,497,303.16	294,472.93	8.42%
3-4 years	3,215,774.37	796,868.88	24.78%
4-5 years	316,463.89	273,646.33	86.47%
Over 5 years	623,738.95	623,738.95	100.00%
Total	83,654,535.66	2,905,780.41	

If the provision for bad debts on accounts receivable is being made based on the expected credit loss general model:

□ Applicable ☑ Inapplicable

(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	Cance led	Others	
Separate bad debt provision	74,382,698.73					74,382,698.73

Provision for bad debts by combination	191,673,844.17	7,352,490.70				199,026,334.87
Total	266,056,542.90	7,352,490.70				273,409,033.60

(4) Accounts receivable and contract assets with the top-5 ending balances, grouped by party owed

In RMB

Entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Percentage of total ending balance of accounts receivable and contract assets	Closing balance of provision for bad debts on accounts receivable and impairment of contract assets
No.1	113,529,244.60	9,903,379.39	123,432,623.99	2.95%	38,677,733.03
No.2	22,323,291.93	68,916,683.63	91,239,975.56	2.18%	1,788,303.51
No.3	3,666,410.41	78,035,049.65	81,701,460.06	1.95%	1,601,348.62
No.4	21,396,066.95	59,077,533.44	80,473,600.39	1.92%	2,842,446.62
No.5	12,549,200.00	63,839,194.54	76,388,394.54	1.83%	2,876,197.40
Total	173,464,213.89	279,771,840.65	453,236,054.54	10.83%	47,786,029.18

5. Contract assets

(1) Contract assets

In RMB

Item	Closing balance			Opening balance		
	Remaining book value	Bad debt provision	Book value	Remaining book value	Bad debt provision	Book value
Completed and unsettled project funds that fail to meet the collection conditions	2,687,858,269.95	186,296,016.55	2,501,562,253.40	2,536,843,592.06	179,066,040.85	2,357,777,551.21
Quality guarantee deposit that fails to meet the collection conditions	132,592,961.98	21,761,252.78	110,831,709.20	157,921,009.28	13,409,302.47	144,511,706.81
Sales funds with conditional collection right	64,321,843.25	731,669.90	63,590,173.35	51,338,008.75	436,594.78	50,901,413.97
Less: Contract assets shown in other non-current assets	65,754,345.90	5,632,433.41	60,121,912.49	69,887,873.01	5,127,003.43	64,760,869.58
Total	2,819,018,729.28	203,156,505.82	2,615,862,223.46	2,676,214,737.08	187,784,934.67	2,488,429,802.41

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

In RMB

Item	Change	Reason
Completed and unsettled project funds that fail to meet the collection conditions	143,784,702.19	This is mainly due to the unsettled project funds with conditional collection rights arising from the revenue recognized in the project contract during the reporting period
Quality guarantee deposit that fails to meet the collection conditions	-33,679,997.61	Mainly attributable to the decrease in warranty deposits for which collection conditions have not been met
Total	110,104,704.58	——

(3) Disclosure by bad debt accrual method

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	
Separate bad debt provision	16,288,576.53	0.58%	9,033,247.20	55.46%	7,255,329.33	16,288,576.53	0.61%	9,033,247.20	55.46%	7,255,329.33
Including:										
Customer 1	14,510,658.66	0.52%	7,255,329.33	50.00%	7,255,329.33	14,510,658.66	0.54%	7,255,329.33	50.00%	7,255,329.33
Customer 2	1,777,917.87	0.06%	1,777,917.87	100.00%		1,777,917.87	0.07%	1,777,917.87	100.00%	
Provision for bad debts by combination	2,802,730,152.75	99.42%	194,123,258.62	6.93%	2,608,606,894.13	2,659,926,160.55	99.39%	178,751,687.47	6.72%	2,481,174,473.08
Including:										
Sales funds with conditional collection right	64,321,843.25	2.28%	731,669.90	1.14%	63,590,173.35	51,338,008.75	1.92%	436,594.78	0.85%	50,901,413.97
Completed and unsettled project funds that fail to meet the collectio	2,671,569,693.42	94.77%	177,262,769.35	6.64%	2,494,306,924.07	2,519,643,302.99	94.15%	169,724,313.35	6.74%	2,349,918,989.64

n conditions										
Quality guarantee deposit that fails to meet the collection conditions	66,838,616.09	2.37%	16,128,819.37	24.13%	110,831,709.20	88,944,848.81	3.32%	8,590,779.34	9.66%	80,354,069.47
Total	2,819,018,729.28	100.00%	203,156,505.82	7.21%	2,615,862,223.46	2,676,214,737.08	100.00%	187,784,934.67	7.02%	2,488,429,802.41

Category name for bad debt provision by individual: customer

In RMB

Name	Opening balance		Closing balance			
	Remaining book value	Bad debt provision	Remaining book value	Bad debt provision	Provision rate	Reason
Customer 1	14,510,658.66	7,255,329.33	14,510,658.66	7,255,329.33	50.00%	Customer credit status deteriorates
Customer 2	1,777,917.87	1,777,917.87	1,777,917.87	1,777,917.87	100.00%	Customer credit status deteriorates
Total	16,288,576.53	9,033,247.20	16,288,576.53	9,033,247.20		

Category name for bad debt provision by combination: combination 1: conditional receivable sales payments.

In RMB

Name	Closing balance		
	Remaining book value	Bad debt provision	Provision rate
Combination 1: sales payment with conditional collection right	64,321,843.25	731,669.90	1.14%
Total	64,321,843.25	731,669.90	

Group recognition basis:

See 10. 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

Category name for bad debt provision by combination: combination 2: Completed and unsettled project funds that fail to meet the collection conditions

In RMB

Name	Closing balance		
	Remaining book value	Bad debt provision	Provision rate
Portfolio 2: Completed and unsettled project funds that fail to meet the collection conditions	2,671,569,693.42	177,262,769.35	6.64%
Total	2,671,569,693.42	177,262,769.35	

Category name for bad debt provision by combination: combination 3: warranty deposits that have not met the collection conditions

In RMB

Name	Closing balance		
	Remaining book value	Bad debt provision	Provision rate
Portfolio 3: Quality guarantee deposit not meeting collection conditions	66,838,616.09	16,128,819.37	24.13%
Total	66,838,616.09	16,128,819.37	

Provision for bad debts based on general model of expected credit losses

□ Applicable ☑ Inapplicable

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

In RMB

Item	Provision	Recovered or reversed during the period	Written off in the current period	Reason
Separate bad debt provision				
Provision for bad debts by combination	15,370,105.21			
Total	15,370,105.21			

6. Receivable financing

(1) Presentation of receivables financing classification

In RMB

Item	Closing balance	Opening balance
Notes receivable	4,668,854.47	6,979,428.14
Total	4,668,854.47	6,979,428.14

(2) Disclosure by bad debt accrual method

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	
Provision for bad debts by combination	4,668,854.47	100.00%	0.00	0.00%	4,668,854.47	6,979,428.14	100.00%	0.00	0.00%	6,979,428.14
Including:										
Bank acceptance	4,668,854.47	100.00%	0.00	0.00%	4,668,854.47	6,979,428.14	100.00%	0.00	0.00%	6,979,428.14

Total	4,668,854.47	100.00%	0.00	0.00%	4,668,854.47	6,979,428.14	100.00%	0.00	0.00%	6,979,428.14

Provision for bad debts by combination: commercial acceptance

In RMB

Name	Closing balance		
	Remaining book value	Bad debt provision	Provision rate
Bank acceptance	4,668,854.47	0.00	0.00%
Total	4,668,854.47	0.00	

Group recognition basis:

See 10. 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

7. Other receivables

In RMB

Item	Closing balance	Opening balance
Other receivables	151,311,534.99	145,113,323.33
Total	151,311,534.99	145,113,323.33

(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 and pledge paid	97,601,305.37	96,041,429.79
Construction borrowing and advanced payment	38,430,117.45	41,180,355.37
Staff borrowing and petty cash	3,512,780.85	2,515,436.58
VAT refund receivable	5,274,354.49	798,918.77
Others	14,671,948.26	11,974,398.52
Total	159,490,506.42	152,510,539.03

(2) Account age

In RMB

Age	Closing balance of book value	Opening balance of book value
Within 1 year (inclusive)	26,881,138.43	30,123,678.94
1-2 years	7,113,971.42	4,793,018.03
2-3 years	3,835,355.43	5,310,261.72
Over 3 years	121,660,041.14	112,283,580.34
3-4 years	3,940,181.05	9,787,862.62
4-5 years	2,561,827.97	7,701,603.22
Over 5 years	115,158,032.12	94,794,114.50
Total	159,490,506.42	152,510,539.03

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.

Significant individual amounts of other accounts receivable in the curtain wall and materials industry that have exceeded three years in age

Customer	Balance of other receivables older than three years (RMB)	Balance of provision for bad debts (RMB)	Reason of the age	Whether there is a risk of recovery
Customer 1	1,970,381.89	1,970,381.89	Customer credit status deteriorates	Yes

(3) Disclosure by bad debt accrual method

☑ Applicable □ Inapplicable

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	
Provision for bad debts by combination	159,490,506.42	100.00%	8,178,971.43	5.13%	151,311,534.99	152,510,539.03	100.00%	7,397,215.70	4.85%	145,113,323.33
Including:										
Portfolio 1: First stage	150,589,231.75	94.42%	2,243,303.28	1.49%	148,345,928.47	143,789,155.16	94.28%	2,143,506.61	1.49%	141,645,648.55
Portfolio 2: Second stage	3,057,326.32	1.92%	91,719.80	3.00%	2,965,606.52	3,574,882.60	2.34%	107,207.82	3.00%	3,467,674.78
Portfolio 3: Third stage	5,843,948.35	3.66%	5,843,948.35	100.00%	0.00	5,146,501.27	3.38%	5,146,501.27	100.00%	0.00
Total	159,490,506.42	100.00%	8,178,971.43	5.13%	151,311,534.99	152,510,539.03	100.00%	7,397,215.70	4.85%	145,113,323.33

Category name for bad debt provision by combination: combination 1: First stage

In RMB

Name	Closing balance		
	Remaining book value	Bad debt provision	Provision rate
Portfolio 1: First stage	150,589,231.75	2,243,303.28	1.49%
Total	150,589,231.75	2,243,303.28	

Description of the basis for determining the portfolio: Provision for bad debts is made on the basis of the general model of expected credit losses.

Category name for bad debt provision by combination: combination 2: Second stage

In RMB

Name	Closing balance		
	Remaining book value	Bad debt provision	Provision rate
Portfolio 2: Second stage	3,057,326.32	91,719.80	3.00%
Total	3,057,326.32	91,719.80	

Category name for bad debt provision by combination: combination 3: Third stage

In RMB

Name	Closing balance		
	Remaining book value	Bad debt provision	Provision rate
Portfolio 3: Third stage	5,843,948.35	5,843,948.35	100.00%
Total	5,843,948.35	5,843,948.35	

Provision for bad debts based on general model of expected credit losses

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, 2024	2,143,506.61	107,207.82	5,146,501.27	7,397,215.70
Balance on January 1, 2024 in the current period				
Provision	99,914.43	-15,488.02	697,447.08	781,873.49
Other change	-117.76			-117.76
Balance on June 30, 2024	2,243,303.28	91,719.80	5,843,948.35	8,178,971.43

Changes in book balances with significant changes in the current period

□ Applicable ☑ Inapplicable

4) 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	Write-off	Others	
Provision for bad debts by combination	7,397,215.70	781,873.49			-117.76	8,178,971.43
Total	7,397,215.70	781,873.49			-117.76	8,178,971.43

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.	Margin and current account	6,000,000.00	1-2 years	47.69%	1,133,333.87
		62,675.83	3-4 years		
		2,000,000.00	4-5 years		
		68,000,000.00	Over 5 years		
Bangshen Electronics (Shenzhen) Co., Ltd.	Deposit	20,000,000.00	Over 5 years	12.54%	298,000.00

Shenzhen Dakang Co., Ltd.	Deposit	8,000,000.00	Over 5 years	5.02%	119,200.00
Ganshang Joint Investment	Others	3,791,089.25	Over 5 years	2.38%	56,487.23
Xin Song	Others	1,970,381.89	Over 5 years	1.24%	1,970,381.89
Total		109,824,146.97		68.87%	3,577,402.99

8. Prepayment

(1) Account ages of prepayments

In RMB

Age	Closing balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Less than 1 year	31,968,676.69	78.58%	29,398,144.01	86.53%
1-2 years	2,766,458.69	6.80%	1,713,380.35	5.04%
2-3 years	1,422,909.99	3.50%	648,638.59	1.91%
Over 3 years	4,525,499.71	11.12%	2,216,406.41	6.52%
Total	40,683,545.08		33,976,569.36	

At the end of the period, there are no important prepayments exceeding one year in age.

(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 RMB13,164,657.14, accounting for 32.36% of the total prepayments at the end of the period.

9. 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	139,497,627.54		139,497,627.54	131,800,215.01		131,800,215.01
Product in	90,803,158.18		90,803,158.18	120,647,582.06		120,647,582.06

process						
Finished goods in stock	12,594,988.59		12,594,988.59	11,240,201.57		11,240,201.57
Contract performance costs	114,564,484.57		114,564,484.57	90,470,830.76		90,470,830.76
Goods delivered	17,930,849.81		17,930,849.81	23,270,292.17		23,270,292.17
Development cost	227,990,392.09		227,990,392.09	224,969,147.17		224,969,147.17
Development products	127,826,621.64		127,826,621.64	134,821,091.47		134,821,091.47
Low price consumable	209,033.64		209,033.64	171,286.80		171,286.80
OEM materials	19,410,229.21		19,410,229.21	15,096,929.98		15,096,929.98
Materials in transit	1,950,343.80		1,950,343.80	3,136,909.52		3,136,909.52
Total	752,777,729.07		752,777,729.07	755,624,486.51		755,624,486.51

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

As at June 30, 2024, the amount of the capitalization of borrowing costs in the balance of the end-of-period inventory was RMB5,005,567.86.

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

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

10. Non-current assets due in 1 year

In RMB

Item	Closing balance	Opening balance
Large-scale time deposit principal and interest		327,120,273.54
Total		327,120,273.54

11. Other current assets

In RMB

Item	Closing balance	Opening balance
Reclassification of VAT debit balance	270,013,064.65	230,260,579.29
Overpayment and prepayment of income tax	6,758,701.47	2,852,830.41
Other prepaid taxes	1,491,084.02	3,836,971.59
Payment to be collected on behalf of suppliers	3,003,841.89	3,003,841.89
Pending development products		8,447,099.62
Total	281,266,692.03	248,401,322.80

12. Long-term share equity investment

In RMB

Invested entity	Opening book value	Beginning balance of impairment provisions	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		
Associate												
Ganshang Joint Investment	2,402,065.72				450.08						2,402,515.80	
Jiangxi Business Innovative Property Joint Stock Co., Ltd.	52,354,951.68				-35,409.60						52,319,542.08	
Total	54,757,017.40				-34,959.52						54,722,057.88	

The recoverable amount is determined as the net amount after deducting the disposal costs from the fair value.

□ Applicable ☑ Inapplicable

The recoverable amount is determined based on the present value of estimated future cash flows.

□ Applicable ☑ Inapplicable

13. 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	6,371,282.04	7,455,617.17
Total	6,371,282.04	7,455,617.17

14. Investment real estate

(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	8,151,827.44	8,151,827.44
2. Increase in this period	224,704.02	224,704.02
(1) Provision or amortization	224,704.02	224,704.02
3. Decrease in this period		
4. Closing balance	8,376,531.46	8,376,531.46
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	9,012,292.93	9,012,292.93
2. Opening book value	9,236,996.95	9,236,996.95

(2) Investment real estate measured at fair value

☑ Applicable □ Inapplicable

In RMB

Item	Houses & buildings	Total
I. Opening balance	5,747,572,171.31	5,747,572,171.31
II. Change in this period	-72,326,180.68	-72,326,180.68
Add: Transfer-in from inventory\fixed assets\construction in progress	84,275,738.00	84,275,738.00
Less: disposal	3,189,499.43	3,189,499.43
Transfer-out to fixed assets	153,968,082.00	153,968,082.00
Add: Change in fair value	555,662.75	555,662.75
III. Closing balance	5,675,245,990.63	5,675,245,990.63

(3) Conversion to investment real estate and measurement using fair value

In RMB

Item	Pre-conversion accounting	Amount	Conversion reason	Approval procedure	Impact on profit and loss	Impact on other comprehensive income
Part of the property of Building 2, Nanchang Fangda Center	Inventory	8,237,822.00	Inventory for sale transferred to lease	Approved in accordance with the Company's management system.	0.00	1,197,093.88
Part of Fangda Building	in fixed assets	76,037,916.00	Self-use to lease	Approved in accordance with the Company's management system.	0.00	28,392,754.08
Total		84,275,738.00				

(4) Investment real estate without ownership certificate

In RMB

Item	Book value	Reason
Lanzhou Railway - City Dawn	13,037,841.00	In the process of going through the relevant acceptance and filing procedures.

15. Fixed assets

In RMB

Item	Closing balance	Opening balance
in fixed assets	723,454,635.28	620,828,178.38
Total	723,454,635.28	620,828,178.38

(1) Fixed assets

In RMB

Item	Houses & buildings	Mechanical equipment	Transportation facilities	Electronics and other devices	PV power plants	Total
I. Original book value:						
1. Opening balance	604,581,780.49	133,179,843.02	20,556,336.60	52,612,038.36	129,596,434.84	940,526,433.31
2. Increase in this period	153,968,082.00	800,536.18	91,503.55	928,720.14		155,788,841.87
(1) Purchase		800,536.18	89,133.29	928,176.85		1,817,846.32
(2) Other increases	153,968,082.00		2,370.26	543.29		153,970,995.55
3. Decrease in this period	47,282,629.09			417,001.12		47,699,630.21
(1) Disposal or				417,001.12		417,001.12

retirement						
(2) Other decrease	47,282,629.09					47,282,629.09
4. Closing balance	711,267,233.40	133,980,379.20	20,647,840.15	53,123,757.38	129,596,434.84	1,048,615,644.97
II. Accumulative depreciation						
1. Opening balance	127,270,899.06	95,754,806.52	15,333,003.26	34,440,400.13	46,802,676.46	319,601,785.43
2. Increase in this period	8,048,837.12	2,003,784.68	529,978.66	1,281,937.87	3,074,220.06	14,938,758.39
(1) Provision	8,048,837.12	2,003,784.68	528,389.85	1,261,845.64	3,074,220.06	14,917,077.35
3. Decrease in this period	9,101,718.53			374,285.10		9,476,003.63
(1) Disposal or retirement				374,285.10		374,285.10
(2) Other decrease	9,101,718.53					9,101,718.53
4. Closing balance	126,218,017.65	97,758,591.20	15,862,981.92	35,348,052.90	49,876,896.52	325,064,540.19
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	585,049,215.75	36,141,944.80	4,784,858.23	17,759,078.18	79,719,538.32	723,454,635.28
2. Opening book value	477,310,881.43	37,345,193.30	5,223,333.34	18,155,011.93	82,793,758.38	620,828,178.38

(2) Fixed assets without ownership certificate

In RMB

Item	Book value	Reason
Yuehai Office Building C 502	103,313.13	Historical reasons

Others:

a. As of June 30, 2024, the net value of some of the houses and buildings held by the Company, amounting to RMB141,500,759.61, has been mortgaged to China Construction Bank Shenzhen Overseas Chinese Town Branch for loans.

b. In this period's changes, there was an increase of RMB153,968,082.00 in other items of houses and buildings, and a decrease of RMB47,282,629.09, which was caused by the conversion with investment real estate.

16. Construction in process

In RMB

Item	Closing balance	Opening balance
Construction in process	242,897,579.60	109,414,347.33
Total	242,897,579.60	109,414,347.33

(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
Phase 1 of Ganzhou Intelligent Manufacturing Headquarters Base	242,897,579.60		242,897,579.60	109,181,428.63		109,181,428.63
Fangda Building monitoring system remodeling				232,918.70		232,918.70
Total	242,897,579.60		242,897,579.60	109,414,347.33		109,414,347.33

(2) Changes in major construction in process in this period

In RMB

Project name	Budget	Opening balance	Increase in this period	Amount transfer-in to fixed assets in this period	Other decrease in this period	Closing balance	Proportion of accumulative engineering investment in the budget	Project progress	Accumulative capitalized interest	Including: capitalized interest for the current period	Interest capitalization rate	Capital source
Phase 1 of Ganzhou Intelligent Manuf	331,540,000.00	109,181,428.63	133,716,150.97			242,897,579.60	73.26%	Construction in process	2,310,000.00	2,310,000.00	100.00%	Own funds and loans from financial

acturing Headquarters Base												institutions
Total	331,540,000.00	109,181,428.63	133,716,150.97			242,897,579.60			2,310,000.00	2,310,000.00	100.00%	

(3) Provision for impairment of construction in progress during the current period

As of June 30, 2024, there was no indication of impairment for construction in progress.

(4) Impairment testing of construction in progress

□ Applicable ☑ Inapplicable

17. Use right assets

(1) Right-to-use assets

In RMB

Item	Houses & buildings	Transportation facilities	Total
I. Book value			
1. Opening balance	39,794,489.03	1,959,448.83	41,753,937.86
2. Increase in this period	7,466,771.47	3,651,740.16	11,118,511.63
3. Decrease in this period			
4. Closing balance	47,261,260.50	5,611,188.99	52,872,449.49
II. Accumulative depreciation			
1. Opening balance	19,803,178.07	1,173,930.21	20,977,108.28
2. Increase in this period	7,571,066.03	337,017.36	7,908,083.39
(1) Provision	7,571,066.03	337,017.36	7,908,083.39
3. Decrease in this period			
4. Closing balance	27,374,244.10	1,510,947.57	28,885,191.67
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	19,887,016.40	4,100,241.42	23,987,257.81
2. Opening book value	19,991,310.96	785,518.62	20,776,829.58

(2) Impairment testing of right-of-use assets

□ Applicable ☑ Inapplicable

As of June 30, 2024, there are no signs of impairment in the right-of-use assets of the Company.

18. Intangible assets

(1) Intangible assets

In RMB

Item	Land using right	Trademarks, patents and know-how	Software	Total
I. Book value				
1. Opening balance	152,914,836.88	9,017,372.69	23,236,225.88	185,168,435.45
2. Increase in this period		41,149.68	324,388.19	365,537.87
(1) Purchase		41,149.68	324,388.19	365,537.87
3. Decrease in this period				
4. Closing balance	152,914,836.88	9,058,522.37	23,560,614.07	185,533,973.32
II. Accumulative amortization				
1. Opening balance	23,080,721.81	8,919,025.53	13,095,478.23	45,095,225.57
2. Increase in this period	2,661,285.46	14,882.16	1,012,456.30	3,688,623.92
(1) Provision	2,661,285.46	14,882.16	1,011,540.76	3,687,708.38
3. Decrease in this period				
4. Closing balance	25,742,007.27	8,933,907.69	14,107,934.53	48,783,849.49
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	127,172,829.61	124,614.68	9,452,679.54	136,750,123.83
2. Opening book value	129,834,115.07	98,347.16	10,140,747.65	140,073,209.88

(2) Failure to obtain the land use right certificates

In RMB

At the end of the period, the Company had no land use right without the property right certificate.

(3) Impairment test of intangible assets

□ Applicable ☑ Inapplicable

19. Long-term amortizable expenses

In RMB

Item	Opening balance	Increase in this period	Amortized amount in this period	Other decrease	Closing balance
Xuanfeng Chayuan village and Zhuyuan village land transfer compensation	916,323.98		28,050.78		888,273.20
Membership fee	514,999.92		167,833.34		347,166.58
Plant ground reconstruction project	145,269.71		43,581.00		101,688.71
High voltage network access fee of East China base	179,459.59		153,822.66		25,636.93
Sporadic decoration and renovation costs of Fangda Town	3,015,993.78		936,879.28		2,079,114.50
Sporadic decoration and renovation costs of Fangda Center	684,013.47		194,381.64		489,631.83
Renovation of the exhibition hall on the 2nd floor of the East China Base		310,724.95	34,525.00		276,199.95
Others	1,293,253.59		426,189.74	602.59	866,461.26
Total	6,749,314.04	310,724.95	1,985,263.44	602.59	5,074,172.96

20. 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	318,885,422.68	59,216,319.69	301,423,517.61	56,628,793.35
Unrealized profit of internal transactions	429,990,392.84	88,425,089.98	393,622,330.41	82,987,001.02
Deductible loss	138,889,234.90	32,973,293.23	130,536,168.91	31,566,961.10
Credit impairment provision	285,793,380.44	43,985,563.69	273,785,349.40	42,172,039.47
Anticipated liabilities	4,216,060.76	632,409.11	4,842,411.47	726,361.72
Deferred earning	3,775,568.10	719,053.28	3,922,402.14	744,121.83
Change in fair value	9,277,014.48	1,399,219.85	9,127,633.52	1,369,145.03
Lease liabilities	9,511,018.88	2,457,322.18	20,573,028.70	4,335,420.74
Accrued and unpaid land tax	16,543,205.26	4,135,801.31	16,543,205.26	4,135,801.32
Reserved expense	9,427,003.06	2,801,828.70	36,216,407.02	5,434,461.06
Total	1,226,308,301.40	236,745,901.02	1,190,592,454.44	230,100,106.64

(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	4,200,176,971.36	1,050,044,242.85	4,161,500,052.20	1,040,357,639.32
Acquire premium to form inventory	1,535,605.47	383,901.37	1,535,605.47	383,901.37
Use right assets	10,355,437.60	2,588,859.40	20,776,829.58	4,110,042.13
Estimated gross profit for recognized revenue that has not reached the tax liability point.	27,833,078.25	6,958,269.56	29,608,338.87	7,402,084.72
Rental income	25,570,358.86	6,392,589.70	28,537,396.58	7,134,349.15
Total	4,265,471,451.54	1,066,367,862.88	4,241,958,222.70	1,059,388,016.69

(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	47,116,907.11	189,628,993.91	47,241,557.57	182,858,549.07
Deferred income tax liabilities	47,116,907.11	1,019,250,955.77	47,241,557.57	1,012,146,459.12

(4) Details of unrecognized deferred income tax assets

In RMB

Item	Closing balance	Opening balance
Deductible temporary difference	215,559.63	462,778.59
Deductible loss	12,375,300.84	17,530,215.40
Total	12,590,860.47	17,992,993.99

(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
2024	851,893.17	1,276,235.76	
2025	873,293.27	213,129.83	
2026	1,654,924.97	2,355,213.17	
2027	1,234,520.34	3,698,098.44	
2028	139,385.94	9,987,538.20	
2029 and later	7,621,283.15		The deductible losses are mainly from Hong Kong companies, and according to Hong Kong tax policy, the deductible losses can be used in perpetuity.
Total	12,375,300.84	17,530,215.40	

21. Other non-current assets

In RMB

Item	Closing balance			Opening balance		
	Remaining book value	Impairment provision	Book value	Remaining book value	Impairment provision	Book value
Contract assets	65,754,345.90	5,632,433.41	60,121,912.49	69,887,873.01	5,127,003.43	64,760,869.58
Prepaid house and equipment amount	37,323,701.55		37,323,701.55	20,034,901.32		20,034,901.32
Others	2,004,000.00		2,004,000.00	2,004,000.00		2,004,000.00
Total	105,082,047.45	5,632,433.41	99,449,614.04	91,926,774.33	5,127,003.43	86,799,770.90

22. Assets with restricted ownership or use rights

In RMB

Item	Closing balance				Beginning of the period			
	Remaining book value	Book value	Type of restriction	Restricted situation	Remaining book value	Book value	Type of restriction	Restricted situation
Monetary capital	776,544,406.75	776,544,406.75	For pledge or restricted use	Various deposits	645,489,997.82	645,489,997.82	For pledge or restricted use	Various deposits
Notes receivable	21,162,837.86	21,096,517.86	For endorsement or discounting	Bills endorsed or discounted but not yet due	27,937,899.17	27,843,496.17	For endorsement or discounting	Bills endorsed or discounted but not yet due
Account receivable	35,195,428.88	34,843,474.59	For pledge	Loan by pledge	39,392,140.71	38,094,032.45	For pledge	Loan by pledge
in fixed assets	145,934,582.39	141,500,759.61	Used as collateral	Loan by pledge	45,915,995.84	43,108,073.24	Used as collateral	Loan by pledge
Investment real estate	1,827,299,718.88	1,827,299,718.88	Used as collateral	Loan by pledge	1,943,287,098.56	1,943,287,098.56	Used as collateral	Loan by pledge
Equity pledge	200,000,000.00	200,000,000.00	For pledge	100% stake in Fangda Property Development held by the Company	200,000,000.00	200,000,000.00	For pledge	100% stake in Fangda Property Development held by the Company
Construction in process	228,077,468.49	228,077,468.49	Used as collateral	Loan by pledge				
Intangible assets	24,179,649.75	23,454,260.19	Used as collateral	Loan by pledge				
Non-current assets due in 1 year					327,120,273.54	327,120,273.54	For pledge	Loan by pledge
Total	3,258,394,093.00	3,252,816,606.37			3,229,143,405.64	3,224,942,971.78		

23. Short-term borrowings

(1) Classification of short-term borrowings

In RMB

Item	Closing balance	Opening balance
Guarantee loan	1,114,026,708.98	711,492,580.56
Credit borrow		300,270,416.67
Guarantee and pledge loan	1,310,714,488.01	1,184,641,572.44
Other loans	4,000,000.00	11,650,469.54
Total	2,428,741,196.99	2,208,055,039.21

Explanation of the classification of short-term borrowings: Guaranteed borrowings are borrowings with credit guarantee provided; guaranteed and pledged borrowings are borrowings with credit guarantee provided and using intellectual property or margin for pledge guarantee; other borrowings are discounted borrowings received from customers' acceptance bills or financing letters.

24. Derivative financial liabilities

In RMB

Item	Closing balance	Opening balance
Forward foreign exchange contract	628,367.00	
Total	628,367.00	

25. Notes payable

In RMB

Type	Closing balance	Opening balance
Commercial acceptance	3,443,563.69	8,781,696.46
Bank acceptance	926,879,613.50	860,105,250.33
Total	930,323,177.19	868,886,946.79

The total amount of outstanding and unpaid notes payable at the end of this period is RMB8,936,602.56. The reasons for the non-payment upon maturity are as follows: Among them, RMB8,584,133.56 for bank acceptance bills, because the due date of June 29, 2024 is Saturday, the bank system postpones the deduction to the next working day, that is, the bank has already made the payment on Monday, July 1, 2024; RMB352,469.00 for commercial acceptance bills, because the supplier did not apply to the bank for payment in time.

26. Account payable

(1) Account payable

In RMB

Item	Closing balance	Opening balance
Account repayable and engineering repayable	1,332,820,925.05	1,374,752,105.25
Payable installation and implementation fees	454,031,510.99	481,683,031.93
Construction payable	57,670,168.19	86,851,302.81
Others	26,772,708.97	29,007,342.28
Total	1,871,295,313.20	1,972,293,782.27

(2) Significant accounts payable older than one year or past due

There are no important accounts payable with an age of more than 1 year or overdue at the end of this period.

27. Other payables

In RMB

Item	Closing balance	Opening balance
Dividend payable	6,962,732.02	
Other payables	110,240,797.47	117,581,764.15
Total	117,203,529.49	117,581,764.15

(1) Dividend payable

In RMB

Item	Closing balance	Opening balance
Shareholding of minority shareholders	6,962,732.02	
Total	6,962,732.02	

(2) Other payables

1) Other payables presented by nature

In RMB

Item	Closing balance	Opening balance
Performance and quality deposit	36,615,081.07	40,096,446.17
Deposit	40,402,857.87	24,659,670.94
Reserved expense	2,197,754.18	4,785,143.40
Others	31,025,104.35	48,040,503.64
Total	110,240,797.47	117,581,764.15

(2) Significant other accounts payable older than 1 year or past due

In RMB

Item	Closing balance	Reason
Shenzhen Yikang Real Estate Co. Ltd.	26,149,417.56	Payment paid as agreed in the contract
Total	26,149,417.56	

28. Prepayment received

(1) Prepayment received

In RMB

Item	Closing balance	Opening balance
Rental	1,799,054.73	1,432,885.03
Total	1,799,054.73	1,432,885.03

29. Contract liabilities

In RMB

Item	Closing balance	Opening balance
Project funds collected in advance	211,877,979.62	175,345,246.29
Material payment and house sale payment.	5,020,265.66	22,694,108.20
Others	484,361.02	124,854.98
Total	217,382,606.30	198,164,209.47

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	36,532,733.33	Increased due to the advance payment for engineering contracting contracts.
Material payment and house sale payment.	-17,673,842.54	Decreased due to the reduction of advance payment for material purchase
Total	18,858,890.79	

30. Employees' wage payable

(1) Employees' wage payable

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Short-term remuneration	73,557,667.19	242,537,025.41	282,944,218.70	33,150,473.90
2. Retirement pension program-defined contribution plan	381,396.01	13,522,893.81	13,554,927.38	349,362.44
3. Dismiss compensation	124,049.06	1,089,811.46	1,213,860.52	
Total	74,063,112.26	257,149,730.68	297,713,006.60	33,499,836.34

(2) Short-term remuneration

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Wage, bonus, allowance and subsidies	72,008,514.84	225,356,213.47	265,515,847.20	31,848,881.11
2. Employee welfare	321,678.16	6,078,465.91	6,371,254.56	28,889.51
3. Social insurance	142,502.10	5,217,044.01	5,227,487.22	132,058.89
Including: medical insurance	118,083.98	4,272,397.97	4,268,021.66	122,460.29
Labor injury insurance	5,534.39	478,879.08	481,373.67	3,039.80
Breeding insurance	18,883.73	465,766.96	478,091.89	6,558.80
4. Housing fund	143,003.33	5,451,234.97	5,378,277.05	215,961.25
5. Labor union budget and staff education	542,240.97	434,067.05	433,249.16	543,058.86

fund				
6. Short-term paid leave	399,727.79		18,103.51	381,624.28
Total	73,557,667.19	242,537,025.41	282,944,218.70	33,150,473.90

(3) Defined contribution plan

In RMB

Item	Opening balance	Increase	Decrease	Closing balance
1. Basic pension	373,813.17	12,970,379.77	13,002,045.47	342,147.47
2. Unemployment insurance	7,582.84	552,514.04	552,881.91	7,214.97
Total	381,396.01	13,522,893.81	13,554,927.38	349,362.44

31. Taxes payable

In RMB

Item	Closing balance	Opening balance
VAT	4,788,021.30	5,063,851.12
Enterprise income tax	14,036,438.04	13,798,160.21
Personal income tax	1,036,373.92	1,750,380.58
City maintenance and construction tax	576,138.95	636,181.87
Land using tax	494,915.92	608,959.21
Property tax	8,304,804.34	2,656,539.62
Education surtax	251,080.62	273,885.15
Local education surtax	167,387.13	182,589.47
Consumption service tax		10,359.29
Land VAT	19,663,675.05	16,543,205.26
Others	1,280,009.65	850,956.77
Total	50,598,844.92	42,375,068.55

32. Non-current liabilities due within 1 year

In RMB

Item	Closing balance	Opening balance
Long-term loans due within 1 year	30,942,037.67	914,958.90
Long-term payables due within 1 year		49,323,018.90
Lease liabilities due within one year	13,070,051.28	13,897,158.66
Total	44,012,088.95	64,135,136.46

33. Other current liabilities

In RMB

Item	Closing balance	Opening balance
Unterminated notes receivable	21,162,837.86	27,937,899.17
Substituted money on VAT	26,043,891.43	25,586,755.88
Total	47,206,729.29	53,524,655.05

34. Long-term borrowings

(1) Classification of long-term borrowings

In RMB

Item	Closing balance	Opening balance
Guaranteed and mortgage loans	250,218,750.00	
Guarantee, mortgage and pledge loan	660,723,287.67	660,914,958.90
Less: Long-term loans due within 1 year	30,942,037.67	914,958.90
Total	880,000,000.00	660,000,000.00

Notes to classification of long-term borrowings:

(1) The pledges in the above guarantees, mortgages and pledges of borrowings are pledges of the Company's 100% equity interest in its subsidiary, Fangda Real Estate, which is directly and indirectly held by the Company, and the rent receivables from its self-owned rental properties in Fangda Town.

(2) The interest rate range for long-term borrowings is 3% to 6%.

35. Lease liabilities

In RMB

Item	Closing balance	Opening balance
Lease payments	26,684,228.98	23,255,219.85
Less: unrecognized financing expenses	1,491,589.81	2,682,191.15
Less: lease liabilities due within one year	13,070,051.28	13,897,158.66
Total	12,122,587.89	6,675,870.04

36. Long-term payables

In RMB

Item	Closing balance	Opening balance
Long-term payable		48,400,000.00
Total		48,400,000.00

(1) Long term accounts payable listed by nature

In RMB

Item	Closing balance	Opening balance
Equity repurchase payment	0.00	48,400,000.00

37. Anticipated liabilities

In RMB

Item	Closing balance	Opening balance	Reason
Loss contract to be executed	341,507.92	193,502.52	
Maintenance fee	3,984,129.49	4,648,908.95	Product quality warranty
Total	4,325,637.41	4,842,411.47	

38. Deferred earning

In RMB

Item	Opening balance	Increase	Decrease	Closing balance	Reason
Government subsidy	8,978,678.72	2,321,892.00	313,198.25	10,987,372.47	See the following table
Total	8,978,678.72	2,321,892.00	313,198.25	10,987,372.47	

Items involving government subsidies:

Item	Balance as of December 31, 2023	Amount of new subsidy	Other misc. gains recorded in this period	Balance as of June 30, 2024	Related to assets/earning
Railway transport screen door controlling system and information transmission technology	3,458.27		3,458.27		Assets-related
Major investment project prize from Industry and Trade Development Division of Dongguan Finance Bureau	1,395,238.70		28,571.40	1,366,667.30	Assets-related
Distributed PV power generation project subsidy sponsored by Dongguan Reform and Development Commission	293,750.33		12,499.98	281,250.35	Assets-related
Subsidized land transfer	162,376.31		1,862.82	160,513.49	Assets-related
Special subsidy for industrial transformation, upgrading and development	1,150,688.31		75,869.58	1,074,818.73	Assets-related
Enterprise informationization subsidy project of Shenzhen Small and Medium Enterprise Service Agency	276,000.00		24,000.00	252,000.00	Assets-related
National Industry Revitalization and Technology Renovation Project fund	4,762,526.30		153,864.30	4,608,662.00	Assets-related
Subsidy for new plant	934,640.50		13,071.90	921,568.60	Assets-related
Land construction subsidy		2,321,892.00		2,321,892.00	Assets-related
Total	8,978,678.72	2,321,892.00	313,198.25	10,987,372.47	

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		61,979.15	9,943,511.90
Other capital reserves	1,454,097.35			1,454,097.35
Total	11,459,588.40		61,979.15	11,397,609.25

Other explanations, including the changes in this period and the reasons for the changes: The reduction in this period is the difference between the cost of long-term equity investment obtained by acquiring minority equity and the corresponding net asset book value.

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 and loss	-25,201,209.27							-25,201,209.27
Fair value change of investment in other equity tools	-25,201,209.27							-25,201,209.27
2. Other misc. incomes that will be re-classified into gain and loss	48,323,080.06	38,331,442.45			9,742,967.05	28,592,893.06	-4,417.66	76,915,973.12
Cash flow hedge reserve	170,878.62	-802,104.06			-120,315.61	-676,913.84	-4,874.61	-506,035.22

Translation difference of foreign exchange statement	236,706.94	-319,584.11				-320,041.06	456.95	-83,334.12
Investment real estate measured at fair value	47,915,494.50	39,453,130.62			9,863,282.66	29,589,847.96		77,505,342.46
Other miscellaneous income	23,121,870.79	38,331,442.45			9,742,967.05	28,592,893.06	-4,417.66	51,714,763.85

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	4,772,359,940.45	4,553,295,402.30
Retained profit adjusted at beginning of year	4,772,359,940.45	4,553,295,402.30
Plus: Net profit attributable to owners of the parent	116,795,117.62	182,155,268.18
Common share dividend payable	85,909,938.16	53,693,711.35
Closing retained profit	4,803,245,119.91	4,681,756,959.13

44. Operational revenue and costs

In RMB

Item	Amount occurred in the current period		Occurred in previous period	
	Income	Cost	Income	Cost
Main business	2,115,537,007.16	1,724,711,866.23	1,994,095,251.72	1,613,648,910.68
Other businesses	18,308,580.60	12,887,318.75	84,751,625.60	10,581,557.95
Total	2,133,845,587.76	1,737,599,184.98	2,078,846,877.32	1,624,230,468.63

Note: The decrease in other operating income in this period is mainly due to the adjustment of the rental income of the subsidiary whose main business is real estate leasing from other operating income to main operating income in this period. The rental income in this period is RMB69,095,799.23, and the rental income in the previous period is RMB73,425,170.71.

Breakdown of operating revenues and operating costs:

In RMB

Contract classification	Segment 1 - Curtain wall and new materials		Segment 2 - Rail transport screen door business		Segment 3 - Commercial real estate		Segment 4 - New energy		Segment 5 - Others		Total	
	Turnover	Operating cost	Turnover	Operating cost	Turnover	Operating cost	Turnover	Operating cost	Turnover	Operating cost	Turnover	Operating cost
Business type	1,737,754,739.77	1,498,853,634.92	263,455,042.38	204,334,717.47	118,828,634.36	30,419,966.05	7,061,695.63	3,952,479.21	6,745,475.62	38,387.33	2,133,845,587.76	1,737,599,184.98
Including:												
Curtain wall system and new materials	1,737,754,739.77	1,498,853,634.92									1,737,754,739.77	1,498,853,634.92
Subway screen door and service			263,455,042.38	204,334,717.47							263,455,042.38	204,334,717.47
Commercial real estate leasing and property services					118,828,634.36	30,419,966.05					118,828,634.36	30,419,966.05
PV power generation products							7,061,695.63	3,952,479.21			7,061,695.63	3,952,479.21
Others									6,745,475.62	38,387.33	6,745,475.62	38,387.33
By operating region	1,737,754,739.77	1,498,853,634.92	263,455,042.38	204,334,717.47	118,828,634.36	30,419,966.05	7,061,695.63	3,952,479.21	6,745,475.62	38,387.33	2,133,845,587.76	1,737,599,184.98
Including:												
In China	1,672,512,452.59	1,448,049,207.46	150,308,848.24	124,723,170.68	118,828,634.36	30,419,966.05	7,061,695.63	3,952,479.21	6,745,475.62	38,387.33	1,955,457,106.44	1,607,183,210.73

Out of China	65,242,287.18	50,804,427.46	113,146,194.14	79,611,546.79							178,388,481.32	130,415,974.25

(1) The information of operating revenue broken down by revenue recognition time is as follows:

Item	January to June 2024 (yuan)	January to June 2023 (yuan)
Revenue recognized at a certain point in time	231,875,066.13	284,640,620.34
Revenue recognized over a period of time	1,901,970,521.63	1,794,206,256.98
Total	2,133,845,587.76	2,078,846,877.32

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.

(2) Information related to remaining performance obligations

As of June 30, 2024, the Company's remaining contractual obligations are mainly related to the Company's engineering contracts, and the remaining contractual obligations are expected to be recognized as revenue according to the performance progress in the future performance period of the corresponding engineering contracts.

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 RMB8,900,311,936.77, of which RMB2,238,894,511.23 is expected to be recognized in the second half of 2024, and RMB3,899,420,951.80 is expected to be recognized in 2025, RMB2,761,996,473.74 is expected to be recognized in 2026 and beyond.

45. Taxes and surcharges

In RMB

Item	Amount occurred in the current period	Occurred in previous period
City maintenance and construction tax	3,231,945.08	4,446,267.60
Education surtax	2,248,674.08	2,918,968.56
Property tax	9,979,214.78	9,523,215.93
Land using tax	952,023.94	888,300.59
Vehicle usage tax	8,760.00	10,290.00
Stamp tax	2,082,243.80	1,554,773.97
Land VAT	3,489,085.76	2,802,673.55
Others	168,005.35	359,251.36
Total	22,159,952.79	22,503,741.56

46. Management expense

In RMB

Item	Amount occurred in the current period	Occurred in previous period
Labor costs	57,329,867.92	51,557,093.96
Agencies	2,839,264.19	3,942,772.45
Depreciation and amortization	7,207,803.35	7,282,563.56
Office expense	4,020,332.41	5,141,931.61
Entertainment expense	5,332,709.90	2,551,085.91
Amortization of right of use assets and lease fees	2,246,218.58	1,904,893.13
Lawsuit	38,842.74	2,954,790.97
Travel expense	2,010,823.16	1,575,151.34
Others	3,815,696.70	2,680,658.53
Total	84,841,558.95	79,590,941.46

47. Sales expense

In RMB

Item	Amount occurred in the current period	Occurred in previous period
Labor costs	12,788,956.33	13,183,424.46
Sales agency fee	982,162.22	1,773,126.99
Entertainment expense	2,417,855.86	2,554,127.30
Travel expense	1,410,466.32	1,390,759.29
Advertisement and promotion fee	1,313,336.10	830,068.74
Amortization of right of use assets and lease fees	684,175.82	83,983.81
Others	3,961,319.31	8,328,066.20
Total	23,558,271.96	28,143,556.79

48. R&D cost

In RMB

Item	Amount occurred in the current period	Occurred in previous period
Labor costs	50,364,726.96	48,716,037.44
Material costs	26,975,019.70	29,157,592.26
Agencies	4,956,566.33	4,191,108.26
Depreciation costs	840,171.99	999,888.33
Amortization of intangible assets	509,458.78	497,817.82
Others	1,993,659.12	5,427,066.55
Total	85,639,602.88	88,989,510.66

49. Financial expense

In RMB

Item	Amount occurred in the current period	Occurred in previous period
Interest expense	29,211,652.87	48,188,161.19
Less: discount government subsidies		308,700.00
Less: Interest income	11,466,633.99	12,097,319.82
Acceptant discount	12,789,518.90	7,888,113.87
Exchange gain/loss	-1,419,923.57	-11,140,562.06

Commission charges and others	2,375,368.88	1,214,164.61
Total	31,489,983.09	33,743,857.79

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)	313,198.25	283,322.58
Government subsidies directly included in current profits and losses (related to income)	8,287,811.03	7,695,968.32
Other items related to daily activities and included in other income	2,861,328.23	584,491.42
Total	11,462,337.51	8,563,782.32

51. 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	555,662.75	122,109.40
Other non-current financial assets	2,702.12	7,782.60
Total	558,364.87	129,892.00

52. Investment income

In RMB

Item	Amount occurred in the current period	Occurred in previous period
Gains from long-term equity investment measured by equity	-34,959.52	294.42
Investment income from disposal of trading financial assets	-890,803.00	
Financial assets de-recognized as a result of amortized cost	-1,123,208.42	-2,362,127.61
Income from derecognition of other financial assets measured at fair value	-33,150.26	
Total	-2,082,121.20	-2,361,833.19

53. Credit impairment loss

In RMB

Item	Amount occurred in the current period	Occurred in previous period
Bad debt loss of other receivables	-781,873.49	-716,812.51
Bad debt loss of accounts receivable and notes receivable	-7,092,925.51	20,991,390.10

Total	-7,874,799.00	20,274,577.59

54. Assets impairment loss

In RMB

Item	Amount occurred in the current period	Occurred in previous period
Contract asset impairment loss	-15,876,085.85	-14,673,904.92
Total	-15,876,085.85	-14,673,904.92

55. Assets disposal gains

In RMB

Source	Amount occurred in the current period	Occurred in previous period
Disposition not classified as possession of fixed assets to be sold, construction in progress, productive biological assets and intangible assets	3,289.78	50,072.23
Including: Fixed assets	3,289.78	50,072.23
Disposal of use right assets	-4,780.00	323,279.85
Total	-1,490.22	373,352.08

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	58,348.90	106,311.57	58,348.90
Compensation received	46,335.00	39,036.80	46,335.00
Others	74,076.65	58,698.17	74,076.65
Total	178,760.55	204,046.54	178,760.55

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	50,000.00	217,861.40	50,000.00
Loss from retirement os damaged non-current assets	136,535.83	23,473.88	136,535.83
Penalty and overdue fine	84,167.14	43,356.01	84,167.14
Lawsuit indemnity		53,158.01	
Others	265,000.51	232,013.29	265,000.51
Total	535,703.48	569,862.59	535,703.48

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	25,927,934.50	33,781,299.25
Deferred income tax expenses	-9,408,915.24	-5,591,393.81
Total	16,519,019.26	28,189,905.44

(2) Adjustment process of accounting profit and income tax expense

In RMB

Item	Amount occurred in the current period
Total profit	134,386,296.29
Income tax expenses calculated based on the legal (or applicable) tax rates	33,596,574.07
Impacts of different tax rates applicable for some subsidiaries	-7,756,825.23
Impacts of income tax before adjustment	2,538,283.55
Impacts of non-deductible cost, expense and loss	1,332,361.35
Profit and loss of associates and joint ventures calculated using the equity method	8,739.88
Impact of tax rate change on the opening balance of deferred income tax	-25,453.99
Taxation impact of R&D expense and (presented with "-”)	-13,174,660.37
Income tax expenses	16,519,019.26

59. Other miscellaneous income

See Note 41 Other comprehensive income in this section for details.

60. Notes to the cash flow statement

(1) Cash inflow related to operation

Other cash received from business operations

In RMB

Item	Amount occurred in the current period	Occurred in previous period
Interest income	6,489,453.44	4,863,151.74
Subsidy income	9,451,485.75	6,530,882.67
Retrieving of bidding deposits	22,816,388.75	20,253,140.27
Other operating accounts	5,152,936.76	11,800,747.12
Total	43,910,264.70	43,447,921.80

Other cash paid for business operations

In RMB

Item	Amount occurred in the current period	Occurred in previous period

Pocket expenses	27,505,053.77	25,234,094.43
Bidding deposit paid	18,891,370.53	17,035,960.19
Net draft deposit net paid	261,383,332.31	199,180,751.42
Other trades	4,256,435.20	23,008,888.00
Total	312,036,191.81	264,459,694.04

(2) Cash related to investment activities

Other cash paid for investment

In RMB

Item	Amount occurred in the current period	Occurred in previous period
Loss on forward foreign exchange contract delivery	890,803.00	
Total	890,803.00	

(3) Cash related to financing

Other cash received from financing activities

In RMB

Item	Amount occurred in the current period	Occurred in previous period
Maturity principal and interest of pledged large-scale time deposit	330,600,944.44	
Total	330,600,944.44	

Other cash paid related to financing activities

In RMB

Item	Amount occurred in the current period	Occurred in previous period
Bill discount financing deposit	115,912,636.08	60,589,831.95
Principal and interest of lease liabilities	10,536,884.00	8,096,984.15
Payment for repurchase of equity interest in Fangda Zhiyuan	98,116,151.32	
Total	224,565,671.40	68,686,816.10

Changes in liabilities arising from financing activities

☑ Applicable □ Inapplicable

In RMB

Item	Opening balance	Increase		Decrease		Closing balance
		Change in cash	Non-cash change	Change in cash	Non-cash change	
Short-term loans	2,208,055,039.21	2,253,971,200.00		1,807,897,897.17	225,387,145.05	2,428,741,196.99
Long-term borrowings (including portion due within one year)	660,914,958.90	250,000,000.00	16,767,578.76	16,740,499.99		910,942,037.67
Lease liabilities	20,573,028.70		15,156,494.47	10,536,884.00		25,192,639.17

(including portion due within one year)						
Long-term accounts payable (including portion due within one year)	97,723,018.90		393,132.42	98,116,151.32		
Total	2,987,266,045.71	2,503,971,200.00	32,317,205.65	1,933,291,432.48	225,387,145.05	3,364,875,873.83

(4) Explanation of cash flows presented on a net basis

Item	Relevant factual information	Basis for adopting net presentation	Financial impact
Net margin paid on bills of exchange, etc.	Corresponding deposits for bills of exchange are presented on a net basis according to changes in their balances	Quick turnaround and short maturity	None
Net deposits received such as bills of exchange			

(5) Significant activities and financial effects that do not involve current cash receipts and disbursements but affect the enterprise's financial position or may affect the enterprise's cash flows in the future

No

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	117,867,277.03	185,394,944.82
Plus: Asset impairment provision	23,750,884.85	-5,600,672.67
Fixed asset depreciation, gas and petrol depreciation, production goods depreciation	15,141,781.37	14,896,760.41
Depreciation of right to use assets	7,908,083.39	7,370,647.68
Amortization of intangible assets	3,687,708.38	2,451,985.26
Amortization of long-term amortizable expenses	1,985,263.44	2,107,067.00
Loss from disposal of fixed assets, intangible assets, and other long-term assets ("-" for gains)	1,490.22	-373,352.08
Loss from fixed asset discard ("-" for gains)	136,535.83	23,473.88
Loss from fair value fluctuation ("-" for gains)	-558,364.87	-129,892.00
Financial expenses ("-" for gains)	42,001,171.77	56,076,275.06
Investment losses ("-" for gains)	958,912.78	-294.42

Decrease of deferred income tax asset ("-" for increase)	-6,770,444.84	-4,214,889.76
Increase of deferred income tax asset ("-" for increase)	7,104,496.65	-4,647,431.65
Decrease of inventory ("-" for increase)	2,846,757.44	34,523,652.33
Decrease of operational receivable items ("-" for increase)	-307,138,399.56	-149,791,569.44
Increase of operational receivable items ("-" for decrease)	-56,399,743.16	-154,844,906.67
Others	-24,054,408.93	-20,555,508.88
Cash flow generated by business operations, net	-171,530,998.21	-37,313,711.13
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	908,462,270.84	748,672,706.05
Less: Initial balance of cash	779,661,118.42	783,677,929.06
Add: Ending balance of cash equivalents		
Less: Ending balance of cash equivalents		
Net increase in cash and cash equivalents	128,801,152.42	-35,005,223.01

(2) Composition of cash and cash equivalents

In RMB

Item	Closing balance	Opening balance
I. Cash	908,462,270.84	779,661,118.42
Including: Cash in stock	28,569.08	5,350.98
Bank savings can be used at any time	894,082,425.59	742,322,526.29
Other monetary capital can be used at any time	14,351,276.17	6,344,828.78
III. Balance of cash and cash equivalents at end of term	908,462,270.84	779,661,118.42

(3) Monetary funds other than cash and cash equivalents

In RMB

Item	Amount of the Current Term	Amount of the Previous Term	Reasons for not being cash and cash equivalents
Various deposits	776,544,406.75	537,833,587.91	Use restricted
Total	776,544,406.75	537,833,587.91	

62. Foreign currency monetary items

(1) Foreign currency monetary items

In RMB

Item	Closing foreign currency balance	Exchange rate	Closing RMB balance

Monetary capital			60,525,119.37
Including: USD	4,921,776.90	7.1268	35,076,519.26
Euro	0.01	7.6617	0.08
HK Dollar	10,186,412.49	0.9127	9,296,934.97
Vietnamese currency	1,676,745,450.00	0.0003	469,403.04
SGD	1,486,881.68	5.2790	7,849,248.39
AUD	1,643,864.35	4.7650	7,833,013.63
Account receivable			4,126,819.39
Including: USD	4,560.00	7.1268	32,498.21
HK Dollar	172,200.00	0.9127	157,163.50
AUD	826,266.04	4.7650	3,937,157.68
Contract assets			128,499,944.91
Including: USD	12,246,126.13	7.1268	87,275,691.72
INR	64,687,475.47	0.0854	5,522,951.97
Euro	2,799,793.70	7.6617	21,451,179.38
AUD	2,990,581.71	4.7650	14,250,121.84
Other receivables			2,462,223.56
Including: USD	208,645.94	7.1268	1,486,977.89
HK Dollar	756,602.35	0.9127	690,535.83
SGD	25,075.00	5.2790	132,370.93
AUD	31,970.39	4.7650	152,338.91
Account payable			17,660,445.20
Including: USD	1,157,913.82	7.1268	8,252,220.21
HK Dollar	2,742,472.43	0.9127	2,502,999.74
INR	193,375.00	0.0854	16,510.16
AUD	1,443,537.98	4.7650	6,878,458.47
SGD	1,942.91	5.2790	10,256.62
Other payables			425,278.22
Including: USD	36,973.55	7.1268	263,503.09
AUD	33,950.71	4.7650	161,775.13

(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

63. Leasing

(1) The Company is the leasee

☑ Applicable □ Inapplicable

Variable lease payments not included in the measurement of the lease liability

□ Applicable ☑ Inapplicable

Lease costs for short-term leases or low-value assets with simplified treatment

☑ Applicable □ Inapplicable

Item	January-June 2024
Short term lease expenses with simplified treatment included in current profit and loss	25,437,567.00

Lease expenses of low value assets with simplified treatment included in current profit and loss (except short-term lease)	202,015.49
Interest expense on lease liabilities	526,573.34
Total cash outflow related to leasing	31,632,243.77

Involvement in sale-and-leaseback transactions: None.

(2) The Company as lessor

Operating leases as lessor

☑ Applicable □ Inapplicable

In RMB

Item	Rental income	Including: Income related to variable lease payments not included in lease receipts
Rental income	69,095,799.23	168,411.76
Total	69,095,799.23	168,411.76

Financing leases as lessor

□ Applicable ☑ Inapplicable

Undiscounted lease receipts for each of the next five years

☑ Applicable □ Inapplicable

In RMB

Item	Annual undiscounted lease receipts	
	Closing amount	Opening amount
First year	138,087,637.15	132,605,879.94
Second year	117,339,492.09	115,552,250.91
Third year	82,815,740.12	94,134,268.43
Fourth year	59,828,831.71	59,112,763.63
Fifth year	37,263,612.05	39,342,690.51
Total undiscounted lease receipts after five years	103,540,429.38	90,429,704.69

VIII. R&D expenses

In RMB

Item	Amount occurred in the current period	Occurred in previous period
Labor costs	50,364,726.96	48,716,037.44
Material costs	26,975,019.70	29,157,592.26
Agencies	4,956,566.33	4,191,108.26
Depreciation costs	840,171.99	999,888.33
Amortization of intangible assets	509,458.78	497,817.82
Others	1,993,659.12	5,427,066.55
Total	85,639,602.88	88,989,510.66
Including: Expensed R&D expenditure	85,639,602.88	88,989,510.66

IX. Change to Consolidation Scope

1. Change to the consolidation scope for other reasons

During this period, the Company added one wholly-owned subsidiary, Fangda Curtain Wall Singapore Co., Ltd., through establishment; and reduced one subsidiary, Shenzhen Fangda Investment Partnership (Limited Partnership), through liquidation and cancellation.

X. Equity in Other Entities

1. Interests in subsidiaries

(1) Group Composition

In RMB

Company	Registered capital	Place of business	Registered address	Business	Shareholding percentage		Obtaining method
					Direct	Indirect	
Shihui International Holding Co., Ltd.	21,380,400.00	Virgin Islands	Virgin Islands	Investment	100.00%		Incorporation
Shenzhen Hongjun Investment Co., Ltd.	100,000,000.00	Shenzhen	Shenzhen	Investment	98.00%	2.00%	Incorporation
Fangda Curtain Wall Singapore Co., Ltd.	1,583,700.00	Singapore	Singapore	Designing, manufacturing, and installation of curtain walls		100.00%	Incorporation
Jiangxi Fangda Intelligent Manufacturing Technology Co., Ltd.	200,000,000.00	Ganzhou	Ganzhou	Production and sales of new-type materials and composite materials	99.00%	1.00%	Incorporation
Shenzhen Fangda Jianke Group Co., Ltd.	600,000,000.00	Shenzhen	Shenzhen	Designing, manufacturing, and installation of curtain walls	98.66%	1.34%	Incorporation
Dongguan Fangda New Material Co., Ltd.	272,800,000.00	Dongguan	Dongguan	Installation and sales of building curtain walls		100.00%	Incorporation
Chengdu Fangda Construction Technology Co., Ltd.	50,000,000.00	Chengdu	Chengdu	Trusted processing of building curtain wall materials		100.00%	Incorporation
Fangda	14,295,000.0	Australia	Australia	Designing,		100.00%	Incorporation

Australia Co., Ltd.	0			manufacturing, and installation of curtain walls			
Fangda Southeast Asia Co., Ltd.	3,000,000.00	Vietnam	Vietnam	Designing, manufacturing, and installation of curtain walls		100.00%	Incorporation
Shanghai Fangda Zhijian Technology Co., Ltd	100,000,000.00	Shanghai	Shanghai	Intelligent technology, new energy, automated technology	30.00%	70.00%	Incorporation
Fangda Jianke Hong Kong Co., Ltd.	36,594.00	Hong Kong	Hong Kong	Design, sale and installation of building curtain wall		100.00%	Incorporation
Shanghai Fangda Jianzhi Technology Co., Ltd.	50,000,000.00	Shanghai	Shanghai	Construction technology, intelligent technology, automation technology, design, production and installation of building curtain walls		100.00%	Incorporation
Chengdu Fangda Curtain Wall Technology Co., Ltd.	50,000,000.00	Chengdu	Chengdu	Building decoration and other construction industry		100.00%	Incorporation
Shenzhen Fangda Jianchuang Technology Co., Ltd.	50,000,000.00	Shenzhen	Shenzhen	Production and sales of building curtain walls		100.00%	Incorporation
Shenzhen Fangda New Energy Co., Ltd.	100,000,000.00	Shenzhen	Shenzhen	Design and construction of PV power plants	99.00%	1.00%	Incorporation
Pingxiang Fangda Luxin New Energy Co., Ltd.	10,000,000.00	Pingxiang	Pingxiang	Design and construction of PV power plants		100.00%	Incorporation
Nanchang Xinjian Fangda New Energy Co., Ltd.	10,000,000.00	Nanchang	Nanchang	Design and construction of PV power plants		100.00%	Incorporation

Dongguan Fangda New Energy Co., Ltd.	10,000,000.00	Dongguan	Dongguan	Design and construction of PV power plants		100.00%	Incorporation
Shenzhen Xunfu Investment Co., Ltd	100,000.00	Shenzhen	Shenzhen	Project investment and investment consultancy		100.00%	Incorporation
Shenzhen Lifu Investment Co., Ltd	1,000,000.00	Shenzhen	Shenzhen	Project investment and investment consultancy		52.00%	Incorporation
Fangda Zhichuang Technology Co., Ltd.	105,000,000.00	Shenzhen	Shenzhen	Production, processing and installation of subway screen doors	51.00%	43.29%	Incorporation
Shenzhen Qianhai Kechuangyuan Software Co., Ltd.	5,000,000.00	Shenzhen	Shenzhen	Software development		94.29%	Incorporation
Fangda Zhiyuan Technology (Hong Kong) Co., Ltd.	8,435.80	Hong Kong	Hong Kong	Metro screen door		94.29%	Incorporation
Fangda Zhiyuan Technology (Wuhan) Co., Ltd.	10,000,000.00	Wuhan	Wuhan	Production, processing and installation of subway screen doors		94.29%	Incorporation
Fangda Zhiyuan Railway Transportation Equipment (Dongguan) Co.	1,000,000.00	Dongguan	Dongguan	Production, processing and installation of subway screen doors		94.29%	Incorporation
Fangda Zhiyuan Technology (Nanchang) Co., Ltd.	1,000,000.00	Nanchang	Nanchang	Production, processing and installation of subway screen doors		94.29%	Incorporation
General Railway Technology Ltd.	47,880.30	Singapore	Singapore	Production, processing and installation of subway screen doors		94.29%	Incorporation
Shenzhen Fangda	200,000,000.00	Shenzhen	Shenzhen	Real estate development	99.00%	1.00%	Incorporation

Property Development Co., Ltd.				and operation			
Shenzhen Fangda Property Management Co., Ltd.	10,000,000.00	Shenzhen	Shenzhen	Property management		100.00%	Incorporation
Fangda (Jiangxi) Property Development Co., Ltd.	100,000,000.00	Nanchang	Nanchang	Real estate development and operation		100.00%	Incorporation
Shenzhen Fangda Yunzhi Technology Co., Ltd.	50,000,000.00	Shenzhen	Shenzhen	Technology development and sales; Invest in industry; Operation management of science and technology park		100.00%	Incorporation
Shenzhen Zhongrong Litai Investment Co., Ltd.	121,000,000.00	Shenzhen	Shenzhen	Business service		55.00%	Purchase
Fangda New Materials (Jiangxi) Co., Ltd.	99,328,800.00	Nanchang	Nanchang	Production and sales of new-type materials and composite materials	75.00%	25.00%	Incorporation
Shenzhen Fangda Yunzhu Technology Co., Ltd.	10,000,000.00	Shenzhen	Shenzhen	Inspection, technical service and consultation of building safety and building energy saving system		100.00%	Consolidation of entities under common control
Shenzhen Yunzhu Testing Technology Co., Ltd.	5,000,000.00	Shenzhen	Shenzhen	Inspection, technical service and consultation of building safety and building energy saving system		100.00%	Consolidation of entities under common control

(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
Fangda Zhiyuan Technology	5.71%	1,074,521.80	6,962,732.02	18,155,735.00
Zhongrong Litai	45.00%	-2,277.15		48,297,150.41

(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	209,698,594.92	242,160.39	209,940,755.31	102,365,964.40	247,789.99	102,613,754.39	209,637,980.81	285,106.81	209,923,087.62	102,400,696.16	190,330.21	102,591,026.37
Fangda Zhiyuan Technology	876,971,774.41	144,552,506.72	1,021,524,281.13	681,946,798.41	21,852,914.59	703,799,713.00	772,725,686.09	147,607,926.78	920,333,612.87	484,982,075.34	13,696,876.21	498,678,951.55

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	-5,060.33	-5,060.33	3,614.11	55,045.86	-76,530.05	-76,530.05	101,149.87
Fangda Zhiyuan Technology	263,455,042.38	17,975,469.57	17,917,717.09	-40,109,210.54	291,615,462.85	54,940,579.16	55,117,691.94	-34,107,845.79

2. Change in the ownership share of the subsidiary and control of the transaction of the subsidiary

(1) Description of changes in owner's equity shares of subsidiaries:

On May 30, 2024, the subsidiary of the Company, Fangda Partnership, transferred 51% of its equity in Zhiyuan Technology Company to the Company. Shenzhen Zhuoshun Investment Co., Ltd. indirectly held 0.2448% of the equity in Zhiyuan Technology Company through its indirect holding of Fangda Partnership, and this part of the equity was also transferred. The corresponding transfer amount for this part of the equity is RMB 1,140,260.53.

(2) Impact of transaction on minority shareholders' equity and owner's equity attributable to parent company

In RMB

Item	Amount
Disposal consideration - cash	1,140,260.53
Less: Share of net assets of subsidiaries calculated according to the proportion of equity disposed	1,078,281.38
Difference	61,979.15
Including: adjustment of capital reserve	61,979.15

3. 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	54,722,057.88	54,757,017.40
Total shareholding		
Net profit	-34,959.52	294.42
--Total of misc. incomes	-34,959.52	294.42

XI. Government Subsidies

1. Governmental subsidy recognized as receivable at the end of the report period

☑ Applicable □ Inapplicable

Closing balance of accounts receivable: RMB852,854.43.
Reasons for not receiving the estimated amount of government grants at the expected point in time

□ Applicable ☑ Inapplicable

2. Liabilities involving government subsidies

☑ Applicable □ Inapplicable

In RMB

Accounting item	Opening balance	Amount of new subsidy	Amount included in non-operating revenue	Other misc. gains recorded in this period	Other change in the current period	Closing balance	Assets/earning-related
Deferred earning	8,978,678.72	2,321,892.00		313,198.25		10,987,372.47	Assets-related
Total	8,978,678.72	2,321,892.00		313,198.25		10,987,372.47	

3. Government subsidies accounted into current profit or loss.

☑ Applicable □ Inapplicable

In RMB

Accounting item	Amount occurred in the current period	Occurred in previous period
Other gains	8,601,009.28	7,979,290.90
Financial expenses		308,700.00
Total	8,601,009.28	8,287,990.90

XII. Risks of Financial Tools

1. Types of risks arising from financial instruments

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.

(1) 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 accounts receivable and contract assets of the Company, the accounts receivable and contract assets of the top five customers accounted for 10.83% of the total accounts receivable and contract assets of the Company (beginning of the period: 11.45%); among the other receivables of the Company, the other receivables of the top five companies with the largest amount of debts accounted for 68.87% of the total other receivables of the Company (beginning of the period: 72.01%).

(2) 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 31, 2024, the maturity of the Company's financial liabilities is as follows:

In RMB10,000

Item	June 30, 2024			
	Less than 1 year	Within 1-3 years	Over 3 years	Total
Short-term loans	242,874.12			242,874.12
Derivative financial liabilities	62.84			62.84
Notes payable	93,032.32			93,032.32
Account payable	184,930.52	747.59	1,451.42	187,129.53
Other payables	4,292.75	1,598.28	5,829.32	11,720.35
Non-current liabilities due in 1 year	4,401.21			4,401.21
Other current liabilities	4,720.67			4,720.67
Long-term loans		39,500.00	48,500.00	88,000.00
Lease liabilities		939.79	272.47	1,212.26
Total liabilities	534,314.43	42,785.66	56,053.21	633,153.30

(Continued)

Item	December 31, 2023			
	Less than 1 year	Within 1-3 years	Over 3 years	Total
Short-term loans	220,805.50			220,805.50
Notes payable	86,888.69			86,888.69
Account payable	195,524.32	1,415.80	289.26	197,229.38
Other payables	5,168.51	1,010.36	5,579.31	11,758.18
Non-current liabilities due in 1 year	6,413.51			6,413.51
Other current liabilities	5,352.47			5,352.47
Long-term loans		30,000.00	36,000.00	66,000.00
Lease liabilities		578.6	88.99	667.59
Long-term payable		4,840.00		4,840.00
Total	520,153.00	37,844.76	41,957.56	599,955.32

(3) 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, 2024, the foreign currency financial assets and foreign currency financial liabilities of the Company at the end of the period are listed in the description of foreign currency monetary items in Note 62.

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 Finance Department at the Company's head office monitors the level of the Group's interest rates on an ongoing basis. 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.

During the period ended June 30, 2024, if the borrowing interest rate calculated at a floating rate increases or decreases by 50 basis points while other risk variables remain unchanged, the Company's net profit for one year will decrease or increase by 4.8125 million (December 31, 2023: RMB3.60 million).

2. Hedging

(1) The Company conducts hedging business for risk management.

☑ Applicable □ Inapplicable

Item	Corresponding risk management strategies and objectives	Qualitative and quantitative information about the hedged risk	Economic relationships between hedged items and related hedging instruments	Effective achievement of expected risk management objectives	The impact of the corresponding hedging activities on the risk exposure
Forward foreign exchange contract value preservation	Utilizing the hedging and protection function of forward foreign exchange contracts, the Company carries out the business of hedging foreign currency receivables in order to reasonably avoid the risks brought by exchange rate fluctuations to its	The Company uses forward foreign exchange contracts to hedge expected receivables. The Company adopts the strategy of dynamic hedging of exchange rate risk exposure and adjusts the position of foreign exchange contracts according to the expected foreign currency	The underlying variables are all foreign currency exchange rates. The exchange rates of the hedged item and the hedging instrument change in opposite directions due to exposure to the same hedged risk, and there is a relationship of risk hedging.	The Company has formulated relevant internal management systems for its aluminum futures hedging and forward foreign exchange trading business, and continuously evaluates the effectiveness of hedging to ensure that the hedging relationship is	Buy or sell corresponding forward foreign exchange contracts to hedge the risk exposure of foreign currency receivables.

	operations, enhance the Company's overall ability to withstand risks, and strengthen the soundness of its operating activities.	receivables exposure.		effective in the designated accounting period, and that the risks of fluctuations in raw material purchasing prices and exchange rate fluctuations of foreign-currency receivables are controlled within a reasonable range, so as to enhance the Company's risk-resistance ability and increase the robustness of its operating activities.	

(2) The Company conducts eligible hedging operations and applies hedge accounting.

In RMB

Item	Carrying value associated with hedged items and hedging instruments	Cumulative fair value hedge adjustments to hedged items included in the carrying value of the hedged item recognized	Hedge effectiveness and sources of hedge ineffectiveness	Impact of hedge accounting related to the Company's financial statements
Types of hedge risk				
Exchange rate risk	-628,367.00	Inapplicable	Relevance of hedged items to hedging instruments	Derivative financial liabilities: RMB628,367.00, other comprehensive income: RMB-506,035.22, investment income: RMB-890,803.00, financial expenses: RMB-419,124.00.
Type				
Cash flow hedging	-628,367.00	Inapplicable	Relevance of hedged items to hedging instruments	Derivative financial liabilities: RMB628,367.00, other comprehensive income: RMB-506,035.22, investment income: RMB-890,803.00, financial expenses: RMB-419,124.00.

(3) The Company conducts hedging business for risk management and expects to achieve its risk management objectives but does not apply hedge accounting.

□ Applicable ☑ Inapplicable

3. Financial Assets

(1) Classification of transfer methods

☑ Applicable □ Inapplicable

In RMB

Way of transfer	Nature of financial assets transferred	Amount of financial assets transferred	Derecognition	Basis for judging derecognition
Endorsement or discounting	Outstanding promissory notes in notes receivable	21,162,837.86	Not derecognized	Promissory notes used for discounting or endorsement are accepted by banks or enterprises with low credit ratings, discounting or endorsement does not affect recourse, and the credit risk and deferred payment risk associated with the notes remain untransferred
Endorsement or discounting	Outstanding bankers' acceptances in receivables financing	44,709,465.46	Derecognition	Bankers' acceptances used for discounting or endorsement are accepted by banks with high credit ratings and the credit risk and deferred payment risk associated with the instruments are low
Factoring	Outstanding receivables in receivables financing	41,318,451.21	Derecognition	Non-recourse factoring
Total		107,190,754.53		

(2) Financial assets derecognized due to transfers

☑ Applicable □ Inapplicable

In RMB

Item	Transfer method of financial assets	Amount of financial assets derecognized	Gain or loss related to the de-recognition
Outstanding bankers' acceptances in receivables financing	Endorsement or discounting	44,709,465.46	-33,150.26
Account receivable	Factoring	41,318,451.21	-1,123,208.42
Total		86,027,916.67	-1,156,358.68

(3) Transfer of financial assets with continuing involvement in assets

□ Applicable ☑ Inapplicable

XIII. 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	--	--	--	--
(1) Receivable financing		4,668,854.47		4,668,854.47
(2) Investment real estate			5,675,245,990.63	5,675,245,990.63
1. Leased building			5,675,245,990.63	5,675,245,990.63

(3) Other non-current financial assets			6,371,282.04	6,371,282.04
Total assets measured at fair value continuously		4,668,854.47	5,681,617,272.67	5,686,286,127.14
(4) Transactional financial liabilities		628,367.00		628,367.00
Including: Derivative financial liabilities		628,367.00		628,367.00
Total assets measured at fair value continuously		628,367.00		628,367.00
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 derivative financial assets and derivative financial liabilities with fair value of forward exchange contracts, the fair value is determined based on the market value of expected earnings at the balance sheet date.

Receivables financed at fair value through other comprehensive income are notes receivable, for which the fair value is determined based on the book value due to the short remaining maturity.

4. Valuation technique and qualitative and quantitative information for key parameters of continuous and discontinuous third level fair value items

Investment properties measured at fair value are appraised using the comparative and income approaches. Comparison method: It selects a certain number of comparable examples, compares them with the valuation object and processes the comparable instance transaction prices according to the difference to obtain the value or price of the valuation object. The income approach is a method of predicting the future earnings of the object of valuation, and using the rate of compensation or capitalization rate, income multiplier to convert the future earnings into value to get the value or price of the object of valuation.

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, contractual assets, other receivables, short-term borrowings, notes payable, accounts payables, other payables, and long-term payables.

XIV. 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 is holding 15% of the shares.

② Among the top 10 shareholders, Shenzhen Banglin Technology Development Co., Ltd. and Shengjiu Investment Co., Ltd. are acting in concert.

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 X, rights and interests in other entities.

3. Joint ventures and associates

There are no important joint ventures or associates in this year.

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	0.00	124,524.04

(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	0.00	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	May 5, 2023	Three years after the expiration date of debt performance	Yes
Fangda Jianke	4,000.00	May 15, 2023	Three years after the expiration date of debt performance	Yes
Fangda Jianke	60,000.00	January 21, 2023	Three years after the expiration date of debt performance	Yes
Fangda Jianke	15,000.00	May 25, 2022	Three years after the expiration date of debt performance	Yes
Fangda Zhiyuan	10,000.00	May 25, 2022	Three years after the expiration date of debt performance	Yes
Fangda Jianke	39,000.00	December 9, 2022	Three years after the expiration date of debt performance	Yes
Fangda Yunzhu	1,000.00	March 30, 2023	Three years after the expiration date of debt performance	Yes
Fangda Zhiyuan	36,000.00	June 20, 2023	Three years after the expiration date of debt performance	Yes
Fangda Zhijian	7,000.00	May 15, 2023	Three years after the expiration date of debt performance	Yes
Fangda Zhiyuan	15,000.00	May 5, 2023	Three years after the expiration date of debt performance	Yes
Fangda Yunzhu	600.00	May 11, 2023	Three years after the expiration date of debt performance	Yes
Total amount of guarantee fulfilled	211,600.00			

Fangda Jianke	93,000.00	December 28, 2023	Three years after the expiration date of debt performance	No
Fangda Jianke	39,000.00	January 24, 2024	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	June 28, 2024	Three years after the expiration date of debt performance	No
Fangda Yunzhu	1,000.00	May 7, 2024	Three years after the expiration date of debt performance	No
Fangda New Material	8,500.00	November 2, 2023	Three years after the expiration date of debt performance	No
Fangda Zhiyuan	10,000.00	September 25, 2023	Three years after the expiration date of debt performance	No
Fangda Jianke	15,000.00	May 11, 2024	Three years after the expiration date of debt performance	No
Fangda Zhijian	7,000.00	May 8, 2024	Three years after the expiration date of debt performance	No
Fangda Jianke	48,000.00	December 15, 2023	Three years after the expiration date of debt performance	No
Fangda Zhiyuan	10,000.00	December 21, 2023	Three years after the expiration date of debt performance	No
Fangda Zhiyuan	18,000.00	December 15, 2023	Three years after the expiration date of debt performance	No
Fangda Jianke	11,400.00	August 16, 2023	Three years after the expiration date of debt performance	No
Fangda Jianke	50,000.00	September 28, 2023	Three years after the expiration date of debt performance	No
Fangda Jianke	30,000.00	September 25, 2023	Three years after the expiration date of debt performance	No
Fangda Jianke	30,000.00	October 20, 2023	Three years after the expiration date of debt performance	No
Fangda Jianke	4,000.00	June 20, 2024	Three years after the expiration date of debt performance	No
Fangda Jianke	20,000.00	October 9, 2023	Three years after the expiration date of debt performance	No
Fangda Jianke	60,000.00	June 27, 2024	Three years after the expiration date of debt performance	No
Fangda Zhiyuan	36,000.00	June 27, 2024	Three years after the expiration date of debt performance	No
Fangda Jianke	24,000.00	May 27, 2024	Three years after the expiration date of debt performance	No
Fangda Zhiyuan	15,000.00	May 30, 2024	Three years after the expiration date of debt performance	No
Fangda Zhiyuan	20,000.00	October 7, 2023	Three years after the expiration date of debt performance	No
Fangda Zhiyuan	15,000.00	September 25, 2023	Three years after the expiration date of debt performance	No
Fangda Zhiyuan	10,000.00	May 11, 2024	Three years after the expiration date of debt performance	No
Fangda Zhiyuan	15,550.00	November 21, 2023	Three years after the expiration date of debt performance	No
Fangda Yunzhu	600.00	June 3, 2024	Three years after the expiration date of debt performance	No
Fangda Jianke	50,000.00	October 23, 2023	Three years after the expiration date of debt performance	No
Fangda Property	135,000.00	February 25, 2020	Three years after the expiration date	No

			of debt performance	
Fangda Intelligent Manufacturing	30,000.00	February 22, 2024	Three years after the expiration date of debt performance	No
Fangda Jianke	30,000.00	December 21, 2023	Three years after the expiration date of debt performance	No
Fangda Jianke	20,000.00	November 2, 2023	Three years after the expiration date of debt performance	No
Fangda Zhiyuan	31,896.02	February 17, 2024	The date of completion of the project contract.	No
Fangda Zhiyuan	24,885.16	February 17, 2024	The date of completion of the project contract.	No
Total amount of guarantee being performed	923,831.18			

Note to related guarantees

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
Remuneration of directors, supervisors and senior management	5,313,183.00	4,799,048.45

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			4,763.36	47.63
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	76,062,675.83	1,133,333.87

(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.	26,149,417.56	26,102,009.60
Other payables	Qijian Technology		400.00

XV. Commitment and Contingent Events

1. Major commitments

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, 2024, Fangda Real Estate has paid a deposit of RMB20 million and a transitional compensation of RMB4.5 million.

(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, 2024, 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 RMB79,362,900 of other related payments.

The Company has no other commitments that should be disclosed by June 30, 2024.

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; 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. As of the disclosure 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 disclosure 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's disclosure, the Jiuzuan 05 Plot project case has issued first and second instance judgments: The first instance judgment ordered Longguang Company to pay Fangda Jianke RMB7,709,679.55 for the project payment, RMB6,033,911.38 for the quality guarantee deposit, and the corresponding interest, and to have the priority to be compensated for the proceeds from the sale and auction of the curtain wall production and installation project of this project; the second instance judgment upheld the judgment items of the first instance project payment, quality guarantee deposit, corresponding interest, and priority to be compensated, and modified the judgment that the owner of Longguang Jiuzuan Project 05 Plot, Shenzhen Longguang Junjing Real Estate Development Co., Ltd., shall bear joint and several liability for Fangda Jianke. Fangda Jianke has applied for compulsory execution. As of the date of this report, the case of the Jiuzhuan 09 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 Jianke. 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.

④ In August 2023, Fangda Jianke filed a lawsuit with the Chengguan District People's Court of Lanzhou City, requesting Lanzhou Xinhe Real Estate Co., Ltd. to pay Fangda Jianke the principal and interest of the project payment for the Lanzhou East Lake project, totaling RMB5,374,850.03, and claiming the priority of compensation for the construction project price. In January 2024, after the warranty period of the project in question expired, an additional warranty deposit of RMB1,788,589.6 was added. In September 2023, Lanzhou Xinhe Real Estate Co., Ltd. filed a counterclaim, requesting Fangda Jianke to pay a liquidated damages for delay in completion of RMB5,670,000.00. As of the date of this report's disclosure, the first instance court has made a judgment, ruling that Lanzhou Xinhe Real Estate Co., Ltd. shall pay Fangda Jianke RMB6,477,148.2 for the project payment and interest, and dismissing all counterclaims of Lanzhou Xinhe Real Estate Co., Ltd. Currently, both parties have appealed and the case is in the second instance.

⑤ In November 2023, Fangda Jianke filed a lawsuit with the Bao'an District People's Court of Shenzhen City, requesting Shenzhen Zhongyi Fuhua Co., Ltd. to pay the principal and interest of the project payment for the Zhongyi Smart Building project, totaling RMB8,657,880.49, and claiming the priority of compensation for the project price. The first instance judgment ordered Shenzhen Zhongyi Fuhua Co., Ltd. to pay Fangda Jianke RMB8,507,859.49 for the project payment and interest, and supported the priority of compensation for the project payment. Shenzhen Zhongyi Fuhua Co., Ltd. refused to accept the first instance judgment and appealed. As of the date of this report's disclosure, the two parties have reached a civil mediation agreement on the second instance and are in the process of fulfilling it.

⑥ In November 2023, Fangda Jianke filed a lawsuit with the People's Court of Honggutan District, Nanchang City, demanding that Jiangxi Huilian Real Estate Co., Ltd. and Jiangxi Boneng Industrial Group Co., Ltd. pay the project payment and interest of the Nanchang Shanglian Center project, totaling RMB45,309,399.07, and claiming the priority of compensation for the project price. The first instance judgment ordered Jiangxi Huilian Real Estate Co., Ltd. to pay Fangda Jianke RMB38,800,206.53 and interest, and ruled that Jiangxi Boneng Industrial Group Co., Ltd. shall bear joint and several liability for RMB37,563,144.42 of the project payment and interest. The request for accelerated maturity of the quality guarantee deposit and the priority of compensation for the project payment was not supported. Fangda Jianke appealed, and the second instance judgment supported the priority of compensation. As of the date of this report's disclosure, Fangda Jianke has applied to the court for compulsory execution.

⑦ In December 2023, Fangda Jianke filed a lawsuit with the People's Court of Yantian District, Shenzhen, demanding that Shenzhen Chuangshihe Industrial Co., Ltd. pay Fangda Jianke the principal amount of the Hejing Tongchuang project project payment of RMB12,018,518.24 and overdue interest, and claim the priority right to recover the construction project price. As of the date of this report's disclosure, the court has issued a first-instance judgment, ruling that Shenzhen Chuangshihe Industrial Co., Ltd. shall pay Fangda Jianke RMB7,961,110.76 for the principal of the project payment and overdue interest, and not supporting the request for the priority of compensation for the project payment. Currently, both parties have appealed and the case is in the second instance.

⑧ In April 2024, Fangda Jianke filed a lawsuit with the People's Court of Panyu District, Guangzhou City, demanding that Guangzhou Wanya Real Estate Co., Ltd. pay Fangda Jianke the principal of the curtain wall project payment of RMB15,015,731.53 for Plot 6 of Guangzhou Vanke Expo Center and overdue interest, and claiming the priority of compensation for the construction project price. As of the date of this report's disclosure, the case has been filed and is awaiting trial.

⑨ In March 2024, Fangda Jianke filed a lawsuit with the People's Court of Nanshan District, Shenzhen City, demanding that Shenzhen Hairunde Petrochemical Technology Co., Ltd., Shenzhen Hanjing Group Co., Ltd., Huang Jianwen, and Wu Shaojie pay Fangda Jianke the principal and interest of the project payment for the Hanjing Times project, totaling RMB21,989,562.71, and claiming the priority of compensation for the construction project price. As of the disclosure date of this report, the court has filed and accepted the case, and is awaiting a hearing.

⑩ In March 2024, Fangda Jianke filed a lawsuit with the People's Court of Nanshan District, Shenzhen City, demanding that Shenzhen Luolansibao Property Development Co., Ltd., Shenzhen Hanjing Group Co., Ltd., Huang Jianwen, and Wu Shaojie pay Fangda Jianke the principal and interest of the project payment for the Hanjing Finance project, totaling RMB37,136,765.50, and claiming the priority of compensation for the construction project price. As of the disclosure date of this report, the court has filed and accepted the case, and is awaiting a hearing.

⑪ In May 2024, Fangda Jianke filed a lawsuit with the People's Court of Guangming District, Shenzhen City, demanding that Shenzhen CIMC Low-Orbit Satellite Internet of Things Industrial Park Development Co., Ltd. pay Fangda Jianke the principal and interest of the project payment for the curtain wall project of the Satellite Internet of Things Industrial Building, totaling RMB10,130,636.22, and claiming the priority of compensation for the construction project price. As of the disclosure date of this report, the court has filed and accepted the case, and is awaiting a hearing.

⑫ In February 2024, Shenzhen Rijiasheng Trading Co., Ltd. (hereinafter referred to as Rijiasheng Company) filed a lawsuit with the People's Court of Nanshan District, Shenzhen City, demanding that Fangda Real Estate Company return the purchase price and liquidated damages of Building 4 of Fangda City to Rijiasheng Company, and compensate for the losses totaling RMB21,627,925.22. As of the date of this report's disclosure, the court has accepted the case and is waiting for the trial, and Fangda Real Estate Company has filed a counterclaim application.

(2) Pending major lawsuits

① 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. 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. Both parties later filed an appeal. As of the disclosure date of this report, the second instance judgment has been issued and the original judgment has been upheld. Currently, the case has entered the execution stage.

② In April 2023, Fangda Jianke 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, and claiming the priority right to receive compensation for the construction project price. As of the disclosure date of this report, the court has issued a first instance judgment, stating that Kedar is required to pay the principal amount of the project payment of RMB113，529，244.60 and corresponding interest to Fangda Jianke, and has the priority right to be compensated for the discount or auction price of the project curtain wall. Currently, the case has entered the execution stage.

(3) Contingent liabilities formed by providing of guarantee to other companies' debts and their influences on financial situation

By June 30, 2024, the Company has provided loan guarantees for the following entities:

Name of guaranteed entity	Guarantee	Amount (in RMB10,000)	Term
Fangda Property	Guarantee and mortgage guarantee	66,000.00	2020.03.13-2030.03.12
Fangda Intelligent Manufacturing	Guarantee	25,000.00	2024.03.15-2030.03.14
Fangda Jianke	Guarantee	30,000.00	2024.06.26-2026.06.25
Fangda Jianke	Guarantee	4,000.00	2024.03.14-2025.03.14
Fangda Jianke	Guarantee	5,000.00	2024.03.28-2025.03.28
Fangda Jianke	Guarantee	4,000.00	2024.06.20-2025.06.15
Fangda Jianke	Guarantee	20,000.00	2023.08.04-2024.08.04
Fangda Jianke	Guarantee	10,500.00	2024.06.05-2025.03.05
Fangda Yunzhu	Guarantee	1,000.00	2024.06.28-2025.06.23
Fangda Jianke	Guarantee	5,000.00	2024.05.17-2025.05.16
Fangda Zhiyuan Technology	Guarantee	1,000.00	2023.09.20-2024.09.19
Fangda Zhiyuan Technology	Guarantee	2,000.00	2023.10.16-2024.10.16
Fangda Zhiyuan Technology	Guarantee	2,000.00	2024.06.21-2025.06.21
Fangda Zhiyuan Technology	Guarantee	4,000.00	2024.06.24-2025.06.24
Total		179,500.00	

Notes:

(1) All the above loan guarantees are 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. As of June 30, 2024, the Company has undertaken the above phased guarantee amount of RMB3.06 million.

3. Others

Status of non-revocation of company as at June 30, 2024:

Currency	Guarantee balance (original currency)	Deposit (RMB)	Credit line used (RMB)
CNY	904,860,392.54	5,803,897.96	899,056,494.58
INR	38,164,259.78	46,099.32	3,212,327.02
HKD	22,259,665.45	15,000,000.00	6,306,329.89
USD	2,628,036.33	1,463,768.39	17,265,720.93
SGD	15,697,838.00		82,868,886.80
AUD	975,000.00		4,645,875.00
EUR	4,074,964.01		31,221,151.76
Total		22,313,765.67	1,044,576,785.98

XVI. 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 division: production and sales of curtain wall materials, design, production and installation of building curtain walls, curtain wall testing and maintenance services;

② Rail transit branch: assembly and processing of subway screen doors, screen door detection and maintenance services;

③ Commercial 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	Commercial real estate	New energy	Others	Offset between segments	Total
Turnover	1,739,882,078.11	263,455,042.38	122,693,103.92	7,393,708.51	10,903,608.21	10,481,953.36	2,133,845,587.76
Including: external transaction income	1,737,754,739.77	263,455,042.38	118,828,634.36	7,061,695.63	6,745,475.62		2,133,845,587.76
Inter-segment transaction income	2,127,338.34	0.00	3,864,469.57	332,012.88	4,158,132.59	10,481,953.36	0.00
Including: major business turnover	1,720,386,343.43	263,135,057.05	122,227,950.87	7,393,708.51	10,903,608.21	8,509,660.91	2,115,537,007.16
Operating cost	1,499,203,666.24	205,971,111.45	30,848,836.60	3,952,479.21	38,387.33	2,415,295.85	1,737,599,184.98
Including: major business cost	1,486,516,981.20	205,770,477.73	30,848,836.60	3,952,479.21	38,387.33	2,415,295.85	1,724,711,866.23
Operation cost	162,677,592.52	36,949,430.37	40,539,994.42	330,025.61	-43,229,863.45	-64,235,984.09	261,503,163.56
Operating profit/(loss)	78,538,412.89	20,534,500.56	51,304,272.91	3,111,203.69	54,095,084.33	72,840,235.15	134,743,239.22
Total assets	7,761,330,489.38	1,021,524,281.13	6,175,673,459.99	180,978,061.92	3,828,380,477.88	5,211,270,812.37	13,756,615,957.93
Total liabilities	5,306,095,271.92	703,799,713.00	3,346,409,377.11	54,068,848.83	1,624,007,073.03	3,365,002,985.95	7,669,377,297.94

(3) Others

Regional information on operating revenues:

In RMB

Item	Amount occurred in the current period	Occurred in previous period
In China	1,955,457,106.44	1,831,339,689.35
Out of China	178,388,481.32	247,507,187.97
Total	2,133,845,587.76	2,078,846,877.32

XVII. Notes to Financial Statements of the Parent

1. Account receivable

(1) Account age

In RMB

Age	Closing balance of book value	Opening balance of book value
Within 1 year (inclusive)	1,084,683.01	416,495.45
Over 3 years	359,129.89	359,129.89
3-4 years	222,666.00	359,129.89
4-5 years	136,463.89	
Total	1,443,812.90	775,625.34

(2) Disclosure by bad debt accrual method

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	1,443,812.90	100.00%	181,095.15	12.54%	1,262,717.75	775,625.34	100.00%	92,032.81	11.87%	683,592.53
Including:										
Portfolio 3. Others	1,443,812.90	100.00%	181,095.15	12.54%	1,262,717.75	775,625.34	100.00%	92,032.81	11.87%	683,592.53
Total	1,443,812.90	100.00%	181,095.15	12.54%	1,262,717.75	775,625.34	100.00%	92,032.81	11.87%	683,592.53

Category name for bad debt provision by combination: Others

In RMB

Name	Closing balance		
	Remaining book value	Bad debt provision	Provision rate
Portfolio 3. Others	1,443,812.90	181,095.15	12.54%
Total	1,443,812.90	181,095.15	

Group recognition basis:

See 10. 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 on accounts receivable is being made based on the expected credit loss general model:

□ Applicable ☑ Inapplicable

(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	
Portfolio 3. Others	92,032.81	89,062.34				181,095.15
Total	92,032.81	89,062.34				181,095.15

(5) Accounts receivable and contract assets with the top-5 ending balances, grouped by party owed

In RMB

Entity	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Percentage of total ending balance of accounts receivable and contract assets	Closing balance of provision for bad debts on accounts receivable and impairment of contract assets
Top five summary	1,378,509.66	0.00	1,378,509.66	95.48%	180,618.44
Total	1,378,509.66	0.00	1,378,509.66	95.48%	180,618.44

2. Other receivables

In RMB

Item	Closing balance	Opening balance
Dividend receivable	62,142,383.24	
Other receivables	1,637,032,979.44	1,684,718,397.92
Total	1,699,175,362.68	1,684,718,397.92

(1) Receivable dividend

1) Receivable dividend

In RMB

Item (or invested entity)	Closing balance	Opening balance
Fangda Zhiyuan	62,142,383.24	0.00
Total	62,142,383.24	0.00

(2) 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
Others	65,679.85	57,199.41
Accounts between related parties within the scope of consolidation	1,636,968,278.22	1,684,583,242.78
Total	1,637,033,958.07	1,684,720,442.19

(2) Account age

In RMB

Age	Closing balance of book value	Opening balance of book value
Within 1 year (inclusive)	300,657,920.73	692,784,064.86
1-2 years	390,808,980.00	92,578,310.00
2-3 years	393,487,692.40	694,397,404.79
Over 3 years	552,079,364.94	204,960,662.54
3-4 years	449,639,033.67	204,960,662.54
4-5 years	102,440,331.27	
Over 5 years		
Total	1,637,033,958.07	1,684,720,442.19

(3) Disclosure by bad debt accrual method

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	
Provision for bad debts by combination	1,637,033,958.07	100.00%	978.63	0.00%	1,637,032,979.44	1,684,720,442.19	100.00%	2,044.27	0.00%	1,684,718,397.92
Including:										
Portfolio 1: First stage	65,679.85	0.00%	978.63	1.49%	64,701.22	137,199.41	0.01%	2,044.27	1.49%	135,155.14
Portfolio	1,636,96	100.00%	0.00	0.00%	1,636,96	1,684,58	99.99%	0.00	0.00%	1,684,58

4: related party funds within the scope of consolidation	8,278.22				8,278.22	3,242.78				3,242.78
Total	1,637,033,958.07	100.00%	978.63	0.00%	1,637,032,979.44	1,684,720,442.19	100.00%	2,044.27	0.00%	1,684,718,397.92

Category name for bad debt provision by combination: combination 1: First stage

In RMB

Name	Closing balance		
	Remaining book value	Bad debt provision	Provision rate
Portfolio 1: First stage	65,679.85	978.63	1.49%
Total	65,679.85	978.63	

Group recognition basis:

Provision for bad debts based on general model of expected credit losses

Provision type for bad debts by portfolio: Portfolio 4: Amounts from related parties within the scope of consolidation

In RMB

Name	Closing balance		
	Remaining book value	Bad debt provision	Provision rate
Portfolio 4: related party funds within the scope of consolidation	1,636,968,278.22	0.00	0.00%
Total	1,636,968,278.22	0.00	

Group recognition basis:

A description of the basis for determining this combination is provided in Section X, V. Significant Accounting Policies and Accounting Estimates in 10, Financial Instruments.

Provision for bad debts based on general model of expected credit losses

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, 2024	2,044.27			2,044.27
Balance on January 1, 2024 in the current period				
Provision	-1,065.64			-1,065.64
Balance on June 30, 2024	978.63			978.63

Changes in book balances with significant changes in the current period

□ Applicable ☑ Inapplicable

4) 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	Write-off	Others	
Other receivables and bad debt provision	2,044.27	-1,065.64				978.63
Total	2,044.27	-1,065.64				978.63

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 Fangda Property Development Co., Ltd.	Related party funds within the scope of consolidation	300,592,240.88	Less than 1 year	86.93%	0.00
		373,808,980.00	1-2 years		
		305,288,990.00	2-3 years		
		356,210,434.73	3-4 years		
		87,210,434.73	4-5 years		
Fangda (Jiangxi) Property Development Co., Ltd.	Related party funds within the scope of consolidation	17,000,000.00	1-2 years	11.20%	0.00
		88,198,702.40	2-3 years		
		78,198,702.39	3-4 years		
Shihui International Holding Co., Ltd.	Related party funds within the scope of consolidation	15,229,896.55	3-4 years	1.86%	0.00
		15,229,896.54	4-5 years		
Others	Others	65,679.85	Less than 1 year	0.01%	978.63
Total		1,637,033,958.07		100.00%	978.63

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	1,657,062,530.00		1,657,062,530.00	1,526,831,253.00		1,526,831,253.00
Total	1,657,062,530.00		1,657,062,530.00	1,526,831,253.00		1,526,831,253.00

(1) Investment in subsidiaries

In RMB

Invested entity	Opening book value	Beginning balance of impairment provisions	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 Partnership	235,323,000.00			235,323,000.00			0.00	
Fangda Intelligent Manufacturing	70,000,000.00		128,000,000.00				198,000,000.00	
Fangda Zhiyuan	0.00		237,554,277.00				237,554,277.00	
Total	1,526,831,253.00		365,554,277.00	235,323,000.00			1,657,062,530.00	

4. Operational revenue and costs

In RMB

Item	Amount occurred in the current period		Occurred in previous period	
	Income	Cost	Income	Cost
Main business	10,908,179.61	38,387.33		
Other businesses			12,358,317.34	
Total	10,908,179.61	38,387.33	12,358,317.34	

Note: The operating income of the parent company all comes from the rental income of self-built and self-owned properties. This period, the rental income of its properties is adjusted to the main business income.

Breakdown of operating revenues and operating costs:

In RMB

Contract classification	Others		Total	
	Turnover	Operating cost	Turnover	Operating cost
Business type				

Including: Other businesses	10,908,179.61	38,387.33	10,908,179.61	38,387.33
Total	10,908,179.61	38,387.33	10,908,179.61	38,387.33

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 RMB82,113,615.12, of which RMB11,043,003.43 is expected to be recognized in the second half of 2024, and RMB19,501,650.81 is expected to be recognized in 2025, RMB51,568,960.88 is expected to be recognized in 2026 and beyond.

5. Investment income

In RMB

Item	Amount occurred in the current period	Occurred in previous period
Gains from long-term equity investment measured by costs	62,142,383.24	
Investment gain obtained from disposal of long-term equity investment	47,167.38	
Total	62,189,550.62	

XVIII. Supplementary Materials

1. Detailed accidental gain/loss

☑ Applicable □ Inapplicable

In RMB

Item	Amount	Notes
Gain/loss of non-current assets	-1,490.22	
Government grants recognized in the current period's profit or loss (except for government grants that are closely related to the Company's normal business operations, in line with national policies and in accordance with defined criteria, and have a continuous impact on the Company's profit or loss)	7,230,976.70	
Gains and losses from changes in the fair value of financial assets and liabilities held by non-financial corporations and gains and losses from the disposal of financial assets and liabilities, except for effective hedging operations related to the Company's normal business operations	-888,100.88	
Gain/loss from change of fair value of investment property measured at fair value in follow-up measurement	555,662.75	
Other non-business income and expenditures other than the above	-356,942.93	
Less: Influenced amount of income tax	1,469,609.41	
Influenced amount of minority shareholders' equity (after-tax)	-35,516.22	
Total	5,106,012.23	--

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	1.95%	0.11	0.11
Net profit attributable to the common owners of the PLC after deducting of non-recurring gains/losses	1.86%	0.10	0.10

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