

GCL System Integration Technology Co., Ltd.

AUDITOR'S REPORT

SUYA SHEN [2023] No.771

Audit Institution: Suya Jincheng Certified Public Accountants LLP

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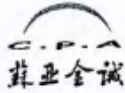
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Translation of a report originally issued in Chinese based on our work performed in accordance with the audit regulations in force in China. In the event of a discrepancy, the Chinese-language version prevails.

AUDITOR'S REPORT

To the shareholders of GCL System Integration Technology Co., Ltd.:

Opinion

We have audited the financial statements of GCL System Integration Technology Co., Ltd. (hereinafter referred to as the "Company"), which comprise the consolidated balance sheet and balance sheet as at 31 December 2022, consolidated income statement and income statement, consolidated cash flow statement and cash flow statement, consolidated statement of changes in owners' equity and statement of changes in owners' equity for the year then ended; and notes to the financial statements.

In our opinion, the *attached* financial statements are prepared, in all material respects, in accordance with Accounting Standards for Business Enterprises and present fairly the financial position of the Company as at 31 December 2022 and its operating results and cash flow for the year then ended.

Basis for opinion

We conducted our audit in accordance with China Standards on Auditing ("CSAs") for Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of professional ethics for Certified Public Accountants in China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Recognition of revenue

Please refer to Note 27 of the "III. Significant Accounting Policies and Accounting Estimates" and Note 41 of the "V. Notes to Main Items in Consolidated Financial Statements".

Key audit matters	How our audit addressed the key audit matter
<p>The Company's revenue was CNY 8.354 billion in 2022, which increased 77.68% compared to that in 2021. Revenue is an important performance measure indicator of the Company, so there is an inherent risk that the revenue may be recognised during incorrect periods or manipulated to achieve goals or expected levels. To this end, we identify revenue recognition as a key audit matter.</p>	<p>Our procedures in relation to revenue recognition included:</p> <ul style="list-style-type: none"> ● Understand and evaluate the effectiveness of the design of key internal controls related to management and income recognition, and test the effectiveness of key control operations; ● Select samples from sales contracts, inspect and identify the performance obligations contained in the contract, confirm and evaluate the performance time, identify contract terms and conditions related to the transfer of commodity control rights, and assess whether the recognition policies of revenue of different business comply with Accounting Standards for Business Enterprises. ● According to different businesses, select samples from the sales product contract ledger and logistics ledger to check sales contracts, sales orders, delivery notes, bills of lading, receipts, product acceptance notes, self-lading bills, customs declaration, invoices, and bank receipts; select samples from the register of EPC project contract to check the project contracts, project acceptance notes, cargo receipts at the project site, grid-connected power generation notification, etc.; For the revenue of photovoltaic power station, obtain the settlement sheet confirmed by power grid corporation and the Company, receipts from beneficiary's bank, special invoices for value-added tax, approval document for electrovalence, check the subsidy policies of the state or relevant government departments for photovoltaic power station; Check the occurrence, completeness and accuracy of the Company's income, and assess whether the relevant revenue is recognised according to its accounting policy for revenue recognition. ● Analyse the income and gross profit rate based on business type or product type, compare and analyse the gross profit rate of the current period and the previous period, and judge the rationality of the change of income and gross profit rate. ● According to the amount of customer transaction, select samples for external confirmation procedures; analyse and examine the Company's main customers and its changes and selected some large-scale customers to visit to confirm the amount of

Key audit matters	How our audit addressed the key audit matter
	<p>sales;</p> <ul style="list-style-type: none"> ● Select samples of income recorded before and after the balance sheet date, conduct cut-off tests, verify delivery notes, receipts, acceptance orders and other supporting documents, and evaluate whether income has been recorded in the appropriate accounting period.

2. Expected credit losses on accounts receivable

Please refer to Note 10 of the "III. Significant Accounting Policies and Accounting Estimates" and Note 4 of the "V. Notes to Main Items in Consolidated Financial Statements".

Key audit matters	How our audit addressed the key audit matter
<p>As at 31 December 2022, the book balance of accounts receivable of the Company was CNY 937,972,200, and the balance of bad debt provision for accounts receivable was CNY 383,820,400. A bad debt loss of CNY -242,852,800 was accrued for accounts receivable in year 2022. Since expected credit losses require management to consider forward-looking information in addition to historical experience and current conditions, which involves significant estimation and judgment, we have identified the expected credit losses of accounts receivable as a key audit matter.</p>	<p>Our procedures in relation to expected credit to losses on accounts receivable included:</p> <ul style="list-style-type: none"> ● Understand and evaluate the effectiveness of management's internal control design related to the division of accounts receivable portfolios and the measurement of expected credit losses, and test the effectiveness of key control operations; ● Select samples to review the management's assessment of expected credit losses based on the customer's financial status, credit status, historical repayment records, and predictions of future economic conditions. Evaluate whether the management's assessment of expected credit losses is appropriate; ● Evaluate the reasonableness of the estimated expected credit loss rate based on historical loss rates and forward-looking information; ● For accounts receivable that calculate expected credit losses based on credit risk characteristic portfolios, review the management's setting of credit risk characteristic portfolios, select samples to test the accuracy of credit risk portfolio classification and overdue aging classification of accounts receivable; ● Recalculate expected credit losses and verify the accuracy of their measurement; ● Select samples to check the post payment situation, evaluate the management's judgment on the collectability of accounts receivable on the balance sheet date and whether there is a significant deviation in the provision for bad debt reserves; ● Review the completeness of the measurement disclosure of accounts receivable and expected credit losses in the financial report.

Other information

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors and those charged with governance for the financial statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with the disclosure requirements of Accounting Standards for Business Enterprises, and designing, implementing, and maintaining internal control that is necessary to ensure the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are

responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Suya Jincheng Certified Public Accountants LLP
Nanjing, China



Certified Public Accountant of China
Xu Change



Certified Public Accountant of China
Xu Sanchun



25 April 2023

Consolidated Balance Sheet
As at 31 December 2022

Monetary Unit: CNY

Prepared by: GCL System Integration Technology Co., Ltd.

Assets	Note V	Balance as at 31 December 2022	Balance as at 31 December 2021
Current assets:			
Cash and cash equivalents	1	2,553,041,503.39	1,975,234,425.81
Financial assets held for trading	2		972,237.70
Financial assets measured at fair value through profit or loss			
Derivative financial assets			
Notes receivable	3	-	329,381,449.90
Accounts receivable	4	554,151,805.48	729,073,070.08
Accounts receivable financing	5	493,230,780.95	18,755,833.72
Prepayment	6	336,109,672.67	230,128,010.00
Other receivables	7	584,479,705.08	1,040,591,392.20
Inventories	8	1,302,480,183.97	933,764,664.44
Contract assets			
Assets held for sale	9	1,441,620.00	4,840,708.20
Non-current assets due within one year			
Other current assets	10	194,395,392.13	210,195,424.32
Total current assets		6,019,330,663.67	5,472,937,216.37
Non-current assets:			
Investment in debt instruments			
Available-for-sale financial assets			
Investment in other debt instruments			
Held-to-maturity investment			
Long-term receivables			
Long-term equity investments	11	1,530,617,136.77	1,324,178,852.20
Investment in other equity instruments	12	11,743,527.61	46,449,069.74
Other non-current financial assets	13	29,000,000.00	
Investment property			
Fixed assets	14	1,769,576,157.34	1,463,308,881.90
Construction in progress	15	191,563,760.48	252,740,002.70
Productive biological assets			
Oil and gas assets			
Right to use assets	16	192,868,610.96	165,649,031.33
Intangible assets	17	125,366,296.30	158,469,924.98
Development expenses			
Goodwill	18	17,727,438.68	53,759,340.25
Long-term deferred expenses	19	63,277,998.78	70,871,700.21
Deferred tax assets	20	152,028,222.79	208,838,323.31
Other non-current assets	21	78,176,132.89	82,794,460.30
Total non-current assets		4,161,945,282.60	3,827,059,586.92
Total assets		10,181,275,946.27	9,299,996,803.29

Legal representative: Shu Hua

Person in charge of accounting affairs: Fang Jiancai

Person in charge of accounting department: Fang Jiancai



Consolidated Balance Sheet
As at 31 December 2022

Monetary Unit: CNY

Prepared by: GCL System Integration Technology Co., Ltd.

Liabilities and owners' equity	Note V	Balance as at 31 December 2022	Balance as at 31 December 2021
Current liabilities:			
Short-term loans	22	1,308,914,122.84	1,541,701,885.93
Financial liabilities held for trading			
Financial liabilities measured at fair value through profit or loss			
Derivative financial liabilities			
Notes payable	23	1,575,261,597.30	562,518,687.82
Accounts payable	24	1,667,940,697.46	1,801,941,206.61
Advance from customer			
Contract liabilities	25	614,415,961.63	576,648,742.47
Employee benefits payable	26	147,775,260.25	103,046,942.62
Taxes payable	27	14,517,697.02	33,669,327.00
Other payables	28	1,257,705,940.04	1,595,092,324.73
Liabilities held for sale			
Non-current liabilities due within one year	29	298,474,862.10	283,759,055.01
Other current liabilities	30	59,277,769.09	48,365,534.73
Total current liabilities		6,944,283,907.73	6,546,743,706.92
Non-current liabilities:			
Long-term loans	31	71,038,056.00	
Bonds payable			
Including : preference shares			
Perpetual bonds			
Lease Liability	32	191,429,708.27	161,361,228.83
Long-term payables	33	555,999,995.71	42,068,261.45
Provisions	34	114,380,461.08	127,676,501.25
Deferred income	35	46,779,731.12	45,095,421.91
Deferred tax liabilities	20	1,697,823.86	24,800,424.54
Other non-current liabilities			
Total non-current liabilities		981,325,776.04	401,001,837.98
Total liabilities		7,925,609,683.77	6,947,745,544.90
Owners' equity (or shareholders' equity)			
Share capital	36	5,850,316,427.00	5,850,316,427.00
Other equity instruments			
Including: preference shares			
Perpetual bonds			
Capital reserves	37	4,397,037,113.39	4,452,237,429.46
Less: treasury stock			
Other comprehensive income	38	3,757,807.50	-650,375.48
Special reserves			
Surplus reserves	39	75,495,097.13	75,495,097.13
General risk reserve			
Undistributed profits	40	-8,070,983,282.22	-8,116,227,943.09
Total equity attributable to owners of the parent company		2,255,623,162.80	2,261,170,635.02
Non-controlling interests		43,099.70	91,080,623.37
Total owners' equity		2,255,666,262.50	2,352,251,258.39
Total liabilities and owners' equity		10,181,275,946.27	9,299,996,803.29



Legal representative: Shu Hua

Person in charge of accounting affairs: Fang Jiancai

Person in charge of accounting department: Fang Jiancai

Consolidated Income Statement
For the year ended 31 December 2022

Monetary Unit: CNY

Prepared by: GCL System Integration Technology Co., Ltd.

Item	Note V	Year 2022	Year 2021
1. Total operating income	41	8,353,609,212.24	4,701,460,512.87
Less: Operating cost	41	7,806,766,027.83	4,358,876,022.13
Taxes and surcharges	42	30,983,925.80	20,946,951.51
Selling and distribution expenses	43	121,357,008.95	75,832,071.40
General and administrative expenses	44	505,440,249.22	517,296,335.20
Research and Development expenses	45	80,959,793.98	65,077,044.23
Financial expenses	46	204,851,608.71	175,311,149.93
Including: Interest expenses		173,439,737.26	215,967,056.24
Interest income		24,744,224.71	23,547,625.03
Plus: Other income	47	115,560,782.07	22,811,347.92
Investment income ("-" for losses)	48	276,345,912.89	-220,099,532.70
Including: Income from investment in associates and joint ventures		-13,337,397.62	-80,797,585.37
Disposal of financial instruments at amortised cost ("-" for losses)			
Net exposure to hedging gains("-"for loss)			
Gains from the changes in fair values ("-" for losses)	49	-9,035,780.16	11,142,304.92
Losses from credit impairment ("-" for losses)	50	128,191,506.85	-349,354,637.79
Losses from asset disposal ("-" for losses)	51	-53,690,136.87	-841,866,232.61
Gains from disposal of assets ("-" for losses)	52	37,322,300.95	-10,607,114.42
		97,945,183.48	-1,899,852,926.21
2. Operating profits ("-" For Losses)			
Plus: Non-operating income	53	8,121,366.16	41,246,621.38
Less: Non-operating expenses	54	24,331,645.68	62,447,706.32
3. Total profits before tax ("-" For Total Losses)		81,734,903.96	-1,921,054,011.15
Less: Income tax expenses	55	24,606,025.64	30,251,236.69
4. Net profit ("-" For Net Losses)		57,128,878.32	-1,951,305,247.84
Classification by operating continuity			
Net profit from continuing operation ("-" for losses)		57,128,878.32	-1,951,305,247.84
Net profit from discontinued operation ("-" for losses)			
Classification by owners			
Attributable to owners of the parent company		59,317,994.42	-1,982,880,721.38
Attributable to non-controlling interests		-2,189,116.10	31,575,473.54
5. Net of tax from other comprehensive income		-17,766,009.71	-2,365,391.05
Net of tax from other comprehensive income to the owner of the parent company		-9,665,150.57	4,227,250.59
1. Other comprehensive income that cannot be reclassified into the profit or loss:		-19,605,196.97	8,647,942.66
Including: Changes in remeasured defined benefit obligations			
Other comprehensive income that cannot be transferred to profit or loss under the equity method		-14,073,333.55	
Changes in fair value of investment in other equity instruments		-5,531,863.42	8,647,942.66
Changes in fair value of the Company's credit risk			
2. Other comprehensive income that will be reclassified into the profit and loss		9,940,046.40	-4,420,692.07
Including: Other comprehensive income that will be transferred to profit or loss under the equity method		4,298,219.30	2,441,036.98
Changes in fair value of other debt investments			
Changes in fair value of financial assets held for sale			
The amount of financial assets reclassified into other comprehensive income			
Profit and loss of held to maturity investments reclassified as available for sale financial assets			
Provision for credit impairment of other debt investments			
Cash flow hedging reserve			
Balance arising from the translation of foreign currency financial statements		5,641,827.10	-6,861,729.05
Net of tax from other comprehensive income to non-controlling interests		-8,100,859.14	-6,592,641.64
6. Total comprehensive income		39,362,868.61	-1,953,670,638.89
Total comprehensive income attributable to owners of the parent company		49,652,843.85	-1,978,653,470.79
Total comprehensive income attributable to non-controlling interests		-10,289,975.24	24,982,831.90
7. Earnings per share			
(1) Basic earnings per share		0.010	-0.339
(2) Diluted earnings per share		0.010	-0.339

Legal representative: Shu Hua

Person in charge of accounting affairs: Fang Jiancai

Person in charge of accounting department: Fang Jiancai

Consolidated Statement of Cash Flows
For the year ended 31 December 2022

Prepared by: GCL System Integration Technology Co., Ltd.

Monetary Unit: CNY

Item	Note v	Year 2022	Year 2021
1. Cash flows from operating activities			
Cash received from sale of goods and rendering of services		6,512,539,998.62	5,024,390,118.70
Refunds of taxes and surcharges		289,828,931.66	29,735,247.70
Cash received from other operating activities	56 (1)	2,079,795,350.61	1,319,102,685.20
Sub-total of cash inflows from operating activities		8,882,164,280.89	6,373,228,051.60
Cash paid for goods purchased and services received		5,153,156,542.15	3,916,465,482.76
Cash paid to and on behalf of employees		578,658,196.33	425,178,638.45
Cash paid for taxes and surcharges		78,827,502.27	55,475,549.37
Cash paid for other operating activities	56 (2)	2,625,712,728.96	1,579,389,743.97
Sub-total of cash outflows from operating activities		8,436,354,969.71	5,976,509,414.55
Net cash flows from operating activities		445,809,311.18	396,718,637.05
2. Cash flows from investing activities			
Cash received from disposal of investments			11,675,391.03
Cash received from returns on investments		469,898.34	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		185,759,670.85	152,597,744.17
Net cash received from disposal of subsidiaries and other business units	57 (4)	81,832,212.96	389,422,299.69
Cash received from other investing activities	56 (3)	1,725.11	
Sub-total of cash inflows from investing activities		268,063,507.26	553,695,434.89
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		665,016,038.20	1,012,231,442.98
Cash paid for investments		30,500,000.00	28,296,984.23
Net cash paid to acquire subsidiaries and other business units			
Cash paid for other investing activities	56 (4)	11,085.28	4,430,193.19
Sub-total of cash outflows from investing activities		695,527,123.48	1,044,958,620.40
Net cash flows from investing activities		-427,463,616.22	-491,263,185.51
3. Cash flows from financing activities			
Cash received from investors		500,000.00	
Including: Cash received by subsidiaries from non-controlling interests		500,000.00	
Cash received from borrowings		1,630,708,517.78	1,418,307,709.46
Cash received from other financing activities	56 (5)	943,983,524.18	519,843,043.10
Sub-total of cash inflows from financing activities		2,575,192,041.96	1,942,209,731.24
Cash paid for debt repayments		2,031,687,484.45	2,344,687,117.86
Cash paid for distribution of dividends (profits) or payment of interest		145,184,426.36	157,828,239.20
Including: Dividends and profits paid to non-controlling interests by subsidiaries			
Cash paid for other financing activities	57 (6)	514,821,678.49	846,475,119.15
Sub-total of cash outflows from financing activities		2,691,693,589.30	3,348,990,476.21
Net cash flows from financing activities		-116,501,547.34	-1,406,780,744.97
4. Effect of fluctuation in exchange rate on cash and cash equivalents		1,441,375.66	-17,052,556.86
5. Net increase in cash and cash equivalents		-96,714,476.72	-1,518,377,850.29
Plus: Balance of cash and cash equivalents at the beginning of the period		1,097,999,268.29	2,616,377,118.58
6. Balance of cash and cash equivalents at the end of the period		1,001,284,791.57	1,097,999,268.29

Legal representative: Shu Hua

Person in charge of accounting affairs: Fang Jiancai

Person in charge of accounting department: Fang Jiancai

Consolidated Statement of Changes in Owners' Equity
For the year ended 31 December 2022

Prepared by: GCL System Integration Technology Co., Ltd.

Monetary Unit: CNY

Item	Year 2022										
	Share capital	Other equity instruments	Capital reserve	Less: treasury stock	Other Comprehensive Income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Non-controlling interests	Total shareholders' equity
1. Balance as at 31 December of last year	5,850,316,427.00		4,452,237,429.46		-650,375.48		75,495,097.13		-8,116,227,943.09	81,080,623.37	2,352,251,258.39
Plus: adjustments for changes in accounting policies											
Adjustments for correction of accounting errors in prior year											
Business combinations under common control											
Others											
2. Balance as at 1 January of the current year	5,850,316,427.00		4,452,237,429.46		-650,375.48		75,495,097.13		-8,116,227,943.09	91,080,623.37	2,352,251,258.39
3. Increases/decreases in the current year ("-" for decreases)			-55,200,316.07		4,408,182.96				45,244,660.87	-91,037,523.67	-96,584,995.89
(1) Total comprehensive income					-9,665,150.57				59,317,994.42	-10,289,975.24	39,362,868.61
(2) Capital contributed or reduced by owners			-55,200,316.07							-80,747,548.43	-135,947,864.50
Capital contributions by owners (common stock)										500,000.00	500,000.00
Capital contributions by other equity instruments holders											
Amounts of share-based payments recognised in owners' equity											
Others			-55,200,316.07								
(3) Profit distribution											
Withdrawal of surplus reserves											
Withdrawal of general risk reserve											
Profit distributed to owners (or shareholders)											
Others											
(4) Internal carry-forward of owners' equity					14,073,333.55				-14,073,333.55		
Conversion of capital reserves into paid-in capital											
Conversion of surplus reserves into paid-in capital											
Surplus reserves offsetting losses											
Amount of Changes in setting benefit plan transfer to retained earnings											
Other comprehensive income transferred to retained earnings					14,073,333.55				-14,073,333.55		
Others											
(5) Special reserves											
Withdrawal for the period											
Use for the period											
4. Balance as at 31 December of the current year	5,850,316,427.00		4,397,037,113.39		3,757,807.50		75,495,097.13		-8,070,983,282.22	43,069.70	2,255,666,262.50



**Consolidated Statement of Changes in Owners' Equity
For the year ended 31 December 2022 (Continued)**

Prepared by: GCL System Integration Technology Co., Ltd.

Monetary Unit: CNY

Item	Year 2021										
	Share capital	Other equity instruments	Capital reserve	Less: treasury stock	Other Comprehensive Income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Non-controlling interests	Total shareholders' equity
1. Balance as at 31 December of last year	5,855,502,267.00		4,477,263,351.02	20,286,952.68	-2,545,459.98		75,495,097.13		-6,135,679,387.80	65,944,791.47	4,315,653,706.16
Plus: adjustments for changes in accounting policies											
Adjustments for correction of accounting errors in prior year											
Business Combinations Under Common Control											
Others											
2. Balance as at 1 January of the current year	5,855,502,267.00		4,477,263,351.02	20,286,952.68	-2,545,459.98		75,495,097.13		-6,135,679,387.80	65,944,791.47	4,315,653,706.16
3. Increases/decreases in the current year ("-" for decreases)	-5,185,840.00		-25,025,921.56	-20,286,952.68	1,895,084.50				-1,990,548,555.29	25,135,831.90	-1,963,442,447.77
(1) Total comprehensive income					4,227,250.59				-1,982,880,721.38	24,982,831.90	-1,953,670,638.89
(2) Capital contributed or reduced by owners	-5,185,840.00		-25,025,921.56	-20,286,952.68						153,000.00	-9,771,008.88
Capital contributions by owners (common stock)	253,400.00		3,805,578.68								4,058,978.68
Capital contributions by other equity instruments holders											
Amounts of share-based payments recognised in owners' equity				-20,286,952.68							20,286,952.68
Others	-5,439,240.00		-28,831,500.24							153,000.00	-34,117,740.24
(3) Profit distribution											
Withdrawal of surplus reserves											
Withdrawal of general risk reserve											
Profit distributed to owners (or shareholders)											
Others									2,332,166.09		2,332,166.09
(4) Internal carry-forward of owners' equity											
Conversion of capital reserves into paid-in capital											
Conversion of surplus reserves into paid-in capital											
Surplus reserves offsetting losses											
Amount of Changes in selling benefit plan transfer to retained earnings											
Other comprehensive income transferred to retained earnings											
Others											
(5) Special reserves											
Withdrawal for the period											
Use for the period											
4. Balance as at 31 December of the current year	5,850,316,427.00		4,452,237,429.46		-650,375.48		75,495,097.13		-8,116,227,943.09	91,080,623.37	2,352,251,258.39

Legal representative: Shu Hua

Person in charge of accounting affairs: Fang Jiancai

Person in charge of accounting department: Fang Jiancai



Balance Sheet
As at 31 December 2022

Prepared by: GCL System Integration Technology Co., Ltd.

Monetary Unit: CNY

Assets	Note XV	Balance as at 31 December 2022	Balance as at 31 December 2021
Current assets:			
Cash and cash equivalents		75,907,148.60	93,895,389.73
Financial assets held for trading			
Financial assets measured at fair value through profit or loss			
Derivative financial assets			
Notes receivable			
Accounts receivable	1	251,350,473.85	463,655,384.33
Accounts receivable financing			741,317.18
Prepayment		1,506,080,180.03	1,644,625,532.46
Other receivables	2	2,162,923,929.09	4,098,748,241.06
Inventories		55,587,888.73	303,661.80
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		3,323,828.03	65,917,822.53
Total current assets		4,055,173,448.33	6,367,887,349.09
Non-current assets:			
Investment in debt instruments			
Financial assets held for sale			
Investment in other debt instruments			
Held to maturity investment			
Long-term receivables			
Long-term equity investments	3	4,277,007,992.15	5,363,005,114.80
Investment in other equity instruments		9,354,489.25	16,730,307.15
Other non-current financial assets			
Investment property			
Fixed assets		2,897,533.53	3,682,221.00
Construction in progress			
Productive biological assets			
Oil and gas assets			
Intangible assets		9,236,855.90	9,725,948.10
Development expenses			
Goodwill			
Long-term deferred expenses			
Deferred tax assets		120,938,152.02	145,113,018.99
Other non-current assets		6,709,267.51	6,709,267.51
Total non-current assets		4,426,144,290.36	5,544,965,877.55
Total assets		8,481,317,738.69	11,912,853,226.64



Legal representative: Shu Hua

Person in charge of accounting affairs: Fang Jiancai

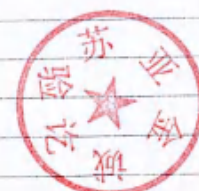
Person in charge of accounting department: Fang Jiancai

Balance Sheet
As at 31 December 2022

Prepared by: GCL System Integration Technology Co., Ltd.

Monetary Unit: CNY

Liabilities and owners' equity	Note XV	Balance as at 31 December 2022	Balance as at 31 December 2021
Current liabilities:			
Short-term loans		237,006,144.32	414,900,000.00
Financial liabilities held for trading			
Financial liabilities measured at fair value through profit or loss			
Derivative financial liabilities			
Notes payable		10.00	93,381,192.31
Accounts payable		215,795,161.79	457,023,068.02
Advance from customer			
Contract liabilities		72,353,927.26	1,614,363,101.32
Employee benefits payable		5,051,494.44	5,312,159.23
Taxes payable		194,327.86	1,786,966.13
Other payables		1,903,052,680.28	2,481,042,044.39
Liabilities held for sale			
Non-current liabilities due within one year			
Other current liabilities		9,406,010.54	209,867,203.17
Total current liabilities		2,442,859,756.49	5,277,675,734.57
Non-current liabilities:			
Long-term loans			
Bonds payable			
Including : Preference shares			
Perpetual bonds			
Long-term payables			
Provisions		114,380,461.08	115,605,691.37
Deferred income		860,722.20	2,452,125.09
Deferred tax liabilities			1,705,215.61
Other non-current liabilities			
Total non-current liabilities		115,241,183.28	119,763,032.07
Total liabilities		2,558,100,939.77	5,397,438,766.64
Owners' equity (or shareholders' equity)			
Share capital		5,850,316,427.00	5,850,316,427.00
Other equity instruments			
Including: Preference shares			
Perpetual bonds			
Capital reserves		4,497,746,522.83	4,497,746,522.83
Less: Treasury stock			
Other comprehensive income		-416,216.58	5,115,646.84
Special reserves			
Surplus reserves		75,495,097.13	75,495,097.13
General risk reserve			
Undistributed profits		-4,499,925,031.46	-3,913,259,233.80
Total owners' equity		5,923,216,798.92	6,515,414,460.00
Total liabilities and owners' equity		8,481,317,738.69	11,912,853,226.64



Legal representative: Shu Hua

Person in charge of accounting affairs: Fang Jiancai

Person in charge of accounting department: Fang Jiancai

Income Statement
For the year ended 31 December 2022

Prepared by: GCL System Integration Technology Co., Ltd.

Monetary Unit: CNY

Item	Note XV	Year 2022	Year 2021
1. Total operating income	4	1,236,595,062.40	487,856,890.97
Less: Operating cost	4	1,218,330,343.83	476,162,128.54
Taxes and surcharges		1,894,617.08	210,451.87
Selling and distribution expenses		2,064,899.18	288,405.18
General and administrative expenses		29,212,341.94	46,042,072.87
Research and Development expenses		1,387,665.33	8,874,970.86
Financial expenses		-6,303,427.70	14,259,646.30
Including: Interest expenses		55,163,624.74	66,532,854.30
Interest income		43,489,143.95	56,601,910.39
Plus: Other income		1,637,700.07	2,173,491.86
Investment income ("-" for losses)	5	-609,542,520.13	-2,521,094.86
Including: Income from investment in associates and joint ventures		10,262,877.35	-1,097,741.05
Net exposure to hedging gains ("-" for loss)			
Gains from the changes in fair values ("-" for losses)		53,167,596.17	-166,024,743.62
Losses from credit impairment ("-" for losses)		-215,590.80	-9,796,573.92
Losses from asset impairment ("-" for losses)			-547,346.77
Gains from disposal of assets ("-" for losses)		-564,944,191.95	-234,697,051.96
2. Operating profits ("-" For Losses)		2,703,864.34	62,480.00
Plus: Non-operating income		111,864.21	23,826,402.93
Less: Non-operating expenses		-562,352,191.82	-258,460,974.89
3. Total profits before tax ("-" For Total Losses)		24,313,605.84	-5,837,788.31
Less: Income tax expenses		-586,665,797.66	-252,623,186.58
4. Net profit ("-" For Net Loss)		-586,665,797.66	-252,623,186.58
Net profit from continuing operation ("-" for losses)			
Net profit from discontinued operation ("-" for losses)		-5,531,863.42	8,647,942.66
5. Net of tax from other comprehensive income		-5,531,863.42	8,647,942.66
Other comprehensive income cannot be reclassified into profit or loss:			
Including: Changes in remeasured defined benefit obligations			
Other comprehensive income that cannot be transferred to profit or loss under the equity method		-5,531,863.42	8,647,942.66
Changes in fair value of other equity instrument investments			
Fair value changes in enterprise's own credit risk			
Other comprehensive income that will be reclassified into the profit and loss			
Including: Other comprehensive income that will be transferred to profit or loss under the equity method			
Changes in fair value of other debt investments			
Profit and loss from changes in fair value of financial assets held for sale			
The amount of financial assets reclassified into other comprehensive income			
Profit and loss of held to maturity investments reclassified as financial assets held for sale			
Other debt investment credit impairment provision			
Cash flow hedging reserve			
Balance arising from the translation of foreign currency financial statements		-592,197,661.08	-243,975,243.92
6. Total comprehensive income		-592,197,661.08	-243,975,243.92
7. Earnings per share			
Basic earnings per share		-0.100	-0.043
Diluted earnings per share			



Legal representative: Shu Hua

Person in charge of accounting affairs: Fang Jiancai

Person in charge of accounting department: Fang Jiancai

Statement of Cash Flows
For the year ended 31 December 2022

Prepared by: GCL System Integration Technology Co., Ltd.

Monetary Unit: CNY

Item	Note	Year 2022	Year 2021
1. Cash flows from operating activities			
Cash received from sale of goods and rendering of services		659,607,877.06	1,486,990,572.38
Refunds of taxes and surcharges		67,154,407.45	
Cash received from other operating activities		623,938,913.02	52,422,519.27
Sub-total of cash inflows from operating activities		1,350,701,197.53	1,539,413,091.65
Cash paid for goods purchased and services received		497,651,246.41	442,927,776.81
Cash paid to and on behalf of employees		14,260,358.13	14,968,492.80
Cash paid for taxes and surcharges		3,940,349.90	251,077.87
Cash paid for other operating activities		227,438,092.83	535,601,759.98
Sub-total of cash outflows from operating activities		743,290,047.27	993,749,107.46
Net cash flows from operating activities		607,411,150.26	545,663,984.19
2. Cash flows from investing activities			
Cash received from disposal of investments		1,572,209.70	206,916,090.03
Cash received from returns on investments			
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			2,278,052.11
Net cash received from disposal of subsidiaries and other business units			
Cash received from other investing activities			
Sub-total of cash inflows from investing activities		1,572,209.70	209,194,142.14
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		92,723,483.84	374,479.65
Cash paid for investments			1,967,260.00
Net cash paid to acquire subsidiaries and other business units			
Cash paid for other investing activities			
Sub-total of cash outflows from investing activities		92,723,483.84	2,341,739.65
Net cash flows from investing activities		-91,151,274.14	206,852,402.49
3. Cash flows from financing activities			
Cash received from investors			4,058,978.68
Cash received from borrowings		393,264,833.33	289,900,000.00
Cash received from other financing activities		42,031,679.96	340,850,097.64
Sub-total of cash inflows from financing activities		435,296,513.29	634,809,076.32
Cash paid for debt repayments		571,487,500.00	1,205,334,485.86
Cash paid for distribution of dividends (profits) or payment of interest		39,170,413.10	87,753,920.76
Cash paid for other financing activities		335,019,385.46	78,178,275.70
Sub-total of cash outflows from financing activities		945,677,298.56	1,371,266,682.32
Net cash flows from financing activities		-510,380,785.27	-736,457,606.00
4. Effect of fluctuation in exchange rate on cash and cash equivalents		196,166.20	-175,970.02
5. Net increase in cash and cash equivalents		6,075,257.05	15,882,810.66
Plus: Balance of cash and cash equivalents at the beginning of the period		15,944,461.57	61,650.91
6. Balance of cash and cash equivalents at the end of the period		22,019,718.62	15,944,461.57



Legal representative: Shu Hua

Person in charge of accounting affairs: Fang Jiancai

Person in charge of accounting department: Fang Jiancai

**Statement of Changes in Owners' Equity
For the year ended 31 December 2022**

Prepared by: GCL System Integration Technology Co., Ltd.

Monetary Unit: CNY

Item	Year 2022							Total shareholders' equity			
	Share capital	Other equity instruments	Capital reserve	Less: treasury stock	Other Comprehensive Income	Special reserve	Surplus reserve		General risk reserve	Undistributed profit	
I. Balance as at 31 December of last year	5,850,316,427.00		4,497,746,522.83			5,115,646.84		75,495,097.13		-3,913,259,233.80	6,515,414,480.00
Plus: Adjustments for changes in accounting policies											
Adjustments for correction of accounting errors in prior year											
Others											
I. Balance as at 1 January of the current year	5,850,316,427.00		4,497,746,522.83			5,115,646.84		75,495,097.13		-3,913,259,233.80	6,515,414,480.00
II. Increases/decreases in the current year ("-" for decreases)						-5,531,863.42				-586,665,797.66	-592,197,661.08
1) Total comprehensive income						-5,531,863.42				-586,665,797.66	-592,197,661.08
2) Capital contributed or reduced by owners											
Capital contributions by owners (common stock)											
Capital contributions by other equity instruments holders											
Amounts of share-based payments recognised in owners' equity											
Others											
3) Profit distribution											
Withdrawal of surplus reserves											
Withdrawal of general risk reserve											
Profit distributed to owners (or shareholders)											
Others											
4) Internal carry-forward of owners' equity											
Conversion of capital reserves into paid-in capital											
Conversion of surplus reserves into paid-in capital											
Surplus reserves offsetting losses											
Amount of Changes in selling benefit plan transfer to retained earnings											
Other comprehensive income transferred to retained earnings											
Others											
5) Special reserves											
Withdrawal for the period											
Use for the period											
I. Balance as at 31 December of the current year	5,850,316,427.00		4,497,746,522.83			-416,216.58		75,495,097.13		-4,499,925,031.46	5,923,216,798.92



Person in charge of accounting affairs: Fang Jiancai

Person in charge of accounting department: Fang Jiancai

Legal representative: Shu Hua

Statement of Changes in Owners' Equity
For the year ended 31 December 2022 (Continued)

Monetary Unit: CNY

Prepared by: GCL System Integration Technology Co., Ltd.

Item	Year 2021									
	Share capital	Other equity instruments	Capital reserve	Less: treasury stock	Other Comprehensive Income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Total shareholders' equity
I. Balance as at 31 December of last year	5,855,502,267.00		4,500,535,932.35	20,286,952.68	-1,200,128.73		75,495,097.13		-3,662,968,213.31	6,747,078,000.76
Plus: Adjustments for changes in accounting policies										
Adjustments for correction of accounting errors in prior year										
Others										
I. Balance as at 1 January of the current year	5,855,502,267.00		4,500,535,932.35	20,286,952.68	-1,200,128.73		75,495,097.13		-3,662,968,213.31	6,747,078,000.76
1. Increases/decreases in the current year ("-" for decreases)	-5,185,840.00		-2,789,409.52	-20,286,952.68	6,315,776.57				-250,291,020.49	-231,663,540.76
1) Total comprehensive income					8,647,942.66				-252,623,186.58	-243,975,243.92
2) Capital contributed or reduced by owners	-5,185,840.00		-2,789,409.52	-20,286,952.68						12,311,703.16
Capital contributions by owners (common stock)	253,400.00		3,605,578.68							4,058,978.68
Capital contributions by other equity instruments holders										
Capital contributions by other equity instruments holders										
Amounts of share-based payments recognised in owners' equity				-20,286,952.68						20,286,952.68
Others	-5,439,240.00		-6,594,988.20							-12,034,228.20
3) Profit distribution										
Withdrawal of surplus reserves										
Withdrawal of general risk reserve										
Profit distributed to owners (or shareholders)										
Others										
4) Internal carry-forward of owners' equity										
Conversion of capital reserves into paid-in capital										
Conversion of surplus reserves into paid-in capital										
Surplus reserves offsetting losses										
Amount of Changes in selling benefit plan transfer to retained earnings										
Other comprehensive income transferred to retained earnings										
Others										
5) Special reserves										
Withdrawal for the period										
Use for the period										
I. Balance as at 31 December of the current year	5,850,316,427.00		4,497,746,522.83		5,115,646.84		75,495,097.13		-3,913,259,233.80	6,515,414,460.00



Legal representative: Shu Hua

Person in charge of accounting affairs: Fang Jiancai

Person in charge of accounting department: Fang Jiancai

GCL SYSTEM INTEGRATION TECHNOLOGY CO., LTD.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

(All amounts are expressed in CNY unless otherwise stated)

I. Company Profile

1. Company Overview

GCL System Integration Technology Co., Ltd. (hereinafter referred to as "Company" or "the Company"), formerly known as Shanghai Chaori Solar Energy Science & Technology Co., Ltd., is found by Ni Kailu and other 26 natural persons, Zhangjiang Sino-Century Assets Management Co., Ltd., Shanghai Jiandu Real Estate Development Co., Ltd. and Shanghai Southsky Sports & Leisure Goods Co., Ltd. It was listed on the Shenzhen Stock Exchange on 18 November 2010 to issue 66,000,000 A shares to the public after getting the approval of ZJXX [2010] No. 1488 from the China Securities Regulatory Commission on 27 October 2010, with total share capital of CNY 263,600,000.00 and stock code of 002506. On 20 January 2011, the Company was issued with the Business License of Enterprise Legal Person (registration number: 310226000457712) by Shanghai Administration for Industry and Commerce.

As of 31 December 2022, the company has issued 5,850,316,427 shares in total, with a registered capital of CNY 5,850,316,427. The unified social credit code of the Company's business license is 91310000751873021H.

Registered address of the Company: Jianghai Economic Area, Nanqiao Town, Fengxian District, Shanghai.

The address of the headquarters: No. 28, Xinqing Road, Suzhou Industrial Park.

Legal representative: Shu Hua

The Company engages in manufacturing of computer, communication and other electronic equipment, and mainly engages in the manufacturing and sales of solar photovoltaic modules, and engages in the solar power generation system integration business.

Principal operating activities of the Company: Licensed projects: Construction of construction projects; Import and export of goods; Technology import and export. (for projects that must be approved according to law, business activities can be carried out only after being approved by relevant departments, and the specific business projects shall be subject to the approval documents or licenses of relevant departments) General projects: manufacturing of photovoltaic equipment and components; Sales of photovoltaic equipment and components; Solar power technology services; Contracted projects; Contract energy management; Service, development, consultation, exchange, transfer and promotion of technology. (except for the items subject to approval according to law, the company shall independently carry out business activities according to law with its business license)

GCL Group is the controlling shareholder of the Company, and the actual controller is Zhu Gongshan.

2. Consolidated financial statement scope

The scope of the Company's consolidated financial statements is based on control, and all subsidiaries controlled are included in the consolidation scope of the consolidated financial statements.

Change of consolidated financial statement scope is shown as follows:

- (1) Newly included within the scope of consolidation including subsidiaries, the structural entities or business entities controlled in the other way are shown in the following table:

Name	Getting way
Hefei GCL Integrated Photoenergy Technology Co., Ltd	New set
Sichuan GCL Green Energy Engineering Technology Co., Ltd	New set
Inner Mongolia GCL High tech Energy System Technology Co., Ltd	New set
Hefei Xinyu Photovoltaic Power Generation Co., Ltd	New set
Wuhu GCL Integrated New Energy Technology Co., Ltd	New set
Peixian Zhongmao Agricultural Technology Co., Ltd	Combination not under common control
Guangshan County Huanya Agricultural Technology Co., Ltd	Combination not under common control
Jinzhai Dingfei Agricultural Technology Co., Ltd	Combination not under common control

- (2) In current year, non-included within the scope of consolidation including subsidiaries, the structural entities or business entities controlled in the other way are shown in the following table:

Name	Reason
Inner Mongolia GCL Intelligent Technology Co., Ltd	Disposal
GCL System Integration (Beijing) Co., Ltd	Disposal
GCL System Integration (Jiuquan) Co., Ltd	Disposal
Shaanxi Zhongtian Jiayang New Energy Development Co., Ltd	Disposal
Peixian Xinshang New Energy Industry Fund Partnership (limited partnership)	Write off
Onestop Warehouse Pty Ltd	Disposal
Client Solutions Pty Ltd	Disposal
Green Deal Pty Ltd	Disposal
Onestop Warehouse Finance Pty Ltd	Disposal
Onestop Energy Solutions Pty Ltd	Disposal
Onestop Warehouse Pty Ltd	Disposal
Client Solutions Pty Ltd	Disposal
Green Deal Pty Ltd	Disposal
Solar&Battery Place Pty Ltd	Disposal
Solar&Battery Central Pty Ltd	Disposal
Sailfish Storage Pty Ltd	Disposal

Details of the subsidiaries within the consolidated financial statements show on Note VII.1 'Interests in Subsidiaries'. Changes of the scope of the consolidation show on 'VI. Changes in Consolidated Scope'

II. Basis of Preparation of Financial Statements

1. Basis of preparation of financial statements

The Company has prepared its financial statements on a going concern basis, and recognised and measured its accounting items in compliance with *the Accounting Standards for Business Enterprises—Basic Standards* and various specific accounting standards, and other relevant provisions on the basis of actual transactions and events.

2. Going concern

Management believes that the Company has the ability to continue as a going concern for at least 12 months since the financial statements date.

III. Significant Accounting Policies and Accounting Estimates

Prompt of specific accounting policies and accounting estimates:

The following disclosure contents have covered the specific accounting policies and accounting estimation which are specially formulated by the Company according to the actual production and operation features. Please refer to Note III.10 'Financial instruments', Note III.15 'Fixed assets' and Note III.27 'Recognition of revenue'.

1. Statement of compliance with the ASBE

The financial statements of the Company have been prepared in accordance with ASBE, and present truly and completely, the group's financial position as of 31 December 2022, and the Company's results of operations, changes in owners' (shareholders) equity and cash flows for the year then ended.

2. Accounting period

The Group has adopted the calendar year as its accounting year, i.e. from 1 January to 31 December.

3. Business cycle

The Company has an operating cycle of 12 months.

4. Functional currency

The Company has adopted Chinese Yuan (CNY) as functional currency.

5. The accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control

(1) Accounting treatment method for business combination under common control

Business combination under common control is accounted for under pooling of interest method.

Assets and liabilities obtained by the Company through business combination under common control shall be measured at the book value as stated in the combine's accounting record on the combination date. The share of the book value of the merged party's owner's equity in the consolidated financial statements is taken as the initial investment cost of long-term equity investments in individual financial

statements. The capital reserve (stock premium or capital premium) is adjusted according to the difference between the book value of net asset acquired through combination and the book value of consideration paid for the combination (or total par value of shares issued). If the capital reserve (stock premium or capital premium) is insufficient to offset, the retained earnings shall be adjusted.

(2) Accounting treatment method of business combination not under common control

The Company accounts for business combination not under common control under purchase method.

(a) All the net identifiable assets, liabilities or contingent liabilities obtained by the Company through business combination not under common control shall be measured based on the fair value of assets paid, liabilities incurred or assumed and the equity securities issued as consideration for combination on the acquisition date, and differences between their fair values and book values shall be included in the current profit and loss.

(b) The cost of acquisition shall be respectively determined for the following conditions:

i. Business combination of a transaction implementation, the combination cost shall be the sum of the fair value of the assets given, the liabilities incurred or assumed and the equity securities issued by the Company in exchange for the control on the acquisition date, and contingent considerations meeting the recognition conditions. The combination cost is the initial investment costs of long-term equity investments in individual financial statements.

(c) The Company, on the acquisition date, allocates the combination costs between the identifiable assets and liabilities acquired

i. All assets of the acquiree obtained by the Company through business combination(not limited to those that have been recognised by the acquiree), other than intangible assets, shall be separately recognised and measured at fair value when the future economic benefits arising thereafter are expected to flow into the Company and the fair value can be reliably measured.

ii. Intangible assets of the acquiree obtained by the Company through business combination shall be separately recognised and measured at fair value when their fair values can be reliably measured.

iii. All liabilities of the acquiree obtained by the Company through business combination, other than contingent liabilities, shall be separately recognised and measured at fair value when fulfillment of relevant obligations are expected to bring future economic benefits to the Company and the fair value can be reliably measured.

iv. Contingent liabilities of the acquiree obtained by the Company through business combination shall be separately recognised as liabilities and measured at fair value when their fair values can be reliably measured.

v. When the Company allocates the cost of business combination and recognises the identifiable assets and liabilities acquired through combination, it shall not include any goodwill and deferred income taxes that have been recognised by the acquiree before the business combination.

(d) Treatment of the difference between the business combination costs and the fair value of net identifiable asset acquired from the acquiree through combination

i. The Company shall recognise the difference of the combination costs in excess of the fair value of the net identifiable asset acquired from the acquiree through combination as goodwill.

ii. The Company shall recognise the difference of the combination costs in short of the fair value of the net identifiable asset acquired from the acquiree through combination according to the following provisions:

Review the measurement of fair values of all the identifiable assets, liabilities and contingent liabilities acquired from the acquiree and the combination costs; After the review, if the combination costs are still in short of the fair value of the net identifiable asset acquired from the acquiree through combination, include the difference in the current profit and loss.

(3) Treatment of relevant expenses arising from the Company's business combination

(a) Relevant expenses directly arising from the business combination of the Company (including the expenses for audit, legal services, evaluation and consultation or other intermediary costs for business combination) shall be included in the current profit and loss when they are incurred.

(b) Fees, commissions, and other transaction expenses paid on issuance of equity securities as combination consideration in the business combination shall be included in the initial measurement amount of equity securities.

i. Where the equity securities are issued at premium, that part of expenses shall be deducted from capital reserves (stock premium);

ii. Where the equity securities are issued at par value or discount, that part of expenses shall be deducted from the retained earnings.

6. Preparation of consolidated financial statements.

(1) Consistency of accounting policies and accounting period

All the subsidiaries within the consolidation scope of consolidated financial statements shall adopt the same accounting policies and accounting periods as those of the Company. If the accounting policies or accounting periods of a subsidiary are different from those of the Company, the financial statements of the subsidiary, upon preparation of consolidated financial statements, shall be adjusted according to the accounting policies and accounting periods of the Company.

(2) Preparation method of consolidated financial statements

The consolidated financial statements are based on the financial statements of the Company and its subsidiaries, and are prepared by the parent company according to other relevant information after the adjustment to long-term equity investments in subsidiaries under the equity method and the elimination of effects of the internal transactions between the Company and its subsidiaries and between the subsidiaries on the consolidated financial statement.

(3) Changes in number of subsidiaries during the reporting period

(a) Acquisition of subsidiaries during the reporting period

i. Treatment of acquiring subsidiaries from business combination under common control during the reporting period.

During the reporting period, if the Company acquires subsidiaries from the business combination under common control, the Opening Balance in the consolidated balance sheet shall be adjusted. The income, expenses and profits of the newly acquired subsidiaries from the beginning to the end of the reporting period shall be included in the consolidated income statement. The cash flows of the

newly acquired subsidiaries from the beginning to the end of the reporting period shall be included in the consolidated statement of cash flows.

ii. Treatment of acquiring subsidiaries from business combination not under common control during the reporting period.

During the reporting period, if the Company acquires subsidiaries from the business combination not under common control, the Opening Balance in the consolidated balance sheet shall not be adjusted. The income, expenses and profits of the newly acquired subsidiaries from the acquisition date to the end of the reporting period shall be included in the consolidated income statement. The cash flows of the newly acquired subsidiaries from the acquisition date to the end of the reporting period shall be included in the consolidated statement of cash flows.

(b) Treatment of disposing subsidiaries during the reporting period

During the reporting period, if the Company disposes subsidiaries, the Opening Balance in the consolidated balance sheet shall not be adjusted. The income, expenses and profits of the newly disposed subsidiaries from the beginning to the disposal date shall be included in the consolidated income statement. The cash flows from the beginning to the disposal date shall be included in the consolidated statement of cash flows.

7. Classification of joint venture arrangements and the accounting treatment method of common operation

(1) Classification of joint venture arrangements

A joint arrangement is classified as either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the joint ventures only have the rights to the net assets under this arrangement.

A joint arrangement that is not structured through a separate vehicle shall be classified as a joint operation. A separate vehicle refers to a separately identifiable financial structure, including separate legal entities or entities without a legal personality but recognised by statute.

A joint arrangement that is structured through a separate vehicle is usually classified as a joint venture. However, when a joint arrangement provides clear evidence that it meets any of the following requirements and complies with applicable laws and regulations as a joint operation:

(a) The legal form of the joint arrangement indicates that the parties that have joint control have rights to the assets, and obligations for the liabilities, relating to the arrangement;

(b) The terms of the joint arrangement specify that the parties that have joint control have the rights to the assets, and the obligations for the liabilities, relating to the arrangement; and

(c) Other facts and circumstances indicate that the parties that have joint control have rights to the assets, and the obligations for the liabilities, relating to the arrangement--for example, the parties that have joint control have rights to substantially all of the output of the arrangement, and the arrangement depends on the parties that have joint control on a continuous basis for settling the liabilities of the arrangement.

(2) Accounting by parties of a joint operator

A joint operator shall recognise the following items in relation to its interest in a joint operation, and account for them in accordance with relevant accounting standards:

- (a) Its solely-held assets, and its share of any assets held jointly;
- (b) Its solely-assumed liabilities, and its share of any liabilities incurred jointly;
- (c) Its revenue from the sale of its share of the output arising from the joint operation;
- (d) Its share of the revenue from sale of the output by the joint operation; and
- (e) Its solely-incurred expenses and its share of any expenses incurred jointly.

8. Cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand.

Cash equivalents are the Company's short-term (due within 3 months from purchase date), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

9. Foreign currency transactions and translation of foreign currency statements

(1) Accounting method of foreign currency transactions

(a) Initial recognition of foreign currency transactions

For foreign currency transactions incurred, the Company converts the amount in foreign currency into the amount in functional currency at the spot exchange rate (middle rate) announced by the People's Bank of China on the transaction date. Among them, for foreign currency exchange occurred or transaction involving foreign currency exchange, the Company converts at the exchange rate actually adopted on the transaction date.

(b) Adjustment or settlement on the balance sheet date or settlement date

On the balance sheet date or the settlement date, the Company handles foreign currency monetary items and foreign currency non-monetary items separately in accordance with the following methods:

i. Accounting principles for handling foreign currency monetary items

For foreign currency monetary items, on the balance sheet date or the settlement date, the Company converts them by using the spot exchange rate (middle rate) prevailing on the balance sheet date or settlement date, and adjusts the amount in functional currency of foreign currency monetary items in respect of the difference arising from exchange rate fluctuations, which shall be treated as exchange difference at the same time. Among them, the exchange differences arising from foreign currency loans relating to the acquisition, construction or production of assets eligible for capitalization shall be included in the costs of assets eligible for capitalization; other exchange differences shall be included in the current financial expenses.

ii. Accounting principles for handling foreign currency non-monetary items

For foreign currency non-monetary items measured at historical cost, the Company shall convert them at the spot exchange rate (middle rate) prevailing on the transaction date. And their amounts in functional currency remain unchanged and no exchange differences incurred.

For an inventory that is measured at the lower of its costs or its net realizable values, if the net realizable value is determined in foreign currency, the Company, when determining the value of the inventory at the end of the period, shall firstly convert the net realizable value into functional currency and then compare it with the inventory cost reflected in functional currency.

Non-monetary items measured at fair value that is reflected in foreign currency at the end of the period, the Company shall firstly translate the foreign currency into the amount in functional currency at

the spot exchange rate on the date when the fair value is determined, and then compare it with the original functional currency amount. Difference between the translated functional currency amount and the original functional currency amount is treated as profit or loss from changes in fair value (including changes in exchange rate) and is recognised in current profit and loss.

(2) Accounting treatment method for translation of foreign currency statements

The Company shall translate the financial statements of foreign operations in accordance with the following methods:

i. Assets and liabilities in the balance sheets shall be translated at the spot exchange rates on balance sheet date. Shareholders' equity items, except for the item of "undistributed profits", are translated at the spot exchange rates on the dates when the transactions occur.

ii. Revenue and expense items in the income statement are translated at the spot exchange rates on the dates when the transactions occur or at the exchange rate determined in a systematical and reasonable method and similar to the spot exchange rate on the day when the transactions occur.

Differences arising from the above translations of foreign currency financial statements are separately listed under 'other comprehensive income' in the consolidated balance sheet.

10. Financial instruments

Financial instruments include financial assets, financial liabilities and equity instruments.

(1) Classification of financial instruments

(a) Classification of financial assets

According to the Company's business model of managing financial assets and the characteristics of contract cash flow of financial assets, financial assets are classified into the following three categories: financial assets measured at amortised cost; financial assets measured at fair value through other comprehensive income (including financial assets directly designated to be measured at fair value through other comprehensive income) ("FVOCI"); and financial assets measured at fair value through the current profit or loss ("FVTPL").

(b) Classification of financial liabilities

The Company classifies the financial liabilities into the following two categories: financial liabilities measured at FVTPL (including financial liabilities held for trading and financial liabilities directly designated to be at FVTPL); and financial liabilities measured at amortised cost.

(2) Recognition basis and measurement method of financial instruments

(a) Recognition basis of financial instruments

When the Company becomes a party to a financial instrument, it shall recognise a financial asset or financial liability.

(b) Measurement method of financial instruments

i. Financial assets

Financial assets are measured at fair value upon initial recognition. For financial assets at FVTPL, relevant transaction costs are directly recognised in profit or loss for the period. For other categories of financial assets, relevant transaction costs are included in the amount initially recognised. Accounts

receivable or notes receivable arising from sales of goods or rendering services and without significant financing component or the Company decided not to consider financing elements for less than one year are initially recognised based on the amount of consideration expected to be entitled to receive.

Financial assets measured at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method after initial recognition. Gains/losses on financial assets that are measured at amortised cost and are not a part of any hedging relationship shall be recognised in profit or loss when the financial asset is derecognised or reclassification or amortised using the effective interest method or recognised the impairment allowance.

Financial assets at FVOCI

These assets are subsequently measured at fair value after initial recognition. Except impairment, foreign exchange gains and losses, interest income calculated using the effective interest method are recognised in profit or loss; other gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are transferred to profit or loss.

In addition, the Company designated some non-tradable equity instruments as financial assets at FVOCI; the Company shall recognise the relevant dividend income of such financial assets into the current profit and loss, and recognise the change of fair value in other comprehensive income. On derecognition, the accumulated gains/losses previously recognised in other comprehensive income shall be transferred to retained earnings and not be recognised in current profit and loss.

Financial assets at FVTPL

The Company classifies the financial assets into financial assets at FVTPL except for financial assets measured at amortized cost or financial assets at FVOCI as mentioned above. In addition, the company may designate some financial assets as financial assets at FVTPL upon the initial recognition to eliminate or significantly reduce accounting mismatch. For such financial assets, the company adopts the fair value for subsequent measurement, and changes in fair value are recognized in the profit or loss for the current period.

ii. Financial liabilities

Financial liabilities shall be classified into financial liabilities measured at FVTPL upon initial recognition and other financial liabilities. For financial liabilities measured at FVTPL, relevant transaction costs are directly recognized in the current profit and loss, and the relevant transaction costs of other financial liabilities are recognized in the initial recognition amount.

Financial liabilities measured at FVTPL

Financial liabilities held for trading (including derivatives of financial liabilities) shall be subsequently measured at the fair value. Except for those related to hedge accounting, changes in the fair value shall be recognized in the profit or loss of the current period. For financial liabilities designated to be at FVTPL, fair value changes caused by the Company's own credit risk changes which is recognised in other comprehensive income, when the liability is derecognition, the accumulated change in its fair value caused by the change in its own credit risk recognized in other comprehensive income is transferred to retained earnings, the remaining changes of fair value is record in profit or loss. If the above treatment of the impact of the change in the credit risk of such financial liabilities will cause or expand the accounting mismatch in the profit and loss, the company

will record all the gains/losses of such financial liabilities (including the amount affected by fair value changes in enterprise's own credit risk) into the current profit and loss.

Financial liabilities measured at amortised cost

Except financial liabilities that arise when a transfer of a financial assets does not qualify for derecognition or when the continuing involvement approach applies security contract are classified as financial liabilities measured by amortised cost, or financial subsequently measurement at amortised cost, and record the profits or losses guarantee contracts recognition or amortisation into the current profit and loss.

(3) Financial assets transfer

If the Company transfers substantially all the risks and rewards of ownership of the financial asset to the transferee, the Company derecognises the financial asset, the rights and obligations arising or retained in the transfer shall be separately recognised as its assets or liabilities; if the Company retains substantially all the risks and rewards of ownership of the financial asset, it continues to recognise the transferred financial assets. If the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it is accounted for as follows: if the Company has not retained control, it derecognises the financial asset, the rights and obligations arising or retained in the transfer shall be separately recognised as its assets or liabilities; and if the Company has retained control, it continues to recognise the financial asset to the extent of its continuing involvement in the transferred financial asset and recognises the relevant liability.

Where transfer of financial assets qualify for derecognition entirety, the difference between the following two amounts will be included into current profit or loss: The book value measured at the date of derecognition; and The sum of the consideration for the derecognition part and the portion of derecognition corresponding to the accumulated amount of the changes in fair value originally and directly included in OCI (involving the situation where the financial asset transferred is a debt instrument investment measured at fair value and recognised in other comprehensive income). The Company transferred the partial transfer of financial assets which qualify for derecognition, the overall carrying amount of the transferred financial asset shall be apportioned according to their respective relative fair value between the portion of derecognition and the remaining.

(4) Derecognition of financial liabilities

If the current obligation of the financial liability (or part thereof) has been discharged, the Company shall remove financial liability (or part thereof), and the Company shall recognise the difference between its book value and the consideration paid (including any non-cash assets transferred or liabilities assumed) in the current profit and loss.

(5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities shall be shown separately in the balance sheet and shall not be offset against each other. If the following conditions are met at the same time, the net value offset each other after amount listed in the balance sheet:

The Company has offset the confirmed amount of legal rights of financial assets and financial liabilities, and this kind of legal rights is the executable; and

The Company plans to net or cash at the same time when the financial assets and liquidation of the financial liability.

If the transfer of financial assets does not meet the conditions for derecognition, the transferor shall not offset the transferred financial assets and related liabilities.

(6) Equity instruments

Equity instruments are contracts that prove ownership of the residual interest in the Company's assets after deducting all liabilities. The issuance (including refinancing), repurchase, sale or cancellation of the equity instruments of the Company shall be treated as changes in the equity. The Company does not recognise changes in the fair value of equity instruments, and the transaction fees related to the equity transactions shall be deducted from the equity. Where the equity instrument of the Company distributes dividends during the term of its existence, it shall be treated as profit distribution, and the total amount of shareholders' equity will not be affected by the stock dividends issued.

(7) Method for determining the fair value of financial assets and financial liabilities

Where there is an active market for a financial instrument, the Company shall determine its fair value by quoting in the active market. Where there is no active market for the financial instrument, the Company shall determine its fair value by means of valuation technology. In valuation, the Company uses valuation techniques applicable in the current situation and supported by sufficient available data and other information to select input values consistent with the characteristics of assets or liabilities considered by market participants in transactions of related assets or liabilities, and gives priority to relevant observable input values as far as possible. Use unobservable inputs only when relevant observable inputs cannot be obtained or are impracticable to obtain.

Upon initial recognition, the fair value of financial assets or financial liabilities is determined by the quoted price of the same assets or liabilities in the active market or other valuation technology that only uses observable market data, the Company defers the difference between the fair value and the transaction price. After initial recognition, the Company recognises the deferred difference as gain or loss in the corresponding accounting period according to the changes of a certain factor in the corresponding accounting period.

(8) Impairment of financial assets

Based on the expected credit losses ("ECL"), the Company shall recognise the impairment loss on financial assets measured at amortized cost, debt instrument investment at FVOCI.

(a) The approach of recognition loss allowance for ECL

Considering the reasonable and valid information such as past events, current conditions and forecast of future economic conditions, and weighted by the risk of default, the Company calculates the probability weighted amount of the present value of the difference between the cash flow receivable under the contract and the expected cash flow to be received, and recognise the ECL.

i. General approach

The Company assess whether the credit risk of financial instruments in different stages at each reporting date has increased significantly. If the financial instruments' credit risk have not increased significantly after initial recognition, it will be included in phase 1, and the Company measures the loss allowance for those instruments at an amount equal to 12-month ECL; if the financial instruments' credit risk have increased significantly but without objective evidence for impairment after initial recognition, it will be included in phase 2, and the Company measures the loss allowance of those instruments at an amount equal to lifetime ECL; if the financial asset that is evidently credit-impaired after initial

recognition, it will be included in phase 3, and the Company measures the loss allowance of those financial instruments at an amount equal to lifetime ECL. For financial instruments with low credit risk on the balance sheet date (e.g. fixed deposits in commercial banks with higher credit rating, financial instruments with external credit rating above "investment grade"), the Company assumes that the credit risk has not increased significantly since the initial recognition and chooses to measure the loss allowance according to the ECL in the next 12 months.

ii. Simplified approach

For accounts receivable, contract assets and notes receivable related to revenues, the Company does not include the significant financing component or does not consider the financing components in contracts less than one year, it will measure the loss allowance according to the ECL of the whole duration.

(b) Criteria for determining whether credit risk has increased significantly subsequent to the initial recognition

If the probability of default of a financial asset in lifetime as determined on the balance sheet date is significantly higher than the probability of default in lifetime as determined at the initial recognition, the credit risk of the financial asset increases significantly.

No matter what method the Company is applied to evaluate whether credit risk has increased significantly, it usually inferred that the credit risk of the financial instrument has increased significantly if the contract payments are more than 30 days past due, unless the Company can get the reasonable and valid information at reasonable cost to evidence that the credit risk of the financial instrument has not increased significantly since the initial recognition.

Except in special cases, the Company shall use the change of default risk in the next 12 months as a reasonable estimate of the change of default risk in lifetime to determine whether the credit risk has increased significantly to the initial recognition

(c) Approach of assessing expected credit risk on a portfolio basis and determine basis

The Company evaluates credit risk individually for the credit risk of significantly different notes receivable, accounts receivable and other receivables with the following characteristics. Such as: accounts receivable in dispute with the other party or involving litigation or arbitration; notes receivable, accounts receivable that have shown clear signs that the debtor is likely to be unable to meet repayment obligations.

When it is impossible to evaluate the ECL information of an individual financial asset at a reasonable cost, the Company divides the receivables into several portfolios according to the credit risk characteristics, and calculates the ECL on collective basis. The basis for determining the portfolio is as following:

Name	Approach of assessing expected credit risk
Bank acceptance bill portfolio; Commercial acceptance bill portfolio	For notes receivable divided into portfolio, the bank acceptance bill and commercial acceptance bill, the Company refers to the historical credit loss experience, and combines the current situation and the forecast of future economic situation, and then estimates ECL with the exposure at default and the life time expected credit loss rate.

Name	Approach of assessing expected credit risk
Portfolio 1 Accounts receivable - the combination of accounts receivable and their credit loss calculated based on the comparison table of overdue days and default loss rate	For accounts receivable divided into portfolio 1, the Company always measures the provision for impairment of accounts receivable according to the amount equivalent to the life time expected credit loss, and calculates its ECL based on the comparison table of overdue days and expected credit loss rate.
Portfolio 2 Accounts receivable from government or grid company	No provision for bad debts due to its low credit risk.
Portfolio 3 Accounts receivable of Australian subsidiary	In consideration of the credit risk of the customers of the Australian subsidiary, the provision for impairment of receivables is measured according to the amount equivalent to the ECL in the whole duration, and the ECL is calculated based on the comparison table of overdue days and expected credit loss rate.
Portfolio 4 Receivables of subsidiaries within the scope of consolidation	No provision for bad debts due to its low credit risk.
Other receivables – non-related party Portfolio 1	If the financial instruments' credit risk have not increased significantly after initial recognition, the Company measures the loss reserve for those instruments at an amount equal to ECL in the next 12 months; If the credit risk increases significantly after initial recognition, the company shall measure its loss reserve at an amount equal to the ECL within the entire expected duration of the other receivables; If credit impairment occurs after initial recognition, for financial instruments at this stage, the Company shall measure its loss reserve according to the amount of lifetime ECL of the other receivables.
Other receivables - deposit Portfolio 2	The ECL is analysed by "three-phases method" based on whether the credit risk quality has changed since the initial recognition.

The Company shall take the provision or transfer the loss into the current profit and loss. For the debt instrument investment measured at fair value through other comprehensive income, the Company shall adjust other comprehensive income while recording the impairment loss or gain into the current profit and loss.

11. Inventory

(1) Classification of inventory

Inventories are classified as: goods in transit, raw materials, revolving materials (including packing materials and low-cost consumables), consigned processing materials, goods in progress (finished products) and dispatched products, etc.

(2) Measurement method of dispatched inventories

Dispatched materials and stock commodities are accounted for by using weighted average method.

(3) Basis to determine net realizable values of inventories and method of provision for diminution value of inventories

(a) Determination basis of net realizable values of inventories and provision for diminution in the value of inventory

For the goods inventory that can be directly used for sales, such as finished products, stock commodities and the materials for sales during the normal production and operation process, the net realizable value shall be determined by deducting the estimated selling expenses and relevant taxes from the estimated selling price of inventory. For the materials inventory needing to be processed, during the normal process of production and operation, the net realizable value shall be determined by deducting the estimated costs to completion, the estimated selling expenses and the related taxes from the estimated sale price of the finished products. As for the inventory held for performance of sales contract or labor contract, its net realizable value can be calculated based on the contract price. In case the quantity of inventory is larger than the quantity ordered in sales contract, the net realizable value of additional inventory is calculated based on general sale price.

The Company will provide for inventory depreciation reserve in accordance with single inventory project at the end of period. For inventories with large volume and low unit price, the inventory depreciation reserve shall be provided according to their categories. For inventory which is related to the products series produced and sold in the same area, has the same or similar end use or purpose, and is difficult to be separately measured from other items, the inventory depreciation reserve shall be provided for on a consolidation basis.

Except that there is clear evidence proving that the market price is abnormal on the balance sheet date, the new realizable value of the inventory project shall depend on the market price on the balance sheet date.

Net realizable value of ending inventory items will be recognised on the basis of market value of the balance sheet date.

(4) Inventory counting system

The Company adopts perpetual inventory system and takes physical inventory counting on a regular basis.

(5) Amortisation method of revolving materials

(a) Amortization method of low-cost consumables:

Low-cost consumables are amortised in full at once.

(b) Amortization method of packaging materials

Packing materials are amortised in full at once when fetched for use by the Company.

12. Contract assets

Contract assets represent the Company's right to consideration in exchange for goods or services that the Company has transferred to a customer that is conditional on something other than the passage of time. Contract assets main include guarantee and unsettled portion of finished project. A contract asset and a contract liability relating to the same contract are represented on a net basis after offsetting, while that relating to different contract should not be offset.

The measurement and assessment ECL of contract assets refer to Note III 10 "(8) Impairment of Financial Assets".

13. Assets held for sale and discontinued operations

(1) Assets held for sale

(a) Scope of non-current assets or disposal groups as held for sale

A non-current asset (or disposal group) should be classified as held for sale if its carrying amount will be recovered principally through a sale transaction (including non-monetary asset exchange with commercial substance) rather than through continuing use.

Disposal group is a group of assets that are disposed as a whole through sales or other ways in one transaction and liabilities directly related to these assets delivered in the transaction.

(b) Recognition criteria of non-current assets or disposal groups as held for sale

The Company recognises non-current assets (or disposal groups) that satisfy the following conditions at the same time as assets held for sale:

- i. The assets (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups); and
- ii. Its sale must be highly probable. The Company has already made a decision to dispose the component and has a commitment from the purchaser; the transfer will be completed within one year. If it requires shareholders' approval or supervisors' approval according to regulations, it has already received approval from the general meeting of stockholders or relative authority institution.

(c) Accounting treatment and presentation of assets held-for-sale

- i. The non-current asset (or disposal group) is first classified as held for sale; the Company should measure the non-current assets or assets and liabilities made up of disposal group in accordance with relevant accounting standards.

- ii. When the Company measure a non-current asset (or disposal group) held for sale initially or re-measure at balance sheet date subsequently, the impairment loss should be recognised if the book value is higher than fair value less costs to sell at the amount of the difference of these two in profit and loss, the provision for assets held for sale need to be recognised at the same time. For the impairment of disposal group, should write off goodwill, if existing, and then write down the related assets proportionally. Depreciation or amortisation should cease for the non-current asset held for sale.

- iii. The non-current assets held for sale or the assets of the disposal group held for sale and the liabilities of the disposal group held for sale shall not offset each other and shall be presented as current assets and current liabilities respectively.

- iv. The Company is committed to a sale plan involving loss of control of subsidiary shall classify all the assets and liabilities of that subsidiary held for sale in consolidated balance sheets when the above criteria are met, regardless of whether the Company retain a non-controlling interests in its former subsidiary after the sale. In the balance sheets of parent company the investment should be classified as held for sale in full.

(2) Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale, and meets one of the follow conditions:

- (a) It represents either a separate major line of business or a geographical area of operations;
- (b) It is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; and
- (c) It is a subsidiary acquired exclusively with aim to resale.

14. Long-term equity investment

(1) Recognition of the initial investment costs of long-term equity investments

(a) For long-term equity investments from business combinations, the initial investment cost shall be recognised in accordance with the provisions mentioned in Note III.5, Accounting Method for Long-term Equity Investment from Business Combinations under Common Control and Business Combination not under Common Control.

(b) Except for the long-term equity investments arising from business combinations, those obtained by other means shall recognise their initial investment costs in accordance with the following provisions:

i. For the long-term equity investments obtained by cash paid, the actually paid purchase price shall be taken as the initial investment cost. The initial investment cost includes the expenses, taxes and other necessary expenses directly related to the acquisition of long-term equity investment.

ii. For the long-term equity investments acquired by the issue of equity securities, the initial investment cost shall be the fair value of the equity securities issued. If the fair value of the long-term equity investment obtained is more reliable than equity securities issued, the initial investment cost shall be the fair value of the long-term equity investment made by the investors. The cost directly attributable to the issue of equity securities, including fees, commissions, etc., write-downs premium price of the issue, if premium price of the issue is insufficient, write-downs surplus reserve and undistributed profit in turn. For the long-term equity investments acquired by the issue of debt securities, reference through the issuance of equity securities.

iii. For long-term equity investments obtained by debt restructuring, the Company recognises the fair value of surrendered creditor's right and relevant direct costs as the initial investment costs.

iv. For long-term equity investments obtained by non-monetary assets exchange, under the condition that an exchange of non-monetary assets is of commerce nature and the fair value of assets exchanged can be reliably measured, non-monetary assets traded in is initially stated at the fair value of the assets traded out, unless there is conclusive evidence indicating that the fair value of the assets traded in is more reliable; if the above conditions are not satisfied, initial investment costs of long-term equity investments traded in shall be recognised at the book value of the assets traded out and the relevant taxes and surcharges payable.

Expenses, taxes and other necessary expenses incurred to the Company and that are directly related to the obtainment of long-term equity investments shall be recognised as the initial investment costs of long-term equity investments.

For long-term equity investments obtained by the Company by any means, cash dividends or profits declared but not yet distributed in the actual payments or the consideration actually paid for the

investment shall be separately accounted as dividends receivable and shall not constitute the costs of long-term equity investments.

(2) Subsequent measurement and recognition of gains and losses of long-term equity investments

(a) Long-term equity investments measured under the cost method

i. Long-term equity investments that can control the investee are measured under the cost method.

ii. For long-term equity investments accounted at the cost method, except cash dividends or profits declared but not yet distributed which are included in the actual payments or the consideration actually paid for the investment, the cash dividends or profits declared by the investee shall be recognised as the investment income irrespective of net profits realised by the investee before investment or after investment.

(b) Long-term equity investments measured under the equity method

i. For the long-term equity investment which has joint control or significant influence over the investee, the equity method is adopted for accounting.

ii. For long-term equity investments measured at the equity method, if the initial investment costs are higher than the investor's attributable share of the fair value of the investee's identifiable net assets, no adjustment will be made to the initial costs of the long-term equity investments; if the initial investment costs are lower than the investor's attributable share of the fair value of the investee's identifiable net assets, the difference shall be recognised in current profit and loss and at the same time the adjustment will be made to the initial costs of the long-term equity investments.

iii. After obtaining the long-term equity investments, the Company shall, according to the shares of net profits and other comprehensive income realised by the investee that shall be enjoyed or borne by the Company, recognise the profit and loss on the investments and adjust the book value of the long-term equity investments. When recognising the net profits and losses and other comprehensive income of the investee that the Company shall enjoy or bear, the Company shall make a recognition and calculation based on the net book profits and losses of the investee after appropriate adjustments. However, where the Company is unable to obtain the relevant information due to failure to reasonably determine the fair value of the investee's identifiable assets, minor difference between the investee's identifiable assets and the book value thereof or other reasons, the profits or losses on the investments shall be directly calculated and recognised based on the net book profits and losses of the investee. The Company shall calculate the part distributed from cash dividends or profits declared by the investee and correspondingly reduce the book value of the long-term equity investments.

When recognizing the income from investments in associates and joint ventures, the Company shall write off the part of incomes from internal unrealised transactions between the Company and associates and joint ventures which are attributable to the Company and recognise the profit and loss on investments on such basis. If internal transactions between the Company and the investee result in losses on assets impairment, full amounts shall be recognised. Profit and loss from internal unrealised transactions between the Company's subsidiaries included into the combination scope and associates and joint ventures shall be written off according to the above principles and the profit and loss on investments thereafter shall be recognised on such basis.

When the share of net loss of the investee attributable to the Company is recognised, it is treated in the following sequence: Firstly, written off the book value of the long-term equity investments; where the book value of the long-term equity investments is insufficient to cover the loss, investment losses are

recognised to the extent that book value of long-term equity which form net investment in the investee in other substances and the book value of long-term receivables shall be written off; after all the above treatments, if the Company still assumes additional obligation according to investment contracts or agreements, the obligation expected to be assumed should be recognised as provision and included into the investment loss in current period. If the investee is profitable in subsequent accounting periods, the Company shall treat the loss in reverse order against that described above after deducting unrecognised share of loss: i.e. writing down the book value of the recognised provision, then restore the book value of long-term interests which substantially form net investments in the investee, then restore the book value of long-term investments, and recognise investment income at the same time.

(3) Basis for judgment of common control or significant influence over the investee

(a) Basis for judgment of common control over investee

Common control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Relevant activities of an arrangement usually include selling and purchasing of goods or services, managing financial assets, acquiring or disposing of assets, researching and developing activities and financing activities. A joint venture is a joint arrangement whereby the joint ventures have rights to the net assets of the arrangement. The parties have rights to the assets, and obligations for the liabilities, relating to the arrangement, which is a joint operation, but not a joint venture.

(b) Basis for judgment of significant influence over investee

The term 'significant influence' refers to the power to participate in decision-making on the financial and operating policies of the investee, but with no control or joint control over the formulation of these policies. Where the Company is able to exert significant influence over the investee, the investee is its associate.

15. Fixed assets

(1) Recognition of fixed assets:

Fixed assets refer to tangible assets held for the purpose of producing commodities, providing services, renting or business management with useful life exceeding one accounting year. Fixed assets are recognised when the following criteria are satisfied simultaneously:

(a) It is probable that the economic benefits relating to the fixed assets will flow into the Company;

(b) The cost of the fixed assets can be measured reliably.

(2) Depreciation of fixed assets

(a) Except for the fixed assets that have been fully depreciated but are still in use, the Company makes provisions for depreciation of all fixed assets.

(b) Depreciation of fixed assets of the Company is provided on a straight-line basis from the month immediately following the month when they reach the working condition for their intended use. The depreciation amount and depreciation rate shall be calculated and recognised according to the category, estimated useful lives and estimated net residual value rate of fixed assets and respectively included into the costs of the relevant assets or the current profit and loss by purpose.

(c) Category, estimated useful lives, estimated net residual value rate and annual depreciation rate of fixed assets are listed as follows:

Category of Fixed asset	Estimated useful life (Years)	Estimated residual value rate (%)	Annual depreciation Rate (%)
Photovoltaic power station	25	4	3.84
Buildings& constructions	20	4-5	4.75-4.80
Special equipment	10	4-5	9.50-9.60
General equipment	2-10	4-5	9.50-48.00
Transportation equipment	2-5	4-5	19.00-48.00

When making provision for impairment on fixed assets, the Company shall recalculate the depreciation rate and depreciation amount according to the book value, the estimated net residual value rate and useful lives of the fixed assets.

On the balance sheet date, the Company reviews the estimated useful life, estimated net residual value rate and depreciation method of the fixed assets. If there is any change, they shall be treated as changes in accounting estimate.

(d) For decoration costs of fixed assets that are satisfied with capitalization conditions, depreciation is provided for on a straight-line basis separately, during the shorter period of the two decoration periods and useful lives of the fixed assets.

16. Construction in progress

(1) Categories of constructions in progress

Constructions in progress are accounted on an individual project basis.

(2) Criteria of conversion of constructions in progress into fixed assets

The book entry values of the fixed assets are stated at total expenditures incurred before construction in progress reaches the working condition for their intended use. For self-operating projects, total expenditures are measured according to the expenditures of direct materials, direct labor, direct measurement mechanical construction costs and other expenditures; for contracting projects, total expenditures are measured according to project costs payable and other expenditures. Borrowing costs incurred before the projects that are undertaking with borrowing costs reach working condition for their intended use and meeting the condition for capitalisation shall be capitalised and included into the costs of construction in progress.

For construction in progress that has reached working condition for intended use but for which the completion of settlement has not been handled, it shall be transferred into fixed assets at the estimated value according to the project budget, construction price or actual cost, etc. from the date when it reaches the working condition for intended use and the fixed assets shall be depreciated in accordance with the Company's policy on fixed asset depreciation; adjustment shall be made to the estimated value based on the actual cost after the completion of settlement is handled, but depreciation already provided will not be adjusted.

17. Borrowing costs

(1) Scope of borrowing costs

The Company's borrowing costs include interest thereon, amortisation of discounts or premiums, ancillary expenses and exchange differences incurred from foreign currency loan, etc.

(2) Recognition principles of capitalisation of borrowing costs

The borrowing costs incurred to the Company and directly attributable to the acquisition and construction or production of assets eligible for capitalisation should be capitalised and recorded into relevant asset costs; other borrowing costs should be recognised as costs according to the amount incurred and be included into the current profit and loss.

Assets eligible for capitalisation include fixed assets, investment properties, inventories and other assets which may reach the working condition for their intended use or sale by acquisition and construction or production activities for quite long time.

(3) Recognition of capitalisation period of borrowing costs

(a) Recognition of commencement of capitalisation of borrowing costs

Borrowing costs may be capitalised when asset disbursements have already been incurred, borrowing costs have already been incurred and the acquisition and construction or production activities which are necessary to prepare the assets for their intended use or sale have already been started. Among which, asset disbursements include those incurred by cash payment, the transfer of non-cash assets or the undertaking of interest-bearing debts for acquiring and constructing or producing assets eligible for capitalisation.

(b) Recognition of period of capitalisation suspension of borrowing costs

If the acquisition and construction or production activities of assets eligible for capitalisation are interrupted abnormally and this condition lasts for more than three months, the capitalisation of borrowing costs should be suspended. The borrowing costs incurred during interruption are charged to profit or loss for the current period, and the capitalisation of borrowing costs continues when the acquisition and construction or production activities of the asset resume. If the interruption is necessary for the acquisition and construction or production to prepare the assets for their intended use or sale, the capitalisation of borrowing costs should continue.

(c) Recognition of period of capitalisation cessation of borrowing costs

Capitalization of borrowing costs should cease when the acquired and constructed or produced assets eligible for capitalisation have reached the working condition for their intended use or sale. Borrowing costs incurred after the assets eligible for capitalisation have reached the working condition for their intended use or sale should be recognised as the current profit and loss when they incur.

If parts of the acquired and constructed or produced assets are completed separately, each part may be used or sold externally in the process of continuous construction of other parts and the necessary acquisition or production activities have been substantially completed to make the part of assets reach the working condition for their intended use or sale, the capitalisation of borrowing costs related to the part of assets should be ceased; if parts of the acquired and constructed or produced assets are completed separately but the assets cannot be used or sold externally until overall completion, the capitalisation of borrowing costs should cease at the time of overall completion of the said assets.

(4) Recognition of capitalised amounts of borrowing costs

(a) Recognition of capitalised amounts of interest on borrowing costs

During the period of capitalisation, capitalised amount of the interest of each accounting period (including amortisation of discounts or premiums) shall be recognised according to the following provisions:

i. As for special loan borrowed for acquiring and constructing or producing assets eligible for capitalisation, borrowing costs of special loan actually incurred in current period less the interest income of the loans unused and deposited in bank or return on temporary investment should be recognised as the capitalisation amount of borrowing costs;

ii. As for general loans used for acquiring and constructing or producing assets eligible for capitalisation, the interest of general loans to be capitalised should be calculated by multiplying the weighted average of asset disbursements of the part of accumulated asset disbursements in excess of special loans by the capitalisation rate of used general loans. The capitalization rate is calculated by weighted average interest rate of general loans;

iii. Where there are discounts or premiums on loans, the amounts of interest for each accounting period should be adjusted taking account of amortizable discount or premium amounts for the period by effective interest method; and

iv. During the period of capitalisation, the capitalised amount of interest of each accounting period shall not exceed the current actual interest of the relevant loans.

(b) Recognition of capitalised amounts of auxiliary expenses of loans

i. Auxiliary expenses incurred from special loans before the acquired or constructed assets eligible for capitalisation reach the working condition for their intended use or sale should be capitalised when they incur and charged to the costs of assets eligible for capitalisation; those incurred after the acquired or constructed assets eligible for capitalisation reach the working condition for their intended use or sale should be recognised as costs according to the amounts incurred when they incur and charged to the current profit or loss; and

ii. Auxiliary expenses incurred from general loans shall be recognised as costs according to the amounts incurred when they occur and included in the current profit and loss.

(c) Recognition of capitalised amount of exchange differences

During the period of capitalisation, exchange differences incurred from the principal and interest of special foreign currency loans should be capitalised and included in the costs of the assets eligible for capitalisation.

18. Right-of use assets

Right-of-use assets of the Company are defined as the right of underlying assets in the lease term for the Company as a lessee.

At the commencement of a lease term, the Company recognises the right-of-use assets and lease liabilities except for short-term leases and leases of low-value assets, and recognise the depreciation expense and interest expense separately during the lease term. The Company shall record the lease payment of short-term lease and low-value asset lease into the cost of relevant assets or current profit and loss by using the straight-line method during each period of the lease term.

(1) Initial measurement

At the commencement of a lease term, the Company initially measures a right-of-use asset at cost, which comprises the following four elements:

The amount of lease liability initially measured;

The lease payment made on or before the commencement date of lease term, net of any incentives received;

Any initial expenses directly incurred, that is the incremental cost incurred to obtain the lease; and

The costs expected to be incurred in dismantling and removing the leased asset, restoring the site on which it is located or restoring the leased asset to the condition required by the terms and conditions of the lease, unless it is incurred from the production of inventories.

(2) Subsequent measurement

(a) Basis of measurement

After the commencement date of lease term, the Company subsequently measures the right-of-use asset on a cost basis, that is to measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment losses.

The Company remeasures lease liabilities according to the requirements under the standard of leases and makes corresponding adjustment to the carrying amount of right-of-use assets.

(b) Depreciation of right-of-use assets

A right-of-use asset is depreciated from the commencement date of lease term. Generally, depreciation of a right-of-use asset starts from the month when the lease commences. The depreciation amount is charged to the cost of the right-of-use asset or profit or loss according to the use of the underlying asset. When determining the depreciation method of a right-of-use asset, the Company considers the expected consumption of economic benefits in respect of the right-of-use asset and depreciates the asset on a straight-line basis. If the right-of-use asset is impaired, depreciation is made at the carrying amount of the right-of-use asset after deduction the impairment losses.

Category, estimated useful lives and annual depreciation rate of right-of-use assets are listed as follows:

Category of Right-of-use Assets	Estimated Useful Life (Years)	Annual Depreciation Rate (%)
Buildings& Constructions	3-10	33.33-10

19. Intangible assets

(1) Initial measurement of internally researched and developed intangible assets (a) Initial

measurement of intangible assets purchased

Costs of intangible assets purchased include purchase price, related tax and expenses and other expenditure that can be distributed to the asset directly to reach its expected use. If payment of the purchase price of intangible assets can be deferred and exceeds normal credit conditions, the purchase has the nature of finance in fact and cost of the intangible asset shall be determined on the basis of present value of the purchase price. The differences between the amount actually paid and the present value of the purchase price should be recorded into current profit or loss other than those should be capitalised during the credit period.

(b) Initial measurement of internally researched and developed intangible assets

Costs of internally researched and developed intangible assets shall be recognised according to the total expenses during the period after the assets are eligible for capitalisation and before they reach the intended purpose and the expenses that have been included in previous periods shall no longer be adjusted.

Expenses on the research phase of internally researched and developed intangible assets shall be included in the current profit and loss when they incur; those on the development phase ineligible for capitalisation shall be included in the current profit and loss; those eligible for capitalisation shall be recognised as intangible assets. If it is unable to distinguish expenditure on the research phase and expenditure on development phase, the research and development expenditures shall be all included in the current profit and loss.

(2) Subsequent measurement of intangible assets

The useful lives of intangible assets are analysed on acquisition. Intangible assets obtained by the Company are divided into intangible assets with limited useful lives and intangible assets with indefinite useful lives.

(a) Subsequent measurement of intangible assets with limited useful lives

The intangible assets with limited useful lives are amortised on a straight-line basis when they reach intended use over their useful lives with no residual value reserved. Amortisations of intangible assets are usually recorded into the current profit and loss; where the economic benefits of an intangible asset are realised by the products or other assets produced thereafter, the amortizations are recorded into the costs of the relevant assets.

Category, estimated useful life, estimated net residual value rate and annual amortization rate of intangible assets are shown below:

Category	Estimated useful life (years)	Basis
Land use right	46.08-50	Per year specified in the right certificate
Software	5-10	Per expected useful life

The useful lives and amortisation methods of intangible assets are reviewed on balance sheet date.

(b) Subsequent measurement of intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives are not amortised in the holding period.

(3) Estimates of useful lives of intangible assets

(a) For intangible assets from any contractual right or other statutory rights, their useful lives shall be recognised according to the period no more than that of the contractual or other statutory rights; when the contractual right or other statutory rights contract is extended due to renewal of contracts and there is evidence that the renewal of the Company does not need large costs, the renewal period shall be included into the useful lives.

(b) Where the contract or the law fails to specify the useful lives, the Company integrates situations in all aspects and determine the period of intangible assets that can bring economic benefits for the Company by hiring the relevant experts to demonstrate or comparing with the situation of the industry as well as referring to the Company's historical experience or otherwise.

(c) If it is still unable to reasonably determine that intangible assets may bring economic benefits for the Company according to the above methods, the intangible assets are taken as intangible assets with indefinite useful lives.

(4) Specific criteria for classifying the research phase and the development phase of an internal research and development project.

According to the actual situation of the research and development, the Company classifies the research and development project into that on the research phase and that on the development phase.

(a) Research stage

Research stage is the stage when creative and planned investigations and research activities are conducted to acquire and understand new scientific or technological knowledge.

(b) Development stage

Development stage is the stage when the research achievements or other knowledge are applied to a plan or design, prior to the commercial production or use, so as to produce any new or substantially improved material, device or product.

Expenditure of an internal research and development project on the research phase shall be included in current profit and loss when it occurs.

(5) Specific criteria for qualifying expenditure on the development phase for capitalisation

Expenditure on the development phase of an internal research and development project shall be recognised as intangible assets only when the following conditions are simultaneously satisfied:

(a) It is technically feasible to finish intangible assets for use or sale;

(b) It is intended to finish and use or sell the intangible assets;

(c) The usefulness of methods for intangible assets to generate economic benefits shall be proved, including being able to prove that there is a potential market for the products manufactured by applying the intangible assets or there is a potential market for the intangible assets themselves or the intangible assets will be used internally;

(d) It is able to finish the development of the intangible assets, and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources; and

(e) The expenditure attributable to the intangible asset during its development phase can be measured reliably.

(6) Treatment of land use right

(a) The land use right obtained by the Company is usually recognised as intangible assets, but the purpose of the land use right is changed to be used for earning rent or increasing capital; it shall be transferred to investment property.

(b) For plants and other buildings developed and constructed by the Company, the relevant land use right and buildings shall be treated separately.

- (c) Payments for externally purchased land and buildings are distributed between the value of buildings and the land use right; those difficult to be distributed shall be all taken as fixed assets.

20. Non-current assets impairment

If there are impairment indicators of long-term equity investment, investment property measured at cost model, fixed assets, construction in progress, right-of use assets, intangible assets with indefinite useful lives and other long-term assets at balance sheet date, impairment test should be performed. If the result of impairment test shows that recoverable amount is less than its book value, the difference should be provided for impairment and recorded into impairment loss. The recoverable amount is the higher of fair values less costs of disposal and the present values of the future cash flows expected to be derived from the asset. Provision for impairment is calculated and recognised on the basis of individual asset. If recoverable amount of individual asset is difficult to be estimated, the Company should recognise the recoverable amount of the asset group which the individual asset belongs to. Asset group is the minimum asset group which can generate cash inflow separately.

The Company should perform impairment test for goodwill and intangible assets with indefinite life at least at each year end, no matter whether there is impairment indicator.

When the Company performs impairment test, book value of goodwill arising from business combination should be amortized to relevant asset group using the reasonable method from the date of purchase. If it is difficult to amortize it to relevant asset group, amortize it to relevant asset group portfolio. Apportion book value of goodwill to relevant asset group or asset group portfolio according to the proportion of fair value of asset group or asset group portfolio accounting for total amount of relevant asset group or asset group portfolio. If fair value is difficult to be measured reliably, amortize according to the proportion of book value of asset group or asset group portfolio accounting for total amount of relevant asset group or asset group portfolio. When perform impairment test for asset group or asset group portfolio including goodwill, if there is impairment indicator of asset group or asset group portfolio relevant to goodwill, perform impairment test for asset group or asset group portfolio without goodwill firstly, calculate its recoverable amount, compare with relevant book value and recognise impairment loss. Then perform impairment test for asset group or asset group portfolio including goodwill, compare book value of the asset group or asset group portfolio (including proportional book value of goodwill) and its recoverable amount, if recoverable amount of relevant asset group or asset group portfolio is less than its book value, recognise impairment loss of goodwill.

Once impairment loss stated above is recognised, reversal is not allowed in the subsequent accounting periods.

21. Long-term deferred expenses

(1) Scope of long-term deferred expenses

Long-term deferred expenses refer to various expenses which have been already incurred but will be born in this period and in the future with an amortization period of over 1 year (exclusive), including the improvement expenses of fixed assets leased by operating lease, etc.

(2) Initial measurement of long-term deferred expenses

Long-term deferred expenses shall be initially measured according to the actual costs incurred.

(3) Amortisation of long-term deferred expenses

Long-term deferred expenses are amortised using the straight-line method over the beneficial period.

22. Contract liabilities

Contract liabilities represents the Company's obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If the Company has got unconditional right to receive an amount of consideration or has been paid before transferring goods or services to a customer, it should recognise contract liability when a payment is received or a payment is due (whichever is earlier) from a customer. Contract assets and liabilities under the same contract shall be presented in net amount, and contract assets and liabilities under different contracts shall not be offset.

23. Employee benefits

Employee benefits include short-term benefits, post-employment benefits, termination benefits and other long-term employee benefits.

(1) Short-term benefits

Short-term benefits are the benefits that the Company expects to pay in full within 12 months after the reporting period in which the employee provided relevant services, excluding the compensation for employment termination.

Short-term benefits include: wage, bonus, allowance and subsidy; employee welfare, social securities including health insurance and work injury insurance; housing common reserve fund; union expenditure and employee training expenditure; short-term paid leave; short-term profit-sharing; non-monetary welfare and other short-term benefits.

Actual short term benefits will be recognised as liability during the accounting period in which the employee is providing the relevant service to the Company. The liability will be included in the current profits and losses or the cost relevant assets.

(2) Post-employment benefits (Defined contribution plan)

The defined contribution plan of the Company includes payments of basic pension, unemployment insurance, annuity, etc. according to relevant provisions. The amount which the Company deposits on balance sheet date in exchange for the service of the employee during the accounting period will be recognised as employee benefits liability and shall be included into the profit or loss for the current period.

(3) Termination benefits

Termination benefits are the benefits the Company provides to the employee when the Company terminates the employment before labor contract expires or encourages voluntary resignation. Employee benefits liabilities shall be recognised and included into profit or loss for the current period on the earlier date of the two following circumstances:

(a) When the Company is not able to withdraw the benefits from termination of employment or resignation persuasion unilaterally;

(b) When the Company recognises costs and fees relevant to reforming the termination benefits payment.

(4) Other long-term employee benefits

Other long-term employee benefits are all employee benefits other than short-term benefits, post-employment benefits and termination benefits. At the end of reporting period, the Company will

recognise the employee benefits cost from other long-term employee benefits as the following components:

- (a) Service cost;
- (b) Net amount of interest from other long-term employee benefits net liabilities or assets; and
- (c) Changes from recalculation of the net liabilities or assets from other long-term employee benefits.

In order to simplify related accounting procedure, the net amount of the above subjects shall be included into current profit or loss or the cost of relevant assets.

24. Lease liabilities

(1) Initial measurement

The Company initially measures a lease liability at the present value of outstanding lease payments at the commencement date of the lease term.

(a) Lease payments

A lease payment refers to the amount paid by the Company to a lessor in relation to the right to use a leased asset during the lease term, which includes:

The fixed payments and the substantial fixed payments, net of the lease incentive amount, if any;

The variable lease payments depending on an index or ratio, which are determined at the time of initial measurement based on the index or ratio on the commencement date of the lease term;

The price of exercising the option to purchase, if the Company can reasonably be certain that it will exercise the option;

The amount payable to exercise the option to terminate the lease, if the lease term reflects that the Company will exercise the option to terminate the lease; and

The amount payable based on the residual value of the guarantee provided by the Company.

(b) Discount rate

In calculating the present value of a lease payment, the Company uses the interest rate implicit in lease as the discount rate. If the interest rate implicit in lease cannot be determined, the Company should use the incremental borrowing rate. The incremental borrowing rate refers to that the Company seeks to acquire assets which value is close to the right-of-use in a similar economic environment and the interest rate payable for borrowing funds with similar mortgage conditions during similar periods. The discount rate is based on the bank lending rate and the Company adjusted it by considering relevant factors.

(2) Subsequent measurement

After the commencement date of the lease term, the Company measures the lease liability according to the following principles:

To increase the carrying amount when recognizing the interest on the lease liability;

To reduce the carrying amount when a lease payment is made; or

To remeasure the carrying amount when there is a change in lease payments due to lease modified or reassessment.

After the commencement date of the lease term, the Company remeasures the lease liability based on the lease payments after the change and the revised discount rate, with a corresponding adjustment made to the carrying amount of the right-of-use asset. The carrying amount of the right-of-use asset is reduced to zero. If there is any further reduction of the lease liability, the Company charge the remaining amount to the profit or loss for the current period.

There is a change in the substantial fixed payment;

There is a change in projected payable of the guarantee residual value;

There is a change in the index or ratio used for determining the lease payment;

There is a change in the assessment result of the purchase option; or

There is a change in the assessment result of the extension or termination option or the actual exercise of the option.

The interest expense of each period of during the lease term shall be included in current profit and loss, except for those that should be capitalized.

25. Provision

(1) Recognition principles of provision

When obligations related to external guarantees, pending actions or arbitration, product quality assurance, onerous contracts, reorganisation and contingencies satisfy the following three conditions, they shall be recognised as provision:

- (a) This obligation is a present obligation of the Company;
- (b) The settlement of such obligation is likely to result in outflow of economic benefits from the Company; and
- (c) The amount of the obligation can be measured reliably.

(2) Measurement method of provision

The amount of provision is measured at the best estimate of expenses required for contingencies.

- (a) If there is continuous range for the necessary expenses, and probabilities of occurrence of all the outcomes within this range are equal, the best estimate shall be determined at the median of the range.
- (b) The best estimate shall be accounted as follows in other cases:
 - i. If the contingency involves a single item, the best estimate shall be determined at the most likely outcome.
 - ii. If the contingency involves two or more items, the best estimate should be determined according to all the possible outcomes with their relevant probabilities.

26. Share-based payment

Share-based payment is classified as equity-settled share-based payment and cash-settled share-based payment.

(1) Accounting treatment on the date of granting

The Company does not make any accounting treatment on the date of granting, neither for equity-settled share-based payment nor for cash-settled share-based payment, except that the right of the share-based payment can be exercised immediately.

(2) Accounting treatment on each balance sheet date within vesting period

On each balance sheet date within vesting period, the Company records the service provided by employees or other party as cost and expense, and recognises equity or liability at the same time.

For the share-based payment attached with market conditions, once employees satisfy all conditions except market conditions, the service acquired can be recognised. If the performance condition is not market condition, the estimate for previous periods can be revised when the vesting period is determined and subsequent information shows that the estimate for conditions of exercising rights requires adjustments.

For equity-settled share-based payment related with employees, charge the service into costs, expenses and capital reserve (other capital reserve), using the fair value of the equity instrument on the date of granting. The subsequent changes of fair value should not be recognised. For cash-settled share-based payment related with employees, recalculate fair value of the equity instrument at each balance sheet date and recognise related costs, expenses and employee benefit payable.

At each balance sheet date within vesting period, the Company makes the best estimate and revises the number of equity instrument that can be exercised according to the latest subsequent information such as change of number of employees who can exercise rights.

Use fair value and the number of equity instrument stated above to calculate cumulative amount of costs and expenses that should be recognised by this period and then deduct the cumulative amount already recognised in previous period. The balance is the amount of cost and expense that should be recognised in current period.

(3) Accounting treatment after the date when rights can be exercised

(a) For equity-settled share-based payment, after the date when rights can be exercised, no adjustment shall be made to the total amount of the cost expense and equity already recognised. The Company recognises share capital and capital premium, and carry forward the capital reserve (other capital reserve) recognised within vesting period at the date when rights can be exercised.

(b) For cash-settled share-based payment, the Company shall not recognise costs and expenses. The change of fair value of liability (employee benefit payable) should be recorded into current profit or loss (profit or loss arising from fair value changes) after the date when rights can be exercised.

(4) Accounting treatment for repurchasing shares regarding employee option incentive

When the Company encourages employees in the form of repurchasing shares, total expenditure of repurchasing shares is regarded as treasury stock and registered for check. At each balance sheet date

within vesting period, charge the employee service acquired into costs and expenses, and meanwhile increase capital reserve (other capital reserve), using fair value of the equity instrument at the date of granting. When the employee exercises the right to buy the Company's shares and receives the amount, write off the cost of treasury stock delivered to the employee and the cumulative amount of capital reserve (other capital reserve) recognised within the vesting period, meanwhile the balance adjusting capital reserve (share capital premium).

27. Recognition of revenue

(1) Recognition principals of revenue from sales of goods

(a) The principal of revenue recognition.

The Company has fulfilled the performance obligation in the contract, that is, the revenue is recognized when the customer obtains the control right of the relevant goods. On the start date of the contract, the company evaluates the contract, identifies the individual performance obligations contained in the contract, and determines whether the individual performance obligations are performed within a certain period of time or at a certain point of time. Then, when the individual performance obligations are performed, revenue is recognized respectively.

(b) The principle of measurement of revenue

Where a contract has multiple performance obligations, the Company allocates the transaction price to the performance obligations in the contract reference to their relative stand-alone selling prices of each distinct goods or service at the inception of the contract, and then measures the revenue with the transaction price allocated.

When determine the transaction price, the Company may consider variable amount, existing of significant financing component, non-monetary amount and due to customer amount etc, and assume that goods or service will be transferred to a customer as promised in the existing contract and the contract will not be canceled, renewed or changed.

(2) Specific revenue recognition policies

(a) Revenue from sale of goods

The Company mainly sells photovoltaic modules and BOS integration packages at home and abroad.

The Company's revenue from domestic sales will be recognised: when the Company is paid or can be paid after the customer accepts the products picked up by the customer or delivered at the agreed place of delivery by the Company according to the contract.

The Company's revenue from export sales is recognised: when the products sold are loaded for exporting after customs declaration according to the articles of the contract.

(b) Revenue from rendering of services

Revenue from rendering of services is recognised when the services have been provided, and be paid or obtain the evidence of right to collect the contract consideration.

(c) EPC revenue

The Company's EPC project is classified into photovoltaic area project and photovoltaic area and transmission line project according to the contract. For the photovoltaic area project, the revenue is recognised when the project acceptance certificate is signed by the customer after the project is completed according to the contract. For the other project, the revenue is recognised when the project acceptance certificate and in-grid generation evidence is signed by the customer after the project is completed according to the contract.

(d) Revenue from consulting service

Basis for revenue from consulting service fees: the Company has provided consulting services according to the consulting service contract, and takes the business completion time stated in the consulting service contract as the timing of revenue recognition; the revenue from consulting service fees can be measured reliably; it is probable that the economic benefits associated with the transaction will flow to the enterprise; and the relevant amounts of costs that have occurred or will occur can be measured reliably.

(e) Revenue from photovoltaic power station

The Company recognised this revenue according to the statement confirmed by both photovoltaic power plants and State Grid companies.

28. Contract cost

The contract cost is divided into the contract performance cost and the contract acquisition cost.

The cost incurred by the company for the performance of the contract shall be recognized as an asset when the following conditions are met:

- (1) The cost is directly related to a contract currently or expected to be obtained.
- (2) This cost increases the resources of the company for the performance of the obligations in the future.
- (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 cost of contract acquisition.

Assets related to contract cost shall be amortized on the same basis as the income of goods or services related to the asset; However, if the amortization period of the contract cost does not exceed 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 impairment loss of the asset:

- (1) The remaining consideration expected to be obtained due to the transfer of goods or services related to the asset;
- (2) Estimated cost to be incurred for the transfer of the relevant goods or services.

If the above asset impairment reserves are subsequently reversed, the book value of the assets after the reversal shall not exceed the book value of the asset on the date of reversal without the assumption that no provision for impairment is made.

29. Government grants

(1) Types of government grants

Government grants are monetary assets and non-monetary assets acquired free of charge by the Company from the government, including government grants related to assets and government grants related to income.

Government grants related to assets are government grants that are acquired by the Company and used for forming long-term assets through purchasing and constructing or other ways.

Government grants related to income are government grants other than government grants related to assets.

(2) Recognition principles of government grants

Government grants are recognised when both of the following conditions are met:

- (a) The Company can meet the attached conditions for the government grants; and
- (b) The Company can receive the grants.

(3) Measurement of government grants

- (a) If a government grant is a monetary asset, it shall be measured in the light of the received or receivable amount.
- (b) If a government grant is a non-monetary asset, it shall be measured at its fair value; and if its fair value cannot be obtained in a reliable way, it shall be measured at a nominal amount (a nominal amount is CNY 1).

(4) Accounting treatment method of government grants

(a) The government grants related to assets shall be set off of the book value of the related assets or recognised as deferred income at the actual entry amount on acquisition. Government grants recognised as deferred income shall be allocated evenly over the useful lives of the relevant assets, and included in the current profit or loss. Government grants measured at the nominal amount shall be directly included in current profit and loss.

(b) Government grants related to income shall be separately handled according to the following circumstances:

i. If government grants related to income are used to compensate the Company's relevant expenses or losses in future periods, such government grants should be recognised as deferred income on acquisition and be included into the current profit and loss or written off of the related costs when the relevant expenses, losses are recognised.

ii. If government grants related to income are used to compensate the Company's relevant expenses or losses incurred, such government grants are directly included into the current profit and loss on acquisition or written off of the related costs.

(c) Government grants related to assets and related to income are received together, shall be treated separately. If it is hard to separate, government grants shall be treated as related to income as a whole.

(d) Government grants related to daily operation shall be recoded in other income or written off relevant expenses, costs. Government grants unrelated to daily operation shall be recorded in non-operating income. Financial subsidy funds directly allocated to the Company shall be offset the relevant borrowing costs.

(e) Government grants already recognised required to be refunded shall be handled according to the following circumstances:

i. If the grants have written down the book value of assets, the book value shall be adjusted.

ii. If there is related deferred income, the book value of relevant deferred income is written down and the exceeding part is recorded in the current profit and loss.

iii. If there is no related deferred income, the exceeding part is directly included in the current profit and loss.

30. Deferred tax

The Company adopts the balance sheet liability method to account for income tax.

(1) Recognition of deferred tax assets or deferred tax liabilities

(a) The Company determines tax base on acquisition of assets and liabilities. On the balance sheet date, the Company analyses and compares the book value of the assets and liabilities with the tax base. If there are temporary differences between book value of the assets and liabilities and tax base, under the circumstance that the temporary differences incur in current period and meet the recognition criteria, the Company shall respectively recognise taxable temporary differences or deductible temporary differences as deferred tax liability or deferred tax assets.

(b) Recognition basis of deferred tax assets

i. Deferred tax assets incurred from deductible temporary differences are recognised to the extent that they shall not exceed the taxable income probably obtained in future periods to be against the deductible temporary difference. In determining the taxable income probably obtained in future periods, including the taxable income from normal production and operation activities in future periods and the increase of taxable income due to the reversal of taxable temporary differences during the period of reversal of deductible temporary differences.

ii. For deductible losses and tax credits that can be carried forward to the next years, the Company is likely to recognise the corresponding deferred tax assets to the extent that the assets shall not exceed the taxable income in the future for deducting deductible losses and tax credits and that are probably obtained by the Company.

iii. On the balance sheet date, the Company reviews the book value of deferred tax assets. If it is probably unable to obtain sufficient taxable income in the future period to offset the benefits of the deferred tax assets, the Company shall write down the book value of the deferred tax assets; when it is probable to obtain sufficient taxable income, the write-downs shall be reversed.

(c) Recognition basis of deferred tax liabilities

The Company recognises the current and previous taxable temporary differences payable but unpaid as deferred tax liabilities. But they exclude temporary differences arising from goodwill and transactions which are formed other than from business combinations neither affect the accounting profits nor affect taxable income at the time of occurrence.

(2) Measurement of deferred tax assets or deferred tax liabilities

(a) On the balance sheet date, the deferred tax assets and deferred tax liabilities are measured at the applicable tax rate during the period of expected recovery of the assets or liquidation of the liabilities in accordance with the provisions of the tax law.

(b) Where the applicable tax rate changes, the Company remeasures deferred tax assets and deferred tax liabilities recognised, except for those incurred in transactions or events directly recognised in the owner's equity, of which the effect shall be included in the income tax expenses in current period when the rate changes.

(c) When the Company measures the deferred tax assets and deferred tax liabilities, the tax rate and tax base in consistent with the expected recovery of assets or liquidation of liabilities shall be adopted.

(d) Deferred tax assets and deferred tax liabilities of the Company shall not be discounted.

31. Accounting treatment of operating lease and financing lease

(1) Accounting treatment of operating lease

The Company includes the assets used as operating leases in the relevant items of the balance sheet according to the nature of the assets. The Company capitalizes the initial direct expenses related to the operating lease to the cost of the leased object asset, and includes them in the current profit and loss by stages on the same recognition basis as the rental income during the lease term. During each period of the lease term, the Company adopts the straight-line method to recognize the lease receipts from operating leases as rental income. For the fixed assets in the operating lease assets, the Company adopts the depreciation policy of similar assets to accrue depreciation; other operating lease assets are amortized using a systematic and reasonable method. The Company's variable lease payments related to operating leases that are not included in the lease receipts are included in the current profit and loss when they actually occur.

In case of any change in the operating lease, the company shall treat it as a new lease for accounting since the effective date of the change, and the amount of advance receipts or lease receivables related to the lease before the change shall be regarded as the amount of receipts of the new lease.

(2) Accounting treatment of financing lease

On the beginning date of the lease term, the Company recognizes the financial lease receivables according to the net amount of the lease investment (the sum of the unguaranteed residual value and the present value of the lease receipts not received on the beginning date of the lease term 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 interest income at a fixed periodic interest rate. The amount of variable lease payments obtained by the Company that are not included in the measurement of net lease investment, if linked to the future performance or use of assets, shall be included in the current profit and loss when actually incurred.

If there is a change in the financial lease and the following conditions are met at the same time, the Company will treat the change as a separate lease for accounting treatment: ① the change expands the lease scope by increasing the use right of one or more leased assets; ② The increased consideration is equivalent to the amount of the separate price for the expansion of the lease scope adjusted according to the conditions of the contract.

32. Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

The Ministry of Finance issued No. 16 Interpretation of the Accounting Standards for Business Enterprises (Cai Kuai [2022] No. 31) on 30 November 2022, which stipulates that "accounting treatment for the income tax impact of dividends related to financial instruments classified as equity instruments by issuers" and "accounting treatment for enterprises to modify cash settled share-based payments to equity settled share-based payments" shall be implemented from the date of publication. The Company shall implement it from the date of the regulations..

(2) The first implementation of "No.16 Interpretation of Accounting Standards for Business Enterprises" has no impact on the financial statements at the beginning of the year.

IV. Taxes

1. Major tax types and rates

Tax Type	Tax Base	Tax Rate
Value-added tax	The output VAT is calculated based on the revenue from goods sales and taxable service which are calculated as required by tax law, and the difference of output VAT less the input VAT which is allowed to be deducted during the current period shall be subject to the payment for value added tax payable.	3%/5%/6%/9%/13%
Urban maintenance and construction tax	Levied based on the value-added tax actually paid	1%/5%/7%
Education surcharge	Levied based on the value-added tax actually paid	5%
Corporate income tax	taxable income	25%/15%/20%

Tax payment subject to different corporate income tax rates, the corporate income tax rates are as follows:

Name of tax payment subject	Corporate income tax rate (%)
Leshan GCL Integrated Technology Co., Ltd	20
GCL Comprehensive Energy Services (Suzhou) Co., Ltd	20
GCL Integrated Power Technology (Suzhou) Co., Ltd	20
Funing GCL Integrated Energy Technology Co., Ltd	20
Hefei Xinyu Photovoltaic Power Generation Co., Ltd	20
Jurong Xinshengkai Xunhui Photovoltaic New Energy Co., Ltd	20

Name of tax payment subject	Corporate income tax rate (%)
GCL (Suzhou) Energy Testing Technology Co., Ltd	20
GCL Energy Technology Co., Ltd	20
Tangneng (Qianxi) Photovoltaic Power Development Co., Ltd	20
Hebei Xinda Yicheng Photovoltaic Technology Co., Ltd	20
Sichuan GCL Green Energy Engineering Technology Co., Ltd	20
Inner Mongolia GCL High tech Energy System Technology Co., Ltd	20
GCL System Integration Technology Korea Co.,Ltd.	Pay Income tax according to local laws and regulations
GCL System Integration Technology (India) Private Limited	Pay Income tax according to local laws and regulations
GCL System Integration Technology LLC	Pay Income tax according to local laws and regulations
GCL System Integration Technology Pte.Ltd.	Pay Income tax according to local laws and regulations
GCL System Integration Technology GmbH	Pay Income tax according to local laws and regulations
GCL Solar Japan Co.,Ltd.	Pay Income tax according to local laws and regulations
GCL ANOVER FOTOVOLTAICA ENERGIA, S.L.	Pay Income tax according to local laws and regulations
GCL BELINCHON ENERGY, S.L.	Pay Income tax according to local laws and regulations
GCL CASTILLA FOTOVOLTAICA ENERGIA, S.L.	Pay Income tax according to local laws and regulations
GCL IBERIA SOLAR ENERGY, S.L.	Pay Income tax according to local laws and regulations
GCL System Integration Technology Pty Ltd	Pay Income tax according to local laws and regulations
GCL Integrated Technology (Hong Kong) Co., Ltd	Pay Income tax according to local laws and regulations
Dongsheng Photovoltaic Technology (Hong Kong) Co., Ltd	Pay Income tax according to local laws and regulations

Except for the above companies, others pay enterprise income tax at 25% .

2. Tax preferences and approvals

According to the Announcement of the State Administration of Taxation on the Implementation of Preferential Policies for the Development of Income Tax for Small and Micro Profit Enterprises and Individual Industrial and Commercial Households (Announcement No. 8 of 2021 of the State Administration of Taxation): "1. Matters related to the policy of halving income tax for small and micro profit enterprises (1) For small and low-profit enterprises with an annual taxable income of no more than CNY 1 million, a reduction of 12.5% will be included in the taxable income, and the enterprise income tax

will be paid at a 20% tax rate. The first article of this announcement shall come into effect on 1 January, 2021, and shall terminate on 31 December, 2022.

According to the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Implementing the Preferential Policies for Small and Micro Enterprise Income Tax (Announcement No. 13 of 2022), "1. For small and micro profit enterprises with an annual taxable income exceeding CNY 1 million but not exceeding CNY 3 million, a reduction of 25% shall be included in the taxable income and enterprise income tax shall be paid at a 20% tax rate. 3. The implementation period of this Announcement is from 1 January, 2022 to 31 December, 2024

The subsidiaries: Shanghai GCL Financial Information Services Co., Ltd., Suzhou GCL Guoxin Financial Consulting Co., Ltd., Suzhou GCL Integrated Energy Storage Technology Co., Ltd., Suzhou GCL Integrated Investment Co., Ltd., GCL Integrated (Shanghai) Solar Technology Co., Ltd., Shandong GCL Integrated Energy Technology Co., Ltd., Jinzhai Xie Neng Solar Power Generation Co., Ltd., Leshan GCL Integrated Technology Co., Ltd., GCL Comprehensive Energy Services (Suzhou) Co., Ltd., GCL Integrated Power Technology (Suzhou) Co., Ltd., Funing GCL Integrated Energy Technology Co., Ltd., Hefei Xinyu Photovoltaic Power Generation Co., Ltd., Jurong Xinshengkai Xunhui Photovoltaic New Energy Co., Ltd., GCL (Suzhou) Energy Testing Technology Co., Ltd., GCL Energy Technology Co., Ltd., Tangneng (Qianxi) Photovoltaic Power Development Co., Ltd., Sichuan GCL Green Energy Engineering Technology Co., Ltd., Inner Mongolia GCL High tech Energy System Technology Co., Ltd., and Hebei Xinda Yicheng Photovoltaic Technology Co., Ltd. meet the standards for small and micro enterprise recognition and pay enterprise income tax at a 20% tax rate.

Xuzhou Xinyu, a subsidiary of the Company, identified as high-tech enterprise in 2021, were temporarily subject to the enterprise income tax rate of 15% of the taxable income in 2021, 2022 and 2023, in accordance with the enterprise income tax laws and relevant regulations.

GCL Green Energy System Technology Co., Ltd., a subsidiary of the Company, identified as high-tech enterprise in 2022, were temporarily subject to the enterprise income tax rate of 15% of the taxable income in 2022, 2023 and 2024, in accordance with the enterprise income tax laws and relevant regulations.

Zhangjiagang GCL Integrated Technology Co., Ltd., a subsidiary of the Company, identified as high-tech enterprise in 2022, were temporarily subject to the enterprise income tax rate of 15% of the taxable income in 2022, 2023 and 2024, in accordance with the enterprise income tax laws and relevant regulations.

Shiyuan Yuanshi Photovoltaic Power Development Co., Ltd., a subsidiary of the Company, belongs to the public infrastructure projects supported according to the enterprise Income Tax Law and related regulations; From the tax year in which the project obtains the first production and operation income, the enterprise income tax shall be exempted from the first year to the third year, and reduced by half from the fourth year to the sixth year. Shiyuan Yuanshi Photovoltaic Power Development Co., Ltd began to obtain the first production and operation income from 2018.

V. Notes to the Main Items of the Consolidated Financial Statements (All Currency Unit is CNY, Except Other Statements)

1. Cash and cash equivalents

Item	Closing balance	Opening balance
Cash	40,000.00	22,500.36
Bank deposit	1,262,180,776.12	1,357,544,316.00
Other cash and cash equivalents	1,282,778,088.45	617,667,609.45
Accrued interests	8,042,638.82	
Total	2,553,041,503.39	1,975,234,425.81
Including: total deposit abroad	42,996,850.53	50,697,214.95

Details of monetary funds which were restricted due to mortgage, pledge or frozen account, and which were deposited abroad and restricted of return are as following:

Item	Closing balance	Opening balance
Pledge certificate of deposit	258,042,638.82	250,000,000.00
Guarantee deposits of bank acceptance bills	1,105,437,884.22	550,338,807.54
L/C guarantee deposits	38,983,504.62	5,076,128.84
L/G guarantee deposits	109,156,472.34	34,634,450.17
Bank deposit in the account of bankruptcy reorganization administrator	9,837,308.94	9,837,308.94
Customs deposit	17,483,349.64	15,942,831.87
Judicial frozen bank deposits	11,356,450.36	9,956,841.82
Joint account	1,459,102.88	1,448,788.34
Total	1,551,756,711.82	877,235,157.52

2. Financial assets held for trading

Item	Closing balance	Opening balance
Financial asset measured at fair value through profit or loss		972,237.70
Preferred stock		
Foreign exchange derivatives		972,237.70
Total		972,237.70

3. Notes receivable

(1) Classification of notes receivable

Item	Closing balance	Opening balance
Commercial acceptance bill		329,381,449.90

(2) Notes receivable that have been endorsed to other parties by the Company but have not expired at the end of year

Item	Recognition stopped at ending	Recognition continue at ending
Commercial acceptance bill		

4. Accounts receivable

(1) Analysis by aging

Aging	Closing balance	Opening balance
Within 1 year	428,563,153.80	415,696,174.85
1-2 years	49,643,932.16	381,446,904.78
2-3 years	76,849,868.22	66,036,816.44
Over 3 years	382,915,288.43	495,169,515.36
Subtotal	937,972,242.61	1,358,349,411.43
Less: Provision for bad debt	383,820,437.13	629,276,341.35
Total	554,151,805.48	729,073,070.08

(2) Classified disclosure by bad debt provision method

Type	Closing balance				
	Book balance		Provision for bad debt		Book value
	Amount	Proportion	Amount	Proportion	
Provision for bad debts by portfolio	937,972,242.61	100.00	383,820,437.13	40.92	554,151,805.48
Including: Portfolio 1	845,804,035.95	90.17	383,820,437.13	45.38	461,983,598.82
Portfolio 2	92,168,206.66	9.83			92,168,206.66
Portfolio 3					
Total	937,972,242.61	/	383,820,437.13	/	554,151,805.48

(Continued)

Type	Opening balance				
	Book balance		Provision for bad debt		Book value
	Amount	Proportion	Amount	Proportion	
Provision for bad debts by portfolio	1,358,349,411.43	100.00	629,276,341.35	46.33	729,073,070.08
Including: Portfolio 1	1,098,786,023.58	80.89	627,695,266.08	57.13	471,090,757.50
Portfolio 2	157,455,494.99	11.59			157,455,494.99
Portfolio 3	102,107,892.86	7.52	1,581,075.27	1.55	100,526,817.59

Type	Opening balance				
	Book balance		Provision for bad debt		Book value
	Amount	Proportion	Amount	Proportion	
Total	1,358,349,411.43	/	629,276,341.35	/	729,073,070.08

Portfolio 1: Provision for bad debts with risk portfolio

Overdue years	Closing balance			Opening balance		
	Book balance	Provision for bad debts	Proportion of Provision	Book balance	Provision for bad debts	Proportion of Provision
Undue	467,372,349.27	14,021,170.48	3.00	298,488,725.75	14,924,436.36	5.00
Overdue within 1 year	2,390,680.90	478,136.19	20.00	93,540,144.38	18,708,028.88	10.00
Overdue 1-2 years	5,232,511.09	2,093,004.43	40.00	108,534,511.81	43,413,804.72	20.00
Overdue 2-3 years	11,934,562.19	8,354,193.53	70.00	103,388,795.00	72,372,156.50	50.00
Overdue 3-4 years	19,670,671.79	19,670,671.79	100.00	331,140,140.46	314,583,133.43	90.00
Overdue more than 4 years	339,203,260.71	339,203,260.71	100.00	163,693,706.18	163,693,706.19	100.00
Total	845,804,035.95	383,820,437.13		1,098,786,023.58	627,695,266.08	

Portfolio 2: Accounts receivable from government and grid units

Portfolio 2	Closing balance		
	Accounts receivable	Provision for bad debt	Proportion of provision (%)
Receivables from government and grid units	92,168,206.66		

(Continued)

Portfolio 2	Opening balance		
	Accounts receivable	Provision for bad debt	Proportion of provision (%)
Receivables from government and grid units	157,455,494.99		

Portfolio 3: Australian subsidiary

Accounts receivable	Closing balance		
	Accounts receivable	Provision for bad debt	Proportion of provision
Customers for One Stop Warehouse Pty Ltd			

(Continued)

Accounts receivable	Opening balance		
	Accounts receivable	Provision for bad debt	Proportion of provision
Customers for One Stop Warehouse Pty Ltd	102,107,892.86	1,581,075.27	1.55

(3) Provision for bad debts in current period

Category	Opening balance	Changes in current period				Closing balance
		Provision	Recovered or reversed	Write off	Other changes	
Portfolio 1	627,695,266.08	-243,874,828.95				383,820,437.13
Portfolio3	1,581,075.27	1,022,011.30			-2,603,086.57	
Total	629,276,341.35	-242,852,817.65			-2,603,086.57	383,820,437.13

(4) Provision for bad debt recovered or reversed in current period

The provision for bad debt in current period is CNY -242,852,817.65, the provision for bad debt decreased by CNY 2,008,097.66 due to disposal of subsidiaries, and decreased by CNY 594,988.91 due to change in exchange rate.

(5) Top five entities with the largest balances of the accounts receivable

Company name	Closing balance	Proportion in the total	Provision amount
Rank 1	163,110,391.27	17.39	4,893,311.74
Rank 2	94,127,078.25	10.04	94,127,078.25
Rank 3	73,016,471.23	7.78	2,190,494.14
Rank 4	61,999,705.50	6.61	61,999,705.50
Rank 5	53,943,777.28	5.75	53,943,777.28
Total	446,197,423.53	47.57	217,154,366.91

5. Accounts receivable financing

(1) Classification of accounts receivable financing

Item	Closing balance	Opening balance
Bank acceptance bill	493,230,780.95	18,755,833.72
Less: provision for bad debts		
Total	493,230,780.95	18,755,833.72

Changes in accounts receivable financing in current period and changes in fair value of receivables refers to bank acceptance bill whose book balance is close to fair value with short remaining period.

(2) Accounts receivable financing pledged by the Company at the end of the period

Item	Pledged amount at the end of the period
Bank acceptance bill	406,539,325.15

(3) Undue accounts receivable financing endorsed or discounted at the end of the period:

Item	Amount of derecognition at the end of the period	Unrecognised amount at the end of the period
Bank acceptance bill	4,048,265,976.95	

6. Prepayment

(1) Analysis by aging

Aging	Closing Balance		Opening balance	
	Amount	Proportion	Amount	Proportion
Within 1 year	284,414,891.05	84.62	195,313,716.05	84.87
1-2 years	42,454,620.76	12.63	14,475,182.36	6.29
2-3 years	1,567,822.26	0.47	5,065,771.81	2.20
Over 3 years	7,672,338.60	2.28	15,273,339.78	6.64
Total	336,109,672.67	100.00	230,128,010.00	100.00

(2) Top five entities with the largest balances of prepayments

Company name	Closing balance	Proportion in the total closing balance of prepayments
Rank 1	48,597,196.08	14.46
Rank 2	32,734,517.97	9.74
Rank 3	29,752,000.00	8.85
Rank 4	28,667,973.09	8.53
Rank 5	26,512,417.00	7.89
Total	166,264,104.14	49.47

(3) Significant prepayment aging over 1 year

Debtor's name	Closing balance	Reason for unsettlement
Rank 1	22,314,000.00	Not yet settled

7. Other receivables

(1) Categories

Item	Closing balance	Opening balance
Interest receivable	1,378,125.00	24,432,497.50
Other receivables	583,101,580.08	1,016,158,894.70
Total	584,479,705.08	1,040,591,392.20

(2) Interest receivable

(a) Classification by nature

Item	Closing balance	Opening balance
Factoring interest	12,672,334.47	30,540,621.88

(b) Provision for bad debts

Bad debts	Phase 1	Phase 2	Phase 3	Total
	Expected credit losses in the next 12 months	Expected credit loss for lifetime (No credit loss occurred)	Expected credit loss for lifetime (Credit loss occurred)	
Balance as at 1 January 2022		6,108,124.38		6,108,124.38
Opening balance as at 1 January 2022 in current period	—	—	—	—
-- Move to phase 2				
-- Move to phase 3				
-- Return to phase 2				
-- Return to phase 1				
Provision in 2022	153,125.00	5,032,960.09		5,186,085.09
Reverse in 2022				
Charge off in 2022				
Write-off in 2022				
Other changes				
Balance as at 31 December 2022	153,125.00	11,141,084.47		11,294,209.47

(c) Provision for bad debt recovered or reversed in current period

The provision for bad debts in current period is CNY 5,186,085.09.

(3) Other receivables

(a) Analysis of other receivables by nature

Nature of other receivables	Closing balance	Opening balance
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Nature of other receivables	Closing balance	Opening balance
Receivables and payments by company	755,817,212.28	1,023,386,460.43
Security deposit & deposit	139,694,078.47	188,066,231.57
Receivables and payments by individual	3,272,406.94	3,637,368.57
Equity sale	18,100,000.00	26,122,613.27
Subtotal	916,883,697.69	1,241,212,673.84
Less: provision for bad debts	333,782,117.61	225,053,779.14
Total	583,101,580.08	1,016,158,894.70

(b) Analysis of other receivables by aging

Aging	Closing balance	Opening balance
Within 1 year	447,039,136.09	528,036,779.04
1-2 years	245,028,614.80	71,461,303.39
2-3 years	52,796,492.70	108,011,294.92
Over 3 years	172,019,454.10	533,703,296.49
Subtotal	916,883,697.69	1,241,212,673.84
Less: provision for bad debts	333,782,117.61	225,053,779.14
Total	583,101,580.08	1,016,158,894.70

(c) Provision for bad debts

Bad debts	Phase 1	Phase 2	Phase 3	Total
	Expected credit losses in the next 12 months	Expected credit loss for lifetime (No credit loss occurred)	Expected credit loss for lifetime (Credit loss occurred)	
Balance as at 1 January 2022	85,267.98	196,659,294.50	28,309,216.66	225,053,779.14
Opening balance as at 1 January 2022 in current period				
-- Move to phase 2		-79,795,621.44	79,795,621.44	
-- Move to phase 3				
-- Return to phase 2				
-- Return to phase 1				
Provision in 2021	-84,267.98	85,755,263.34	23,804,230.35	109,475,225.71
Reverse in 2021				
Write-off in 2021				

Bad debts	Phase 1	Phase 2	Phase 3	Total
	Expected credit losses in the next 12 months	Expected credit loss for lifetime (No credit loss occurred)	Expected credit loss for lifetime (Credit loss occurred)	
Other changes		-746,887.24		-746,887.24
Balance as at 31 December 2022	1,000.00	201,872,049.16	131,909,068.45	333,782,117.61

(d) Provision for bad debt recovered or reversed in current period

The provision for bad debts in current period is CNY 109,475,225.71, the provision for bad debts decreased by CNY 986,738.79 due to other changes (business combination) and increased by CNY 239,851.55 due to other changes (change in exchange rate).

(e) Top five entities with the largest balances of other receivables

Company Name	Category	Closing Balance	Aging	Proportion in total receivables	Provisioning amount at period end
Rank 1	Receivables and payments by company	245,000,000.00	Within 1 year:	26.72	24,500,000.00
Rank 2	Receivables and payments by company	103,682,759.37	1-2 years:	11.31	90,283,957.42
Rank 3	Guarantee deposits	65,661,342.44	1-2 years: 40,850,097.64 2-3 years: 15,000,000.00 3-4 years: 12,811,244.80	7.16	
Rank 4	Receivables and payments by company	54,000,000.00	3-4 years: 54,000,000.00	5.89	54,000,000.00
Rank 5	Receivables and payments by company	48,400,000.00	4-5 years: 48,400,000.00	5.28	48,400,000.00
Total		516,744,101.81		56.36	217,183,957.42

Note: The subsidiary GCL System Integration Technology Pte. Ltd. of the Company owes the Company a payment of EUR 8,455,234.20, equivalent to CNY 62,762,357.94. This other receivable is the payment deposit paid by the Company for the subsidiary GCL System Integration Technology Pte. Ltd. However, due to the corresponding unpaid payment, no provision for bad debts has been made.

8. Inventories

(1) Categories of Inventory

Category	Closing Balance			Opening Balance		
	Book Balance	Provision for decline in value	Book Value	Book Balance	Provision for decline in value	Book Value
Raw material	138,552,302.85	26,046,960.37	112,505,342.48	91,219,310.98	32,928,242.85	58,291,068.13
Materials in transit				119,410,349.86		119,410,349.86

Category	Closing Balance			Opening Balance		
	Book Balance	Provision for decline in value	Book Value	Book Balance	Provision for decline in value	Book Value
Finished goods	643,486,936.81	21,293,770.10	622,193,166.71	536,287,609.21	19,831,799.15	516,455,810.06
Work in progress outsourced	208,220.30		208,220.30	19,283,031.77		19,283,031.77
Goods in transit	295,067,820.64		295,067,820.64	29,451,944.39		29,451,944.39
Contract performance cost	272,505,633.84		272,505,633.84	190,872,460.23		190,872,460.23
Total	1,349,820,914.44	47,340,730.47	1,302,480,183.97	986,524,706.44	52,760,042.00	933,764,664.44

(2) Provision for decline in value of inventories

Category	Opening Book Balance	Increases in current period		Decreases in current period		Closing book balance
		Provision for decline in value	Other	Reversal or written off	Other	
Raw material	32,928,242.85	9,578,874.26		16,460,156.74		26,046,960.37
Finished goods	19,831,799.15	4,515,892.64	7,583.41	2,672,107.51	389,397.59	21,293,770.10
Goods in transit		105,217.08		105,217.08		
Total	52,760,042.00	14,199,983.98	7,583.41	19,237,481.33	389,397.59	47,340,730.47

The write-off is CNY 19,237,481.33 in current period is due to the fact that the inventory has been sold. The increased other changes in this period is due to changes in exchange rate, and the decreased other changes in this period is due to business combination.

9. Assets held for sale

Categories of assets held for sale

Item	Closing balance	Provision for impairment	Closing book value	Fair value	Estimated disposal expenses	Related other comprehensive income
Non-current Assets	1,441,620.00		1,441,620.00	1,441,620.00		
Including: fixed assets	1,441,620.00		1,441,620.00	1,441,620.00		

10. Other current assets

Item	Closing balance	Opening balance
Debit balance with payable VAT	187,360,194.41	190,656,247.95
Deferred interest and other expenses	3,839,853.09	1,146,372.26
Prepaid corporation income tax	3,195,344.63	4,490,769.74
Undue interest receivable		13,902,034.37
Total	194,395,392.13	210,195,424.32

11. Long-term equity investment

Investee	Opening balance	Changes in Current Period								Closing balance	Closing balance of provision for impairment	
		Increase	Decrease	Profit or loss recognized under equity method	Adjustments of other comprehensive income	Other changes in equity	Cash divided or profit declared	Provision for impairment	Others			
Associated Enterprise												
Beijing Zhixin Media Technology Co., Ltd	11,019,727.48			177,886.99							11,197,614.47	
Wanhulian New Energy Technology Co., Ltd.												
GCL New Energy Holding Co., Ltd.	695,911,593.02			-126,627,151.25	3,858,926.72	-55,761,162.50					517,382,205.99	
Xuzhou Ruixin Electronic Industry Fund	549,785,316.59			118,851,618.18	-39,413.56						668,597,521.21	
GCL integration (Shanghai) Energy Technology Development Co., Ltd.	66,629,256.13			-764,080.90							65,865,175.23	
Suzhou Miteng Technology Co.,Ltd.												
China Power Construction International Trade Services (Singapore) Co.,Ltd	832,958.98			92,819.81							925,778.79	
One Stop Warehouse Pty Ltd				-5,476,801.48	478,706.14				270,208,523.73		265,210,428.39	
Funing Guangyang New Energy Co., Ltd		1,000,000.00									1,000,000.00	
GCL Photovoltaic Technology Development Wuxi Co., Ltd				496,627.68			469,898.34				26,929.34	
Xinchu Energy Technology (Guangdong) Co., Ltd		500,000.00		-88,516.65							411,483.35	

Investee	Opening balance	Changes in Current Period								Closing balance	Closing balance of provision for impairment
		Increase	Decrease	Profit or loss recognized under equity method	Adjustments of other comprehensive income	Other changes in equity	Cash dividend or profit declared	Provision for impairment	Others		
Suzhou GCL New Energy Photovoltaic Technology Co., Ltd											
Total	1,324,178,852.20	1,500,000.00		-13,337,397.62	4,298,219.30	-55,761,162.50	469,898.34		270,208,523.73	1,530,617,136.77	

Note 1: On 31 December 2022, the fair value of the 8.16% equity of GCL New Energy Holding Co., Ltd. held by the Company is CNY 108,967,066.59..

Note 2: The Company holds 3.00% equity of Suzhou Miteng Technology Co., Ltd. and 40.00% equity of GCL Photovoltaic Technology Development Wuxi Co., Ltd. There is no actual contribution as of 31 December 2022.

12. Investment in other equity instruments

(1) Details of other equity instruments

Item	Closing balance	Opening balance
Kaisheng New Energy Co., Ltd	8,772,189.36	16,148,007.26
Nantong Anda Photovoltaic Technology Co., Ltd	336,843.82	336,843.82
Peixian Hongyue Solar Power Generation Co., Ltd	465,292.97	465,292.97
Hua'an Jinxin Photovoltaic Power Co., Ltd	1,496,333.96	1,496,333.96
Dezhou Xieheng New Energy Co., Ltd	582,299.89	582,299.89
Nanyang Fuda Yahe Huangshan Photovoltaic Power Station Co., Ltd	43,163.79	43,163.79
Nanyang Fuda Yahe mudflat Photovoltaic Power Station Co., Ltd	47,403.82	47,403.82
Equity of Discover Energy Pty Ltd		27,329,724.23
Total	11,743,527.61	46,449,069.74

(2) Details of non-tradable equity instruments

Item	Dividend income recognised in 2022	Accumulated gains included in other comprehensive income	Accumulated losses included in other comprehensive income	The amount of other comprehensive income transferred into retained earnings	Reasons for designating as measured at fair value through other comprehensive income	Reasons for transferring other comprehensive income into retained earnings
Kaisheng New Energy Co., Ltd		-2,129,760.77		-1,713,544.19	Not aimed for trading	Selling part of equity
Nantong Anda Photovoltaic Technology Co., Ltd					Not aimed for trading	
Peixian Hongyue Solar Power Generation Co., Ltd					Not aimed for trading	

Item	Dividend income recognised in 2022	Accumulated gains included in other comprehensive income	Accumulated losses included in other comprehensive income	The amount of other comprehensive income transferred into retained earnings	Reasons for designating as measured at fair value through other comprehensive income	Reasons for transferring other comprehensive income into retained earnings
Huai'an Jinxin Photovoltaic Power Co., Ltd					Not aimed for trading	
Dezhou Xieheng New Energy Co., Ltd					Not aimed for trading	
Nanyang Fuda Yahe Huangshan Photovoltaic Power Station Co., Ltd					Not aimed for trading	
Nanyang Fuda Yahe mudflat Photovoltaic Power Station Co., Ltd					Not aimed for trading	
Equity of Discover Energy Pty Ltd					Not aimed for trading	
Total		-2,129,760.77		-1,713,544.19		

13. Other non-current financial assets

Item	Closing balance	Opening balance
Financial assets designated at fair value through profit or loss	29,000,000.00	
Including: Investment of Suzhou Qingsong Lanhu Health Industry Venture Capital Partnership (limited partnership)	9,000,000.00	
Investment of Guangfa Xinde Wanneng (Hanshan) Equity Investment Fund Partnership (limited partnership)	20,000,000.00	
Total	29,000,000.00	

14. Fixed assets

(1) Categories

Item	Closing balance	Opening balance
Fixed assets	1,769,576,157.34	1,463,308,881.90
Disposal of fixed assets		
Total	1,769,576,157.34	1,463,308,881.90

(2) Fixed assets

(a) Details of fixed assets

Item	Photovoltaic power station	Buildings and constructions	Special equipment	General equipment	Transportation equipment	Total
Original cost of fixed assets						

Item	Photovoltaic power station	Buildings and constructions	Special equipment	General equipment	Transportation equipment	Total
1. Opening Balance	582,836,282.77	848,191,200.28	1,909,732,149.09	344,276,375.74	13,485,970.91	3,698,521,978.79
2. Increase in current period		1,821,996.76	568,177,437.01	77,175,932.30	157,270.93	647,332,637.00
(1) External purchase			16,750,404.20	10,814,384.65	147,070.75	27,711,859.60
(2) Transfer from Construction-in-progress		1,821,996.76	561,832,355.24	55,956,225.22		619,610,577.22
(3) Increase from business combination						
(4) Category adjustment			-10,405,322.43	10,405,322.43		
(5) Change of exchange rate					10,200.18	10,200.18
3. Decrease in current period	134,174,763.28	94,647,386.39	832,840,150.08	26,268,148.08	893,222.16	1,088,823,669.99
(1) Disposal or scrap	19,077,833.84	94,647,386.39	612,287,289.61	18,929,762.38	369,457.70	745,311,729.92
(2) Transfer to Construction-in-progress						
(3) Decrease from business combination	115,096,929.44			7,338,385.70	523,764.46	122,959,079.60
(4) Change to held for sale			220,552,860.47			220,552,860.47
(5) Others						
4. Closing balance	448,661,519.49	755,365,810.65	1,645,069,436.02	395,184,159.96	12,750,019.68	3,257,030,945.80
Accumulated depreciation						
1. Opening balance	90,959,352.86	214,771,894.88	519,347,617.07	184,881,880.83	10,869,002.87	1,020,829,748.51
2. Increase in current period	17,601,669.39	37,996,616.73	46,710,708.60	32,208,224.91	696,733.77	135,213,953.40
(1) Provision	17,601,669.39	37,996,616.73	46,710,708.60	32,208,224.91	686,533.59	135,203,753.22

Item	Photovoltaic power station	Buildings and constructions	Special equipment	General equipment	Transportation equipment	Total
(2) Increase from business combination						
(3). Change of exchange rate					10,200.18	10,200.18
(4) Category adjustment						
3.Decrease in current period	30,581,617.78	28,455,122.99	326,134,217.00	17,503,369.45	824,508.01	403,498,835.23
(1)Disposal or scrap	8,924,017.83	28,455,122.99	237,967,946.58	13,466,084.72	300,743.55	289,113,915.67
(2) Transfer to construction in progress						
(3) Decrease from business combination	21,657,599.95			4,037,284.73	523,764.46	26,218,649.14
(4) Change to held for sale			88,166,270.42			88,166,270.42
(5) Others						
4.Closing Balance	77,979,404.47	224,313,388.62	239,924,108.67	199,586,736.29	10,741,228.63	752,544,866.68
Provision for fixed asset impairment						
1.Opening balance	44,447,217.09		1,140,959,934.08	28,951,509.98	24,687.23	1,214,383,348.38
2.Increase in current period			24,871,151.44	340,815.98	2,063.23	25,214,030.65
(1)Provision			24,871,151.44	340,815.98	2,063.23	25,214,030.65
(2) Increase from business combination						
(3) Others						
3.Decrease in current period	10,997,986.52		490,694,177.49	2,984,234.29	11,058.95	504,687,457.25

Item	Photovoltaic power station	Buildings and constructions	Special equipment	General equipment	Transportation equipment	Total
(1) Disposal or scrap			359,749,207.44	2,984,234.29	11,058.95	362,744,500.68
(2) Decrease from business combination	10,997,986.52					10,997,986.52
(3) Change to held for sale			130,944,970.05			130,944,970.05
(4) Others						
4. Closing balance	33,449,230.57		675,136,908.03	26,308,091.67	15,691.51	734,909,921.78
Book value						
1. Closing book value	337,232,884.45	531,052,422.03	730,008,419.32	169,289,332.00	1,993,099.54	1,769,576,157.34
2. Opening book value	447,429,712.82	633,419,305.40	249,424,597.94	130,442,984.93	2,592,280.81	1,463,308,881.90

(b) Temporarily idle fixed assets

Item	Original cost	Accumulated depreciation	Provision for impairment	Book value	Remark
Buildings and constructions	121,235,162.57	26,830,002.23		94,405,160.34	
Special equipment	4,846,238.66	1,639,081.09	2,846,648.72	360,508.85	
General equipment	1,771,821.21	1,575,084.09	125,928.93	70,808.19	
Transportation equipment	16,301.04	15,649.00		652.04	
Total	127,869,523.48	30,059,816.41	2,972,577.65	94,837,129.42	

(c) Fully depreciated fixed assets still in use

Item	Original cost	Accumulated depreciation	Provision for impairment	Book value
Special equipment	480,121,699.23	97,962,714.93	372,791,327.21	9,367,657.09
General equipment	72,451,445.09	52,299,609.93	18,191,057.75	1,960,777.41
Transportation equipment	9,673,325.17	9,023,366.01	11,784.14	638,175.02
Total	562,246,469.49	159,285,690.87	390,994,169.10	11,966,609.52

15. Construction in progress

(1) Categories

Item	Closing balance	Opening balance

Item	Closing balance	Opening balance
Construction in progress	191,053,081.54	252,114,407.73
Construction materials	510,678.94	625,594.97
Total	191,563,760.48	252,740,002.70

(2) Construction in progress

(a) Details of the construction in progress

Item	Closing balance			Opening balance		
	Book Balance	Provision for impairment	Book value	Book Balance	Provision for impairment	Book value
Xuzhou Xinyu cell project						
Xuzhou Integration component project				7,410,416.10		7,410,416.10
Zhangjiagang equipment installment project	83,850,405.34	81,815,544.58	2,034,860.76	115,232,543.63	104,629,350.72	10,603,192.91
Funing integrated sporadic project	4,472,701.72		4,472,701.72	3,473,012.12		3,473,012.12
Hefei Circular Economy Demonstration Park intelligent industry phase I project	3,034,224.33		3,034,224.33	221,442,267.85		221,442,267.85
Leshan Battery				3,028,442.64		3,028,442.64
Ma'anshan Qichen cell project	4,481,812.36		4,481,812.36	4,481,812.36		4,481,812.36
Tidal flat power station						
Singapore overseas power station	1,675,263.75		1,675,263.75	1,675,263.75		1,675,263.75

Item	Closing balance			Opening balance		
	Book Balance	Provision for impairment	Book value	Book Balance	Provision for impairment	Book value
Jurong solar module project						
Xuzhou Xinyu Photovoltaic 182 Single Crystal PERC Production Line Technical Renovation Project	142,582,713.38		142,582,713.38			
Hefei Xinyu 28MW Distributed Photovoltaic Power Generation Project	32,771,505.24		32,771,505.24			
Others						
Total	272,868,626.12	81,815,544.58	191,053,081.54	356,743,758.45	104,629,350.72	252,114,407.73

(b) Significant changes in construction in progress

Item	Budget	Opening balance	Increase in current period	Decrease in current period		Closing balance	Proportion of accumulated project investments in the budget
				Transfer into fixed assets	Other decreases		
Hefei Circular Economy Demonstration Park intelligent industry phase I project	1,270,886,337.00	221,442,267.85	400,032,316.08	613,500,848.77	4,939,510.83	3,034,224.33	58.48
Xuzhou Xinyu Photovoltaic 182 Single Crystal PERC Production Line Technical Renovation Project	197,630,000.00		142,582,713.38			142,582,713.38	72.15

Item	Budget	Opening balance	Increase in current period	Decrease in current period		Closing balance	Proportion of accumulated project investments in the budget
				Transfer into fixed assets	Other decreases		
Zhangjiagang equipment installment project	131,006,422.21	115,232,543.63	14,497,683.97		45,879,822.26	83,850,405.34	99.60
Hefei Xinyu 28MW Distributed Photovoltaic Power Generation Project	86,938,100.00		32,771,505.24			32,771,505.24	37.70
Total	1,686,460,859.21	336,674,811.48	589,884,218.67	613,500,848.77	50,819,333.09	262,238,848.29	

(Continued)

Item	Progress	Interest capitalisation			Source of funds
		Accumulative amount	Amount in current period	Interest capitalisation rate	
Hefei Circular Economy Demonstration Park intelligent industry phase I project	58.48%				Self-funded & raised
Xuzhou Xinyu Photovoltaic 182 Single Crystal PERC Production Line Technical Renovation Project	72.15%				Other
Zhangjiagang equipment installment project	99.60%				Other
Hefei Xinyu 28MW Distributed Photovoltaic Power Generation Project	37.70%				Other
Total					

Note: In current period, the other decreases of Hefei Circular Economy Demonstration Park intelligent industry phase I project refer to conversion into long-term deferred expenses, with an amount of CNY 4,939,510.83; the other decreases of Zhangjiagang equipment installment project refer to disposal of construction in progress, with an amount of CNY 45,879,822.26.

(3) Construction materials

Closing balance	Opening balance
-----------------	-----------------

	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Construction materials	510,678.94		510,678.94	862,640.65	237,045.68	625,594.97

16. Right-of-use assets

Item	Total
Original cost of right-of-use assets	
1. Opening Balance	213,863,800.81
2. Increase in current period	132,211,809.70
(1) New lease	132,211,809.70
(2) Increase from business combination	
(3) Change of exchange rate	
3. Decrease in current period	115,803,067.39
(1) Lease expiration	
(2) Reduction in lease scope	22,733,441.94
(3) Change of exchange rate	
(4) Decrease from business combination	93,069,625.45
4. Closing balance	230,272,543.12
Accumulated depreciation	
1. Opening balance	48,214,769.48
2. Increase in current period	28,022,083.96
(1) Provision	28,022,083.96
(2) Increase from business combination	
3. Decrease in current period	38,832,921.28
(1) Lease expiration	
(2) Reduction in lease scope	3,435,323.68
(3) Change of exchange rate	
(4) Decrease from business combination	35,397,597.60
4. Closing Balance	37,403,932.16
Provision for fixed asset impairment	
1. Opening balance	

Item	Total
2. Increase in current period	
(1) Provision	
(2) Increase from business combination	
3. Decrease in current period	
(1) Lease expiration	
(2) Decrease from business combination	
4. Closing balance	
Book value	
1. Closing book value	192,868,610.96
2. Opening book value	165,649,031.33

17. Intangible assets

(1) Details of intangible assets

Item	Land use right	Computer software	Total
Original cost of intangible assets			
Opening Balance	161,701,423.95	43,168,943.77	204,870,367.72
Increase in current period	-8,141.59	8,426,058.22	8,417,916.63
Including: (1) Acquired		8,417,916.63	8,417,916.63
(2) Category adjustment	-8,141.59	8,141.59	
(3) Business combination			
(4) Effect of exchange rate relating to overseas companies			
Decrease in current period	39,965,568.59	5,904,803.36	45,870,371.95
Including: (1) Disposal	39,965,568.59	4,057,006.07	44,022,574.66
(2) Effect of exchange rate relating to overseas companies			
(3) Transfer to held for sale			
(4) Decrease from business combination		1,847,797.29	1,847,797.29
Closing Balance	121,727,713.77	45,690,198.63	167,417,912.40
Accumulated amortization of intangible assets			
Opening Balance	25,957,969.10	20,442,473.64	46,400,442.74
Increase in current period	2,761,209.48	4,272,812.61	7,034,022.09

Item	Land use right	Computer software	Total
Including: (1) Provision	2,761,209.48	4,272,812.61	7,034,022.09
(2) Business combination			
(3) Category adjustments			
(4) Effect of exchange rate relating to overseas companies			
Decrease in current period	6,161,522.24	5,221,326.49	11,382,848.73
Including: (1) Disposal	6,161,522.24	4,057,006.06	10,218,528.30
(2) Effect of exchange rate relating to overseas companies			
(3) Transfer to held for sale			
(4) Decrease from business combination		1,164,320.43	1,164,320.43
Closing Balance	22,557,656.34	19,493,959.76	42,051,616.10
Provision for impairment			
Opening Balance			
Increase in current period			
Decrease in current period			
Closing balance			
Book value of intangible assets			
Closing Book Value	99,170,057.43	26,196,238.87	125,366,296.30
Opening Book Value	135,743,454.85	22,726,470.13	158,469,924.98

18. Goodwill

(1) Original cost of goodwill

Investee's name or items resulting in goodwill	Opening balance	Increase in current period	Decrease in current period	Closing balance
		Provision	Disposal	
Goodwill arising from the acquisition of Jurong GCL System Integrated Technology Co., Ltd	407,105,535.58			407,105,535.58
Goodwill arising from the acquisition of Zhangjiagang GCL System Integrated Technology Co., Ltd	14,290,570.88			14,290,570.88
Goodwill arising from the acquisition of GCL Green Energy System	23,623,438.68			23,623,438.68

Investee's name or items resulting in goodwill	Opening balance	Increase in current period	Decrease in current period	Closing balance
		Provision	Disposal	
Technology Co., Ltd				
Goodwill arising from the acquisition of One Stop Warehouse Pty Ltd	36,031,901.57		36,031,901.57	
Total	481,051,446.71			445,019,545.14

(2) Provision for impairment of goodwill

Investee's name or items resulting in goodwill	Opening balance	Increase in current period	Decrease in current period	Closing balance
		Provision	Disposal	
Goodwill arising from the acquisition of Jurong GCL System Integrated Technology Co., Ltd	407,105,535.58			407,105,535.58
Goodwill arising from the acquisition of Zhangjiagang GCL System Integrated Technology Co., Ltd	14,290,570.88			14,290,570.88
Goodwill arising from the acquisition of GCL Green Energy System Technology Co., Ltd	5,896,000.00			5,896,000.00
Total	427,292,106.46			427,292,106.46

Other statements of the test process, parameters and the recognition method of goodwill impairment loss:

- (a) While carrying out the impairment test, the Company recognises the assets related to goodwill of GCL Green Energy System Technology Co., Ltd as an asset group.

The book value of goodwill of GCL Green Energy System Technology Co., Ltd is CNY 17,727,438.68; the recoverable amount of GCL Green Energy System Technology Co., Ltd was determined according to the present value of the asset group's forecast cash flows, and the forecast cash flows thereof was determined by estimating cash flows in future five years based on financial budget made by the management. The cash flow after five years was consistent with the cash flow in the fifth year. Other key parameters adopted in the course of impairment test included: revenue growth ratio (-6.53%-149.89%) and gross profit ratio (5.28%-5.72%). The reason for the increase in revenue is due to the high component prices in 2022, and the Company has only newly acquired some distributed power plant projects, only completing orders in hand. At the end of 2022, there were projects with orders of nearly 570MW in hand, coupled with some unrecognized revenue in 2022, resulting in a significant increase in revenue in 2023. The Company determines the above key assumptions based on historical experience and market development prediction, and uses WACC model to determine the pre-tax discount rate to be

13.51%. The above assumptions are used to analyse the recoverable amount of the asset group. The company believes that after testing, the goodwill generated from the acquisition of GCL Green Energy System Technology Co., Ltd. as of 31 December 2022 does not have any impairment, except for the impairment provision of CNY 5,896,000.00 already made in previous years.

19. Long-term prepaid expenses

Item	Opening balance	Increase in current period	Amortization for the current period	Other decreases	Closing balance
Expenditure of the improvement of fixed assets under operating lease (decoration fee included)	63,291,184.76	4,939,510.83	9,498,144.22	-2,405,756.61	61,138,307.98
Financing consulting management fee	5,036,015.96		178,750.00	2,767,582.30	2,089,683.66
Charge for paid use of emission right	2,544,499.49		18,184.20	2,476,308.15	50,007.14
Total	70,871,700.21	4,939,510.83	9,695,078.42	2,838,133.84	63,277,998.78

20. Deferred tax assets/ deferred tax liabilities

(1) Deferred tax assets without offset

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Various depreciation reserves	462,450,230.50	114,566,962.45	595,931,773.82	146,436,481.42
Assets impairment upon assessment due to business combination not under common control	8,558,050.32	2,139,512.58	10,928,573.04	2,732,143.26
Unrealised profits from internal transactions	25,451,067.28	6,362,766.81	9,349,310.76	2,337,327.69
Deferred income	860,722.20	215,180.54	45,570,827.02	11,392,706.75
Accrued expenses			26,302,556.71	6,575,639.18
Estimated liabilities	114,380,461.08	28,595,115.27	115,605,691.37	28,901,422.84
Employee benefits payable				

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Changes in fair value of other equity instruments	554,955.47	138,738.88		
Deductible losses	66,308.37	9,946.26		
Differences in rental expenses			34,046,083.39	10,213,825.02
Others			1,658,514.35	248,777.15
Total	612,321,795.22	152,028,222.79	839,393,330.46	208,838,323.31

(2) Deferred tax liabilities without offset

Item	Closing balance		Opening balance	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Appreciation of valuation upon business combination not under common control	6,791,295.44	1,697,823.86	7,195,794.92	1,798,948.73
Tax payment difference of the depreciation of fixed assets			85,185,040.80	21,296,260.20
Changes in fair value of investment in other equity instruments			6,820,862.44	1,705,215.61
Total	6,791,295.44	1,697,823.86	99,201,698.16	24,800,424.54

(3) Details of unrecognised deferred tax assets

Item	Closing balance	Opening balance
Deductible Temporary Differences	1,464,473,036.35	1,648,111,662.60
Deductible losses	2,846,553,186.23	2,508,922,424.63
Total	4,311,026,222.58	4,157,034,087.23

(4) Deductible losses of unrecognised deferred tax assets will due in the following years

Year	Ending amount	Beginning amount	Remark
2022		305,045,733.55	
2023	94,530,356.04	94,530,356.04	
2024	104,774,979.30	104,774,979.30	

Year	Ending amount	Beginning amount	Remark
2025	295,969,143.17	295,969,143.17	
2026	365,278,537.75	365,278,537.75	
2027	808,340,352.89	255,806,131.06	
2028	69,678,114.15	69,678,114.15	
2029	151,400,878.58	151,400,878.58	
2030	403,259,532.55	403,259,532.55	
2031	463,179,018.48	463,179,018.48	
2032	90,142,273.32		
Total	2,846,553,186.23	2,508,922,424.63	/

21. Other non-current assets

Item	Closing balance	Opening balance
Advances for equipment	34,494,081.28	49,585,649.57
Advances for software	9,144,836.19	8,689,500.11
Advances for construction	34,537,215.42	24,519,310.62
Total	78,176,132.89	82,794,460.30

22. Short-term loans

Category	Closing balance	Opening balance
Guaranteed borrowings	249,750,000.00	500,160,000.00
Discount of L/C	334,535,201.38	
Pledged loans	247,000,000.00	247,000,000.00
Mortgage loans		48,000,000.00
Guarantee and mortgage	235,000,000.00	475,000,000.00
Guarantee and pledge	72,847,091.86	111,641,885.93
Guarantee, mortgage and pledge	136,677,333.33	159,900,000.00
Accrued interest	33,104,496.27	
Total	1,308,914,122.84	1,541,701,885.93

23. Notes payable

Category	Closing balance	Opening balance
Bank acceptances	1,575,261,587.30	58,209,386.86
Commercial acceptances	10.00	504,309,300.96
Total	1,575,261,597.30	562,518,687.82

24. Accounts payable

(1) Details of accounts payable

Item	Closing balance	Opening balance
Payables for goods	1,667,940,697.46	1,801,941,206.61

(2) Description of significant accounts payable aging over 1 year.

Item	Closing balance	Reason for not settled or paid
Rank 1	62,762,357.94	Not yet settled
Rank 2	13,203,002.27	Not yet settled
Rank 3	10,782,720.22	Not yet settled
Total	86,748,080.43	

25. Contract liabilities

(1) Details of advances from customers

Item	Closing balance	Opening balance
Advance from goods	614,415,961.63	576,648,742.47

26. Employee benefits payable

(1) Employee benefits payable shown as follows

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Short-term benefits	100,634,127.53	625,540,418.80	580,179,203.98	145,995,342.35
Post-employment benefits —defined contribution plans	1,834,061.69	24,215,016.15	24,441,729.77	1,607,348.07
Termination benefits	578,753.40	6,438,642.88	6,844,826.45	172,569.83
Total	103,046,942.62	656,194,077.83	611,465,760.20	147,775,260.25

(2) Short-term employee benefits payable shown as follows:

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
Wages, bonuses, allowances and grants	96,015,561.74	463,082,748.96	418,421,956.89	140,676,353.81
Employees' welfare		42,467,520.90	42,467,520.90	
Social insurance premiums	699,525.15	13,584,094.15	13,061,992.37	1,221,626.93
Including: Medical Insurance	555,998.06	10,396,063.99	10,353,152.19	598,909.86
Work-related injury insurance	67,092.71	664,714.46	672,093.55	59,713.62

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
Maternity insurance premium	59,016.42	654,739.73	663,835.09	49,921.06
Other social insurance	17,417.96	1,868,575.97	1,372,911.54	513,082.39
Housing funds	888,933.14	12,718,070.51	12,334,427.63	1,272,576.02
Labor union expenditures and employee education funds	3,030,107.50	2,011,017.39	2,216,339.30	2,824,785.59
Short-term paid absences				
Short-term profit sharing plan				
Labour Dispatch		91,676,966.89	91,676,966.89	
Total	100,634,127.53	625,540,418.80	580,179,203.98	145,995,342.35

(3) Defined contribution plan shown as follows:

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Basic endowment insurance premium	1,776,900.32	23,471,687.44	23,695,661.56	1,552,926.20
Unemployment insurance premium	57,161.37	743,328.71	746,068.21	54,421.87
Enterprise annuity payment				
Total	1,834,061.69	24,215,016.15	24,441,729.77	1,607,348.07

27. Taxes payable

Item	Closing balance	Opening balance
Value-added tax	3,468,156.85	22,611,749.78
Urban maintenance and construction tax	898,899.55	2,153,891.65
Corporate income tax	845,990.06	1,911,997.16
Property tax	1,605,827.42	1,805,344.86
Stamp duty	3,097,807.15	1,794,628.22
Land use tax	401,061.33	402,404.19
Individual Income Tax	2,881,058.83	1,357,159.18
Educational surcharge	655,266.98	1,566,719.87
Water conservancy fund	661,307.96	
Others	2,320.89	65,432.09
Total	14,517,697.02	33,669,327.00

28. Other payables

(1) Categories

Item	Closing balance	Opening balance
Interest payable	11,566,144.96	64,296,555.49
Dividends payable		
Other payables	1,246,139,795.08	1,530,795,769.24
Total	1,257,705,940.04	1,595,092,324.73

(2) Interest payable

Item	Closing balance	Opening balance
Interest payable on short-term loans		20,078,541.41
Interest on borrowings from non-financial institutions	11,566,144.96	44,218,014.08
Interest on long-term loans with installment payments and due repayment of principal		
Total	11,566,144.96	64,296,555.49

(3) Other payables

(a) Categories by nature

Item	Closing balance	Opening balance
Due to other entities	385,438,460.54	418,122,630.28
Payment for engineering equipment	374,316,112.20	331,068,375.63
Accrued expenses	157,096,326.84	112,062,085.12
Cash deposit for bid	18,735,946.14	8,772,503.61
Due to individuals	3,497,013.39	9,129,818.09
Borrowing from non-financial institutions	307,055,935.97	651,640,356.51
Total	1,246,139,795.08	1,530,795,769.24

(b) Other important payables aging over 1 year

Item	Closing balance	Reasons for being unpaid or transferred
Rank 1	30,300,000.00	Not yet settled
Rank 2	29,007,401.60	Not yet settled
Total	59,307,401.60	

29. Non-current liabilities due within one year

Item	Closing balance	Opening balance
Long-term payable due within one year	250,472,162.89	256,251,597.73

Item	Closing balance	Opening balance
Lease liabilities due within one year	48,002,699.21	27,507,457.28
Total	298,474,862.10	283,759,055.01

30. Other current liabilities

Item	Closing balance	Opening balance
VAT(Out) to be transferred	59,277,769.09	48,365,534.73

31. Long-term loans

Item	Closing balance	Opening balance
Guaranteed loan	70,960,000.00	
Accrued interest	78,056.00	
Total	71,038,056.00	

32. Lease liability

Item	Closing balance	Opening balance
Long term lease liabilities	239,432,407.48	188,868,686.11
Less: lease liabilities due within one year	48,002,699.21	27,507,457.28
Total	191,429,708.27	161,361,228.83

33. Long-term payable

(1) Categories

Item	Closing balance	Opening balance
Long-term payable	555,999,995.71	36,155,484.75
Long-term employee benefits payable		5,912,776.70
Total	555,999,995.71	42,068,261.45

(2) Long-term payable by nature

Item	Closing balance	Opening balance
Long term loans from non-financial institutions	433,139,945.72	9,992,945.46
Finance lease payable	122,860,049.99	26,162,539.29
Total	555,999,995.71	36,155,484.75

(3) Long-term employee benefits payable

Item	Closing balance	Opening balance
Other long-term benefits		5,912,776.70

34. Provisions

Item	Closing balance	Opening balance	Forming reason
Warranty for product quality	114,380,461.08	114,648,776.67	
Pending litigation or arbitration		13,027,724.58	
Total	114,380,461.08	127,676,501.25	/

35. Deferred income

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance	Forming reason
Government subsidies	45,095,421.91	9,948,300.00	8,263,990.79	46,779,731.12	/

Please refer to Note V-60. Government grants for details.

36. Share capital

Item	Opening balance	Increases/decreases in current period (+, -)					Closing balance
		Issuance of new shares	Bonus share	Conversion of reserves funds into shares	Others	Subtotal	
Total number of shares	5,850,316,427.00						5,850,316,427.00

37. Capital reserves

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Share premium	4,473,945,941.50	560,846.43		4,474,506,787.93
Other capital reserves	-21,708,512.04		55,761,162.50	-77,469,674.54
Total	4,452,237,429.46	560,846.43	55,761,162.50	4,397,037,113.39

Note: The increase in capital reserve - share premium for the current year is CNY 560,846.43, which is due to a capital increase by non-controlling shareholders of the Company's subsidiary; Capital reserve - other capital reserves decreased by CNY 55,761,162.50 this year, due to passive dilution of long-term equity investments in affiliated enterprises and other changes in equity.

38. Other Comprehensive Incomes

Item	Opening balance	Current period						Closing balance
		Amount in current period before income tax	Less: Previously recognised in other comprehensive income transferred to profit or loss	Less: Previously recognised in other comprehensive income transferred to retained earnings	Less: income tax	Amount attribute to parent company after tax	Amount attribute to non-controlling shareholders after tax	
1. Other comprehensive incomes that cannot be reclassified into profit and loss	5,115,646.84	-34,970,589.57		-14,073,333.55	-1,843,954.49	-5,531,863.42	-13,521,438.11	-416,216.58
Including: Change in fair value of other equity instrument investments	5,115,646.84	-34,970,589.57		-14,073,333.55	-1,843,954.49	-5,531,863.42	-13,521,438.11	-416,216.58
2. Other comprehensive incomes that will be reclassified into profit and loss	-5,766,022.32	10,769,072.37	-4,591,553.00			9,640,046.40	5,420,578.97	4,174,024.08
Including: other comprehensive income will be reclassified into profits or losses under the equity method	-124,195.22	4,298,219.30				4,298,219.30		4,174,024.08
Difference from translation of financial statements in foreign currency	-5,641,827.10	6,470,853.07	-4,591,553.00			5,641,827.10	5,420,578.97	
Total	-650,375.48	-24,201,517.20	-4,591,553.00	-14,073,333.55	-1,843,954.49	4,408,182.98	-8,100,859.14	3,757,807.50

39. Surplus reserves

Item	Opening balance	Increase in current period	Decrease in current period	Closing balance
Statutory surplus reserves	75,495,097.13			75,495,097.13

40. Undistributed profits

Item	Current period amount	Prior period amount
Undistributed profit before adjustment at the end of the last year	-8,116,227,943.09	-6,135,679,387.80
Total adjustment of undistributed profit at the beginning of year ("+" for increase, "-" for decrease)		
Undistributed profit after adjustment at the beginning of year	-8,116,227,943.09	-6,135,679,387.80
Plus: net profit attributable to owners of the parent company for the current period	59,317,994.42	-1,982,880,721.38
Other comprehensive income carried forward to retained earnings	-14,073,333.55	2,332,166.09
Less: Withdrawal of statutory surplus reserves		
Withdrawal of discretionary surplus reserves		
Undistributed profits at the end of the period	-8,070,983,282.22	-8,116,227,943.09

41. Operating income and operating costs

(1) Details of operating income and operating costs

Item	Current period amount		Previous period amount	
	Operating income	Operating cost	Operating income	Operating cost
Primary business	8,259,097,893.51	7,757,125,641.41	4,430,730,395.18	4,174,661,058.16
Other business	94,511,318.73	49,640,386.42	270,730,117.69	184,214,963.97
Total	8,353,609,212.24	7,806,766,027.83	4,701,460,512.87	4,358,876,022.13

(2) Disaggregation of revenue from contracts with customers

Group of contracts	Domestic	Abroad	Total
Type of goods or service			
Modules	3,438,710,579.62	1,781,868,635.03	5,220,579,214.65
System integration package	352,767,065.21	2,635,786,653.39	2,988,553,718.60
Cell	17,769,000.45		17,769,000.45
Factoring	30,889,402.72		30,889,402.72
Electricity generation	57,970,374.26	12,745.87	57,983,120.13
Others	37,801,518.75	33,236.94	37,834,755.69

Group of contracts	Domestic	Abroad	Total
Total	3,935,907,941.01	4,417,701,271.23	8,353,609,212.24
Timing of revenue recognition			
A point of time	3,935,907,941.01	4,417,701,271.23	8,353,609,212.24
Over time			

(3) Transaction price allocated to the remaining performance obligation for customers with contracts

As at 31 December 2022, the transaction price allocated to the remaining performance obligation (unsatisfied or partial unsatisfied) is CNY 3,016,797,300.00, and revenue amounted to CNY 3,016,797,300.00 will be recognised in 2023.

42. Taxes and surcharges

Item	Current period amount	Previous period amount
Urban maintenance and construction tax	3,263,608.37	3,245,461.67
Property tax	6,832,499.65	7,399,187.82
Stamp tax	8,378,074.49	1,257,307.92
Land use tax	2,753,360.45	2,881,335.17
Education surcharges and local education surcharges	2,367,639.68	2,789,414.56
Water conservancy fund	4,387,482.38	10,253.09
Vehicle and vessel use tax	22,500.00	23,160.00
Others	2,978,760.78	3,340,831.28
Total	30,983,925.80	20,946,951.51

43. Selling and distribution expenses

Item	Current period amount	Previous period amount
Sales commission	5,307,507.48	762,699.52
Employee compensation	48,851,874.18	44,760,991.59
Travel expenses	3,478,760.07	2,577,161.83
Exhibition and advertising fees	13,131,363.13	5,454,973.90
Intermediary charges	4,043,142.06	8,458,154.78
Rental fees	3,269,221.48	4,202,131.56
Insurance expenses	17,613,255.24	1,558,035.62
Entertainment expenses	4,625,652.27	3,595,269.13
Packing fee	2,558.78	5,943.83
Repair cost		686,078.97
Others	4,039,107.24	3,770,630.67

Item	Current period amount	Previous period amount
Storage fee	2,461,183.03	
Handling cost	10,037,704.24	
Depreciation fees of right-of use assets	4,495,679.75	
Total	121,357,008.95	75,832,071.40

44. General and administrative expenses

Item	Current period amount	Previous period amount
Employee compensation	278,277,097.08	233,199,728.87
Intermediary charges	26,547,954.99	38,331,356.41
Rental fees	22,447,098.23	22,929,292.35
Depreciation costs	50,625,384.59	50,541,898.01
Consulting fee	19,605,309.78	21,736,312.13
Property management fees	10,520,248.18	10,543,072.37
Engineering management fees	262,895.45	186,705.81
Travel expenses	6,988,877.26	6,245,507.28
Publicity expenses	1,162,848.00	862,701.29
Entertainment expenses	6,930,582.51	6,945,554.89
Amortization of intangible assets	5,974,231.51	6,201,657.59
Amortization of long-term deferred expenses	1,169,470.22	1,021,893.57
Water and electricity fees	5,097,336.77	1,452,063.60
Office costs	5,440,905.13	9,080,032.56
Insurance premium	3,386,472.88	5,801,548.17
Conference fees	620,074.76	850,203.37
Litigation fees	8,822,200.75	8,664,583.92
Recruitment fees	736,255.42	463,579.09
Downtime loss	36,095,220.97	75,411,862.72
Others	14,729,784.74	16,826,781.20
Total	505,440,249.22	517,296,335.20

45. Research & Development expenses

Item	Current period amount	Previous period amount
Employee compensation	27,578,383.57	16,924,555.32
Materials expenses	30,772,640.38	13,324,976.32
Depreciation of R&D equipment	13,533,958.86	28,302,332.08

Item	Current period amount	Previous period amount
Water and electricity fuel cost	2,907,318.73	1,694,576.14
Travel expenses	2,335.35	126,448.21
Inspection fee	4,422,826.24	1,896,565.34
Others	1,742,330.85	2,807,590.82
Total	80,959,793.98	65,077,044.23

46. Financial expenses

Item	Current period amount	Previous period amount
Interest expenses	173,439,737.26	215,967,056.24
Including: Interest expense of lease liabilities	10,189,389.81	6,257,472.18
Less: Interest income	24,744,224.71	23,547,625.03
Plus: Losses from foreign exchange	40,930,000.85	-24,940,413.77
Plus: Bank charges	15,051,154.11	7,549,633.36
Plus: Guarantee fees	153,785.00	615,236.68
Others	21,156.20	-332,737.55
Total	204,851,608.71	175,311,149.93

47. Other income

Item	Current period amount	Previous period amount	The amount included in the extraordinary gains and losses in current period
Government grants received	115,392,440.18	21,905,418.44	115,392,440.18
VAT additional deduction	8,115.02	8,072.25	8,115.02
Return of individual income tax service charge	159,376.12	480,782.30	159,376.12
Property tax exemption		407,198.51	
VAT exemption for small-scale taxpayers	850.75	9,876.42	850.75
Total	115,560,782.07	22,811,347.92	115,560,782.07

Please refer to Note V-60. Government Grants for details.

48. Investment income

Item	Current period amount	Previous period amount
Investment income from long-term equity investments under the equity method	-13,337,397.62	-80,797,585.37
Investment income from disposing long-term equity investments	107,856,699.39	-127,532,028.77
Gains from remeasurement of remaining equity at fair value after loss of control	186,387,028.15	
Income of debt restructuring		-2,673,790.79

Item	Current period amount	Previous period amount
Investment income from disposing held for trading financial assets		-9,096,127.77
Discounted interest on bills and letters of credit	-4,560,417.03	
Total	276,345,912.89	-220,099,532.70

49. Gains/losses of fair value changes

Item	Current period amount	Previous period amount
Changes in fair value of held for trading financial assets		11,142,304.92
Including: Changes in fair value of foreign exchange derivative financial instruments		11,142,304.92
Changes in fair value of held for trading financial liabilities	-9,035,780.16	
Total	-9,035,780.16	11,142,304.92

50. Losses from credit impairment ("-" for losses)

Item	Current period amount	Previous period amount
Bad debt losses of accounts receivables	242,852,817.65	-167,188,786.99
Bad debt losses of other receivables	-114,661,310.80	-182,165,850.80
Total	128,191,506.85	-349,354,637.79

51. Losses from asset impairment ("-" for losses)

Item	Current period amount	Previous period amount
Impairment losses for diminution value of inventories	-14,199,983.98	-38,606,441.23
Impairment losses from fixed assets	-25,214,030.65	-702,207,374.60
Impairment losses from construction in progress	-14,276,122.24	-100,815,371.10
Impairment losses from construction materials		-237,045.68
Total	-53,690,136.87	-841,866,232.61

52. Gains from disposal of assets ("-" for losses)

Item	Current period	Previous period	The amount included in the extraordinary gains and losses of the current period
Gains/losses from disposal of fixed assets	28,549,491.98	-9,044,479.07	28,549,491.98
Gains/losses from disposal of intangible assets	3,393,941.95	-1,562,635.35	3,393,941.95
Gains/losses from disposal of construction in progress	912,946.24		912,946.24
Gains/losses from disposal of right-of use assets	4,465,920.78		4,465,920.78
Total	37,322,300.95	-10,607,114.42	37,322,300.95

53. Non-operating income

Item	Current period amount	Previous period amount	The amount included in the extraordinary gains /losses in current period
No-required payables	2,567,244.23	5,291,144.16	2,567,244.23
Government grants	1,588,438.06	350,400.00	1,588,438.06
Income from compensation	2,306,879.21	4,143,480.00	2,306,879.21
Reversal of estimated liabilities	1,085,282.91	31,445,880.79	1,085,282.91
Others	573,521.75	15,716.43	573,521.75
Total	8,121,366.16	41,246,621.38	8,121,366.16

Please refer to Note V-60. Government grants for more details about government grants.

54. Non-operating expenses

Item	Current period amount	Previous period amount	The amount included in extraordinary gains & losses in current period
Donation expenditure	32,000.00	700,000.00	32,000.00
Including: public welfare donations		500,000.00	
Damages and liquidated damages	23,986,789.04	29,529,611.12	23,986,789.04
Losses from the damage and scrapping of non-current assets	2,571.05	31,247,843.53	2,571.05
Tax overdue fine	50,237.46	612,658.44	50,237.46
Penalty expenditure	4,416.47	250,050.00	4,416.47
Others	255,631.66	107,543.23	255,631.66
Total	24,331,645.68	62,447,706.32	24,331,645.68

55. Income tax expense

(1) Statement of income tax expense

Item	Current period amount	Previous period amount
Current period income tax	-202,440.83	1,592,008.40
Deferred income tax	24,808,466.47	28,659,228.29
Total	24,606,025.64	30,251,236.69

(2) Adjustment for accounting profit and Income tax expense

Item	Current period amount
Total profit	81,734,903.96
Applicable tax rate	0.25
Income tax expenses determined by statutory/applicable tax rate	20,433,725.99
Impact from subsidiaries' different tax rates	-75,015,820.17

Item	Current period amount
Adjust for impact from income tax expense in previous period	-400,299.54
Impact of non-taxable income	3,334,349.41
Non-deductible costs, expenses and losses	1,177,286.96
Impact of deductible temporary differences or deductible loss of unrecognised deferred income tax assets during current period	91,807,573.78
Additional deduction of research and development fees	-16,730,790.79
Unrecovered losses on recognized deferred income assets due in the current period	
The impact of changes in subsidiaries' tax rates	
Total	24,606,025.64

56. Consolidated cash flow items

(1) Cash received from other operation activities

Item	Current period amount	Previous period amount
Recovery of current account and advance	656,431,545.91	750,847,208.41
Special subsidies and grants	118,665,187.45	14,423,643.26
Interest income	22,611,629.35	20,490,947.73
Non-operating income	2,880,400.96	4,159,196.43
Received note guarantee deposits	1,279,038,245.05	529,181,689.37
Others	168,341.89	
Total	2,079,795,350.61	1,319,102,685.20

(2) Cash paid for other operating activities

Item	Current period amount	Previous period amount
Receivables and payments	350,866,260.42	512,761,315.98
Business expenses	148,067,051.90	206,094,063.00
Non-operating expenses	24,329,074.63	21,806,340.25
Note guarantee deposits	2,099,389,843.03	825,867,971.98
Others	3,060,498.98	12,860,052.76
Total	2,625,712,728.96	1,579,389,743.97

(3) Cash received from other investing activities

Item	Current period amount	Previous period amount
Negative net cash paid for purchasing subsidiaries and other business units	1,725.11	

(4) Cash paid for other investing activities

Item	Current period amount	Previous period amount
Negative net cash flow received from disposal of subsidiaries	11,085.28	4,430,193.19

(5) Cash received from other financing activities

Item	Current Period Amount	Previous Period Amount
Borrowings from non-financial institutions	412,168,322.80	500,850,097.64
Received finance lease payment	200,000,000.00	18,992,945.46
Internal bills, letter of credit discount receipts	331,815,201.38	
Total	943,983,524.18	519,843,043.10

(6) Cash paid for other financing activities

Item	Current period amount	Previous period amount
Payment of financing nature letter of credit deposit	34,000,000.00	
Returned borrowings from non-financial institutions	418,355,600.46	348,847,401.16
Payment for financial leasing	62,312,293.03	235,144,442.29
Others	153,785.00	12,483,275.70
Pledge of deposit receipt		250,000,000.00
Total	514,821,678.49	846,475,119.15

57. Supplementary information to consolidated statement of cash flow

(1) Supplementary information to consolidated statement of cash flow

Item	Current period amount	Previous period amount
1. Reconciliation of net profit to cash flow from operating activities		
Net profit	57,128,878.32	-1,951,305,247.84
Add: provision for asset impairment	53,690,136.87	841,866,232.61
Add: provision for credit impairment	-128,191,506.85	349,354,637.79
Depreciation of fixed asset, oil & gas assets and productive biological assets	135,203,753.22	281,475,179.53
Depreciation of right-of-use assets	28,022,083.96	24,176,031.00
Amortisation of intangible assets	7,034,022.09	8,174,087.43
Amortisation of long-term deferred expenses	9,695,078.42	12,075,936.56
Losses from disposal of fixed assets, intangible assets and other long-term assets (income is indicated with "-")	-37,322,300.95	10,607,114.42
Losses from write-off of fixed assets (income is indicated with "-")	2,571.05	31,247,843.53
Losses from changes in fair value (income is indicated with "-")	9,035,780.16	-11,142,304.92

Item	Current period amount	Previous period amount
Financial expenses (income is indicated with "-")	182,782,198.88	212,964,298.18
Losses on investments (income is indicated with "-")	-276,345,912.89	220,099,532.70
Decrease in deferred tax asset (increase is indicated with "-")	29,861,216.72	31,471,921.92
Increase in deferred tax liabilities (decrease is indicated with "-")	-5,052,750.25	-2,812,693.63
Decrease in Inventory (increase is indicated with "-")	-791,442,705.11	-102,915,133.59
Decrease in Operation Receivables (increase is indicated with "-")	-319,738,572.39	-519,142,086.59
Increase in operation payables (decrease is indicated with "-")	1,510,684,821.26	973,749,809.00
Other (Note)	-19,237,481.33	-13,226,521.05
Net cash flow from operating activities	445,809,311.18	396,718,637.05
2. Significant Investing and financing activities not involving cash flow:		
Conversion of debt into capital		
Convertible bonds maturing within 1 year		
Fixed assets acquired under financing lease		
3. Net change in cash & cash equivalents		
Closing balance of cash	1,001,284,791.57	1,097,999,268.29
Less : opening balance of cash	1,097,999,268.29	2,616,377,118.58
Add : closing balance of cash equivalent		
Less : opening balance of cash equivalents		
Net change in cash and cash equivalents	-96,714,476.72	-1,518,377,850.29

(2) The amount of endorsement and transfer of bank acceptance bill received by the Company in the current period of sales goods is CNY 2,639,911,760.86 and the amount of endorsement and transfer of commercial acceptance is CNY 32,115,247.90.

(3) Composition of cash & cash equivalent

Item	Closing balance	Opening balance
1. Cash	1,001,284,791.57	1,097,999,268.29
Including : cash on hand	40,000.00	22,500.36
Unrestricted bank deposit	1,001,244,791.57	1,097,976,767.93
2. Cash equivalents		
3. Closing balance of cash & cash equivalents	1,001,284,791.57	1,097,999,268.29

(4) Net cash received during current period from disposal subsidiaries

Item	Amount
Cash & cash equivalents received from disposal subsidiaries during current period	172,692,175.00
Including: Shaanxi Zhongtian Jiayang New Energy Development Co., Ltd	40,000,000.00
One Stop Warehouse Pty Ltd	132,692,175.00

Item	Amount
Less: cash & cash equivalents held by subsidiaries at the date of losing control	98,882,575.31
Including: Shaanxi Zhongtian Jiayang New Energy Development Co., Ltd	64,027.66
One Stop Warehouse Pty Ltd	98,818,547.65
Add: cash & cash equivalents received from disposal subsidiaries during previous period	8,022,613.27
Net cash received from disposal subsidiaries	81,832,212.96

58. Assets with restricted ownership or use rights

Item	Closing book balance	Reason for restriction
Cash & cash equivalents	1,551,756,711.82	Account of bankruptcy administrator / bank acceptance bill deposit, letter of credit deposit, bank guarantee deposit, judicial freeze, customs deposit, pledge of deposit receipt, joint management account
Fixed assets	851,170,121.13	Loan mortgage
Intangible assets	74,397,368.92	Loan mortgage
Long-term equity investment	517,382,205.99	Pledged loan
Accounts receivable financing	406,539,325.15	Pledged loan
Construction in progress	99,823,008.85	Mortgage
Total	3,501,068,741.86	

59. Foreign currency transactions

(1) Foreign currency balance

Item	Closing balance in foreign currency	Exchange rate	Closing balance in CNY
Cash & cash equivalents			
Including: USD	17,699,504.99	6.9646	123,269,972.43
EUR	9,585,960.72	7.4229	71,155,627.85
INR	2,419,560.19	0.0842	203,726.97
JPY	8,806,717.00	0.0524	461,471.96
AUD	1.75	4.7138	8.25
HKD	2,358,743.93	0.8933	2,107,065.96
KRW	72,073,459.00	0.0055	396,404.02
SGD	435.82	5.1831	2,258.90
CHF	0.08	7.5432	0.60
Total	112,944,383.48		197,596,536.94
Accounts receivable			
Including: USD	91,417,731.80	6.9646	636,687,934.90
EUR	38,171,866.86	7.4229	283,345,950.52
JPY	869,255,125.97	0.0524	45,548,968.60

Item	Closing balance in foreign currency	Exchange rate	Closing balance in CNY
Total	998,844,724.63		965,582,854.02
Other receivables			
Including: USD	13,303,120.97	6.9646	92,650,916.31
EUR	728,260.30	7.4229	5,405,803.39
INR	3,180,093.42	0.0842	267,763.87
JPY	287,682,801.60	0.0524	15,074,578.80
HKD	405,770,499.27	0.8933	362,474,787.01
KRW	4,950,000.00	0.0055	27,225.00
CAD	1,250,000.00	5.1385	6,423,125.00
Total	716,864,775.56		482,324,199.38
Accounts payable			
Including: USD	60,220,028.98	6.9646	419,408,413.84
EUR	41,803,479.69	7.4229	310,303,049.39
JPY	40,192,447.00	0.0524	2,106,084.22
Total	142,215,955.67		731,817,547.45
Other payables			
Including: USD	138,655,294.63	6.9646	965,678,665.01
EUR	3,932,324.22	7.4229	29,189,249.47
JPY	280,222,064.53	0.0524	14,683,636.17
AUD	17,198.11	4.7138	81,068.45
HKD	404,310,176.04	0.8933	361,170,280.26
KRW	4,950,000.00	0.0055	27,225.00
SGD	35,498.50	5.1831	183,992.28
Total	832,122,556.03		1,371,014,116.64
Short-term Loans			
Including: HKD	81,548,294.93	0.8933	72,847,091.86
Total	81,548,294.93		72,847,091.86

(2) Foreign business entities disclosure

Company	Operation Site	Functional currency
GCL System Integration Technology Korea Co.,Ltd.	South Korea	CNY
GCL System Integration Technology (India) Private Limited	India	CNY
GCL System Integration Technology LLC	America	CNY
GCL System Integration Technology Pte.Ltd.	Singapore	CNY

Company	Operation Site	Functional currency
GCL System Integration Technology GmbH	Germany	CNY
GCL Anover Fotovoltaica Energia, S.L.	Spain	CNY
GCL Belinchon Energy, S.L.	Spain	CNY
GCL Castilla Fotovoltaica Energia, S.L.	Spain	CNY
GCL Iberia Solar Energy, S.L.	Spain	CNY
GCL System Integration Technology Pty Ltd	Australia	CNY
GCL Solar Japan Co.,Ltd.	Japan	CNY

60. Government grants

(1) Details of government grants included in profit and loss or deduction of cost

Item	Related to assets / Related to income	Amount	Presentation	Amount included in profit or loss
Subsidies for the development of private enterprises in 2022	Related to income	99,470,000.00	Other income	99,470,000.00
Refund of urban land use tax	Related to income	3,135,246.88	Non-operating income	3,135,246.88
Policy funds for increasing production and income in the manufacturing industry in the first half of 2022	Related to income	960,000.00	Non-operating income	960,000.00
Training subsidies	Related to income	608,000.00	Other income	608,000.00
Trade Promotion Subsidy from Qixia District Bureau of Commerce, Nanjing City	Related to income	478,600.00	Other income	478,600.00
Yancheng Digital transformation Application Scenario Project	Related to income	300,000.00	Other income	300,000.00
Subsidy for Information Transformation and Application of Industrial Enterprises in 2021	Related to income	267,300.00	Other income	267,300.00
2021 Hefei Foreign Trade Promotion Policy Funds	Related to income	222,095.00	Other income	222,095.00
Subsidy fund for county open economy in 2021	Related to income	200,000.00	Other income	200,000.00
Property tax refund	Related to income	159,522.84	Other income	159,522.84
Government subsidy for the introduction of 'Fudi Talent' program	Related to income	140,000.00	Other income	140,000.00
COVID-19 subsidy (Japan)	Related to income	129,500.00	Non-operating income	129,500.00
New employment subsidies in the first quarter of 2022	Related to income	128,000.00	Other income	128,000.00
Subsidy from the Finance Office of the People's Government of Qixia District Longtan Office, Nanjing City	Related to income	117,000.00	Other income	117,000.00
2022 Job Stabilisation Return	Related to income	116,998.00	Other income	116,998.00
2021 Hefei High Quality Policy Subsidy - Municipal Level	Related to income	100,000.00	Other income	100,000.00

Item	Related to assets / Related to income	Amount	Presentation	Amount included in profit or loss
2021 Hefei High Quality Policy Subsidy - County Level	Related to income	100,000.00	Other income	100,000.00
Subsidies for foreign trade growth	Related to income	100,000.00	Other income	100,000.00
Subsidy funds for Settlement in Hefei in 2022	Related to income	98,000.00	Other income	98,000.00
Employment Management Center Job Stabilisation Subsidy	Related to income	94,069.00	Other income	94,069.00
Provincial Special Fund for Business Development in 2022 (Foreign Trade Stability and Quality Improvement Project)	Related to income	61,000.00	Other income	61,000.00
Subsidy for job stabilization and skill improvement funds from the Finance Bureau	Related to income	41,700.00	Other income	41,700.00
Economic subsidies for headquarters enterprises in Suzhou Industrial Park in 2022	Related to income	40,700.00	Other income	40,700.00
State Grid demand response compensation	Related to income	15,723.61	Other income	15,723.61
Zhangjiagang Employee Subsidy	Related to income	11,000.00	Other income	11,000.00
Job stabilisation subsidy	Related to income	8,164.23	Other income	8,164.23
Premium subsidy for environmental pollution liability insurance	Related to income	8,040.00	Other income	8,040.00
Job stabilisation subsidy	Related to income	7,998.00	Other income	7,998.00
Job expansion subsidy	Related to income	3,000.00	Other income	3,000.00
Zhangjiagang job stabilisation subsidy	Related to income	2,513.98	Other income	2,513.98
Special funds for the development of the real economy	Related to income	2,200.00	Other income	2,200.00
Zhangjiagang City Treasury Receipt and Payment Center Job Stabilisation Subsidy	Related to income	1,640.60	Other income	1,640.60
Others	Related to income	437.25	Other income	437.25
2021 High tech enterprise re recognition reward	Related to income	50,000.00	Non-operating income	50,000.00
2021 High tech reward bonus redemption	Related to income	50,000.00	Non-operating income	50,000.00
2021 Local Economic Contribution Award	Related to income	63,232.00	Non-operating income	63,232.00
Rewards for the 2021 Science and Technology Innovation Jiangsu Innovation Competition	Related to income	2,000.00	Non-operating income	2,000.00
Award for Industrial Internet Construction in Funing County in 2021	Related to income	200,000.00	Non-operating income	200,000.00
2021 Funing County Green Development Award	Related to income	400,000.00	Non-operating income	400,000.00
2020 R&D Expense Award	Related to income	213,300.00	Non-operating income	213,300.00
Encourage manufacturing rewards	Related to income	570,000.00	Non-operating income	570,000.00
2020 Economic Development Zone Science and Technology Innovation Award	Related to income	30,400.00	Non-operating income	30,400.00
Others	Related to income	9,506.06	Non-operating income	9,506.06

Item	Related to assets / Related to income	Amount	Presentation	Amount included in profit or loss
Transfer from deferred income		8,263,990.79	Other income	8,263,990.79
Total		116,980,878.24		116,980,878.24

(2) Details of government grants recorded into deferred income

Item	Related to assets /Related to income	Opening balance	Addition	Transfer to profit or loss or deduction costs	other	Closing balance	Presentation when transferring to profit or loss or deduction costs
Zhangjiagang industrial enterprise technical transformation comprehensive award and subsidy fund	Related to assets	269,030.92		64,593.60		204,437.32	Other income
Zhangjiagang PV module production line technical transformation project	Related to assets	2,159,534.32		611,111.16		1,548,423.16	Other income
Zhangjiagang smart factory subsidy project	Related to assets	3,836,354.53		1,046,278.44		2,790,076.09	Other income
Provincial key R & D plan funds - high quality development industry support policy enterprise R & D institution project funds	Related to income	75,000.07		75,000.07		0.00	Other income
Zhangjiagang special fund for industrial and information industry transformation and upgrading (intelligent transformation) Zhangjiagang PV module production line technical transformation project	Related to assets	1,216,365.00		131,895.00		1,084,470.00	Other income
Efficient tile stacking component technology transformation project	Related to assets		4,135,100.00	121,620.59		4,013,479.41	Other income
Xuzhou Xinyu business development special fund subsidy	Related to assets	1,988,042.50		230,295.72		1,757,746.78	Other income
Key technologies for industrialization of n-type polysilicon battery with controllable attenuation	Related to assets	9,000,000.00				9,000,000.00	Other income
Provincial Industry and information industry transformation subsidy	Related to assets	353,507.20		353,507.20		0.00	Other income

Xuzhou solar module project equipment subsidy	Related to assets	5,000,000.00				5,000,000.00	Other income
Subsidy for key technology project of high efficiency p-type polysilicon battery industrialization	Related to assets	1,962,019.58		1,292,186.16		669,833.42	Other income
Government subsidy for double sided passivation and low contact resistance metallization of n-type batteries	Related to assets	278,216.79		172,216.65		106,000.14	Other income
Subsidy for research project on preparation of new structure double sided battery	Related to assets	211,888.72		127,000.08		84,888.64	Other income
Construction funds for supporting real economy development projects in Jurong City in 2019 (annual output of 0.1gw solar photovoltaic modules)	Related to assets	1,739,009.81		226,773.87		1,512,235.94	Other income
Special fund for transformation and upgrading of provincial industry and information industry in 2020 (Internet benchmarking factory of new and high efficiency photovoltaic module industry)	Related to assets	2,672,707.81	3,100,000.00	674,705.88		5,098,001.93	Other income
Equipment subsidy for Jurong integrated solar photovoltaic module project with annual output of 0.1gw	Related to assets	1,716,684.92		223,862.61		1,492,822.31	Other income
Large size and high efficiency photovoltaic module technology transformation project	Related to assets	1,073,346.44	2,500,000.00	869,260.67		2,704,085.77	Other income
Jinzhai industrial development special fund project	Related to assets	2,836,625.37		679,692.84		2,156,932.53	Other income
Lu'an Jinzhai advanced photovoltaic manufacturing	Related to assets	3,982,883.17		649,265.40		3,333,617.77	Other income
Funing integrated 1.2gw high efficiency components project exhibition hall	Related to assets	791,666.75		99,999.96		691,666.79	Other income
2020 comprehensive awards for technological transformation of industrial enterprises in Jiangsu Province	Related to assets	333,757.50		45,659.52		288,097.98	Other income

2020 Funing County technical transformation equipment subsidy	Related to assets	1,198,368.99		151,248.96		1,047,120.03	Other income
Comprehensive Award and Supplement for Technological Transformation of Industrial Enterprises	Related to assets	2,400,411.52		362,691.36		2,037,720.16	Other income
Supplementary funds for the 2021 Jiangsu Province Industrial Enterprise Technical Transformation Comprehensive Award	Related to assets		213,200.00	55,125.05		158,074.95	Other income
Total		45,095,421.91	9,948,300.00	8,263,990.79		46,779,731.12	

dated Scope

1. Business combinations not under common control

(1) Business combinations not under common control that occurred in the current period

Acquiree	Date of equity acquisition	Cost of equity acquisition	Proportion of equity acquired	Method of obtaining equity	Acquisition date	Basis for determining the acquisition date	Income of the acquiree from the acquisition date to the end of the period	Net profit of the acquiree from the acquisition date to the end of the period
Peixian Zhongmao Agricultural Technology Co., Ltd	08 Jul 2022		100%	Tender offer	08 Jul 2022	Transfer of control		2.37
Guangshan County Huanya Agricultural Technology Co., Ltd	29 Apr 2022		100%	Tender offer	29 Apr 2022	Transfer of control		-9.96
Jinzhai Dingfei Agricultural Technology Co., Ltd	01 Jan 2022		100%	Tender offer	01 Jan 2022	Transfer of control		

(2) Combination costs and goodwill

Combination cost	Peixian Zhongmao Agricultural Technology Co., Ltd	Guangshan County Huanya Agricultural Technology Co., Ltd	Jinzhai Dingfei Agricultural Technology Co., Ltd
-Cash			
-Others			
Total combination costs			
Less: Fair value share of identifiable net assets obtained			
The amount of goodwill/combination cost less than the fair value share of identifiable net assets obtained			

(3) The identifiable assets and liabilities of the acquiree on the purchase date

Item	Peixian Zhongmao Agricultural Technology Co., Ltd		Guangshan County Huanya Agricultural Technology Co., Ltd		Jinzhai Dingfei Agricultural Technology Co., Ltd	
	Fair value on purchase date	Book value on purchase date	Fair value on purchase date	Book value on purchase date	Fair value on purchase date	Book value on purchase date
Assets:						
Cash and cash equivalents	1,704.75	1,704.75	20.36	20.36		
Other receivables	917,767.07	917,767.07				
Other current assets			480.00	480.00		
Liabilities:						
Other payables	919,471.82	919,471.82	500.36	500.36		
Net assets						
Less: Minority equity						
Net assets acquired						

2. Disposing subsidiaries

Situation of losing control due to disposal the investment in the subsidiary in one transaction

Item	Shaanxi Zhongtian Jiayang New Energy Development Co., Ltd	One Stop Warehouse Pty Ltd
Price of disposal equity shares	40,000,000.00	132,692,175.00
Percentage of disposal equity shares (%)	100.00%	15%
Way of disposal equity shares	Sale	Sale
Time point of losing control	April 2022	December 2022
Basis of determining time point of losing control	Transfer of management power	Transfer of management power
Difference of disposing price and the attributable share of net assets of the subsidiaries at the consolidated financial statements level corresponding to the investments disposed	10,186,081.52	92,832,039.72
Percentage of residual equity shares at the date of losing control		36%
Book value of residual equity shares at the date of losing control		83,821,495.58
Fair value of residual equity shares at the date of losing control		270,208,523.73
Gains/losses arising from re-measuring residual equity shares at fair value		186,387,028.15
Ways and main assumptions of determining fair value of residual equity shares at the date of losing control		Determined based on the fair value share of the overall equity after considering minority equity discount

Item	Shaanxi Zhongtian Jiayang New Energy Development Co., Ltd	One Stop Warehouse Pty Ltd
Amount of other comprehensive income related to original equity investment in the subsidiary transferred to investment income		-2,341,692.03

(Continued)

Item	Inner Mongolia Xiexin Electric Co., Ltd	GCL System Integration (Beijing) Co., Ltd
Price of disposal equity shares		
Percentage of disposal equity shares (%)	35.00%	70.00%
Way of disposal equity shares	Sale	Sale
Time point of losing control	January 2022	January 2022
Basis of determining time point of losing control	Transfer of management power	Transfer of management power
Difference of disposing price and the attributable share of net assets of the subsidiaries at the consolidated financial statements level corresponding to the investments disposed	50,440.06	2,195,232.60

(Continued)

Item	GCL System Integration (Jiuquan) Co., Ltd	
Price of disposal equity shares		
Percentage of disposal equity shares (%)		35.70%
Way of disposal equity shares		Sale
Time point of losing control		January 2022
Basis of determining time point of losing control		Transfer of management power
Difference of disposing price and the attributable share of net assets of the subsidiaries at the consolidated financial statements level corresponding to the investments disposed		85.38

3. Consolidated scope changes due to other reasons

The newly established subsidiaries in this period are as follows:

(1) Hefei GCL Integrated Photoenergy Technology Co., Ltd., the subscribed capital is CNY 100,000,000.00, and the actual contribution is CNY 0.00.

(2) Sichuan Xiexin Green Energy Engineering Technology Co., Ltd., the subscribed capital is CNY 100,000,000.00, and the actual contribution is CNY 750,000.00.

(3) Inner Mongolia GCL High tech Energy System Technology Co., Ltd., the subscribed capital is CNY 10,000,000.00, and the actual contribution is CNY 400,000.00.

(4) Hefei Xinyu Photovoltaic Power Generation Co., Ltd., the subscribed capital is CNY 18,000,000.00, and the actual contribution is CNY 18,000,000.00.

(5) Wuhu GCL Integrated New Energy Technology Co., Ltd., the subscribed capital is CNY 100,000,000.00, and the actual contribution is CNY 239,341,179.23.

The subsidiaries deregistered in this period are as follows: Peixian Xinshang New Energy Industry Fund Partnership (limited partnership).

VII. Equity in Other Entities

1. Equity in subsidiaries

(1) Group composition

Name of subsidiary	Operation site	Registration place	Business nature	Shareholding proportion (%)		Way of obtaining
				Direct	Indirect	
Zhangjiagang GCL Integrated Technology Co., Ltd.	Zhangjiagang, Jiangsu	Zhangjiagang, Jiangsu	Photovoltaic modules manufacturing	100.00		Combinations not under common control
Ma'anshan Qichen Energy Technology Co., Ltd	Ma'anshan, Anhui	Ma'anshan, Anhui	Photovoltaic cell manufacturing		100.00	New set
Xuzhou GCL Semiconductor Innovation and Development Co., Ltd	Xuzhou, Jiangsu	Xuzhou, Jiangsu	Semiconductor, new energy related		100.00	Combinations not under common control
Funing GCL Integrated Technology Co., Ltd	Yancheng, Jiangsu	Yancheng, Jiangsu	Photovoltaic modules manufacturing		100.00	New set
Jinzhai GCL Integrated Technology Development Co., Ltd	Jinzhai, Anhui	Jinzhai, Anhui	Photovoltaic modules manufacturing		100.00	New set
GCL Integrated (Shanghai) Solar Energy Technology Co., Ltd	Shanghai	Shanghai	New energy technology services		100.00	New set
Hefei GCL Integrated Optoelectronic Technology Co., Ltd	Hefei, Anhui	Hefei, Anhui	Semiconductor material manufacturing and sales		100.00	New set
Funing GCL Integrated Energy Technology Co., Ltd	Yancheng, Jiangsu	Yancheng, Jiangsu	New energy technology services		70.00	New set
GCL Integrated Technology (Suzhou) Co., Ltd	Suzhou, Jiangsu	Suzhou, Jiangsu	Photovoltaic power plant integration	100.00		New set
Xuzhou Xinyu Photovoltaic Technology Co., Ltd	Xuzhou, Jiangsu	Xuzhou, Jiangsu	Photovoltaic cell manufacturing	36.36	63.64	New set
Suzhou GCL Clean Energy Development Co., Ltd	Suzhou, Jiangsu	Suzhou, Jiangsu	New energy technology services		100.00	New set
Zhangjiagang GCL Integrated Technology Development Co., Ltd	Zhangjiagang, Jiangsu	Zhangjiagang, Jiangsu	New energy technology services		100.00	New set
GCL Integrated Technology Development (Xuzhou) Co., Ltd	Xuzhou, Jiangsu	Xuzhou, Jiangsu	Sales of photovoltaic equipment		100.00	New set

Name of subsidiary	Operation site	Registration place	Business nature	Shareholding proportion (%)		Way of obtaining
				Direct	Indirect	
Hefei GCL System Integration New Energy Technology Co., Ltd	Hefei, Anhui	Hefei, Anhui	Sales of photovoltaic modules		100.00	New set
GCL Integrated Power Technology (Suzhou) Co., Ltd	Suzhou, Jiangsu	Suzhou, Jiangsu	Solar power generation technology services		70.00	New set
Jinzhai Xie Neng Solar Power Generation Co., Ltd	Jinzhai, Anhui	Jinzhai, Anhui	Sales of photovoltaic equipment		100.00	New set
Suzhou Jingcheng Photovoltaic Power Technology Co., Ltd	Suzhou, Jiangsu	Suzhou, Jiangsu	Power generation, transmission, and supply business		100.00	New set
Peixian Zhongmao Agricultural Technology Co., Ltd	Xuzhou, Jiangsu	Xuzhou, Jiangsu	Agricultural Machinery Services		100.00	Combinations not under common control
Guangshan County Huanya Agricultural Technology Co., Ltd	Xinyang, Henan	Xinyang, Henan	Agricultural equipment sales		100.00	Combinations not under common control
Jinzhai Dingfei Agricultural Technology Co., Ltd	Luan, Anhui	Luan, Anhui	Agricultural equipment sales		100.00	Combinations not under common control
Shandong GCL Integrated Energy Technology Co., Ltd	Dezhou, Shandong	Dezhou, Shandong	New energy technology services		51	New set
Jurong GCL Integrated Technology Co., Ltd	Jurong, Jiangsu	Jurong, Jiangsu	Photovoltaic module manufacturing		100.00	Combinations not under common control
Leshan GCL Integrated Technology Co., Ltd	Leshan, Sichuan	Leshan, Sichuan	Sales of photovoltaic modules		100.00	New set
Hefei GCL Integrated Photoenergy Technology Co., Ltd	Hefei, Anhui	Hefei, Anhui	Semiconductor material manufacturing and sales		100.00	New set
Hefei Xinyu Photovoltaic Power Generation Co., Ltd	Hefei, Anhui	Hefei, Anhui	Sales of photovoltaic modules		100.00	New set
Wuhu GCL Integrated New Energy Technology Co., Ltd	Wuhu, Anhui	Wuhu, Anhui	Sales of photovoltaic modules		100.00	New set
Hebei Xinda Yicheng Photovoltaic Technology Co., Ltd	Zhuolu county, Hebei	Zhuolu county, Hebei	Photovoltaic technology research and development promotion		100.00	Combinations not under common control
Jurong Dongsheng	Jurong, Jiangsu	Jurong, Jiangsu	Sales of photovoltaic modules		100.00	New set

Name of subsidiary	Operation site	Registration place	Business nature	Shareholding proportion (%)		Way of obtaining
				Direct	Indirect	
Energy Technology Co., Ltd						
Dongsheng Photovoltaic Technology (Hong Kong) Co., Ltd	Hong Kong	Hong Kong	Investment Management Consulting		100.00	New set
Jurong Xinshengkai Xunhui Photovoltaic New Energy Co., Ltd	Jurong, Jiangsu	Jurong, Jiangsu	Sales of photovoltaic modules		100.00	New set
Suzhou GCL Integrated Investment Co., Ltd	Suzhou, Jiangsu	Suzhou, Jiangsu	Investment consulting	100.00		New set
Suzhou GCL Integrated Energy Storage Technology Co., Ltd	Suzhou, Jiangsu	Suzhou, Jiangsu	R&D and manufacturing of energy storage systems		100.00	New set
Suzhou GCL Mingpeng Energy Technology Co., Ltd	Suzhou, Jiangsu	Suzhou, Jiangsu	New energy technology services		60.00	New set
GCL Integrated Technology (Hong Kong) Co., Ltd	Hong Kong	Hong Kong	Sales of solar power generation system integration	100.00		New set
GCL System Integration Technology (India) Private Limited	India	India	Sales of photovoltaic modules	1.00	99.00	New set
GCL System Integration Technology LLC	America	America	Sales of photovoltaic modules		100.00	New set
GCL Solar Japan Co.,Ltd.	Japan	Japan	Sales of modules		100.00	New set
GCL System Integration Technology Pte.Ltd.	Singapore	Singapore	Investment and sales on photovoltaic solar energy and other new energy products and equipment	100.00		New set
GCL System Integration Technology Korea Co.,Ltd.	Korea	Korea	Sales of photovoltaic modules		100.00	New set
GCL System Integration Technology GmbH	Germany	Germany	Sales of photovoltaic modules		100.00	New set
GCL Anover Fotovoltaica Energia, S.L.	Spain	Spain	Photovoltaic power station		100.00	New set
GCL Belinchon Energy, S.L.	Spain	Spain	Photovoltaic power station		100.00	New set
GCL Castilla	Spain	Spain	Photovoltaic power station		100.00	New set

Name of subsidiary	Operation site	Registration place	Business nature	Shareholding proportion (%)		Way of obtaining
				Direct	Indirect	
Fotovoltaica Energia, S.L.	Spain	Spain	Photovoltaic power station		100.00	New set
GCL Iberia Solar Energy, S.L.						
GCL System Integration Technology Pty Ltd	Australia	Australia	Sale of modules		100.00	New set
GCL Green Energy System Technology Co., Ltd	Nanjing, Jiangsu	Nanjing, Jiangsu	New energy technology services	100.00		Combinations not under common control
GCL (Suzhou) Energy Testing Technology Co., Ltd	Suzhou, Jiangsu	Suzhou, Jiangsu	New energy technology services		100.00	New set
GCL Energy Technology Co., Ltd	Lhasa, Tibet	Lhasa, Tibet	New energy technology services		100.00	New set
Sichuan Xiexin Green Energy Engineering Technology Co., Ltd	Chengdu, Sichuan	Chengdu, Sichuan	Sales of photovoltaic modules		100.00	New set
Inner Mongolia GCL High tech Energy System Technology Co., Ltd	Hohhot, Inner Mongolia	Hohhot, Inner Mongolia	Photovoltaic module manufacturing		100.00	New set
Suzhou GCL Integrated Technology Industrial Application Research Institute Co., Ltd	Suzhou, Jiangsu	Suzhou, Jiangsu	New energy technology services	100.00		New set
Suzhou GCL Guoxin Financial Consulting Co., Ltd	Suzhou, Jiangsu	Suzhou, Jiangsu	Financial service	100.00		New set
Shanghai GCL Financial Information Service Co., Ltd	Shanghai	Shanghai	Financial service	100.00		New set
Xieyi Commercial Factoring (Suzhou) Co., Ltd	Suzhou, Jiangsu	Suzhou, Jiangsu	Financial service	100.00		New set
Qinneng Lulong County Photovoltaic Power Development Co., Ltd	Qinhuangdao, Hebei	Qinhuangdao, Hebei	Photovoltaic power station	100.00		Combinations not under common control
Shiyuan Yuanshi Photovoltaic Power Development Co., Ltd	Shijiazhuang, Hebei	Shijiazhuang, Hebei	Photovoltaic power station	100.00		Combinations not under common control
Tangneng (Qianxi) Photovoltaic Power Development Co., Ltd	Qianxi county, Hebei	Qianxi county, Hebei	Photovoltaic power station	100.00		Combinations not under common control

Name of subsidiary	Operation site	Registration place	Business nature	Shareholding proportion (%)		Way of obtaining
				Direct	Indirect	
Wangdu Yingyuan Photovoltaic Technology Co., Ltd	Baoding, Hebei	Baoding, Hebei	Photovoltaic power station		100.00	Combinations not under common control
Suzhou GCL Integrated Fund Management Co., Ltd	Suzhou, Jiangsu	Suzhou, Jiangsu	Private Fund Management	100.00		New set
GCL Comprehensive Energy Services (Suzhou) Co., Ltd	Suzhou, Jiangsu	Suzhou, Jiangsu	New energy technology services	70.00		New set

2. Equity in joint arrangement or joint venture

(1) Important joint ventures or associates

Name of joint venture/associate	Operation site	Registration place	Business nature	Shareholding proportion (%)		Accounting method
				Direct	Indirect	
GCL Integration (Shanghai) Energy Technology Development Co., Ltd.	Shanghai	Shanghai	Solar power	20.00		Equity method
Wanhulian New Energy Technology Co., Ltd.	Nanjing	Nanjing	New energy technology services		35.29	Equity method
Beijing Zhixin Media Technology Co., Ltd.	Beijing	Beijing	Exhibition service	30.00		Equity method
GCL System New Energy Holding Limited.	Suzhou, Jiangsu	Hong Kong	Solar power		8.16	Equity method
Xuzhou Ruixin Electronic Industry Fund	Xuzhou, Jiangsu	Xuzhou, Jiangsu	Business services		25.38	Equity method
GCL&PTS International Pte. Ltd.	Singapore	Singapore	Trade services	19.75		Equity method
Suzhou Mito Technology Co., Ltd.	Suzhou, Jiangsu	Suzhou, Jiangsu	Retail		30.00	Equity method
Funing Guangyang New Energy Co., Ltd	Yancheng, Jiangsu	Yancheng, Jiangsu	Power production		20.00	Equity method

Name of joint venture/associate	Operation site	Registration place	Business nature	Shareholding proportion (%)		Accounting method
				Direct	Indirect	
GCL Photovoltaic Technology Development Wuxi Co., Ltd	Wuxi, Jiangsu	Wuxi, Jiangsu	Engineering and Technical Research and Experimental Development		40.00	Equity method
Xinchu Energy Technology (Guangdong) Co., Ltd	Guangzhou, Guangdong	Guangzhou, Guangdong	Technology promotion and application services		30.00	Equity method
ONE STOP WAREHOUSE PTY LTD	Australia	Australia	Sales of photovoltaic modules		32.14	Equity method

Other statements: Holding 8.16% shares of GCL System New Energy Holding Limited, the Company has significant influence on it because the actual controllers are same and the Company has a seat on its board of directors.

(2) Major financial information of important associates of the Company

Item	Closing balance/Current period amount	
	GCL Integration (Shanghai) Energy Technology Development Co., Ltd.	Beijing Zhixin Media Technology Co., Ltd. / Beijing Photon International Exhibition Service Co., Ltd. (original name)
Current asset	103,339,227.24	11,890,969.37
Non-current asset	262,782,680.20	519,279.24
Total asset	366,121,907.44	12,410,248.61
Current liability	60,607,381.19	932,301.63
Non-current liability	-	-
Total liability	60,607,381.19	932,301.63
Non-controlling shareholder interest		
Shareholder interest attributed to parent company	305,514,526.25	11,477,946.98
Share of net assets based on shareholding proportion	61,102,905.25	3,443,384.09
Adjustments	4,762,269.98	7,754,230.38
Goodwill	12,460,795.86	7,754,230.38
Unrealised profits from internal transactions	7,698,525.88	
Book value of equity investments in associate company	65,865,175.23	11,197,614.47
Fair value of equity investments that have public quote		
Operation income	-	10,018,736.22

Net profit	-4,933,293.85	592,956.65
Other comprehensive income		
Total comprehensive income	-4,933,293.85	592,956.65
Dividends from associate company		

(Continued)

Item	Closing balance/Current period amount	
	Xuzhou Ruixin Electronic Industry Fund	GCL System New Energy Holding Limited
Current asset	90,102.94	5,590,110,991.47
Non-current asset	2,634,337,892.37	6,573,445,410.41
Total asset	2,634,427,995.31	12,163,556,401.88
Current liability	80,000.00	1,795,802,301.10
Non-current liability	-	4,389,722,221.78
Total liability	80,000.00	6,185,524,522.88
Non-controlling shareholder interest		2,773,356,192.96
Shareholder interest attributed to parent company	2,634,347,995.31	3,204,675,686.04
Share of net assets based on shareholding proportion	668,597,521.21	261,501,535.99
Adjustments		255,880,670.00
-Goodwill		255,880,670.00
-Unrealised profits from internal transactions		
Book value of equity investments in associate company	668,597,521.21	517,382,205.99
Fair value of equity investments that have public quote		108,967,066.59
Operation income	-	929,056,940.83
Net profit	470,551,585.38	-1,492,545,768.61
Other comprehensive income	-166,354.52	47,290,768.61
Total comprehensive income	470,385,230.86	-1,445,255,000.00
Dividends from associate company		

(Continued)

Item	Closing balance/Current period amount	
	One Stop Warehouse Pty Ltd	

Current asset	675,673,569.91
Non-current asset	95,698,920.33
Total asset	771,372,490.24
Current liability	266,721,083.06
Non-current liability	241,250,110.58
Total liability	507,971,193.64
Non-controlling shareholder interest	
Shareholder interest attributed to parent company	263,401,296.60
Share of net assets based on shareholding proportion	84,657,176.73
Adjustments	
-Goodwill	180,553,251.66
-Unrealised profits from internal transactions	
Book value of equity investments in associate company	
Fair value of equity investments that have public quote	
Operation income	2,891,079,658.24
Net profit	-21,147,897.81
Other comprehensive income	-19,634,478.20
Total comprehensive income	-40,782,376.01
Dividends from associate company	

(Continued)

Item	Opening balance/ Previous period amount	
	GCL integration (Shanghai) Energy Technology Development Co., Ltd	Beijing Zhixin Media Technology Co., Ltd. / Beijing photonics International Exhibition Service Co., Ltd. (original name)
Current asset	105,252,769.88	12,361,763.19
Non-current asset	265,892,615.41	108,732.30
Total asset	371,145,385.29	12,470,495.49
Current liability	60,695,453.05	1,585,505.16
Non-current liability		
Total liability	60,695,453.05	1,585,505.16
Non-controlling shareholder interest		

Shareholder interest attributed to parent company	310,449,932.24	10,884,990.33
Share of net assets based on shareholding proportion	62,089,986.45	3,265,497.10
Adjustments	4,539,269.68	7,754,230.38
-Goodwill	12,460,795.86	7,754,230.38
-Unrealised profits from internal transactions	7,921,526.18	
Book value of equity investments in associate company	66,629,256.13	11,019,727.48
Fair value of equity investments that have public quote		
Operation income		13,439,029.79
Net profit	-9,242,030.67	1,662,365.39
Other comprehensive income		
Total comprehensive income	-9,242,030.67	1,662,365.39
Dividends from associate company		

(Continued)

Item	Opening balance/ Previous period amount	
	Xuzhou Ruixin Electronic Industry Fund	GCL System New Energy Holding Limited
Current asset	56,503.51	8,202,226,905.00
Non-current asset	2,166,189,297.90	7,714,442,631.00
Total asset	2,166,245,801.41	15,916,669,536.00
Current liability	31,000.00	3,643,971,063.00
Non-current liability		5,318,825,091.00
Total liability	31,000.00	8,962,796,154.00
Non-controlling shareholder interest		2,587,664,447.00
Shareholder interest attributed to parent company	2,166,214,801.41	4,366,208,935.00
Share of net assets based on shareholding proportion	549,785,316.60	412,301,109.73
Adjustments		283,610,483.29
-Goodwill		283,610,483.29
-Unrealised profits from internal transactions		
Book value of equity investments in associate company	549,785,316.59	695,911,593.02
Fair value of equity investments that have public quote		453,622,835.64

Operation income	-	2,844,899,129.00
Net profit	-31,783,956.17	-790,273,637.00
Other comprehensive income	155,293.79	26,554,000.00
Total Comprehensive income	-31,628,662.38	-535,170,441.00
Dividends from Associate Company		

(3) Financial information summarized of immaterial joint ventures and associate companies

Item	Closing Balance/ Current Period Amount	Opening Balance/ Prior Period Amount
Associate		
Total book value of investments	2,364,191.48	832,958.98
The following items are total amounts calculated on the basis of shareholding proportion		
-Net profit	501,130.84	-134,301.02
-Other comprehensive income		
-Total comprehensive income	501,130.84	-134,301.02

VIII. Risks Related to Financial Instruments

1. Credit risk

Credit risk refers to a risk that one party to the financial instruments suffers financial losses due to the failure of the other party in performing the obligations. The Company mainly faces customer credit risks caused by sales. To reduce credit risks, the Company established special department to be responsible for confirming credit limit, conducting credit approval and executing other monitoring procedures to guarantee necessary procedures adopted to collect overdue accounts receivable. In addition, the Company reviews the recoverable amount of each accounts receivable on each balance sheet date to ensure that the allowance for bad debts is fully made. Therefore, the management of the Company believes credit risk undertaken by the Company has been reduced significantly.

As Company's funds are deposited in banks with high credit ratings, the working capital is exposed to low credit risk.

Risk exposure of the Company is distributed in several contracting parties and many customers. Therefore, the Company does not have other important credit concentration risks.

2. Market risk

(1) Interests rate risk

Interest rate risk refers to the risk that fair value or future cash flows of financial instruments fluctuate due to variations in market interest rate. The Company's interest rate risk mainly derives from bank borrowings. The current policy of the Company is that fixed rate loans account for 100.00% of external borrowings. In order to maintain this ratio, the Company may use interest rate swaps to achieve the expected interest rate structure. Though such policy can neither make the Company completely avoid the risk that the payment interest rate would exceed the current market interest rate, nor completely eliminate the cash flow risk with respect to the fluctuation of interest payment, the management considers that such policy has realised the reasonable balance among these risks.

On 31 December 2022, if the interest rate increased or decreased by 100 base points when other variables remained the same, the Company's net profit would decrease or increase by CNY

24.6030 million. The management believes that 100 base points reasonably reflects the scope of potential changes in the interest rate for the next year.

(2) Exchange rate risk

The Company's exchange rate risk mainly derives from the following two aspects:

Company operated in China: The main risk derives from the exchange difference exposed by foreign currency funds, financial assets and financial liabilities denominated in foreign currency due to exchange rate fluctuations;

Company operated outside China: The main risk derives from overseas assets devaluation caused by exchange rate fluctuations of functional currency and the decrease in the profits when converting into equivalent CNY.

Main exchange rate risk comes from financial asset and liabilities that are calculated as per USD, EUR, JPY, HKD and KRW. Amount after converting foreign currency financial assets and liabilities into CNY is as below:

Item	Closing balance (Original currency)				
	USD	EUR	JPY	HKD	KRW
Cash and cash equivalents	17,699,504.99	9,585,960.72	8,806,717.00	2,358,743.93	72,073,459.00
Accounts receivable	91,417,731.80	38,171,866.86	869,255,125.97		
Other receivable	13,303,120.97	728,260.30	287,682,801.60	405,770,499.27	4,950,000.00
Total assets	122,420,357.76	48,486,087.88	1,165,744,644.57	408,129,243.20	77,023,459.00
Accounts payable	60,220,028.98	41,803,479.69	40,192,447.00		
Other payable	138,655,294.63	3,932,324.22	280,222,064.53	404,310,176.04	4,950,000.00
Short-term loan				81,548,294.93	
Total liabilities	198,875,323.61	45,735,803.91	320,414,511.53	485,858,470.97	4,950,000.00
Net amount	-76,454,965.85	2,750,283.97	845,330,133.04	-77,729,227.77	72,073,459.00

(Continued)

Item	Closing balance (Converted into CNY)				
	USD	EUR	JPY	HKD	KRW
Cash and cash equivalents	123,269,972.45	71,155,627.83	461,348.67	2,107,065.93	396,371.71
Accounts receivable	636,687,934.89	283,345,950.52	45,536,798.79		
Other receivable	92,650,916.31	5,405,803.38	15,070,551.17	362,474,783.12	27,222.78
Total assets	852,608,823.66	359,907,381.72	61,068,698.63	364,581,849.06	423,594.49
Accounts payable	419,408,413.83	310,303,049.39	2,105,521.52		
Other payable	965,678,664.98	29,189,249.45	14,679,713.00	361,170,276.40	27,222.78
Short-term loan				72,847,091.08	

Item	Closing balance (Converted into CNY)				
	USD	EUR	JPY	HKD	KRW
Total liabilities	1,385,087,078.81	339,492,298.84	16,785,234.51	434,017,367.48	27,222.78
Net amount	-532,478,255.15	20,415,082.88	44,283,464.12	-69,435,518.42	396,371.71

On 31 December 2022, with all other variables unchanged, if the USD appreciates or depreciates 1% against other currencies, the Company will increase or decrease the total profit of CNY -5,324,782.55; all other variables remain unchanged, if the EUR appreciates or depreciates 1% against other currencies, the Company will increase or decrease the total profit of CNY 204,150.83; all other variables remain unchanged, if the JPY appreciates or depreciates 1% against other currencies, the Company will decrease or increase the total profit of CNY 442,834.64; all other variables remain unchanged, if the HKD appreciates or depreciates 1% against other currencies, the Company will increase or decrease the total profit of CNY -694,355.18; all other variables remain unchanged, if the KRW appreciates or depreciates 1% against other currencies, the Company will increase or decrease the total profit of CNY 3,963.72.

(3) Other price risks

The Company holds shares of Kaisheng New Energy Co., Ltd. as investment in other equity instruments, as of 31 December 2022, the Company holds 437,734.00 shares, the closing price is CNY 20.04 per share, and the total fair value is CNY 8,772,189.36. There is a risk of stock price fluctuation during the holding period, and the relevant fair value fluctuations are included in other comprehensive income. The Company's other comprehensive income do not affect profits and losses unless there is a significant or non-temporary decline to accrue impairment.

3. Liquidity risk

Liquidity risks refer to risk that fund shortage occurs when performing obligation of paying cash or settling via other financial assets. Policies of the Company are to ensure sufficient cash on hand to pay matured debts. Liquidity risk is under centralised control of the financial department of the Company. The financial department monitors cash balance and readily realizable and marketable securities and makes rolling forecast on cash flows of the next 12 months to ensure that the Company has sufficient funds to pay debts in all cases of reasonable prediction.

IX. Fair Value Disclosure

1. Continuous measurement at fair value and discontinuous measurement at fair value

Item	Closing fair value			
	Within level 1 of the fair value hierarchy	Within level 2 of the fair value hierarchy	Within level 3 of the fair value hierarchy	Total
Disclosure of continuous measurement at fair value				
(1) Financial assets measured at fair value through current profit or loss				
Financial assets held for trading				
Debt instrument investment				

Item	Closing fair value			
	Within level 1 of the fair value hierarchy	Within level 2 of the fair value hierarchy	Within level 3 of the fair value hierarchy	Total
Equity instrument investment				
Derivative financial assets				
(2) Accounts receivable financing			493,230,780.95	493,230,780.95
(3) Other equity instrument investment	8,772,189.36		2,971,338.25	11,743,527.61
Financial assets measured at fair value through other comprehensive income	8,772,189.36		2,971,338.25	11,743,527.61
Financial assets measured at fair value through current profit or loss				
(4) Other non-current financial assets			29,000,000.00	29,000,000.00
Financial assets designated at fair value through current profit or loss			29,000,000.00	29,000,000.00
(5) Investment properties				
Land use right rent				
Buildings rent				
Land use right held for appreciation and sale				
(6) Biological assets				
Consumable biological assets				
Productive biological assets				
Total amount of assets measured at fair value continuously	8,772,189.36		525,202,119.20	533,974,308.56
(7) Financial liabilities held for trading				
Trading bonds issued				
Derivative financial liabilities				
Others				
(8) Financial liabilities designated at fair value through current profit or loss				
Total amount of liabilities measured at fair value continuously				
Total amount of liabilities measured at fair value discontinuously				

2. Determination basis of the market value of items measured continuously and discontinuously within Level 1 of the fair value hierarchy

Item	Fair value	Active market quote
------	------------	---------------------

		Main market(Most favorable market)	Transaction price	Historical quantity of transactions	Sources
Continuous measurement at fair value					
—Financial assets measured at FVOCI	16,148,007.26	Shanghai Stock Exchange	CNY 20.04 per share		www.cninfo.com.

3. Financial Assets and Liabilities Not Measured at Fair Value

There is no significant difference between the book value and fair value of various financial assets and financial liabilities as at 31 December.

X. Related Parties and Related Party Transactions

1. The parent company of the company

Name of the parent company	Registered capital	Business nature	Registered capital	Shareholding proportion by the parent company	Voting rights proportion by the parent company	Ultimate controller of the company
GCL Group	Suzhou, Jiangsu	Project investment	CNY 9.6 billion	7.97%	25.73%	Zhu Gongshan

Statements for situation of parent company:

GCL Group was founded on 24 October 2011 with registered capital of CNY 9.64 billion. Its main business scope includes: general items: investment activities with self-owned funds; Asset management services for self-owned capital investment; Sales of solar thermal utilization equipment; Sales of solar thermal products; Enterprise management consulting; Software development; General mechanical equipment installation services; Information technology consulting services; Technical service, technical development, technical consultation, technical exchange, technology transfer and technology promotion (except for projects subject to approval according to law, business activities shall be carried out independently according to law with the business license)

The Company's ultimate controller: Zhu Gongshan .

Other statements:

The controlling shareholder of the Company is GCL group. According to the "Agreement on Concerted Action" signed by Yingkou Qiyin and GCL Group on 26 May 2015, the "Shares Transfer Agreement" signed by GCL Group, Yingkou Qiyin and Huaxin Commercial Factoring on 29 May 2019 and the "Shares Transfer Agreement" signed by Huaxin Commercial Factoring and GCL Construction on 27 June 2021, GCL Construction has made completely consistent decisions and taken completely consistent actions with GCL Group and Yingkou Qiyin on major matters related to GCL integration after the shares transfer. Therefore, Yingkou Qiyin and GCL Construction are acting in concert of GCL Group.

As of 31 December 2022, Yingkou Qiyin holds 519,141,700 shares, accounting for 8.87%, Jiangsu GCL Construction Management Co., Ltd holds 520,000,000 shares, accounting for 8.89%, and GCL Group holds 466,030,445 shares, accounting for 7.97%, accounting for 25.73% of the Company's voting rights in total.

2. Other related party of the company

Name of Other Related Party	Relationship with the Company
Shanghai Guoneng Investment Co., Ltd	Previously under under common control
Suzhou Xinzhihai Enterprise Management Consulting Co., Ltd	Under common control
GCL Shangri-La Hotel of Jiangsu Jiarun Real Estate Co., Ltd	Under common control
Wuhan GCL New Energy Power Design Co., Ltd	Under common control
Jiangsu Xiexin Power Sales Co., Ltd	Under common control
Shanghai Ruiying Management Consulting Co., Ltd	Under common control
Suzhou Weicheng Tendering Service Co., Ltd	Under common control
Taicang Port GCL Power Generation Co., Ltd	Under common control
Jiangsu Kaixin Chelian Technology Co., Ltd	Under common control
Suzhou GCL Industrial Application Research Institute Co., Ltd	Under common control
Xinjiang Xiexin New Energy Power Co., Ltd	Under common control
Shandong Wanhai Power Co., Ltd	Under common control
Jiangsu Weicheng Tendering Co., Ltd	Under common control
Suzhou GCL New Energy Operation Technology Co., Ltd	Under common control
Guangxi GCL Zhongma Distributed Energy Co., Ltd	Under common control
Jiangsu GCL Energy System Manufacturing Co., Ltd	Under common control
Shenzhen GCL Smart Energy Co., Ltd	Under common control
Xuzhou Xiexin Optoelectronic Technology Co., Ltd	Under common control
Funing GCL Photovoltaic Technology Co., Ltd	Under common control
GCL Technology (Suzhou) Co., Ltd	Under common control
Suzhou Zhidian Energy Saving Technology Co., Ltd	Under common control
Xuzhou Tongxin Optoelectronic Technology Co., Ltd	Under common control
Jiangsu Xincaiyun Information Technology Co., Ltd	Under common control
GCL New Energy Inc.	Under common control
Nanjing Xinneng Sunshine Industry Investment Fund Enterprise (limited partnership)	Under common control
GCL Capital Management Co., Ltd	Under common control

GCL Photovoltaic System Co., Ltd	Under common control
Zhiyue Holdings Limited	Under common control
Jiangsu GCL Sunshine Charity Foundation	Under common control
Gaotang Xiechen Photovoltaic Power Generation Co., Ltd	Under common control

3. Subsidiaries of the company:

Please refer to Note VII-1 for more details.

4. Joint venture and associate of the company

Please refer to Note VII-2 for more details.

Other joint ventures or associates that have related party transactions with the Company in current period or in previous period and result in account balance are as follows:

Name of joint ventures or associate	Relationship with the company
GCL&PTS International Pte. Ltd.	Associate
Beijing Zhixin Media Technology Co., Ltd	Associate
Wanhulian New Energy Technology Co., Ltd	Associate

5. Related party transactions

(1) Related transactions of purchase and sales of goods / supply and receipt of services purchase of goods / receipt of services

Name of related party	Transaction	Amount in current period	Amount in previous period
GCL Shangri La Hotel of Jiangsu Jiarun Real Estate Co., Ltd	Catering service	169,934.03	227,194.50
Jiangsu Xincaiyun Information Technology Co., Ltd	Consulting fee	943,396.23	943,396.20
Suzhou Xinzhihai Enterprise Management Consulting Co., Ltd	Consulting service	1,149,593.21	314,567.17
Suzhou GCL New Energy Operation Technology Co., Ltd	Operation and maintenance fees	3,395,457.11	
Suzhou Zhidian Energy Saving Technology Co., Ltd	Engineering materials and equipment	522,123.89	
Wuhan GCL New Energy Power Design Co., Ltd	Procurement of goods	619,469.03	
Jiangsu GCL Sunshine Charity Foundation	Donation		300,000.00
Jiangsu Weicheng Tendering Co., Ltd	Tender service fee		13,799.42
Suzhou Weicheng Tendering Service Co., Ltd	Tender service fee		23,632.08

Sales of goods and rendering of service

Name of related party	Transaction	Amount in current period	Amount in previous period
Funing GCL Photovoltaic Technology Co., Ltd	Electricity income	114,690.30	158,230.09
Guangxi GCL China Malaysia Distributed Energy Co., Ltd	Service fee	221,698.11	56,603.77

Name of related party	Transaction	Amount in current period	Amount in previous period
Jiangsu GCL Power Sales Co., Ltd	Module sale	464,453.10	382,207.08
Shandong Wanhai Power Co., Ltd	Construction and installation income	2,476,547.71	
Shandong Wanhai Power Co., Ltd	Technical services income	75,471.70	
Shandong Wanhai Power Co., Ltd	Sale of photovoltaic systems	1,385,054.87	
Wuhan GCL New Energy Power Design Co., Ltd	Module sale	773,776.99	
GCL & PTS International Pte. Ltd.	Module sale		3,261,193.48
Suzhou GCL New Energy Operation Technology Co., Ltd	Service fee		37,735.85
Xinjiang GCL New Energy Power Co., Ltd	Service fee		122,641.51
Xuzhou Tongxin Optoelectronic Technology Co., Ltd	Water and electricity expenses	20,389.01	
Gaotang Xiechen Photovoltaic Power Generation Co., Ltd	EPC	12,615,023.98	

(2) Related party lease

The Company as lessor

Name of lessee	Type of leased asset	Lease income in current period	Lease income in previous period
Xuzhou Tongxin Photoelectric Technology Co., Ltd.	Properties, buildings		72,000.00

The Company as lessee

Name of lessor	Type of leased asset	Lease expense in current period	Lease expense in previous period
Suzhou GCL Industrial Application Research Institute Co., Ltd.	Properties, buildings	4,302,945.28	13,656,086.82
GCL New Energy Inc.	Properties, buildings	41,787.60	428,322.00
Shanghai Ruiying Management Consulting Co., Ltd	Properties, buildings	849,928.57	
Jiangsu GCL Energy System Manufacturing Co., Ltd	Properties, buildings	5,963,302.75	5,963,303.04

(3) Related party guarantees

The company as guarantor

Name of guarantee	Amount of guarantee	Starting date of guarantee	Ending date of guarantee	Has the guarantee been performed or not
GCL integrated technology (Suzhou) Co., Ltd	30,000,000.00	16 Aug 2022	15 Feb 2024	Not
GCL integrated technology (Suzhou) Co., Ltd	70,960,000.00	31 Oct 2022	31 Oct 2027	Not
Xuzhou Xinyu Photovoltaic Technology Co., Ltd.	72,000,000.00	17 Aug 2022	17 Aug 2026	Not
Xuzhou Xinyu Photovoltaic Technology Co., Ltd.	55,000,000.00	28 Sep 2022	15 Sep 2026	Not

Name of guarantee	Amount of guarantee	Starting date of guarantee	Ending date of guarantee	Has the guarantee been performed or not
Jurong GCL System Integrated Technology Co., Ltd.	15,000,000.00	16 Aug 2022	3 Apr 2026	Not
Jurong GCL System Integrated Technology Co., Ltd.	32,000,000.00	15 Aug 2022	8 Aug 2026	Not
Jurong GCL System Integrated Technology Co., Ltd.	48,000,000.00	17 Aug 2022	8 Aug 2026	Not
Hefei GCL System Integration New Energy Technology Co., Ltd	170,000,000.00	15 Aug 2022	15 Aug 2026	Not
Hefei GCL System Integration New Energy Technology Co., Ltd	84,250,000.00	16 Aug 2022	16 Aug 2026	Not
Hefei GCL System Integration New Energy Technology Co., Ltd	200,236,176.00	23 Dec 2022	12 Jun 2028	Not
Hefei GCL System Integration New Energy Technology Co., Ltd	141,500,000.00	28 Dec 2022	28 Jun 2026	Not
Funing GCL System Integration Technology Co., Ltd.	70,000,000.00	30 Jul 2019	31 Dec 2024	Not
Funing GCL System Integration Technology Co., Ltd.	17,740,092.19	1 Dec 2020	31 Dec 2025	Not
Funing GCL System Integration Technology Co., Ltd.	40,000,000.00	15 Apr 2020	20 Mar 2025	Not
Funing GCL System Integration Technology Co., Ltd.	8,500,000.00	11 Nov 2022	10 Nov 2026	Not
Funing GCL System Integration Technology Co., Ltd.	150,000,000.00	9 Mar 2022	6 Mar 2023	Not
GCL Green Energy System Technology Co., Ltd	16,306,800.00	21 Oct 2022	21 Oct 2023	Not
GCL Green Energy System Technology Co., Ltd	16,306,800.00	21 Oct 2022	21 Jan 2023	Not
GCL Green Energy System Technology Co., Ltd	502,880.20	21 Oct 2022	20 Apr 2023	Not
GCL Green Energy System Technology Co., Ltd	1,915,860.20	21 Oct 2022	20 Apr 2023	Not

The company as guarantee

Guarantor	Amount of guarantee	Starting date of guarantee	Ending date of guarantee	Has the guarantee been performed or not
GCL Group Co., Ltd	140,000,000.00	19 Dec 2022	16 Jun 2025	Not

Guarantor	Amount of guarantee	Starting date of guarantee	Ending date of guarantee	Has the guarantee been performed or not
Zhu Gongshan			16 Jan 2024	Not
Xuzhou Xinyu Photovoltaic Technology Co., Ltd			/	Not
GCL Group Co., Ltd			28 Feb 2026	Not
Yingkou Qiyin Investment Management Co., Ltd			28 Feb 2026	Not
Zhu Gongshan	100,000,000.00	2022-11-24	28 Feb 2026	Not
Xuzhou Xinyu Photovoltaic Technology Co., Ltd			/	Not
Hefei GCL System Integration New Energy Technology Co., Ltd			/	Not
GCL Group Co., Ltd			15 Sep 2026	Not
Zhangjiagang GCL Integrated Technology Co., Ltd	175,000,000.00	2022-9-15	/	Not

Other related party guarantee

Guarantor	Guarantee	Amount of guarantee	Starting date of guarantee	Ending date of guarantee	Has the guarantee been performed or not
GCL Group Co., Ltd	Xuzhou Xinyu Photovoltaic Technology Co., Ltd	72,000,000.00	17 Aug 2022	17 Aug 2026	Not
GCL Group Co., Ltd., GCL Integrated Technology (Suzhou) Co., Ltd	Xuzhou Xinyu Photovoltaic Technology Co., Ltd	55,000,000.00	28 Sep 2022	15 Sep 2026	Not
Yingkou Qiyin Investment Management Co., Ltd., Funing GCL Integrated Technology Co., Ltd., Hefei GCL System Integration New Energy Technology Co., Ltd	Jurong GCL Integrated Technology Co., Ltd	15,000,000.00	16 Aug 2022	3 Apr 2026	Not
Yingkou Qiyin Investment Management Co., Ltd., Funing GCL Integrated Technology Co., Ltd., Hefei GCL System Integration New Energy Technology Co., Ltd	Jurong GCL Integrated Technology Co., Ltd	32,000,000.00	15 Aug 2022	8 Aug 2026	Not
Jurong Dongsheng Energy Technology Co., Ltd	Jurong GCL Integrated Technology Co., Ltd	32,000,000.00	15 Aug 2022	/	Not
Yingkou Qiyin Investment Management Co., Ltd., Funing GCL Integrated Technology Co., Ltd., Hefei GCL System Integration New Energy Technology Co., Ltd	Jurong GCL Integrated Technology Co., Ltd	48,000,000.00	17 Aug 2022	8 Aug 2026	Not
Jurong Dongsheng Energy Technology Co., Ltd	Jurong GCL Integrated Technology Co., Ltd	48,000,000.00	17 Aug 2022	/	Not

GCL Group Co., Ltd	Hefei GCL System Integration New Energy Technology Co., Ltd	170,000,000.00	15 Aug 2022	15 Aug 2026	Not
GCL Group Co., Ltd	Hefei GCL System Integration New Energy Technology Co., Ltd	84,250,000.00	16 Aug 2022	16 Aug 2026	Not
GCL Group Co., Ltd	Hefei GCL System Integration New Energy Technology Co., Ltd	141,500,000.00	28 Dec 2022	28 Jun 2026	Not

(4) Related Asset Funds Lending

Related Party	Opening Balance	Loans (Lending) in current period	Repay (Withdraw) in current period	Closing Balance	Starting date	Maturity date	Remark
Jiangsu GCL Construction Management Co., Ltd	40,000,000.00		40,000,000.00		24 May 2021	31 Mar 2022	
GCL Group Co., Ltd	319,780,097.64		319,780,097.64		24 Dec 2021	24 Dec 2022	
Nanjing Xinneng Sunshine Industry Investment Fund Enterprise (Limited Partnership)	30,000,000.00		8,000,000.00	22,000,000.00	6 Aug 2021	30 Jun 2022	
GCL Technology (Suzhou) Co., Ltd		360,000,000.00		360,000,000.00	28 Sep 2022		/
Suzhou Weicheng Tendering Service Co., Ltd		5,000,000.00		5,000,000.00	29 Jun 2022		/
GCL Group Co., Ltd		45,000,000.00	45,000,000.00		28 Jun 2022	28 Sep 2022	
GCL Capital Management Co., Ltd		30,000,000.00	30,000,000.00		17 May 2022	22 Nov 2022	
GCL Photovoltaic System Co., Ltd		10,568,000.00		10,568,000.00	9 Sep 2022		/
Zhiyue Holdings Limited		45,913,000.00	45,913,000.00		31 May 2022	31 Dec 2022	
Total	389,780,097.64	496,481,000.00	488,693,097.64	397,568,000.00			

(5) Key management compensation

Item	Current period(CNY'0,000)	Previous period(CNY'0,000)
Compensation for key management	1,093.51	1,241.60

6. Receivables and payables of related parties

(1) Receivables

Item	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Accounts receivable	Wanhulian New Energy Technology Co., Ltd.	788,078.20	788,078.20	788,078.20	788,078.20

Item	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debt	Book balance	Provision for bad debt
Accounts receivable	Shandong Wanhai Power Co., Ltd	4,344,549.00	130,336.47		
Accounts receivable	Xinjiang GCL new energy power Co., Ltd	39,000.00	1,170.00	39,000.00	1,950.00
Accounts receivable	GCL & PTS International Pte. Ltd.			3,173,843.22	158,692.16
Accounts receivable	Gaotang Xiechen Photovoltaic Power Generation Co., Ltd	6,875,671.40	206,270.14		
Prepayment	Jiangsu Kaixin Chelian Technology Co., Ltd	2,000,000.00		2,000,000.00	
Prepayment	GCL Technology (Suzhou) Co., Ltd	250,000.00			
Prepayment	Jiangsu Weicheng Tendering Co., Ltd	355,653.00			
Other receivables	Xuzhou Tongxin Optoelectronic Technology Co., Ltd	50,400.00		50,400.00	
Other receivables	Funing GCL Photovoltaic Technology Co., Ltd	11,800.00		9,800.00	
Other receivables	Suzhou Weicheng Tendering Service Co., Ltd	25,000.00			
Total		14,740,151.60	1,125,854.81	6,061,121.42	948,720.36

(2) Payables

Item	Related party	Closing balance	Opening balance
Accounts payable	Suzhou Weicheng Tendering Service Co., Ltd	366,382.00	366,382.00
Accounts payable	Shenzhen GCL Smart Energy Co., Ltd	34,840.00	34,840.00
Accounts payable	Xuzhou Xiexin Optoelectronic Technology Co., Ltd	34,673.31	34,673.31
Accounts payable	Suzhou GCL New Energy Operation Technology Co., Ltd	2,308,596.05	
Accounts payable	Wuhan GCL New Energy Power Design Co., Ltd	627,469.03	56,000.00
Accounts payable	Poly GCL (Suzhou) New Energy Co., Ltd		32,913,777.76
Accounts payable	Poly GCL (Jurong) New Energy Co., Ltd		159,645,532.37
Accounts payable	GCL Solar Power (Suzhou) Co., Ltd		106,442,311.50
Accounts payable	Changzhou GCL Photovoltaic Technology Co., Ltd		11,489.50
Other payables	Suzhou Xinzhihai Enterprise Management Consulting Co., Ltd	1,947,449.00	1,645,899.00
Other payables	Jiangsu Jiarun Real Estate Co., Ltd. GCL Shangri La Hotel	3,988.00	

Item	Related party	Closing balance	Opening balance
Other payables	Suzhou GCL Industrial Application Research Institute Co., Ltd	10,350,303.70	10,405,302.70
Non current liabilities due within one year	Suzhou GCL Industrial Application Research Institute Co., Ltd	20,592,908.19	12,420,363.24
Lease liabilities	Suzhou GCL Industrial Application Research Institute Co., Ltd	23,958,588.75	53,773,672.89
Other payables	Nanjing Xinneng Sunshine Industry Investment Fund Enterprise (Limited Partnership)	22,000,000.00	30,000,000.00
Other payables	Taicang Port GCL Power Generation Co., Ltd	1,466,646.00	1,466,646.00
Other payables	Shanghai Ruiying Management Consulting Co., Ltd	594,950.00	
Other payables	Shanghai Guoneng Investment Co., Ltd	11,228.31	11,228.31
Other payables	Suzhou Zhidian Energy Saving Technology Co., Ltd	59,000.00	
Other payables	GCL Photovoltaic System Co., Ltd	10,568,000.00	
Other payables	Suzhou GCL New Energy Operation Technology Co., Ltd	101,008.00	
Other payables	Suzhou Weicheng Tendering Service Co., Ltd	5,000,000.00	
Other payables	Beijing Zhixin Media Technology Co., Ltd	452,300.00	452,300.00
Other payables	Changzhou GCL Photovoltaic Technology Co., Ltd		699,085.54
Other payables	Xuzhou Xiexin Optoelectronic Technology Co., Ltd		11,884,208.00
Other payables	Jiangsu GCL Construction Management Co., Ltd		40,000,000.00
Other payables	GCL New Energy Inc.		1,051,990.50
Other payables	Jiangsu GCL Energy System Manufacturing Co., Ltd	15,887,000.00	10,396,303.28
Other payables	GCL Group Co., Ltd		319,780,097.64
Long-term payables	GCL Technology (Suzhou) Co., Ltd	367,495,890.41	
Total		483,861,220.75	793,492,103.54

7. Others

Potential related party transactions:

Related party transactions may occur in the following transactions

a. Some customers of the Company are general contractors or traders of photovoltaic power stations. The modules which the Company sold to these customers in the current period may cause the following possibilities:

They might use the modules to build the photovoltaic power plant projects partly or wholly; and.

Equity of the photovoltaic power stations undertaken by the general contractors among the customers mentioned above may be acquired by enterprises invested by the actual controller of the Company.

- b. Suppliers of battery piece of the Company may have business relationship with the enterprises invested by the actual controller of the Company.

XI. Share-based Payment

1. Overall share-based payment

Total amount of various equity instruments granted by the Company in current period	None
Total amount of rights of various equity instruments exercised by the Company in current period	None
Total amount of various equity instruments expired by the Company in current period	None
Range of exercising price of rights of share options issued outside at the period end by the Company and residual contract term	None
Range of exercising price of rights of other equity instrument at the period end and residual contract term	None

2. Equity-settled share-based payment

Method of determining fair value of equity instruments at the date of grant	Stock options are determined by BS model and restricted shares are determined by the closing price of shares of the Company minus the granting subscription price on grant date
Basis of determining number of equity instruments whose rights can be exercised	Expected completion of performance, passing of employee assessment and turnover rate
Reason for significant difference between estimate in current period and estimate in previous period	None
Cumulative amount of equity-settled share-based payment recorded into capital reserves	CNY 41,589,416.37
Total expenses recognised of equity-settled share-based payment in current period	None

XII. Commitments and Contingencies

1. Commitment issues

Significant commitment at the balance sheet date: None.

2. Contingencies

(1) Pending lawsuits:

Plaintiff	Defendant	Involved Amount	Is it formed expected liabilities	Result and influence of lawsuit (arbitration) hearing	Progress of lawsuit (arbitration)
Shanghai COSCO Shipping Logistics Co., Ltd	GCL Integrated Technology Co., Ltd	CNY 4,806,743.91	No	Disputes over freight forwarding contracts	In the trial of second instance
Frankfurt Energy Holding GmbH、Forever Capital AG	GCL Integrated Technology Co., Ltd	EUR 100,932,975.96	No	Disputes over quality	In the trial of first instance
Hebei Zhengying Construction Engineering Co., Ltd	Shiyuan Yuanshi Photovoltaic Power Development Co., Ltd	CNY 4,420,000.00	No	Disputes over contract	Arbitration

Plaintiff	Defendant	Involved Amount	Is it formed expected liabilities	Result and influence of lawsuit (arbitration) hearing	Progress of lawsuit (arbitration)
Jiangsu Zhongchenyuan New Construction Engineering Co., Ltd	GCL Green Energy System Technology Co., Ltd., Jiangsu Jiajin Construction Engineering Co., Ltd., Ningxia Power Investment Taiyangshan Energy Co., Ltd	CNY 13,225,165.85	No	Disputes over construction project contract	In the trial of first instance
NARENCO, LLC	GCL System Integration Technology LLC	USD 1,793,490	No	Disputes over overdue delivery contracts	In the trial of first instance

(2) The Company's guarantee for subsidiaries

Please refer to Note X-5 (3) for details.

XIII. Post Balance Sheet Event

Plaintiff	Defendant	Involved Amount	Progress of lawsuit (arbitration)	Result and influence of lawsuit (arbitration) hearing	Filing date
Jiangsu Dahan Construction Industry Group Co., Ltd	Xuzhou Xinyu Photovoltaic Technology Co., Ltd	3,326,017.17	In pre-litigation mediation	Disputes over construction project contract	Summons received on 20 Feb 2023
Wuhu Hongchun Wood Industry Group Co., Ltd	Funing GCL Integrated Technology Co., Ltd	2,109,150.86	In the trial of first instance	Disputes over external debt collection	Summons received on 3 Mar 2023
Wuhu Hongchun Wood Industry Group Co., Ltd	Zhangjiagang GCL Integrated Technology Co., Ltd	1,200,200.62	In the trial of first instance	Disputes over external debt collection	Summons received on 3 Mar 2023
Shanghai Aoxiu Exhibition and Exhibition Service Co., Ltd	GCL Green Energy System Technology Co., Ltd. and GCL Integrated Technology Co., Ltd	1,080,000.00	In the trial of first instance	Disputes over contract	Summons received on 16 Mar 2023

XIV. Other Important Information

1. Equity pledge of controlling shareholder and concerted action person

As of 31 December 2022, Yingkou Qiyin Investment Management Co., Ltd. holds 519,141,700 shares of the Company, accounting for 8.87% of the total share of the Company; by the end of the reporting period, the shares have been pledged 377,000,000 shares, accounting for 72.62% of its direct holding shares of the Company, and 6.44% of the total share of the Company.

GCL Group Co., Ltd. holds 466,030,445 shares of the Company, accounting for 7.97% of the total share of the Company; by the end of the reporting period, its shares had been pledged 466,030,304 shares, accounting for 100% of its direct holding shares of the Company, and 7.97% of the total share of the Company.

Jiangsu GCL Construction Management Co., Ltd. holds 520,000,000 shares of the Company, accounting for 8.89% of the total share of the Company; by the end of the reporting period, its shares have been pledged 520,000,000 shares, accounting for 100.00% of its direct holding shares of the Company, and 8.89% of the total share of the Company.

XV. Notes to the Main Items of the Financial Statements of Parent Company (All currency Unit is CNY, Except Other Statements)

1. Accounts receivable

(1) Analysis by aging

Aging	Closing balance	Opening balance
Within 1 year	49,932,841.27	42,197,051.03
1-2 years	3,850,167.62	90,388,326.32
2-3 years	74,780,476.65	226,150,514.15
Over 3 years	393,448,219.34	460,410,946.53
Subtotal	522,011,704.88	819,146,838.03
Less: Bad debt provision	270,661,231.03	355,491,453.70
Total	251,350,473.85	463,655,384.33

(2) Analysis by method of provision for bad debt

Category	Closing balance				
	Book balance	Proportion	Provision for bad debt	Provision proportion	Book value
Provision for bad debts by portfolio	522,011,704.88	100.00%	270,661,231.03	51.85%	251,350,473.85
Including: Portfolio 1	320,705,230.53	61.44%	270,661,231.03	84.40%	50,043,999.50
Portfolio 4	201,306,474.35	38.56%			201,306,474.35
Total	522,011,704.88	100.00%	270,661,231.03	51.85%	251,350,473.85

(Continued)

Category	Opening Balance				
	Book balance	proportion	Provision for bad debt	Provision proportion	Book value
Provision for bad debts by portfolio	819,146,838.03	100.00%	355,491,453.70	43.40%	463,655,384.33
Including: Portfolio 1	446,553,436.64	54.51%	355,491,453.70	79.61%	91,061,982.94
Portfolio 4	372,593,401.39	45.49%			372,593,401.39
Total	819,146,838.03	100.00%	355,491,453.70	43.40%	463,655,384.33

Portfolio I: receivables with expected credit loss calculated based on the comparison table of overdue days and default loss rate

Overdue years	Closing balance			Opening balance		
	Book balance	Provision for bad debts	Proportion of provision	Book balance	Provision for bad debts	Proportion of provision
Undue	46,902,865.61	1,407,085.97	3.00%	37,659,652.77	1,882,982.69	5.00%
Overdue within 1 year	94,690.49	18,938.10	20.00%	29,660,817.50	5,932,163.50	20.00%
Overdue 1-2 years	2,729,155.16	1,091,662.07	40.00%	10,361,706.63	4,144,682.65	40.00%
Overdue 2-3 years	9,449,914.56	6,614,940.19	70.00%	44,622,653.27	31,235,857.29	70.00%
Overdue 3-4 years	8,727,698.62	8,727,698.62	100.00%	239,056,777.99	227,103,939.09	95.00%
Overdue more than 4 years	252,800,906.09	252,800,906.09	100.00%	85,191,828.48	85,191,828.48	100.00%
Total	320,705,230.53	270,661,231.04	84.40%	446,553,436.64	355,491,453.70	79.61%

Portfolio 4: Portfolio of subsidiaries within the consolidation scope

Portfolio 4	Closing balance		
	Accounts receivable	Provision for bad debts	Proportion of provision
Portfolio of subsidiaries within the consolidation scope	201,306,474.35		

(Continued)

Portfolio 4	Opening Balance		
	Accounts receivable	Provision for bad debts	Proportion of provision
Portfolio of subsidiaries within the consolidation scope	372,593,401.39		

(3) Provision for bad debts in current period

Category	Opening balance	Changes in current period				Closing balance
		Provision	Recovered or reversed	Write off	Other changes	
Portfolio 1	355,491,453.68	-84,830,222.67				270,661,231.01
Total	355,491,453.68	-84,830,222.67				270,661,231.01

(4) Provision and recovery for bad and doubtful debt in current period

Provision for bad debts in this period is CNY -84,830,222.67.

(5) Top five entities with the largest balances of the accounts receivable

Company name	Closing balance	Proportion in the total	Provision amount
Rank 1	133,822,786.62	25.64%	

Rank 2	94,127,078.25	18.03%	94,127,078.25
Rank 3	61,999,705.50	11.88%	61,999,705.50
Rank 4	48,969,676.53	9.38%	
Rank 5	22,997,912.90	4.41%	22,997,912.90
Total	361,917,159.80	69.34%	179,124,696.65

2. Other receivables

(1) Categories

Item	Closing balance	Opening balance
Interest receivable	27,503,166.38	53,547,373.82
Other receivables	2,135,420,762.71	4,045,200,867.24
Total	2,162,923,929.09	4,098,748,241.06

(2) Interest receivable

(a) Categories of interest receivable

Item	Closing balance	Opening balance
Interest on capital lending	27,503,166.38	53,547,373.82

(b) Provision for bad debts

Bad debt provision	Phase 1	Phase 2	Phase 3	Total
	Expected credit losses in the next 12 months	Expected credit loss for lifetime (no credit loss occurred)	Expected credit loss for lifetime (Credit loss occurred)	
Balance as at 1 January 2022				
Change of opening balance as at 1 January 2022 in current period	—	—	—	—
- Move to phase 2				
- Move to phase 3				
- Return to phase 2				
- Return to phase 1				
Provision in 2022				
Reverse in 2022				
Write-off in 2022				
Other changes				
Balance as at 31 December 2022				

(3) Other receivables

(a) Analysis of other receivables by nature

Nature of other receivables	Closing balance	Opening balance
Receivables and payments by company	2,105,410,554.42	3,946,994,636.30
Security deposit & deposit	107,233,189.74	142,194,417.60
Receivables and payments by individual	50,525.11	50,483.70
Equity sale	10,000,000.00	11,572,209.70
Subtotal	2,222,694,269.27	4,100,811,747.30
Less: Bad debt provision	87,273,506.56	55,610,880.06
Total	2,135,420,762.71	4,045,200,867.24

(b) Analysis of other receivables by aging

Aging	Closing balance	Opening balance
Within 1 year	1,343,059,833.83	2,461,864,199.26
1-2 years	337,652,998.33	950,038,507.40
2-3 years	242,843,075.54	334,816,795.81
Over 3 years	299,138,361.57	354,092,244.83
Subtotal	2,222,694,269.27	4,100,811,747.30
Less: Bad debt provision	87,273,506.56	55,610,880.06
Total	2,135,420,762.71	4,045,200,867.24

(c) Provision for bad debts

Bad debts	Phase 1	Phase 2	Phase 3	Total
	Expected credit losses in the next 12 months	Expected credit loss for lifetime (no credit loss occurred)	Expected credit loss for lifetime (Credit loss occurred)	
Balance as at 1 January 2022		55,610,880.06		55,610,880.06
Opening balance as at 1 January 2022 in current period				
- Move to phase 2				
- Move to phase 3		-79,795,621.44	79,795,621.44	
- Return to phase 2				
- Return to phase 1				

Bad debts	Phase 1	Phase 2	Phase 3	Total
	Expected credit losses in the next 12 months	Expected credit loss for lifetime (no credit loss occurred)	Expected credit loss for lifetime (Credit loss occurred)	
Provision in 2022	1,000.00	27,948,179.49	3,713,447.01	31,662,626.50
Reverse in 2022				
Write-off in 2022				
Other changes				
Balance as at 31 December 2022	1,000.00	3,763,438.11	83,509,068.45	87,273,506.56

(d) Provision for bad debt recovered or reversed in current period

Provision for bad debts in current period is CNY 31,662,626.50.

(e) Top five entities with the largest balances of other receivables

Company name	Category	Closing balance	Aging	Proportion in total receivables	Provisioning amount at period End
Rank 1	Receivables and payments by company	487,420,268.12	Within 1 year: 487,420,268.12	21.93%	
Rank 2	Receivables and payments by company	423,632,186.38	Within 1 year: 5,000,000.00 1-2 years: 216,792,331.00 2-3 years: 201,839,855.38	19.06%	
Rank 3	Receivables and payments by company	304,554,293.69	Within 1 year: 304,554,293.69	13.70%	
Rank 4	Receivables and payments by company	126,061,371.30	Within 1 year: 386,154,781.06 1-2 years: 30,152,634.97	5.67%	
Rank 5	Receivables and payments by company	120,848,868.70	Within 1 year: 15,534,135.36 2-3 years: 8,226,387.64 3-4 years: 20,294,000.00 Over 4 years: 76,794,345.70	5.44%	
Total		1,462,516,988.19		65.80%	

3. Long-term equity investment

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiary	3,297,896,644.03		3,297,896,644.03	4,925,896,644.03		4,925,896,644.03
Investment in associate, joint venture	979,111,348.12		979,111,348.12	437,108,470.77		437,108,470.77
Total	4,277,007,992.15		4,277,007,992.15	5,363,005,114.80		5,363,005,114.80

(1) Investment in subsidiary

Investee	Opening balance	Increase in current period	Decrease in current period	Closing balance	Provision for impairment in current period	Closing balance of provision for impairment
Jurong GCL System Integrate Technology Co., Ltd.	1,428,000,000.00		1,428,000,000.00			
Zhangjiagang GCL System Integrate Technology Co., Ltd.	1,391,057,747.22			1,391,057,747.22		
GCL System Integrate Technology Co., Ltd (Suzhou) Co., Ltd	1,000,000,000.00			1,000,000,000.00		
Shanghai GCL Financial Information Service Co., Ltd.	10,000,000.00			10,000,000.00		
GCL Green Energy System Technology Co., Ltd	535,310,000.00			535,310,000.00		
GCL Integrated Technology (Hong Kong) Co., Ltd	8,000,000.00			8,000,000.00		
Suzhou GCL Integrated Technology Industrial Application Research Institute Co., Ltd	17,000,000.00			17,000,000.00		
GCL System Integrationtechnology Pte.Ltd.	19,909,112.00			19,909,112.00		
Xieyi Commercial Factoring (Suzhou) Co., Ltd	200,000,000.00			200,000,000.00		
Suzhou GCL Guoxin Financial Consulting Co., Ltd	2,000,000.00			2,000,000.00		
Suzhou GCL Integrated Investment Co., Ltd	30,000,000.00			30,000,000.00		
Peixian Xinshang New Energy Industry Fund Partnership (limited partnership)	200,000,000.00		200,000,000.00	0.00		
Qinneng Lulong County Photovoltaic Power Development Co., Ltd	53,987,500.00			53,987,500.00		
Shiyuan Yuanshi Photovoltaic Power Development Co., Ltd	3,554,100.00			3,554,100.00		
Tangneng (Qianxi) Photovoltaic Technology Co., Ltd	100,000.00			100,000.00		
GCL System Integration	100.61			100.61		

Investee	Opening balance	Increase in current period	Decrease in current period	Closing balance	Provision for impairment in current period	Closing balance of provision for impairment
Technology (India) Private Limited						
GCL Comprehensive Energy Services (Suzhou) Co., Ltd	1,000,000.00			1,000,000.00		
Equity incentives for employees of subsidiaries	25,978,084.20			25,978,084.20		
Total	4,925,896,644.03		1,628,000,000.00	3,297,896,644.03		

(2) Investment in associate and joint venture

Investee	Opening balance	Changes in Current Period							Closing balance	Closing balance of provision for impairment		
		Increase	Decrease	Profit or loss recognised under equity method	Adjustments of other comprehensive income	Other changes in equity	Cash dividend or profit declared	Provision for impairment			Others	
Associated Enterprise												
Beijing Zhixin Media Technology Co., Ltd.	11,019,727.48			177,887.00							11,197,614.48	
GCL System Integration (Shanghai) Energy Technology Development Co., Ltd.	25,255,784.31			-600,060.71							24,655,723.60	
Xuzhou Xinyu Photovoltaic Technology Co., Ltd	400,000,000.00			-21,233,762.30							378,766,237.70	
GCL & PTS International Pte. Ltd.	832,958.98			92,819.81							925,778.79	
Hefei GCL System Integration New Energy Technology Co., Ltd		531,740,000.00		31,825,993.55							563,565,993.55	
Total	437,108,470.77	531,740,000.00		10,262,877.35							979,111,348.12	

4. Operating income and operating costs

Item	Current period amount		Previous period amount	
	Operating income	Operating costs	Operating income	Operating costs
Primary business	1,236,260,775.99	1,218,330,343.83	486,724,815.50	476,162,128.54
Other business	334,286.41		1,132,075.47	
Total	1,236,595,062.40	1,218,330,343.83	487,856,890.97	476,162,128.54

5. Investment income

Item	Current period amount	Previous period amount
Investment income from long-term equity investments under equity method	10,262,877.35	-1,097,741.05
Income from debt restructuring	-7,455,397.48	-2,496,352.70
Investment income from disposing long-term equity investments	-612,350,000.00	1,072,998.89
Total	-609,542,520.13	-2,521,094.86

XVI. Supplementary Information

1. Detailed statement of extraordinary gain and loss in current period(+ for gain, - for loss)

Item	Amount	Remark
Gains or losses on disposal non-current assets	331,563,457.44	
Tax refund, deduction or exemption with unauthorised approval or without formal documents of approval		
Government grants included into current profits and losses (other than government grants closely related to enterprise business and granted by quota or quantity according to national unified standard)	116,980,878.24	
Fund occupancy expenses collected from non-financial enterprises and included in the current profit or loss		
Gains from differences between the investment costs of acquisition of subsidiaries, associates or joint ventures and the fair value of the share of identifiable net assets of the investments upon such investment		
Gains or losses from non-monetary assets exchange		
Gains or losses from commissioned investment or management on assets		
Provisions for impairment of various assets due to force majeure, such as natural disasters		
Gains or losses from debts restructuring		
Enterprise reorganising expenses, such as employee accommodation costs and integration expenses		
Gains or losses from excess over fair value due to obvious unfair transaction price		
Current net gains or losses of subsidiaries acquired through business combination under common control from the beginning of current period till the date of consolidation		

Item	Amount	Remark
Gains or losses on contingencies irrelevant to the Company's normal businesses		
Except for effective hedging business related to the normal operation of the company, gains or losses from changes in fair value of held trading financial assets, derivative financial assets, trading financial liabilities, and derivative financial liabilities, as well as investment income obtained from disposing of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities, and other debt investments	-9,035,780.16	
Reversal of provisions for impairment of accounts receivable tested for impairment separately		
Consigning income acquired from consigned operation		
Other non-operating income and costs other than above items	-17,796,146.53	
Gains or losses of other items conforming to the definition of non-recurring gains and losses	168,341.89	
Total extraordinary gains and losses (Total amount of impact on profit)	421,880,750.88	
Less: Effect of income tax	329,146.05	
Net extraordinary gains and losses (Total amount of impact on net profit)	421,551,604.83	
Including: impact on non-controlling shareholders profit or loss	-4,427,532.27	
Total impact on net profit attributable to ordinary shareholders	425,979,137.10	

2. Return on Equity & Earnings per Share

Profit during reporting period	Weighted average ROE	EPS(CNY/Share)	
		Basic EPS	Diluted EPS
Net profits attributable to ordinary shareholders of the Company	2.59%	0.010	0.010
Net profits attributable to ordinary shareholders of the Company after deduction of extraordinary gain and loss	-16.01%	-0.063	-0.063

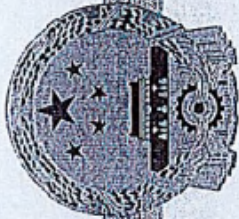
XVII. Approval of Financial Statements

Financial statements of the Company for the current year have been approved by 39th meeting of the 5th Board of Directors on 25 April 2023.

Signature:

GCL System Integration Technology Co., Ltd.

25 April 2023



营业执照

(副本)

编号 320100000202212080086



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统一社会信用代码
91320000085046285W (2/10)

名称 苏亚金诚会计师事务所
 类型 特殊普通合伙企业
 执行事务合伙人 詹从才 于龙斌
 出资额 1410万元整
 成立日期 2013年12月02日
 主要经营场所 南京市建邺区泰山路159号正太中心大厦A座14-16层



经营范围
 审查企业会计报表，出具审计报告；验证企业资本，出具验资报告；办理企业合并、分立、增资、减资、清算等事务，出具相应的审计报告；法律、行政法规规定的其他业务。（依法须经批准的项目，经相关部门批准后方可开展经营活动）



登记机关

2022年12月08日

证书序号: 0012220

说明

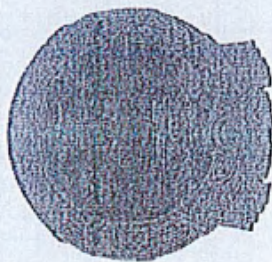
- 1、《会计师事务所执业证书》是证明持有人经财政部门依法审批, 准予执行注册会计师法定业务的凭证。
- 2、《会计师事务所执业证书》记载事项发生变动的, 应当向财政部门申请换发。
- 3、《会计师事务所执业证书》不得伪造、涂改、出租、出借、转让。
- 4、会计师事务所终止或执业许可注销的, 应当向财政部门交回《会计师事务所执业证书》。



发证机关: 江苏省财政厅

二〇一三年十二月 日

中华人民共和国财政部制



会计师事务所 执业证书

名称: 苏亚金城会计师事务所(特殊普通合伙)
 首席合伙人: 詹从才
 主任会计师:
 经营场所: 南京市建邺区泰山路222号江苏亚太中心A座14-16层
 组织形式: 特殊普通合伙
 执业证书编号: 320000026
 批准执业文号: 苏财会[2013]46号
 批准执业日期: 2013年11月08日



姓 名 Full name 徐长依
性 别 Sex 男
出生日期 Date of birth 1981-04-21
工作单位 Working unit 江苏苏亚金诚会计师事务所
身份证号码 Identity card no. 3203211981042145836



年度检验登记
Annual Renewal Registration

本年度检验合格，继续有效一年。
This certificate is valid for another year after
renewal.



徐长依(320000260098)
您已通过2021年年检
江苏省注册会计师协会



证书编号:
No. of Certificate 320000260098

授权机构:
Authorized Institute of CPA 江苏省注册会计师协会

发证日期: 2021 12 31 日
Date of Issuance 9 20 日



姓 名 许三春
Full name 男
性 别 男
Sex 男
出生日期 1993-06-16
Date of birth 1993-06-16
工作单位 苏亚金诚会计师事务所(特
殊普通合伙)
Working unit 苏亚金诚会计师事务所(特
殊普通合伙)
身份证号 3201000094508
Identity card No. 3201000094508



年度检验登记
Annual Renewal Registration

本证书经检验合格, 继续有效一年。
This certificate is valid for another year after
this renewal.

证书编号: 320000260229
No. of Certificate 320000260229

批准注册协会: 江苏省注册会计师协会
Authorized Institute of CPAs 江苏省注册会计师协会

发证日期: 2019 年 12 月 31 日
Date of Issuance 2019 12 31



许三春(320000260229)
您已通过2020年年检
江苏省注册会计师协会



许三春(320000260229)
您已通过2021年年检
江苏省注册会计师协会