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福萊特玻璃集團股份有限公司

Flat Glass Group Co., Ltd.

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

(Stock code: 6865)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2022

The board (the "**Board**") of directors (the "**Directors**") of Flat Glass Group Co., Ltd. (the "**Company**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (together, the "**Group**") for the six months ended 30 June 2022. This announcement containing the full text of the 2022 Interim Report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in relation to information to accompany preliminary announcements of interim results.

PUBLICATION OF 2022 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.flatgroup.com), and the 2022 Interim Report of the Company containing all the information required by the Listing Rules will be despatched to shareholders and published on the respective websites of the Company and the Stock Exchange in due course.

By order of the Board of
Flat Glass Group Co., Ltd.
Ruan Hongliang
Chairman

Jiaxing, Zhejiang Province, The People's Republic of China, 25 August 2022

As at the date of this announcement, the executive directors of the Company are Mr. Ruan Hongliang, Ms. Jiang Jinhua, Mr. Wei Yezhong and Mr. Shen Qifu, and the independent non-executive directors of the Company are Mr. Xu Pan, Ms. Hua Fulan and Mr. Ng Yau Kuen Carmen.

福萊特玻

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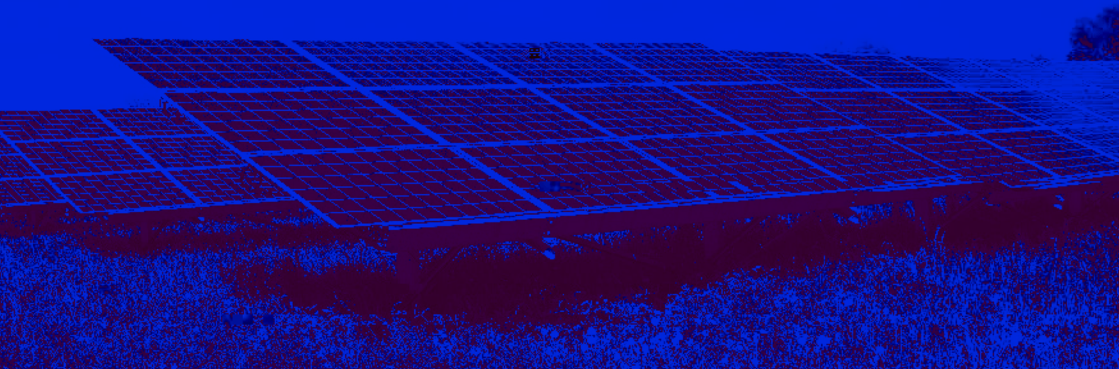

Corporate Information

DIRECTORS

Executive directors

M . R an Hongliang
(*Chai man of he Boa d of Di ec o)*
M . Jiang Jinh a
M . Wei Ye hong
M . Shen Qif

Independent non-executive directors

M . X Pan
M . H a F lan
M . Ng Ya K en Ca men

SUPERVISORS

M . Zheng Wen ong
(Chai man of he Boa d of S pe i o)
M . Shen F an
M . Zh Q anming
M . Ni Li ing
M . Zhang H i hen

AUDIT COMMITTEE

M . X Pan *(Chai man)*
M . H a F lan
M . Ng Ya K en Ca men

REMUNERATION COMMITTEE

M . X Pan *(Chai man)*
M . R an Hongliang
M . H a F lan

NOMINATION COMMITTEE

M . X Pan *(Chai man)*
M . R an Hongliang
M . H a F lan

STRATEGIC DEVELOPMENT COMMITTEE

M . R an Hongliang *(Chai man)*
M . Wei Ye hong
M . X Pan

RISK MANAGEMENT COMMITTEE

M . R an Hongliang *(Chai man)*
M . Jiang Jinh a
M . H a F lan

COMPANY SECRETARY

M . R an Ze n

AUTHORISED REPRESENTATIVES

M . R an Hongliang
M . R an Ze n

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

1999 Y nhe Road
Xi ho Di ic
Jia ing
Zhejiang P o ince
Peo le' Re blic of China (he PRC)

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Uni 6, 11/F, P o e i Place
6 Shing Yi S ee , K n Tong
Ko oon
Hong Kong

CORPORATE WEBSITE

fla g o .com.cn

LEGAL ADVISERS AS TO HONG KONG LAW

Mo gan, Le & Bocki

AUDITORS

Deloi e To che Tohma
Ce ified P blic Acco n an LLP

PRINCIPAL BANKERS

Bank of China Limi ed, Jia ing B anch
China CITIC Bank Co o a ion Limi ed, Jia ing B anch
Ind ial and Comme cial Bank of China Limi ed, Jia ing B anch
Bank of China Limi ed, Feng ang B anch
Ci ibank, N.A., Hong Kong B anch
DBS Bank (Hong Kong) Limi ed

H SHARE REGISTRAR

T ico In e o Se ice Limi ed
17/F, Fa Ea Finance Cen e
16 Ha co Road
Hong Kong

Financial Summary

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Una di ed)
Ope a ing e en e	**7,304,491.34**	4,028,022.49
Ope a ing co	**5,650,508.67**	2,245,211.46
G o p ofi	**1,653,982.67**	1,782,811.03
To al p ofi	**1,097,398.83**	1,445,914.74
Income a e pen e	**94,650.96**	184,884.75
Ne p ofi	**1,002,747.88**	1,261,029.99

	As at	A a
	30 June 2022	31 Decembe 2021
	RMB'000	RMB'000
	(Unaudited)	(A di ed)
Non-c en a e	**16,628,524.13**	11,184,614.67
C en a e	**12,129,913.81**	8,898,302.43
C en liabili ie	**8,467,777.31**	6,164,462.50
Ne c en (liabili ie) a e	**3,662,136.50**	2,733,839.93
To al a e le c en liabili ie	**28,749,970.16**	13,918,454.60
Ne a e	**13,200,226.90**	11,810,169.07
Sha e capi al	**536,723.31**	536,723.31
Undi ib ed p ofi	**7,197,507.04**	6,194,759.17
To al e i	**13,200,226.90**	11,810,169.07

Management Discussion and Analysis

BUSINESS OVERVIEW

Flat Glass Group Co., Ltd. (the "Company") and its subsidiaries (together with the Company, the "Group") are principally engaged in the manufacturing and sales of various glass products, including PV glass, float glass, architectural glass and household glass. The production facilities of the Group are strategically located in Jiaxing, Zhejiang Province, Fengyang County, Chuzhou, Anhui Province in the PRC and Haiphong, Vietnam. The Group mainly sells glass products to customers in countries including China, Vietnam, Singapore, Korea, India, Germany, Turkey, Mexico and the United States.

1. Domestic expansion in Anhui Province, the PRC

The Annual production of 750,000 tons of solar equipment ultra-thin and ultra-high-transparent panel manufacturing project of Zhejiang Jiaxing Production Base represent the project of using the proceeds from the issuance of 2021 A share convertible corporate bonds of the Company (II Project of Jiaxing Production Base), including two PV glass production lines with a daily melting capacity of 1,200 tons, and two were ignited and put into production in the first quarter of 2022, respectively.

In addition, the projects under construction of the Group are progressed steadily as a result of the boom of PV industry as a whole and improving differentiated needs of downstream customers for large-size and thin glass.

2. Cold repair and reconstruction of the existing furnaces

In order to further increase the production efficiency, the Group has started the cold repair and reconstruction of one PV glass furnace at Jiaxing Production base, Zhejiang Province, the PRC with a daily melting capacity 600-ton, and it has finished the cold repair and ignited in the first quarter of 2022.

3. **Successful bidding for the mining rights**

In o de o f he inc ea e mine al e o ce e e e and ed ce he impac of he p ice fl c a ion in a and a ma e ial on p od c co and financial e l of he Compan , on 1 A g 2022, Anh i Fla Gla , a oll -o ned b idia of he Compan and Ch ho Na al Re o ce and Planning B ea (滁州市自然資源和規劃局) en e ed in o he mining igh a ignmen con ac , p an o ich, Anh i Fla Gla on he bid fo he mining igh of he hi een h ne egmen of a a i e mine fo gla loca ed a Ling han-M ji han Mining Zone, Feng ang Co n , Anh i P o ince, f om Ch ho Na al Re o ce and Planning B ea h o gh p blic li ing-fo - ale a a con ide a ion of RMB3.38 billion.

4. **Acquisition of entire equity interest of Sanli Mining and Dahua Oriental Mining**

The Compan en e ed in o an e i an fe ag eemen and a pplemen a ag eemen o he e i an fe ag eemen h Anh i Feng ha Mining Compan Limi ed (Feng ha Mining) on 27 Oc obe 2021 and 13 Feb a 2022 e pec i el . I i de e mined ha he Compan ac i ed he en i e e i in e e of Anh i Dah a O ien al Mining Compan Limi ed (Dah a O ien al Mining) and Anh i Sanli Mining Compan Limi ed (Sanli Mining) (oge he Ta ge Companie) fo a o al con ide a ion of RMB3,343,947,600.

The Compan ha comple ed he co e ponding ind ial and comme cial egi a ion p oced e fo e i change in Feb a 2022. Ta ge Companie ha e become oll -o ned b idia ie of he Compan , hich e di ec l held a o bo h 100% b he Compan . The ac i i ion of he Ta ge Companie e comple ed in 2022.

The a eg of he ac i i ion i mo l ba ed on he long- e m benefi . Wi h he inc ea ing c ome ' o de , he Compan ' PV gla p od c ion capaci ha e panded eadil , o he demand of he Compan fo a and, he main a ma e ial e i ed fo PV gla p od c ion, ha ai ed ignifican l . A he ame ime, i h he apid g o h of PV gla ind , high- ali a and i h limi ed o igin di ib ion ill become a ca ce e o ce. The pp l of high- ali and able a and i he g a an ee fo he de elopmen of PV gla en e p i e .

5. Update on A Share Convertible Bonds issuance

On 16 June 2021, the Company announced the plan to issue A share convertible bonds in the PRC for a total amount of not more than RMB4,000 million ("A Share Convertible Bonds") which are convertible into new A shares of the Company ("A Shares"). CSRC Main Board Issuance Approval Committee (中國證監會主板發行審核委員會) reviewed the application of the Company for the proposed issuance of A share convertible bonds on 30 March 2022. According to the results of the review published on the website of CSRC, the Company's application for the proposed issuance of A share convertible bonds has been approved and written approval from CSRC was received by the Company. Such public issuance of A share convertible bonds amounted to RMB4 billion in terms of par value with a term of six years. The issuance of A share convertible bonds was completed in May 2022. The A share convertible bonds under this issuance were with a nominal value of RMB100 and were issued at par. The subscription fund for the A share convertible bonds under this issuance totaled RMB4,000,000,000.00. After deducting the issuance fee of RMB23,078,799.67, the net fund raised were RMB3,976,921,200.33.

6. Non-public Issuance of A Shares

On 1 June 2022, the Board approved the proposed non-public issuance of A shares which was also approved by shareholders at the 2022 First extraordinary general meeting, the 2022 First A share class meeting and the 2022 first H share class meeting held on 29 July 2022. The relevant materials shall be subject to the consideration and approval from the CSRC. As of the date of this interim report, the non-public issuance of A shares has not been completed.

7. 2021 A share option incentive scheme

On 17 August 2021, the Company announced the plan to implement an A share option incentive scheme (“Scheme”).

The principal terms of the Scheme are as follows:

a. *Purpose of the Scheme*

As incentives or rewards to eligible participants for their contribution to the Company and to further improve the corporate governance structure of the Company, establish and enhance the long-term incentive and constraint mechanism of the Company, attract and retain talents, fully mobilise the proactiveness and creativities of the senior and mid-level management and technical personnel of the Company, effectively promote the cohesiveness of the core team and the core competitiveness of the enterprise, effectively align the interests of shareholders, the Company and the core management team, enabling all parties to focus on the long-term development of the Company, and ensure the achievement of the development strategies and operation objectives of the Company.

b. *Eligible participants of the Scheme*

Participants of the Scheme are the senior and mid-level management and technical personnel of the Company. The Remuneration Committee prepared a list of eligible scope of the participants of the Scheme and the list was reviewed and confirmed by the Supervisory Committee. None of the participants of the Scheme is a Director or Supervisor of the Company.

c. *Total number of Shares available for issue under the Scheme and percentage to the issued share capital as at the date this report*

The number of share options proposed to be granted under the Scheme is 5,947,858, representing approximately 0.28% of the total issued share capital of 2,146,893,254 Shares of the Company as at the date of this report, among which, the first grant of share options consists of 5,353,072 shares, representing approximately 0.25% of the total issued share capital of 2,146,893,254 shares of the Company as at the date of this report and 90% of the total number of share options under the grant; the reserved share options consists of 594,786 shares, representing approximately 0.03% of the total issued share capital of 2,146,893,254 shares of the Company as at the date of this report and 10% of the total number of share options under the grant.

d. *Maximum entitlement of each participant under the Scheme*

The o al n mbe of ha e of he Compan o be g an ed nde he Scheme o an one of he abo e pa icipan d ing he Validi Pe iod will no e ceed 1.00% of he Compan ' o al ha e capi al. The o al n mbe of a ge ha e in ol ed in he Scheme d ing he Validi Pe iod will no e ceed 10.00% of he o al ha e capi al of he Compan when he Scheme wa bmi ed o he Sha eholde ' gene al mee ing. The Re e ed Sha e Op ion hall no e ceed 20.00% of he o al ha e op ion a ailable nde he Scheme. If he pa icipan ol n a il wai e he benefi g an ed d e o pe onal ea on , he Boa d hall make co e ponding adj men o he n mbe of ha e op ion g an ed.

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

Upon he f lfillmen of condi ion of he e e ci e of he ha e op ion , he ha e op ion a e e e ci able in fi e anche , pon e pi of 12 mon h f om 19 No embe 2021 (Da e of G an). The e e ci e a angemen fo he Fi G an of Sha e Op ion and he Re e ed Sha e Op ion a e a follow:

The e e ci e a angemen fo he Fi G an of Sha e Op ion :

Exercise Arrangement	Exercise Period	Proportion of exercisable Share Options to the total number of Share Options granted
Fi E e ci e Pe iod	Commencing f om he fi ading da af e he e pi of he 12 h mon h f om he Da e of G an of he Fi G an of Sha e Op ion , and ending on he la ading da of he 24 h mon h f om he Da e of G an	20%
Second E e ci e Pe iod	Commencing f om he fi ading da af e he e pi of he 24 h mon h f om he Da e of G an of he Fi G an of Sha e Op ion , and ending on he la ading da of he 36 h mon h f om he Da e of G an	20%

Exercise Arrangement	Exercise Period	Proportion of exercisable Share Options to the total number of Share Options granted
Third Exercise Period	Commencing from the first trading day after the expiry of the 36th month from the Date of Grant of the First Grant of Share Options, and ending on the last trading day of the 48th month from the Date of Grant	20%
Fourth Exercise Period	Commencing from the first trading day after the expiry of the 48th month from the Date of Grant of the First Grant of Share Options, and ending on the last trading day of the 60th month from the Date of Grant	20%
Fifth Exercise Period	Commencing from the first trading day after the expiry of the 60th month from the Date of Grant of the First Grant of Share Options, and ending on the last trading day of the 72th month from the Date of Grant	20%

The exercise arrangements for the Reserved Share Options:

Exercise Arrangement	Exercise Period	Proportion of exercisable Share Options to the total number of Share Options granted
First Exercise Period	Commencing from the first trading day after the expiry of the 12th month from the Date of Grant of the Reserved Share Options, and ending on the last trading day of the 24th month from the Date of Grant	20%

Exercise Arrangement	Exercise Period	Proportion of exercisable Share Options to the total number of Share Options granted
Second E e ci e Pe iod	Commencing f om he fi ading da af e he e pi of he 24 h mon h f om he Da e of G an of he Re e ed Sha e Op ion , and ending on he la ading da of he 36 h mon h f om he Da e of G an	20%
Thi d E e ci e Pe iod	Commencing f om he fi ading da af e he e pi of he 36 h mon h f om he Da e of G an of he Re e ed Sha e Op ion , and ending on he la ading da of he 48 h mon h f om he Da e of G an	20%
Fo h E e ci e Pe iod	Commencing f om he fi ading da af e he e pi of he 48 h mon h f om he Da e of G an of he Re e ed Sha e Op ion , and ending on he la ading da of he 60 h mon h f om he Da e of G an	20%
Fif h E e ci e Pe iod	Commencing f om he fi ading da af e he e pi of he 60 h mon h f om he Da e of G an of he Re e ed Sha e Op ion , and ending on he la ading da of he 72 h mon h f om he Da e of G an	20%

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

Upon he f lfillmen of condi ion of he e e ci e of he Sha e Op ion , he Sha e Op ion a e e e ci able in fi e anche , pon e pi of 12 mon h f om he Da e of G an .

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

The e i no amo n pa able on applica ion o accep ance of he op ion and he e i no ime e i emen fo which pa men m o ma be made.

h. ***The basis of determining the exercise price***

The e e ci e p ice nde he Fi G an of Sha e Op ion hall no be le han he nominal al e of he Sha e and in p inciple he highe of:

(i) he a e age ading p ice of he A ha e of he Compan on he ading da immedia el p eceding he da e of anno ncemen of he Scheme (d af), being RMB44.02 pe Sha e;

(ii) he a e age ading p ice of he A ha e of he Compan fo he 120 ading da immedia el p eceding he da e of anno ncemen of he Scheme (d af), being RMB34.90 pe Sha e.

The E e ci e P ice of he Re e ed Sha e Op ion hall be adj ed o be iden ical o he E e ci e P ice nde he Fi G an of Sha e Op ion , being RMB44.02 pe Sha e.

i. ***The remaining life of the Scheme***

The Validi Pe iod of he Scheme commenced f om he Da e of G an of he Sha e Op ion , and hall end on he da e on which all he ha e op ion g an ed o he pa icipan nde he Scheme ha e been e e ci ed o cancelled, and hall no be longe han 72 mon h .

j. *Accounting policy adopted for the share options*

The da e of he g an i 19 No embe 2021. On each balance hee da e hin he e ing pe iod, he Compan hall ecogni e he ele an a e co o c en e pen e fo he e ice ac i ed d ing ch pe iod and hall be ecogni ed nde Capi al Re e e O he Capi al Re e e a he fai al e of he ha e op ion on he Da e of G an ba ed on he be e ima e of he n mbe of e e ci able ha e op ion .

If he e e ci e condi ion a e me on he E e ci e Da e, he ha e op ion can be e e ci ed and ca ied fo d o he Capi al Re e e O he Capi al Re e e ecogni ed on each balance hee da e befo e he E e ci e Da e; if all o pa of he ha e op ion become in alid o a e aboli hed d e o fail e o e e ci e, i hall be ea ed in acco dance h acco n ing anda d and ela ed eg la ion .

A fo he acco n ing ea men af e he e e ci e da e, no adj men hall be made o he confi med co and o al o ne ' e i .

In acco dance h he ele an e i emen of he Acco n ing S anda d fo B ine En e p i e No. 11 Sha e-ba ed Pa men (企業會計準則第11號 股份支付) and he Acco n ing S anda d fo B ine En e p i e No. 22 Recogni ion and Mea emen of Financial In men (企業會計準則第22號 金融工具確認和計量), he Compan e he Black-Schole model (BS model) a he p icing model, and he Compan e hi model o make an e ima ion on he fai al e of he ha e op ion g an ed ba ed on 17 A g 2021 (official calc la ion l be cond c ed a he ime of g an). The pecific pa ame e a e elec ed a follo :

(i) P ice of a ge ha e: RMB42.89 pe ha e (clo ing p ice on 17 A g 2021)

(ii) Validi Pe iod: 1 ea , 2 ea , 3 ea , 4 ea and 5 ea , e pec i el (pe iod commencing f om Da e of G an and ending on he fi da e of e e ci e fo each e pec i e pe iod)

(iii) Hi o ic ola ili : 14.73%, 17.44%, 18.71%, 17.92% and 16.55% (ann ali ed ola ili fo he co e ponding pe iod of SSE Compo i e Inde)

(i) Ri k-f ee in e e a e: 1.50%, 2.10% and 2.75% (ba ed on one- ea , o- ea , h ee- ea , h ee- ea and abo e RMB depo i benchma k in e e a e, e pec i el , of financial in i e de eloped b he People' Bank of China)

On 26 No embe 2021, he Compan anno nced he fi g an of 5,341,072 ha e of A ha e op ion incen i e cheme o 288 pa icipan a an e e ci e p ice of RMB44.02 pe ha e. The de ail of he Fi G an of he 2021 A Sha e Op ion a e a follow:

a. Da e of g an

19 No embe 2021

b. N mbe of g an

5,341,072

c. N mbe of pa icipan of g an

288

d. Connec ed pe on a pa icipan

E cep fo M . Zh Y ping (祝宇平), on of M . Zh Q anming (祝全明), a S pe i o of he Compan h a connec ed pe on of he Compan , none of he pa icipan i a connec ed pe on of he Compan a defined nde Chap e 14A of he Li ing R le . A o al of 40,000 ha e op ion we e g an ed o M . Zh Y ping nde he Fi G an of Sha e Op ion o he pa icipan .

e. E e ci e p ice and e e ci e pe iod

RMB44.02 pe ha e. In he e en of capi ali a ion of capi al e e e , bon i e, di idend di ib ion, bdi i ion o con olida ion of ha e , igh i e, e c. of he Compan d ing he pe iod f om he da e of he anno ncemen of he Scheme o he comple ion of ha e egi a ion of ha e op ion b he pa icipan , he e e ci e p ice and he o al n mbe of nde l ing ha e in ol ed wo ld be adj ed in acco dance wi h he Scheme.

Fo de ail of he e e ci e pe iod of he Fi G an of Sha e Op ion , plea e efe o he de c ip ion abo e.

f. *Clo ing p ice of he A ha e on he da e of immedia el befo e he da e of g an*

RMB46.55 pe ha e

g. *So ce of ha e*

A ha e of he Compan o be di ec l i ed o he pa icipan b he Compan

h. *Ve ing pe iod*

All ha e op ion g an ed o he pa icipan a e bjec o diffe en e ing pe iod , and each of hem commence on he da e on hich he egi a ion of he g an of ha e op ion i comple ed. The in e al be een he Da e of G an and he fi e e ci e da e hall no be le han 12 mon h .

The Pa icipan of he Scheme ma e e ci e ha e op ion pon he e pi a ion of he e ing pe iod. The e e ci e da e m be a ading da hin he Validi Pe iod of he Scheme, and hall no fall hin he pe iod p ohibi ed f om e e ci ing igh of ha e op ion b he li ing le of he ock e change he e he Compan ' Sha e a e li ed.

The o al o anding ha e op ion a a 1 Jan a 2021 and 31 Decembe 2021 e e nil and 5,341,072, e pec i el . Fo he da e of g an , e ing pe iod, e e ci e pe iod and e e ci e p ice of he ele an o anding op ion a a 31 Decembe 2021, plea e efe o he abo e pa ag aph . D ing he Repo ing Pe iod, he e e e no op ion e e ci ed, o lap ed. Boa d mee ing g an ed 5,341,072 ha e op ion o 288 Pa icipan nde he fi g an . Befo e comple ion of egi a ion of he ha e op ion on 13 Jan a 2022, 5 Pa icipan ga e p he e 95,600 ha e op ion e e cancelled, e l ing he adj ed n mbe of pa icipan a 283 h he adj ed fi g an of ha e op ion a 5,245,472 ha e op ion .

The fair value of the 5,245,472 share options granted during the Reporting Period amounted to RMB47.2396 million, measured as at the date of the grant. Such measurement is based on the Black-Scholes option pricing model and the following assumptions: Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest. The fair value of such share options granted is subjective and uncertain as they are subject to the assumptions described above and are limited to the model adopted. For the accounting policies of such share options, please refer to the previous paragraphs.

INDUSTRY REVIEW

Industry half-year review

PV industry faced increasing challenges during development

Domestically, in the first half of 2022, although silicon production capacity was released, there was robust demand at home and abroad. As a result, silicon prices were at a high level and continued to rise, even hitting a record high, leading to increasing prices across the main industry chain while compromising the demand for installation of domestic centralized power plants to a certain extent. However, the distributed power plants were installed extensively. According to statistics of China Photovoltaic Industry Association, nearly 70% of the new installations in the first half of the year were distributed power plants with relatively low price sensitivity.

Internationally, trade frictions occur from time to time in various countries and regions. For example, the exports of modules from China to the United States is subject to Anti-dumping and Anti-countervailing Duties and Section 201 tariffs, while exports from Southeast Asia to the United States are subject to Section 201 tariffs and WRO detention risks. In addition, from 1 April 2022, India imposed a new Basic Custom Duty (BCD) on imports of solar cells and modules, with a tariff rate of 40% for PV modules and 25% for PV cells. Frequent international frictions has also had an impact on the global development of the PV industry.

Amidst the volatile industry and international landscape, the Company also experienced a high level of various costs in the first half of the year. The costs of energy, such as natural gas, rose significantly due to the escalation of geopolitical tensions such as the Russia-Ukraine conflict; the price of bulk commodities such as fuel oil and soda ash also surged due to inflation and mismatch between supply and demand; additionally, there was a temporary increase in freight costs in April and May this year due to the recurring COVID-19 pandemic in China. Consequently, the Company faced certain cost pressures on raw materials and fuels.

PV industry saw a thriving trend through overcoming challenges

Despite facing challenges under the contexts at domestic and abroad, the PV industry continued to show unprecedented resilience to brave multiple challenges, with booming installed demand downstream.

According to the statistics of China National Energy Administration and China Photovoltaic Industry Association, as of 30 June 2022, the domestic PV installation capacity was 30.88GW, representing an increase of 137.4% year-on-year, PV module export volume was 78.6GW, representing an increase of 74.3% year-on-year, and the total export amount of PV products (silicon wafers, cells, modules) was approximately US$25.9 billion, representing an increase of 113% year-on-year; and overseas PV installation demand continued to be in high growth. There are two contributing factors: first, favorable policies were implemented globally. According to the REPOWER EU Plan announced by the European Commission in May 2022, for example, the 2030 renewable energy target will be raised from 40% to 45%, and a special EU solar strategy will be in place to double the solar PV capacity by 2025 and reach an installed capacity of 600GW by 2030; secondly, due to the impact of energy shortage, the demand for energy independence in Europe is growing, and rising energy price are driving high electricity tariffs. As a result, the overseas PV market was in full bloom, and the installed demand in EU countries, Brazil, India, etc. also outperformed market expectations. In the first half of 2022, the new installed capacity of Brazil and India reached 3,010MW, representing an increase of 77.51% year-on-year, and 8.36GW, representing an increase of 71.61% year-on-year, respectively.

To satisfy the demand for PV glass from the rapid development of PV installations, the Company commenced the operation of two PV glass furnaces with a daily melting capacity of 1,200 tons/day at its Jiaxing Production Base in the first half of 2022. Meanwhile, the PV glass furnace with a daily melting capacity of 600 tons/day at its Jiaxing Production Base was cold repaired in the first half of 2022.

FUTURE PROSPECT

With the release of silicon production capacity in second half of the year, the demand for installed capacity downstream will be further encouraged. As carbon neutrality has become a global consensus and new energy generation is becoming an inevitable pathway and growing trend, the PV industry has entered a mature stage of development and will therefore continue to grow rapidly in the coming years.

To keep abreast of the development of the industry and expand its market share, the Company is expediting the production capacity expansion of PV glass. Up to now, the total production capacity of our PV glass is 15,800 tons/day, and Phase III and Phase IV projects of Anhui production bases are still under construction. In addition, the Phase V project of Anhui production base and the Nantong project are pending approval. Upon their approval, the Company will speed up their construction progress.

Furthermore, the Company will consolidate its competitive advantage and leading position through constant optimization of the product structure of PV glass and further increasing the market share of thin and large-sized glass.

FINANCIAL REVIEW

For the six months ended 30 June 2022, the Group benefited from the demand growth in the PV glass market and the release of new production capacity, and its operating revenue reached a new high. For the six months ended 30 June 2022, the amount of operating revenue of the Group was RMB7,304.5 million, which increased by 81.34% as compared to the same period of 2021 of RMB4,028.0 million. On the other hand, the decrease in the average sales price of PV glass and significant increase in the cost of raw material and energy resulted in a decrease in the Group's net profit. The net profit attributable to shareholders of the parent company for the six months ended 30 June 2022 was RMB1,002.7 million, representing a decrease of 20.48% as compared to the same period of 2021 of RMB1,261.0 million.

Revenue

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

	Six months ended 30 June 2022		Six months ended 30 June 2021	
Product type	**RMB'000**	**(%)**	RMB'000	(%)
PV glass	**6,468,102.10**	**88.55**	3,324,923.20	82.54
Float glass	**154,622.63**	**2.12**	179,987.14	4.47
Household glass	**180,626.50**	**2.47**	178,247.09	4.43
Architectural glass	**319,281.96**	**4.37**	304,212.08	7.55
Mineral products	**161,935.17**	**2.22**	18,668.91	0.46
Other business	**19,922.98**	**0.27**	21,984.07	0.55
Total	**7,304,491.34**	**100.00**	4,028,022.49	100.00

Location	Six months ended 30 June 2022 RMB'000	Six months ended 30 June 2021 RMB'000
Mainland China	**5,896,527.53**	2,739,990.53
Other countries in Asia (exclude China)	**1,165,341.16**	982,573.02
Europe	**101,446.16**	84,796.65
North America	**128,647.29**	212,166.37
Others	**12,529.20**	8,495.92
Total	**7,304,491.34**	4,028,022.49

For the six months ended 30 June 2022, the revenue of sales of the Group amounted to RMB7,304.5 million, increased by 81.34% as compared with the same period of 2021 of RMB4,028.0 million. Among them, the revenue of sales of PV glass amounted to RMB6,468.1 million, increased by 94.54% as compared with the same period of 2021 of RMB3,324.9 million, mainly due to the increase in sales volume resulted from the release of new production capacity of PV glass, which was partially offset by the decrease in average sales price. In terms of sales location, for the six months ended 30 June 2022, the sales revenue in Mainland China amounted to RMB5,896.5 million, increased by 115.20% as compared with the same period of 2021 of RMB2,740.0 million; Overseas sales revenue amounted to RMB1,408.0 million, increased by 9.32% as compared with the same period of 2021 of RMB1,288.0 million. In the first half of 2022, the sales revenue from Mainland China showed a rapid growth as compared with that from overseas regions, mainly due to a significant increase in the demand for PV glass as a result of the substantial increase in the production of PV modules in Chinese Mainland, which was in line with the release areas of the new production capacity of the Company.

Operating costs

The operating costs of the Group for the six months ended 30 June 2022 was RMB5,650.5 million, representing an increase of 151.67% as compared to the operating costs of RMB2,245.2 million for the same period of 2021. The increase was mainly due to the increase in sales volume of PV glass, part of which was enhanced by significant increase in costs of raw materials and energy.

Gross profit and gross profit margin

The gross profit of the Group for the six months ended 30 June 2022 was RMB1,654.0 million, representing a decrease of 7.22% from RMB1,782.8 million in the same period of last year. The gross profit margin of the Group for the six months ended 30 June 2022 was 22.64%, representing a decrease of 21.62 percentage points from the gross profit margin of 44.26% in the same period of last year. The decreasing gross profit and gross profit margin was mainly due to the decrease in average sales price of PV glass, and significant increase in costs of raw materials and energy as compared with the same period of last year.

The following table sets out gross profit of main products of the Group:

Production type	Six months ended 30 June 2022 Gross profit RMB'000	 Gross profit margin (%)	Six months ended 30 June 2021 Gross profit RMB'000	 Gross profit margin (%)
PV glass	**1,488,648.70**	**23.02**	1,527,909.50	45.95
Float glass	**5,323.60**	**3.44**	74,290.40	41.28
Household glass	**39,818.60**	**22.04**	58,047.50	32.57
Architectural glass	**59,949.80**	**18.78**	95,553.10	31.41
Mineral products	**43,811.10**			

Financial costs

Fo he i mon h ended 30 J ne 2022, he financial co of he G o p amo n ed o RMB76.8 million, ep e en ing an inc ea e of 460.58% f om RMB13.7 million fo he i mon h ended 30 J ne 2021. The inc ea e a mainl d e o he inc ea e in in e e e pen e on bo o ing .

Income tax expense

Fo he i mon h ended 30 J ne 2022, he income a e pen e of he G o p amo n ed o RMB94.7 million, ep e en ing a dec ea e of 48.78% f om RMB184.9 million fo he i mon h ended 30 J ne 2021, hich a mainl d e o he dec ea e in income a e pen e in he c en pe iod a a e l of he dec ea e in o al p ofi and ce ain p efe en ial polic of income a e emp ion.

EBITDA and net profit

Fo he i mon h ended 30 J ne 2022, he EBITDA of he G o p (ea ning befo e in e , a e , dep ecia ion and amo i a ion) inc ea ed b RMB99.7 million f om RMB1,694.7 million fo he i mon h ended 30 J ne 2021 o RMB1,794.4 million. The G o p' EBITDA ma gin a 24.57% fo he i mon h ended 30 J ne 2022 a compa ed i h 42.07% fo he ame pe iod of 2021.

Fo he i mon h ended 30 J ne 2022, he ne p ofi dec ea ed b RMB258.3 million f om RMB1,261.0 million fo he ame pe iod of 2021 o RMB1,002.7 million.

Assets and equity

A a 30 J ne 2022, he o al a e amo n ed o RMB28,758.4 million, hich inc ea ed b RMB8,675.5 million, o 43.20% f om RMB20,082.9 million a a 31 Decembe 2021. A a 30 J ne 2022, he ha eholde ' e i amo n ed o RMB13,200.2 million, hich inc ea ed b RMB1,390.0 million, o 11.77% f om RMB11,810.2 million a a 31 Decembe 2021.

Financial resources and liquidity

As at 30 June 2022, the current ratio was 1.43 as compared with 1.44 as at 31 December 2021.

For the six months ended 30 June 2022, the Group's main sources of funding were proceeds from A share convertible bonds, cash from operating activities and credit financing provided by banks.

Asset-liability ratio

As at 30 June 2022, the Group's asset-liability ratio (asset-liability ratio equals total debt divided by total assets as of the end of the year or period multiplied by 100%) was 54.10%, increased by 12.91 percentage as compared to 41.19% as at 31 December 2021.

Capital expenditures

As at 30 June 2022, total capital expenditures of the Group amounted to approximately RMB4,992.7 million (as at 30 June 2021: RMB1,899.0 million), involving the purchase of fixed assets, construction in progress and intangible assets for PV glass projects and the acquisition of subsidiaries.

EMPLOYEE AND REMUNERATION POLICY

As at 30 June 2022, the Group employed a total of 6,816 employees and most of them were based in the PRC, with a total employees remuneration amounting to RMB319.0 million for the six months ended 30 June 2022, representing 4.37% of the Group's operating expenses for the same period.

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

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

CREDIT RISK AND FOREIGN EXCHANGE RISK

Transactions of the Group are mainly settled in RMB, United States dollars, Hong Kong dollars, Vietnam Dong and Japanese yen, whereas, the Group's operating activities are mainly located in the PRC. Bank financing of the Group was settled in RMB and United States dollars for the six months ended 30 June 2022 with annual interest rates ranging from 1.30% to 4.65%. As the Group's trading currency of global certain sales, procurement and financing are not in the RMB but in foreign currencies, the Group is exposed to foreign exchange risk. For the six months ended 30 June 2022, such risks did not have any material impact on the financial performance of the Group.

Furthermore, the Group monitors the interest rate risk, in particular from the variable-rate borrowing with DBS Bank (Hong Kong) Limited of US$135 million. The Group will closely monitor interest rate risk exposure and purchase appropriate interest rate swap contracts in due course to mitigate risk exposure.

CAPITAL STRUCTURE

As at 30 June 2022, the Company issued a total of 2,146,893,254 shares, of which 1,696,893,254 were A shares and 450,000,000 were H shares.

Corporate Governance and Other Information

Compliance with Corporate Governance Code

In the opinion of the board (the "Board") of directors ("Directors") of the Company, the Company had complied with the code provisions in the Corporate Governance Code as set forth in Appendix 14 to the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the period from 1 January 2022 to 30 June 2022 except for code provision A.2.1.

Under code provision A.2.1 of the Corporate Governance Code, the role of the chairman and chief executive should be separated and should not be performed by the same individual. Mr. Ruan Hongliang currently holds both positions. Throughout the Group's business history of over 20 years, Mr. Ruan has held the key leadership position of the Group and has been deeply involved in the formulation of corporate strategies and management of business and operations of the Group. Taking into account the consistent leadership within the Group and in order to enable more effective and efficient overall strategic planning and continuation of the implementation of such plans, the Board considers that Mr. Ruan is the best candidate for both positions and the present arrangements are beneficial and in the interests of the Company and the shareholders as a whole.

Model Code for Securities Transactions by Directors and Supervisors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors and supervisors of the Company. Directors and supervisors of the Company are reminded of their obligations under the Model Code on a regular basis. Following specific enquiries by the Group, all of the Directors and supervisors of the Company have confirmed that they had complied with the required standard set out in the Model Code throughout the period from 1 January 2022 to 30 June 2022.

Interests and Short Positions of Directors, Supervisors and Chief Executives

A a 30 J ne 2022, he in e e and ho po i ion of Di ec o , pe i o and chief e ec i e of he Company in he ha e , nde l ing ha e o deben e of he Company and i a ocia ed co po a ion (within he meaning of Pa XV of he Sec i ie and F e O dinance (he SFO)), a eco ded in he egi e e i ed o be kep b he Company p an o ec ion 352 of he SFO; o a o he w e no ified o he Company and he S ock E change of Hong Kong Limi ed p an o he Di i ion 7 and 8 of Pa XV of he SFO (incl ding in e e o ho po i ion which he Di ec o o he chief e ec i e we e aken o deemed o ha e nde ch p o i ion) and he Model Code con ained in he Li ing R le , we e a follow :

Shareholder	Number of shares held	Class	Nature of interest	Approximate percentage of shareholding in the relevant class of shares[1]	Approximate percentage of shareholding in the total share capital of the Company[2]
Directors					
M . R an Hongliang[3]	1,178,784,425(L)	A ha e	Beneficial owne and pa ie ac ing in conce	69.47%	54.91%
	1,569,000(L)	H ha e	Beneficial owne and pa ie ac ing in conce	0.35%	0.07%
M . Jiang Jinh a[3]	1,178,784,425(L)	A ha e	Beneficial owne and pa ie ac ing in conce	69.47%	54.91%
	1,569,000(L)	H ha e	Beneficial owne and pa ie ac ing in conce	0.35%	0.07%
M . Wei Ye hong[4]	16,437,445(L)	A ha e	Beneficial owne	0.97%	0.77%
M . Shen Qif [5]	10,958,297(L)	A ha e	Beneficial owne	0.65%	0.51%
Supervisors					
M . Zheng Wen ong	46,801,800(L)	A ha e	Beneficial owne	2.76%	2.18%
M . Shen F an	31,201,200(L)	A ha e	Beneficial owne	1.84%	1.45%
M . Shen F an	20,351,200(L)	A ha e	Beneficial owne	1.20%	0.95%
	10,850,000(S)	A ha e	Beneficial owne	0.64%	0.51%

No e :

(1) The calc la ion i ba ed on he o al n mbe of 1,696,893,254 A Sha e o 450,000,000 H Sha e of he Com an in i e a a 30 J ne 2022.

(2) The calc la ion i ba ed on he o al n mbe of 1,696,893,254 A Sha e and he o al n mbe of 450,000,000 H Sha e (i.e. a o al of 2,146,893,254 Sha e) in i e a a 30 J ne 2022.

(3) M . R an Hongliang i he o e of M . Jiang Jinh a. A a 30 J ne 2022, M . R an Hongliang o n 462,926,174 A Sha e and 485,000 H Sha e . M . Jiang Jinh a o n 341,465,760 A Sha e and 111,000 H Sha e . M . R an Ze n i he o e of M . Zhao Xiaofei, and he da gh e of M . R an Hongliang and M . Jiang Jinh a. M . R an Ze n o n 369,335,004 A Sha e and 973,000 H Sha e . M . Zhao Xiaofei o n 5,057,487 A Sha e . In addi ion, an o a conce a ag eemen da ed 19 Se embe 2016 en e ed in o among M . R an Hongliang, M . Jiang Jinh a, M . R an Ze n and M . Zhao Xiaofei, each of M . R an Hongliang, M . Jiang Jinh a, M . R an Ze n and M . Zhao Xiaofei i con ide ed o be in e e ed in 1,178,784,425 A Sha e and 1,569,000 H Sha e nde he SFO. On 31 Ma 2022, he Com an com le ed he g an of 10,355,680, 7,638,600, 8,262,040 and 113,140 A ha e con e ible bond o M . R an Hongliang, M . Jiang Jinh a, M . R an Ze n and M . Zhao Xiaofei, e ec i el .

(4) In Ma 2022, he Com an com le ed he g an of 367,710 A ha e con e ible bond li ed on he Shanghai S ock E change o M . Wei Ye ong he e M . Wei Ye ong ac i ed he igh o con e ch con e ible bond in o A ha e .

(5) In Ma 2022, he Com an com le ed he g an of 245,140 A ha e con e ible bond li ed on he Shanghai S ock E change o M . Shen Qif he e M . Shen Qif ac i ed he igh o con e ch con e ible bond in o A ha e .

Sa e a di clo ed abo e, a a 30 J ne 2022, o he kno edge of he Com an , none of he Di ec o , e i o and he chief e ec i e of he Com an had o deemed nde he SFO o ha e an in e e o ho o i ion in an of he ha e o he nde l ing ha e and deben e of he Com an and an of i a ocia ed co o a ion (hin he meaning of Pa XV of he SFO) hich e i ed o be eco ded in he egi e e i ed o be ke b he Com an an o ec ion 352 of he SFO, o a o he e e i ed o be no ified o he Com an and he S ock E change an o he Di i ion 7 and 8 of Pa XV of he SFO o o be no ified o he Com an and he S ock E change an o he Model Code.

Interests and Short Positions of Substantial shareholders

As at 30 June 2022, the persons or corporations who have an interest or short position, other than Directors and chief executive of the Company, in the shares, underlying shares or debentures of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

Shareholder	Number of shares held	Class	Nature of interest	Approximate percentage of shareholding in the relevant class of shares[(1)]	Approximate percentage of shareholding in the total share capital of the Company[(2)]
Mr. Ruan Zeyun[(3)]	1,178,784,425 (L)	A Share	Beneficial owner and parties acting in concert	69.47%	54.91%
	1,569,000 (L)	H Share		0.35%	0.07%
Ms. Zhao Xiaofei[(3)]	1,178,784,425 (L)	A Share	Beneficial owner and parties acting in concert	69.47%	54.91%
	1,569,000 (L)	H Share		0.35%	0.07%
JPMorgan Chase & Co.[(4)]	63,029,896 (L)	H Share	Interest of controlled corporation, investment manager, security interest in shares and approved lending agent	14.01%	2.94%
	13,008,326 (S)			2.89%	0.61%
	28,387,546 (P)			6.31%	1.32%
The Capital Group Companies, Inc.[(5)]	54,791,000 (L)	H Share	Interest of controlled corporation	12.18%	2.55%
BlackRock, Inc.[(6)]	47,486,390 (L)	H Share	Interest of controlled corporation	10.55%	2.21%
	3,172,000 (S)			0.70%	0.15%
Bank of America Corporation[(7)]	35,842,386 (L)	H Share	Interest of controlled corporation	7.96%	1.67%
	35,329,158 (S)			7.85%	1.65%
Pacific Asset Management Co., Ltd.	31,525,000 (L)	H Share	Investment manager	7.01%	1.47%
Schroders PLC[(8)]	27,236,000 (L)	H Share	Investment manager	6.05%	1.27%
Shanghai Greenwood Asset Management Company Limited[(9)]	27,042,000 (L)	H Share	Investment manager	6.01%	1.26%
Xizang Jingning Corporate Management Company Limited[(9)]	27,042,000 (L)	H Share	Interest of controlled corporation	6.01%	1.26%

Shareholder	Number of shares held	Class	Nature of interest	Approximate percentage of shareholding in the relevant class of shares[(1)]	Approximate percentage of shareholding in the total share capital of the Company[(2)]
Citigroup Inc.[(10)]	26,366,672 (L)	H Shares	Interest of controlled	5.86%	1.23%
	9,247,099 (S)		corporation and approved	2.05%	0.43%
	16,813,949 (P)		lending agent	3.74%	0.78%
UBS Group AG[(11)]	25,014,145 (L)	H Shares	Interest of controlled	5.56%	1.17%
	18,462,525 (S)		corporation	4.10%	0.86%
CICC Pucheng Investment Co., Ltd.	23,870,000 (L)	H Shares	Beneficial interest	5.30%	1.11%
China International Capital Corporation Limited[(12)]	22,573,000 (L)	H Shares	Interest of controlled corporation	5.02%	1.05%

Notes:

(1) The calculation is based on the total number of 1,696,893,254 A shares or 450,000,000 H shares of the Company in issue as at 30 June 2022.

(2) The calculation is based on the total number of 1,696,893,254 A shares and the total number of 450,000,000 H shares (i.e. a total of 2,146,893,254 shares) in issue as at 30 June 2022.

(3) Mr. Ruan Hongliang is the spouse of Ms. Jiang Jinhua. As at 30 June 2022, Mr. Ruan Hongliang owns 462,926,174 A Shares and 485,000 H Shares. Ms. Jiang Jinhua owns 341,465,760 A Shares and 111,000 H Shares. Ms. Ruan Zeyun is the spouse of Mr. Zhao Xiaofei, and the daughter of Mr. Ruan Hongliang and Ms. Jiang Jinhua. Ms. Ruan Zeyun owns 369,335,004 A Shares and 973,000 H Shares. Mr. Zhao Xiaofei owns 5,057,487 A Shares. In addition, pursuant to a concert party agreement dated 19 September 2016 entered into among Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Zeyun and Mr. Zhao Xiaofei, each of Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Zeyun and Mr. Zhao Xiaofei is considered to be interested in 1,178,784,425 A Shares and 1,569,000 H Shares under the SFO. On 31 March 2022, the Company completed the grant of 10,355,680, 7,638,600, 8,262,040 and 113,140 A share convertible bonds to Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Zeyun and Mr. Zhao Xiaofei, respectively.

(4) JPMorgan Chase & Co. held relevant interests and short positions through a series of its controlled corporations, including holding of certain listed derivatives (cash settlement: 1,100 shares (short positions)) and unlisted derivatives (physical settlement: 313,784 shares (short positions); cash settlement: 3,930,380 shares (long positions) and 616,270 shares (short positions)).

(5) The Capi al G o p Companie , Inc. indi ec l held ele an in e e h o gh a e ie of i con olled co po a ion .

(6) BlackRock, Inc. indi ec l held ele an in e e and ho po i ion h o gh a e ie of i con olled co po a ion , incl ding holding of ce ain nli ed de i a i e (ca h e lemen : 39,000 ha e (long po i ion) and 1,549,000 ha e (ho po i ion)).

(7) Bank of Ame ica Co po a ion indi ec l held ele an in e e and ho po i ion h o gh a e ie of i con olled co po a ion , incl ding holding of ce ain nli ed de i a i e (ca h e lemen : 17,338,242 ha e (long po i ion) and 2,088,900 ha e (ho po i ion)).

(8) Sch ode PLC indi ec l held ele an in e e h o gh a e ie of i con olled co po a ion .

(9) Xi ang Jingning Co po a e Managemen Compan held 100% e i in e e in Shanghai G eenood A e Managemen Compan Limi ed 100%.

(10) Ci ig o p Inc. indi ec l held ele an in e e and ho po i ion h o gh a e ie of i con olled co po a ion , incl ding holding of ce ain nli ed de i a i e (ca h e lemen :2,918,610 ha e (long po i ion) and 175,000 ha e (ho po i ion)).

(11) UBS G o p AG held ele an in e e and ho po i ion h o gh a e ie of i con olled co po a ion , incl ding holding of ce ain li ed de i a i e (ca h e lemen : 325 ha e (long po i ion) and 12,363 ha e (ho po i ion)) and nli ed de i a i e (ca h e lemen ：1,513,656 ha e (long po i ion)and 1,322,971 ha e (ho po i ion)).

(12) China In e na ional Capi al Co po a ion Limi ed indi ec l held ele an in e e h o gh a e ie of i con olled co po a ion .

Sa e a di clo ed abo e, a a 30 J ne 2022, o fa a i kno n o he Di ec o , he e i no o he pe on (o he han he Di ec o o pe i o o he chief e ec i e of he Compan) ho had in e e o ho po i ion in he ha e o nde l ing ha e of he Compan hich o ld fall o be di clo ed o he Compan and he S ock E change nde he p o i ion of Di i ion 2 and 3 of Pa XV of he SFO, o hich e e eco ded in he egi e e i ed o be kep nde ec ion 336 of he SFO.

Purchase, Sale or Redemption of the Company's Listed Securities

1. Issuance of A Share Convertible Bonds

To further expand the capacity and maintain the leading technology and scale advantage of the Company's core product PV glass, while enhancing the financial strength and meet the working capital requirements of the Company, the Company proposed to issue A share convertible corporate bonds in the PRC, with total proceeds of no more than RMB4 billion. The relevant resolution was approved at the Board meeting held on 16 June 2021, and was approved at the 2021 second extraordinary general meeting, the 2021 second A share class meeting and the 2021 second H shareholders class meeting of the Company on 20 August 2021. On 16 June 2021, the announcement in relation to the issuance of A share convertible bonds was published on the website of The Stock Exchange of Hong Kong Limited ("the Stock Exchange") and the closing price of A share on that day was RMB29.53 per share. The target investors of the A share convertible bonds are natural persons, legal persons, securities investment funds and other investors who meet the requirements under the law, and who have maintained securities accounts with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited (except those prohibited by the state laws and regulations in the PRC). It was reported to the China Securities Regulatory Commission ("CSRC") on 8 November 2021 and it was approved by CSRC in March 2022.The issuance of A share convertible bonds was completed in May 2022.The A share convertible bonds under this issuance were with a nominal value of RMB100 and were issued at par. The Company completed the issue of 40 million convertible bonds. The subscription fund for the A share convertible bonds under this issuance totaled RMB4,000,000,000.00. After deducting the issuance fee of RMB23,078,799.67, the net fund raised were RMB3,976,921,200.33.

The total net proceeds from the public issuance of A share convertible bonds by the Company amounted to approximately RMB3,976.92 million. As at 30 June 2022, the use of such proceeds was as follows:

Use for	Percentage of net proceeds	Amount of net proceeds RMB'0,000	Amount utilized RMB'0,000	Amount unutilized RMB'0,000
Annual production of 750,000 tons of solar equipment ultra-thin and ultra-high transparent panel manufacturing project	48.50%	192,896.85	94,513.73	98,383.12
Distributed PV power generation construction project	16.41%	65,257.65	–	65,257.65
Annual production of 15 million square meters of solar PV ultra-thin glass technical transformation project	4.91%	19,537.62	1,523.54	18,014.08
Working capital	30.17%	120,000.00	120,000.00	0

The amount unutilized is expected to be fully utilized by the Company according to its use of proceeds plan for such proceeds by December 2023. As at the date of this report, the Directors confirm that the proceeds were used and are proposed to be used according to the intentions previously disclosed.

2. *Non-public Issuance of A Shares*

In order to further increase the company's capacity scale, meet the growing market demand of the photovoltaic industry, provide customers with better quality products and efficient and timely services, further improve the company's comprehensive competitive strength, and consolidate and enhance the company's market position, on 1 June 2022, the Board approved the proposed non-public issuance of A Shares which was also approved by shareholders at the 2022 first extraordinary general meeting, the 2022 first A Share class meeting and the 2022 first H Share class meeting held on 29 July 2022. On 1 June 2022, the announcement in relation to the proposed non-public issuance of A Shares was published on the website of Stock Exchange and the closing price of A Shares on that day was RMB43.18 per share. The target subscribers include securities investment fund management companies, securities firms, trust companies, finance companies, insurance institutional investors, qualified foreign institutional investors which satisfy the relevant requirements of the CSRC and other corporate bodies, individuals or other institutional investors which satisfy the relevant requirements of the relevant laws and regulations. The shares to be issued under the non-public issuance are RMB denominated ordinary shares (A Shares) with a nominal value of RMB0.25 each, which will be listed on the Shanghai Stock Exchange. As calculated by the total share capital of the Company on the date of announcement of the plan, the number of A Shares to be issued in the non-public issuance shall not exceed 30% of the total number of A Shares of the Company prior to the offering, i.e. not more than 509.068 million A Shares (inclusive), and shall be subject to the approval of the CSRC. As of the date of this interim report, the issuance of A Share convertible corporate bonds has not been completed.

The total net proceeds from the non-public issuance of A shares by the Company is expected to be amounted to approximately RMB6,000,000,000. As at 30 June 2022, the use of such proceeds were as follows:

Unit: RMB10,000

Project		Percentage of net proceeds	Amount of utilized	Amount unutilized	Amount of net proceeds to be used
Annual production of 1,950,000 tons of new energy equipment high-transparent panel manufacturing project	Annual production of 750,000 tons of new energy equipment high-transparent panel manufacturing project				
	Annual production of 1,200,000 tons of new energy equipment high-transparent panel manufacturing project				193,000.00 [note 2]
Annual production of 1,500,000 tons of new energy equipment ultra-thin and ultra-high-transparent panel manufacturing project					227,000.00 [note 1, 3]
Working capital					180,000.00 [note 4]
Total					600,000.00

Notes:

1. The annual production of 1,500,000 tons of new energy equipment ultra-thin and ultra-high-transparent panel manufacturing projects in the second column above will be implemented in phases, and such investments in the projects will be used for the first phase of the project.

2. The proceeds of Non-Public Issuance of A Shares will be utilized according to its progress, and the project is expected to be operated before 2022.

3. The proceeds of Non-Public Issuance of A Shares will be utilized according to its progress, and the project is expected to be operated before 2023.

4. The proceeds of Non-Public Issuance of A Shares is used to return bank loans and business operation, which is expected to be used up within six months of receiving the proceeds.

As at the date of this report, the Directors confirm that the proceeds are proposed to be used according to the intention previously disclosed.

Except as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the period from 1 January 2022 to 30 June 2022.

Proceeds Brought Forward from Issuance of Equity Securities Made In Previous Financial Year

1. Non-public Issuance of A Shares

In order to meet the development needs of the Company, enhance the Company's core competitiveness, sustainable profitability, and safeguard the interests of minority shareholders of the Company, on 12 June 2020 and 15 July 2020, the Board approved the proposed non-public issuance of A shares and its revised version which was also approved by shareholders at the 2020 first extraordinary general meeting, the 2020 second A share class meeting and the 2020 second H share class meeting held on 10 August 2020. On 12 October 2020, the Issuance Approval Committee of the CSRC conducted a review of the Company's application for non-public issuance of A shares. Pursuant to the result of the review, the Company's application for non-public issuance of A shares was approved.

The shares to be issued under the non-public issuance are RMB denominated ordinary Shares (A Shares) with a nominal value of RMB0.25 each, which will be listed on the Shanghai Stock Exchange. On 18 January 2021, the Company completed the non-public issuance of A shares with the issuance of 84,545,147 A Shares in total at issue price of RMB29.57 per share. The total proceeds from the non-public issuance of A shares is RMB2,499,999,996.79. After deducting the underwriting fee and other issuance fee (excluding value-added tax) of RMB16,918,053.10, the net fund raised were RMB2,483,081,943.69. On 12 June 2020, the announcement of Proposed Non-public Issuance of A Shares was published on the website of HKEX and the closing price of A Share on that day was RMB15.61 per share. The target subscribers including securities investment fund management companies, securities firms, trust companies, finance companies, insurance institutional investors, qualified foreign institutional investors which satisfy the relevant requirements of the CSRC and other corporate bodies, individuals or other institutional investors which satisfy the relevant requirements of the relevant laws and regulations.

The o al ne oceed f om he non- blic i ance of A ha e b   he Com an amo n ed o a o ima el RMB2,483,081,943.69. A a 30 J ne 2022, he   e of   ch oceed   e a follo :

Use for	Percentage of net proceeds	Amount of net proceeds (RMB'0,000)	Amount utilized (RMB'0,000)	Amount unutilized (RMB'0,000)
Pha e II of PV gla a co e h an ann al od c ion ca aci of 750,000 on ojec	56.38%	140,000	140,000	0
PV back lane gla h an ann al od c ion ca aci of 42 million a e me e ojec	13.41%	33,308.19	33,308.19	0
Wo king ca i al	30.21%	75,000	75,000	0

A a   he da e of he e o , he Di ec o   confi m ha   he oceed ha e been f ll   ed acco ding o he in en ion   e io l di clo ed.

2. *Issuance of New H Shares under Specific Mandate*

In o de   o   o ide long- e m ca i al a a ela i e lo financing co , omo e he   able de elo men and g o h of he Com an , e and he in e   o ba e of H ha e and enhance he Com an ' acce   o in e na ional in e o ( ) of   a egic al e, a   ell a o imi e he com an ' ca i al   c e, on 5 Feb a   2021, he Com an   anno nced o o o e o i   e   o 76,000,000 ne H ha e , hich   a a o ed b   he Boa d. The ca i al ai ed b   he ne H ha e   o o ed o be i   ed hall e e en : (i) a o ima el 3.5% of he o al i   ed ha e ca i al of he Com an   a a   he da e of he Boa d mee ing; (ii) a o ima el 3.4% of he o al i   ed ha e ca i al of he Com an   enla ged b   hi i ance; (iii) a o ima el 16.9% of he o al i   ed H Sha e of he Com an   a a   he da e of he Boa d mee ing; and (i) a o ima el 14.4% of he o al i   ed H Sha e of he Com an   enla ged b   hi i ance. Thi i ance   a con ide ed and a o ed a   he 2021 fi   e   ao dina   gene al mee ing, he 2021 fi   A ha e cla   mee ing and he 2021 fi   H ha e cla   mee ing held on 25 Ma ch 2021. The Com an   ecei ed he A o al Rega ding he I ance of O e ea Li ed Fo eign In e men Sha e b Fla Gla   G o   Co., L d. (he A o al) i   ed b   CSRC on 1 J ne 2021.

The new H Shares to be issued are overseas-listed foreign shares which shall be listed on the Main Board of the Stock Exchange with a par value of RMB0.25 each. On 5 February 2021, the announcement in relation to the proposed issuance of new H Shares under specific mandate was published on the website of the Stock Exchange and the closing price of the Company of H Shares on that day was HK$32.48 per share. The target placees of the new H Shares will be qualified investors (excluding those investors in respect of which such subscription has been or would be prohibited under relevant laws and regulations), who (together with their respective ultimate beneficial owners) are independent third parties and not connected persons (as defined under the Listing Rules) of the Company. Due to the changes in the capital market conditions, the Company has not completed the issuance of additional H shares within twelve months from the date of the Approval. According to the announcement of the company dated 1 June 2022, the Approval lapse automatically upon expiry. Therefore use of proceeds from the proposed issuance of H shares is not applicable any more.

Taxation

Holders of A shares

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

Re iden en e p i e ha eholde of A ha e hall e po and pa fo he en e p i e income a of di idend b hem el e .

Fo he ha eholde o a e Q alified Fo eign In i ional In e o (QFII), he li ed companie hall hhold and pa en e p i e income a a a a e of 10% p an o he e i emen of he No ice of he S a e Admini a ion of Ta a ion Conce ning he Rele an Q e ion on he Wi hholding and Pa men of En e p i e Income Ta Rela ing o he Pa men of Di idend , Bon and In e e b PRC Re iden En e p i e o QFII (G o Sh i Han [2009] No. 47) (《國家稅務總局關於中國居民企業向QFII支付股息、紅利、利息代扣代繳企業所得稅有關問題的通知》(國稅函2009[47]號)). QFII ha eholde en i led o p efe en ial a ea men nde a ea ie (a angemen) hall appl o he compe en a a ion a ho i fo a eba e acco ding o he ele an le and eg la ion af e he ecei e he di idend , and a eba e ll be e ec ed nde a ea ie pon e ifica ion ca ied o b compe en a a ho i ie .

Fo non- e iden en e p i e ha eholde of A ha e e cep he abo e-men ioned QFII, li ed companie hall hhold and pa en e p i e income a a a a e of 10% p an o he e i emen of he Ten a i e Mea e fo Admini a ion of Wi hholding a he So ce of Income Ta of Non- e iden En e p i e (G o Sh i Fa [2009] No. 3) (《非居民企業所得稅源泉扣繳管理暫行辦法》(國稅發[2009]3號)) and he Re pon e of he S a e Admini a ion of Ta a ion Conce ning Q e ion on En e p i e Income Ta o e Di idend of B- ha e and O he ha e Recei ed b Non- e iden En e p i e (G o Sh i Han [2009] No. 394) (《國家稅務總局關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》(國稅函[2009]394號)). Non- e iden en e p i e ha eholde en i led o p efe en ial a ea men hall make egi a ion in acco dance h he ele an p o i ion of he a ea ie .

P an o he e i emen of he No ice of he Mini of Finance, he S a e Admini a ion of Ta a ion and he CSRC on he Ta Policie Rela ed o he Pilo P og am of he Shanghai-Hong Kong S ock Connec (Cai Sh i [2014] No. 81) (《財政部、國家稅務總局、中國證監會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), li ed companie hall hhold an income a a he a e of 10% on di idend f om he A ha e of he compan in e ed b Hong Kong in e o (incl ding en e p i e and indi id al) h o gh he SSE, and appl fo hholding ia he compe en a a ho i ie (befo e he Hong Kong Sec i ie Clea ing Compan Limi ed i able o p o ide de ail ch a in e o iden i ie and holding pe iod o China Sec i ie Depo i o and Clea ing Co po a ion Limi ed, he polic of diffe en ia ed a e of a a ion ba ed on holding pe iod ll empo a il no be implemen ed). Fo in e o o a e a e iden of o he co n ie and o e co n of domicile i a co n ich ha en e ed in o a a ea h he PRC ip la ing a di idend a a e of lo han 10%, ho e en e p i e and indi id al ma , o ma en a hholding agen o, appl o he compe en a a ho i of he li ed compan fo he en i lemen of he a e nde ch a ea . Upon app o al b he compe en a a ho i , he paid amo n in e ce of he a pa able ba ed on he a a e acco ding o ch a ea ll be ef nded.

Acco ding o he e i emen of he No ice on he Ta Policie Conce ning he Pilo P og am of he Shanghai-Hong Kong S ock Connec bli hed b he Mini of Finance, he S a e Admini a ion of Ta a ion and he CSRC (Cai Sh i [2014] No. 81) (《財政部、國家稅務總局、中國證監會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), H- ha e com anie hall hhold an indi id al income a a he a e of 20% on di idend f om he H ha e of he com an in e ed b mainland indi id al in e o on he Hong Kong S ock E change h o gh he Shanghai-Hong Kong S ock Connec . Fo di idend of he ha e li ed on he Hong Kong S ock E change ecei ed b mainland ec i ie in e men f nd f om in e men h o gh he Shanghai-Hong Kong S ock Connec , indi id al income a hall be calc la ed in acco dance h he abo e e i emen . Fo di idend of he ha e li ed on he Hong Kong S ock E change ecei ed b mainland en e i e in e o f om in e men h o gh he Shanghai-Hong Kong S ock Connec , H- ha e com anie hall no hhold income a of di idend , and mainland en e i e in e o hall e o and a he a amo n b hem el e . In a ic la , he di idend ecei ed b e iden en e i e in mainland hich hold H ha e fo a lea 12 con ec i e mon h hall be e em ed f om en e i e income a acco ding o la .

Acco ding o he e i emen of he No ice on he Ta Policie Conce ning he Pilo P og am of he Shen hen Hong Kong S ock Connec bli hed b he Mini of Finance, he S a e Admini a ion of Ta a ion and he CSRC (Cai Sh i[2016] No. 127) (《財政部、國家稅務總局、中國證監會關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), H- ha e com anie hall hhold an indi id al income a a he a e of 20% on di idend f om he H ha e of he com an in e ed b mainland indi id al in e o on he Hong Kong S ock E change h o gh he Shen hen-Hong Kong S ock Connec . Fo di idend of he ha e li ed on he Hong Kong S ock E change ecei ed b mainland ec i ie in e men f nd f om in e men h o gh he Shen hen-Hong Kong S ock Connec , indi id al income a hall be calc la ed in acco dance h he abo e e i emen . Fo di idend of he ha e li ed on he Hong Kong S ock E change ecei ed b mainland en e i e in e o f om in e men h o gh he Shen hen-Hong Kong S ock Connec , H- ha e com anie hall no hhold income a of di idend , and mainland en e i e in e o hall e o and a he a amo n b hem el e . In a ic la , he di idend ecei ed b e iden en e i e in mainland hich hold H ha e fo a lea 12 con ec i e mon h co ld be e em ed f om en e i e income a acco ding o la .

The ha eholde of he Com an hall a he ele an a and/o a e en i led o a elief in acco dance h he abo e e i emen .

Dividends

For the six months ended 30 June 2022, the Board recommended an ordinary interim dividend of RMB0.23 per share (before tax) (the "2022 Interim Dividend") and is subject to the approval by the 2022 third extraordinary general meeting of shareholders of the Company ("2022 Third EGM") to be convened. As the date of the 2022 Third EGM is yet to be set, the Company will announce in due course the details of the date of closure of register of members, the record date and the payment date in a separate announcement.

Dividends on A shares will be paid in RMB and dividends on H shares will be paid in Hong Kong dollars. The exchange rate for the dividend to be paid in Hong Kong dollars will be the mean of the exchange rate of Hong Kong dollars to RMB as announced by the People's Bank of China during the five business days prior to the date of extraordinary general meeting.

Review of the Interim Report by the Audit Committee of the Company

The Company's interim report for the six months ended 30 June 2022 has not been audited but has been reviewed by the Company's audit committee, comprising its three independent non-executive Directors.

Consolidated Balance Sheet

RMB

Items	No e	30 June 2022	31 Decembe 2021
Current assets:			
Ca h a bank and on hand	1	**4,023,250,509.82**	2,842,677,267.48
T ading financial a e	2	**700,000,000.00**	200,000,000.00
De i a i e financial a e	3	**–**	62,739.00
Bill ecei able	4	**2,016,706,300.57**	939,748,112.41
T ade ecei able	5	**2,713,330,450.16**	1,105,759,571.75
Financing ecei able	6	**596,244,502.28**	531,196,547.78
Ad ance a men	7	**415,641,169.16**	692,261,958.13
O he ecei able	8	**53,523,216.63**	54,999,617.97
In en o ie	9	**1,496,902,516.96**	2,276,469,528.29
O he c en a e	10	**114,315,141.92**	255,127,082.80
Total current assets		**12,129,913,807.50**	8,898,302,425.61
Non-current assets:			
Long- e m e i in e men	11	**74,269,507.82**	71,530,334.22
In e men o e ie	12	**18,086,495.83**	18,802,231.03
Fi ed a e	13	**9,179,825,831.06**	6,316,279,511.19
Con c ion in og e	14	**2,072,848,900.09**	3,067,207,867.50
Righ -of- e a e	15	**172,642,131.34**	170,070,872.22
In angible a e	16	**4,023,561,481.57**	662,708,796.08
Long- e m e aid e en e		**11,469,799.56**	6,948,461.94
Defe ed a a e	17	**4,451,373.78**	4,162,665.30
O he non-c en a e	18	**1,071,368,607.59**	866,903,935.41
Total non-current assets		**16,628,524,128.64**	11,184,614,674.89
Total assets		**28,758,437,936.14**	20,082,917,100.50

RMB

Items	Note	30 June 2022	31 December 2021
Current liabilities:			
Short-term borrowings	19	**1,966,252,066.84**	1,860,696,500.00
Derivative financial liabilities	20	**3,598,130.06**	-
Bills payable	21	**967,943,844.79**	1,036,982,577.72
Trade payables	22	**3,369,204,291.79**	2,306,910,116.65
Contract liabilities	23	**119,823,950.23**	352,681,717.14
Payroll payable	24	**52,276,720.97**	67,519,702.61
Tax payable	25	**236,427,450.22**	48,629,486.85
Other payables	26	**680,675,249.47**	136,664,417.03
Including: Interest payable		**7,398,469.04**	4,225,184.38
Dividend payable		**791,200.00**	791,200.00
Non-current liabilities due within one year	27	**1,059,384,444.73**	310,100,070.52
Other current liabilities		**12,191,163.60**	44,277,908.91
Total current liabilities		**8,467,777,312.70**	6,164,462,497.43
Non-current liabilities:			
Long-term borrowings	28	**3,091,900,000.00**	1,967,748,428.04
Bonds payable	29	**3,660,546,167.06**	-
Lease liabilities	30	**10,685,236.11**	10,879,703.29
Long-term payables	32	**178,010,897.90**	-
Deferred income	31	**64,503,881.87**	25,441,145.12
Deferred tax liabilities	17	**84,787,542.50**	104,216,253.83
Total non-current liabilities		**7,090,433,725.44**	2,108,285,530.28
Total liabilities		**15,558,211,038.14**	8,272,748,027.71

RMB

Items	Note	30 June 2022	31 December 2021
Shareholders' equity			
Share capital	33	**536,723,313.50**	536,723,313.50
Other equity instruments	34	**333,235,286.91**	-
Capital reserve	35	**4,848,611,260.86**	4,832,768,261.83
Less: Treasury stock		**30,104,000.00**	32,096,200.00
Other comprehensive income	37	**22,276,078.73**	(7,613,180.72)
Special reserve	38	**23,616,256.64**	17,266,053.61
Surplus reserve	39	**268,361,656.75**	268,361,656.75
Undistributed profit	40	**7,197,507,044.61**	6,194,759,167.82
Total equity attributable to shareholders of the parent company		**13,200,226,898.00**	11,810,169,072.79
Total shareholders' equity		**13,200,226,898.00**	11,810,169,072.79
Total liabilities and shareholders' equity		**28,758,437,936.14**	20,082,917,100.50

Balance Sheet of the Parent Company

RMB

Items	Note	30 June 2022	31 December 2021
Current assets:			
Cash at bank and on hand		**2,597,515,069.67**	593,095,104.71
Trading financial assets		**300,000,000.00**	
Derivative financial assets		**–**	
Bills receivable		**641,605,961.31**	448,120,747.17
Trade receivable	1	**937,073,154.17**	347,593,588.48
Financing receivable		**167,943,409.99**	176,107,817.92
Advance payment		**202,602,599.16**	113,797,898.71
Other receivable	2	**1,742,784,071.43**	1,837,334,934.64
Including: Dividend receivable		**148,731,538.16**	800,000,000.00
Inventories		**429,521,571.27**	319,598,489.09
Other current assets		**14,699,155.04**	20,480,374.08
Total current assets		**7,033,744,992.04**	3,856,128,954.80
Non-current assets:			
Long-term equity investment	3	**4,157,352,990.72**	1,350,059,171.12
Investment in other equity instrument		**–**	
Investment property		**–**	
Fixed assets		**2,811,721,752.27**	1,280,018,460.38
Construction in progress		**262,536,204.31**	1,309,136,814.51
Right-of-use assets		**–**	
Intangible assets		**387,273,873.79**	392,286,140.98
Long-term prepaid expenses		**5,686,374.76**	2,596,418.88
Deferred tax assets		**–**	
Other non-current assets		**5,292,653,398.94**	4,622,171,949.91
Total non-current assets		**12,917,224,594.79**	8,956,268,955.78
Total assets		**19,950,969,586.83**	12,812,397,910.58

RMB

Items	No e	30 June 2022	31 Decembe 2021
Current liabilities:			
Sho - e m bo o ing		**1,023,332,866.84**	1,261,939,500.00
De i a i e financial liabili ie		**–**	
Bill pa able		**739,859,796.22**	557,046,846.40
T ade pa able		**1,273,574,861.40**	874,183,753.59
Con ac liabili ie		**25,943,220.46**	172,956,634.95
Pa oll pa able		**23,467,573.41**	28,878,501.78
Ta pa able		**62,888,608.01**	17,775,591.40
O he pa able		**1,304,872,044.34**	565,827,131.31
Incl ding: In e e pa able		**5,358,807.57**	2,551,415.40
Di idend pa able		**791,200.00**	791,200.00
Non-c en liabili ie d e i hin one ea		**101,700,000.00**	3,200,000.00
O he c en liabili ie		**3,337,865.04**	22,438,022.78
Total current liabilities		**4,558,976,835.72**	3,504,245,982.21
Non-current liabilities:			
Long- e m bo o ing		**2,656,700,000.00**	786,800,000.00
Bond pa able		**3,660,546,167.06**	
Lea e liabili		**–**	
Long- e m pa able		**–**	
E ima ed liabili ie		**–**	
Defe ed income		**10,741,749.57**	13,423,678.16
Defe ed income a liabili		**4,905,810.86**	8,557,857.51
Total non-current liabilities		**6,332,893,727.49**	808,781,535.67
Total liabilities		**10,891,870,563.21**	4,313,027,517.88

RMB

Items	Note	30 June 2022	31 December 2021
Shareholders' equity:			
Share capital		**536,723,313.50**	536,723,313.50
Other equity instruments		**333,235,286.91**	
Capital reserve		**4,848,611,260.86**	4,832,768,261.83
Less: Treasury stock		**30,104,000.00**	32,096,200.00
Other comprehensive income		**(775,619.54)**	(609,915.05)
Surplus reserve		**268,361,656.75**	268,361,656.75
Undistributed profit		**3,103,047,125.14**	2,894,223,275.67
Total equity attributable to owners of the parent company		**9,059,099,023.62**	8,499,370,392.70
Total shareholders' equity		**9,059,099,023.62**	8,499,370,392.70
Total liabilities and shareholders' equity		**19,950,969,586.83**	12,812,397,910.58

Consolidated Income Statements

RMB

Items		Note	For the six months ended 30 June 2022	For the six months ended 30 June 2021
I.	**Operating revenue**	41	**7,304,491,338.96**	4,028,022,488.56
	Less: Operating costs		**5,650,508,668.44**	2,245,211,455.30
	Taxes and surcharges	42	**45,449,665.35**	21,201,184.74
	Selling expenses	43	**49,650,173.34**	56,442,822.66
	General and administrative expenses	44	**126,399,595.74**	107,119,073.48
	Research and development expenses	45	**255,054,636.60**	200,038,514.30
	Financial expenses	46	**76,768,433.12**	13,720,261.74
	Including: Interest expenses		**120,102,101.64**	34,644,318.71
	Interest income		**25,481,363.85**	21,301,664.66
	Add: Other income	47	**40,868,360.92**	12,336,592.31
	Investment income (loss)	48	**4,199,843.60**	21,587,263.15
	Including: Gains on investments in associates and joint ventures		**3,582,923.60**	2,834,046.74
	Profit (loss) arising from changes in fair value	49	**(3,660,869.06)**	(160,041.62)
	Credit impairment loss	50	**(28,631,879.47)**	30,496,077.35
	Asset impairment loss	51	**(6,723,522.16)**	(4,329,681.98)
	Gains (losses) on disposal of assets	52	**(9,150,998.74)**	(950,017.12)
II.	**Operating profit**		**1,097,561,101.46**	1,443,269,368.43
	Add: Non-operating income	53	**2,092,103.81**	3,355,129.18
	Less: Non-operating expenses	54	**2,254,370.81**	709,760.70
III.	**Total profit**		**1,097,398,834.46**	1,445,914,736.91
	Less: Income tax expenses	55	**94,650,957.67**	184,884,747.88
IV.	**Net profit**		**1,002,747,876.79**	1,261,029,989.03
	Net profit attributable to owners of parent company		**1,002,747,876.79**	1,261,029,989.03

Items		Note	For the six months ended 30 June 2022	For the six months ended 30 June 2021
V.	**Other comprehensive income, net of tax**		**29,889,259.45**	(1,066,315.53)
	Other comprehensive income, net of tax attributable to the owners of parent company		**29,889,259.45**	(1,066,315.53)
	(1) Other comprehensive income that cannot be reclassified to profit or loss		**–**	(1,133,085.00)
	Changes in fair value of other equity instruments investment		**–**	(1,133,085.00)
	(2) Other comprehensive income that will be reclassified to profit or loss		**29,889,259.45**	66,769.47
	Exchange differences on foreign currency financial statements translation		**29,586,440.51**	

Income Statements of the Parent Company

RMB

Items		Note	For the six months ended 30 June 2022	For the six months ended 30 June 2021
I.	**Operating revenue**	4	**2,364,194,413.72**	2,016,966,902.46
	Less: Operating costs		**1,951,593,318.84**	1,538,006,914.04
	Taxes and surcharges		**3,634,539.87**	3,204,356.66
	Selling expenses		**19,135,579.80**	11,821,433.25
	General and administrative expenses		**69,871,990.97**	62,026,068.29
	Research and development expenses		**85,360,429.83**	78,720,175.00
	Financial expenses		**6,265,338.85**	(6,898,182.62)
	Including: Interest expenses		**71,407,412.96**	13,981,123.78
	Interest income		**13,340,110.93**	12,234,408.51
	Add: Other income	5	**9,529,261.87**	6,292,315.65
	Investment income (loss)		**2,293,819.60**	2,834,046.74
	Including: Gains on investments in associates and joint ventures		**2,293,819.60**	2,834,046.74
	Credit impairment loss		**(8,110,426.25)**	23,862,144.23
	Asset impairment loss		**(3,932,514.57)**	(4,325,366.00)
	Gains (losses) on disposal of assets		**401,795.49**	106,241.91
II.	**Operating profit**		**228,515,151.70**	358,855,520.37
	Add: Non-operating income		**867,335.51**	64,595.34
	Less: Non-operating expenses		**1,275,851.39**	563,362.04
III.	**Total profit**		**228,106,635.82**	358,356,753.67
	Less: Income tax expenses		**19,282,786.35**	40,660,678.66
IV.	**Net profit**		**208,823,849.47**	317,696,075.01
	Net profit from continuing operations		**208,823,849.47**	317,696,075.01

RMB

Items	No e	For the six months ended 30 June 2022	Fo he i mon h ended 30 J ne 2021
V. Other comprehensive income, net of tax		**(165,704.49)**	1,971,851.19
(1) O he comp ehen i e income ha will be ecla ified o p ofi o lo		**(165,704.49)**	1,971,851.19
O he		**(165,704.49)**	1,971,851.19
VI. Total comprehensive income		**208,658,144.98**	319,667,926.20

Consolidated Statements of Cash Flow

RMB

Items	Note	For the six months ended 30 June 2022	For the six months ended 30 June 2021
I. Cash flow from operating activities:			
Cash received from sales of goods or rendering of services		**3,038,800,978.84**	2,887,893,348.03
Cash received from refunds of taxes		**67,399,490.94**	157,930,399.47
Cash received relating to other operating activities	56	**123,781,925.79**	34,157,968.08
Subtotal of cash inflows		**3,229,982,395.57**	3,079,981,715.58
Cash paid for goods and services		**1,551,673,945.49**	1,698,762,995.28
Cash paid to and on behalf of employees		**334,286,062.44**	224,622,530.60
Cash paid for payments of taxes and surcharges		**235,588,722.86**	344,428,646.38
Cash paid relating to other operating activities	56	**202,168,255.91**	415,015,587.14
Subtotal of cash outflows		**2,323,716,986.70**	2,682,829,759.40
Net cash flow from operating activities		**906,265,408.87**	397,151,956.18
II. Cash flow from investing activities:			
Cash received from disposal of investments		**200,000,000.00**	2,050,000,000.00
Cash received from return on investments		**1,460,670.00**	20,492,482.61
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		**4,044,620.93**	6,771,658.76
Cash received relating to other investing activities	56	**14,489,983.85**	40,985,939.59
Subtotal of cash inflows		**219,995,274.78**	2,118,250,080.96
Cash paid to purchase fixed assets, intangible assets and other long-term assets		**2,188,693,239.71**	1,898,993,502.24
Cash paid relating to investments		**700,000,000.00**	2,050,000,000.00
Net cash paid for acquisition of subsidiaries and other operating		**2,803,965,670.84**	
Cash paid relating to other investing activities	56	**46,849,962.30**	25,166,299.08
Subtotal of cash outflows		**5,739,508,872.85**	3,974,159,801.32
Net cash flow from investing activities		**(5,519,513,598.07)**	(1,855,909,720.36)

RMB

Items	Note	For the six months ended 30 June 2022	For the six months ended 30 June 2021
III. Cash flow from financing activities:			
Cash received from capital contributions		**–**	2,509,960,996.79
Cash received from issued bonds		**3,978,000,000.00**	–
Cash received from borrowings		**4,085,382,666.84**	1,298,907,944.79
Cash received relating to other financing activities	56	**466,542,322.25**	459,117,039.95
Subtotal of cash inflows		**8,529,924,989.09**	4,267,985,981.53
Cash paid for repayments of borrowings		**2,208,375,500.00**	649,455,977.28
Cash paid for distribution of dividends, and profits or payments of interest		**92,732,448.31**	361,036,874.42
Cash paid relating to other financing activities	56	**496,112,910.71**	748,526,906.50
Subtotal of cash outflows		**2,797,220,859.02**	1,759,019,758.20
Net cash flow from financing activities		**5,732,704,130.07**	2,508,966,223.33
IV. Effect of foreign exchange rate changes on cash and cash equivalents		**23,638,751.01**	(6,274,196.59)
V. Net increase (decrease) in cash and cash equivalents		**1,143,094,691.88**	1,043,934,262.56
Add: Cash and cash equivalents at the beginning of the year		**2,101,730,679.46**	1,146,171,930.13
VI. Cash and cash equivalents at the end of the year		**3,244,825,371.34**	2,190,106,192.69

Statements of Cash Flow of the Parent Company

RMB

Items		Note	For the six months ended 30 June 2022	For the six months ended 30 June 2021
I.	**Cash flow from operating activities:**			
	Cash received from sale of goods or rendering of services		**788,861,444.80**	1,306,196,622.88
	Cash received from refunds of taxes		**4,593,212.60**	13,018,012.65
	Cash received relating to other operating activities		**34,354,347.21**	13,232,174.14
	Subtotal of cash inflows		**827,809,004.61**	1,332,446,809.67
	Cash paid for goods and services		**810,338,583.44**	883,910,966.58
	Cash paid to and on behalf of employees		**106,759,256.97**	29,570,696.15
	Cash paid for payments of taxes and surcharges		**34,502,346.92**	75,294,778.68
	Cash paid relating to other operating activities		**84,347,262.63**	114,761,990.71
	Subtotal of cash outflows		**1,035,947,449.96**	1,103,538,432.12
	Net cash flow from operating activities		**(208,138,445.35)**	228,908,377.55
II.	**Cash flow from investing activities:**			
	Cash received from disposal of investments		–	200,000,000.00
	Net cash received from disposal of fixed assets, intangible assets and other long-term assets		**1,304,506.44**	781,387.96
	Cash received relating to other investing activities		**2,006,266,142.87**	402,268,570.34
	Subtotal of cash inflows		**2,007,570,649.31**	603,049,958.30
	Cash paid to purchase fixed assets, intangible assets and other long-term assets		**435,769,660.39**	684,855,708.49
	Cash paid relating to investments		**300,000,000.00**	200,000,000.00
	Net cash invested in establishments of subsidiaries or other operating units		**2,284,052,400.00**	
	Cash paid relating to other investing activities		**2,649,637,730.51**	2,245,398,155.55
	Subtotal of cash outflows		**5,669,459,790.90**	3,130,253,864.04
	Net cash flow from investing activities		**(3,661,889,141.59)**	(2,527,203,905.74)

RMB

Items	Note	For the six months ended 30 June 2022	For the six months ended 30 June 2021
III. Cash flow from financing activities:			
Cash received from capital contributions		**–**	2,509,960,996.79
Cash received from borrowings		**3,149,547,866.84**	691,399,876.83
Cash received relating to other financing activities		**4,245,681,541.07**	376,740,309.13
Subtotal of cash inflows		**7,395,229,407.91**	3,578,101,182.75
Cash paid for repayments of borrowings		**1,421,394,000.00**	208,319,006.22
Cash paid for distribution of dividends, and profits or payments of interest		**52,818,566.82**	334,567,349.26
Cash paid relating to other financing activities		**221,263,681.40**	572,625,524.85
Subtotal of cash outflows		**1,695,476,248.22**	1,115,511,880.33
Net cash flow from financing activities		**5,699,753,159.69**	2,462,589,302.42
IV. Effect of foreign exchange rate changes on cash and cash equivalents		**5,498,339.01**	(990,178.53)
V. Net increase (decrease) in cash and cash equivalents		**1,835,223,911.76**	163,303,595.70
Add: Cash and cash equivalents at the beginning of the year		**445,104,022.54**	188,559,197.40
VI. Cash and cash equivalents at the end of the year		**2,280,327,934.30**	351,862,793.10

Consolidated Statements of Changes in Shareholders' Equity

RMB

Items	Share capital	Other equity instruments	Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Minority interests	Total shareholders' equity
	The half year for 2022									
	Equity attributable to the owners of the parent company									
I. Closing balance of the last year	536,723,313.50	-	4,832,768,261.83	32,096,200.00	(7,613,180.72)	17,266,053.61	268,361,656.75	6,194,759,167.82	-	11,810,169,072.79
II. Opening balance of the current half year	536,723,313.50	-	4,832,768,261.83	32,096,200.00	(7,613,180.72)	17,266,053.61	268,361,656.75	6,194,759,167.82	-	11,810,169,072.79
III. Increase/decrease for the current period										
(I) To al com ehen i e income	-	-	-	-	29,889,259.45	-	-	1,002,747,876.79	-	1,032,637,136.24
(II) Con ib ion of ha eholde	-	333,235,286.91	15,842,999.03	-	-	-	-	-	-	349,078,285.94
1. Common ha e con ib ed b o e	-	-	-	-	-	-	-	-		-
2. Con ib ion of ca i al b o he e i in men o e	-	333,235,286.91	-	-	-	-	-	-		333,235,286.91
3. Amo n of ha e-ba ed a men incl ded in o e ' e i	-	-	15,842,999.03	-	-	-	-	-	-	15,842,999.03
(III) P ofi di ib ion	-	-	-	(1,992,200.00)	-	-	-	-	-	1,992,200.00
1. A o ia ion o ha eholde	-	-	-	(1,992,200.00)	-	-	-	-	-	1,992,200.00
(IV) S ecial e e e	-	-	-	-	-	6,350,203.03	-	-	-	6,350,203.03
1. P o i ion of ecial e e e	-	-	-	-	-	6,557,571.38	-	-	-	6,557,571.38
2. U ili a ion of ecial e e e						(207,368.35)				(207,368.35)
IV. Closing balance of the current half year	536,723,313.50	333,235,286.91	4,848,611,260.86	(30,104,000.00)	22,276,078.73	23,616,256.64	268,361,656.75	7,197,507,044.61	-	13,200,226,898.00

RMB

Items	For the six months ended 30 June 2021									
	Equity attributable to the owners of the parent company									
	Paid-in capital (or share capital)	Other equity instruments	Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Minority interests	Total shareholders' equity
I. Closing balance of the last year	510,312,197.00	49,401,670.49	2,045,095,156.05	28,359,000.00	(26,338,876.15)	14,369,931.38	220,705,199.31	4,449,556,361.77		7,234,742,639.85
II. Opening balance of the current half year	510,312,197.00	49,401,670.49	2,045,095,156.05	28,359,000.00	(26,338,876.15)	14,369,931.38	220,705,199.31	4,449,556,361.77		7,234,742,639.85
III. Increase/decrease for the current period										
(I) Total comprehensive income					(1,066,315.53)			1,261,029,989.03		1,259,963,673.50
(II) Contribution of shareholders	26,411,116.50	(49,401,670.49)	2,767,546,281.74	9,961,000.00						2,734,594,727.75
1. Common shares contributed by owners	21,311,286.75		2,471,731,656.94	9,961,000.00						2,483,081,943.69
2. Contribution of capital by other equity instruments owners	5,099,829.75	(49,401,670.49)	278,934,138.94							234,632,298.20
3. Amount of share-based payment included in owners' equity			16,880,485.86							16,880,485.86
(III) Profit distribution				(690,000.00)				(321,928,988.10)		(321,238,988.10)
1. Appropriation to shareholders				(690,000.00)				(321,928,988.10)		(321,238,988.10)
(IV) Special reserve						829,457.82				829,457.82
1. Provision of special reserve						843,834.60				843,834.60
2. Utilization of special reserve						14,376.78				14,376.78
IV. Closing balance of the current half year	536,723,313.50		4,812,641,437.79	37,630,000.00	(27,405,191.68)	15,199,389.20	220,705,199.31	5,388,657,362.70		10,908,891,510.82

Statements of Changes in Shareholders' Equity of the Parent Company

RMB

Items	Share capital	Other equity instruments	Capital reserve	Less: Treasury stock	Other comprehensive income	Surplus reserve	Undistributed profit	Total shareholders' equity
	For the six months ended 30 June 2022							
I. Opening balance of the current year	**536,723,313.50**	**–**	**4,832,768,261.83**	**32,096,200.00**	**(609,915.05)**	**268,361,656.75**	**2,894,223,275.67**	**8,499,370,392.70**
II. Increase/decrease for the current year								
(I) Total comprehensive income	–	–	–	–	**(165,704.49)**	–	**208,823,849.47**	**208,658,144.98**
(II) Contribution and withdrawal of capital by shareholders	–	**333,235,286.91**	**15,842,999.03**	–	–	–	–	**349,078,285.94**
1. Common shares contributed by owners	–	–	–	–	–	–	–	
2. Contribution of capital by other equity instruments owners	–	**333,235,286.91**	–	–	–	–		**333,235,286.91**
3. Amount of share-based payment included in owners' equity	–	–	**15,842,999.03**	–	–	–	–	**15,842,999.03**
(III) Profit distribution	–	–	–	**(1,992,200.00)**	–	–	–	**1,992,200.00**
2. Appropriation to shareholders	–	–	–	**(1,992,200.00)**	–	–	–	**1,992,200.00**
III. Closing balance of the current half year	**536,723,313.50**	**333,235,286.91**	**4,848,611,260.86**	**30,104,000.00**	**(775,619.54)**	**268,361,656.75**	**3,103,047,125.14**	**9,059,099,023.62**

RMB

Items	For the six months ended 30 June 2021							
	Share capital	Other equity instruments	Capital reserve	Less: Treasury stock	Other comprehensive income	Surplus reserve	Undistributed profit	Total shareholders' equity
I. Opening balance of the current year	510,312,197.00	49,401,670.49	2,045,095,156.05	28,359,000.00	(5,964,567.44)	220,705,199.31	1,862,201,037.65	4,653,391,693.06
II. Increase/decrease for the current year								
(I) Total comprehensive income					1,971,851.19		317,696,075.01	319,667,926.20
(II) Contribution and withdrawal of capital by shareholders	26,411,116.50	(49,401,670.49)	2,767,546,281.74	9,961,000.00				2,734,594,727.75
1. Common shares contributed by owners	21,311,286.75		2,471,731,656.94	9,961,000.00				2,483,081,943.69
2. Contribution of capital by other equity instruments owners	5,099,829.75	(49,401,670.49)	278,934,138.94					234,632,298.20
3. Amount of share-based payments included in owners' equity			16,880,485.86					16,880,485.86
(III) Profit distribution				(690,000.00)			(321,928,988.10)	(321,238,988.10)
2. Appropriation to shareholders				(690,000.00)			(321,928,988.10)	(321,238,988.10)
III. Closing balance of the current year	536,723,313.50		4,812,641,437.79	37,630,000.00	(3,992,716.25)	220,705,199.31	1,857,968,124.56	7,386,415,358.91

Notes to the Financial Statements

(I) CORPORATION INFORMATION

1. Company Overview

Flat Glass Group Co., Ltd. (the "Company") was established on 24 June 1998 with its registered address at 1999 Yunhe Road, Xiuzhou District, Jiaxing, Zhejiang Province. On 29 December 2005, the Company was converted into a joint stock limited liability company and changed its name to Zhejiang Flat Glass & Mirror Co., Ltd.* (浙江福萊特玻璃鏡業股份有限公司). On 23 March 2011, the Company was renamed as Flat Solar Glass Group Co., Ltd.* (福萊特光伏玻璃集團股份有限公司) and was subsequently renamed as Flat Glass Group Co., Ltd.* (福萊特玻璃集團股份有限公司) on 10 October 2014.

On 26 November 2015, the Company issued 450,000,000 overseas listed foreign shares (H shares) with a par value of RMB0.25 per share through global public offering. On the same date, the Company's shares were listed on The Stock Exchange of Hong Kong Limited.

On 23 November 2018, the Company received the Approval of the Initial Public Offering of Shares of Flat Glass Group Co., Ltd. (CSRC Approval [2018] No.1959) issued by China Securities Regulatory Commission, that the Company can issue no more than 150,000,000 ordinary shares (A shares) and list on Shanghai Stock Exchange. On 15 February 2019, the Company issued 150,000,000 RMB ordinary shares (A shares) with a par value of RMB0.25 per share at the issue price of RMB2.00 per share. After the change, the registered capital was RMB487,500,000.00.

On 11 August 2020, in accordance with the Proposal on Adjusting the List of Incentive Participants and the Number of Restricted Shares Granted on the First Grant of the Company's 2020 A-Share Restricted Share Incentive Scheme and the Proposal on the First Grant of A-Share Restricted Shares to Incentive Participants, the Company granted restricted shares to proposed incentive participants. A total of 15 incentive participants subscribed for 4,600,000 RMB ordinary shares (A Shares) with a par value of RMB0.25 each, and the grant price was RMB6.23 per share. After the completion of the abovementioned transaction, the registered capital of the company after the change was RMB488,650,000.00.

As approved by the China Securities Regulatory Commission, the Company publicly issued 14.50 million A share convertible corporate bonds ("the Convertible Bonds") with a par value of RMB100 each on 27 May 2020. The total amount of this issuance is RMB1,450,000,000.00 and the term is 6 years. Pursuant to the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and other relevant regulations and the Prospectus of A Share Convertible Corporate Bonds through Public Issuance of Flat Glass Group Co., Ltd., the Convertible Bonds can be converted into the RMB ordinary shares (A shares) of the Company from 3 December 2020. The initial conversion price is RMB13.56 per share. The Company will adjust the conversion price based on the prospectus upon the occurrence of distribution of stock dividend, capitalization issue, issuance of new shares (excluding the increase in share capital due to the convertible corporate bonds in this issuance), rights issue or distribution of cash dividend. On 9 November 2020, the Company adjusted the conversion price to RMB13.48 per share based on the A-share restricted share incentive scheme and 2020 interim profit distribution proposal. On 28 January 2021, the Company adjusted the conversion price to RMB14.15 per share due to the non-public issuance of RMB ordinary shares (A shares). During the period from 3 December 2020 to 27 January 2021, the convertible bonds of the Company amounting to RMB1,358,240,000.00 were converted into 100,754,542 RMB ordinary shares (A shares) at a conversion price of RMB13.48 per share. During the period from 28 January 2021 to 29 January 2021, the convertible bonds of the Company amounting to RMB89,057,000.00 were converted into 6,293,565 RMB ordinary shares (A shares) at a conversion price of RMB14.15 per share. During the period from 3 December 2020 to 23 December 2020, the closing price of shares of the Company for at least 15 trading days out of any 30 consecutive trading days during the conversion period were no less than 130% (130% inclusive) of the prevailing conversion price, triggering the conditional redemption terms of convertible bonds. On 23 December 2020, the Resolution on Early Redemption of Flat Convertible Bonds by the Company was considered and approved at the 28th meeting of the fifth session of the Board, under which the Company decided to exercise the early redemption right of Flat Convertible Bonds, and redeemed all the Flat Convertible Bonds registered on the redemption registration date with the redemption registration date of 29 January 2021. As of 29 January 2021, the convertible bonds in an amount of RMB1,447,297,000.00 have been converted into RMB ordinary shares (A shares), and the cumulative number of converted shares amounted to 107,048,107 shares (including: conversion of 86,648,788.00 shares in 2020, which expanded the registered capital by RMB21,662,197.00 and capital reserve by RMB1,162,828,718.24; and conversion of 20,399,319.00 shares, which expanded the registered capital by RMB5,099,829.75 and capital reserve by RMB278,934,138.94), and the non-converted convertible bonds of RMB2,703,000.00 have been redeemed by the Company. Due to the conversion of convertible bonds, the registered capital of the Company increased by RMB26,762,026.75, the number of shares increased by 107,048,107 shares and the capital reserve increased by RMB1,441,762,857.18.

As considered and approved at the 20th meeting of the fifth session of the Board, 2020 first extraordinary general meeting, 2020 second A shareholders class meeting and 2020 second H shareholders class meeting of the Company, and approved by the Approval of the Non-public Issuance of Shares of Flat Glass Group Co., Ltd. (CSRC Approval [2020] No. 2648) issued by China Securities Regulatory Commission, the Company was permitted to issue no more than 450,000,000 RMB ordinary shares (A shares) by way of non-public issuance. As of 7 January 2021, the Company has completed the non-public issuance of 84,545,147 RMB ordinary shares (A shares) at a par value of RMB0.25 per share at an issue price of RMB29.57 per share with the total amount of funds raised of RMB2,499,999,996.79. The net proceeds were RMB2,483,081,943.69 after deducting the issue costs of RMB16,918,053.10, of which the amounts of RMB21,136,286.75 and RMB2,461,945,656.94 were included in total share capital and capital reserve, respectively. All payments of subscription amounts were made by cash in Renminbi. Due to the non-public issuance of A shares, the registered capital of the Company increased by RMB21,136,286.75, the number of shares increased by 84,545,147 shares and the capital reserve increased by RMB2,461,945,656.94.

On 25 May 2021, the Company held the second meeting of the sixth session of the Board, at which the Resolution in relation to the Reserved Grant of the Restricted A Share to Participants was considered and approved to grant reserved restricted shares to three participants. The participants actually subscribed for 700,000 RMB ordinary shares (A shares), with a par value of RMB0.25 per share at a grant price of RMB14.23 per share. Upon the completion of the above grant of restricted shares, the registered capital of the Company became RMB536,723,313.50.

A appo ed b he Appo al of he P blic I ance of Con e ible Bond of Fla Gla G o p Co., L d. (CSRC Appo al [2022] No. 664) i ed b China Sec i ie Reg la o Commi ion and p an o he P o pec of A Sha e Con e ible Co po a e Bond h o gh P blic I ance and he Anno ncemen on A Sha e Con e ible Co po a e Bond h o gh P blic I ance of he Compan , he Compan p blicl i ed 40 million A ha e con e ible co po a e bond i h a pa al e of RMB100 each on 26 Ma 2022. The o al amo n of hi i ance i RMB4,000,000,000.00 and he e m i 6 ea . The o al p oceed ecei ed b he Compan a e RMB3,978,000,000.00 af e ded c ing he nde i ing fee of RMB20,754,716.98 and he co e ponding al e-added a of RMB1,245,283.02. Acco ding o ele an eg la ion incl ding he R le Go e ning he Li ing of S ock on Shanghai S ock E change and he p o i ion nde he P o pec of A Sha e Con e ible Co po a e Bond h o gh P blic I ance, he Con e ible Bond a e con e ible in o RMB o dina   ha e (A ha e) i h effec f om 28 No embe 2022 a an ini ial con e ion p ice of RMB43.94 pe ha e. The Compan i l adj he con e ion p ice ba ed on he p o pec   pon he occ ence of di ib ion of ock di idend, capi ali a ion i e, i ance of ne ha e (e cl ding he inc ea e in ha e capi al d e o he con e ible co po a e bond in hi i ance), igh i e o di ib ion of ca h di idend.

The p incipal ac i i ie of he Compan and i   b idia ie (he G o p) a e he man fac ing and ale of gla p od c .

The de fac o con olle of he Compan a e M . R an Hongliang, M . Jiang Jinh a, M . R an Ze n and M . Zhao Xiaofei, of hom M . R an Hongliang and M . Jiang Jinh a a e di ec o of he Compan .

2. Scope of the Consolidated Financial Statements

On 26 A g 2022, he Compan ' compan and con olida ed financial a emen ha e been appo ed b he Boa d of Di ec o of he Compan .

(II) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. Basis of preparation

The Group has implemented the Accounting Standards for Business Enterprises and other relevant regulations issued by the Ministry of Finance (hereinafter referred to as the "CASBE") and has also disclosed relevant financial information in accordance with the Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No.15 – General Provisions on Financial Reporting (revised in 2014). In addition, the financial statements also include disclosures required by the Companies Ordinance and the Listing Rules of the Stock Exchange of Hong Kong.

Going concern

The Group has assessed the ability to continue as a going concern for a 12-month period since 30 June 2022 and is not aware of any events or conditions that may cast significant doubt upon the ability to continue as a going concern. So the financial statements have been prepared on a going concern basis.

Basis of accounting and principle of measurement

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

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

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

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

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

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

– Level 3 inputs are unobservable inputs for the relevant assets or liability.

2. Going concern

The financial statements have been prepared on a going concern basis.

(III) SIGNIFICANT ACCOUNTS POLICIES AND ACCOUNTING ESTIMATES

The principal activities of the Group are the manufacturing and sales of glass products. Therefore, the accounting policies for recognition of revenue, impairment of financial instruments, depreciation of fixed assets and amortization of intangible assets are based on the characteristics of the glass manufacturing industry.

1. Statement of Compliance with CASBE

The financial statements of the Company have been prepared in accordance with the CASBE, and present truly and completely the consolidated and the Company's financial position as at 30 June 2022 and the consolidated and the Company's results of operations, the consolidated and the Company's changes in shareholders' equity and the consolidated and the Company's cash flows in the half year of 2022.

2. Accounting Period

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

3. Operating Cycle

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

4. Functional Currency

The currency used by the Company in preparing the financial statements is RMB.

5. Accounting Methods of Business Combination Involving Enterprises under Common Control and Not Involving Enterprises under Common Control

Business combinations are classified into business combinations involving enterprises under common control and business combinations not involving enterprises under common control.

5.1 Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

Assets and liabilities acquired in a business combination are measured at their carrying amount of the combined party at the combination date. The difference between the carrying amount of the net assets acquired by the combining party and the carrying amount of the consideration paid for the combination (or the aggregate face value of the shares issued) is adjusted to share premium under capital reserve, if the share capital premium is insufficient to offset the difference, the retained earning will be adjusted.

The costs that are directly attributable to the business combination are charged to profit or loss in the period in which they are incurred.

5.2 *Business combinations not involving enterprises under common control and goodwill*

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties both before and after the combination.

The cost of combination is measured as the aggregate of the fair values, at the acquisition date, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer in exchange for control of the acquiree. The intermediary fees incurred by the acquirer in respect of auditing, legal services, valuation and consultancy services, etc. and other related administrative expenses attributable to the business combination are charged to profit or loss in the period in which they are incurred.

The identifiable assets, liabilities and contingent liabilities of the acquiree that meet the recognition conditions acquired by the acquirer in a business combination, are measured at their fair value at the acquisition date.

Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised as an asset as goodwill and initially measured at cost. Where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer first reassesses the measurement of the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of combination. If after that reassessment, the cost of combination is still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets acquired in the combination, the difference is recognised in profit or loss.

Goodwill occurred as a result of combination shall be recognised separately in the consolidated financial statements and measured at cost less accumulated impairment provision.

6. Preparation of Consolidated Financial Statements

The coe of con olida ion fo he con olida ed financial a emen i de e mined ba ed on con ol. Con ol efe o he po ha he in e o ha o e he in e ee; i mean ha he in e o enjo a iable e n b aking a in he ele an ac i i ie of he in e ee and i caable of ing i po o e he in e ee o infl ence he amo n of e n. In ca e of change in he ele an elemen in ol ed in he afo e aid defini ion of con ol a a e l of he change in fac and ci c m ance, he G o ill cond c e-a e men .

Con olida ion of a b idia begin hen he G o ob ain con ol o e he b idia and cea e hen he G o lo e con ol of he b idia .

Fo a b idia di o ed of b he G o , he oe a ing e l and ca h flo befo e he da e of di o al (he da e hen con ol i lo) a e incl ded in he con olida ed income a emen and con olida ed a emen of ca h flo , a a o ia e.

Fo a b idia ac i ed h o gh a b ine combina ion no in ol ing en e i e nde common con ol, he oe a ing e l and ca h flo f om he ac i i ion da e (he da e hen con ol i ob ained) a e incl ded in he con olida ed income a emen and con olida ed a emen of ca h flo , a a o ia e.

No ma e hen he b ine combina ion occ in he e o ing e iod, b idia ie ac i ed h o gh a b ine combina ion in ol ing en e i e nde common con ol o he a being ab o bed nde me ge b ab o ion a e incl ded in he G o ' coe of con olida ion a if he had been incl ded in he coe of con olida ion f om he da e hen he fi came nde he common con ol of he l ima e con olling a . Thei oe a ing e l and ca h flo f om he beginning of he ea lie e o ing e iod o f om he da e hen he fi came nde he common con ol of he l ima e con olling a a e incl ded in he con olida ed income a emen and con olida ed a emen of ca h flo , a a o ia e.

The significant accounting policies and accounting periods adopted by the subsidiaries are determined in accordance with the Company's unified accounting policies and accounting periods.

All significant accounts and transactions between the Company and its subsidiaries and among the subsidiaries are eliminated on consolidation.

The portion of a subsidiary's equity that is not attributable to the Company is treated as minority interests and presented as minority interests under shareholders' equity in the consolidated balance sheets. The portion of a subsidiary's net profit or loss for the period attributable to minority interests is presented as profit or loss attributable to minority interests under net profit in the consolidated income statements.

When the amount of loss for the period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion in the opening balance of owners' equity of the subsidiary, the balance is still allocated against minority interests.

A transaction is accounted for as an equity transaction when the purchase of minority interests in a subsidiary or the disposal of part of equity investment in a subsidiary does not result in the Group losing control over the subsidiaries, and the carrying amount of equity attributable to the owner of the Company and minority shareholders will be adjusted to reflect the changes of their related interests in the subsidiaries. The difference between the adjusted equity of minority shareholders and the fair value of the consideration paid/received is adjusted to capital reserve. If the capital reserve is insufficient to offset the difference, the retained earnings will be adjusted.

7. Recognition Criteria of Cash and Cash Equivalents

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

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

8.1 Foreign currency business

Foreign currency transactions are translated at the spot exchange rate on the date of transaction at initial recognition.

At the balance sheet date, foreign currency monetary items are translated into RMB using the spot exchange rate at the balance sheet date. Exchange differences arising from the differences between the spot exchange rate prevailing at the balance sheet date and those on initial recognition or at the previous balance sheet date are recognized in profit or loss for the period, except that: (1) exchange differences related to special borrowings denominated in foreign currency eligible for capitalization shall be capitalized into the cost of the related assets during the capitalization period; (2) exchange differences on hedging instruments for the purpose of hedging against foreign currency risks are accounted for using hedge accounting; and (3) exchange differences arising from changes in carrying amounts (other than amortized cost) of monetary items at fair value through other comprehensive income are recognized in other comprehensive income.

Non-monetary items denominated in foreign currencies that are measured at historical costs are translated to functional currency at the spot exchange rate at the date of the transaction. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the foreign exchange rate at the date the fair value is determined. The difference between the translated functional currency amount and the original functional currency amount is treated as changes in fair value (including changes in exchange rates) and is recognized in profit or loss or as other comprehensive income.

8.2 Translation of foreign currency financial statements

For the purpose of preparing the consolidated financial statements, the foreign currency financial statements of overseas operations are translated into RMB financial statements using the following method: all assets and liabilities in the balance sheet are translated at the spot exchange rate at the balance sheet date; equity items are converted at the spot exchange rate at the time of occurrence; all items in the income statement and items reflecting the amount of profit distribution are translated at the exchange rates approximating the foreign exchange rates ruling at the date of the transactions; the difference between assets and the sum of liabilities and shareholders' equity after translation is recognised in other comprehensive income and included in shareholders' equity.

Cash flows arising from transactions in foreign currency and the cash flows of a foreign subsidiary are translated at an exchange rate which approximates the spot exchange rate on the date of the cash flows. The effect of exchange rate changes on cash and cash equivalents is regarded as a reconciliation item and presented separately in the statement of cash flows as effect of exchange rate changes on cash and cash equivalents.

The opening balances and the actual figures of prior year are presented at the translated amounts in the prior year's financial statements.

9. Financial Instruments

The G o ecogni e a financial a e o a financial liabili en i become a a o a financial in men con ac .

Whe e financial a e a e cha ed o old in a eg la , a e o be ecei ed and liabili ie o be bo ne a e ecogni ed on he da e of an ac ion, o a e old a e de ecogni ed on he da e of an ac ion.

Financial a e and financial liabili ie a e ini iall mea ed a fai al e. Fo financial a e and financial liabili ie a fai al e h o gh ofi o lo , he ela ed an ac ion co a e di ec l ecogni ed in ofi o lo in he e iod in ich he a e inc ed. Fo o he ca ego ie of financial a e and financial liabili ie , he ela ed an ac ion co a e incl ded in he ini iall ecogni ed amo n . When he G o ini iall ecogni e ecei able ha do no con ain a ignifican financing com onen o do no con ide he financing com onen in a con ac no e ceeding one ea in acco dance h he Acco n ing S anda d fo B ine En e i e No. 14 Re en e (he Re en e S anda d), he G o ini iall mea e he ecei able a he an ac ion ice a defined in he Re en e S anda d.

Effec i e in e e a e me hod i he me hod ha i ed in he calc la ion of he amo i ed co of a financial a e o a financial liabili and in he alloca ion and ecogni ion of he in e e e en e o in e e e en e in ofi o lo o e he ele an e iod.

The effec i e in e e a e i he a e ha di co n e ima ed f e ca h flo h o gh he e ec ed d a ion of a financial a e o a financial liabili o he ca ing amo n of he financial a e o o he amo i ed co of he financial liabili . In de e mining he effec i e in e e a e, he e ec ed ca h flo i e ima ed on he ba i of all con ac al e m of he financial a e o financial liabili (ch a ea l e a men , e en ion, call o ion o o he imila o ion , e c.) ho aking in o acco n he e ec ed c edi lo .

The amo i ed co of a financial a e o a financial liabili i he amo n ini iall ecogni ed fo a financial a e o a financial liabili ne of inci al e aid, l o le he c m la i e amo i ed amo n a i ing f om amo i a ion of he diffe ence be een he amo n ini iall ecogni ed and he amo n a he ma i da e, ing he effec i e in e e me hod, ne of c m la i e lo allo ance (onl a licable o financial a e).

9.1 *Classification, recognition and measurement of financial assets*

S b e en o ini ial ecogni ion, he G o ' financial a e of a io

The G o ' o e of holding he financial a e i fo ading if one of he follo ng condi ion i a i fied:

- The o e of ac i ing he financial a e i o ell he a e in he nea f e.

- The ele an financial a e a e a of a o folio of iden ified financial in men ha a e cen all managed on ini ial ecogni ion, and he e i objec i e e idence of ac all a ecen ho - e m ofi - aking model.

- The ele an financial a e a e de i a i e , e ce fo de i a i e defined nde financial g a an ee con ac and de i a i e de igna ed a effec i e hedging in men .

Financial a e a FVTPL incl de financial a e cla ified a a FVTPL and financial a e de igna ed a a FVTPL.

- Financial a e ha do no mee he cla ifica ion c i e ia fo financial a e a amo i ed co o financial a e a FVTOCI a e cla ified a financial a e a FVTPL.

- On ini ial ecogni ion, he G o ma i e ocabl de igna e a financial a e a a FVTPL if doing o elimina e o ignifican l ed ce an acco n ing mi ma ch o hen he c i e ia fo he h b id con ac h embedded de i a i e a e me .

E ce fo de i a i e financial a e , financial a e a FVTPL a e e en ed a held-fo - ading financial a e .

9.1.1 Financial a e mea ed a amo i ed co

Financial a e a amo i ed co i b e en l mea ed a amo i ed co ing he effec i e in e e me hod. Gain o lo e a i ing f om de ecogni ion, impai men o amo i a ion a e ecogni ed in p ofi o lo .

The G o p ecogni e in e e income on financial a e mea ed a amo i ed co ing he effec i e in e e me hod. The G o p de e mine he in e e income ba ed on he ca ing amo n of financial a e m l iplied b he effec i e in e e a e, e cep fo :

– Fo p cha ed o o igina ed c edi impai ed financial a e , he G o p ecogni e hei in e e income ba ed on amo i ed co and c edi -adj ed effec i e in e e a e of ch financial a e ince ini ial ecogni ion.

– Fo p cha ed o o igina ed financial a e ho c edi impai men b h c edi impai men inc ed in b e en pe iod , he G o p calc la e and de e mine i in e e income ba ed on amo i ed co of he financial a e and he effec i e in e e a e in b e en pe iod . If he c edi i k of he financial in men imp o e in b e en pe iod and he financial in men i no longe c edi impai ed and he imp o emen can be linked o an e en occ ing af e he applica ion of he abo e e i emen , he G o p ill de e mine he in e e income ba ed on he effec i e in e e a e m l iplied b he ca ing amo n of he financial a e .

9.1.2 Financial a e cla ified a a FVTOCI

E ce fo im ai men lo e o gain ela ed o financial a e a FVTOCI, in e e income calc la ed ing he effec i e in e e me hod and e change gain and lo e a e ecogni ed in ofi o lo , change in fai al e of he financial a e a e ecogni ed in o he com ehen i e income. The amo n of he financial a e incl ded in ofi o lo fo each e iod hall be e al o he amo n deemed a mea ed a amo i ed co and incl ded in ofi o lo fo each e iod. U on de ecogni ion of he financial a e , c m la i e gain o lo e e io l ecogni ed in o he com ehen i e income a e an fe ed and ecla ified in o ofi o lo fo he e iod.

Af e he non- adable e i in men in e men i de igna ed a a financial a e a FVTOCI, he change in fai al e of he financial a e a e ecogni ed in o he com ehen i e income. When he financial a e i de ecogni ed, he c m la i e gain o lo e e io l ecogni ed in o he com ehen i e income a e an fe ed f om o he com ehen i e income and ecogni ed in e ained ea ning . D ing he e iod ha he G o hold he e non- adable e i in men , he di idend income i ecogni ed and incl ded in ofi o lo hen he G o ' igh o ecei e di idend ha been e abli hed and he economic benefi a ocia ed i h he di idend a e likel o flo in o he G o and he amo n of he di idend can be eliabl mea ed.

9.1.3 Financial a e a FVTPL

Financial a e a FVTPL hall be b e en l mea ed a fai al e. Gain o lo e f om change in fai al e and di idend and in e e income ela ed o ch financial a e hall be ecogni ed in ofi o lo .

9.2 *Impairment of financial instruments*

The G o p pe fo m impai men acco n ing fo financial a e mea ed a amo i ed co and financial a e a FVTOCI ba ed on e pec ed c edi lo e (ECL) and ecogni e lo allo ance.

The g o p mea e he lo e e of all comme cial accep ance, bill ecei able and ade ecei able fo med e o he income anda d in acco dance h he amo n e i alen o life ime ECL.

Fo o he financial in men , e cep fo p cha ed o o igina ed c edi impai ed financial a e , a each balance hee da e, he G o p a e e change in c edi i k of ele an financial in men ince ini ial ecogni ion. If he c edi i k on he financial in men ha inc ea ed ignifican l ince ini ial ecogni ion, he G o p mea e i lo allo ance a an amo n e al o life ime ECL of he financial in men . If he c edi i k on he financial in men ha no inc ea ed ignifican l ince ini ial ecogni ion, he G o p mea e he lo allo ance a an amo n e al o ne 12-mon h ECL of he financial in men . E cep fo financial a e mea ed a FVTOCI, he inc ea ed o e e ed amo n of c edi lo p o i ion hall be incl ded in p ofi and lo fo he pe iod a impai men lo o gain.

The G o p mea ed lo allo ance a an amo n e al o he life ime ECL of he financial in men in he p e io acco n ing pe iod. Ho e e , a a he balance hee da e fo he c en pe iod, fo he abo e financial in men , d e o fail e o alif a ignifican inc ea e in c edi i k ince ini ial ecogni ion, he G o p mea e lo allo ance fo he financial in men a an amo n e al o ne 12-mon h ECL a he balance hee da e fo he c en pe iod, and he ele an e e al amo n of lo allo ance i incl ded in p ofi o lo fo he c en pe iod a an impai men gain.

9.2.1 Significan inc ea e in c edi i k

The G o , e ea onable and o able fo d-looking info ma ion ha i a ailable o de e mine he he he c edi i k of a financial in men ha inc ea ed ignifican l ince ini ial ecogni ion b com a ing he i k of a defa l occ ing on he financial in men a a he balance hee da e h he i k of a defa l occ ing on he financial in men a a he da e of ini ial ecogni ion. Fo loan commi men and financial g a an ee con ac , he G o e he da e on hich i become he a making he i e ocable nde aking a he ini ial ecogni ion da e hen a l ing o i ion fo financial in men im ai men .

The G o ll ake he follo ing fac o in o con ide a ion hen a e ing he he he c edi i k ha ignifican l inc ea ed:

(1) Whe he he e e nal ma ke indica o of c edi i k fo he ame financial in men o imila financial in men h ame e ec ed life ha e changed ignifican l . The e indica o incl de: c edi ead, c edi defa l ice fo bo o .

(2) Whe he he deb o ' in e nal c edi a ing i ac all lo ed o i e ec ed o be lo ed.

(3) Ad e e change in b ine , financial o economic condi ion ha a e e ec ed o ca e a ignifican change o he deb o ' abili o mee i deb obliga ion .

(4) Whe he he ac al o e ec ed o e a ing e l of he deb o ha changed ignifican l .

(5) Whe he he eg la o , economic o echnological en i onmen in hich he deb o i loca ed ha nde gone ignifican ad e e change .

I e pec i e of a ignifican inc ea e in c edi i k ince abo e a e men , he c edi i k of he financial in men i con ide ed o ha e inc ea ed ignifican l hen he con ac al pa men a e pa d e mo e han 30 da (incl i e).

A a he balance hee da e, if he G o p j dge ha he financial in men olel ha lo c edi i k, he G o p ill a me ha he c edi i k of he financial in men ha no ignifican l inc ea ed ince ini ial ecogni ion. If he defa l i k of a financial in men i lo and he bo o e i highl capable of mee ing i con ac ca h flo obliga ion in ho e m, he financial in men i con ide ed o ha e a lo c edi i k e en if he e i a nega i e change in he economic i a ion and ope a ing en i onmen o e a longe pe iod of ime, b i ma no nece a il ed ce he bo o e ' pe fo mance of i con ac ca h obliga ion .

9.2.2 C edi impai ed financial a e

A financial a e i c edi impai ed hen one o mo e e en ha ha e an ad e e impac on he e ima ed f e ca h flo of he financial a e occ ed. E idence ha a financial a e i c edi impai ed incl de he follo ing ob e able info ma ion:

(1) Significan financial diffic l of he i e o he deb o ;

(2) The deb o b eache he con ac , ch a defa l o o e d e on in e e o p incipal pa men ;

(3) The c edi o , fo economic o con ac al ea on ela ing o he financial diffic l ie of he deb o , g an ed o he deb o a conce ion ha he c edi o o ld no o he i e con ide ;

(4) The deb o i likel o en e bank p c o o he financial eo gani a ion;

(5) The ac i e ma ke fo he financial a e di appea ed d e o he financial diffic l ie of he i e o he deb o .

Ba ed on he G o p' in e nal c edi i k managemen , he G o p con ide an e en of defa l occ en info ma ion p o ed in e nall o ob ained e e nall indica e ha he deb o of he financial in men i nable o pa i c edi o (incl ding he G o p) in f ll (ho aking in o acco n an g a an ee ob ained b he G o p).

I e pec i e of he abo e a e men , he G o p e me ha defa l ha occ ed en he con ac al pa men fo a financial in men a e pa d e fo mo e han 90 da (incl i e).

9.2.3 De e mina ion of ECL

The G o p e im pai men ma i o de e mine he c edi lo of ela ed financial in men on he ba i of combina ion of bill ecei able, financing ecei able , ade ecei able and o he ecei able . The G o p di ide financial in men in o diffe en g o p ba ed on common i k fea e . The common c edi i k fea e adop ed b he G o p incl de: pe of financial in men , c edi i k a ing, ini ial ecogni ion da e, e c.

The G o p de e mine ECL of ele an financial in men acco ding o he follo ng me hod :

_ Fo financial a e , he c edi lo hall be he p e en al e of he diffe ence be een he con ac al ca h flo o be ecei ed b he G o p and he e pec ed ca h flo o be ecei ed.

_ A fo he financial a e h c edi im pai men occ ed on he balance hee da e b no p cha ed o gene a ed, he c edi lo i he diffe ence be een he book balance of he financial a e and he p e en al e of he e ima ed f e ca h flo di co n ed a he o iginal effec i e in e e a e.

_ Fo a financial g a an ee con ac , he c edi lo i he e ima ed pa men made b he G o p fo he c edi lo inc ed b he con ac holde , le he p e en al e of he diffe ence be een he amo n e pec ed o be collec ed b he G o p f om he con ac holde , deb o o an o he pa .

The fac o eflec ed in he G o ' me hod of mea ing ECL of financial in men incl de: he nbia ed obabili eigh ed a e age amo n de e mined b e al a ing a e ie of o ible e l ; he ime al e of mone ; he ea onable and o able info ma ion abo a e en , c en i a ion and f e economic i a ion fo eca ha i a ailable ho nd e co o effo on he balance hee da e.

9.2.4 W i e-do n of financial a e

When he G o no longe ea onabl e ec ha he con ac al ca h flo of he financial a e can be eco e ed in hole o in a , he book balance of he financial a e hall be i en do n di ec l . S ch i e do n con i e de ecogni ion of ela ed financial a e .

9.3 Transfer of financial assets

A financial a e i de ecogni ed hen one of he follo ing condi ion i me : (1) he con ac al igh o ecei e he ca h flo f om he financial a e e i e; (2) he financial a e ha been an fe ed and b an iall all he i k and e a d of o ne hi of he financial a e ha been an fe ed o he an fe ee; o (3) he financial a e ha been an fe ed, al ho gh he G o nei he an fe no e ain b an iall all he i k and e a d of o ne hi of he financial a e , i doe no e ain con ol o e he financial a e .

If he G o nei he an fe no e ain b an iall all he i k and e a d of o ne hi of a financial a e , i e ain con ol of he financial a e , i (.hieJi

flo fo le hi financ a d f he f fo.5 an fe (i an fe he fin a d f o 02525 T

9.4 Classification and measurement of financial liabilities and equity instruments

Ba ed on he con ac al e m of he financial in men i ed and he economic b ance a he han onl he fo m of legal con ac eflec ed, along h he defini ion of financial liabili ie and e i in men , he G o cla ifie he financial in men o i com onen a financial liabili o e i in men a ini ial ecogni ion.

9.4.1 Cla ifica ion, ecogni ion and mea emen of financial liabili ie

U on ini ial ecogni ion, financial liabili ie a e cla ified in o financial liabili ie a FVTPL and o he financial liabili ie .

9.4.1.1 Financial liabili ie a FVTPL

Financial liabili ie a fai al e h o gh ofi and lo incl de held-fo - ading financial liabili ie (incl ding de i a i e ha a e financial liabili ie) and financial liabili ie de igna ed a a FVTPL. In addi ion o he de i a i e financial liabili ie li ed e a a el , financial liabili ie a FVTPL a e li ed a an ac ional financial liabili ie .

The G o ' o e of nde aking he financial liabili ie i fo ading if one of he follo ing condi ion i a i fied:

- The o e of nde aking ele an financial liabili ie i mainl fo he ecen e cha e.

- The ele an financial liabili ie a e a of a o folio of iden ified financial in men ha a e cen all managed on ini ial ecogni ion, and he e i objec i e e idence of ac all a ecen ho - e m ofi - aking model.

- The ele an financial liabili ie a e de i a i e , e ce fo de i a i e defined nde financial g a an ee con ac and

The G o p ma de igna e, on ini ial ecogni ion, a financial liabili a a FVTPL if one of he follo wing condi ion i   a i fied: (1) ch de igna ion elimina e o ignifican l ed ce an acco n ing mi ma ch; (2) manage and e al a e he financial liabili   po folio o   he po folio of financial a   e   and financial liabili ie   a fai al e ba ed on he i k managemen o in e men   a eg a a ed in he official w i en doc men   of he G o p, and e po   o ke managemen of he G o p in e nall ; o (3) a   alified h b id con ac con aining embedded de i a i e .

Held-fo - ading financial liabili ie a e b e en l mea ed a fai   al e, and an gain o lo   e a i ing f om change in fai   al e and di idend o in e e   e pen e paid on he financial liabili ie a e ecogni ed in p ofi o lo   fo   he pe iod.

Fo financial liabili ie de igna ed a fai   al e h o gh p ofi o lo , change in he fai   al e of ch financial liabili ie a i ing f om change   in he G o p' o wn c edi   i k a e ecogni ed in o he comp ehen i e income and change in o he fai   al e a e ecogni ed in p ofi o lo   in he c   en pe iod. On de- ecogni ion of he financial liabili , he c m la i e change in fai   al e a ib able o change in o wn c edi   i k p e io l   ecogni ed in o he comp ehen i e income i   an fe ed o e ained ea ning . Di idend o in e e   e pen e   ela ed o he e financial liabili ie a e ecogni ed in p ofi o lo   fo he pe iod. If he   ea men of he effec   of change in he o wn c edi   i k of ch financial liabili ie a de c ibed abo e wo ld ca e o enla ge an acco n ing mi ma ch in p ofi o lo , he G o p ecogni e   he en i e gain o lo   on ch financial liabili ie (incl ding he amo n of he effec of change in o wn c edi   i k) in p ofi o lo   fo   he pe iod.

9.4.1.2 O he financial liabili ie

O he financial liabili ie o he han financial liabili ie a i ing f om

9.4.2 Derecognition of financial liabilities

The Group derecognises a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged. Where an agreement between the Group as borrower and lender is signed to replace the original financial liability and the contractual terms of the new financial liability and the original financial liability are substantially different, the Group derecognised the original financial liability and recognised the new financial liability.

On derecognition of a financial liability in its entirety or partially, the difference between the carrying amount of the part derecognised and the consideration paid (including any non-cash assets transferred or new financial liability assumed) is recognised in profit or loss for the period.

9.4.3 Equity instruments

Equity instruments are any contracts that evidence a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued (including refinancing), repurchased, sold or cancelled by the Group are treated as changes in equity. Changes in fair value of equity instruments is not recognised by the Group. Transaction costs related to equity transactions are deducted from equity.

The Group recognises the distribution to holders of the equity instruments as profit distribution, dividends paid do not affect total amount of shareholders' equity.

9.5 Derivative instruments and embedding derivatives

Derivative instruments including forward foreign exchange contracts, currency swap contracts and interest rate swap contracts, etc. Derivatives are initially measured at fair value on the signing date of the relevant contracts and subsequently measured at fair value. The changes in fair value of the derivatives are recognised in profit or loss for the period.

9.6 *Offsetting financial assets and financial liabilities*

Financial assets and financial liabilities are offset and the net amount is presented in balance sheet when the Group has a legally enforceable right to set off the recognised financial assets and financial liabilities, and the Group intends to settle with net amount, or realise the financial assets and settle the financial liabilities simultaneously. Otherwise, the financial assets and financial liabilities will be presented separately in balance sheet and will not be mutually set off.

9.7 *Convertible bonds*

The convertible bonds issued by the Group which contain liabilities and conversion options, shall be split upon initial recognition and recognised separately. Of which, conversion options for settlement of fixed amount of cash through the financial assets in exchange for fixed amount of self-equity instruments is accounted for as equity instruments.

On initial recognition, the fair value of the liability portion is determined as current market price similar to those of bonds without conversion options. The difference between the overall issue price of convertible bonds and the fair value of the liability portion shall be taken as the value of the conversion options of the bondholders to convert the bonds into equity instruments and recorded in other equity instruments.

In the subsequent measurements, the liability portion of convertible bonds are measured at amortised cost using the effective interest rate method. The value

10. Receivables

The methods for determining expected credit loss of bills receivables and accounting treatment methods:

See 9.2 for relevant accounting policies.

11. Account receivables

The methods for determining expected credit loss of account receivables and accounting treatment methods:

See 9.2 for relevant accounting policies.

12. Financing receivables

For notes receivables classified as FVTOCI, the portion within one year (inclusive) from the date of acquisition is presented as financing receivables. For details of the relevant accounting policies, please refer to 9.1, 9.2 and 9.3.

13. Other receivables

The methods for determining expected credit loss of other receivables and accounting treatment methods:

See 9.2 for relevant accounting policies.

14. Inventories

14.1 Classification of inventories

The Group's inventories mainly include raw materials, low-value consumables, work in progress and finished goods, etc. Inventories are initially measured at cost, which comprises purchase costs, processing costs and other expenses incurred in bringing the inventories to their current location and condition.

14.2 Pricing of inventories delivered

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

14.3 Determination of net realisable value of inventories

At the balance sheet date, inventories are measured at the lower of cost and net realisable value. If the net realisable value is below the cost of inventories, a provision for impairment of inventories is made.

Net realisable value is the estimated selling price of inventories in the ordinary course of business less the estimated costs to completion, estimated selling expenses and related taxes. Net realisable value of inventories is determined on the basis of clear evidence obtained, taking into account the purpose of holding inventories and the effect of events after the balance sheet date.

Provision for impairment of inventories is made based on the excess of costs over net realisable value of individual inventory item.

After the provision for impairment of inventories is made, if the circumstances that previously caused inventories to be written-off no longer exist so that the net realisable value of inventories is higher than their carrying amounts, the original provision for impairment of inventories is reversed and the reversed amount is recognised in profit or loss for the period.

14.4 Inventory system

The inventory system is a perpetual inventory system.

14.5 Amortization of low-value consumables

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

15. Assets Held for Sale

A non-current asset or disposal group is classified as asset held for sale when the carrying amount of the asset is recovered principally through a sale transaction (including an exchange of non-monetary assets with commercial substance) rather than through continuing use.

Non-current assets or disposal groups held for sale are required to satisfy the following conditions: (1) an immediate sale can be made under the current conditions according to the practice of selling such assets or disposal groups in similar transactions; and (2) it is highly probable that a sale will occur, that is, the Group has made a resolution on a sale plan and obtained a definite purchase commitment, and the sale is expected to be completed within one year.

The Group measures the non-current assets or disposal groups held for sale at the lower of carrying amount and fair value less costs to sell. If the carrying amount is higher than the net amount of the fair value less costs to sell, the carrying amount shall be written-off to the fair value less costs to sell, the amount written-off is recognised as an impairment loss of assets and included in profit or loss for the period, and the provision for impairment of assets held for sale is made simultaneously. Where there is an increase in the net amount of fair value less costs to sell of non-current assets held for sale at the subsequent balance sheet date, the amount previously written-off should be recovered and reversed in the amount of impairment loss recognised for the assets after being classified as held for sale, and the reversed amount is included in profit or loss for the period.

Depreciation or amortisation shall not be made for non-current assets in the non-current assets or disposal groups held for sale. The interest of liabilities and other expenses in the disposal groups held for sale shall be continuously recognised.

The equity investments in associates are classified in whole or in part as assets held for sale. The part of such equity investments in associates classified as held for sale will cease to calculate using equity method from the date of being classified as held for sale.

16. Long-term Equity Investments

16.1 Basis of determination of joint control and significant influence

Con ol efe o he po of in e o o e he in e ee, o enjo a iable e n b pa icipa ing in he ele an ac i i ie of he in e ee, and ha he abili o e he po o e he in e ee o infl ence he amo n of e n . Join con ol efe o he join con ol o e an a angemen acco ding o ele an ag eemen , and he ela ed ac i i ie of he a angemen can onl be decided af e he con en of he pa ie ha ing he con ol. Significan infl ence efe o he po o pa icipa e in he deci ion-making of he financial and ope a ional policie of he in e ee, b canno con ol o join l con ol he fo m la ion of he e policie h o he pa ie . In de e mining he he i i po ible o e e ci e con ol o e o e ignifican infl ence o e he in e ed en i ie , i ha aken in o acco n he po en ial o ing igh fac o , ch a he c en con e ible bond and he c en e ec able an of he in e ed en i ie held b he in e o and o he pa ie .

16.2 Determination of initial investment cost

Fo a long- e m e i in e men ac i ed h o gh a b ine combina ion in ol ing en e p i e nde common con ol, he ini ial in e men co i he a ib able ha e of he ca ing amo n of he o ne ' e i of he ac i ee in he con olida ed financial a emen of he l ima e con olling pa a he da e of combina ion. The diffe ence be een he ini ial in e men co of a long- e m e i in e men and he ca ing amo n of ca h paid, non-ca h a e an fe ed and liabili ie a med i adj ed o capi al e e e. If he capi al e e e i in fficien o off e he diffe ence, he e ained ea ning hall be adj ed. Whe e he con ide a ion of he combina ion i a i fied b he i e of e i ec i ie , he ini ial in e men co i he a ib able ha e of he ca ing amo n of he o ne ' e i of he ac i ee in he con olida ed financial a emen of he l ima e con olling pa a he da e of combina ion, and he o al nominal al e of he ha e i ed i ecogni ed a ha e capi al. The diffe ence be een he ini ial in e men co of a long- e m e i in e men and he o al nominal al e of he ha e i ed i adj ed o capi al e e e. If he capi al e e e i in fficien o off e he diffe ence, he e ained ea ning hall be adj ed. O he comp ehen i e income ecogni ed fo he p e io l held e i in e men b acco n ing ea men of e i me hod o in e men in non- ading e i in men de igna ed a a FVTOCI i no bjec o acco n ing ea men empo a il .

Fo a long- e m e , i in e men ac , i ed h o, gh a b, ine combina ion no in ol ing en e p i e , nde common con ol, he ini ial in e men co i he combina ion co a he da e of ac , i i ion. If he e , i in e men p e io, l held wi h cla ified a in e men in non- ading e , i in , men de igna ed a a FVTOCI, he diffe ence be ween he fai al, e and ca ing amo, n , oge he wi h he acc, m, la ed fai al, e p e io, l incl, ded in o he comp ehen i e income a e an fe ed o e ained ea ning .

The in e media e p en e inc, ed b he ac , i e o p, cha e in e pec of a, di ing, legal e ice , al, a ion and con , l anc e ice , e c. and o he ela ed admini a i e e p en e a ib, able o he b, ine combina ion a e ecogni ed in p ofi o lo in he p e iod in which he a e inc, ed.

The long- e m e , i in e men ac , i ed o he han h o, gh a b, ine combina ion i ini iall mea , ed a i co .

16.3 Subsequent measurement and recognition of profit or loss

16.3.1 Long- e m e , i in e men acco, n ed fo , ing he co me hod

Long- e m e , i in e men in , b idia ie a e acco, n ed fo , ing he co me hod in he financial a emen of he Comp an . A , b idia i an in e ee ha i con olled b he G o, p.

Long- e m e , i in e men acco, n ed fo , ing he co me hod a e mea , ed a ini ial in e men co . When addi ional in e men i made o he in e men i eco, p ed, he co of he long- e m e , i in e men i adj, ed acco dingl . The c, en in e men income i ecogni ed in acco dance wi h he ca h di idend o p ofi di ib, ion decla ed b he in e ee.

16.3.2. Long- e m e , i in e men acco, n ed fo b e , i me hod

The G o, p' in e men in a ocia e i acco, n ed fo b e , i me hod. A ocia e efe o in e ed en i ie o which he G o, p can e e a ignifican infl, ence.

When ado ing e i me hod acco n ing, if he ini ial in e men co of long- e m e i in e men e ceed he ha e of he fai al e of iden ifiable ne a e of he in e ed en i a he in e men da e, no adj men hall be made o he ini ial in e men co of long- e m e i in e men . If he ini ial in e men co i le han he ha e of he fai al e of iden ifiable ne a e of he in e ed en i a he in e men da e, he diffe ence hall be cha ged o c en ofi o lo , and he long- e m e i in e men co hall be adj ed a he ame ime.

When ado ing e i me hod acco n ing, he in e men income and o he com ehen i e income hall be ecogni ed e a a el acco ding o he ha e of ne ofi o lo and o he com ehen i e income eali ed b he in e ed en i , and he ca ing amo n of long- e m e i in e men hall be adj ed a he ame ime; he ca ing amo n of long- e m e i in e men hall be ed ced acco dingl b calc la ing he o ion o be enjo ed acco ding o he ofi o ca h di idend decla ed b he in e ed en i ; he ca ing amo n of long- e m e i in e men hall be adj ed and incl ded in he ca i al e e e fo o he change in he o ne ' igh and in e e of he in e ed en i e ce ne ofi o lo , o he com ehen i e income and ofi di ib ion. When ecogni ing he ha e of he ne ofi o lo of he in e ed en i , he ne ofi of he in e ed en i hall be adj ed and ecogni ed on he ba i of he fai al e of he iden ifiable a e of he in e ed en i a he ac i i ion da e. If he acco n ing olicie and e iod ado ed b he in e ed en i a e incon i en h ho e of he Com an , he financial a emen of he in e ed en i hall be adj ed in acco dance h he acco n ing olicie and e iod of he Com an . The in e men income and o he com ehen i e income hall be ecogni ed acco dingl . Fo an ac ion be een he G o and a ocia e , he a e in e ed o old do no con i e b ine , and he n eali ed gain and lo e of in e nal an ac ion a e off e b he ha eholding a ib able o he G o . On hi ba i , he in e men gain and lo e a e ecogni ed. Ho e e , he n eali ed in e nal an ac ion lo e be een he G o and he in e ed en i hall no be off e if he belong o he im ai men lo e of he an fe ed a e .

The G o di con in e ecogni ing i ha e of ne lo e of he in e ed en i af e he ca ing amo n of he long- e m e i in e men oge he h an long- e m in e e ha in b ance fo m a of i ne in e men in he in e ed en i i ed ced o e o. In addi ion, if he G o ha inc ed obliga ion o a me addi ional lo e of he in e ed en i , e ima ed liabili i ecogni ed acco ding o he e ec ed obliga ion, and eco ded a in e men lo fo he e iod. Whe e ne ofi a e b e en l made b he in e ed en i , he G o e me ecogni ing i ha e of ho e ofi onl af e i ha e of he ofi e ceed he ha e of lo e e io l no ecogni ed.

16.4 Disposal of long-term equity investments

On di o al of a long- e m e i in e men , he diffe ence be en he ca ing amo n and he ac al cha e ice i ecogni ed in ofi o lo fo he e iod.

17. Investment Properties

In e men o e ie a e o e ie held fo he o e of ea ning en al o ca i al a ecia ion, o bo h. In e men o e ie incl de lea ed land e igh , land e igh held and e a ed fo an fe af e a ecia ion, b ilding lea ed o , e c.

In e men o e ie a e ini iall mea ed a co . S b e en e endi e ela ed o an in e men o e hall be incl ded in co of in e men o e onl en he economic benefi a ocia ed h he a e ll likel flo o he G o and i co can be mea ed eliabl . All o he b e en e endi e on an in e men o e hall be incl ded in ofi o lo fo he c en ea en inc ed.

The G o ado he co model fo b e en mea emen of in e men o e ie , and in e men o e ie a e de ecia ed o amo i ed ba ed on he ame olic con i en h ho e and b ilding o land e igh .

An in e men o e i de ecogni ed on di o al o en he in e men o e i e manen l hd a n f om e and no f e economic benefi a e e ec ed f om i di o al .

When an in e men o e i old, an fe ed, e i ed o damaged, he amo n of an oceed on di o al of he o e ne of he ca ing amo n and ela ed a e i ecogni ed in ofi o lo fo he e iod

18. Fixed Assets

(1) Conditions of recognition

Fi ed a e a e angible a e ha a e held fo e in he od c ion of good o l of e ice , fo en al o o he , o fo admini a i e o e and ha e a ef l life of mo e han one acco n ing ea . A fi ed a e i ecogni ed onl hen he economic benefi a ocia ed h he a e a e obable o flo o he G o and he co of he a e can be mea ed eliabl . Fi ed a e a e ini iall mea ed a co .

S b e en e endi e inc ed fo a fi ed a e a e incl ded in he co of he fi ed a e if i i obable ha he economic benefi a ocia ed h he a e ll flo o he G o and he co of he a e can be mea ed eliabl , and he ca ing amo n of he e laced a i de ecogni ed. O he b e en e endi e o he han he abo e a e cha ged o ofi o lo fo he c en e iod hen inc ed.

(2) Depreciation methods

Class	Depreciation Method	Depreciation Period (Years)	Residual Value Rate	Annual Depreciation Rate (%)
Ho e and b ilding	aigh -line de ecia ion	20	5%	4.75%
Machine and e i men	aigh -line de ecia ion	4 10	5%	9.50%-23.75%
T an o a ion e i men	aigh -line de ecia ion	4 5	5%	19.00%-23.75%
O he e i men	aigh -line de ecia ion	3 5	5%	19.00%-31.67%

19. Construction in Progress

Construction in progress is measured at actual cost, which includes various construction expenditures incurred during the construction period, capitalized borrowing costs before the construction is ready for its intended use and other relevant costs. Construction in progress is not depreciated. Construction in progress is transferred to fixed assets while it is ready for its intended use.

20. Borrowing Costs

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

Where funds are borrowed under a special borrowing, the amount to be capitalized is the actual interest expenses incurred on that borrowing for the period less any interest income earned from depositing the unused borrowing funds into banks or any investment income on the temporary investment of those funds. Where funds are borrowed under a general borrowing, the amount capitalized is determined by applying the weighted average of the excess amounts of cumulative expenditure on the assets over the special borrowing multiplied by the capitalization rate of the general borrowing used. The capitalization rate is determined based on the weighted average interest rate of the general borrowings. During the capitalization period, the exchange differences on special foreign currency borrowings are all capitalized; the exchange differences on general-purpose foreign currency borrowings are recognized in profit or loss for the period.

21. Intangible assets

(1) Methods, Useful life, Impairment Test

Intangible assets include software, pollutant discharge rights, mining rights and land use rights, etc.

The intangible assets shall be initially measured at cost. When an intangible asset with a finite useful life is available for use, its original cost less net residual value and any accumulated impairment losses is amortized over its estimated useful life using the straight-line method. Intangible assets are not amortized while their useful lives are assessed to be indefinite. The amortization method, useful life and estimated net residual value rate of each class of intangible assets are as follows:

Class	Amortization method	Useful life (Years)	Residual Value Rate (%)
Land use rights	Straight line method	42–50	–
Pollutant discharge rights	Straight line method	5–20	–
Mining rights	Output method	–	–
Software	Straight line method	5–10	–

At the end of the year, the useful life and amortization method of intangible assets with finite useful lives are reviewed and adjusted if necessary.

(2) Internal research and development expenditures

E pendi e inc ed in he e ea ch age a e ecogni ed in p ofi o lo fo he pe iod.

E pendi e inc ed in he de elopmen age a e ecogni ed a in angible a e onl when all of he following condi ion a e a i fied, and he e pendi e in he de elopmen age ha doe no mee all of he following condi ion a e ecogni ed in p ofi o lo fo he pe iod:

(1) The echnical fea ibili of comple ing he in angible a e o ha i will be a ailable fo e o ale;

(2) The in en ion o comple e he in angible a e and e o ell i ;

(3) The wa in which he in angible a e gene a e economic benefi , incl ding he abili o p o e ha he e i a ma ke fo he p od c p od ced ing he in angible a e o he in angible a e i elf ha a ma ke , and p o e i ef lne if he in angible a e will be ed in e nall ;

(4) Ade a e echnical, financial and o he e o ce o comple e he de elopmen of he in angible a e and o e o ell he in angible a e ;

(5) The abili o mea e eliabl he e pendi e a ib able o he in angible a e d ing i de elopmen .

If he e pendi e canno be di ing i hed be ween he e ea ch age and de elopmen age, he G o p ecogni e all of hem in p ofi o lo fo he pe iod. The co of he in angible a e fo med b in e nal de elopmen ac i i ie onl incl de he o al e pendi e inc ed f om he ime when he capi ali a ion condi ion a e me o he ime when he in angible a e eache he in ended p po e. The e pendi e ha ha e been e pen ed in o p ofi and lo befo e he capi ali a ion condi ion a e me fo he ame in angible a e in he de elopmen p oce will no be adj ed.

22. Impairment of Long-term Assets

The G o p a e e a each balance hee da e he he he e i an indica ion ha long- e m e i in e men , in e men p o pe ie , fi ed a e , con c ion in p og e mea ed ing he co me hod and in angible a e h fini e ef l li e ma be impai ed. If an impai men indica ion e i , he eco e able amo n i e ima ed. In angible a e h indefini e ef l life and in angible a e no e a ailable fo e a e e ed fo impai men ann all , i e pec i e of he he he e i an indica ion ha he a e ma be impai ed.

If he e ima ed eco e able amo n of an a e i ba ed on a ingle a e and i i diffic l o e ima e he eco e able amo n of a ingle a e , he eco e able amo n of he a e g o p hall be de e mined on he ba i of he a e g o p o hich he a e belong . The eco e able amo n i he highe of an a e ' o a e G o p' fai al e le co of di po al and he p e en al e of he e ima ed f e ca h flo .

If he eco e able amo n of an a e i le han i ca ing amo n , a p o i ion fo impai men of he a e i made ba ed on he diffe ence and ecogni ed in p ofi o lo fo he pe iod.

An impai men lo once ecogni ed hall no be e e ed in a b e en acco n ing pe iod.

23. Long-term Deferred Expenses

Long- e m defe ed e pen e a e e pen e hich ha e inc ed b hall be amo i ed o e he c en pe iod and b e en pe iod of mo e han one ea . Long- e m defe ed e pen e a e amo i ed e enl o e he e ima ed benefi pe iod.

24. Contract Liabilities

A con ac liabili ep e en he G o p' obliga ion o an fe good o e ice o a c ome fo hich he G o p ha ecei ed con ide a ion (o an amo n of con ide a ion i d e) f om he c ome . Con ac a e and con ac liabili ie nde common con ac a e p e en ed on a ne ba i .

25. Employee Compensation

(1) Accounting for short-term employee compensation

In he acco n ing e iod in hich an em lo ee ha ende ed e ice , he G o ecogni e he ho - e m em lo ee com en a ion ac all inc ed a liabili ie , and incl de in ofi o lo fo he e iod o ela ed a e co . The em lo ee benefi e en e inc ed b he G o a e ecogni ed in ofi o lo fo he e iod o ela ed a e co ba ed on he ac al amo n hen ac all inc ed. The non-mone a em lo ee benefi e en e a e mea ed a fai al e.

In de e mining he co e onding amo n of em lo ee com en a ion, ocial ec i con ib ion ch a medical in ance, o k inj in ance and ma e ni in ance and ho ing f nd , a ell a labo nion nning e en e and em lo ee ed ca ion e en e o ided b he G o a e calc la ed acco ding o he e c ibed o i ion ba e and e cen age d ing he acco n ing e iod in hich he em lo ee o ide e ice o he G o , and he co e onding liabili ie a e ecogni ed, and incl ded in ofi o lo fo he e iod o ela ed a e co .

(2) Accounting for post-employment benefits

Po -em lo men benefi a e all defined con ib ion lan .

In he acco n ing e iod in hich an em lo ee ha ende ed e ice, he G o ecogni e he amo n a able nde he defined con ib ion lan a a liabili , and incl de in ofi o lo fo he e iod o ela ed a e co .

(3) Accounting for termination benefits

When he G o o ide e mina ion benefi o em lo ee , em lo ee com en a ion liabili ie a i ing f om e mina ion benefi a e ecogni ed in ofi o lo a he ea lie of he follo ing da e : hen he G o canno nila e all hd a he e mina ion benefi o ided beca e of an em lo ee e mina ion lan o a la off o o al, o hen he G o confi m he co o e en e ela ed o he e c ing in ol ing he a men of di mi benefi .

27.2 *Accounting treatment in relation to implementation, modification and termination of share-based payment plan*

When the Group modifies the share-based payment plan, and if such modification increases the fair value of the equity instruments granted, the increase in service received will be recognised accordingly following the increase in fair value of the equity instruments. If the modification increases the number of the equity instruments granted, the increase in fair value of the equity instruments will be recognised accordingly as the increase in service received. The increase in fair value of the equity instruments refers to the difference in fair value on the date of modification before and after the modification in respect of the equity instruments. If the modification reduces the total fair value of the share-based payments or adopts any form that is unfavorable to employees to modify the terms and conditions of the share-based payment plan, accounting treatment will be continued to be conducted in respect of the service received and the modification will be deemed to have never occurred, unless the Group had cancelled part or all of the equity instruments granted.

During the pending period, if the equity instruments granted are cancelled, the Group will undertake an accelerated vesting in respect of the cancelled equity instruments that had been granted, include the remaining amount that shall be recognised during the pending period in the profit and loss for the period immediately and recognise capital reserve accordingly. Where employees or other parties are permitted to choose to fulfill non-vesting conditions but have not fulfilled during the pending period, the Group will treat the granted equity instruments as cancelled.

28. Revenue

The G o p' e en e i mainl de i ed f om he ale of gla p od c , which mainl incl de pho o ol aic gla , ho ehold gla , a chi ec al gla , floa gla and mining p od c , e c. Re en e f om o he b ine mainl ep e en en al income f om p ope ie and ale income of ma e ial .

The G o p ecogni e e en e ba ed on he an ac ion p ice alloca ed o ch pe fo mance obliga ion when a pe fo mance obliga ion i a i fied, i.e. when con ol of he good o e ice nde l ing he pa ic la pe fo mance obliga ion i an fe ed o he c ome . A pe fo mance obliga ion ep e en he commi men ha a good and e ice ha i di inc hall be an fe ed b he G o p o he c ome . The an ac ion p ice i he amo n of con ide a ion o which he G o p e pec o be en i led in e change fo an fe ing p omi ed good o e ice o a c ome , e cl ding amo n collec ed on behalf of hi d pa ie and amo n e pec ed o be ef nded o a c ome .

Fo he pe fo mance obliga ion o be pe fo med d ing a ce ain pe iod of ime, he G o p ecogni e e en e o e ime b efe ence o he p og e of a pe fo mance obliga ion if one of he following c i e ia i me : (1) he c ome ecei e and con me he economic benefi b o gh b he G o p while pe fo ming obliga ion ; (2) he c ome can con ol he good nde con c ion d ing he pe fo mance of he G o p; (3) he good p od ced d ing he pe fo mance of he G o p ha e i eplaceable e , and he G o p ha he igh o ecei e pa men fo he pa of he comple ed pe fo mance o fa h o gho he con ac pe iod. O he wi e, he G o p will ecogni e e en e a he ime poin when he c ome ob ain con ol o e ele an good o e ice .

29. Government Grants

Government grants are transfers of monetary assets and non-monetary assets from the government to the Group at no consideration. A government grant is recognised only when the Group can comply with the conditions attaching to the grant and the Group will receive the grant.

If a government grant is in the form of monetary assets, it shall be measured at the amount received or receivable.

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

Such grants are government grants that are related to fixed assets that will be built or acquired.

A government grant related to assets is recognised as deferred income and included in current profit or loss over the useful life of the related assets using the straight-line method.

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

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

A government grant related to revenue used to compensate for relevant costs, expenses and losses in subsequent periods is recognised as deferred income, and is included in profit or loss for the period directly over the periods in which the relevant costs, expenses or losses are recognised. The government grants related to revenue used to compensate for relevant costs, expenses and losses already incurred is included in profit or loss for the period directly.

The government grants related to the Group's daily activities are included in other income/offset the relevant costs and expenses according to the nature of economic business. Otherwise, government grants are included in non-operating income or expense.

30. Deferred Income Tax Assets/Deferred Income Tax Liabilities

Income a e pen e comp i e c en income a e pen e and defe ed income a e pen e.

30.1 Current income tax

A he balance hee da e, c en income a liabili ie (o a e) fo he c en and p io pe iod a e mea ed a he amo n e pec ed o be paid (o eco e ed) acco ding o he e i emen of a la .

30.2 Deferred income tax assets and deferred income tax liabilities

Fo empo a diffe ence be een he ca ing amo n of ce ain a e o liabili ie and hei a ba e, o be een he ca ing amo n of ho e i em ha a e no ecogni ed a a e o liabili ie b he a ba e can be de e mined acco ding o a la and hei a ba e, defe ed income a a e and defe ed income a liabili ie a e ecogni ed ing he balance hee liabili me hod.

Defe ed income a i gene all ecogni ed fo all empo a diffe ence . Ho e e , a fo ded c ible empo a diffe ence , defe ed a a e a e ecogni ed o he e en ha i i p obable ha a able p ofi ill be a ailable again hich he ded c ible empo a diffe ence can be ili ed. In addi ion, fo empo a diffe ence a ocia ed i h he ini ial ecogni ion of good ill and he ini ial ecogni ion of an a e o liabili a i ing f om a an ac ion (no a b ine combina ion) ha affec nei he he acco n ing p ofi no a able p ofi (o ded c ible lo) a he ime of an ac ion, no defe ed a a e o liabili i ecogni ed.

Fo ded c ible lo e and a c edi in b e en ea ha can be ca ied fo a d, defe ed a a e a e ecogni ed o he e en ha i i obable ha f e a able ofi ll be a ailable again hich he ded c ible lo e and a c edi can be ili ed.

Defe ed income a liabili ie a e ecogni ed fo a able em o a diffe ence a ocia ed h in e men in b idia ie , e ce he e he G o i able o con ol he iming of he e e al of he em o a diffe ence and i i obable ha he em o a diffe ence ll no e e e in he fo e eeable f e. Defe ed income a a e a i ing f om ded c ible em o a diffe ence a ocia ed h he in e men in b idia ie a e onl ecogni ed o he e en ha i i obable ha he e ll be fficien a able ofi again hich o ili e he benefi of he em o a diffe ence and he a e e ec ed o e e e in he fo e eeable f e.

A he balance hee da e, defe ed income a a e and defe ed income a liabili ie a e mea ed a he a a e ha a e e ec ed o a l o he e iod hen he a e i eali ed o he liabili i e led acco ding o he e i emen of a la .

C en and defe ed income a e en e o income a e ecogni ed in ofi o lo fo he e iod, e ce hen he a i e f om an ac ion o e en ha a e di ec l ecogni ed in o he com ehen i e income o in ha eholde ' e i , in hich ca e he a e ecogni ed in o he com ehen i e income o in ha eholde ' e i ; and hen he a i e f om b ine combina ion , in hich ca e he a e adj ed o he ca ing amo n of good ll.

The ca ing amo n of a defe ed a a e i e ie ed a each balance hee da e and i ed ced o he e en ha i i obable ha fficien a able ofi ll no be a ailable o off e he benefi of defe ed income a a e . An ch ed c ion i e e ed o he e en ha i become obable ha fficien a able ofi ll be a ailable.

30.3 Offsetting of income tax

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

31. Lease

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

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

31.1 The Group as lessee

31.1.1 Separation of lease

For a contract that contains one or more lease or non-lease components, the Group separates each individual lease component from non-lease components and allocates the consideration in the contract to each lease component on the basis of the stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

31.1.2 Righ -of- e a e

E ce fo ho - e m lea e and lea e of lo al e a e , he G o ecogni e igh -of- e a e a he commencemen da e of he lea e. The lea e commencemen da e efe o he a ing da e fo he le o o o ide lea ed a e fo e b he G o . Righ -of- e a e a e ini iall mea ed a co . S ch co incl de :

_ he amo n of he ini ial mea emen of he lea e liabili ;

_ an lea e a men made a o befo e he commencemen da e, le he ela i e amo n of an lea e incen i e enjo ed if he e a e lea e incen i e ;

_ an ini ial di ec co inc ed b he G o ;

_ an e ima e of co o be inc ed b he G o in di man ling and emo ing he nde l ing a e , e o ing he i e on ich i i loca ed o e o ing he nde l ing a e o he condi ion e i ed b he e m of he lea e.

The G o acc e de ecia ion fo he igh -of- e a e acco ding o he ele an de ecia ion eg la ion of Acco n ing S anda d fo B ine En e i e No. 4 Fi ed A e . Righ -of- e a e a e de ecia ed hin he emaining ef l li e en he G o i ea onabl ce ain o ob ain he o ne hi of lea ed a e a he end of he lea e e m. The de ecia ion i o ided d ing he e iod be een he lea e e m and he emaining ef l li e of he lea ed a e if i i no .

The G o de e mine he he he igh -of- e a e a e im ai ed and e fo m acco n ing ea men fo ecogni ed im ai men lo acco ding o he ele an eg la ion of Acco n ing S anda d fo B ine En e i e No. 8 Im ai men of A e .

31.1.3 Lease liabilities

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

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

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

31.1.4 Short-term leases and low-value leases

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

31.2 The Group as lessor

31.2.1 Classification of leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially almost all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

In addition to the above changes, if the reasons of the changes in the financial assets or financial liabilities, for which interest income or expenses is determined by the effective interest rate method, the Group shall account for the changes caused by the interest rate benchmark reform in accordance with the above regulations, and then in accordance with the Accounting Standard for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments to assess whether the changes will result in derecognition of the financial assets or financial liability.

According to Interpretation No. 14, the Group handled the new benchmark interest rate reform related businesses from 1 January 2021 to the implementation date of Interpretation No. 14 in accordance with the provisions of Interpretation No. 14.

Q&A on the Implementation of the Fifth Batch of Accounting Standards for Business Enterprises in 2021

According to the Q&A on the Implementation of the Fifth Batch of Accounting Standards for Business Enterprises in 2021 issued by the Accounting Department of the Ministry of Finance on 1 November 2021, the Group's management of goods or services before the transfer of control of the goods or services to the customers does not constitute a single item for the performance of the customer contract. The transportation costs arising from the transportation services of the performance obligations is regarded as the contract performance costs, and is amortised and included in the current profit and loss on the same basis as the recognition of revenue from goods or services, and is listed in the operating costs of the income statement. In 2021, the above changes in accounting policies resulted in an increase in operating costs and a decrease in selling expenses of the Group of RMB329,959,493.47, and an increase in operating costs and a decrease in selling expenses of the Company of RMB40,049,782.23; In 2020, the Group's operating costs increased and selling expenses decreased by RMB254,222,773.59, and the Company's operating costs increased and selling expenses decreased by RMB61,307,718.11.

(IV) TAXATION

1. Major Types of Tax and Tax Rates

Tax type	Tax basis	Tax rate
Value-added tax (VAT)	Taxable value-added amount (the tax payable is calculated on the taxable sales amount multiplied by the applicable tax rate less deductible input-VAT for the current period)	13%
Urban construction and maintenance Tax	Turnover tax payment	7%
Education surcharge	Turnover tax payment	3%
Local educational surcharge	Turnover tax payment	2%
Property tax	Cost of properties / rental income	Note 1
Resource tax	Quantity of mining products sold	7%
Enterprise income tax (EIT)	Taxable income	Note 2
Environmental protection tax	Pollutant emission	RMB1.2 to RMB1.4 per pollutant equivalent

Note 1: The property tax of self-use property is calculated at 70% of the original value of the real estate and at a tax rate of 1.2%; the property tax of leased building is calculated at 12% of rental income.

Note 2: EIT rates for the Company and subsidiaries:

Name	Tax rate (%)
The Com an	15%
浙江福萊特玻璃有限公司 Zhejiang Fla Gla Co., L d.	25%
浙江嘉福玻璃有限公司 Zhejiang Jiaf Gla Co., L d.	15%
上海福萊特玻璃有限公司 Shanghai Fla Gla Co., L d	25%
安徽福萊特光伏玻璃有限公司 Anh i Fla Sola Gla Co., L d	15%
安徽福萊特光伏材料有限公司 Anh i Fla Sola Ma e ial Co., L d	25%
福萊特(香港)有限公司 Fla (Hong Kong) Limi ed	No e 1
嘉興福萊特新能源科技有限公司 Jia ing Fla Ne Ene g Technolog Co., L d	25%
福萊特(越南)有限公司 Fla (Vie nam) Com an Limi ed	0%

No e 1: P ofi befo e a no e ceeding HK$2,000,000 (incl i e) i bjec o a a a e of 8.25%, hile he o ion of ofi befo e a e ceeding HK$2,000,000 i bjec o a a a e of 16.5%.

2. Tax Preferences

The Company

On 4 Decembe 2019, he Com an ob ained he High Technolog En e i e Ce ifica e (No. GR201933003682) join l a o ed b he Science and Technolog De a men of Zhejiang P o ince, Zhejiang P o incial De a men of Finance, Zhejiang P o incial Ta Se ice, S a e Ta a ion Admini a ion fo a alid e iod of h ee ea , an o hich, he EIT a e of 15% i a lied f om 2019 o 2021.

Zhejiang Jiafu Glass Co., Ltd.

On 4 December 2019, Zhejiang Jiafu Glass Co., Ltd. obtained the High Technology Enterprise Certificate (No. GR201933001492) jointly approved by the Science and Technology Department of Zhejiang Province, Zhejiang Provincial Department of Finance, Zhejiang Provincial Tax Service, State Taxation Administration for a valid period of three years, pursuant to which, the EIT rate of 15% is applied from 2019 to 2021.

Anhui Flat Solar Glass Co., Ltd.

On 17 August 2020, Anhui Flat Solar Glass Co., Ltd. obtained the High Technology Enterprise Certificate (No. GR202034000476) jointly approved by the Science and Technology Department of Anhui Province, Anhui Provincial Department of Finance, the State Taxation Bureau of Anhui Province and the Local Taxation Bureau of Anhui Province, for a valid period of three years, pursuant to which, the EIT rate of 15% is applied from 2020 to 2022.

Jiaxing Flat New Energy Technology Co., Ltd.

Pursuant to the Notice of the Ministry of Finance and the State Administration of Taxation on Issues Concerning Preferential Enterprise Income Tax Policies for Public Infrastructure and Environmental Protection, Energy and Water Saving Projects (Caishui [2012] No. 10), Jiaxing Flat New Energy Technology Co., Ltd. is exempted from EIT for the first year to the third year from the tax year in which the first operation income is obtained, and the EIT is reduced by 50% in the fourth to sixth years.

Flat (Vietnam) Company Limited

Pursuant to the Project Investment License approved by the Vietnam Haiphong Economic Zone Authority on 30 June 2016, Flat (Vietnam) Company Limited is exempted from EIT for four years commencing from the first profit-making year, followed by a 50% reduction in EIT for the next nine years. Flat (Vietnam) Company Limited has made profits from 2022.

(V) NOTES TO THE CONSOLIDATED STATEMENTS

1. CASH AT BANK AND ON HAND

RMB

Items	Closing balance	Opening balance
Cash on hand	**23,680.28**	37,595.74
Cash at bank	**3,244,801,691.06**	2,101,693,083.72
Other cash at bank and on hand	**778,425,138.48**	740,946,588.02
Total	**4,023,250,509.82**	2,842,677,267.48
Including: total amount deposited abroad	**174,785,147.22**	238,902,274.63

2. TRADING FINANCIAL ASSETS

RMB

Items	Closing balance	Opening balance
Financial assets at fair value through profit or loss	**700,000,000.00**	200,000,000.00
Including: Bank wealth management products	**700,000,000.00**	200,000,000.00
Total	**700,000,000.00**	200,000,000.00

3. DERIVATIVE FINANCIAL ASSETS

RMB

Items	Closing balance	Opening balance
Derivative financial assets without specified hedging relationships		
Including: Forward foreign exchange contracts (Note)	–	62,739.00
Total	–	62,739.00

Note: The unexpired forward foreign exchange contracts is not designated as hedging instruments, and the gains or losses arising from changes in fair value are directly included in profit and loss for the period.

4. BILLS RECEIVABLES

(1) Bills receivables by category

RMB

Items	Closing balance	Opening balance
Bank acceptance bill	**1,506,620,147.82**	834,875,954.38
Commercial acceptance bill	**519,224,504.02**	107,583,256.08
Less: credit impairment provision	**9,138,351.27**	2,711,098.05
Total	**2,016,706,300.57**	939,748,112.41

(2) *Bills receivables that have been endorsed or discounted by the Group but not yet due at the balance sheet date*

RMB

Items	Amount not derecognized at the end of the half year
Endorsed bank acceptance bill	**1,209,023,929.58**
Discounted bank acceptance bill	**15,547,866.84**
Total	**1,224,571,796.42**

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

(4) *Disclosed by classification of credit loss provision method*

RMB

	Closing balance				
	Book balance		Bad debt provision		Book value
Classification	Amount	Percentage (%)	Amount	Accrual Percentage (%)	
Bad debt provision by portfolio					
Including:					
Bank acceptance bill	1,506,620,147.82	74.37	–	–	1,506,620,147.82
Commercial acceptance bill	519,224,504.02	25.63	9,138,351.27	1.76	510,086,152.75
Total	2,025,844,651.84	/	9,138,351.27	/	2,016,706,300.57

	Opening balance				
	Book balance		Bad debt provision		Book value
Classification	Amount	Percentage (%)	Amount	Accrual Percentage (%)	
Bad debt provision by portfolio					
Including:					
Bank acceptance bill	834,875,954.38	88.58			834,875,954.38
Commercial acceptance bill	107,583,256.08	11.42	2,711,098.05	2.52	104,872,158.03
Total	942,459,210.46	/	2,711,098.05	/	939,748,112.41

Bill ecei able h c edi lo o i ion b o folio

RMB

Name	Bills receivables	Closing balance Bad debt provision	Accrual Percentage
Lo i k	**1,506,620,147.82**	**–**	**–**
No mal	**519,224,504.02**	**9,138,351.27**	**1.76**
To al	**2,025,844,651.84**	**9,138,351.27**	**0.45**

The G o belie e ha he acce ing bank h highe c edi a ing hold he bank acce ance bill and he e i no ignifican c edi i k, o no im ai men allo nce fo c edi lo i made.

(5) *Credit loss provision*

RMB

Classification	Opening balance	Changes in amount for the half year Provision	Transferred	Closing balance
No mal	2,711,098.05	9,138,351.27	2,711,098.05	**9,138,351.27**
To al	2,711,098.05	9,138,351.27	2,711,098.05	**9,138,351.27**

(6) *Bad debt condition*

Category	Opening balance	Changed amounts in the current period Provision	Transferred	Closing balance
No mal	2,711,098.05	9,138,351.27	2,711,098.05	**9,138,351.27**
To al	2,711,098.05	9,138,351.27	2,711,098.05	**9,138,351.27**

5. TRADE RECEIVABLES

(1) Disclosed by aging

RMB

Aging	Book balance at the end of the half year
Wi hin 1 ea	**2,763,999,217.67**
1 2 ea	**16,650,097.81**
2 3 ea	**1,100,733.39**
O e 3 ea	**7,584,933.61**
To al	**2,789,334,982.48**

(2) Disclosed by classification of credit impairment provision method

RMB

	Closing balance				
	Book balance		Bad debt provision		
Classification	Amount	Percentage (%)	Amount	Accrual Percentage (%)	Book value
Bad deb p o i ion b po folio					
Incl ding:					
No mal	2,727,724,480.34	97.79	48,007,950.85	1.76	2,679,716,529.49
Conce ned	53,921,147.75	1.93	20,307,227.08	37.66	33,613,920.67
Lo	7,689,354.39	0.28	7,689,354.39	100.00	–
To al	2,789,334,982.48	/	76,004,532.32	/	2,713,330,450.16

Cla ifica ion	Opening balance				
	Book balance		Bad deb p o i ion		
	Amo n	Pe cen age (%)	Amo n	Acc al Pe cen age (%)	Book al e
Bad deb p o i ion b p o folio					
Incl ding:					
No mal	1,096,931,797.73	94.60	27,642,681.27	2.52	1,069,289,116.46
Conce ned	48,127,930.42	4.15	11,657,475.13	24.22	36,470,455.29
Lo	14,499,749.67	1.25	14,499,749.67	100.00	
To al	1,159,559,477.82	/	53,799,906.07	/	1,105,759,571.75

C edi imp ai men p o i ion b p o folio

RMB

Name	Closing balance		
	Trade receivables	**Bad debt provision**	**Accrual percentage (%)**
No mal	**2,727,724,480.34**	**48,007,950.85**	**1.76**
Conce ned	**53,921,147.75**	**20,307,227.08**	**37.66**
Lo	**7,689,354.39**	**7,689,354.39**	**100.00**
To al	**2,789,334,982.48**	**76,004,532.32**	**2.72**

(3) *Changes in credit impairment of trade receivables*

RMB

Classification	Opening balance	Changes in amount for the half year		Closing balance
		Provision	Transferred	
Bad debt provision	53,799,906.07	25,544,063.32	3,339,437.07	**76,004,532.32**
Total	53,799,906.07	25,544,063.32	3,339,437.07	**76,004,532.32**

(4) *Details of top five trade receivables with the closing balances classified by the borrowers*

At the end of the current period, the top five trade receivables with the closing balance classified by the borrowers amounted to RMB1,550,421,839.55 (end of the previous year: RMB581,839,100.82), representing 55.58% (end of the previous year: 50.18%) of total balance of trade receivables. The credit loss provision of top five trade receivables amounted to RMB27,287,424.38 (end of the previous year: RMB14,662,345.34).

6. FINANCING RECEIVABLES

RMB

Items	Closing balance	Opening balance
Bank acceptance bill	**596,244,502.28**	531,196,547.78
Total	**596,244,502.28**	531,196,547.78

(1) ***Changes in financing receivables and their fair value for the current period***

RMB

Items	Closing balance
Cost	**598,869,422.24**
Fair value	**596,244,502.28**
Accumulated changes in fair value included in other comprehensive income	**(2,624,919.96)**

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

RMB

Items	Pledged amount at the end of the period
Bank acceptance bills	**40,000,000.00**

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

RMB

Items	Amounts Derecognized at the end of the year
Endorsed bank acceptance bills	**1,308,273,481.00**
Discounted bank acceptance bills	**157,656,990.53**
Total	**1,465,930,471.53**

7. ADVANCE PAYMENTS

(1) Listed by aging

RMB

Aging	Closing balance Amount	Closing balance Percentage (%)	Opening balance Amo n	Opening balance Pe cen age (%)
Wi h 1 ea	414,740,988.03	99.78	686,003,745.08	99.096
1 2 ea	776,474.96	0.19	4,219,015.49	0.609
2 3 ea	101,031.33	0.02	2,016,474.00	0.291
O e 3 ea	22,674.84	0.01	22,723.56	0.003
To al	415,641,169.16	100.00	692,261,958.13	100.000

A he end of he pe iod, he G o p had no ad ance pa men h an aging of mo e han one ea and an impo an amo n .

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

A he end of he pe iod, he balance of op fi e ad ance pa men h he clo ing balance amo n ed o RMB245,461,288.73 (end of he p e io ea : RMB562,487,063.28), ep e en ing 59.06% (end of he p e io ea : 81.25%) of o al balance of ad ance pa men .

8. OTHER RECEIVABLES

RMB

Items	Closing balance	Opening balance
Other receivables	**53,523,216.63**	54,999,617.97
Total	**53,523,216.63**	54,999,617.97

(1) Disclosed by aging

RMB

Aging	Closing book balance
Within 1 year	**7,805,681.65**
1-2 years	**40,415,490.03**
2-3 years	**4,946,612.28**
Over 3 years	**394,616.14**
Total	**53,562,400.10**

(2) Other receivables listed by classification by natures

RMB

Nature	Closing book balance	Opening book balance
Margin	**45,834,976.30**	52,633,813.76
Asset disposal receivable	**4,800,000.00**	
Deposit	**293,291.73**	293,731.73
Reserve fund	**212,279.26**	211,827.29
Other	**2,421,852.81**	1,860,245.19
Total	**53,562,400.10**	54,999,617.97

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

RMB

Name	Nature of amount	Closing balance	Aging	Percentage of the total closing balance of other receivables (%)	Closing balance of bad debt provision
Fi	Ma gin	40,000,000.00	1 2 ea	74.68	–
Second	Ma gin	4,966,520.15	1 2 ea	9.27	–
Thi d	A e di po al ecei able	4,800,000.00	Wi hin one ea	8.96	–
Fo h	Ma gin	529,523.00	Wi hin one ea	0.99	–
Fif h	Depo i	212,291.73	Mo e han 3 ea	0.40	–
To al		50,508,334.88	/	94.30	–

9. INVENTORIES

(1) Inventories category

RMB

Items	Book balance	Closing balance Inventory impairment provision	Book value
Raw materials	**617,132,665.73**	**–**	**617,132,665.73**
Low-valued consumables	**259,185,166.43**	**5,023,103.53**	**254,162,062.90**
Work in progress	**90,536,939.48**	**–**	**90,536,939.48**
Finished goods	**539,622,977.37**	**4,552,128.52**	**535,070,848.85**
Entrusted processing materials	**–**	**–**	**–**
Total	**1,506,477,749.01**	**9,575,232.05**	**1,496,902,516.96**

Items	Book balance	Opening balance Inventory impairment provision	Book balance
Raw materials	1,189,179,166.17		1,189,179,166.17
Low-valued consumables	183,128,642.36	5,175,543.77	177,953,098.59
Work in progress	60,856,490.19		60,856,490.19
Finished goods	855,214,953.98	6,734,180.64	848,480,773.34
Total	2,288,379,252.70	11,909,724.41	2,276,469,528.29

(2) *Inventory impairment provision*

RMB

Items	Opening balance	Increased amount for the period: Provided	Decreased amount for the period: Resold	Closing balance
Finished goods	6,734,180.64	2,877,911.90	5,059,964.02	**4,552,128.52**
Low-value consumables	5,175,543.77	3,845,610.26	3,998,050.50	**5,023,103.53**
Total	11,909,724.41	6,723,522.16	9,058,014.52	**9,575,232.05**

10. OTHER CURRENT ASSETS

RMB

Items	Closing balance	Opening balance
Prepaid VAT	**94,643,540.85**	232,222,691.43
Export tax rebate	**5,665,346.28**	14,355,212.88
Prepaid income tax	**9,231,253.23**	6,809,376.77
Prepaid rental income	**4,775,001.55**	412,844.04
Others	**–**	1,326,957.68
Total	**114,315,141.92**	255,127,082.80

11. LONG-TERM EQUITY INVESTMENT

RMB

Invested Company	O pening balance	Change d ing he pe iod	
		In e men gain and lo ecogni ed nde he e i me hod	Decla ed o pa ca h di idend o

13. FIXED ASSETS

(1) Fixed assets condition

RMB

Items	House and building	Machinery and equipment	Transportation equipment	Other equipment	Total
I. Book value					
1. Opening balance	2,256,706,971.73	5,786,763,634.84	105,367,276.49	52,626,989.79	8,201,464,872.85
2. Amount increased in the current period	1,038,977,839.39	2,123,699,811.23	21,448,674.61	10,885,886.99	3,195,012,212.22
(1) Purchase	79,474.32	11,479,141.98	3,940,756.63	4,264,136.67	19,763,509.60
(2) Transferred from construction in progress	1,024,856,765.44	2,112,220,669.25	15,280,087.43	6,146,621.69	3,158,504,143.81
(3) Acquired in business combination	14,041,599.63		2,227,830.55	475,128.63	16,744,558.81
3. Amount decreased in the current period		29,638,141.75	5,586,052.50		35,224,194.25
(1) Disposal or scrap		26,514,037.78	5,586,052.50		32,100,090.28
(2) Transferred from construction in progress		3,124,103.97			3,124,103.97
4. Difference on translation of foreign currency financial statement	17,449,243.96	28,586,838.53	404,787.59	72,481.92	46,513,352.00
5. Closing balance	3,313,134,055.08	7,909,412,142.85	121,634,686.19	63,585,358.70	11,407,766,242.82
II. Accumulated depreciation					
1. Opening balance	428,787,993.80	1,345,595,767.21	52,095,053.25	38,471,319.69	1,864,950,133.95
2. Amount increased in the current period	63,208,624.47	284,435,921.90	9,539,242.81	3,081,597.02	360,265,386.20
(1) Provided	60,261,755.36	284,435,921.90	8,322,991.00	2,878,319.18	355,898,987.44
(2) Acquired in business combination	2,946,869.11		1,216,251.81	203,277.84	4,366,398.76
3. Amount decreased in the current period		14,367,954.70	5,144,759.85		19,512,714.55
(1) Disposal or scrap		13,729,933.45	5,144,759.85		18,874,693.30
(2) Transferred from construction in progress		638,021.25			638,021.25
4. Difference on translation of foreign currency financial statement	475,219.13	1,504,144.39	48,847.24	3,945.00	2,032,155.76
5. Closing balance	492,471,837.40	1,617,167,878.80	56,538,383.45	41,556,861.71	2,207,734,961.37
III. impairment provision					
1. Opening balance		19,876,437.96	275,923.26	82,866.49	20,235,227.71
2. Amount increased in the current period					
(1) Provided					
3. Amount decreased in the current period		29,777.31			29,777.31
(1) Disposal or scrap		29,777.31			29,777.31
(2) Transferred from construction in progress					
4. Closing balance		19,846,660.65	275,923.26	82,866.49	20,205,450.40
IV. Book value					
1. Closing book value	2,820,662,217.68	6,272,397,603.40	64,820,379.48	21,945,630.50	9,179,825,831.06
2. Opening book value	1,827,918,977.93	4,421,291,429.67	52,996,299.98	14,072,803.61	6,316,279,511.19

At the end of the current period, the fixed assets with a book value of RMB2,446,307,991.66 (end of the previous year: RMB1,796,949,877.60) were used as collateral for short-term borrowings and long-term borrowings.

(2) *At the end of current period, the Group's temporarily idle fixed assets*

RMB

Items	Book value	Accumulated depreciation	Impairment provision	Book value
Machinery and equipment	8,292,131.46	2,728,761.44	5,563,370.02	–
Other equipment	268,037.61	225,506.25	42,531.36	–

At the end of the current period, the Group's idle fixed assets included the fixed assets of the subsidiary, Zhejiang Jiafu. The Group makes provision for impairment of related assets in accordance with the lower of the book value and the recoverable amount.

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

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

(5) *Fixed assets of the Group without property right certificate at the end of the current period*

RMB

Items	Book value	Reasons for failure to complete the property right certificate
Insulating glass workshop (north)	12,832,988.83	Property right certificate is still in process
110KV transformer substation	7,535,215.02	Property right certificate is still in process
Anhui Phase II Project workshop	549,477,694.50	Property right certificate is still in process

14. CONSTRUCTION IN PROGRESS

Items

RMB

Items	Closing balance	Opening balance
Con , c ion in p og e	**1,455,294,164.14**	2,867,765,142.38
Enginee ing ma e ial	**617,554,735.95**	199,442,725.12
To al	**2,072,848,900.09**	3,067,207,867.50

Construction in progress

(1) Con , c ion in p og e

RMB

Items	Closing balance	Opening balance
Ann, al o, p, of 1,200,000 on of PV co e gla p ojec	754,659,250.69	270,384,014.38
Ann, al p od, c ion of 750,000 on of , l a- hin and , l a-high pene a ion panel man, fac , ing p ojec fo ola e , ipmen	41,447,544.97	823,934,022.33
Ann, al o, p, of 750,000 on of PV co e gla p ojec -pha e III	401,228,842.23	156,279,422.21
Ann, al p od, c ion of 42 million , a e me e of PV backplane p ojec	34,672,250.50	75,478,773.23
P od, c ion line echnical an fo ma ion p ojec	55,256,665.36	33,740,880.86
Ann, al o, p, of 750,000 on of PV co e gla p ojec -pha e II	18,748,570.88	1,129,878,953.18
O he	149,281,039.51	378,069,076.19
To al	1,455,294,164.14	2,867,765,142.38

(2) Change in majo con c ion p ojec in p og e in he c en half ea

RMB

Project name	Budget	Opening amount	Increase in the current half year	Transfer amount from fixed assets in the current half year	Transfer amount into fixed assets in the current half year	Transfer amount into others in the current half year	Closing amount	Project cumulative investment accounted for the proportion of the budget (%)	Project progress	Accumulated amount of interest capitalization	Including: the amount of interest capitalization in the current half year	Capitalization rate of interest in the current half year (%)	Sources of funds
Ann al o p of 750,000 on of PV co e gla p ojec - pha e II	1,405,235,500.00	1,129,878,953.18	211,005,699.18		1,322,136,081.48		**18,748,570.88**	94.09%	94.09%				P oceed of non-p blic i ance
Ann al p od c ion of 750,000 on of l a- hin and l a-high gene a ion panel man fac ing p ojec fo ola e ipmen	1,985,837,800.00	823,934,022.33	467,758,734.39		1,250,245,211.75		**41,447,544.97**	65.05%	65.05%	8,869,722.99	8,869,722.99	4.35%	Compan ' o n capi al/ Con e ible bond
1,200,000 on of PV co e gla p ojec	2,244,595,500.00	270,384,014.38	484,275,236.31				**754,659,250.69**	33.62%	33.62%				Compan ' o n capi al
Ann al o p of 750,000 on of PV co e gla p ojec - pha e III	1,466,011,800.00	156,279,422.21	244,949,420.02				**401,228,842.23**	27.37%	27.37%				Compan ' o n capi al
Ann al p od c ion of 42 million a e me e of PV backplane p ojec	470,427,500.00	75,478,773.23	99,182,872.27		139,989,395.00		**34,672,250.50**	37.13%	37.13%				P oceed of non-p blic i ance

(3) *At the end of the current year, there was no indication of impairment of the Group's construction in progress, so no provision for impairment was made.*

Engineering material

RMB

Items	Closing balance Book balance	Provision for impairment	Book value
Specialized equipment	**419,747,327.78**	–	**419,747,327.78**
Refractory material	**97,274,681.59**	–	**97,274,681.59**
Electric wire and cable	**56,708,222.92**	–	**56,708,222.92**
Steel and wire rod	**14,977,577.30**	–	**14,977,577.30**
Other	**28,846,926.36**	–	**28,846,926.36**
Total	**617,554,735.95**	–	**617,554,735.95**

Items	Opening balance Book balance	Provision for impairment	Book value
Specialized equipment	93,343,324.42	–	93,343,324.42
Refractory material	78,024,378.03	–	78,024,378.03
Electric wire and cable	6,730,582.58	–	6,730,582.58
Steel and wire rod	2,105,446.45	–	2,105,446.45
Other	19,238,993.64	–	19,238,993.64
Total	199,442,725.12	–	199,442,725.12

15. RIGHT-OF-USE ASSETS

RMB

Items	**Land**
I. Book value	
1. Opening balance	191,102,069.02
2. Amo n inc ea ed in he c en pe iod	5,657,965.56
(1) E change diffe ence on fo eign c enc financial a emen an la ion	5,657,965.56
3. Clo ing balance	196,760,034.58
II. Accumulated depreciation	
1. Opening balance	21,031,196.80
2. Amo n inc ea ed in he c en pe iod	3,086,706.44
(1) P o ided	2,407,419.35
3. E change diffe ence on fo eign c enc financial a emen an la ion	679,287.09
4. Clo ing balance	24,117,903.24
III. Book value	
1. Clo ing book al e	172,642,131.34
2. Opening book al e	170,070,872.22

16. INTANGIBLE ASSETS

RMB

Items	Land use right	Emission on rights	Mining rights	Energy use rights	Software	Total
I. Book value						
1. Opening balance	469,457,768.42	51,365,606.04	232,964,000.00	144,731,091.46	7,595,886.72	906,114,352.64
2. Amount increased in the current period	155,661,162.26	3,311,080.84	3,482,808,505.33	-	7,158.42	3,641,787,906.85
(1) Purchase	155,661,162.26	3,311,080.84	-	-	-	158,972,243.10
(2) Acquired in business combination	-	-	3,482,808,505.33	-	7,158.42	3,482,815,663.75
3. Closing balance	625,118,930.68	54,676,686.88	3,715,772,505.33	144,731,091.46	7,603,045.14	4,547,902,259.49
II. Accumulated amortization						
1. Opening balance	65,991,809.40	28,804,914.09	144,989,611.68	-	3,619,221.38	243,405,556.55
2. Amount increased in the current period	5,731,953.86	3,280,638.33	271,591,020.62	-	331,608.56	280,935,221.37
(1) Provided	5,731,953.86	3,280,638.33	232,727,028.02	-	327,233.86	242,066,854.07
(2) Acquired in business combination	-	-	38,863,992.60	-	4,374.70	38,868,367.30
3. Closing balance	71,723,763.26	32,085,552.42	416,580,632.30	-	3,950,829.94	524,340,777.92
III. Book value						
1. Closing book value	553,395,167.42	22,591,134.46	3,299,191,873.03	144,731,091.46	3,652,215.20	4,023,561,481.57
2. Opening book value	403,465,959.02	22,560,691.95	87,974,388.32	144,731,091.46	3,976,665.34	662,708,796.08

At the end of the current period, the land use rights with the net value of RMB320,919,034.69 (at the end of the last year: RMB324,758,897.07) was used for mortgage to obtain borrowings.

17. DEFERRED TAX ASSETS/DEFERRED TAX LIABILITIES

(1) Deferred tax assets before offsetting

RMB

Items	Closing balance Deductible temporary difference	Closing balance Deferred tax assets	Opening balance Deductible temporary difference	Opening balance Deferred tax assets
Provision for asset impairment	**29,810,459.76**	**4,486,912.28**	32,144,952.12	4,837,086.14
Provision for credit loss	**76,278,402.10**	**12,092,787.29**	54,975,356.64	8,999,635.21
Deferred revenue	**64,503,881.87**	**10,169,077.10**	25,441,145.12	4,331,055.32
Depreciation difference for fixed assets	**34,914,538.51**	**5,237,180.78**	33,101,192.39	4,965,178.86
Share payment	**27,829,233.33**	**4,174,385.00**	16,200,234.30	2,430,035.15
Profit and loss arising from change in fair value	**3,598,130.06**	**593,691.47**		
Total	**236,934,645.64**	**36,754,033.92**	161,862,880.57	25,562,990.68

(2) Deferred tax liabilities before offsetting

RMB

Items	Closing balance Taxable temporary differences	Closing balance Deferred tax liabilities	Opening balance Taxable temporary difference	Opening balance Deferred tax liabilities
Property revaluation arising from conversion to a joint stock company	**11,919,133.92**	**1,787,870.09**	12,518,486.60	1,877,772.99
Accelerated depreciation of fixed assets	**713,476,202.24**	**107,021,430.34**	765,840,684.05	114,876,102.61
Trial production costs	**55,206,014.74**	**8,280,902.21**	59,015,677.76	8,852,351.67
Profit and loss arising from change in fair value	**–**	**–**	62,739.00	10,351.94
Total	**780,601,350.90**	**117,090,202.64**	837,437,587.41	125,616,579.21

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

RMB

Items	Closing balance Offset amount of deferred tax assets and liabilities at the end of the period	deferred tax assets or liabilities after offsetting	Opening balance Off e amo n of defe ed a a e and liabili ie a he end of he pe iod	defe ed a a e o liabili ie af e off e ing
Defe ed a a e	**32,302,660.14**	**4,451,373.78**	21,400,325.38	4,162,665.30
Defe ed a liabili ie	**(32,302,660.14)**	**84,787,542.50**	21,400,325.38	104,216,253.83

(4) Deductible losses and other temporary difference of unrecognized deferred tax asset Items

RMB

Items	Closing balance	Opening balance
Ded c ible lo e	**43,939,270.13**	30,690,640.30
O he	**7,809,355.63**	1,080,737.08
To al	**51,748,625.75**	31,771,377.38

(5) *The deductible losses of unrecognized deferred tax assets will expire in the following years:*

RMB

Items	Closing balance	Opening balance
2022	**–**	
2023	**–**	
2024	**–**	
2025	**14,334,627.90**	
2026	**11,015,764.48**	19,674,875.82
2027	**18,588,877.75**	11,015,764.48
Total	**43,939,270.13**	30,690,640.30

18. OTHER NON-CURRENT ASSETS

RMB

Items	Closing balance	Opening balance
Construction prepayment	**997,017,701.29**	789,953,029.11
Prepaid investment	**74,350,906.30**	74,350,906.30
Prepaid deposits for land	**–**	2,600,000.00
Total	**1,071,368,607.59**	866,903,935.41

19. SHORT-TERM BORROWINGS

RMB

Items	Closing balance	Opening balance
Mortgaged borrowing	**1,089,899,000.00**	1,513,906,500.00
Credit borrowing	**510,805,200.00**	240,000,000.00
Bill discounting borrowing	**365,547,866.84**	106,790,000.00
Total	**1,966,252,066.84**	1,860,696,500.00

At the end of the current half year, the Group had no short-term borrowing that was overdue.

20. DERIVATIVE FINANCIAL LIABILITIES

RMB

Items	Closing balance	Opening balance
Derivative financial liabilities without the specified hedging relationship		
Including: Forward foreign exchange contract	**76,558.35**	–
Foreign exchange option contract	**3,521,571.71**	–
Total	**3,598,130.06**	–

Note: Unexpired forward foreign exchange contracts and foreign exchange option contracts are not designated as hedging instruments, and the gains or losses arising from changes in fair value are recognised directly in profit or loss in current period.

23. CONTRACT LIABILITIES

RMB

Items	Closing balance	Opening balance
Advance payments from customers for goods	**119,823,950.23**	352,681,717.14
Total	**119,823,950.23**	352,681,717.14

24. PAYROLL PAYABLE

(1) Listing of payroll payable

RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Short-term employee remuneration	66,290,653.03	294,873,561.99	310,537,292.55	**50,626,922.47**
II. Post-employment welfare				
Defined contribution plan	1,229,049.56	24,169,262.34	23,748,513.42	**1,649,798.48**
Total	67,519,702.59	319,042,824.33	334,285,805.97	**52,276,720.95**

(2) Listing of short-term remuneration

RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Wages or salaries, bonuses, allowances and subsidies	61,966,998.51	257,482,459.00	271,237,994.76	**48,211,462.75**
II. Staff welfare	(45,540.00)	12,794,977.98	12,749,437.98	**–**
III. Social insurance	764,463.84	13,474,140.26	12,648,161.01	**1,590,443.11**
Including: Medical insurance	852,653.87	11,565,483.93	11,045,090.58	**1,373,047.24**
Work-related injury insurance	(124,829.85)	1,632,192.71	1,339,514.49	**167,848.37**
Maternity insurance	36,639.82	276,463.62	263,555.94	**49,547.50**
IV. Housing fund	674,036.00	6,199,563.00	6,182,954.00	**690,645.00**
V. Education fund & labour union	2,930,694.68	4,922,421.75	7,718,744.80	**134,371.63**
Total	66,290,653.03	294,873,561.99	310,537,292.55	**50,626,922.49**

(3) *Listing of defined contribution plan*

RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
1. Basic pension insurance	1,194,514.09	23,326,898.79	22,916,199.62	**1,605,213.26**
2. Unemployment insurance	34,535.47	842,363.55	832,313.80	**44,585.22**
Total	1,229,049.56	24,169,262.34	23,748,513.42	**1,649,798.48**

Defined contribution plan:

The Group participates in pension insurance and unemployment insurance schemes established by government agencies as required. According to these schemes, the Group pays monthly fees to these plans at 14% and 0.5% of the employees' basic wages. Except for the above monthly paid fees, the Group does not undertake further payment obligations. The corresponding expenses are recognized in profit or loss in the period in which they are incurred.

During the period from 1 January to 30 June 2022, the Group should pay a total of RMB22,916,199.62 and RMB832,313.80 to the pension insurance and unemployment insurance schemes respectively. As of 30 June 2022, there were RMB1,605,213.26 and RMB44,585.22 that had been accrued but unpaid for the pension insurance and unemployment insurance schemes. The payables have been paid after the report period.

25. TAXES PAYABLE

RMB

Items	Closing balance	Opening balance
Enterprise income tax	**137,540,553.53**	11,387,361.66
VAT	**60,173,597.79**	11,359,752.88
Land use tax	**10,598,995.91**	9,461,877.50
City maintenance and construction tax	**3,594,770.01**	2,130,901.26
Education surtax and local education surtax	**2,176,228.58**	1,746,134.73
Individual income tax	**444,435.38**	643,392.80
Others	**21,898,869.02**	11,900,066.02
Total	**236,427,450.22**	48,629,486.85

26. OTHER PAYABLES

Items

RMB

Items	Closing balance	Opening balance
Interest payable	**7,398,469.04**	4,225,184.38
Dividends payable	**791,200.00**	791,200.00
Other payables	**672,485,580.43**	131,648,032.65
Total	**680,675,249.47**	136,664,417.03

(1) Interest payables

RMB

Items	Closing balance	Opening balance
Interest for long-term borrowings with interest paid in installments and principal paid due to maturity	**4,707,174.52**	2,297,774.10
Interest payable for short-term borrowings	**1,310,472.60**	1,927,410.28
Interest payable for Convertible Bonds	**1,380,821.92**	–
Total	**7,398,469.04**	4,225,184.38

(2) Dividends payables

RMB

Items	Closing balance	Opening balance
Dividends on ordinary shares	**791,200.00**	791,200.00
Total	**791,200.00**	791,200.00

(3) Other payables

RMB

Items	Closing balance	Opening balance
Equity interest acquisition payment	**520,947,600.00**	–
Warrant	**74,245,605.06**	77,755,114.87
Transportation premium	**23,755,790.41**	15,828,272.51
Restricted share incentive scheme	**30,104,000.00**	32,096,200.00
Others	**23,432,584.96**	5,968,445.27
Total	**672,485,580.43**	131,648,032.65

At the end of the period, the Group had no other payables with an ageing of more than one year and a significant amount.

27. NON-CURRENT LIABILITIES DUE WITHIN ONE YEAR

RMB

Items	Closing balance	Opening balance
Long-term borrowings due within 1 year	**1,006,528,929.80**	310,100,070.52
Long-term payables due within 1 year	**52,220,000.00**	–
Lease liabilities due within 1 year	**635,514.93**	–
Total	**1,059,384,444.73**	310,100,070.52

28. LONG-TERM BORROWINGS

(1) Categories of long-term borrowings

RMB

Items	Closing balance	Opening balance
Pledged borrowing	**902,428,929.80**	998,412,983.63
Secured borrowing	**3,196,000,000.00**	1,278,800,000.00
Less: pledged borrowing due within 1 year	**902,428,929.80**	303,864,555.59
Less: secured borrowing due within 1 year	**104,100,000.00**	5,600,000.00
Total	**3,091,900,000.00**	1,967,748,428.04

29. BONDS PAYABLES

(1) Bonds payables

RMB

Item	Closing balance	Opening balance
Bond pa able	**3,660,546,167.06**	

(2) Changes in bonds payable

RMB

Name of bond	Par value	Issuing date	Term of the bond	Issue amount	Opening balance	Issuance for the current period	Accrued interests at par value	Amortization of premium/ discount	Conversion for the current period	Repayment for the current period	Closing balance
Fla con e ible bond	100	2022 5 20	6 ea	4,000,000,000.00		3,643,685,913.42	1,380,821.92	18,241,075.56			3,660,546,167.06
To al				4,000,000,000.00		3,643,685,913.42	1,380,821.92	18,241,075.56			3,660,546,167.06

(3) *Description of conditions and timing of conversion for convertible bonds*

Approved by CSRC Approval [2022] No. 664, the Group issued 40 million convertible bonds with a nominal value of RMB100 on 20 May 2022. The annual coupon rate shall be 0.3% in the first year, 0.5% in the second year, 1.0% in the third year, 1.5% in the fourth year, 1.8% in the fifth year and 2% in the sixth year. The payment method that interest shall be paid on an annual basis shall be adopted and the principal shall be repaid and the interest for the last year shall be paid. The term of the A Share Convertible Corporate Bonds under the issuance shall be six years from the date of the issuance, namely 20 May 2022 to 19 May 2028.

The conversion period of the A Share Convertible Bonds under the issuance shall commence on the first trading day immediately following the expiry of the six-month period after the date of the issuance of the convertible bonds (26 May 2022), and end on the maturity date of the convertible bonds (28 November 2022 to 19 May 2028).

The initial conversion price of convertible corporate bonds under the issuance is RMB43.94 per share. After the issuance, in case of certain events such as distribution of share dividends, conversion to increase of share capital, issuance of new shares (excluding any increase in the share capital as a result of conversion of the convertible corporate bonds under the issuance), rights issue and distribution of cash dividends, the price of the convertible shares shall be adjusted accordingly. During the term of the A Share Convertible Corporate Bonds under the issuance, the closing prices of shares of the Company on at least 15 trading days out of any 30 consecutive trading days are lower than 90% of the prevailing conversion price, the Board is entitled to propose a downward adjustment to the conversion price and submit it to the Shareholders at the Shareholders' general meeting for their consideration and voting.

D ing he con e ion pe iod, he Compan ha he igh o edeem all o pa of he A Sha e Con e ible Bond hich ha e no been con e ed in o ha e ba ed on he pa al e pl he acc ed in e e hen in ca e of he e he clo ing p ice of A Sha e of he Compan fo a lea 15 ading da o of an 30 con ec i e ading da a e no le han 130% (incl ding 130%) of he p e ailing con e ion p ice o he e he balance of he o anding A Sha e Con e ible Bond nde he i ance i lo e han RMB30 million.

Wi hin 2 ea p io o he ma i of he A Sha e Con e ible Bond , he e he clo ing p ice of he Compan ' A Sha e i lo e han 70% of he hen Con e ion P ice fo 30 con ec i e ading da , he Bondholde a e en i led o ell all o pa of he A Sha e Con e ible Bond held b hem back o he Compan a he face al e pl he in e e acc ed hen.

If he Compan ' ac al age of he ne p oceed f om he P opo ed I ance i ma e iall diffe en f om he nde aking of he e of p oceed e o in he Offe ing Doc men , and ch diffe ence i con ide ed b he CSRC a a change in he e of he p oceed , he Bondholde ill ha e a one-off igh o ell all o pa of he A Sha e Con e ible Bond held b hem back o he Compan a he face al e pl he in e e acc ed. Unde he aid cena io, he Bondholde ma ell hei A Sha e Con e ible Bond back o he Compan d ing he ell back decla a ion pe iod. If he Bondholde do no e e ci e hei ell back igh d ing he ell back decla a ion pe iod, ch igh ill a oma icall lap e.

The fair value of the liability component was estimated at the issue date using an equivalent market interest rate for a similar bond without the attached share purchase warrants. The residual amount was assigned as the equity component and included in shareholders' equity.

The above convertible corporate bonds issued have been split into the liability and equity components as follows:

RMB

Items	Debt composition	Equity composition	Total
Amount of convertible corporate bonds issued	3,664,830,887.89	335,169,112.11	4,000,000,000.00
Direct transaction fees	(21,144,974.47)	(1,933,825.20)	(23,078,799.67)
Balance on the date of issuance	3,643,685,913.42	333,235,286.91	3,976,921,200.33
Interest at par value	(1,380,821.92)		(1,380,821.92)
Premium and discount amortisation	18,241,075.56		18,241,075.56
Conversion shares for the half year			
Balance at 30 June 2022	3,660,546,167.06	333,235,286.91	3,993,781,453.97

30. LEASE LIABILITIES

RMB

Classification	Closing balance	Opening balance
Lease liabilities	**11,320,751.04**	11,515,218.22
Less: Lease liabilities included in non-current liabilities due within one year	**635,514.93**	635,514.93
Net amount	**10,685,236.11**	10,879,703.29

31. DEFERRED REVENUE

RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Government grant	25,441,145.12	45,804,800.00	6,742,063.25	**64,503,881.87**
Total	25,441,145.12	45,804,800.00	6,742,063.25	**64,503,881.87**

I em in ol ing go e nmen g an :

RMB

Items	Opening balance	Increase amount for the period	Decrease in the current period	Closing balance	Asset-related/ revenue-related
Jia ing Ci 2012 fi ba ch of ind ial de elo men f nd g an ann al o p of 170,000 on of LOW E gla and dee p oce ing p ojec 2#Floa Kiln	133,333.06		100,000.02	**33,333.04**	A e - ela ed
Jia ing Ci 2012 p o incial ene g - a ing financial g an 2 p od c ion line of f nace fl e ga a e hea ili a ion Pha e II p ojec h ppo ing con c ion of a e hea boile and eam bine gene a o e	190,291.55		49,999.98	**140,291.57**	A e - ela ed
Ann al p od c ion of 15 million a e me e of ola pho o ol aic l a- hi e gla e pan ion p ojec	424,778.42		250,000.02	**174,778.40**	A e - ela ed
Jia ing Ci 2012 fi ba ch of ind ial de elo men f nd g an 2*600 /d gla mel ing f nace fl e ga a e hea po e gene a ion fi pha e con c ion' echnical an fo ma ion p ojec	83,495.42		49,999.98	**33,495.44**	A e - ela ed
TCO l a- hi e cond c i e film p ojec g an	603,783.23		603,783.23	**0.00**	A e - ela ed
Jia ing Ci 2012 fi ba ch of ind ial de elo men f nd b id ann al o p of 15 million a e me e of ola pho o ol aic l a- hi e gla p ojec 1#Pho o ol aic Kiln	950,494.77		250,000.02	**700,494.75**	A e - ela ed

Items	Opening balance	Increase amount for the period	Decrease in the current period	Closing balance	Asset-related/ revenue-related
2014 ind ial an fo ma ion and g ading i em (cen al inf a c e in e men) Fla Gla ann al od c ion of 5.8 million a e me e LOW-E gla dee oce ing ojec	2,790,000.00		465,000.00	**2,325,000.00**	A e - ela ed
Gla mel ing f nace fl e ga deni ifica ion echnolog ojec g an	4,679,443.73		586,666.74	**4,092,776.99**	A e - ela ed
Jia ing Finance B ea 2011 gla mel ing f nace fl e ga e hea o e gene a ion ojec g an	739,999.84		184,999.98	**554,999.86**	A e - ela ed
The fi ha e of di ib ed PV ojec con c ion g an	4,014,720.00		167,280.00	**3,847,440.00**	A e - ela ed
The econd ha e of di ib ed PV ojec con c ion g an	1,134,115.59		46,607.52	**1,087,508.07**	A e - ela ed
Ann al od c ion of 5.8 million a e me e LOW-E gla dee oce ing ojec	4,234,724.00		409,812.00	**3,824,912.00**	A e - ela ed
Ann al od c ion of 12 million a e me e of high an a en ho o ol aic gla ojec	1,684,065.48		174,213.72	**1,509,851.76**	A e - ela ed
G an fo back lane oce ing o k ho h ann al o of 28 million a e	2,877,900.00		172,674.00	**2,705,226.00**	A e - ela ed
S b idie fo o ing he de elo men of obo ind	900,000.03	1,000,000.00	99,999.96	**1,800,000.07**	A e - ela ed
S b idie fo Ind ial In e ne and making e i men in i ionali ed, anda di ed and oced e-ba ed		3,600,000.00	187,826.08	**3,412,173.92**	A e - ela ed
Feng ang Co n ' go e nmen de elo ed and f nded ne kine ic ene g o omo e he an fo ma ion and g ading of en e i e , making economic de elo men o nd. Mo eo e , he go e nmen b idi ed en e i e ' in e men		41,204,800.00	2,943,200.00	**38,261,600.00**	A e - ela ed
To al	25,441,145.12	45,804,800.00	6,742,063.25	**64,503,881.87**	

32. LONG-TERM PAYMENTS

RMB

Items	Opening balance	Closing balance
Payments for acquisition of mining rights	–	**230,230,897.90**
Less: Long-term payments due within one year	–	**52,220,000.00**
Long-term payments due after one year	–	**178,010,897.90**

33. SHARE CAPITAL

RMB

	Opening balance	Increase or decrease for the period (+,-) New shares Issued	Others	Closing balance
Total share capital	536,723,313.50	–	–	**536,723,313.50**

34. OTHER EQUITY INSTRUMENTS

RMB

Outstanding financial instruments	Opening balance Number	Opening balance Carrying value	Increase in the current period Number	Increase in the current period Carrying value	Decrease in the current period Number	Decrease in the current period Carrying value	Closing balance Number	Closing balance Carrying value
Convertible corporate bond	–	–	40,000,000.00	333,235,286.91	–	–	**40,000,000.00**	**333,235,286.91**

35. CAPITAL RESERVE

RMB

Items	Opening balance	Inc ea e in he c en pe iod	Dec ea e in he c en pe iod	Closing balance
Sha e p emi m	4,780,117,627.53		–	**4,780,117,627.53**
O he capi al e e e	52,650,634.30	15,842,999.03	–	**68,493,633.33**
To al	4,832,768,261.83	15,842,999.03	–	**4,848,611,260.86**

36. TREASURY STOCK

RMB

Items	Opening balance	Inc ea e fo he pe iod	Dec ea e fo he pe iod (No e 1)	Closing balance
Sha e-ba ed pa men	32,096,200.00	–	1,992,200.00	**30,104,000.00**
To al	32,096,200.00	–	1,992,200.00	**30,104,000.00**

No e 1: On 25 Ma 2022, he Compan achie ed he condi ion o emo e he ale e ic ion fo he fi g an of he 2020 Re ic ed A Sha e Incen i e Scheme fo he e e ed pa of he fi nlocking pe iod, and he ea ha e dec ea ed b RMB1,992,200.00 acco dingl .

37. OTHER COMPREHENSIVE INCOME

RMB

Items	Opening balance	Amount incurred in the current period: Amount before income tax incurred in the current period	Less: income tax	Amount attributable to the Company after income tax	Amount attributable to minority shareholders after income tax	Closing balance
I. O he com ehen i e income ha l no be ecla ified in o ofi o lo af e d						–
II. O he com ehen i e income ha l be ecla ified in o ofi o lo af e d	(7,613,180.72)	29,889,259.45		29,889,259.45		**22,276,078.73**
E change diffe ence on fo eign c enc financial a emen an la ion	(4,685,441.82)	29,586,440.51		29,586,440.51		**24,900,998.69**
Change in fai al e of financing ecei able	(2,927,738.90)	302,818.94		302,818.94		**(2,624,919.96)**
To al o he com ehen i e income	(7,613,180.72)	29,889,259.45		29,889,259.45		**22,276,078.73**

38. SPECIAL RESERVE

RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Safety production cost	17,266,053.61	6,557,571.38	207,368.35	23,616,256.64
Total	17,266,053.61	6,557,571.38	207,368.35	23,616,256.64

39. SURPLUS RESERVE

RMB

Items	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Statutory surplus reserve	268,361,656.75			268,361,656.75
Total	268,361,656.75			268,361,656.75

40. UNDISTRIBUTED PROFIT

RMB

Items	Current period	Last period
Opening balance of the undistributed profit	**6,194,759,167.82**	4,449,556,361.77
Add: Net profit attributable to shareholders of the parent company in the current period	**1,002,747,876.79**	1,261,029,989.03
Less: Accrual of statutory surplus reserve		
Dividend payable	–	321,928,988.10
Closing balance of the undistributed profit	**7,197,507,044.61**	5,388,657,362.70

41. OPERATING REVENUE AND OPERATING COST

(1) Operating revenue and operating cost

RMB

Items	Amount for the period		Amount for last period	
	Revenue	Cost	Revenue	Cost
Main business	**7,285,660,785.13**	**5,647,016,606.15**	4,006,038,420.77	2,239,800,101.33
Other business	**18,830,553.83**	**3,492,062.29**	21,984,067.79	5,411,353.97
Total	**7,304,491,338.96**	**5,650,508,668.44**	4,028,022,488.56	2,245,211,455.30

(2) Revenue from contract

RMB

Contract classification	Total
By type of product	
PV glass	6,468,102,101.23
Float glass	154,622,632.87
Household glass	180,626,503.87
Architectural glass	319,281,955.84
Others	161,935,169.23
Income from other business	19,922,975.92
By operating region	
The mainland of China	5,896,527,530.36
Asia and other countries and regions (excluding the mainland of China)	1,165,341,157.52
Europe	101,446,157.93
North America	128,647,285.93
Others	12,529,207.22

(3) Performance obligations

The G o ’ main b ine ac i i ie a e he od c ion and ale of gla od c . Gene all , he e i onl one e fo mance obliga ion o deli e good in he ele an ale con ac , and he con ide a ion fo he ale of he od c i de e mined acco ding o he fi ed ice ag eed in he ale con ac o o de . The G o ecogni e he e en e a he ime en he con ol of he ele an od c i an fe ed o he c ome . The G o e i e deale c ome

43. SELLING EXPENSES

RMB

Items	Amount for the period	Amount for last period
Assembling frame charge	**37,008,523.79**	44,217,828.05
Employee compensation and welfare	**6,421,048.50**	5,780,602.46
Advertising expenses	**5,149,776.66**	4,731,980.16
Depreciation and amortisation	**12,678.08**	4,459.85
Others	**1,058,146.31**	1,707,952.14
Total	**49,650,173.34**	56,442,822.66

44. ADMINISTRATIVE EXPENSES

RMB

Items	Amount for the period	Amount for last period
Employee remuneration and benefits	**67,324,035.28**	68,897,778.55
Depreciation and amortisation	**14,925,107.74**	10,538,835.21
Green and environmental protection expenses	**5,829,406.63**	3,592,433.81
Labour cost	**8,149,166.34**	4,361,248.05
Office expenses	**4,722,203.38**	4,143,592.54
Travelling expenses	**1,148,929.54**	1,023,170.67
Intermediary agency service fees	**9,125,268.49**	1,998,236.41
Transportation expenses	**1,122,452.13**	1,105,866.39
Repair and maintenance fees	**362,943.45**	188,692.64
Others	**13,690,082.76**	11,269,219.21
Total	**126,399,595.74**	107,119,073.48

45. RESEARCH AND DEVELOPMENT EXPENSES

RMB

Items	Amount for the period	Amo n fo la e iod
Emplo ee em ne a ion and benefi	**55,813,432.48**	39,118,507.52
Di ec ma e ial co	**165,135,312.47**	134,017,800.27
De ecia ion and amo i a ion	**12,128,571.42**	11,096,518.97
O he	**21,977,320.23**	15,805,687.54
To al	**255,054,636.60**	200,038,514.30

47. OTHER REVENUE

RMB

Items	Amount for the period	Amount for the last period
Distributed PV power generation project grant	**2,503,473.27**	3,052,823.35
Deferred income amortization	**6,742,063.25**	6,234,579.97
Government grant	**31,622,824.40**	3,049,188.99
Total	**40,868,360.92**	12,336,592.31

48. INVESTMENT INCOME (LOSS)

RMB

Items	Amount for the period	Amount for the last period
Income from long-term equity investment under the equity method	**3,582,923.60**	2,834,046.74
Investment income from structured wealth management	**450,000.00**	7,842,906.41
Derivative tools without the specified hedging relationships	**166,920.00**	9,504,060.00
Including: Forward foreign exchange contract investment income	**166,920.00**	9,504,060.00
Investment income from equity instrument investment		1,406,250.00
Total	**4,199,843.60**	21,587,263.15

49. GAINS AND LOSSES ARISING FROM CHANGES IN FAIR VALUE

RMB

	Amount for the period	Amount for last period
Derivative tools without the specified hedging relationships		
Including: Forward foreign exchange contract	**(139,297.35)**	769,335.76
Foreign exchange option contract	**(3,521,571.71)**	(929,377.38)
Total	**(3,660,869.06)**	(160,041.62)

50. CREDIT IMPAIRMENT LOSSES

RMB

Items	Amount for the period	Amount for last period
Credit impairment gains (losses) on bills receivable	**(6,427,253.22)**	(751,658.54)
Credit impairment gains (losses) on trade receivable	**(22,204,626.25)**	31,247,735.89
Total	**(28,631,879.47)**	30,496,077.35

51. ASSETS IMPAIRMENT LOSSES

RMB

Items	Amount for the period	Amount for last period
Inventory impairment loss	**(6,723,522.16)**	(4,329,681.98)
Total	**(6,723,522.16)**	(4,329,681.98)

52. GAINS (LOSS) ON DISPOSAL OF ASSET

RMB

Items	Amount for the period	Amount for last period
Gains on disposal of fixed assets	**1,375,064.85**	1,017,352.08
Losses on disposal of fixed assets	**(10,526,063.59)**	(1,967,369.20)
Total	**(9,150,998.74)**	(950,017.12)

53. NON-OPERATING INCOME

RMB

Items	Amount for the period	Amount for last period	Non-recurring profits and losses in the current period
Government grants (Note 1)	**813,591.12**	3,031,418.86	813,591.12
Others	**1,278,512.69**	323,710.32	1,278,512.69
Total	**2,092,103.81**	3,355,129.18	2,092,103.81

Note 1: For details of government grants included in current period profit or loss, please refer to Note [illegible] Government grants.

54. NON-OPERATING EXPENSES

RMB

Items	Amount for the period	Amount for last period	Non-recurring profits and losses in the current period
External donations	**2,153,838.80**	96,215.63	2,153,838.80
Others	**100,532.01**	613,545.07	100,532.01
Total	**2,254,370.81**	709,760.70	2,254,370.81

55. INCOME TAX EXPENSES

RMB

Items	Amount for the period	Amount for last period
Current period income tax expenses	**148,981,006.01**	174,526,224.63
Income taxes made over (refunded) for the last year	**(34,612,628.52)**	(3,163,584.23)
Deferred income tax expenses	**(19,717,419.82)**	13,522,107.48
Total	**94,650,957.67**	184,884,747.88

Reconciliation between income tax expenses and accounting profit is as follows:

RMB

Items	**Amount for the period**
Total profit	**1,097,398,834.46**
Income tax expenses calculated at tax rate of 15%	**164,609,825.15**
Effect of subsidiaries to adapt different tax rates	**12,564,367.57**
Effect of non-deductible costs, expenses and losses	**2,629,649.13**
Effect of non-taxable income	**(367,398.64)**
Effect on makeover (refund) of the income tax for last period	**(34,612,628.53)**
Tax effect on tax incentives	**(20,921,010.36)**
Effect of use of deductible losses on previous unrecognised deferred income tax assets	**(1,335,061.98)**
Effect of deductible temporary difference or deductible losses of unrecognised deferred tax assets in the period	**3,950,073.84**
Changes in opening balances of deferred tax assets/liabilities due to the change in tax rates	–
Effect on research and development costs plus deduction	**31,866,858.51**
Income tax expenses	**94,650,957.67**

56. ITEMS IN CASH FLOW STATEMENT

(1) Other cash received and related to operating activities

RMB

Items	Amount in the current period	Amount in the last period
Government grant	**80,744,688.79**	10,133,431.20
Interest income	**25,931,363.85**	21,301,664.66
Margin	**15,827,360.46**	220,000.00
Other	**1,278,512.69**	2,502,872.22
Total	**123,781,925.79**	34,157,968.08

(2) Other cash paid and related to operating activities

RMB

Items	Amount in the current period	Amount in the last period
Paid fee	**189,877,482.10**	386,948,191.87
Margin	**72,653.66**	21,481,763.42
Charitable donation expense	**2,153,838.80**	96,215.63
Handling charge	**5,090,053.54**	1,157,900.91
Other	**4,974,227.81**	5,331,515.31
Total	**202,168,255.91**	415,015,587.14

(3) Other cash received and related to investment activities

RMB

Items	Amount in the current period	Amount in the last period
Recovery of restricted monetary fund	–	30,120,339.59

(5) *Other cash received and related to fundraising activities*

RMB

Items	Amount in the current period	Amount in the last period
Recovery of restricted monetary fund	**466,542,322.25**	459,117,039.95
Total	**466,542,322.25**	459,117,039.95

(6) *Other cash paid and related to fundraising activities*

RMB

Items	Amount in the current period	Amount in the last period
Payment of restricted monetary fund	**495,034,111.04**	730,523,947.73
Charges for non-public issuance	–	17,908,619.14
Expenses on issuance of convertible corporate bond	**1,078,799.67**	94,339.63
Total	**496,112,910.71**	748,526,906.50

57. SUPPLEMENTARY INFORMATION FOR CASH FLOW STATEMENT

(1) Supplementary information for cash flow statement

RMB

	Amount in the current period	Amount in the last period
(1) Adjust net profit to cash flow from operating activities		
Net profit	**1,002,747,876.79**	1,261,029,989.03
Add: Asset impairment provision	**6,723,522.16**	4,329,681.98
Credit impairment losses (gains)	**28,631,879.47**	(30,496,077.35)
Investment property amortisation	**715,735.20**	715,735.20
Depreciation of fixed assets	**355,898,987.44**	219,267,472.76
Depreciation of right-of-use assets	**2,407,419.35**	2,367,974.74
Amortisation of intangible assets	**242,066,854.07**	11,906,352.80
Amortisation of long-term prepaid expenses	**1,261,756.85**	1,145,392.36
Losses for disposal of fixed assets, intangible assets and other long-term assets (gains)	**9,150,998.74**	950,017.12
Fair value change losses (gains)	**3,660,869.06**	160,041.62
Financial expenses	**150,868,000.63**	34,644,318.71
Investment gains	**(4,199,843.60)**	(21,587,263.15)
Decrease in deferred income tax assets (increase)	**(288,708.48)**	2,228,072.31
Increase in deferred income tax liabilities (decrease)	**(19,428,711.33)**	11,294,035.17
Decrease in inventories (increase)	**772,843,489.17**	(648,200,026.51)
Increase of operating receivables (decrease)	**(2,370,476,466.47)**	(855,995,548.19)
Increase in operating payables	**708,230,611.01**	391,916,423.87
Others	**15,451,138.81**	11,475,363.71
Net cash flows from operating activities	**906,265,408.87**	397,151,956.18
(2) Net changes in cash and cash equivalents		
Balance of cash at the end of the period	**3,244,825,371.34**	2,190,106,192.69
Less: Balance of cash at the beginning of the period	**2,101,730,679.46**	1,146,171,930.13
Net increase in cash and cash equivalents	**1,143,094,691.88**	1,043,934,262.56

(2) Component of cash and cash equivalents

RMB

Items	Closing balance	Opening balance
I. Ca h	**3,244,825,371.34**	2,101,730,679.46
Incl ding: Ca h on hand	**23,680.28**	37,595.74
Bank depo i a ailable fo pa men	**3,244,801,691.06**	2,101,693,083.72
II. Ca h e i alen	**–**	-
III. Ca h and ca h e i alen a he end of he ea	**3,244,825,371.34**	2,101,730,679.46

58. ASSETS WITH RESTRICTED OWNERSHIP OR USE RIGHTS

RMB

Items	Book value at the end of the half year	Reasons for restriction
Mone a f nd	**778,425,138.48**	Bill depo i , e c.
Financing ecei able	**39,882,313.71**	Pledged o bank o ob ain c edi facili ie
In e ed p ope ie	**18,086,495.83**	Pledged o bank o ob ain c edi facili ie
Fi ed a e	**2,446,307,991.66**	Pledged o bank o ob ain c edi facili ie
In angible a e	**320,919,034.69**	Pledged o bank o ob ain c edi facili ie
To al	**3,603,620,974.37**	

59. FOREIGN CURRENCY MONETARY ITEM

Items	Closing balance		
	Foreign currency balance	Translation exchange rate	RMB amounts
Ca h a bank and on hand			
Incl ding: USD	74,948,522.81	6.7114	503,009,516.00
EUR	4,767,740.42	7.0084	33,414,231.96
JPY	94,814,238.00	0.0491	4,658,792.41
HKD	266,033.35	0.8552	227,509.06
GBP	3,933.46	8.1365	32,004.59
AUD	282,767.77	4.6145	1,304,831.87
To al			542,646,885.89
T ade ecei able			
Incl ding: USD	86,599,759.89	6.7114	581,205,628.52
EUR	325,997.51	7.0084	2,284,720.95
AUD	79,053.30	4.6145	364,791.45
To al			583,855,140.92
O he ecei able			
Incl ding: HKD	3,970.00	0.8552	3,395.10
To al			3,395.10
T ade a able			
Incl ding: USD	3,146,630.69	6.7114	21,118,297.21
EUR	87,854.51	7.0084	615,719.56
To al			21,734,016.77
Bo o ing			
Incl ding: USD	187,462,098.79	6.7114	1,258,133,129.80
To al			1,258,133,129.80

60. GOVERNMENT GRANTS

RMB

Items	Asset-related/ revenue-related	Listed items	Amount for the year
S b ide fo enco aging en e i e o inc ea e in e men , g an ed b Feng ang Co n fo c l i a ing ne di e o omo e en e i e an fo ma ion and g ading and high- ali economic de elo men	A e	Defe ed e en e	41,204,800.00
Re d fo di idend en e i e o com e e fo con ib ion, g an ed b Feng ang Co n fo c l i a ing ne di e o omo e en e i e an fo ma ion and g ading and high- ali economic de elo men	Re en e	O he e en e	21,302,900.00
E i men b idie fo Ind ial In e ne Th ee T an fo ma ion	A e	Defe ed e en e	3,600,000.00
F nd f om Jia ing Economic and Info ma ion B ea fo local cience and echnolog de elo men g ided b he cen al go e nmen in 2022	Re en e	O he e en e	3,000,000.00

Items	Asset-related/ revenue-related	Listed items	Amount for the year
Distributed PV power generation project grant	Revenue	Other revenue	2,503,473.27
Special incentives for accelerating the development of foreign trade enterprises	Revenue	Other revenue	2,099,000.00
Subsidies for supporting the development of the robot industry	Asset	Deferred revenue	1,000,000.00
Reward for identification of municipal industry and information fund single champion by Jiaxing Economy and Information Bureau in 2022	Revenue	Other revenue	750,000.00
Refund income from handling fee for individual income tax	Revenue	Other revenue	613,380.32
Subject cultivation subsidies of the municipal service industry development and guide fund	Revenue	Other revenue	519,000.00
Annual green manufacturing special fund project by Jiaxing Economy and Information Bureau in 2021	Revenue	Other revenue	500,000.00
Subsidies in cash under the annual preferential treatment policy for enterprises	Revenue	Other revenue	400,000.00

Items	Asset-related/ revenue-related	Listed items	Amount for the year
Incen i e and b idie of he ann al high- ech one cience and echnolog ne olicie a Jia ing Xi ho High- ech Ind ial De elo men Zone	Re en e	O he e en e	300,000.00
S b idie fo leading alen nde Ten Tho and Talen P og am fo Tech S a - of Jia ing Econom and Info ma ion B ea	Re en e	O he e en e	200,000.00
O he	Re en e	O he e en e / non-o e a ing e en e	2,752,135.20
To al			80,744,688.79
Incl ding: Go e nmen b idie incl ded in he c en ofi and lo			34,939,888.79

6. CHANGE IN COMBINATION SCOPE

1. Business combinations involving enterprises not under common control

(1) Business combinations involving enterprises not under common control in the current period

RMB

Name of acquirer	Date of acquiring the equity interest	Acquisition cost	Equity interest acquired (%)	Acquisition method	Acquisition date

On 9 No embe 2021, he Compan ecei ed he In i Le e on he Info ma ion Di clo e of he Reo gani a ion Plan of Fla Gla G o p Co., L d. (Shanghai S ock E change Official Le e [2021] No. 2868, he einaf e efe ed o a he In i Le e) f om he Shanghai S ock E change, de ail of hich a e e o in he Anno ncemen of Fla Gla G o p Co., L d. on Recei ing he In i Le e on Info ma ion Di clo e of Reo gani a ion Plan of he Shanghai S ock E change (Anno ncemen No.: 2021 111) di clo ed b he Compan on 10 No embe 2021. The Repl Anno ncemen of Fla Gla G o p Co., L d. o he In i Le e of he Shanghai S ock E change on he Info ma ion Di clo e of he Reo gani a ion Plan of Fla Gla G o p Co., L d. (Anno ncemen No.: 2021 127) and he Anno ncemen on he Re i ion of he Majo A e P cha e Plan of Fla Gla G o p Co., L d. (Anno ncemen No.: 2021 128) e e di clo ed on 15 Decembe 2021.

The Compan di clo ed he Anno ncemen on he P og e of Majo A e Reo gani a ion of Fla Gla G o p Co., L d. on 27 No embe 2021, 28 Decembe 2021 and 27 Jan a 2022 (ee he Compan ' anno ncemen , No. 2021 123, 2021 131 and 2022 003 fo de ail , e pec i el).

Af e e al a ion and a di , he final p ice of he an ac ion a de e mined o be RMB3,343,947,600 h o gh nego ia ion of bo h pa ie ba ed on he a di and e al a ion al e. P an o he 2020 a di epo of he Compan , he 2020 financial epo of he a ge compan a a di ed b Deloi e To che Tohma Ce ified P blic Acco n an LLP, Nanjing B anch and i h a efe ence o he final o al p ice of hi an ac ion, all indica o do no e ceed 50% of he o al a di ed a e , ne a e and ope a ing e en e of he Compan fo 2020 af e compa ing he ele an financial indica o of he a ge a e of hi an ac ion i h financial indica o of he Compan , failing o mee he anda d fo majo a e eo gani a ion pecified

The Compan held he 15 h mee ing of he i h e ion of he boa d of di ec o on 13 Feb a 2022, d ing hich e ie ed and a o ed he Re ol ion on he Ac i i ion no Con i ing a Majo A e Reo gani a ion and he Te mina ion P oced e of he Majo a e Reo gani a ion and he Re ol ion on he Compan ' Ac i i ion of 100% E i of Anh i Dah a O ien al Mining Co., L d.* held b Anh i Feng ha Mining G o p Co., L d.* and 100% E i In e e of Anh i Sanli Mining Co., L d.*, acco ding o hich, he Compan a a o ed o p cha e 100% e i of Anh i Dah a O ien al Mining Co., L d.* (Dah a Mining) held b Anh i Feng ha Mining G o p Co., L d. and 100% e i in e e of Anh i Sanli Mining Co., L d.* b pa ing ca h and nde aking liabili ie , i h a o al an ac ion p ice of RMB3,343,947,600. Fo de ail , plea e efe o he Anno ncemen on he Ac i i ion of 100% E i of Anh i Dah a O ien al Mining Co., L d. and 100% E i of Anh i

E plana ion on de e mina ion of fai al e of co of combina ion, con ingen con ide a ion and i change :

Acco ding o he A e App ai al Repo on he App ai al of he All E i Val e of Sha eholde of Anh i Dah a O ien al Mining Co., L d. In ol ed in he P opo ed E i Ac i i ion of Fla Gla G o p Co., L d. (K nY an App ai al Repo [2022] No. 24) and he A e App ai al Repo on he App ai al of he All E i Val e of Sha eholde of Anh i Sanli Mining Co., L d. In ol ed in he P opo ed E i Ac i i ion of Fla Gla G o p Co., L d. (K nY an App ai al Repo [2022] No. 25) i ed b Can n App ai al Co. L d, a of 31 Decembe 2021, he ne a e of Dah a Mining and Sanli Mining e de e mined o be RMB742,738,400 and RMB2,073,300,500, e pec i el , acco ding o he a e -ba ed me hod. Th o gh nego ia ion be een all pa ie , he an fe p ice of 100% e i of Dah a Mining amo n ed o RMB740 million, and he an fe p ice of 100% e i of Sanli Mining amo n ed o RMB2,065 million.

(3) Identifiable assets and liabilities of acquiree at the acquisition date

	Anhui Dahua Oriental Mining Co., Ltd. Fair value on the acquisition date	Carrying amount on the acquisition date
A e :	1,249,471,790.26	572,065,553.36
Ca h a bank and on hand	1,127,564.56	1,127,564.56
Bill ecei able	13,740,000.00	13,740,000.00
Ad ance pa men	145,038.88	145,038.88
O he ecei able	537,080.71	537,080.71
O he c en a e	17,752.39	17,752.39
Fi ed a e	14,842,270.00	12,104,397.46
In angible a e	1,219,062,083.72	544,393,719.36
Liabili ie :	506,733,371.3	510,989,682.1
Sho - e m bo o ing	13,740,000.00	13,740,000.00
Con ac liabili ie	9,000,000.00	9,000,000.00
Pa oll pa able	256.45	256.45
Ta pa able	6,099,925.37	6,099,925.37
O he pa able	477,893,189.50	477,893,189.50
P o i ion		4,256,310.74
Le : mino i in e e		
Ne a e ac i ed	742,738,418.94	61,075,871.30

	Anhui Sanli Mining Co., Ltd.	
	Fair value on the acquisition date	**Carrying amount on the acquisition date**
Assets:	2,504,277,807.58	557,471,639.81
Cash at bank and on hand	17,906,764.60	17,906,764.60
Bills receivable	247,187,416.40	247,187,416.40
Advance payments	31,666.46	31,666.66
Other receivables	4,802,780.12	4,802,780.12
Fixed assets	476,780.00	273,762.59
Intangible assets	2,233,872,400.00	286,380,097.05
Long-term deferred expenses		889,152.39
Liabilities:	430,977,301.9	433,178,932.65
Trade payable	16,495,150.06	16,495,150.06
Contract liabilities	188,819.35	188,819.35
Tax payable	118,729,740.92	118,729,740.92
Other payable	70,519,112.54	70,519,112.54
Current liabilities due within one year	52,220,000.00	52,220,000.00
Long-term payable	172,824,479.03	172,824,479.03
Provision		2,201,630.75
Less: minority interests		
Net assets acquired	2,073,300,505.68	124,292,707.16

Determination method of fair value of identifiable assets and liabilities

With a reference to the objects, purpose and information collected by the appraisers, it is determined to adopt the asset-based method and the income method to evaluate the value of all shareholders' equity of Dahua Mining and Sanli Mining, respectively. On the basis of the above appraisal, the conclusion of the asset-based method is determined as the appraisal conclusion of the appraisal object after full and comprehensive analysis of the various preliminary value conclusions according to the actual conditions and comprehensive consideration of the rationality of different appraisal methods and preliminary value conclusions.

7. INTERESTS IN OTHER ENTITIES

1. INTERESTS IN SUBSIDIARIES

Items	Name of subsidiary	Principal place of business	Place of registration	Nature of business	Shareholding and voting rights percentage as at 30 June 2022 (%) Direct	Indirect	Acquisition method
1	Zhejiang Flat Glass Co., Ltd.	Zhejiang	Zhejiang	Engaged in the manufacture and sale of architectural, also household glass products	100		Establishment
2	Zhejiang Jiafu Glass Co., Ltd.	Zhejiang	Zhejiang	Manufacture and sale of photovoltaic glass	100		Establishment
2.1	Flat (Hong Kong) Investment Limited	Hong Kong	Hong Kong	Investment		100	Establishment
2.1.1	FLAT (AUSTRALIA) PTY LTD	Australia	Australia	Mine operation and sales of quartz ore		100	Establishment
3	Shanghai Flat Glass Co., Ltd.	Shanghai	Shanghai	Architectural glass processing	100		Establishment
4	Anhui Flat Solar Glass Co., Ltd.	Anhui	Anhui	Manufacture, processing and sale of special glass	100		Establishment
4.1	Fengyang Flat Natural Gas Pipeline Co., Ltd.	Anhui	Anhui	Natural gas technology development and natural gas pipeline installation and sale		100	Establishment
4.2	Fengyang Flat New Energy Technology Co., Ltd.	Anhui	Anhui	Investment, construction, operation and maintenance of new energy power plant		100	Establishment
4.3	Anhui Flat Supply Chain Management Co., LTD.	Anhui	Anhui	Supply chain management service		100	Establishment
5	Anhui Flat Solar Material Co., Ltd.	Anhui	Anhui	Mine operation and sales of quartz ore	100		Establishment
6	Flat (Hong Kong) Limited	Hong Kong	Hong Kong	Glass Export	100		Establishment

Items	Name of subsidiary	Principal place of business	Place of registration	Nature of business	Shareholding and voting rights percentage as at 30 June 2022 (%) Direct	Indirect	Acquisition method
6.1	Fla (Vie nam) Compan Limi ed	Vie nam	Vie nam	Man fac e and ale of pho o ol aic gla		100	E abli hmen
6.1.1	Fla (Vie nam) Impo and E po T ade Limi ed	Vie nam	Vie nam	Impo and e po ade	100		E abli hmen
7	Jia ing Fla New Ene g Technolog Co., L d.	Zhejiang	Zhejiang	In e men , con c ion, ope a ion and main enance of new ene g pow plan	100		E abli hmen
8	Fla (Jia ing) Impo and E po T ade Limi ed	Zhejiang	Zhejiang	Impo and e po ade	100		E abli hmen
9	Fla (Nan ong) Sola Gla Co., LTD	Jiang	Jiang	Man fac e and ale of pho o ol aic gla	100		E abli hmen
10	Fla (S ian) Sola Gla Co., LTD	Jiang	Jiang	Man fac e and ale of pho o ol aic gla	100		E abli hmen
11	Shanghai Fla Technolog De elopmen Co., LTD	Shanghai	Shanghai	Re ea ch and de elopmen and p omo ion e ice fo new ma e ial and new echnologie	100		E abli hmen
12	Anh i Dah a O ien al Mining Co., L d.	Anh i	Anh i	Q a i e mining and ale	100		Combina ion no nde common con ol
13	Anh i Sanli Mining Co., L d.	Anh i	Anh i	Q a i e mining and ale	100		Combina ion no nde common con ol

2. INTEREST IN JOINT VENTURE OR ASSOCIATE

(1) Financial information summary of insignificant joint venture and associate

RMB

	Closing balance/ Amount incurred in the current period	Opening balance/ Amount incurred in the last period
Associates:		
Total invested book value	**74,269,507.82**	19,948,888.40
Listed total number calculated by shareholding percentage		
– Net profit	**3,582,923.60**	2,834,046.74
– Other comprehensive income	**–**	–
– Total comprehensive income	**3,582,923.60**	2,834,046.74

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

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

(3) Contingent liabilities relating to investment of associates

The Group had no contingent liabilities relating to investments of associates.

8. RISKS RELATED TO FINANCIAL INSTRUMENTS

At the end of the half year, major financial instruments of the Group include: cash at bank and on hand, derivative financial assets, bills receivables, trade receivables, other receivables, derivative financial liabilities, bills payable and trade payables, and other receivables, lease liabilities and borrowings. Details of each financial instruments are set out below:

RMB

Item	**Closing balance**	Opening balance
Financial assets		
Cash at bank and on hand	**4,023,250,509.82**	2,842,677,267.48
Trading financial assets	**700,000,000.00**	200,000,000.00
Derivative financial assets	**–**	62,739.00
Bills receivable	**2,016,706,300.57**	939,748,112.41
Trade receivable	**2,713,330,450.16**	1,105,759,571.75
Financing receivable	**596,244,502.28**	531,196,547.78
Other receivable	**53,523,216.63**	54,999,617.97
Total	**10,103,054,979.46**	5,674,443,856.39
Financial liabilities		
Derivative financial liabilities	**3,598,130.06**	–
Bills payable	**967,943,844.79**	1,036,982,577.72
Trade payable	**3,369,204,291.79**	2,306,910,116.65
Other payable	**673,276,780.43**	132,439,232.65
Bond payable	**3,660,546,167.06**	–
Lease liabilities (including due within one year)	**11,320,751.04**	11,516,621.85
Long-term payable (including due within one year)	**230,230,897.90**	–
Borrowing	**6,072,079,465.68**	4,142,134,668.01
Total	**14,988,200,328.75**	7,629,983,216.88

The risks related to financial instruments and the risk management policies for risk mitigation of the Group are stated as following. The management of the Company will manage and supervise these risk exposures in order to ensure that proper measures are taken expeditiously.

1. RISK MANAGEMENT OBJECTIVES AND POLICIES

The i k managemen objec i e of he G o p a e o ob ain an app op ia e balance be een i k and e n, o ed ce nega i e effec ca ed b ope a ing e l o a lo e le el, and o ma imi e in e e of ha eholde and o he e i in e o . Ba ed on he e objec i e , he ba ic a egie a e o confi m and anal e all po en ial i k ela ed o he G o p, o e app op ia e i k limi a ion , o manage and moni o all i k imel and effec i el , and o con ol he i k i hin a limi ed cope.

1.1 Market risk

The G o p' b ine ha ca ed i financial i k d e o he change in in e e a e and fo eign e change a e . The G o p belie e ha he abo e i k d ing he ea o he manne in hich he a e managed and mea ed ha e no been changed compa ed o he p e io ea .

1.1.1. Fo eign e change i k

Fo eign e change i k efe o he i k of lo a i ing f om he lo e in e change a e. The ope a ing economic en i onmen of he Compan and i majo b idia ie i China and Vie nam, o e f nc ional c encie a e RMB and VND. Some of he G o p' an ac ion a e e led in c encie o he han f nc ional c encie ch a USD, EUR, JPY, HKD, GBP and AUD, and a e bjec o he e l ing fo eign e change i k.

A a 30 J ne 2022, he G o p' fo eign c enc a e and liabili ie a e e o belo . The fo eign e change i k a i ing f om he a e and liabili ie of he e fo eign c enc balance (ee No e Fo eign C enc I em) ma impac he G o p' ope a ing e l .

RMB

Item	Closing balance	Opening balance
Cash and cash equivalents	**542,646,885.89**	646,162,060.99
Trade receivables	**583,855,140.92**	264,346,799.86
Other receivables	**3,395.10**	3,245.87
Trade payables	**21,734,016.77**	44,332,571.48
Others	**–**	602,570.50
Borrowings	**1,258,133,129.80**	1,285,319,483.63

The Group closely monitors the exchange rate movements and formulates relevant hedging policies to reduce foreign exchange risk. Foreign exchange forward contracts can be used to eliminate foreign exchange risk. For the year ended 30 June 2022, the Company entered into contracts in relation to foreign currency assets of RMB24,726,840.00 (equivalent to USD3,684,304.32).

1.1.2. Interest rate risk

The Group's risk to the changes in cash flows of financial instruments arising from changes in interest rates is primarily related to floating rate bank borrowings and floating rate bank deposits. As at 30 June 2022, the Group's floating rate borrowings amounted to RMB4,991,348,129.80 (31 December 2021: RMB3,442,726,983.63). The management of the Group closely monitors interest rate risk. The Group's policy is to maintain the floating rate of these borrowings without arrangements such as interest rate swaps.

1.2 Credit risk

As at 30 June 2022, the maximum credit risk exposure that may cause the Group's credit losses is mainly due to the loss of the Group's financial assets caused by the failure of the other party to perform its obligations and the financial guarantee undertaken by the Group (without considering available collateral or other credit enhancements), specifically: cash at bank and on hand, bills receivable, trade receivables, trade receivable financing, other receivables, etc., and derivative financial assets that are not included in the scope of impairment assessment, etc. At the balance sheet date, the carrying amount of the Group's financial assets has represented its maximum credit risk exposure.

In order to reduce credit risk, the Group has established a team responsible for determining the credit limits and conducting credit approval. At the same time, the Group performs other monitoring procedures to ensure that necessary measures are taken to recover overdue claims. In addition, the Group reviews the recovery of financial assets on each balance sheet date to ensure that adequate credit loss provisions are made for the relevant financial assets. As a result, the management of the Group believes that the credit risk assumed by the Group has been significantly reduced.

The Group's cash at bank and on hand are deposited in banks with higher credit ratings, so cash at bank and on hand is subject to lower credit risk.

As at 30 June 2022, the Group's account receivable balances with the top five customers was RMB1,550,421,839.55 (31 December 2021: RMB581,839,100.82), accounting for 55.58% of the Group's account receivable balance (31 December 2021: 50.18%). In addition, the Group has no other significant credit risk exposure concentrated on a single financial asset or financial asset group with similar characteristics.

1.3 Liquidity risk

In managing he li idi i k, he G o p main ain and moni o he ca h and ca h e i alen ha he managemen con ide ade a e o mee he G o p' ope a ional need and mi iga e he impac of fl c a ion in ca h flo . The managemen of he G o p clo el moni o he li idi i a ion and e pec o ha e fficien o ce of financing o finance he G o p' ope a ion . The managemen of he G o p belie e ha he G o p doe no ha e an ignifican li idi i k.

2. TRANSFER OF FINANCIAL ASSETS

Financial assets transferred but not derecognised as a whole

A he end of he pe iod, he G o p endo ed bill ecei able cla ified a financing ecei able of RMB1,308,273,481.00 (A he end of la ea : RMB1,493.899,701.86) o i pplie o pa he acco n pa able; di co n ed bill ecei able of RMB157,656,990.53 (A he end of la ea : RMB154,836,626.87) o bank o ob ain c enc f nd . The G o p belie e ha he i k and e a d of he o ne hip of ch endo ed o di co n ed bill ecei able ha e been b an iall an fe ed o he pplie o di co n ing bank, he efo e de ecogni ed ch endo ed o di co n ed bill ecei able. If he accep o can' ca h ch no e , acco ding o ele an la and eg la ion of China, he G o p i held join l liable fo ch bill ecei able. The G o p belie e ha a he accep o i of good ep a ion, he e i mino i k of he accep o ' fail e o ca h he no e pon ma i . A he end of he pe iod, if he accep o fail o ca h ch no e pon ma i , i.e. he G o p' ma im m e po e o lo i e i alen o he amo n ha he G o p ho ld pa he pplie o di co n ing bank in e pec of ch endo ed o di co n ed no e . Fo all he bill ecei able endo ed o pplie o di co n ed o bank, he ma i i hin 1 ea af e he end of e po ing ea .

A he end of he pe iod, he G o p endo ed he amo n p e en ed nde bill ecei able of RMB1,209,023,929.58 (A he end of la ea : RMB662,916,166.12) o i pplie o pa he acco n pa able, and di co n ed bill ecei able of RMB15,547,866.84 (A he end of la ea : RMB6,790,000.00) o bank o ob ain c enc f nd . The G o p belie e ha i e ain b an iall all i k and e a d of he o ne hip of ch endo ed o di co n ed bill ecei able (incl ding ele an i k of defa l), he efo e con in e o ecogni e ch endo ed o di co n ed bill ecei able a ell a he ca ing amo n of ele an acco n pa able ha ha e been epaid. Af e he endo emen o di co n ing of bill ecei able, he G o p doe no e ain an igh o e ch endo ed o di co n ed no e , incl ding elling, an fe ing o pledging ch endo ed o di co n ed no e o an hi d pa .

3. CAPITAL MANAGEMENT

The G o p manage capi al b op imi ing he c e of liabili ie and ha eholde ' e i o en e ha en i ie i hin he G o p main ain ope a ion hile ma imi ing ha eholde e n .

The capi al c e of he G o p con i of he G o p' ne deb and ha eholde ' e i .

The G o p i no bjec o e e nal manda o capi al managemen e i emen .

The G o p manage and adj he capi al c e ba ed on change in economic condi ion . In o de o main ain o adj he capi al c e, he G o p ma adj di idend o ha eholde o ob ain addi ional capi al f om ha eholde . The G o p ha no made an adj men o he objec i e , policie and p oce e of capi al managemen .

9. DISCLOSURE OF FAIR VALUE

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

RMB

Items	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Continuous fair value				
(I) Trading financial assets	–	62,739.00	200,000,000.00	200,062,739.00
(1) Bank wealth management products	–		200,000,000.00	200,000,000.00
(2) Derivative financial assets		62,739.00		62,739.00
(II) Financing receivable	–		531,196,547.78	531,196,547.78
Total assets that continue to be measured at fair value	–	62,739.00	731,196,547.78	731,259,286.78

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

The i em con in ing o be mea ed a he le el 1 fai al e efe o o he e i in men , h fai al e o ed in he ac i e ma ke .

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

RMB

Items	Fair value as at 30 June 2022	Val a ion echni e	Main in al e
De i a i e financial a e fo d fo eign e change con ac	**76,558.35**	Di co n ed ca h flo me hod	Fo d e change a e, di co n a e
T ading financial a e Fo eign e change o ion con ac	**3,521,571.71**	Di co n ed ca h flo me hod	Fo d e change a e, di co n a e

(4) **Valuation Techniques and Qualitative and Quantitative Information on Important Parameters Adopted for the Third Level of Continuous and Noncontinuous Fair Value Measurement**

RMB

Items	Fair value as at 30 June 2022	Valuation techniques	Significant unobservable inputs	Scope period
T ading financial a e bank eal h managemen od c	**700,000,000.00**	Di co n ed ca h flo me hod	Fo d e change a e, di co n a e	3.70%
		bank wealth	**flow method** **Forward exchange**	
Financing ecei able				

10. RELATED PARTIES AND RELATED PARTY TRANSACTION

1. THE GROUP'S SUBSIDIARIES

Plea e efe o In e e in o he en i ie .

2. THE GROUP'S JOINT VENTURE AND ASSOCIATE

The G o ' join en e and a ocia e:

Name	Relationship with the Group
Jia ing Kaihong Fla S l Chain Managemen Co., L d. (嘉興凱鴻福萊特供應鏈管理有限公司)	A ocia e
Jia ing Ga G o Co., L d. (嘉興市燃氣集團股份有限公司)	A ocia e

3. OTHER RELATED PARTIES OF THE GROUP

Enterprise name	Relationship with the connected party
Jia ing Yihe In e men Co., L d. (嘉興義和投資有限公司)	Con olled b one of he ac al con olle of he Com an
Feng ang Hongding Po Co., L d. (鳳陽鴻鼎港務有限公司)	Con olled b one of he ac al con olle of he Com an

4. RELATED PARTY TRANSACTIONS

(1) Accepting labor service and purchasing products

RMB

Related party	Related party transaction	Amount in the current period	Amo n in he la e iod
Jia ing Kaihong Fla S l Chain Managemen Co., L d. (嘉興凱鴻福萊特供應鏈管理有限公司)	Acce ance of e ice	**123,486,566.66**	111,135,494.36
Jia ing Ga G o Co., L d. (嘉興市燃氣集團股份有限公司) (No e)	P cha e of a ma e ial	**113,681,503.02**	30,494,318.68

No e： Jia ing Ga became an a ocia e of he G o in J ne 2021. The efo e, he inc ed amo n of ela ed an ac ion d ing he la a i ical e iod e e en he amo n of a -e cl i e an ac ion ha occ ed af e Jia ing Ga became an a ocia e of he G o n il he end of la e iod.

(2) Related lease

RMB

Related party	Content of the related party transaction	Amount in the current period	Amo n in he la e iod
Jia ing Yihe In e men Co., L d. (嘉興義和投資有限公司)	Ho e lea e	**4,249,814.64**	3,880,265.34
Feng ang Hongding Po Co., L d. (鳳陽鴻鼎港務有限公司)	Pie lea e	**825,688.08**	825,688.08

(3) Remuneration of key management personnel

RMB0'000

Items	Amount in the current period	Amo n in he la e iod
Rem ne a ion of ke managemen e onnel	**369.54**	364.63

5. AMOUNTS DUE TO/FROM RELATED PARTIES

(1) Receivables

RMB

Items	Related parties	Closing balance	Opening balance
Advance payment	Jiaxing Gas Group Co., Ltd. (嘉興市燃氣集團股份有限公司)	**859,709.94**	2,343,468.83
Other receivables	Fengyang Hongding Port Co., Ltd. (鳳陽鴻鼎港務有限公司)	**–**	412,844.04
Other receivables	Jiaxing Yihe Investment Co., Ltd. (嘉興義和投資有限公司)	**4,427,279.35**	

(2) Payables

RMB

Items	Related parties	Closing balance	Opening balance
Trade payable	Jiaxing Kaihong Flat Supply Chain Management Co., Ltd. (嘉興凱鴻福萊特供應鏈管理有限公司)	**44,831,804.59**	28,449,581.64
Trade payable	Jiaxing Yihe Investment Co., Ltd. (嘉興義和投資有限公司)	**–**	173,342.70
Trade payable	Fengyang Hongding Port Co., Ltd. (鳳陽鴻鼎港務有限公司)	**414,844.04**	

A, ho i ed b he Com an ' 2019 ann, al gene al mee ing, he fi A ha e cla mee ing in 2020, and he fi H ha e cla mee ing in 2020, he Com an held he econd mee ing of he i h e ion of he boa d of di ec o on 25 Ma 2021, in hich he Re ol, ion on he Re e ed G an of he Re ic ed A Sha e To Pa ici an e ie ed and a o ed. Acco ding o he e ol, ion, he Com an e he g an da e on 25 Ma 2021 and g an ed 700,000 e ic ed A ha e o 3 eligible a ici an , a he g an ice of RMB14.23 e ha e. A of 25 J, l 2021, he Com an ha ecei ed a o al of RMB9,961,000.00 of f, nd aid b 3 a ici an o , b c ibe fo 700,000 RMB o dina ha e (A ha e). The lock-, e iod fo he e ic ed ha e a e 12 mon h , 24 mon h , 36 mon h , 48 mon h , and 60 mon h f om he da e of com le ion of he fi g an egi a ion. Fo he e ic ed ha e ha ha e no been a lied fo , nlocking o canno be a lied fo , nlocking d, e o fail, e o mee he , nlocking condi ion d, ing he afo e aid , nlocking e iod , he Com an ill e, cha e and cancel , ch e ic ed ha e f om ele an a ici an in acco dance i h he inci le of he incen i e cheme.

The Com an held he i h mee ing of he i h e ion of he boa d of di ec o and he fo, h mee ing of he i h e ion of he boa d of , e i o on 9 A, g, 2021 o e ie and a o e he Re ol, ion Abo, he Fi G an of he 2020 Re ic ed A Sha e Incen i e Scheme fo he Fi Pa of he Fi Unlocking Pe iod fo he Achie emen of Remo ing he Sale Re ic ion Condi ion . Acco ding o he e ol, ion, o lif ed he ale e ic ion of he 920,000 e ic ed ha e ha me he condi ion fo lif ing he e ic ion d, ing he fi lock-, e iod. The lif ing of e ic ion on ale ha been a, ho i ed b he Com an ' 2019 ann, al gene al mee ing, he fi A ha e cla mee ing in 2020 and he fi H ha e cla mee ing in 2020.

The Com an held he 23 d mee ing of he i h e ion of he boa d of di ec o and he 20 h mee ing of he i h e ion of he boa d of e i o on 1 J ne 2022 o e ie and a o e he Re ol ion Abo he Fi G an of he 2020 Re ic ed A Sha e Incen i e Scheme fo he Re e ed Pa of he Fi Unlocking Pe iod fo he Achie emen of Remo ing he Sale Re ic ion Condi ion . Acco ding o he e ol ion, lif ed he ale e ic ion of he 140,000 e ic ed ha e ha me he condi ion fo lif ing he e ic ion d ing he fi lock- e iod. The lif ing of e ic ion on ale ha been a ho i ed b he Com an ' 2019 ann al gene al mee ing, he fi A ha e cla mee ing in 2020 and he fi H ha e cla mee ing in 2020.

Uni : Sha e

	2020 A-Share Restricted Share Incentive Scheme	2021 Share Option Incentive Scheme
To al e i in men o anding a he beginning of he e iod		
To al e i in men g an ed fo 0.15 Td(8.815 eG an e e iod)] 021 beginning		
Incen i e Scheme men o a		

2. Equity settled share-based payments

RMB

	Restricted A Share Incentive Scheme for 2020	**Share option incentive scheme 2021**
Me hod fo de e mining he fai al e a a he g an da e	Open ma ke o a ion of he g an da e	Black-Schole Model

12. COMMITMENTS AND CONTINGENCIES

1. Significant Matters of Commitments

As of the balance sheet date, the irrevocable purchase of long-term assets contracts signed by the Group is as follows:

RMB

Items	Closing balance	Opening balance
Contracted but not confirmed in the financial statements Purchase		
- Build long-term assets commitment	**4,695,672,830.89**	4,966,230,139.24
- Investment commitment	**–**	3,343,947,640.64

2. Contingencies

The Group does not have any significant contingencies that need to be disclosed.

13. OTHER SIGNIFICANT MATTERS

1. SEGMENT REPORT

(1) Basis and account policy of segment report

According to the internal organizational structure, management requirements and internal reporting system of the Group, the Group's operating activities are divided into five operating segments. Based on the operating segments, the Group has identified five reporting segments, namely the PV glass segment, the household glass segment, architectural glass segment, float glass segment and mining products segment. The reporting segments are based on product categories. The main products provided by each of the Group's reporting segments are PV glass, household glass, architectural glass, float glass and mining products. The management of the Group regularly evaluates the operating results of these segments to determine the resources to be allocated to them and to evaluate their performance. The evaluation does not include the reviews of the assets and liabilities of the operating segments.

Segment report information is disclosed in accordance with the accounting policies and measurement standards adopted by each segment when reporting to management. It has confirmed and measured segment report information in accordance with China accounting standards.

(2) Segment report information

RMB

	Amount in the current period							
	PV glass	Household glass	Architecture glass	Float glass	Mining products	Other business	Mutual offset among segments	Total
Segmen o e a ing e en e	6,468,102,101.23	180,626,503.87	319,281,955.84	154,622,632.87	161,935,169.23	19,922,975.92		7,304,491,338.96
Segmen o e a ing co	4,979,453,429.31	140,807,844.37	259,332,168.10	149,299,046.80	118,124,117.56	3,492,062.30		5,650,508,668.44
Segmen ofi	1,488,648,671.92	39,818,659.50	59,949,787.74	5,323,586.07	43,811,051.67	16,430,913.62		1,653,982,670.52
Adj ed i em :								
Le : Ta e and cha ge								45,449,665.35
Selling e en e								49,650,173.34
Admini a i e e en e								126,399,595.74
Re ea ch and de elo men e en e								255,054,636.60
Financial e en e								76,768,433.12
Incl ding: In e e e en e								120,102,101.64
In e e income								25,481,363.85
Add: O he income								40,868,360.92
In e men income								4,199,843.60
P ofi (lo e)								

14. NOTES TO THE STATEMENTS OF THE PARENT COMPANY

1. TRADE RECEIVABLE

(1) Disclosed by the aging

RMB

Aging	Closing balance
Wi hin 1 ea	**946,141,641.60**
1 2 ea	**21,768,719.73**
2 3 ea	**1,100,733.39**
O e 3 ea	**1,868,381.21**
To al	**970,879,475.93**

	Opening balance				
	Book balance		Bad debt provision		
Classification	Amount	Percentage (%)	Amount	Accrual Percentage (%)	Book value
Bad debt provision by portfolio					
Including:					
Low risk	163,791,056.47	44.02			163,791,056.47
Normal	151,140,825.52	40.62	3,808,748.80	2.52	147,332,076.72
Concerned	48,127,930.42	12.93	11,657,475.13	24.22	36,470,455.29
Loss	9,035,293.16	2.43	9,035,293.16	100.00	
Total	372,095,105.57	/	24,501,517.09	/	347,593,588.48

Bad debt provision by portfolio

RMB

	Closing balance		
Name	**Trade receivables**	**Bad debt provision**	**Provision percentage (%)**
Low risk	**260,082,532.32**	**–**	**–**
Normal	**654,902,993.87**	**11,526,292.69**	**1.76**
Concerned	**53,921,147.75**	**20,307,227.08**	**37.66**
Loss	**1,972,801.99**	**1,972,801.99**	**100.00**
Total	**970,879,475.93**	**33,806,321.76**	**3.48**

(3) *Changes in credit loss provisions of trade receivables*

RMB

Classification	Opening balance	Change of amount in the current period: Provision	Change of amount in the current period: Reversal	Closing balance
Bad debt provision	24,501,517.09	9,304,804.67	-	**33,806,321.76**
Total	24,501,517.09	9,304,804.67	-	**33,806,321.76**

(4) *Details of top five trade receivables with the closing balances classified by the borrowers*

At the end of the period, the top five trade receivables of the Group with the closing balance classified by the borrowers amounted to RMB589,618,034.52 (as at the end of the previous year: RMB209,629,403.13), accounting for 60.73% (as at the end of the previous year: 56.34%) of the total balance of trade receivables and the provision for credit losses of top five trade receivables amounted to RMB7,589,373.89 (as at the end of the previous year: RMB1,644,474.68).

2. OTHER RECEIVABLES

RMB

Items	Closing balance	Opening balance
Dividend receivable	**148,731,538.16**	800,000,000.00
Other receivable	**1,594,052,533.27**	1,037,334,934.64
Total	**1,742,784,071.43**	1,837,334,934.64

Dividend receivables

Items (Invested unit)	Closing balance	Opening balance
Zhejiang Jiaf Gla Co., L d.	**148,731,538.16**	800,000,000.00
To al	**148,731,538.16**	800,000,000.00

Other receivables

(1) *Di clo ed b aging*

RMB

Aging	Closing book balance
Wi hin 1 ea	**1,262,838,619.62**
1 2 ea	**315,731,700.00**
2 3 ea	**21,000.00**
O e 3 ea	**15,461,213.65**
To al	**1,594,052,533.27**

(2) *O he ecei able cla ified b na e*

RMB

Nature	Closing book balance	Opening book balance
Amo n d e f om b idia ie	**1,593,362,013.65**	1,031,644,847.53
Ma gin	**306,000.00**	5,306,000.00
Re e e f nd	**40,000.00**	40,000.00
Depo i	**81,000.00**	81,000.00
O he	**263,519.62**	263,087.11
To al	**1,594,052,533.27**	1,037,334,934.64

(3) De ail of o fi e o he ecei able h he clo ing balance cla ified b he bo o

RMB

Name	Amount nature	Closing balance	Percentage in the total Closing balance of other receivable (%)
Fi	C en acco n of ela ed a ie	1,102,544,013.65	69.17
Second	C en acco n of ela ed a ie	489,318,000.00	30.70
Thi d	C en acco n of ela ed a ie	1,500,000.00	0.09
Fo h	Ma gin	195,000.00	0.01
Fif h	Ma gin	100,000.00	0.01
To al		1,593,657,013.65	99.98

3. LONG-TERM EQUITY INVESTMENT

RMB

Items	Closing balance	O ening balance
In e men in b idia	**4,148,137,343.00**	1,343,137,343.00
In e men in join en e and a ocia e	**9,215,647.72**	6,921,828.12
To al	**4,157,352,990.72**	1,350,059,171.12

(1) *Investment in subsidiary*

RMB

Invested unit	Opening balance	Increased amount in the current period	Decreased amount in the current period	Closing balance
Zhejiang Flat Glass Co., Ltd.	10,000,000.00			**10,000,000.00**
Zhejiang Jiafu Glass Co., Ltd.	150,000,000.00			**150,000,000.00**
Shanghai Flat Glass Co., Ltd.	70,000,000.00			**70,000,000.00**
Anhui Flat Solar Glass Co., Ltd.	1,000,000,000.00			**1,000,000,000.00**
Anhui Flat Solar Material Co., Ltd.	30,000,000.00			**30,000,000.00**
Flat (Hong Kong) Limited	66,137,343.00			**66,137,343.00**
Jiaxing Flat New Energy Technology Co., Ltd.	10,000,000.00			**10,000,000.00**
Flat (Jiaxing) Import and Export Trade Limited	7,000,000.00			**7,000,000.00**
Flat (Suqian) Solar Glass Co., Ltd.				**–**
Flat (Nantong) Solar Glass Co., Ltd.				**–**
Shanghai Flat Technology Development Co., Ltd.				**–**
Anhui Dahua Oriental Mining Co., Ltd.		2,065,000,000.00		**2,065,000,000.00**
Anhui Sanli Mining Co., Ltd.		740,000,000.00		**740,000,000.00**
Total	1,343,137,343.00	2,805,000,000.00		**4,148,137,343.00**

(2) *Investment in joint venture and associate*

RMB

Investees	Opening balance	In e men gain and lo ecogni ed nde he e i me hod	Closing balance
A ocia e			
Kaihong Fla	6,921,828.12	2,293,819.60	**9,215,647.72**
To al	6,921,828.12	2,293,819.60	**9,215,647.72**

4. OPERATING REVENUE AND COST

(1) *Operating revenue and operating cost*

RMB

Items	Amount for the period		Amo n fo la pe iod	
	Revenue	**Cost**	Re en e	Co
Main b ine	**2,108,235,900.68**	**1,720,656,556.48**	1,844,919,841.98	1,404,141,466.45
O he b ine	**255,958,513.04**	**230,936,762.36**	172,047,060.48	133,865,447.59
To al	**2,364,194,413.72**	**1,951,593,318.84**	2,016,966,902.46	1,538,006,914.04

(2) *Revenue from contract*

RMB

Contract classification	Amount for the Period
Categories of goods	
PV gla	**1,521,103,033.03**
Floa gla	**171,041,246.98**
Ho ehold gla	**96,298,432.07**
A chi ec al gla	**319,793,188.60**
O e	**–**
Income f om o he b ine	**255,958,513.04**

5. INVESTMENT INCOME

RMB

Items	Amount for the Period	Amo n fo la e iod
Income f om long- e m e i in e men nde he e i me hod	**2,293,819.60**	2,834,046.74
To al	**2,293,819.60**	2,834,046.74

Supplementary Information

1. DETAILS OF CURRENT PERIOD EXTRA-ORDINARY PROFIT OR LOSS

RMB

Items	Amount for the Period
Lo e on dipo al of non-c en a e	(9,150,998.74)
Go e nmen g an eco ded in c en pofi o lo (e cep fo go e nmen g an clo el a ocia ed ith he b ine of he Compan in fi ed amo n o fi ed an i acco ding o na ional policie)	38,565,098.45
Apa f om hedging in men ela ing o he no mal ope a ion of he Compan , gain f om change in fai al e of held-fo ading financial a e , de i a i e financial a e and de i a i e financial liabili ie , and in e men income f om dipo al of he abo e financial a e /liabili ie and financing ecei able	4,277,789.06
O he non-ope a ing income and e pen e o he han abo e	(975,858.12)
S b o al	32,716,030.65
Effec of income a	(5,049,501.89)
Effec on mino i in e e	
To al	27,666,528.76

2. RETURN ON EQUITY AND EARNING PER SHARE

The calculation formula of the return on equity and earning per share is prepared in accordance with the relevant provisions of Public Issuance of Securities Companies Information Disclosure and Compilation Rules No. 09 – Calculation and Disclosure of Return on Net Assets and Earning Per Share (Revised in 2010) (CSRC Announcement [2010] No. 2) issued by the China Securities Regulatory Commission.

RMB

Profit in the reporting period	Weighted average return on equity (%)	Earnings per share: Basic earnings per share	Earnings per share: Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	8.09	0.47	0.44
Net profit attributable to ordinary shareholders of the Company excluding non-recurring items	7.87	0.46	0.42