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 Ms. Xu Pan, Ms. Hua Fulan and Ms. 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 e 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 ca i 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 represents 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 two quarters of 2022, respectively.

In addition, those 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 order to further increase mineral resource reserves and reduce the impact of the price fluctuation in quartz sand and raw materials on production costs and financial results of the Company, on 1 August 2022, Anhui Flat Glass, a wholly-owned subsidiary of the Company and Chuzhou Natural Resources and Planning Bureau (滁州市自然資源和規劃局) entered into the mining rights assignment contract, pursuant to which, Anhui Flat Glass won the bid for the mining rights of the thirteenth new segment of quartzite mine for glass located at Lingshan-Mujishan Mining Zone, Fengyang County, Anhui Province, from Chuzhou Natural Resources and Planning Bureau through public listing-for-sale at a consideration of RMB3.38 billion.

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

The Company entered into an equity transfer agreement and a supplemental agreement to the equity transfer agreement with Anhui Fengsha Mining Company Limited (“Fengsha Mining”) on 27 October 2021 and 13 February 2022 respectively. It is determined that the Company acquired the entire equity interests of Anhui Dahua Oriental Mining Company Limited (“Dahua Oriental Mining”) and Anhui Sanli Mining Company Limited (“Sanli Mining”) (together the “Target Companies”) for a total consideration of RMB3,343,947,600.

The Company has completed the corresponding industrial and commercial registration procedures for equity change in February 2022. Target Companies have become wholly-owned subsidiaries of the Company, which were directly held as to both 100% by the Company. The acquisition of the Target Companies was completed in 2022.

The strategy of the acquisition is mostly based on the long-term benefits. With the increasing customers’ orders, the Company’s PV glass production capacity has expanded steadily, so the demand of the Company for quartz sand, the main raw material required for PV glass production, has raised significantly. At the same time, with the rapid growth of PV glass industry, high-quality quartz sand with limited origin distribution will become a scarce resource. The supply of high-quality and stable quartz sand is the guarantee for the development of PV glass enterprises.

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 result 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 incentive or reward to eligible participants for their contribution to the Company 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 Com an o be g an ed nde he Scheme o an one of he abo e a ici an d ing he Validi Pe iod ll no e ceed 1.00% of he Com an ' o al ha e ca i al. The o al n mbe of a ge ha e in ol ed in he Scheme d ing he Validi Pe iod ll no e ceed 10.00% of he o al ha e ca i al of he Com an en he Scheme bmi ed o he Sha eholde ' gene al mee ing. The Re e ed Sha e O ion hall no e ceed 20.00% of he o al ha e o ion a ailable nde he Scheme. If he a ici an ol n a il i e he benefi g an ed d e o e onal ea on , he Boa d hall make co e onding adj men o he n mbe of ha e o ion g an ed.

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

U on he f lfillmen of condi ion of he e e ci e of he ha e o ion , he ha e o ion a e e e ci able in fi e anche , on e i 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 O ion and he Re e ed Sha e O ion a e a follo :

The e e ci e a angemen fo he Fi G an of Sha e O 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 i of he 12 h mon h f om he Da e of G an of he Fi G an of Sha e O 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 i of he 24 h mon h f om he Da e of G an of he Fi G an of Sha e O 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
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 Fi G an of 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 Fi G an of 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 Fi G an of 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%

The e e ci e a angemen fo he Re e ed 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 Re e ed 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%

Exercise Arrangement	Exercise Period	Proportion of exercisable Share Options to the total number of Share Options granted
Second Exercise Period	Commencing from the first trading day after the expiry of the 24 months from the Date of Grant of the Reserved Share Options, and ending on the last trading day of the 36 months from the Date of Grant	20%
Third Exercise Period	Commencing from the first trading day after the expiry of the 36 months from the Date of Grant of the Reserved Share Options, and ending on the last trading day of the 48 months from the Date of Grant	20%
Fourth Exercise Period	Commencing from the first trading day after the expiry of the 48 months from the Date of Grant of the Reserved Share Options, and ending on the last trading day of the 60 months from the Date of Grant	20%
Fifth Exercise Period	Commencing from the first trading day after the expiry of the 60 months from the Date of Grant of the Reserved Share Options, and ending on the last trading day of the 72 months from the Date of Grant	20%

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

Upon the fulfillment of conditions of the exercise of the Share Options, the Share Options are exercisable in five tranches upon expiry of 12 months from the Date of Grant.

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

There is no amount payable on application or acceptance of the option and there is no time requirement for which payments must or may be made.

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

The exercise price under the First Grant of Share Options shall not be less than the nominal value of the Shares and in principle the higher of:

(i) the average trading price of the A shares of the Company on the trading day immediately preceding the date of announcement of the Scheme (draft), being RMB44.02 per Share;

(ii) the average trading price of the A shares of the Company for the 120 trading days immediately preceding the date of announcement of the Scheme (draft), being RMB34.90 per Share.

The Exercise Price of the Reserved Share Options shall be adjusted to be identical to the Exercise Price under the First Grant of Share Options, being RMB44.02 per Share.

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

The Validity Period of the Scheme commenced from the Date of Grant of the Share Options, and shall end on the date on which all the share options granted to the participants under the Scheme have been exercised or cancelled, and shall not be longer than 72 months.

j. Accounting policy adopted for the share options

The date of the grant is 19 November 2021. On each balance sheet date within the vesting period, the Company shall recognise the relevant asset costs or current expenses for the services acquired during such period and shall be recognised under Capital Reserves – Other Capital Reserves at the fair value of the share options on the Date of Grant based on the best estimate of the number of exercisable share options.

If the exercise conditions are met on the Exercise Date, the share options can be exercised and carried forward to the Capital Reserves – Other Capital Reserves recognised on each balance sheet date before the Exercise Date; if all or part of the share options become invalid or are abolished due to failure to exercise, it shall be treated in accordance with accounting standards and related regulations.

As for the accounting treatment after the exercise date, no adjustment shall be made to the confirmed costs and total owners' equity.

In accordance with the relevant requirements of the Accounting Standards for Business Enterprises No. 11 – Share-based Payment (企業會計準則第11號——股份支付) and the Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments (企業會計準則第22號——金融工具確認和計量), the Company uses the Black-Scholes model (BS model) as the pricing model, and the Company uses this model to make an estimation on the fair value of the share options granted based on 17 August 2021 (official calculation will be conducted at the time of grant). The specific parameters are selected as follows:

(i) Price of target share: RMB42.89 per share (closing price on 17 August 2021)

(ii) Validity Period: 1 year, 2 years, 3 years, 4 years and 5 years, respectively (period commencing from Date of Grant and ending on the first date of exercise for each respective period)

(iii) Historic volatility: 14.73%, 17.44%, 18.71%, 17.92% and 16.55% (annualised volatility for the corresponding period of SSE Composite Index)

(iv) Risk-free interest rate: 1.50%, 2.10% and 2.75% (based on one-year, two-year, three-year, three-year and above RMB deposit benchmark interest rate, respectively, of financial institutes developed by the People's Bank of China)

On 26 November 2021, the Company announced the first grant of 5,341,072 shares of A share option incentive scheme to 288 participants at an exercise price of RMB44.02 per share. The details of the First Grant of the 2021 A Share Options are as follows:

a. *Date of grant*

19 November 2021

b. *Number of grant*

5,341,072

c. *Number of participants of grant*

288

d. *Connected persons as participants*

Except for Mr. Zhu Yuping (祝宇平), son of Mr. Zhu Quanming (祝全明), a Supervisor of the Company who is a connected person of the Company, none of the participants is a connected person of the Company as defined under Chapter 14A of the Listing Rules. A total of 40,000 share options were granted to Mr. Zhu Yuping under the First Grant of Share Options to the participants.

e. *Exercise price and exercise period*

RMB44.02 per share. In the event of capitalization of capital reserve, bonus issue, dividend distribution, subdivision or consolidation of shares, rights issue, etc. of the Company during the period from the date of the announcement of the Scheme to the completion of share registration of share options by the participants, the exercise price and the total number of underlying shares involved would be adjusted in accordance with the Scheme.

For details of the exercise period of the First Grant of Share Options, please refer to the description above.

f. *Closing price of the A shares on the date of immediately before the date of grant*

RMB46.55 per share

g. *Source of shares*

A shares of the Company to be directly issued to the participants by the Company

h. *Vesting period*

All share options granted to the participants are subject to different vesting periods, and each of them commences on the date on which the registration of the grant of share options is completed. The interval between the Date of Grant and the first exercise date shall not be less than 12 months.

The Participants of the Scheme may exercise share options upon the expiration of the vesting period. The exercise date must be a trading day within the Validity Period of the Scheme, and shall not fall within the period prohibited from exercising rights of share options by the listing rules of the stock exchange where the Company's Shares are listed.

The total outstanding share options as at 1 January 2021 and 31 December 2021 were nil and 5,341,072, respectively. For the date of grant, vesting period, exercise period and exercise price of the relevant outstanding options as at 31 December 2021, please refer to the above paragraphs. During the Reporting Period, there were no options exercised, or lapsed. Board meeting granted 5,341,072 share options to 288 Participants under the first grant. Before completion of registration of the share options on 13 January 2022, 5 Participants gave up, where 95,600 share options were cancelled, resulting the adjusted number of participants at 283 with the adjusted first grant of share options at 5,245,472 share options.

The fai al e of he 5,245,472 ha e o ion g an ed d ing he Re o ing Pe iod amo n ed o RMB47.2396 million, mea ed a a he da e of he g an . S ch mea emen i ba ed on he Black-Schole o ion icing model and he follo ng a m ion : Whe e he em lo ee ha e o mee e ing condi ion befo e becoming ncondi ionall en i led o he o ion , he o al e ima ed fai al e of he o ion i ead o e he e ing e iod, aking in o acco n he obabili ha he o ion l e . The fai al e of ch ha e o ion g an ed i bjec i e and nce ain a he a e bjec o he a m ion de c ibed abo e and a e limi ed o he model ado ed. Fo he acco n ing olicie of ch ha e o ion , lea e efe o he e io a ag a h .

INDUSTRY REVIEW

Industry half-year review

PV industry faced increasing challenges during development

Dome icall , in he fi half of 2022, al ho gh ilicon od c ion ca aci a elea ed, he e a ob demand a home and ab oad. A a e l , ilicon ice e a a high le el and con in ed o i e, e en hi ing a eco d high, leading o inc ea ing ice ac o he main ind chain hile com omi ing he demand fo in alla ion of dome ic cen ali ed o e lan o a ce ain e en . Ho e e , he di ib ed o e lan e e in alled e en i el . Acco ding o a i ic of China Pho o ol aic Ind A ocia ion, nea l 70% of he ne in alla ion in he fi half of he ea e e di ib ed o e lan h ela i el lo ice en i i .

In e na ionall , ade f ic ion occ f om ime o ime in a io co n ie and egion . Fo e am le, he e o of mod le f om China o he Uni ed S a e i bjec o An i-d m ing and An i-co n e ailing D ie and Sec ion 201 a iff , hile e o f om So hea A ia o he Uni ed S a e a e bjec o Sec ion 201 a iff and WRO de en ion i k . In addi ion, f om 1 A il 2022, India im o ed a ne Ba ic C om D (BCD) on im o of ola cell and mod le , h a a iff a e of 40% fo PV mod le and 25% fo PV cell . F e en in e na ional f ic ion ha al o had an im ac on he global de elo men of he PV ind .

Amid he ola ile ind and in e na ional land ca e, he Com an al o e o ed a high le el of a io co in he fi half of he ea . The co of ene g , ch a na al ga , o e ignifican l d e o he e cala ion of geo oli ical en ion ch a he R ia-Uk aine conflic ; he ice of b lk commodi ie ch a f el oil and oda a h al o ged d e o infla ion and mi ma ch be een l and demand; addi ionall , he e a a em o a inc ea e in f eigh co in A il and Ma hi ea d e o he ec ing COVID-19 andemic in China. Con e en l , he Com an faced ce ain co e e on a ma e ial and f el .

PV industry saw a thriving trend through overcoming challenges

Despite facing challenges under the context at domestic and abroad, the PV industry continued to show unprecedented resilience to beat 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: firstly, 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 prices 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 constantly 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 were 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 decrease in 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	Six months ended 30 June 2022 Gross profit margin (%)	Six months ended 30 June 2021 Gross profit RMB'000	Six months ended 30 June 2021 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

For the six months ended 30 June 2022, the financial costs of the Group amounted to RMB76.8 million, representing an increase of 460.58% from RMB13.7 million for the six months ended 30 June 2021. The increase was mainly due to the increase in interest expenses on borrowings.

Income tax expense

For the six months ended 30 June 2022, the income tax expenses of the Group amounted to RMB94.7 million, representing a decrease of 48.78% from RMB184.9 million for the six months ended 30 June 2021, which was mainly due to the decrease in income tax expense in the current period as a result of the decrease in total profit and certain preferential policies of income tax exemption.

EBITDA and net profit

For the six months ended 30 June 2022, the EBITDA of the Group (earning before interests, taxes, depreciation and amortisation) increased by RMB99.7 million from RMB1,694.7 million for the six months ended 30 June 2021 to RMB1,794.4 million. The Group's EBITDA margin was 24.57% for the six months ended 30 June 2022 as compared with 42.07% for the same period of 2021.

For the six months ended 30 June 2022, the net profit decreased by RMB258.3 million from RMB1,261.0 million for the same period of 2021 to RMB1,002.7 million.

Assets and equity

As at 30 June 2022, the total assets amounted to RMB28,758.4 million, which increased by RMB8,675.5 million, or 43.20% from RMB20,082.9 million as at 31 December 2021. As at 30 June 2022, the shareholders' equity amounted to RMB13,200.2 million, which increased by RMB1,390.0 million, or 11.77% from RMB11,810.2 million as at 31 December 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 shares 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 employee remuneration amounting to RMB319.0 million for the six months ended 30 June 2022, representing 4.37% of the Group's operating revenue 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. Further more, 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 a 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 risk 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 standards 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

As at 30 June 2022, the interests and short positions of Directors, supervisors and chief executives of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors or the chief executives were taken or deemed to have under such provisions) and the Model Code contained in the Listing Rules, 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]
Directors					
Mr. Ruan Hongliang[3]	1,178,784,425(L)	A shares	Beneficial owner and parties acting in concert	69.47%	54.91%
	1,569,000(L)	H shares	Beneficial owner and parties acting in concert	0.35%	0.07%
Ms. Jiang Jinhua[3]	1,178,784,425(L)	A shares	Beneficial owner and parties acting in concert	69.47%	54.91%
	1,569,000(L)	H shares	Beneficial owner and parties acting in concert	0.35%	0.07%
Mr. Wei Yezhong[4]	16,437,445(L)	A shares	Beneficial owner	0.97%	0.77%
Mr. Shen Qifu[5]	10,958,297(L)	A shares	Beneficial owner	0.65%	0.51%
Supervisors					
Mr. Zheng Wenrong	46,801,800(L)	A shares	Beneficial owner	2.76%	2.18%
Mr. Shen Fuquan	31,201,200(L)	A shares	Beneficial owner	1.84%	1.45%
Mr. Shen Fuquan	20,351,200(L)	A shares	Beneficial owner	1.20%	0.95%
	10,850,000(S)	A shares	Beneficial owner	0.64%	0.51%

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 May 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) In May 2022, the Company completed the grant of 367,710 A share convertible bonds listed on the Shanghai Stock Exchange to Mr. Wei Yezhong where Mr. Wei Yezhong acquired the rights to convert such convertible bonds into A shares.

(5) In May 2022, the Company completed the grant of 245,140 A share convertible bonds listed on the Shanghai Stock Exchange to Mr. Shen Qifu where Mr. Shen Qifu acquired the rights to convert such convertible bonds into A shares.

Save as disclosed above, as at 30 June 2022, to the knowledge of the Company, none of the Directors, supervisors and the chief executive of the Company had or was deemed under the SFO to have any interests or short positions in any of the shares or the underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO or to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Interests and Short Positions of Substantial shareholders

As at 30 June 2022, the persons or corporations who had 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 corporation and approved lending agent	5.86%	1.23%
	9,247,099 (S)			2.05%	0.43%
	16,813,949 (P)			3.74%	0.78%
UBS Group AG[(11)]	25,014,145 (L)	H Shares	Interest of controlled corporation	5.56%	1.17%
	18,462,525 (S)			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 shares 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 Capital Group Companies, Inc. indirectly held relevant interests through a series of its controlled corporations.

(6) BlackRock, Inc. indirectly held relevant interests and short positions through a series of its controlled corporations, including holdings of certain unlisted derivatives (cash settlement: 39,000 shares (long positions) and 1,549,000 shares (short positions)).

(7) Bank of America Corporation indirectly held relevant interests and short positions through a series of its controlled corporations, including holdings of certain unlisted derivatives (cash settlement: 17,338,242 shares (long positions) and 2,088,900 shares (short positions)).

(8) Schroders PLC indirectly held relevant interests through a series of its controlled corporations.

(9) Xitang Jingning Corporate Management Company held 100% equity interest in Shanghai Greenwood Asset Management Company Limited 100%.

(10) Citigroup Inc. indirectly held relevant interests and short positions through a series of its controlled corporations, including holdings of certain unlisted derivatives (cash settlement:2,918,610 shares (long positions) and 175,000 shares (short positions)).

(11) UBS Group AG held relevant interests and short positions through a series of its controlled corporations, including holdings of certain listed derivatives (cash settlement: 325 shares (long positions) and 12,363 shares (short positions)) and unlisted derivatives (cash settlement：1,513,656 shares (long positions)and 1,322,971 shares (short positions)).

(12) China International Capital Corporation Limited indirectly held relevant interests through a series of its controlled corporations.

Save as disclosed above, as at 30 June 2022, so far as is known to the Directors, there is no other person (other than the Directors, supervisors or the chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange 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.

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 were as follows:

Use for	Percentage of net proceeds	Amount of net proceeds	Amount utilized	Amount unutilized
		RMB'0,000	RMB'0,000	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 metres of solar PV ultra-white 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	[illegible]	[illegible]	[illegible]	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		[illegible]	[illegible]	[illegible]	227,000.00 [note 1, 3]
Working capital		[illegible]	[illegible]	[illegible]	180,000.00 [note 4]
Total		[illegible]	[illegible]	[illegible]	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 projects.

2. The proceeds of Non-Public Issuance of A Shares will be utilized according to its progress, and the projects 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 the 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 total net proceeds from the non-public issuance of A shares by the Company amounted to approximately RMB2,483,081,943.69. 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)
Phase II of PV glass as covers with an annual production capacity of 750,000 tons project	56.38%	140,000	140,000	0
PV backplane glass with an annual production capacity of 42 million square meters project	13.41%	33,308.19	33,308.19	0
Working capital	30.21%	75,000	75,000	0

As at the date of the report, the Directors confirm that the proceeds have been fully used according to the intention previously disclosed.

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

In order to provide long-term capital at a relatively low financing cost, promote the stable development and growth of the Company, expand the investor base of H shares and enhance the Company's access to international investor(s) of strategic value, as well as optimize the company's capital structure, on 5 February 2021, the Company announced to propose to issue up to 76,000,000 new H shares, which was approved by the Board. The capital raised by the new H shares proposed to be issued shall represent: (i) approximately 3.5% of the total issued share capital of the Company as at the date of the Board meeting; (ii) approximately 3.4% of the total issued share capital of the Company enlarged by this issuance; (iii) approximately 16.9% of the total issued H Shares of the Company as at the date of the Board meeting; and (iv) approximately 14.4% of the total issued H Shares of the Company enlarged by this issuance. This issuance was considered and approved at the 2021 first extraordinary general meeting, the 2021 first A share class meeting and the 2021 first H share class meeting held on 25 March 2021. The Company received the Approval Regarding the Issuance of Overseas Listed Foreign Investment Shares by Flat Glass Group Co., Ltd. (the "Approval") issued by CSRC on 1 June 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 dividends 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 dividends 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. Custodian 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.

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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 ho a e a e iden of o he co n ie and ho e co n of domicile i a co n hich 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.

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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 companie 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 compan 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 companie 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 .

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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 rates 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 three independent non-executive Directors.

Consolidated Balance Sheet

RMB

Items	Notes	30 June 2022	31 December 2021
Current assets:			
Cash at bank and on hand	1	**4,023,250,509.82**	2,842,677,267.48
Trading financial assets	2	**700,000,000.00**	200,000,000.00
Derivative financial assets	3	**–**	62,739.00
Bills receivable	4	**2,016,706,300.57**	939,748,112.41
Trade receivables	5	**2,713,330,450.16**	1,105,759,571.75
Financing receivables	6	**596,244,502.28**	531,196,547.78
Advance payments	7	**415,641,169.16**	692,261,958.13
Other receivables	8	**53,523,216.63**	54,999,617.97
Inventories	9	**1,496,902,516.96**	2,276,469,528.29
Other current assets	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-term equity investments	11	**74,269,507.82**	71,530,334.22
Investment properties	12	**18,086,495.83**	18,802,231.03
Fixed assets	13	**9,179,825,831.06**	6,316,279,511.19
Construction in progress	14	**2,072,848,900.09**	3,067,207,867.50
Right-of-use assets	15	**172,642,131.34**	170,070,872.22
Intangible assets	16	**4,023,561,481.57**	662,708,796.08
Long-term prepaid expenses		**11,469,799.56**	6,948,461.94
Deferred tax assets	17	**4,451,373.78**	4,162,665.30
Other non-current assets	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
Taxes 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	No e	30 June 2022	31 Decembe 2021
Current assets:			
Ca h a bank and on hand		**2,597,515,069.67**	593,095,104.71
T ading financial a e		**300,000,000.00**	–
De i a i e financial a e		**–**	–
Bill ecei able		**641,605,961.31**	448,120,747.17
T ade ecei able	1	**937,073,154.17**	347,593,588.48
Financing ecei able		**167,943,409.99**	176,107,817.92
Ad ance pa men		**202,602,599.16**	113,797,898.71
O he ecei able	2	**1,742,784,071.43**	1,837,334,934.64
Incl ding: Di idend ecei able		**148,731,538.16**	800,000,000.00
In en o ie		**429,521,571.27**	319,598,489.09
O he c en a e		**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- e m e i in e men	3	**4,157,352,990.72**	1,350,059,171.12
In e men in o he e i in men		**–**	–
In e men p ope ie		**–**	–
Fi ed a e		**2,811,721,752.27**	1,280,018,460.38
Con c ion in p og e		**262,536,204.31**	1,309,136,814.51
Righ -of- e a e		**–**	–
In angible a e		**387,273,873.79**	392,286,140.98
Long- e m p epaid e pen e		**5,686,374.76**	2,596,418.88
Defe ed a a e		**–**	–
O he non-c en a e		**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	Note	30 June 2022	31 December 2021
Current liabilities:			
Short-term borrowings		**1,023,332,866.84**	1,261,939,500.00
Derivative financial liabilities		–	
Bills payable		**739,859,796.22**	557,046,846.40
Trade payable		**1,273,574,861.40**	874,183,753.59
Contract liabilities		**25,943,220.46**	172,956,634.95
Payroll payable		**23,467,573.41**	28,878,501.78
Tax payable		**62,888,608.01**	17,775,591.40
Other payable		**1,304,872,044.34**	565,827,131.31
Including: Interest payable		**5,358,807.57**	2,551,415.40
Dividend payable		**791,200.00**	791,200.00
Non-current liabilities due within one year		**101,700,000.00**	3,200,000.00
Other current liabilities		**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-term borrowings		**2,656,700,000.00**	786,800,000.00
Bonds payable		**3,660,546,167.06**	
Lease liability		–	
Long-term payable		–	
Estimated liabilities		–	
Deferred income		**10,741,749.57**	13,423,678.16
Deferred income tax liability		**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		Notes	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 investments		**–**	(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 losses		**(8,110,426.25)**	23,862,144.23
		Asset impairment losses		**(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	Note	For the six months ended 30 June 2022	For the six months ended 30 June 2021
V. Other comprehensive income, net of tax		**(165,704.49)**	1,971,851.19
(1) Other comprehensive income that will be reclassified to profit or loss		**(165,704.49)**	1,971,851.19
Other		**(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		No e	For the six months ended 30 June 2022	Fo he i mon h ended 30 J ne 2021
I.	**Cash flow from operating activities:**			
	Ca h ecei ed f om ale of good o ende ing of e ice		**788,861,444.80**	1,306,196,622.88
	Ca h ecei ed f om ef nd of a e		**4,593,212.60**	13,018,012.65
	Ca h ecei ed ela ing o o he ope a ing ac i i ie		**34,354,347.21**	13,232,174.14
	Subtotal of cash inflows		**827,809,004.61**	1,332,446,809.67
	Ca h paid fo good and e ice		**810,338,583.44**	883,910,966.58
	Ca h paid o and on behalf of emplo ee		**106,759,256.97**	29,570,696.15
	Ca h paid fo pa men of a e and cha ge		**34,502,346.92**	75,294,778.68
	Ca h paid ela ing o o he ope a ing ac i i ie		**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:**			
	Ca h ecei ed f om di po al of in e men		–	200,000,000.00
	Ne ca h ecei ed f om di po al of fi ed a e , in angible a e and o he long- e m a e		**1,304,506.44**	781,387.96
	Ca h ecei ed ela ing o o he in e ing ac i i ie		**2,006,266,142.87**	402,268,570.34
	Subtotal of cash inflows		**2,007,570,649.31**	603,049,958.30
	Ca h paid o p cha e fi ed a e , in angible a e and o he long- e m a e		**435,769,660.39**	684,855,708.49
	Ca h paid ela ing o in e men		**300,000,000.00**	200,000,000.00
	Ne ca h in e ed in e abli hmen of b idia o o he ope a ing ni		**2,284,052,400.00**	
	Ca h paid ela ing o o he in e ing ac i i ie		**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	No e	For the six months ended 30 June 2022	Fo he i mon h ended 30 J ne 2021
III. Cash flow from financing activities:			
Ca h ecei ed f om capi al con ib ion		**–**	2,509,960,996.79
Ca h ecei ed f om bo o ing		**3,149,547,866.84**	691,399,876.83
Ca h ecei ed ela ing o o he financing ac i i ie		**4,245,681,541.07**	376,740,309.13
Subtotal of cash inflows		**7,395,229,407.91**	3,578,101,182.75
Ca h paid fo pa men of bo o ing		**1,421,394,000.00**	208,319,006.22
Ca h paid fo di ib ion of di idend , and p ofi o pa men of in e e		**52,818,566.82**	334,567,349.26
Ca h paid ela ing o o he financing ac i i ie		**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: Ca h and ca h e i alen a he beginning of he ea		**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	The half year for 2022									
	Equity attributable to the owners of the parent company									
	Share capital	Other equity instruments	Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Minority interests	Total shareholders' equity
I. 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

For the six months ended 30 June 2021

Equity attributable to the owners of the parent company

Items	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 holders	–	**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							
Items	Share capital	Other equity instruments	Capital reserve	Less: Treasury stock	Other comprehensive income	Surplus reserve	Undistributed profits	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 further 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, capitalisation 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 rights 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.

A con ide ed and a□□ o ed a he 20 h mee ing of he fif h e ion of he Boa d, 2020 fi e ao dina gene al mee ing, 2020 econd A ha eholde cla mee ing and 2020 econd H ha eholde cla mee ing of he Com□an , and a□□ o ed b he A□□ o al of he Non-□ blic I ance of Sha e of Fla Gla G o □ Co., L d. (CSRC A□□ o al [2020] No. 2648) i ed b China Sec i ie Reg la o Commi ion, he Com□an □a □e mi ed o i e no mo e han 450,000,000 RMB o dina ha e (A ha e) b □a of non-□ blic i ance. A of 7 Jan a 2021, he Com□an ha com□le ed he non-□ blic i ance of 84,545,147 RMB o dina ha e (A ha e) a a □a al e of RMB0.25 □e ha e a an i e □ ice of RMB29.57 □e ha e □i h he o al amo n of f nd ai ed of RMB2,499,999,996.79. The ne □ oceed □e e RMB2,483,081,943.69 af e ded c ing he i e co of RMB16,918,053.10, of □hich he amo n of RMB21,136,286.75 and RMB2,461,945,656.94 □a incl ded in o al ha e ca□i al and ca□i al e e e, e □ec i el . All □a men of b c i□ ion amo n □e e made b ca h in Renminbi. D e o he non-□ blic i ance of A ha e , he egi e ed ca□i al of he Com□an inc ea ed b RMB21,136,286.75, he n mbe of ha e inc ea ed b 84,545,147 ha e and he ca□i al e e e inc ea ed b RMB2,461,945,656.94.

On 25 Ma 2021, he Com□an held he econd mee ing of he i h e ion of he Boa d, a □hich he Re ol ion in ela ion o he Re e ed G an of he Re ic ed A Sha e o Pa ici□an □a con ide ed and a□□ o ed o g an e ic ed ha e o h ee □a ici□an . The □a ici□an ac all b c ibed fo 700,000 RMB o dina ha e (A ha e), □i h a □a al e of RMB0.25 □e ha e a a g an □ ice of RMB14.23 □e ha e. U□on he com□le ion of he abo e g an of e ic ed ha e , he egi e ed ca□i al of he Com□an became RMB536,723,313.50.

A a o ed b he A o al of he P blic I ance of Con e ible Bond of Fla Gla G o Co., L d. (CSRC A o al [2022] No. 664) i ed b China Sec i ie Reg la o Commi ion and an o he P o ec of A Sha e Con e ible Co o a e Bond h o gh P blic I ance and he Anno ncemen on A Sha e Con e ible Co o a e Bond h o gh P blic I ance of he Com an , he Com an blicl i ed 40 million A ha e con e ible co o a e bond h a a 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 oceed ecei ed b he Com an 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 onding 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 o i ion nde he P o ec of A Sha e Con e ible Co o 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) h effec f om 28 No embe 2022 a an ini ial con e ion ice of RMB43.94 e ha e. The Com an l adj he con e ion ice ba ed on he o ec on he occ ence of di ib ion of ock di idend, ca i ali a ion i e, i ance of ne ha e (e cl ding he inc ea e in ha e ca i al d e o he con e ible co o a e bond in hi i ance), igh i e o di ib ion of ca h di idend.

The inci al ac i i ie of he Com an and i b idia ie (he G o) a e he man fac ing and ale of gla od c .

The de fac o con olle of he Com an 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 Com an .

2. Scope of the Consolidated Financial Statements

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

(II) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. Basis of preparation

The G o p ha im plemen ed he Acco n ing S anda d fo B ine En e p i e and o he ele an eg la ion i ed b he Mini of Finance (he einaf e efe ed o a he CASBE) and ha al o di clo ed ele an financial info ma ion in acco dance w h he P e pa a ion Con en ion of Info ma ion Di clo e b Com panie Offe ing Sec i ie o he P blic No.15 Gene al P o i ion on Financial Re po ing (e i ed in 2014). In addi ion, he financial a emen al o incl de di clo e e i ed b he Com panie O dinance and he Li ing R le of he ock e change of Hong Kong.

Going concern

The G o p ha a e ed he abili o con in e a a going conce n fo a 12-mon h p e iod ince 30 J ne 2022 and i no a w a e of an e en o condi ion ha ma ca ignifican do b p on he abili o con in e a a going conce n. So he financial a emen ha e been p e pa ed on a going conce n ba i .

Basis of accounting and principle of measurement

The G o p ha ado p ed acc al ba i fo acco n ing mea emen . E ce p ome financial in men a e mea ed a fai al e, he financial a emen a e ba ed on hi o ical co . If he a e a e im pai ed, co e p onding p o i ion fo im pai men hall be made acco ding o ele an eg la ion .

Unde he hi o ical co con en ion, a e a e mea ed a he amo n of ca h o ca h e i alen p aid o he fai al e of he con ide a ion gi en o ac i e hem a he ime of ac i i ion. Liabili ie a e mea ed acco ding o he amo n of p a men o a e ac all ecei ed d e o he a m p ion of c en obliga ion , o he con ac amo n of he c en obliga ion, o in acco dance w h he amo n of ca h o ca h e i alen e p ec ed o be p aid in dail ac i i ie o mee liabili ie .

Fai al e i he p ice ha w o ld be ecei ed o ell an a e o p aid o an fe a liabili in an o de l an ac ion be w een ma ke p a ici p an a he mea emen da e, ega dle of w he he ha p ice i di ec l ob e able o e ima ed ing al a ion echni e. Fai al e mea ed and di clo ed in he financial a emen a e de e mined acco ding o he abo e ba i .

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 acco n ing ea of he G o p i he calenda ea , i.e. f om 1 Jan a o 31 Decembe of each ea .

3. Operating Cycle

Ope a ing c cle efe o he pe iod f om he p cha e of a e ed fo p oce ing o he eali a ion of ca h o ca h e i alen . The G o p' ope a ing c cle all ake app o ima el 12 mon h .

4. Functional Currency

The c enc ed b he Compan in p epa ing he financial a emen i RMB.

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

B ine combina ion a e cla ified in o b ine combina ion in ol ing en e p i e nde common con ol and b ine combina ion no in ol ing en e p i e nde common con ol.

5.1 Business combinations involving enterprises under common control

A b ine combina ion in ol ing en e p i e nde common con ol i a b ine combina ion in which all of he combining en e p i e a e l ima el con olled b he ame pa o pa ie bo h befo e and af e he combina ion, and ha con ol i no an i o .

A e and liabili ie ac i ed in a b ine combina ion a e mea ed a hei ca ing amo n of he combined pa a he combina ion da e. The diffe ence be ween he ca ing amo n of he ne a e ac i ed b he combining pa and he ca ing amo n of he con ide a ion paid fo he combina ion (o he agg ega e face al e of he ha e i ed) i adj ed o ha e p emi m nde capi al e e e, if he ha e capi al p emi m i in fficien o off e he diffe ence, he e ained ea ning will be adj ed.

The co ha a e di ec l a ib able o he b ine combina ion a e cha ged o p ofi o lo in he pe iod in which he a e inc ed.

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 scope of consolidation for the consolidated financial statements is determined based on control. Control refers to the power that the investor has over the investee; it means that the investor enjoys variable returns by taking part in the relevant activities of the investee and is capable of using its power over the investee to influence the amount of returns. In case of changes in the relevant elements involved in the aforesaid definition of control as a result of the changes in facts and circumstances, the Group will conduct re-assessment.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

For a subsidiary disposed of by the Group, the operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated income statement and consolidated statement of cash flows, as appropriate.

For a subsidiary acquired through a business combination not involving enterprises under common control, the operating results and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated income statement and consolidated statement of cash flows, as appropriate.

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving enterprises under common control or the party being absorbed under merger by absorption are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the beginning of the earliest reporting period or from the date when they first came under the common control of the ultimate controlling party are included in the consolidated income statement and consolidated statement of cash flows, as appropriate.

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 sheet. 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 statement.

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 owners 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 earning 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 recognised in profit or loss for the period, except that: (1) exchange differences related to special borrowings denominated in foreign currency eligible for capitalisation shall be capitalised into the cost of the related assets during the capitalisation 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 amortised cost) of monetary items at fair value through other comprehensive income are recognised 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 recognised in profit or loss or as other comprehensive income.

8.2 *Translation of foreign currency financial statements*

Fo he p po e of p epa ing he con olida ed financial a emen , he fo eign c enc financial a emen of o e ea ope a ion a e an la ed in o RMB financial a emen ing he follo ing me hod: all a e and liabili ie in he balance hee a e an la ed a he po e change a e a he balance hee da e; e i i em con e ed a he po e change a e a he ime of occ ence; all i em in he income a emen and i em eflec ing he amo n of p ofi di ib ion a e an la ed a he e change a e app o ima ing he fo eign e change a e ling a he da e of he an ac ion ; he diffe ence be een a e and he m of liabili ie and ha eholde ' e i af e an la ion i ecogni ed in o he comp ehen i e income and incl ded in ha eholde ' e i .

Ca h flo a i ing f om a an ac ion in fo eign c enc and he ca h flo of a fo eign b idia a e an la ed a an e change a e hich app o ima e he po e change a e on he da e of he ca h flo . The effec of e change a e change on ca h and ca h e i alen i ega ded a a econcilia ion i em and p e en ed epa a el in he a emen of ca h flo a effec of e change a e change on ca h and ca h e i alen .

The opening balance and he ac al fig e of p io ea a e p e en ed a he an la ed amo n in he p io ea ' financial a emen .

9. Financial Instruments

The Group recognises a financial asset or a financial liability when it becomes a party to a financial instrument contract.

Where financial assets are purchased or sold in a regular way, assets to be received and liabilities to be borne are recognised on the date of transaction, or assets sold are derecognised on the date of transaction.

Financial assets and financial liabilities are initially measured at fair value. For financial assets and financial liabilities at fair value through profit or loss, the related transaction costs are directly recognised in profit or loss in the period in which they are incurred. For other categories of financial assets and financial liabilities, the related transaction costs are included in the initially recognised amount. When the Group initially recognises receivables that do not contain a significant financing component or do not consider the financing component in a contract not exceeding one year in accordance with the Accounting Standard for Business Enterprises No. 14 – Revenue (the "Revenue Standard"), the Group initially measures the receivable at the transaction price as defined in the Revenue Standard.

Effective interest rate method is the method that is used in the calculation of the amortised cost of a financial asset or a financial liability and in the allocation and recognition of the interest revenue or interest expense in profit or loss over the relevant period.

The effective interest rate is the rate that discounts estimated future cash flows through the expected duration of a financial asset or a financial liability to the carrying amount of the financial asset or to the amortised cost of the financial liability. In determining the effective interest rate, the expected cash flows is estimated on the basis of all contractual terms of the financial asset or financial liability (such as early repayments, extension, call options or other similar options, etc.) without taking into account the expected credit loss.

The amortised cost of a financial asset or a financial liability is the amount initially recognised for a financial asset or a financial liability net of principal repaid, plus or less the cumulative amortised amount arising from amortisation of the difference between the amount initially recognised and the amount at the maturity date using the effective interest method, net of cumulative loss allowance (only applicable to financial assets).

9.1 *Classification, recognition and measurement of financial assets*

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

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

_ The p po 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 pa of a po 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 p ofi - aking model.

_ The ele an financial a e a e de i a i e , e cep 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 p 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 cep fo de i a i e financial a e , financial a e a FVTPL a e p e en ed a held-fo - ading financial a e .

9.1.1 Financial assets measured at amortised cost

Financial assets at amortised cost is subsequently measured at amortised cost using the effective interest method. Gains or losses arising from derecognition, impairment or amortisation are recognised in profit or loss.

The Group recognises interest income on financial assets measured at amortised cost using the effective interest method. The Group determines the interest income based on the carrying amount of financial assets multiplied by the effective interest rate, except for:

– For purchased or originated credit impaired financial assets, the Group recognises their interest income based on amortised cost and credit-adjusted effective interest rate of such financial assets since initial recognition.

– For purchased or originated financial assets without credit impairment but with credit impairment incurred in subsequent periods, the Group calculates and determines its interest income based on amortised cost of the financial assets and the effective interest rate in subsequent periods. If the credit risk of the financial instrument improves in subsequent periods and the financial instrument is no longer credit impaired and the improvement can be linked to an event occurring after the application of the above requirements, the Group will determine the interest income based on the effective interest rate multiplied by the carrying amount of the financial assets.

9.1.2 Financial assets classified as at FVTOCI

Except for impairment losses or gains related to financial assets at FVTOCI, interest income calculated using the effective interest method and exchange gains and losses are recognised in profit or loss, changes in fair value of the financial assets are recognised in other comprehensive income. The amount of the financial assets included in profit or loss for each period shall be equal to the amount deemed as measured at amortised cost and included in profit or loss for each period. Upon derecognition of the financial assets, cumulative gains or losses previously recognised in other comprehensive income are transferred and reclassified into profit or loss for the period.

After the non-tradable equity instrument investment is designated as a financial asset at FVTOCI, the changes in fair value of the financial asset are recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gains or losses previously recognised in other comprehensive income are transferred from other comprehensive income and recognised in retained earnings. During the period that the Group holds these non-tradable equity instruments, the dividend income is recognised and included in profit or loss when the Group's right to receive dividends has been established and the economic benefits associated with the dividends are likely to flow into the Group and the amount of the dividends can be reliably measured.

9.1.3 Financial assets at FVTPL

Financial assets at FVTPL shall be subsequently measured at fair value. Gains or losses from changes in fair value and dividends and interest income related to such financial assets shall be recognised in profit or loss.

9.2 *Impairment of financial instruments*

The G o p p e fo m im pai 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 e of all comme cial accep ance, bill ecei able and ade ecei able fo med d 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 im pai 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 significan 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 significan 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 p e iod a im pai 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 p e iod. Ho e e , a a he balance hee da e fo he c en p e iod, fo he abo e financial in men , d e o fail e o alif a significan 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 p e 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 p e iod a an im pai men gain.

9.2.1 Significant increase in credit risk

The Group uses reasonable and supportable forward-looking information that is available to determine whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the risk of a default occurring on the financial instrument as at the balance sheet date with the risk of a default occurring on the financial instrument as at the date of initial recognition. For loan commitments and financial guarantee contracts, the Group uses the date on which it becomes the party making the irrevocable undertaking as the initial recognition date when applying provisions for financial instruments impairment.

The Group will take the following factors into consideration when assessing whether the credit risk has significantly increased:

(1) Whether there are external market indicators of credit risk for the same financial instrument or similar financial instruments with same expected life have changed significantly. These indicators include: credit spread, credit default swap prices for borrowers.

(2) Whether the debtor's internal credit rating is actually lowered or is expected to be lowered.

(3) Adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its debt obligations.

(4) Whether the actual or expected operating results of the debtor has changed significantly.

(5) Whether the regulatory, economic or technological environment in which the debtor is located has undergone significant adverse changes.

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 when 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 low c edi i k, he G o p will 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 low and he bo owe i highl capable of mee ing i con ac ca h flow obliga ion in ho e m, he financial in men i con ide ed o ha e a low 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 owe ' 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 when one o mo e e en ha ha e an ad e e impac on he e ima ed f e ca h flow of he financial a e occ ed. E idence ha a financial a e i c edi impai ed incl de he following 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 wo ld no o he wi 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 po 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 p e me ha defa l ha occ ed hen 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 impai 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 ing 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 impai 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 fa le h fi hanc 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 i h he defini ion of financial liabili ie and e i in men , he G o p cla ifie he financial in men o i componen 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

Upon 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 p 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 epa a el , financial liabili ie a FVTPL a e li ed a an ac ional financial liabili ie .

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

– The p po e of nde aking ele an financial liabili ie i mainl fo he ecen ep cha e.

– The ele an financial liabili ie a e pa of a po 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 p ofi - aking model.

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

The G o ma de igna e, on ini ial ecogni ion, a financial liabili a a FVTPL if one of he follo ng 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 o folio o he o 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 i en doc men of he G o , and e o o ke managemen of he G o 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 en e aid on he financial liabili ie a e ecogni ed in ofi o lo fo he e iod.

Fo financial liabili ie de igna ed a fai al e h o gh ofi o lo , change in he fai al e of ch financial liabili ie a i ing f om change in he G o ' o n c edi i k a e ecogni ed in o he com ehen i e income and change in o he fai al e a e ecogni ed in ofi o lo in he c en e 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 n c edi i k e io l ecogni ed in o he com ehen i e income i an fe ed o e ained ea ning . Di idend o in e e e en e ela ed o he e financial liabili ie a e ecogni ed in ofi o lo fo he e iod. If he ea men of he effec of change in he o n c edi i k of ch financial liabili ie a de c ibed abo e o ld ca e o enla ge an acco n ing mi ma ch in ofi o lo , he G o 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 n c edi i k) in ofi o lo fo he e 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 a e and financial liabili ie a e off e and he ne amo n i e en ed in balance hee hen he G o ha a legall enfo ceable igh o e off he ecogni ed financial a e and financial liabili ie , and he G o in end o e le h ne amo n , o eali e he financial a e and e le he financial liabili im l aneo l . O he e, he financial a e and financial liabili ie ill be e en ed e a a el in balance hee and ill no be m all e off.

9.7 Convertible bonds

The con e ible bond i ed b he G o hich con ain liabili ie and con e ion o ion , hall be li on ini ial ecogni ion and ecogni ed e a a el . Of hich, con e ion o ion fo e lemen of fi ed amo n of ca h o o he financial a e in e change fo fi ed amo n of elf-e i in men i acco n ed fo a e i in men .

On ini ial ecogni ion, he fai al e of he liabili o ion i de e mined a c en ma ke ice imila o ho e of bond ho con e ion o ion . The diffe ence be een he o e all i e ice of con e ible bond and he fai al e of he liabili o ion hall be aken a he al e of he con e ion o ion of he bondholde o con e he bond in o e i in men and eco ded in o he e i in men .

In he b e en mea emen , he liabili o ion of con e ible bond a e mea ed a amo i ed co ing he effec i e in e e a e me hod. The al e

10. Receivables

The methods for determining expected credit loss of bills receivable 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 receivable 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 ac al co of in en o ie pon deli e i calc la ed ing he weigh ed a e age me hod.

14.3 Determination of net realisable value of inventories

A he balance hee da e, in en o ie a e mea ed a he low of co and ne eali able al e. If he ne eali able al e i below he co of in en o ie , a p o i ion fo impai men of in en o ie i made.

Ne eali able al e i he e ima ed elling p ice of in en o ie in he o dina co e of b ine le he e ima ed co o comple ion, e ima ed elling e pen e and ela ed a e . Ne eali able al e of in en o ie i de e mined on he ba i of clea e idence ob ained, aking in o acco n he p po e of holding in en o ie and he effec of e en af e he balance hee da e.

P o i ion fo impai men of in en o ie i made ba ed on he e ce of co o e ne eali able al e of indi id al in en o i em.

Af e he p o i ion fo impai men of in en o ie i made, if he ci c m ance ha p e io l ca ed in en o ie o be w i en-off no longe e i o ha he ne eali able al e of in en o ie i highe han hei ca ing amo n , he o iginal p o i ion fo impai men of in en o ie i e e ed and he e e ed amo n i ecogni ed in p ofi o lo fo he pe iod.

14.4 Inventory system

The in en o em i a pe pe al in en o em.

14.5 Amortization of low-value consumables

Low al e con mable a e amo i ed ing one-off w i e-off me hod.

15. Assets Held for Sale

A non-current asset or disposal group is classified as an 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 condition 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 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 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 e io, l held cla ified a in e men in non- ading e , i in , men de igna ed a a FVTOCI, he diffe ence be en he fai al, e and ca ing amo, n , oge he h he acc, m, la ed fai al, e e io, l incl, ded in o he com ehen i e income a e an fe ed o e ained ea ning .

The in e media e en e inc, ed b he ac , i e o cha e in e ec 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 en e a ib, able o he b, ine combina ion a e ecogni ed in ofi o lo in he e iod in hich 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 Com an . A , b idia i an in e ee ha i con olled b he G o, .

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, 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 h he ca h di idend o 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, ' 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 hich he G o, can e e a ignifican infl, ence.

When adop 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 p ofi o lo , and he long- e m e i in e men co hall be adj ed a he ame ime.

When adop ing e i me hod acco n ing, he in e men income and o he comp ehen i e income hall be ecogni ed epa a el acco ding o he ha e of ne p ofi o lo and o he comp 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 po ion o be enjo ed acco ding o he p 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 capi 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 cep ne p ofi o lo , o he comp ehen i e income and p ofi di ib ion. When ecogni ing he ha e of he ne p ofi o lo of he in e ed en i , he ne p 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 policie and pe iod adop ed b he in e ed en i a e incon i en h ho e of he Compan , he financial a emen of he in e ed en i hall be adj ed in acco dance h he acco n ing policie and pe iod of he Compan . The in e men income and o he comp ehen i e income hall be ecogni ed acco dingl . Fo an ac ion be een he G o p 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 p. 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 p and he in e ed en i hall no be off e if he belong o he impai men lo e of he an fe ed a e .

The Group discontinues recognising its share of net losses of the investee entity after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee entity is reduced to zero. In addition, if the Group has incurred obligations to assume additional losses of the investee entity, estimated liability is recognised according to the expected obligation, and recorded as investment loss for the period. Where net profits are subsequently made by the investee entity, the Group resumes recognising its share of those profits only after its share of the profits exceeds the share of losses previously not recognised.

16.4 Disposal of long-term equity investments

On disposal of a long-term equity investment, the difference between the carrying amount and the actual purchase price is recognised in profit or loss for the period.

17. Investment Properties

Investment properties are properties held for the purpose of earning rentals or capital appreciation, or both. Investment properties include leased land use rights, land use rights held and prepared for transfer after appreciation, buildings leased out, etc.

Investment properties are initially measured at cost. Subsequent expenditures related to an investment property shall be included in cost of investment property only when the economic benefits associated with the asset will likely flow to the Group and its cost can be measured reliably. All other subsequent expenditures on an investment property shall be included in profit or loss for the current year when incurred.

The Group adopts the cost model for subsequent measurement of investment properties, and investment properties are depreciated or amortised based on the same policy consistent with houses and buildings or land use rights.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

When an investment property is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the property net of the carrying amount and related taxes is recognised in profit or loss for the period

18. Fixed Assets

(1) Conditions of recognition

Fi ed a e a e angible a e ha a e held fo e in he p od c ion of good o ppl of e ice , fo en al o o he , o fo admini a i e p po 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 i h he a e a e p obable o flo o he G o p 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 pendi 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 p obable ha he economic benefi a ocia ed i h he a e ill flo o he G o p and he co of he a e can be mea ed eliabl , and he ca ing amo n of he eplaced pa i de ecogni ed. O he b e en e pendi e o he han he abo e a e cha ged o p ofi o lo fo he c en pe 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 dep ecia ion	20	5%	4.75%
Machine and e i pmen	aigh -line dep ecia ion	4 10	5%	9.50%-23.75%
T an po a ion e i pmen	aigh -line dep ecia ion	4 5	5%	19.00%-23.75%
O he e i pmen	aigh -line dep 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, capitalised 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 when 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 capitalised when expenditures for the asset are being incurred, borrowing costs are being incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. The capitalisation of qualifying assets under construction or production ceases when the assets are ready for their intended use or sale. The remaining borrowing costs are recognised as expenses in the period in which they are incurred.

Where funds are borrowed under a specific borrowing, the amount to be capitalised is the actual interest expense 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 capitalised is determined by applying the weighted average of the excess amounts of cumulative expenditures on the asset over the specific borrowing multiplied by the capitalisation rate of the general borrowing used. The capitalisation rate is determined based on the weighted average interest rate of the general borrowings. During the capitalisation period, the exchange differences on specific foreign currency borrowings are all capitalised; the exchange differences on general-purpose foreign currency borrowings are recognised in profit or loss for the period.

21. Intangible assets

(1) Methods, Useful life, Impairment Test

In angible a e incl de of a e, poll an di cha ge igh , mining igh and land e igh , e c.

The in angible a e hall be ini iall mea ed a co . When an in angible a e h a fini e ef l life i a ailable fo e, i o iginal co le ne e id al al e and an acc m la ed im ai men lo e i amo i ed o e i e ima ed ef l life ing he aigh -line me hod. In angible a e a e no amo i ed ile hei ef l li e a e a e ed o be indefini e. The amo i a ion me hod, ef l life and e ima ed ne e id al al e a e of each cla of in angible a e a e a follo :

Class	Amortization method	Useful life (Years)	Residual Value Rate (%)
Land e igh	S aigh line me hod	42 50	
Poll an di cha ge igh	S aigh line me hod	5 20	
Mining igh	O me hod		
Sof e	S aigh line me hod	5 10	

A he end of he ea , he ef l life and amo i a ion me hod of in angible a e h fini e ef l li e a e e ie d and adj ed if nece a .

(2) Internal research and development expenditures

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

E pendi e inc ed in he de elo men age a e ecogni ed a in angible a e onl en all of he follo ng condi ion a e a i fied, and he e pendi e in he de elo men age ha doe no mee all of he follo ng condi ion a e ecogni ed in ofi o lo fo he e iod:

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

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

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

(4) Ade a e echnical, financial and o he e o ce o com le e he de elo men 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 endi e a ib able o he in angible a e d ing i de elo men .

If he e endi e canno be di ing i hed be een he e ea ch age and de elo men age, he G o ecogni e all of hem in ofi o lo fo he e iod. The co of he in angible a e fo med b in e nal de elo men ac i ie onl incl de he o al e endi e inc ed f om he ime en he ca i ali a ion condi ion a e me o he ime en he in angible a e eache he in ended o e. The e endi e ha ha e been e en ed in o ofi and lo befo e he ca i ali a ion condi ion a e me fo he ame in angible a e in he de elo men oce ll no be adj ed.

22. Impairment of Long-term Assets

The G o 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 o e ie , fi ed a e , con c ion in og e mea ed ing he co me hod and in angible a e h fini e ef l li e ma be im ai ed. If an im ai 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 im ai men ann all , i e ec i e of he he he e i an indica ion ha he a e ma be im ai 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 hall be de e mined on he ba i of he a e g o o hich he a e belong . The eco e able amo n i he highe of an a e ' o a e G o ' fai al e le co of di o al and he 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 o i ion fo im ai men of he a e i made ba ed on he diffe ence and ecogni ed in ofi o lo fo he e iod.

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

23. Long-term Deferred Expenses

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

24. Contract Liabilities

A con ac liabili e e en he G o ' obliga ion o an fe good o e ice o a c ome fo hich he G o 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 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 ihd 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 unfavourable to employees to modify the terms and conditions of the share-based payment plan, accounting treatments 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 ' e en e i mainl de i ed f om he ale of gla od c , ich mainl incl de ho o ol aic gla , ho ehold gla , a chi ec al gla , floa gla and mining od c , e c. Re en e f om o he b ine mainl e e en en al income f om o e ie and ale income of ma e ial .

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

Fo he e fo mance obliga ion o be e fo med d ing a ce ain e iod of ime, he G o ecogni e e en e o e ime b efe ence o he og e of a e fo mance obliga ion if one of he follo ing 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 ile e fo ming obliga ion ; (2) he c ome can con ol he good nde con c ion d ing he e fo mance of he G o ; (3) he good od ced d ing he e fo mance of he G o ha e i e laceable e , and he G o ha he igh o ecei e a men fo he a of he com le ed e fo mance o fa h o gho he con ac e iod. O he i e, he G o ill ecogni e e en e a he ime oin en 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 were 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 period is recognised as deferred income, and is included in profit or loss for the period directly over the period 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 expenses.

30. Deferred Income Tax Assets/Deferred Income Tax Liabilities

Income a e en e comp i e c en income a e en e and defe ed income a e en 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 io e iod a e mea ed a he amo n e ec ed o be aid (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 em o 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 em o a diffe ence . Ho e e , a fo ded c ible em o a diffe ence , defe ed a a e a e ecogni ed o he e en ha i i obable ha a able ofi ill be a ailable again hich he ded c ible em o a diffe ence can be ili ed. In addi ion, fo em o 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 ofi no a able ofi (o ded c ible lo) a he ime of an ac ion, no defe ed a a e o liabili i ecogni ed.

For deductible losses and tax credits in subsequent years that can be carried forward, deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilised.

Deferred income tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets arising from deductible temporary differences associated with the investments in subsidiaries are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefit of the temporary differences and they are expected to reverse in the foreseeable future.

At the balance sheet date, deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled according to the requirements of tax laws.

Current and deferred income tax expenses or income are recognised in profit or loss for the period, except when they arise from transactions or events that are directly recognised in other comprehensive income or in shareholders' equity, in which case they are recognised in other comprehensive income or in shareholders' equity; and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to offset the benefit of deferred income tax assets. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

30.3 Offsetting of income tax

When he G o p ha a legal igh o e le on a ne ba i and in end ei he o e le on a ne ba i o o eali e he a e and e le he liabili ie im l aneo l , c en a a e and c en a liabili ie a e off e and p e en ed on a ne ba i .

When he G o p ha a legal igh o e le c en a a e and liabili ie on a ne ba i , and defe ed a a e and defe ed a liabili ie ela e o income a e le ied b he ame a a ion a ho i on ei he he ame a able en i o diffe en a able en i ie which in end ei he o e le c en a a e and liabili ie on a ne ba i o o eali e he a e and e le he liabili ie im l aneo l , in each f e pe iod in which ignifican amo n of defe ed a a e o liabili ie a e e pec ed o be e e ed, defe ed a a e and defe ed a liabili ie a e off e and p e en ed on a ne ba i .

31. Lease

Lea e i defined a a con ac ha he le o an fe he igh -of- e of a e o he le ee with in a ce ain pe iod of ime in e change fo con ide a ion.

Fo a con ac en e ed in o o changed af e he da e of ini ial adop ion, he G o p a e e whe he he con ac i o con ain lea e on he commencemen o changing da e of he con ac . The G o p doe no ea e nle he e m and condi ion of he con ac a e changed.

31.1 The Group as lessee

31.1.1 Sepa a ion of lea e

Fo a con ac ha con ain one o mo e lea e o non-lea e componen , he G o p epa a e each indi id al lea e componen f om non-lea e componen and alloca e he con ide a ion in he con ac o each lea e componen on he ba i of he and-alone p ice of he lea e componen and he agg ega e and-alone p ice of he non-lea e componen .

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 recogni 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 hich 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 hen 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 Lea e liabili ie

E ce fo ho - e m lea e , he G o ini iall mea e he lea e liabili a he e en al e of lea e a men ha a e n aid a he lea e commencemen da e. In calc la ing he e en al e of lea e a men , he G o e he in e e a e im lici in he lea e a di co n a e, and ado he inc emen al bo o ing a e if he in e e a e im lici in he lea e i no eadil de e minable.

The lea e a men efe o he amo n aid b he G o o he le o in ela ion o he igh o e he lea ed a e d ing he lea e e m, incl ding fi ed a men and in- b ance fi ed a men .

The G o calc la e he in e e e en e of lea e liabili ie fo each e iod of he lea e e m a a fi ed e iodic in e e a e and incl de i in ofi and lo fo he e iod o ela ed a e co af e he lea e commencemen da e.

31.1.4 Sho - e m lea e and lo al e lea e

Fo ho - e m lea e of machine and e i men , he G o choo e he igh -of- e a e and lea e liabili ie ha a e no ce ain o e. Sho - e m lea e i defined a a lea e ha a lea e e m of no mo e han 12 mon h and e cl de a cha e o ion f om he lea e commencemen da e. The G o l incl de he lea e a men fo ho - e m lea e in ofi o lo fo he e iod o ela ed a e co ing he aigh -line me hod.

31.2 The Group as lessor

31.2.1 Cla ifica ion of lea e

Lea e a e cla ified a finance lea e hene e he e m of he lea e an fe b an iall almo all he i k and e d of o e hi o he le ee. All o he lea e a e cla ified a o e a ing lea e .

In addition to the above changes, if there are other 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 Standards 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 over the goods or services to the customers does not constitute a single item for the performance of the customer contracts. 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 statements. 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-used 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 Decembe 2019, Zhejiang Jiaf Gla Co., L d. ob ained he High Technolog En e p i e Ce ifica e (No. GR201933001492) join l app o ed b he Science and Technolog Depa men of Zhejiang P o ince, Zhejiang P o incial Depa men of Finance, Zhejiang P o incial Ta Se ice, S a e Ta a ion Admini a ion fo a alid pe iod of h ee ea , p an o which, he EIT a e of 15% i applied f om 2019 o 2021.

Anhui Flat Solar Glass Co., Ltd.

On 17 A g 2020, Anh i Fla Sola Gla Co., L d. ob ained he High Technolog En e p i e Ce ifica e (No. GR202034000476) join l app o ed b he Science and Technolog Depa men of Anh i P o ince, Anh i P o incial Depa men of Finance, he S a e Ta a ion B ea of Anh i P o ince and he Local Ta a ion B ea of Anh i P o ince, fo a alid pe iod of h ee ea , p an o which, he EIT a e of 15% i applied f om 2020 o 2022.

Jiaxing Flat New Energy Technology Co., Ltd.

P an o he No ice of he Mini of Finance and he S a e Admini a ion of Ta a ion on I e Conce ning P efe en ial En e p i e Income Ta Policie fo P blic Inf a c e and En i onmen al P o ec ion, Ene g and Wa e Sa ing P ojec (Cai h i [2012] No. 10), Jia ing Fla New Ene g Technolog Co., L d. i e emp ed f om EIT fo he fi ea o he hi d ea f om he a ea in which he fi ope a ion income i ob ained, and he EIT i ed ced b 50% in he fo h o i h ea .

Flat (Vietnam) Company Limited

P an o he P ojec In e men Licen e app o ed b he Vie nam Haiphong Economic Zone A ho i on 30 J ne 2016, Fla (Vie nam) Company Limi ed i e emp ed f om EIT fo fo ea commencing f om he fi p ofi -making ea , followed b a 50% ed c ion in EIT fo he ne nine ea . Fla (Vie nam) Company Limi ed ha made p ofi f om 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 values are directly included in profits and losses 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

	Opening balance				
	Book balance		Bad deb po i ion		
Cla ifica ion	Amo n	Pe cen age (%)	Amo n	Acc al Pe cen age (%)	Book al e
Bad deb po i ion b po 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 impai men p o i ion b po folio

RMB

	Closing balance		
Name	**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: Provision	Changes in amount for the half year: Transferred	Closing balance
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
Co	**598,869,422.24**
Fai al e	**596,244,502.28**
Acc m la ed change in fai al e incl ded in o he comp ehen i e 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 accep ance bill	**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
Endo ed bank accep ance bill	**1,308,273,481.00**
Di co n ed bank accep ance bill	**157,656,990.53**
To al	**1,465,930,471.53**

7. ADVANCE PAYMENTS

(1) Listed by aging

RMB

Aging	Closing balance Amount	Closing balance Percentage (%)	O ening balance Amo n	O ening 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
O he ecei able	**53,523,216.63**	54,999,617.97
To al	**53,523,216.63**	54,999,617.97

(1) Disclosed by aging

RMB

Aging	Closing book balance
Wi hin 1 ea	**7,805,681.65**
1 2 ea	**40,415,490.03**
2 3 ea	**4,946,612.28**
O e 3 ea	**394,616.14**
To al	**53,562,400.10**

(2) Other receivables listed by classification by natures

RMB

Nature	Closing book balance	Opening book balance
Ma gin	**45,834,976.30**	52,633,813.76
A e dipo al ecei able	**4,800,000.00**	
Depo i	**293,291.73**	293,731.73
Re e e f nd	**212,279.26**	211,827.29
O he	**2,421,852.81**	1,860,245.19
To al	**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	Opening balance	Change d ing he e iod In e men gain and lo ecogni ed nde he e i me hod	Decla ed o a 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 made 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**
Construction in progress	**1,455,294,164.14**	2,867,765,142.38
Engineering materials	**617,554,735.95**	199,442,725.12
Total	**2,072,848,900.09**	3,067,207,867.50

Construction in progress

(1) Construction in progress

RMB

Items	**Closing balance**	**Opening balance**
Annual output of 1,200,000 tons of PV cover glass project	754,659,250.69	270,384,014.38
Annual production of 750,000 tons of ultra-thin and ultra-high penetration panel manufacturing project for solar equipment	41,447,544.97	823,934,022.33
Annual output of 750,000 tons of PV cover glass project-Phase III	401,228,842.23	156,279,422.21
Annual production of 42 million square meters of PV backplane project	34,672,250.50	75,478,773.23
Production line technical transformation project	55,256,665.36	33,740,880.86
Annual output of 750,000 tons of PV cover glass project-Phase II	18,748,570.88	1,129,878,953.18
Others	149,281,039.51	378,069,076.19
Total	1,455,294,164.14	2,867,765,142.38

(2) Changes in major construction projects in progress in the current half year

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
Annual output of 750,000 tons of PV cover glass project - phase 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%				Proceeds of non-public issuance
Annual production of 750,000 tons of ultra-thin and ultra-high penetration panel manufacturing project for solar equipment	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%	Company's own capital/ Convertible bond
1,200,000 tons of PV cover glass project	2,244,595,500.00	270,384,014.38	484,275,236.31				**754,659,250.69**	33.62%	33.62%				Company's own capital
Annual output of 750,000 tons of PV cover glass project - phase III	1,466,011,800.00	156,279,422.21	244,949,420.02				**401,228,842.23**	27.37%	27.37%				Company's own capital
Annual production of 42 million square meters of PV backplane project	470,427,500.00	75,478,773.23	99,182,872.27		139,989,395.00		**34,672,250.50**	37.13%	37.13%				Proceeds of non-public issuance

(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	Closing balance Provision for impairment	Closing balance 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**
Others	**28,846,926.36**	-	**28,846,926.36**
Total	**617,554,735.95**	-	**617,554,735.95**

Items	Opening balance Book balance	Opening balance Provision for impairment	Opening balance 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
Others	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. Amount increased in the current period	5,657,965.56
(1) Exchange difference on foreign currency financial statements translation	5,657,965.56
3. Closing balance	196,760,034.58
II. Accumulated depreciation	
1. Opening balance	21,031,196.80
2. Amount increased in the current period	3,086,706.44
(1) Provided	2,407,419.35
3. Exchange difference on foreign currency financial statements translation	679,287.09
4. Closing balance	24,117,903.24
III. Book value	
1. Closing book value	172,642,131.34
2. Opening book value	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) were 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	Closing balance: deferred tax assets or liabilities after offsetting	Opening balance: Offset amount of deferred tax assets and liabilities at the end of the period	Opening balance: deferred tax assets or liabilities after offsetting
Deferred tax assets	**32,302,660.14**	**4,451,373.78**	21,400,325.38	4,162,665.30
Deferred tax liabilities	**(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
Deductible losses	**43,939,270.13**	30,690,640.30
Others	**7,809,355.63**	1,080,737.08
Total	**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 deposit 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 borrowings that were overdue.

20. DERIVATIVE FINANCIAL LIABILITIES

RMB

Items	Closing balance	Opening balance
Derivative financial liabilities without the specified hedging relationship		
Including: Forward foreign exchange contracts	**76,558.35**	–
Foreign exchange option contracts	**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 values 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 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 recognised 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 reporting 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**	-
Warranty	**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 payable	**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
Flat convertible bond	100	2022-5-20	6 years	4,000,000,000.00		3,643,685,913.42	1,380,821.92	18,241,075.56			3,660,546,167.06
Total				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.

During the conversion period, the Company has the right to redeem all or part of the A Share Convertible Bonds which have not been converted into shares based on the par value plus the accrued interest then in case of where the closing price of A Shares of the Company for at least 15 trading days out of any 30 consecutive trading days are no less than 130% (including 130%) of the prevailing conversion price or where the balance of the outstanding A Share Convertible Bonds under the issuance is lower than RMB30 million.

Within 2 years prior to the maturity of the A Share Convertible Bonds, where the closing price of the Company's A Shares is lower than 70% of the then Conversion Price for 30 consecutive trading days, the Bondholders are entitled to sell all or part of the A Share Convertible Bonds held by them back to the Company at the face value plus the interest accrued then.

If the Company's actual usage of the net proceeds from the Proposed Issuance is materially different from the undertaking of the use of proceeds set out in the Offering Documents, and such difference is considered by the CSRC as a change in the use of the proceeds, the Bondholders will have a one-off right to sell all or part of the A Share Convertible Bonds held by them back to the Company at the face value plus the interest accrued. Under the said scenario, the Bondholders may sell their A Share Convertible Bonds back to the Company during the sell back declaration period. If the Bondholders do not exercise their sell back right during the sell back declaration period, such right will automatically lapse.

The fai al e of he liabili   component wa e ima ed a he i e da e   ing an e i alen ma ke in e e   a e fo a imila bond with o   he a ached p cha e wa an . The e id al amo n wa a igned a   he e i   component and incl ded in   ha eholde   ' e i .

The abo e con e ible co po a e bond i   ed ha e been pli in o he liabili   and e i   component a follow :

RMB

Items	Debt composition	Equity composition	Total
Amo n of con e ible co po a e bond i ed	3,664,830,887.89	335,169,112.11	4,000,000,000.00
Di ec an ac ion fee	(21,144,974.47)	(1,933,825.20)	(23,078,799.67)
Balance on he da e of i ance	3,643,685,913.42	333,235,286.91	3,976,921,200.33
In e e a pa al e	(1,380,821.92)		(1,380,821.92)
P emi m and di co n amo i a ion	18,241,075.56		18,241,075.56
Con e ion ha e fo he half ea			
Balance a 30 J ne 2022	3,660,546,167.06	333,235,286.91	3,993,781,453.97

30. LEASE LIABILITIES

RMB

Classification	Closing balance	O ening balance
Lea e liabili ie	**11,320,751.04**	11,515,218.22
Le : Lea e liabili ie incl ded in non-c en liabili ie d e hin one ea	**635,514.93**	635,514.93
Ne amo n	**10,685,236.11**	10,879,703.29

31. DEFERRED REVENUE

RMB

Items	O ening balance	Inc ea e in he c en e iod	Dec ea e in he c en e iod	Closing balance
Go e nmen g an	25,441,145.12	45,804,800.00	6,742,063.25	**64,503,881.87**
To al	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 of 170,000 on of LOW E gla and dee oce ing ojec 2#Floa Kiln	133,333.06		100,000.02	**33,333.04**	A e - ela ed
Jia ing Ci 2012 o incial ene g - a ing financial g an 2 od c ion line of f nace fl e ga e hea ili a ion Pha e II ojec h o ing con c ion of 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 od c ion of 15 million a e me e of ola ho o ol aic l a- i e gla e an ion 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 e hea o gene a ion fi ha e con c ion' echnical an fo ma ion ojec	83,495.42		49,999.98	**33,495.44**	A e - ela ed
TCO l a- i e cond c i e film 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 of 15 million a e me e of ola ho o ol aic l a- i e gla 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 i 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	Increase in the current period	Decrease in the current period	Closing balance
Share premium	4,780,117,627.53	–	–	**4,780,117,627.53**
Other capital reserve	52,650,634.30	15,842,999.03	–	**68,493,633.33**
Total	4,832,768,261.83	15,842,999.03	–	**4,848,611,260.86**

36. TREASURY STOCK

RMB

Items	Opening balance	Increase for the period	Decrease for the period (Note 1)	Closing balance
Share-based payment	32,096,200.00	–	1,992,200.00	**30,104,000.00**
Total	32,096,200.00	–	1,992,200.00	**30,104,000.00**

Note 1: On 25 May 2022, the Company achieved the conditions to remove the sales restriction for the first grant of the 2020 Restricted A Share Incentive Scheme for the reserved part of the first unlocking period, and the treasury shares decreased by RMB1,992,200.00 accordingly.

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 comp ehen i e income ha ll no be ecla ified in o p ofi o lo af e d						–
II. O he comp ehen i e income ha ll be ecla ified in o p 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 comp 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

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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 expense	**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
Labor 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	Amount for last period
Employee remuneration and benefits	**55,813,432.48**	39,118,507.52
Direct material cost	**165,135,312.47**	134,017,800.27
Depreciation and amortisation	**12,128,571.42**	11,096,518.97
Others	**21,977,320.23**	15,805,687.54
Total	**255,054,636.60**	200,038,514.30

47. OTHER REVENUE

RMB

Items	Amount for the period	Amount for last period
Distributed PV power generation project grant	**2,503,473.27**	3,052,823.35
Deferred income amortisation	**6,742,063.25**	6,234,579.97
Government grants	**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 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	Amo n fo la e iod
De i a i e ool ho he ecified hedging ela ion hi		
Incl ding: Fo d fo eign e change con ac	**(139,297.35)**	769,335.76
Fo eign e change o ion con ac	**(3,521,571.71)**	(929,377.38)
To al	**(3,660,869.06)**	(160,041.62)

50. CREDIT IMPAIRMENT LOSSES

RMB

Items	**Amount for the period**	Amo n fo la e iod
C edi im ai men gain (lo e) on bill ecei able	**(6,427,253.22)**	(751,658.54)
C edi im ai men gain (lo e) on ade ecei able	**(22,204,626.25)**	31,247,735.89
To al	**(28,631,879.47)**	30,496,077.35

51. ASSETS IMPAIRMENT LOSSES

RMB

Items	Amount for the period	Amo n fo la e iod
In en o im ai men lo	**(6,723,522.16)**	(4,329,681.98)
To al	**(6,723,522.16)**	(4,329,681.98)

52. GAINS (LOSS) ON DISPOSAL OF ASSET

RMB

Items	Amount for the period	Amo n fo la e iod
Gain on di o al of fi ed a e	**1,375,064.85**	1,017,352.08
Lo e on di o al of fi ed a e	**(10,526,063.59)**	(1,967,369.20)
To al	**(9,150,998.74)**	(950,017.12)

53. NON-OPERATING INCOME

RMB

Items	Amount for the period	Amo n fo la e iod	Non- ec ing ofi and lo e in he c en e iod
Go e nmen g an (No e 1)	**813,591.12**	3,031,418.86	813,591.12
O he	**1,278,512.69**	323,710.32	1,278,512.69
To al	**2,092,103.81**	3,355,129.18	2,092,103.81

No e 1: Fo de ail of go e nmen g an incl ded in o c en e iod ofi o lo , lea e efe o No e Go e nmen g an .

54. NON-OPERATING EXPENSES

RMB

Items	Amount for the period	Amount for last period	Non-recurring profits and losses in the current period
External donation	**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 expense	**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 expense	**(19,717,419.82)**	13,522,107.48
Total	**94,650,957.67**	184,884,747.88

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

RMB

Items	Amount for the period
Total profit	**1,097,398,834.46**
Income tax expense 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 previously unrecognized deferred income tax assets	**(1,335,061.98)**
Effect of deductible temporary differences or deductible losses of unrecognized 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 expense	**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	Amo n in he la pe iod
Go e nmen g an	**80,744,688.79**	10,133,431.20
In e e income	**25,931,363.85**	21,301,664.66
Ma gin	**15,827,360.46**	220,000.00
O he	**1,278,512.69**	2,502,872.22
To al	**123,781,925.79**	34,157,968.08

(2) Other cash paid and related to operating activities

RMB

Items	Amount in the current period	Amo n in he la pe iod
Paid fee	**189,877,482.10**	386,948,191.87
Ma gin	**72,653.66**	21,481,763.42
Cha i able dona ion e pen e	**2,153,838.80**	96,215.63
Handling cha ge	**5,090,053.54**	1,157,900.91
O he	**4,974,227.81**	5,331,515.31
To al	**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 properties 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. Cash	**3,244,825,371.34**	2,101,730,679.46
Including: Cash on hand	**23,680.28**	37,595.74
Bank deposits available for payment	**3,244,801,691.06**	2,101,693,083.72
II. Cash equivalents	–	–
III. Cash and cash equivalents at the end of the year	**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
Monetary funds	**778,425,138.48**	Bill deposits, etc.
Financing receivable	**39,882,313.71**	Pledged to bank to obtain credit facilities
Invested properties	**18,086,495.83**	Pledged to bank to obtain credit facilities
Fixed assets	**2,446,307,991.66**	Pledged to bank to obtain credit facilities
Intangible assets	**320,919,034.69**	Pledged to bank to obtain credit facilities
Total	**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 ng			
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 policie a Jia ing Xi ho High- ech Ind ial De elomen 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-oe 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 Com an 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 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 ich a e e o in he Anno ncemen of Fla Gla G o 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 Com an on 10 No embe 2021. The Re l Anno ncemen of Fla Gla G o 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 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 Co., L d. (Anno ncemen No.: 2021 128) e di clo ed on 15 Decembe 2021.

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

Af e e al a ion and a di , he final 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 a ie ba ed on he a di and e al a ion al e. P an o he 2020 a di e o of he Com an , he 2020 financial e o of he a ge com an a a di ed b Deloi e To che Tohma Ce ified P blic Acco n an LLP, Nanjing B anch and h a efe ence o he final o al 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 o e a ing e en e of he Com an fo 2020 af e com a ing he ele an financial indica o of he a ge a e of hi an ac ion h financial indica o of he Com an , failing o mee he anda d fo majo a e eo gani a ion ecified

The Company held the 15th meeting of the sixth session of the board of directors on 13 February 2022, during which reviewed and approved the Resolution on the Acquisition not Constituting a Major Asset Reorganization and the Termination Procedure of the Major Asset Reorganization and the Resolution on the Company's Acquisition of 100% Equity of Anhui Dahua Oriental Mining Co., Ltd.* held by Anhui Fengsha Mining Group Co., Ltd.* and 100% Equity Interests of Anhui Sanli Mining Co., Ltd.*, according to which, the Company was approved to purchase 100% equity of Anhui Dahua Oriental Mining Co., Ltd.* ("Dahua Mining") held by Anhui Fengsha Mining Group Co., Ltd. and 100% equity interests of Anhui Sanli Mining Co., Ltd.* by paying cash and undertaking liabilities, with a total transaction price of RMB3,343,947,600. For details, please refer to the Announcement on the Acquisition of 100% Equity of Anhui Dahua Oriental Mining Co., Ltd. and 100% Equity of Anhui

Explanation on determination of fair value of cost of combination, contingent consideration and its changes:

According to the Asset Appraisal Report on the Appraisal of the All Equity Value of Shareholders of Anhui Dahua Oriental Mining Co., Ltd. Involved in the Proposed Equity Acquisition of Flat Glass Group Co., Ltd. (KunYuan Appraisal Report [2022] No. 24) and the Asset Appraisal Report on the Appraisal of the All Equity Value of Shareholders of Anhui Sanli Mining Co., Ltd. Involved in the Proposed Equity Acquisition of Flat Glass Group Co., Ltd. (KunYuan Appraisal Report [2022] No. 25) issued by CanKun Appraisal Co. Ltd, as of 31 December 2021, the net assets of Dahua Mining and Sanli Mining were determined to be RMB742,738,400 and RMB2,073,300,500, respectively, according to the asset-based method. Through negotiation between all parties, the transfer price of 100% equity of Dahua Mining amounted to RMB740 million, and the transfer price of 100% equity of Sanli Mining amounted to 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**
Assets:	1,249,471,790.26	572,065,553.36
Cash at bank and on hand	1,127,564.56	1,127,564.56
Bills receivable	13,740,000.00	13,740,000.00
Advance payments	145,038.88	145,038.88
Other receivable	537,080.71	537,080.71
Other current assets	17,752.39	17,752.39
Fixed assets	14,842,270.00	12,104,397.46
Intangible assets	1,219,062,083.72	544,393,719.36
Liabilities:	506,733,371.3	510,989,682.1
Short-term borrowing	13,740,000.00	13,740,000.00
Contract liabilities	9,000,000.00	9,000,000.00
Payroll payable	256.45	256.45
Tax payable	6,099,925.37	6,099,925.37
Other payable	477,893,189.50	477,893,189.50
Provision		4,256,310.74
Less: minority interests		
Net assets acquired	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**
A e :	2,504,277,807.58	557,471,639.81
Ca h a bank and on hand	17,906,764.60	17,906,764.60
Bill ecei able	247,187,416.40	247,187,416.40
Ad ance pa men	31,666.46	31,666.66
O he ecei able	4,802,780.12	4,802,780.12
Fi ed a e	476,780.00	273,762.59
In angible a e	2,233,872,400.00	286,380,097.05
Long- e m defe ed e pen e		889,152.39
Liabili ie :	430,977,301.9	433,178,932.65
T ade pa able	16,495,150.06	16,495,150.06
Con ac liabili ie	188,819.35	188,819.35
Ta pa able	118,729,740.92	118,729,740.92
O he pa able	70,519,112.54	70,519,112.54
C en liabili ie d e hin one ea	52,220,000.00	52,220,000.00
Long- e m pa able	172,824,479.03	172,824,479.03
P o i ion		2,201,630.75
Le : mino i in e e		
Ne a e ac i ed	2,073,300,505.68	124,292,707.16

De e mina ion me hod of fai al e of iden ifiable a e and liabili ie

Wi h a efe ence o he objec , p po e and info ma ion collec ed b he app ai e , i i de e mined o adop he a e-ba ed me hod and he income me hod o e al a e he al e of all ha eholde ' e i of Dah a Mining and Sanli Mining, e pec i el . On he ba i of he abo e app ai al, he concl ion of he a e-ba ed me hod i de e mined a he app ai al concl ion of he app ai al objec af e f ll and comp ehen i e anal i of he a io p elimina al e concl ion acco ding o he ac al condi ion and comp ehen i e con ide a ion of he a ionali of diffe en app ai al me hod and p elimina al e concl ion .

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 Fla Gla Co., L d.	Zhejiang	Zhejiang	Engaged in he man fac e and ale of a chi ec al o ho ehold gla od c	100		E abli hmen
2	Zhejiang Jiaf Gla Co., L d.	Zhejiang	Zhejiang	Man fac e and ale of ho o ol aic gla	100		E abli hmen
2.1	Fla (Hong Kong) In e men Limi ed	Hong Kong	Hong Kong	In e men		100	E abli hmen
2.1.1	FLAT (AUSTRALIA) PTY LTD	A alia	A alia	Mine o e a ion and ale of a o e		100	E abli hmen
3	Shanghai Fla Gla Co., L d.	Shanghai	Shanghai	A chi ec al gla oce ing	100		E abli hmen
4	Anh i Fla Sola Gla Co., L d.	Anh i	Anh i	Man fac e, oce ing and ale of ecial gla	100		E abli hmen
4.1	Feng ang Fla Na al Ga Pi eline Co., L d.	Anh i	Anh i	Na al ga echnolog de elo men and na al ga i eline in alla ion and ale		100	E abli hmen
4.2	Feng ang Fla Ne Ene g Technolog Co., L d.	Anh i	Anh i	In e men , con c ion, o e a ion and main enance of ne ene g o e lan		100	E abli hmen
4.3	Anh i Fla S l Chain Managemen Co., LTD.	Anh i	Anh i	S l chain managemen e ice		100	E abli hmen
5	Anh i Fla Sola Ma e ial Co., L d.	Anh i	Anh i	Mine o e a ion and ale of a o e	100		E abli hmen
6	Fla (Hong Kong) Limi ed	Hong Kong	Hong Kong	Gla E o	100		E abli hmen

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 numbers 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 are 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 instrument 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
Bonds 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 risk management objectives of the Group are to obtain an appropriate balance between risk and return, to reduce negative effects caused by operating results to a lowest level, and to maximize interests of shareholders and other equity investors. Based on these objectives, the basic strategies are to confirm and analyse all potential risks related to the Group, to set appropriate risk limitations, to manage and monitor all risks timely and effectively, and to control the risks within a limited scope.

1.1 Market risk

The Group's business has caused its financial risks due to the changes in interest rates and foreign exchange rates. The Group believes that the above risks during the years or the manner in which they are managed and measured have not been changed compared to the previous years.

1.1.1. Foreign exchange risk

Foreign exchange risk refers to the risk of losses arising from the lower in exchange rate. The operating economic environment of the Company and its major subsidiaries is China and Vietnam, whose functional currencies are RMB and VND. Some of the Group's transactions are settled in currencies other than functional currencies, such as USD, EUR, JPY, HKD, GBP and AUD, and are subject to the resulting foreign exchange risk.

As at 30 June 2022, the Group's foreign currency assets and liabilities are set out below. The foreign exchange risk arising from the assets and liabilities of these foreign currency balances (see Note Foreign Currency Items) may impact the Group's operating results.

RMB

Item	Closing balance	Opening balance
Ca h and ca h e i alen	**542,646,885.89**	646,162,060.99
T ade ecei able	**583,855,140.92**	264,346,799.86
O he ecei able	**3,395.10**	3,245.87
T ade pa able	**21,734,016.77**	44,332,571.48
O he	**–**	602,570.50
Bo o ing	**1,258,133,129.80**	1,285,319,483.63

The G o p clo el moni o e change a e mo emen and fo m la e ele an hedging policie o ed ce fo eign e change i k. Fo eign e change fo d con ac can be ed o elimina e fo eign e change i k. Fo he ea ended 30 J ne 2022, he Compan en e ed in o con ac in ela ion o fo eign c enc a e of RMB24,726,840.00 (e i alen o USD3,684,304.32).

1.1.2. In e e a e i k

The G o p' i k o he change in ca h flo of financial in men a i ing f om change in in e e a e i p ima il ela ed o floa ing a e bank bo o ing and floa ing a e bank depo i . A a 30 J ne 2022, he G o p' floa ing bo o ing amo n ed o RMB4,991,348,129.80 (31 Decembe 2021: RMB3,442,726,983.63). The managemen of he G o p clo el moni o in e e a e i k. The G o p' polic i o main ain he floa ing a e of he e bo o ing ho an a angemen ch a in e e a a p e en .

1.2 Credit risk

A a 30 J ne 2022, he ma im m c edi i k e o e ha ma ca e he G o ' c edi lo e i mainl d e o he lo of he G o ' financial a e ca ed b he fail e of he o he a o e fo m i obliga ion and he financial g a an ee nde aken b he G o (ho con ide ing a ailable colla e al o o he c edi enhancemen), ecificall : ca h a bank and on hand, bill ecei able, ade ecei able , ade ecei able financing, o he ecei able , e c., and de i a i e financial a e ha a e no incl ded in he co e of im ai men a e men , e c. A he balance hee da e, he ca ing amo n of he G o ' financial a e ha e e en ed i ma im m c edi i k e o e.

In o de o ed ce c edi i k, he G o ha e abli hed a eam e on ible fo de e mining he c edi limi and cond c ing c edi a o al. A he ame ime, he G o e fo m o he moni o ing oced e o en e ha nece a mea e a e aken o eco e o e d e claim . In addi ion, he G o e ie he eco e of financial a e on each balance hee da e o en e ha ade a e c edi lo o i ion a e made fo he ele an financial a e . A a e l , he managemen of he G o belie e ha he c edi i k a med b he G o ha been ignifican l ed ced.

The G o ' ca h a bank and on hand a e de o i ed in bank h highe c edi a ing , o ca h a bank and on hand i bjec o lo c edi i k.

A a 30 J ne 2022, he G o ' acco n ecei able balance h he o fi e c ome a RMB1,550,421,839.55 (31 Decembe 2021: RMB581,839,100.82), acco n ing fo 55.58% of he G o ' acco n ecei able balance (31 Decembe 2021: 50.18%). In addi ion, he G o ha no o he ignifican c edi i k e o e concen a ed on a ingle financial a e o financial a e g o h imila cha ac e i ic .

1.3 *Liquidity risk*

In managing the liquidity risk, the Group maintains and monitors the cash and cash equivalents that the management considers adequate to meet the Group's operational needs and mitigate the impact of fluctuations in cash flows. The management of the Group closely monitors the liquidity situation and expects to have sufficient sources of financing to finance the Group's operations. The management of the Group believes that the Group does not have any significant liquidity risk.

2. TRANSFER OF FINANCIAL ASSETS

Financial assets transferred but not derecognised as a whole

At the end of the period, the Group endorsed bills receivable classified as financing receivables of RMB1,308,273,481.00 (At the end of last year: RMB1,493.899,701.86) to its suppliers to pay the accounts payable; discounted bills receivable of RMB157,656,990.53 (At the end of last year: RMB154,836,626.87) to banks to obtain currency funds. The Group believes that the risks and rewards of the ownership of such endorsed or discounted bills receivable have been substantially transferred to the suppliers or discounting bank, therefore derecognised such endorsed or discounted bills receivable. If the acceptors can't cash such notes, according to relevant laws and regulations of China, the Group is held jointly liable for such bills receivable. The Group believes that the acceptor is of good reputation, there is minor risk of the acceptors' failure to cash the notes upon maturity. At the end of the period, if the acceptors fail to cash such notes upon maturity, i.e. the Group's maximum exposure to loss is equivalent to the amount that the Group should pay to the suppliers or discounting bank in respect of such endorsed or discounted notes. For all the bills receivable endorsed to suppliers or discounted to banks, the maturity is within 1 year after the end of reporting year.

At the end of the period, the Group endorsed the amount presented under bills receivable of RMB1,209,023,929.58 (At the end of last year: RMB662,916,166.12) to its suppliers to pay the accounts payable, and discounted bills receivable of RMB15,547,866.84 (At the end of last year: RMB6,790,000.00) to banks to obtain currency funds. The Group believes that it retains substantially all risks and rewards of the ownership of such endorsed or discounted bills receivable (including relevant risk of default), therefore continues to recognise such endorsed or discounted bills receivable as well as the carrying amount of relevant accounts payable that have been repaid. After the endorsement or discounting of bills receivable, the Group does not retain any rights to use such endorsed or discounted notes, including selling, transferring or pledging such endorsed or discounted notes to any third party.

3. CAPITAL MANAGEMENT

The Group manages capital by optimizing the structure of liabilities and shareholders' equity to ensure that entities within the Group maintain operation while maximizing shareholders' return.

The capital structure of the Group consists of the Group's net debt and shareholders' equity.

The Group is not subject to external mandatory capital management requirements.

The Group manages and adjusts the capital structure based on changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust dividends to shareholders or obtain additional capital from shareholders. The Group has not made any adjustments to the objectives, policies and processes of capital management.

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) T ading financial a e	-	62,739.00	200,000,000.00	200,062,739.00
(1) Bank eal h managemen od c	-		200,000,000.00	200,000,000.00
(2) De i a i e financial a e		62,739.00		62,739.00
(II) Financing ecei able	-		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 al 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%
Financing ecei able		**bank wealth**	**Forward exchange** **flow method**	

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 p’ join en e and a ocia e:

Name	Relationship with the Group
Jia ing Kaihong Fla S ppl 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 p 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 Compan
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 Compan

4. RELATED PARTY TRANSACTIONS

(1) Accepting labor service and purchasing products

RMB

Related party	Related party transaction	Amount in the current period	Amount in the last period
Jiaxing Kaihong Flat Supply Chain Management Co., Ltd. (嘉興凱鴻福萊特供應鏈管理有限公司)	Acceptance of services	**123,486,566.66**	111,135,494.36
Jiaxing Gas Group Co., Ltd. (嘉興市燃氣集團股份有限公司) (Note)	Purchase of raw materials	**113,681,503.02**	30,494,318.68

Note： Jiaxing Gas became an associate of the Group in June 2021. Therefore, the incurred amount of related transactions during the last comparable period represents the amount of year-to-date transactions that occurred after Jiaxing Gas became an associate of the Group until the end of last period.

(2) Related lease

RMB

Related party	Content of the related party transaction	Amount in the current period	Amount in the last period
Jiaxing Yihe Investment Co., Ltd. (嘉興義和投資有限公司)	House lease	**4,249,814.64**	3,880,265.34
Fengyang Hongding Port Co., Ltd. (鳳陽鴻鼎港務有限公司)	Pier lease	**825,688.08**	825,688.08

(3) Remuneration of key management personnel

RMB0'000

Items	Amount in the current period	Amount in the last period
Remuneration of key management personnel	**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**	

As authorized by the Company's 2019 annual general meeting, the first A share class meeting in 2020, and the first H share class meeting in 2020, the Company held the second meeting of the sixth session of the board of directors on 25 May 2021, in which the Resolution on the Reserved Grant of the Restricted A Share To Participants was reviewed and approved. According to the resolution, the Company set the grant date on 25 May 2021 and granted 700,000 restricted A shares to 3 eligible participants, at the grant price of RMB14.23 per share. As of 25 July 2021, the Company has received a total of RMB9,961,000.00 of fund paid by 3 participants to subscribe for 700,000 RMB ordinary shares (A shares). The lock-up periods for the restricted shares are 12 months, 24 months, 36 months, 48 months, and 60 months from the date of completion of the first grant registration. For the restricted shares that have not been applied for unlocking or cannot be applied for unlocking due to failure to meet the unlocking conditions during the aforesaid unlocking periods, the Company will repurchase and cancel such restricted shares from relevant participants in accordance with the principles of the incentive scheme.

The Company held the sixth meeting of the sixth session of the board of directors and the fourth meeting of the sixth session of the board of supervisors on 9 August 2021 to review and approve the Resolution About the First Grant of the 2020 Restricted A Share Incentive Scheme for the First Part of the First Unlocking Period for the Achievement of Removing the Sale Restriction Conditions. According to the resolution, it lifted the sale restriction of the 920,000 restricted shares that meet the conditions for lifting the restriction during the first lock-up period. The lifting of restriction on sales has been authorized by the Company's 2019 annual general meeting, the first A share class meeting in 2020 and the first H share class meeting in 2020.

The Compan 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 pe i o on 1 J ne 2022 o e ie and app 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- p pe iod. The lif ing of e ic ion on ale ha been a ho i ed b he Compan ' 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 pe iod		
To al e i in men g an ed fo 0.15 Td(8.815 eG an e pe iod)] 021 beginning		
Tocal i e iSchieme 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 statement 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. These 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 review of the assets and liabilities of the operating segments.

Segment report information is disclosed in accordance with the accounting policies and measurement standard 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
Segment operating revenue	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
Segment operating cost	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
Segment profit	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
Adjusted items:								
Less: Taxes and surcharges								45,449,665.35
Selling expenses								49,650,173.34
Administrative expenses								126,399,595.74
Research and development expenses								255,054,636.60
Financial expenses								76,768,433.12
Including: Interest expenses								120,102,101.64
Interest income								25,481,363.85
Add: Other income								40,868,360.92
Investment income								4,199,843.60
Profit (losses)								

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**

Classification	Opening balance				
	Book balance		Bad debt provision		
	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

Name	Closing balance		
	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) *Details of top five other receivables with the closing balance classified by the borrower*

RMB

Name	Amount nature	Closing balance	Percentage in the total Closing balance of other receivable (%)
First	Current account of related parties	1,102,544,013.65	69.17
Second	Current account of related parties	489,318,000.00	30.70
Third	Current account of related parties	1,500,000.00	0.09
Fourth	Margin	195,000.00	0.01
Fifth	Margin	100,000.00	0.01
Total		1,593,657,013.65	99.98

3. LONG-TERM EQUITY INVESTMENT

RMB

Items	Closing balance	Opening balance
Investment in subsidiaries	**4,148,137,343.00**	1,343,137,343.00
Investment in joint ventures and associates	**9,215,647.72**	6,921,828.12
Total	**4,157,352,990.72**	1,350,059,171.12

(1) Investment in subsidiary

RMB

Invested unit	Opening balance	Inc ea ed amo n in he c en pe iod	Dec ea ed amo n in he c en pe iod	Closing balance
Zhejiang Fla Gla Co., L d.	10,000,000.00			**10,000,000.00**
Zhejiang Jiaf Gla Co., L d.	150,000,000.00			**150,000,000.00**
Shanghai Fla Gla Co., L d.	70,000,000.00			**70,000,000.00**
Anh i Fla Sola Gla Co., L d.	1,000,000,000.00			**1,000,000,000.00**
Anh i Fla Sola Ma e ial Co., L d.	30,000,000.00			**30,000,000.00**
Fla (Hong Kong) Limi ed	66,137,343.00			**66,137,343.00**
Jia ing Fla Ne Ene g Technolog Co., L d.	10,000,000.00			**10,000,000.00**
Fla (Jia ing) Im o and E o T ade Limi ed	7,000,000.00			**7,000,000.00**
Fla (S ian) Sola Gla Co., L d.				**–**
Fla (Nan ong) Sola Gla Co., L d.				**–**
Shanghai Fla Technolog De elo men Co., L d.				**–**
Anh i Dah a O ien al Mining Co., L d.		2,065,000,000.00		**2,065,000,000.00**
Anh i Sanli Mining Co., L d.		740,000,000.00		**740,000,000.00**
To al	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 glass	**1,521,103,033.03**
Float glass	**171,041,246.98**
Household glass	**96,298,432.07**
Architectural glass	**319,793,188.60**
Others	**–**
Income from other business	**255,958,513.04**

5. INVESTMENT INCOME

RMB

Items	Amount for the Period	Amount for last period
Income from long-term equity investment under the equity method	**2,293,819.60**	2,834,046.74
Total	**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
Losses on disposal of non-current assets	(9,150,998.74)
Government grants recorded in current profit or loss (except for government grants closely associated with the business of the Company in fixed amount or fixed quantity according to national policies)	38,565,098.45
Apart from hedging investments relating to the normal operation of the Company, gain from change in fair value of held-for-trading financial assets, derivative financial assets and derivative financial liabilities, and investment income from disposal of the above financial assets/liabilities and financing receivable	4,277,789.06
Other non-operating income and expenses other than above	(975,858.12)
Subtotal	32,716,030.65
Effects of income tax	(5,049,501.89)
Effects on minority interests	–
Total	27,666,528.76

2. RETURN ON EQUITY AND EARNING PER SHARE

The calculation formula of the return on net assets and earnings per share is prepared in accordance with the relevant provisions of Public Issuance of Securities Companies Information Disclosure and Compilation Rule 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	 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