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福萊特玻璃集團股份有限公司

Flat Glass Group Co., Ltd.

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

(Stock code: 6865)

**FIRST QUARTERLY REPORT
FOR THE THREE MONTHS ENDED 31 MARCH 2022**

This announcement is made by the Company pursuant to Rule 13.09 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Pursuant to the regulations of the China Securities Regulatory Commission (the “CSRC”), Flat Glass Group Co., Ltd. (the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**”) is required to publish a quarterly report for each of the first and third quarter. This quarterly report was prepared in accordance with the relevant requirements in relation to information disclosure of quarterly reports of listed companies issued by the CSRC.

All financial information set out in this quarterly report is unaudited and prepared in accordance with the revised Chinese Accounting Standards for Business Enterprises.

The audit committee of the Company has reviewed the unaudited results of the Group for the first quarter ended 31 March 2022.

The contents of this quarterly report are consistent with the announcement published on the Shanghai Stock Exchange. The quarterly report is originally prepared in Chinese. In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.

1. IMPORTANT NOTICE

- 1.1 The board of directors, the supervisory committee, directors, supervisors and senior management of the Company warrant that the information contained in the quarterly report are true, accurate and complete, and there are no false statements, misleading representations or material omissions, and are jointly and severally responsible for the liabilities of the Company.
- 1.2 Ruan Hongliang (legal representative of the Company), Jiang Weijie (person-in-charge of accounting affairs) and Jin Huiping (person-in-charge of the accounting department) warrant the truthfulness, accuracy and completeness of the content of this quarterly report.
- 1.3 The financial information set out in the first quarterly report of the Company is unaudited.

2. KEY FINANCIALS

2.1 Major financial statements items and financial indicators

| Items | <i>Unit: RMB</i> | |
|---|---|---|
| | For the three months ended 31 March 2022 | Increase/ decrease compared to the end of last year (%) |
| Revenue | 3,508,900,799.31 | 70.61 |
| Net profit attributable to equity owners of the Company | 436,710,292.28 | -47.88 |
| Net profit attributable to equity owners of the Company excluding non-recurring items | 419,702,996.66 | -49.48 |
| Net cash inflow/(outflow) from operating activities | 561,180,640.32 | 303.98 |
| Basic earnings per share (RMB) | 0.20 | -50.00 |
| Diluted earnings per share (RMB) | 0.20 | -50.00 |
| Weighted average return on equity (%) | 3.63 | decrease 5.22 percentage points |

| | As at 31 March 2022 | As at 31 March 2021 | Increase/decrease compared to the end of last year (%) |
|--|--------------------------------|--------------------------------|---|
| Total assets | 23,398,430,901.13 | 20,082,917,100.50 | 16.51 |
| Equity attributable to owners' of the Company | 12,247,126,331.03 | 11,810,169,072.79 | 3.70 |

2.2 Non-recurring item

Unit: RMB

| Items | For the three months ended 31 March 2022 |
|---|---|
| Gains/(losses) on disposal of non-current assets | -6,373,937.67 |
| Government grants recorded as other income, except for government grants that are closely related to the Company's business or given at a fixed quota or amount in accordance with government policies | 26,368,094.56 |
| Apart from hedging instruments relating to the normal operations of the Company, profit or loss from change in fair value of held-for-trading financial assets and held-for-trading financial liabilities, and investment income from disposal of held-for-trading financial assets, held-for-trading financial liabilities and available for-sale financial assets | 319,909.95 |
| Other non-operating income/(expenses) other than above | -235,505.96 |
| Less: Effects of income tax | 3,071,265.27 |
| Total | 17,007,295.61 |

2.3 Changes in major financial statements item and financial indicators and reason thereof

✓Applicable Not Applicable

| Items | Increase/ decrease (%) | Main reasons for the changes |
|--|---------------------------|---|
| Trading financial assets | -100.00 | Mainly due to the redemption of fund-raising wealth management products at maturity |
| Bills receivable | 38.50 | Mainly due to the increase in acceptance bills received |
| Trade receivables | 99.16 | Mainly due to the significantly increase in operating revenue resulting in an increase in trade receivables |
| Financing receivables | -38.39 | Mainly due to the decrease in bank acceptance bills held |
| Advance payment | -63.09 | Mainly due to the decrease in advance payment for raw materials |
| Inventories | -40.14 | Mainly due to the decrease in raw materials and finished products |
| Intangible assets | 512.19 | Mainly due to the increase in mining rights |
| Short-term borrowings | 42.58 | Mainly due to the increase in short-term bank borrowings |
| Contract liabilities | -87.57 | Mainly due to the decrease in advance receipts from customers |
| Tax payable | 218.66 | Mainly due to the increase in income tax payable |
| Other payables | 369.98 | Mainly due to the increase in other payables for equity transfer |
| Non-current liabilities due within one year | 208.50 | Mainly due to the increase in long-term borrowings due within one year |
| Long-term borrowings | 62.51 | Mainly due to the increase in long-term bank borrowings |
| Operating revenue | 70.61 | Mainly due to the significantly increase in the sales of photovoltaic glass, partly offset by the decrease in the average selling price of photovoltaic glass |
| Operating costs | 196.64 | Mainly due to the increase in the cost of raw materials, energy and power |
| Financial expenses | -1,030.50 | Mainly due to the increase in bank borrowings resulting in an increase in interest expenses |
| Income tax expense | -52.63 | Mainly due to the decrease in total profits resulting in a decrease in income tax |
| Net profit/net profit attributable to shareholders of the parent company | -47.88 | Mainly due to the significantly decrease in the average selling price of photovoltaic glass, partly offset by the increase in the sales of photovoltaic glass |
| Basic earnings per share/ diluted earnings per share | -50.00 | Mainly due to the decrease in net profit attributable to shareholders of the parent company |
| Net cash flow from operating activities | 303.98 | Mainly due to the increase in cash inflow from operating activities and the decrease in cash outflow from operating activities |
| Net cash flow from investing activities | 107.58 | Mainly due to the decrease in cash inflow from investing activities and the increase in cash outflow from investing activities |

3. SHAREHOLDERS' INFORMATION

Shareholdings of top ten unrestricted shareholders

| Name of shareholders | Number of unrestricted tradable shares held | Class of shares and number | |
|--|--|-----------------------------------|-------------|
| | | Class | Number |
| HKSCC Nominees Limited 香港中央結算（代理人）有限公司 | 449,943,880 | Overseas listed foreign shares | 449,943,880 |
| Ruan Hongliang | 439,358,400 | RMB Ordinary shares | 439,358,400 |
| Ruan Zeyun | 350,532,000 | RMB Ordinary shares | 350,532,000 |
| Jiang Jinhua | 324,081,600 | RMB Ordinary shares | 324,081,600 |
| Zheng Wenrong | 46,801,800 | RMB Ordinary shares | 46,801,800 |
| Zhu Quanming | 31,201,200 | RMB Ordinary shares | 31,201,200 |
| Shen Fuquan | 31,201,200 | RMB Ordinary shares | 31,201,200 |
| Shanghai Pudong Development Bank Co., Ltd. – GF High-end Manufacturing Stock-type Initiating Securities Investment Fund | 22,361,791 | RMB Ordinary shares | 22,361,791 |
| HKSCC Nominees Limited | 21,060,298 | RMB Ordinary shares | 21,060,298 |
| Industrial and Commercial Bank of China Limited – GF Innovation Upgrade Flexible Allocation Hybrid Securities Investment Fund | 16,031,883 | RMB Ordinary shares | 16,031,883 |
| Details relating to the related relationship of the Above shareholders or the parties acting in concert | Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Zeyun and Mr. Zhao Xiaofei are concert | | |

Note 1: HKSCC Nominees Limited is the nominee holder on behalf of the non-registered shareholders of the H shares of the Company.

Note 2: The shares under Hong Kong Securities Clearing Company Limited are held by the non-registered shareholders of the Shanghai Stock Connect.

Note 3: The shareholding listed here was extracted from the register of members of the Company as at 31 March 2022.

Note 4: As the Shares could be used as underlying securities for margin financing and securities lending, the shareholdings of the Shareholders are the aggregate of all the Shares and interests held in ordinary securities accounts and credit securities accounts.

4. OTHER REMINDERS

Other significant information need to remind investors about business condition during reporting period

Applicable Not Applicable

1. Update on issuance of new H shares

On 5 February 2021, the Company announced to propose to issue up to 76,000,000 new H shares, which has been approved by the Board. The cap of 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 has been 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 of the Company held on 25 March 2021. It has been reported to CSRC on 25 March 2021 and it has been approved by CSRC in June 2021. As of the date of this quarterly report, the issuance of new H shares has not been completed.

5. QUARTERLY FINANCIAL STATEMENTS

5.1 Financial Statements

Consolidated Balance Sheet As at 31 March 2022

Prepared by Flat Glass Group Co., Ltd.

Unit: RMB Type of audit: unaudited

| Items | As at 31 March 2022 | As at 31 December 2021 |
|-----------------------------|---------------------------|------------------------------|
| Current assets: | | |
| Cash at bank and on hand | 2,233,526,819.08 | 2,842,677,267.48 |
| Trading financial assets | – | 200,000,000.00 |
| Derivative financial assets | – | 62,739.00 |
| Notes receivables | 1,301,507,855.29 | 939,748,112.41 |
| Receivables | 2,202,284,953.85 | 1,105,759,571.75 |
| Financing receivables | 327,258,710.76 | 531,196,547.78 |
| Advance payment | 255,542,128.29 | 692,261,958.13 |
| Other receivables | 54,820,938.83 | 54,999,617.97 |
| Inventories | 1,362,728,365.85 | 2,276,469,528.29 |
| Other current assets | 195,857,193.51 | 255,127,082.80 |
| Total current assets | 7,933,526,965.46 | 8,898,302,425.61 |
| Non-current assets: | | |
| Long-term equity investment | 72,465,655.34 | 71,530,334.22 |
| Investment properties | 18,444,363.43 | 18,802,231.03 |
| Fixed asset | 6,840,239,564.31 | 6,316,279,511.19 |
| Construction in progress | 3,298,854,565.93 | 3,067,207,867.50 |
| Right-of-use asset | 167,752,194.99 | 170,070,872.22 |
| Intangible assets | 4,057,034,836.38 | 662,708,796.08 |
| Long-term prepaid expenses | 9,963,586.68 | 6,948,461.94 |
| Deferred tax assets | 3,835,019.48 | 4,162,665.30 |
| Other non-current assets | 996,314,149.13 | 866,903,935.41 |
| Total non-current assets | 15,464,903,935.67 | 11,184,614,674.89 |
| Total assets | 23,398,430,901.13 | 20,082,917,100.50 |

| Items | As at 31 March 2022 | As at 31 December 2021 |
|---|------------------------------------|---------------------------------------|
| Current liabilities: | | |
| Short-term borrowings | 2,652,924,600.00 | 1,860,696,500.00 |
| Derivative financial liabilities | 66,661.05 | - |
| Notes payables | 920,392,852.79 | 1,036,982,577.72 |
| Payables | 2,193,840,690.97 | 2,306,910,116.65 |
| Contract liabilities | 43,846,354.39 | 352,681,717.14 |
| Payroll payables | 42,787,474.63 | 67,519,702.61 |
| Tax payables | 154,960,645.70 | 48,629,486.85 |
| Other payables | 642,289,877.12 | 136,664,417.03 |
| Non-current liabilities due within one year | 956,669,501.86 | 310,100,070.52 |
| Other current liabilities | 2,758,307.81 | 44,277,908.91 |
| Total current liabilities | 7,610,536,966.32 | 6,164,462,497.43 |
| Non-current liabilities: | | |
| Long-term borrowings | 3,197,800,000.00 | 1,967,748,428.04 |
| Lease liability | 10,852,297.10 | 10,879,703.29 |
| Long-term payables | 175,403,361.34 | - |
| Deferred income | 67,801,805.11 | 25,441,145.12 |
| Deferred income tax liability | 88,910,140.23 | 104,216,253.83 |
| Total non-current liabilities | 3,540,767,603.78 | 2,108,285,530.28 |
| Total liabilities | 11,151,304,570.10 | 8,272,748,027.71 |
| Owner's equity: | | |
| Share capital | 536,723,313.50 | 536,723,313.50 |
| Capital surplus | 4,840,645,996.15 | 4,832,768,261.83 |
| Less: Treasury stock | 32,096,200.00 | 32,096,200.00 |
| Other comprehensive income | -18,887,273.75 | -7,613,180.72 |
| Special reserve | 20,909,378.28 | 17,266,053.61 |
| Surplus reserve | 268,361,656.75 | 268,361,656.75 |
| Undistributed profit | 6,631,469,460.10 | 6,194,759,167.82 |
| Total equity attributable to owners of the parent company | 12,247,126,331.03 | 11,810,169,072.79 |
| Total owner's equity | 12,247,126,331.03 | 11,810,169,072.79 |
| Total liabilities and owners' equity | 23,398,430,901.13 | 20,082,917,100.50 |

Legal representative: Ruan Hongliang Person in charge of accounting function: Jiang Weijie
Person in charge of accounting department: Jin Huiping

Consolidated Income Statement
For the three months ended 31 March 2022

Prepared by Flat Glass Group Co., Ltd.

Unit: RMB Type of audit: unaudited

| Items | For the three months ended 31 March 2022 | For the three months ended 31 March 2021 |
|---|--|--|
| I. Total operating income | 3,508,900,799.31 | 2,056,716,792.92 |
| Including: Operating revenue | 3,508,900,799.31 | 2,056,716,792.92 |
| II. Total operating costs | 3,005,516,512.21 | 1,109,206,733.08 |
| Including: Operating costs | 2,755,595,927.67 | 928,939,740.57 |
| Taxes and surcharges | 18,523,954.63 | 16,284,524.92 |
| Selling expense | 19,101,929.99 | 18,879,404.44 |
| General and administrative expenses | 62,226,393.68 | 57,577,774.90 |
| Research and development expenses | 100,731,583.77 | 92,827,454.78 |
| Financial expenses | 49,336,722.47 | (5,302,166.53) |
| Including: Interest expenses | 51,267,676.34 | 16,426,273.54 |
| Interest income | 11,896,510.31 | 9,917,004.54 |
| Add: Other income | 26,817,979.28 | 4,774,900.19 |
| Investment income (loss stated with “-”) | 1,384,631.12 | 8,479,094.32 |
| Including: investment income from associates and joint ventures | 935,321.12 | 2,176,327.71 |
| Profit arising from changes in fair value (loss stated with “-”) | -129,400.05 | -2,105,264.49 |
| Loss on credit impairment (loss stated with “-”) | -32,021,445.12 | 4,515,785.89 |
| Loss on assets impairment (loss stated with “-”) | 2,292,690.55 | -2,376,619.88 |
| Gains on disposal of assets (loss stated with “-”) | -6,373,937.67 | -343,958.67 |
| III. Operating profit (loss expressed with “-”) | 495,354,805.21 | 960,453,997.20 |
| Add: Non-operating income | 1,045,284.15 | 1,898,504.84 |
| Less: Non-operating expenses | 1,005,700.17 | 644,682.60 |
| IV. Total profit (total loss expressed with “-”) | 495,394,389.19 | 961,707,819.44 |
| Less: Income tax expense | 58,684,096.91 | 123,890,025.45 |

| Items | For the three months ended 31 March 2022 | For the three months ended 31 March 2021 |
|---|--|--|
| V. Net profit (net loss expressed with “-”) | 436,710,292.28 | 837,817,793.99 |
| (I) Classified on a going concern basis | | |
| 1. Net profit from continuing operation (net loss stated with “-”) | 436,710,292.28 | 837,817,793.99 |
| (II) Classified by attribution of the ownership | | |
| 1. Net profit attributed to shareholders of parent company (net loss expressed with “-”) | 436,710,292.28 | 837,817,793.99 |
| VI. Other comprehensive income, net of tax | -11,274,093.02 | 2,189,329.43 |
| (I) Net amount of other comprehensive income after tax attributable to the shareholders of parent company | -11,274,093.02 | 2,189,329.43 |
| 1. Other comprehensive income to be not reclassified to profit or loss | - | 649,592.50 |
| (1) Changes in fair value of other equity instruments | - | 649,592.50 |
| 2. Other comprehensive income to be reclassified to profit or loss | -11,274,093.02 | 1,539,736.93 |
| (1) Conversion difference of foreign currency statement | -12,352,432.99 | 7,281,358.39 |
| (2) Other | 1,078,339.97 | -5,741,621.46 |
| VII. Total comprehensive income | 425,436,199.26 | 840,007,123.42 |
| (I) Total comprehensive income attribute to parent company | 425,436,199.26 | 840,007,123.42 |
| VIII. Earnings per share | | |
| Basic earnings per share | 0.20 | 0.40 |
| Diluted earnings per share | 0.20 | 0.40 |

For the business combination under common control effected in the current period, the net profit recognized by the merged party before the combination was RMB0, and the net profit recognized by the merged party in the previous period was RMB0.

Legal representative: Ruan Hongliang Person in charge of accounting function: Jiang Weijie
Person in charge of accounting department: Jin Huiping

Consolidated Statement of Cash Flow
For the three months ended 31 March 2022

Prepared by Flat Glass Group Co., Ltd.

Unit: RMB Type of audit: unaudited

| Items | For the three months ended 31 March 2022 | For the three months ended 31 March 2021 |
|--|---|---|
| I. Cash flow from operating activities: | | |
| Cash received from sale of goods or rendering of services | 1,439,899,627.73 | 1,114,840,642.90 |
| Cash received from refunds of taxes | 34,928,849.66 | 31,433,373.58 |
| Cash received relating to other operating activities | 82,420,433.72 | 14,473,119.59 |
| Subtotal of cash inflows from operating activities | 1,557,248,911.11 | 1,160,747,136.07 |
| Cash paid for goods and services | 615,891,923.73 | 539,887,323.99 |
| Cash paid to and on behalf of employee | 171,960,338.71 | 106,966,474.99 |
| Cash paid for payments of taxes and surcharges | 167,346,712.52 | 222,195,171.16 |
| Cash paid relating to other operating activities | 40,869,295.83 | 152,786,211.95 |
| Subtotal of cash outflows from operating activities | 996,068,270.79 | 1,021,835,182.09 |
| Net cash flow from operating activities | 561,180,640.32 | 138,911,953.98 |
| II. Cash flow from investing activities: | | |
| Cash receipts from disposal of investments | 200,000,000.00 | 700,000,000.00 |
| Cash received from disposal of investments | 449,310.00 | 8,042,032.81 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term equity investment | 1,828,263.23 | 4,380,170.26 |
| Cash received relating to investing activities | - | 30,732,222.53 |
| Subtotal of cash inflows from investing activities | 202,277,573.23 | 743,154,425.60 |
| Cash paid to purchase fixed assets, intangible assets and other long-term assets payment | 1,109,291,690.20 | 1,131,248,531.40 |
| Cash paid to investment | - | 1,400,000,000.00 |
| Net cash paid for acquisition of subsidiaries and other operating | 2,803,965,670.84 | - |
| Cash paid relating to other investing activities | 28,537,468.51 | 13,391,262.81 |
| Subtotal of cash outflows from investing activities | 3,941,794,829.55 | 2,544,639,794.21 |
| Net cash flow from investing activities | -3,739,517,256.32 | -1,801,485,368.61 |

| Items | For the three months ended 31 March 2022 | For the three months ended 31 March 2021 |
|---|--|--|
| III. Cash flow from financing activities: | | |
| Cash received from capital contribution | – | 2,499,999,996.79 |
| Cash received from borrowings | 3,164,829,200.00 | 515,574,315.63 |
| Cash received relating to other financing activities | 80,777,844.62 | 151,052,822.55 |
| Subtotal of cash inflows from financing activities | 3,245,607,044.62 | 3,166,627,134.97 |
| Cash paid for payment of borrowings | 550,675,500.00 | 598,455,977.28 |
| Cash paid for distribution of dividends, and profits or payment of interest | 44,128,364.15 | 15,860,385.73 |
| Cash paid relating to other financing activities | 95,688,533.27 | 464,223,533.85 |
| Subtotal of cash outflows from financing activities | 690,492,397.42 | 1,078,539,896.86 |
| Net cash flow from financing activities | 2,555,114,647.20 | 2,088,087,238.11 |
| IV. Effect of foreign exchange rate changes on cash and cash equivalents | -2,864,621.57 | 3,093,352.09 |
| V. Net increase in cash and cash equivalents | -626,086,590.37 | 428,607,175.57 |
| Add: cash and cash equivalents at beginning of period | 2,101,730,679.46 | 1,146,171,930.13 |
| VI. Cash and cash equivalents at end of period | 1,475,644,089.09 | 1,574,779,105.70 |

Legal representative: Ruan Hongliang Person in charge of accounting function: Jiang Weijie
Person in charge of accounting department: Jin Huiping

Jiaxing, Zhejiang Province, People's Republic of China
27 April 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.