福莱特玻

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Corporate Information

DIRECTORS

Executive directors

Mr. Ran Hongliang
(Chairman of the Board of Directors)
Mr. Jiang Jinhua
Mr. Wei Yezhong
Mr. Shen Qifu

Independent non-executive directors

Mr. Xu Pan
Mr. Hua Fulan
Mr. Ng Yau Kwen Carmen

SUPERVISORS

Mr. Zheng Wenlong
(Chairman of the Board of Supervisors)
Mr. Shen Fuyan
Mr. Zhu Qianming
Mr. Li Ping
Mr. Zhang Hui'nan

AUDIT COMMITTEE

Mr. Xu Pan *(Chairman)*
Mr. Hua Fulan
Mr. Ng Yau Kwen Carmen

REMUNERATION COMMITTEE

Mr. Xu Pan *(Chairman)*
Mr. Ran Hongliang
Mr. Hua Fulan

NOMINATION COMMITTEE

Mr. Xu Pan *(Chairman)*
Mr. Ran Hongliang
Mr. Hua Fulan

STRATEGIC DEVELOPMENT COMMITTEE

Mr. Ran Hongliang *(Chairman)*
Mr. Wei Yezhong
Mr. Xu Pan

RISK MANAGEMENT COMMITTEE

Mr. Ran Hongliang *(Chairman)*
Mr. Jiang Jinhua
Mr. Hua Fulan

COMPANY SECRETARY

Mr. Ran Zeyun

AUTHORISED REPRESENTATIVES

Mr. Ran Hongliang
Mr. Ran Zeyun

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

1999 Yunhe Road
Xiaohe District
Jiaxing
Zhejiang Province
People's Republic of China (the PRC)

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 6, 11/F, Proficient Place
6 Shing Yip Street, Kwun Tong
Kowloon
Hong Kong

CORPORATE WEBSITE

[illegible].flatglass.com.cn

LEGAL ADVISERS AS TO HONG KONG LAW

Morgan, Lewis & Bockius

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants LLP

PRINCIPAL BANKERS

Bank of China Limited, Jiaxing Branch
China CITIC Bank Corporation Limited, Jiaxing Branch
Industrial and Commercial Bank of China Limited, Jiaxing Branch
Bank of China Limited, Fengxiang Branch
Citibank, N.A., Hong Kong Branch
DBS Bank (Hong Kong) Limited

H SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Financial Summary

	Six months ended 30 June	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Operating revenue	**7,304,491.34**	4,028,022.49
Operating cost	**5,650,508.67**	2,245,211.46
Gross profit	**1,653,982.67**	1,782,811.03
Total profit	**1,097,398.83**	1,445,914.74
Income tax expense	**94,650.96**	184,884.75
Net profit	**1,002,747.88**	1,261,029.99

	As at	As at
	30 June 2022	31 December 2021
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Non-current assets	**16,628,524.13**	11,184,614.67
Current assets	**12,129,913.81**	8,898,302.43
Current liabilities	**8,467,777.31**	6,164,462.50
Net current (liabilities) assets	**3,662,136.50**	2,733,839.93
Total assets less current liabilities	**28,749,970.16**	13,918,454.60
Net assets	**13,200,226.90**	11,810,169.07
Share capital	**536,723.31**	536,723.31
Undistributed profit	**7,197,507.04**	6,194,759.17
Total equity	**13,200,226.90**	11,810,169.07

3. Successful bidding for the mining rights

In order to further increase mineral resources reserves and secure the implementation of the production plan, and also maintain sustainable operation and financial results of the Company, on 1 August 2022, Anhui Flat Glass, a wholly-owned subsidiary of the Company and China National Resources and Planning Bureau (滁州市自然資源和規劃局) entered into the mining right assignment contract, pursuant to which, Anhui Flat Glass won the bid for the mining right of the three-new segment of area 1 mine for glass limestone located at Liuhan-Maji Mining Zone, Fengyang County, Anhui Province, from China National 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 Fengha Mining Company Limited (Fengha Mining) on 27 October 2021 and 13 February 2022 respectively. Pursuant to the agreements, the Company acquired the entire equities 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 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 were completed in 2022.

The strategy of the acquisition is mostly based on the long-term benefits. With the increasing customers' demand, the Company's PV glass production capacity has expanded readily, to the demand of the Company for strategic and, the main raw materials required for PV glass production, has risen significantly. At the same time, with the rapid growth of PV glass industry, high-quality and high limited origin distribution will become a scarce resource. The supply of high-quality and stable strategic and in 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 and approved the application of the Company for the proposed issuance of A share convertible bonds on 30 March 2022. According to the rules of the website of CSRC, the Company's application for the proposed issuance of A share convertible bonds has been approved and the written approval from CSRC was received by the Company. Such public issuance of A share convertible bonds amounted to RMB4 billion in terms of total value and was completed in May 2022. The A share convertible bonds underlying issuance were in a nominal value of RMB100 and were issued at par. The proceeds for the A share convertible bonds underlying totaled RMB4,000,000,000.00. After deducting the issuance fee of RMB23,078,799.67, the net funds 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 share which was also approved by shareholders at the 2022 First A share class meeting and the 2022 first H share class meeting held on 29 July 2022. The relevant material 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 share has not been completed.

7. 2021 A share option incentive scheme

On 17 A, g, t 2021, he Compan anno, nced he plan o implemen an A ha e op ion incen i e cheme (Scheme).

The p incipal e m of he Scheme a e a follo :

a. Purpose of the Scheme

A incen i e o e a d o eligible pa ici an fo hei con ib, ion o he Compan of, he imp o e he co po a e go e nance , c e of he Compan , e abli h and enhance he long- e m incen i e and con ain mechani m of he Compan , a ac and e ain alen , f, ll mobili e he p oac i ene and c ea i ie of he enio and mid-le el managemen and echnical pe onnel of he Compan , effec i el p omo e he cohe i ene of he co e eam and he co e compe i i ene of he en e p i e, effec i el align he in e e of ha eholde , he Compan and he co e managemen eam, enabling all pa ie o foc on he long- e m de elopmen of he Compan , and en e he achie emen of he de elopmen a egie and ope a ion objec i e of he Compan .

b. Eligible participants of the Scheme

Pa ici an of he Scheme a e he enio and mid-le el managemen and echnical pe onnel of he Compan . The Rem, ne a ion Commi ee p epa ed a li of eligible co e of he pa ici an of he Scheme and he li a e ie ed and confi med b he S, pe i o Commi ee. None of he pa ici an of he Scheme i a Di ec o o S, pe i o of he Compan .

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 n, mbe of ha e op ion p opo ed o be g an ed, nde he Scheme i 5,947,858, ep e en ing app o ima el 0.28% of he o al i , ed ha e capi al of 2,146,893,254 Sha e of he Compan a a he da e of hi epo , among hich, he fi g an of ha e op ion con i of 5,353,072 ha e , ep e en ing app o ima el 0.25% of he o al i , ed ha e capi al of 2,146,893,254 ha e of he Compan a a he da e of hi epo and 90% of he o al n, mbe of ha e op ion , nde he g an ; he e e ed ha e op ion con i of 594,786 ha e , ep e en ing app o ima el 0.03% of he o al i , ed ha e capi al of 2,146,893,254 ha e of he Compan a a he da e of hi epo and 10% of he o al n, mbe of ha e op ion , nde he g an .

d. Maximum entitlement of each participant under the Scheme

The total number of shares of the Company to be granted under the Scheme to any one of the above participants during the Validity Period will not exceed 1.00% of the Company's total share capital. The total number of shares granted in the Scheme during the Validity Period will not exceed 10.00% of the total share capital of the Company when the Scheme was submitted to the Shareholders' general meeting. The Reserved Share Option shall not exceed 20.00% of the total share option available under the Scheme. If the participant ceases to fulfil the eligible grantee definition, the Board shall make corresponding adjustments to the number of share options granted.

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

Upon the fulfillment of conditions of the effective of the share option, the share option becomes effective in five anchor points of 12 months from 19 November 2021 (Date of Grant). The effective arrangements for the First Grant of Share Option and the Reserved Share Option are as follows:

The effective arrangements for the First Grant of Share Option:

Exercise Arrangement	Exercise Period	Proportion of exercisable Share Options to the total number of Share Options granted
First Exercise Period	Commencing from the first trading day after the expiry of the 12 months from the Date of Grant of the First Grant of Share Option, and ending on the last trading day of the 24 months from the Date of Grant	20%
Second Exercise Period	Commencing from the first trading day after the expiry of the 24 months from the Date of Grant of the First Grant of Share Option, and ending on the last trading day of the 36 months from the Date of Grant	20%

Exercise Arrangement	Exercise Period	Proportion of exercisable Share Options to the total number of Share Options granted
Thi d 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 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 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 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 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 expiration of the 24th month from the Date of Grant of the Reserved Share Option, and ending on the last trading day of the 36th month from the Date of Grant	20%
Third Exercise Period	Commencing from the first trading day after the expiration of the 36th month from the Date of Grant of the Reserved Share Option, and ending on the last trading day of the 48th month from the Date of Grant	20%
Fourth Exercise Period	Commencing from the first trading day after the expiration of the 48th month from the Date of Grant of the Reserved Share Option, and ending on the last trading day of the 60th month from the Date of Grant	20%
Fifth Exercise Period	Commencing from the first trading day after the expiration of the 60th month from the Date of Grant of the Reserved Share Option, and ending on the last trading day of the 72th month 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 Option, the Share Option are exercisable in five tranches upon expiration 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

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

h. The basis of determining the exercise price

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

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

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

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

i. The remaining life of the Scheme

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

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

a. *Da e of g an*

19 No embe 2021

b. *N mbe of g an*

5,341,072

c. *N mbe of pa icipan of g an*

288

d. *Connec ed pe on a pa icipan*

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

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

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

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

The fai al e of he 5,245,472 ha e op ion g an ed d ing he Repo 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 op ion p icing model and he follo ing a mp ion : Whe e he emplo ee ha e o mee e ing condi ion befo e becoming ncondi ionall en i led o he op ion , he o al e ima ed fai al e of he op ion i p ead o e he e ing pe iod, aking in o acco n he p obabili ha he op ion ill e . The fai al e of ch ha e op ion g an ed i bjec i e and nce ain a he a e bjec o he a mp ion de c ibed abo e and a e limi ed o he model ado ed. Fo he acco n ing policie of ch ha e op ion , plea e efe o he p e io pa ag aph .

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 p od c ion capaci a elea ed, he e a a ob demand a home and ab oad. A a e l , ilicon p ice e 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 p ice ac o he main ind chain hile comp omi ing he demand fo in alla ion of dome ic cen ali ed po e plan o a ce ain e en . Ho e e , he di ib ed po e plan 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 po e plan ih ela i el lo p 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 ample, he e po of mod le f om China o he Uni ed S a e i bjec o An i-d mping and An i-co n e ailing D ie and Sec ion 201 a iff , hile e po 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 Ap il 2022, India impo ed a ne Ba ic C om D (BCD) on impo of ola cell and mod le , ih 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 impac on he global de elopmen of he PV ind .

Amid he ola ile ind and in e na ional land cape, he Compan al o epo 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 geopoli ical en ion ch a he R ia-Uk aine conflic ; he p 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 pp l and demand; addi ionall , he e a a empo a inc ea e in f eigh co in Ap il and Ma hi ea d e o he ec ing COVID-19 pandemic in China. Con e en l , he Compan faced ce ain co p e e on a ma e ial and f el .

PV industry saw a thriving trend through overcoming challenges

De pi e facing challenge , nde he con e a dome ic and ab oad, he PV ind con in ed o ho , np eceden ed e ilience o b a e m l iple challenge , i h booming in alled demand do n eam.

Acco ding o he a i ic of China Na ional Ene g Admini a ion and China Pho o ol aic Ind A ocia ion, a of 30 J ne 2022, he dome ic PV in alla ion capaci a 30.88GW, ep e en ing an inc ea e of 137.4% ea -on- ea , PV mod le e po ol me a 78.6GW, ep e en ing an inc ea e of 74.3% ea -on- ea , and he o al e po amo n of PV p od c (ilicon afe , cell , mod le) a app o ima el US$25.9 billion, ep e en ing an inc ea e of 113% ea -on- ea ; and o e ea PV in alla ion demand con in ed o be in high g o h. The e a e o con ib ing fac o : fi l , fa o able policie e e implemen ed globall . Acco ding o he REPOWER EU Plan anno nced b he E opean Commi ion in Ma 2022, fo e ample, he 2030 ene able ene g a ge ill be ai ed f om 40% o 45%, and a pecial EU ola a eg ill be in place o do ble he ola PV capaci b 2025 and each an in alled capaci of 600GW b 2030; econdl , d e o he impac of ene g ho age, he demand fo ene g inde endence in E ope i g o ing, and i ing ene g p ice a e d i ing high elec ici a iff . A a e , l , he o e ea PV ma ke a in f ll bloom, and he in alled demand in EU co n ie , B a il, India, e c. al o o pe fo med ma ke e pec a ion . In he fi half of 2022, he ne in alled capaci of B a il and India eached 3,010MW, ep e en ing an inc ea e of 77.51% ea -on- ea , and 8.36GW, ep e en ing an inc ea e of 71.61% ea -on- ea , e pec i el .

To a i f he demand fo PV gla f om he apid de elopmen of PV in alla ion , he Compan commenced he ope a ion of o PV gla f nace i h a dail mel ing capaci of 1,200 on / da a i Jia ing P od c ion Ba e in he fi half of 2022. Mean hile, he PV gla f nace i h a dail mel ing capaci of 600 on /da a i Jia ing p od c ion Ba e a cold ep ai ed in he fi half of 2022.

FUTURE PROSPECT

Wi h he elea e of ilicon p od c ion capaci in econd half of he ea , he demand fo in alled capaci do n eam ill be f he enco aged. A ca bon ne al i ha become a global con en , and ne ene g gene a ion i becoming an ine i able pa h a and g o ing end, he PV ind ha en e ed a ma e age of de elopmen and ill he efo e con in e o g o apidl in he coming ea .

To keep ab ea of he de elopmen of he ind and e pand i ma ke ha e, he Compan i e pedi ing he p od c ion capaci e pan ion of PV gla . Up o no , he o al p od c ion capaci of o PV gla i 15,800 on /da , and Pha e III and Pha e IV p ojec of Anh i p od c ion ba e a e ill nde con c ion. In addi ion, he Pha e V p ojec of Anh i p od c ion ba e and he Nan ong p ojec a e pending app o al. Upon hei app o al, he Compan ill peed p hei con c ion p og e .

F he mo e, he Compan ill con olida e i compe i i e ad an age and leading po i ion h o gh con an l op imi a ion of he p od c c e of PV gla and f he inc ea ing he ma ke ha e of hin and la ge- i ed gla .

FINANCIAL REVIEW

Fo he i mon h ended 30 J ne 2022, he G o p benefi ed f om he demand g o h in he PV gla ma ke and he elea e of ne p od c ion capaci , and i ope a ing e en e eached a ne high. Fo he i mon h ended 30 J ne 2022, he amo n of ope a ing e en e of he G o p e e RMB7,304.5 million, hich inc ea ed b 81.34% a compa ed o he ame pe iod of 2021 of RMB4,028.0 million. On he o he hand, he dec ea e in he a e age ale p ice of PV gla and ignifican inc ea e in he co of a ma e ial and ene g e , led in a dec ea e in he G o p' ne p ofi . The ne p ofi a ib able o ha eholde of he pa en compan fo he i mon h ended 30 J ne 2022 a RMB1,002.7 million, ep e en ing a dec ea e of 20.48% a compa ed o he ame pe iod of 2021 of RMB1,261.0 million.

Revenue

The follo ing able e o he b eakdo n of e en e of he G o p b p od c pe and geog aphical loca ion:

Product type	Six months ended 30 June 2022 RMB'000	(%)	Si mon h ended 30 J ne 2021 RMB'000	(%)
PV gla	**6,468,102.10**	**88.55**	3,324,923.20	82.54
Floa gla	**154,622.63**	**2.12**	179,987.14	4.47
Ho ehold gla	**180,626.50**	**2.47**	178,247.09	4.43
A chi ec al gla	**319,281.96**	**4.37**	304,212.08	7.55
Mine al p od c	**161,935.17**	**2.22**	18,668.91	0.46
O he b ine	**19,922.98**	**0.27**	21,984.07	0.55
To al	**7,304,491.34**	**100.00**	4,028,022.49	100.00

Location	Six months ended 30 June 2022 RMB'000	Si mon h ended 30 J, ne 2021 RMB'000
Mainland China	**5,896,527.53**	2,739,990.53
O he co, n ie in A ia (e cl, de China)	**1,165,341.16**	982,573.02
E, ope	**101,446.16**	84,796.65
No, h Ame ica	**128,647.29**	212,166.37
O he	**12,529.20**	8,495.92
To al	**7,304,491.34**	4,028,022.49

Fo he i mon h ended 30 J, ne 2022, he e en, e of ale of he G o, p amo, n ed o RMB7,304.5 million, inc ea ed b 81.34% a compa ed i h he ame pe iod of 2021 of RMB4,028.0 million. Among hem, he e en, e of ale of PV gla amo, n ed o RMB6,468.1 million, inc ea ed b 94.54% a compa ed i h he ame pe iod of 2021 of RMB3,324.9 million, mainl d, e o he inc ea e in ale ol, me e, l ed f om he elea e of ne p od, c ion capaci of PV gla , hich a pa iall off e b he dec ea e in a e age ale p ice. In e m of ale loca ion, fo he i mon h ended 30 J, ne 2022, he ale e en, e in Mainland China amo, n ed o RMB5,896.5 million, inc ea ed b 115.20% a compa ed i h he ame pe iod of 2021 of RMB2,740.0 million; O e ea ale e en, e amo, n ed o RMB1,408.0 million, inc ea ed b 9.32% a compa ed i h he ame pe iod of 2021 of RMB1,288.0 million. In he fi half of 2022, he ale e en, e f om Mainland China ho ed a apid g o h a compa ed i h ha f om o e ea egion , mainl d, e o a ignifican inc ea e in he demand fo PV gla a a e, l of he , b an ial inc ea e in he p od, c ion of PV mod, le in Chine e Mainland, hich a in line i h he elea e a ea of he ne p od, c ion capaci of he Compan .

Operating costs

The ope a ing co of he G o, p fo he i mon h ended 30 J, ne 2022 a RMB5,650.5 million, ep e en ing an inc ea e of 151.67% a compa ed o he ope a ing co of RMB2,245.2 million fo he ame pe iod of 2021. The inc ea e a mainl d, e o he inc ea e in ale ol, me of PV gla , pa, ial of hich a enhanced b ignifican inc ea e in co of a ma e ial and ene g .

Gross profit and gross profit margin

The g o p ofi of he G o, p fo he i mon h ended 30 J, ne 2022 a RMB1,654.0 million, ep e en ing a dec ea e of 7.22% f om RMB1,782.8 million in he ame pe iod of la ea . The g o p ofi ma gin of he G o, p fo he i mon h ended 30 J, ne 2022 a 22.64%, ep e en ing a dec ea e of 21.62 pe cen age poin f om he g o p ofi ma gin of 44.26% in he ame pe iod of la ea . The dec ea e in g o p ofi and g o p ofi ma gin a mainl d, e o he dec ea e in a e age ale p ice of PV gla , and ignifican inc ea e in co of a ma e ial and ene g a compa ed i h he ame pe iod of la ea .

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

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

Financial costs

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 borrowing.

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 expenses in the current period as a result of the decrease in original policy and certain preferential policy of income tax exemption.

EBITDA and net profit

For the six months ended 30 June 2022, the EBITDA of the Group (earnings before interest expenses, tax, depreciation and amortization) 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 source of funding were proceeds from A Share convertible bonds, cash from operating activities and credit financing provided by banks.

Asset-liability ratio

As at 30 June 2022, the Group's asset-liability ratio (asset-liability ratio equals total debts divided by total assets at the end of the reporting 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 expenditure of the Group amounted to approximately RMB4,992.7 million (as at 30 June 2021: RMB1,899.0 million), including 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 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 training to its employees. New joined members attend mandatory in-house training. Furthermore, employees may attend external training such as training for management, financial control management and human resources management. Remuneration of employees is reviewed periodically by reference to the market level. After considering the performance of the Group and job performance of specific employees, the Group may pay them discretionary bonus.

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

CREDIT RISK AND FOREIGN EXCHANGE RISK

T an ac ion of he G o p a e mainl e led in RMB, Uni ed S a e dolla , Hong Kong dolla , Vie nam Dong and Jap ane e en, he ea , he G o p' ope a ing ac i ie a e mainl loca ed in he PRC. Bank financing of he G o p a e led in RMB and Uni ed S a e dolla fo he i mon h ended 30 J ne 2022 i h ann al in e e a e anging f om 1.30% o 4.65%. A he G o p' ading c enc of global ce ain ale , p oc emen and financing a e no in he RMB b in fo eign c encie , he G o p i e po ed o fo eign e change i k. Fo he i mon h ended 30 J ne 2022, ch i k did no ha e an ma e ial imp ac on he financial pe fo mance of he G o p.

F he mo e, he G o p moni o he in e e a e i k, in pa ic la f om he a iable- a e bo o ing i h DBS Bank (Hong Kong) Limi ed of US$135 million. The G o p ill clo el moni o in e e a e i k e po e and p cha e app op ia e in e e a e ap con ac in d e co e o mi iga e i k e po e.

CAPITAL STRUCTURE

A a 30 J ne 2022, he Comp an i ed a o al of 2,146,893,254 ha e , of hich 1,696,893,254 e e A ha e and 450,000,000 e e H ha e .

Corporate Governance and Other Information

Compliance with Corporate Governance Code

In the opinion of the board of directors (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 roles of the chairman and chief executive should be separated and should not be performed by the same individual. Mr. Ran Hongliang currently holds both positions. The aforementioned Group's business since the establishment of the Group 20 years ago, Mr. Ran 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 operation of the Group. Taking into account the current 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. Ran is the best candidate for both positions and the present arrangement is beneficial and in the interests of the Company and the shareholders as a whole.

Model Code for Securities Transactions by Directors and Supervisors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the Model Code) as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors and supervisors of the Company. Directors and supervisors of the Company are reminded of their obligations under the Model Code on a regular basis. Following specific enquiries by the Group, all of the Directors and supervisors of the Company have confirmed that they had complied with the required standard set 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 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 chief executives are 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. Ren Hongliang[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	Beneficial owner and parties acting in concert	0.35%	0.07%
Mr. Jiang Jinhua[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	Beneficial owner and parties acting in concert	0.35%	0.07%
Mr. Wei Yehong[4]	16,437,445(L)	A share	Beneficial owner	0.97%	0.77%
Mr. Shen Qifu[5]	10,958,297(L)	A share	Beneficial owner	0.65%	0.51%
Supervisors					
Mr. Zheng Wenhong	46,801,800(L)	A share	Beneficial owner	2.76%	2.18%
Mr. Shen Fuyan	31,201,200(L)	A share	Beneficial owner	1.84%	1.45%
Mr. Shen Fuyan	20,351,200(L)	A share	Beneficial owner	1.20%	0.95%
	10,850,000(S)	A share	Beneficial owner	0.64%	0.51%

Note:

(1) The calculation is based on the total number of 1,696,893,254 A 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. Ren Hongliang is the spouse of Mr. Jiang Jinhua. As at 30 June 2022, Mr. Ren Hongliang owned 462,926,174 A Shares and 485,000 H Shares. Mr. Jiang Jinhua owned 341,465,760 A Shares and 111,000 H Shares. Mr. Ren Zeni is the spouse of Mr. Zhao Xiaofei, and he is the daughter of Mr. Ren Hongliang and Mr. Jiang Jinhua. Mr. Ren Zeni owned 369,335,004 A Shares and 973,000 H Shares. Mr. Zhao Xiaofei owned 5,057,487 A Shares. In addition, pursuant to a concert party agreement dated 19 September 2016 entered into among Mr. Ren Hongliang, Mr. Jiang Jinhua, Mr. Ren Zeni and Mr. Zhao Xiaofei, each of Mr. Ren Hongliang, Mr. Jiang Jinhua, Mr. Ren Zeni and Mr. Zhao Xiaofei is considered to be interested in 1,178,784,425 A Shares and 1,569,000 H Shares under the SFO. On 31 March 2022, the Company completed the grant of 10,355,680, 7,638,600, 8,262,040 and 113,140 A Share convertible bonds to Mr. Ren Hongliang, Mr. Jiang Jinhua, Mr. Ren Zeni and Mr. Zhao Xiaofei, respectively.

(4) In March 2022, the Company completed the grant of 367,710 A Share convertible bonds listed on the Shanghai Stock Exchange to Mr. Wei Yeong (the ex Mr. Wei Yeong acquired the right to convert such convertible bonds into A Shares.

(5) In March 2022, the Company completed the grant of 245,140 A Share convertible bonds listed on the Shanghai Stock Exchange to Mr. Shen Qifu (the ex Mr. Shen Qifu acquired the right 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 an interest or short position in any of the shares or underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which was 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 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 (other than Directors and chief executives of the Company, including those having interests or short positions in the shares or underlying shares 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. Ran Zenin[3]	1,178,784,425 (L)	A Share	Beneficial owner and party acting in concert	69.47%	54.91%
	1,569,000 (L)	H Share		0.35%	0.07%
Mr. Zhao Xiaofei[3]	1,178,784,425 (L)	A Share	Beneficial owner and party 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, custodian 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%
Schroder 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%
Xiang 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]
Ci ig o p Inc.[10]	26,366,672 (L)	H Sha e	In e e of con olled	5.86%	1.23%
	9,247,099 (S)		co po a ion and app o ed	2.05%	0.43%
	16,813,949 (P)		lending agen	3.74%	0.78%
UBS G o p AG[11]	25,014,145 (L)	H Sha e	In e e of con olled	5.56%	1.17%
	18,462,525 (S)		co po a ion	4.10%	0.86%
CICC P cheng In e men Co., L d.	23,870,000 (L)	H Sha e	Beneficial in e e	5.30%	1.11%
China In e na ional Capi al Co po a ion Limi ed[12]	22,573,000 (L)	H Sha e	In e e of con olled co po a ion	5.02%	1.05%

No e :

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

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

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

(4) JPMo gan Cha e & Co. held ele an in e e and ho po i ion h o gh a e ie of i con olled co po a ion , incl ding holding of ce ain li ed de i a i e (ca h e lemen : 1,100 ha e (ho po i ion) and nli ed de i a i e (ph ical e lemen : 313,784 ha e (ho po i ion); ca h e lemen : 3,930,380 ha e (long po i ion) and 616,270 ha e (ho po i ion)).

(5) The Capital Group Companies, Inc. indirectly held relevant interests through its controlled corporations.

(6) BlackRock, Inc. indirectly held relevant interests and short positions through its controlled corporations, including holding of certain unlisted derivatives (each as defined in Part XV of the SFO) (long positions: 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 its controlled corporations, including holding of certain unlisted derivatives (each as defined in Part XV of the SFO) (long positions: 17,338,242 shares (long positions) and 2,088,900 shares (short positions)).

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

(9) Xiangjingning Corporate Management Company held 100% equity interests in Shanghai Greenwood Asset Management Company Limited 100%.

(10) Citigroup Inc. indirectly held relevant interests and short positions through its controlled corporations, including holding of certain unlisted derivatives (each as defined in Part XV of the SFO) (long positions:2,918,610 shares (long positions) and 175,000 shares (short positions)).

(11) UBS Group AG held relevant interests and short positions through its controlled corporations, including holding of certain listed derivatives (each as defined in Part XV of the SFO) (long positions: 325 shares (long positions) and 12,363 shares (short positions)) and unlisted derivatives (each as defined in Part XV of the SFO) (long positions: 1,513,656 shares (long positions)and 1,322,971 shares (short positions)).

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

Save as disclosed above, as at 30 June 2022, to the knowledge of the Directors, there were no persons (other than the Directors or supervisors 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 f r he e pand he capaci and main ain he leading echnolog and cale ad an age of he Compan 's co e p od c PV gla , hile enhancing he financial eng h and mee he o king capi al e i emen of he Compan , he Compan p opo ed o i e A ha e con e ible co po a e bond in he PRC, i h o al p oceed of no mo e han RMB4 billion. The ele an e ol ion a app o ed a he Boa d mee ing held on 16 J ne 2021, and a app o ed a he 2021 econd e ao dina gene al mee ing, he 2021 econd A ha e cla mee ing and he 2021 econd H ha eholde cla mee ing of he Compan on 20 A g 2021. On 16 J ne 2021, he anno ncemen in ela ion o he i ance of A ha e con e ible bond a p bli hed on he eb i e of The S ock E change of Hong Kong Limi ed (he S ock E change) and he clo ing p ice of A ha e on ha da a RMB29.53 pe ha e. The a ge in e o of he A ha e con e ible bond a e na al pe on , legal pe on , ec i ie in e men f nd and o he in e o ho mee he e i emen nde he la , and ho ha e main ained ec i ie acco n i h he Shanghai B anch of China Sec i ie Depo i o and Clea ing Co po a ion Limi ed (e cep ho e p ohibi ed b he a e la and eg la ion in he PRC). I a epo ed o he China Sec i ie Reg la o Commi ion (CSRC) on 8 No embe 2021 and i a app o ed b CSRC in Ma ch 2022.The i ance of A ha e con e ible bond a comple ed in Ma 2022.The A ha e con e ible bond nde hi i ance e e i h a nominal al e of RMB100 and e e i ed a pa . The Compan comple ed he i e of 40 million con e ible bond . The b c ip ion f nd fo he A ha e con e ible bond nde hi i ance o aled RMB4,000,000,000.00. Af e ded c ing he i ance fee of RMB23,078,799.67, he ne f nd ai ed e e RMB3,976,921,200.33.

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

Use for	Percentage of net proceeds	Amount of net proceeds RMB'0,000	Amount utilized RMB'0,000	Amount unutilized RMB'0,000
Annual production of 750,000 tonnes of ultra-thin and ultra-high-strength panel manufacturing project	48.50%	192,896.85	94,513.73	98,383.12
Distributed PV power generation project	16.41%	65,257.65		65,257.65
Annual production of 15 million square meters of ultra-thin high-strength 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 amounts unutilized in accordance with the 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 o de o f, he inc ea e he compan ' capaci cale, mee he g o ing ma ke demand of he pho o ol aic ind , p o ide c ome i h be e ali p od c and efficien and imel e ice , f he imp o e he compan ' comp ehen i e compe i i e eng h, and con olida e and enhance he compan ' ma ke po i ion, on 1 J ne 2022, he Boa d app o ed he p opo ed non-p blic i ance of A ha e hich a al o app o ed b ha eholde a he 2022 fi e ao dina gene al mee ing, he 2022 fi A ha e cla mee ing and he 2022 fi H ha e cla mee ing held on 29 J 1 2022. On 1 J ne 2022, he anno ncemen in ela ion o he p opo ed non-p blic i ance of A ha e a p bli hed on he eb i e of S ock E change and he clo ing p ice of A ha e on ha da a RMB43.18 pe ha e. The a ge b c ibe incl ding ec i ie in e men f nd managemen compani , ec i ie fi m , compani , finance compani , in ance in i ional in e o , alified fo eign in i ional in e o hich a i f he ele an e i emen of he CSRC and o he co po a e bodie , indi id al o o he in i ional in e o hich a i f he ele an e i emen of he ele an la and eg la ion . The ha e o be i ed nde he non-p blic i ance a e RMB denomina ed o dina ha e (A ha e) i h a nominal al e of RMB0.25 each, hich ill be li ed on he Shanghai S ock E change. A calc la ed b he o al ha e capi al of he Compan on he da e of anno ncemen of he plan, he n mbe of A ha e o be i ed in he non-p blic i ance hall no e ceed 30% of he o al n mbe of A ha e of he Compan p io o he offe ing, i.e. no mo e han 509.068 million A ha e (incl i e), and hall be bjec o he app o al of he CSRC. A of he da e of hi in e im epo , he i ance of A ha e con e ible co po a e bond ha no been comple ed.

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 was 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 efficient high-performance panel manufacturing project	Annual production of 750,000 tons of new energy efficient high-performance panel manufacturing project				
	Annual production of 1,200,000 tons of new energy efficient high-performance panel manufacturing project				193,000.00[Note 2]
Annual production of 1,500,000 tons of new energy efficient light-weight and ultra-high-performance panel manufacturing project					227,000.00[Note 1, 3]
Working capital					180,000.00[Note 4]
Total					600,000.00

Note:

1. The annual production of 1,500,000 tons of new energy efficient light-weight and ultra-high-performance panel manufacturing project in the second column above will be implemented in phase I, and the investment in the project will be used for the first phase of the project.

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

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

4. The proceeds of Non-Public Issuance of A Shares is used to repay bank loan and business operation, which is expected to be used within one month 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 o de o mee he de elopmen need of he Compan , enhance he Compan ' co e compe i i ene , , ainable p ofi abili , and afeg a d he in e e of mino i ha eholde of he Compan , on 12 J ne 2020 and 15 J l 2020, he Boa d app o ed he p opo ed non-p blic i ance of A ha e and i e i ed e ion hich a al o app o ed b ha eholde a he 2020 fi e ao dina gene al mee ing, he 2020 econd A ha e cla mee ing and he 2020 econd H ha e cla mee ing held on 10 A g , 2020. On 12 Oc obe 2020, he I ance App o al Commi ee of he CSRC cond c ed a e ie of he Compan ' applica ion fo non-p blic i ance of A ha e . P an o he e l of he e ie , he Compan ' applica ion fo non-p blic i ance of A ha e a app o ed.

The ha e o be i ed nde he non-p blic i ance a e RMB denomina ed o dina Sha e (A Sha e) i h a nominal al e of RMB0.25 each, hich ill be li ed on he Shanghai S ock E change. On 18 Jan a 2021, he Compan comple ed he non-p blic i ance of A ha e i h he i ance of 84,545,147 A Sha e in o al a i e p ice of RMB29.57 pe ha e. The o al p oceed f om he non-p blic i ance of A ha e i RMB2,499,999,996.79. Af e ded c ing he nde i ing fee and o he i ance fee (e cl ding al e-added a) of RMB16,918,053.10, he ne f nd ai ed e e RMB2,483,081,943.69. On 12 J ne 2020, he anno ncemen of P opo ed Non-p blic I ance of A Sha e a p bli hed on he eb i e of HKEX and he clo ing p ice of A Sha e on ha da a RMB15.61 pe ha e. The a ge , b c ibe incl ding ec i ie in e men f nd managemen compani , ec i ie fi m , , compani , finance compani , in ance in i ional in e o , alified fo eign in i ional in e o hich a i f he ele an e i emen of he CSRC and o he co po a e bodie , indi id al o o he in i ional in e o hich a i f he ele an e i emen of he ele an la and eg la ion .

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 cover 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 applied according to the intentions previously disclosed.

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

In order to provide long-term capital and relatively low financing cost, promote the sustainable development and growth of the Company, expand the international influence of H shares and enhance the Company's access to international capital platform, strategically, and further optimize the company's capital structure, on 5 February 2021, the Company announced to propose to issue no more than 76,000,000 new H shares, which was approved by the Board. The capital raised by the new H shares proposed to be used for the following purposes: (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 shares class meeting and the 2021 first H shares 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 and allotted 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's H Shares on that day was HK$32.48 per share. The aggregate number of the new H Shares will be ratified in relation to (each class of) which a binding resolution has been or will be prohibited under rules and regulations), which together with the H Shares held by beneficial owners) are independent third parties and not connected persons (as defined under the Listing Rules) of the Company. Due to the change 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 lapsed automatically upon the expiry. The effective 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 Policies for Stock Dividends 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 offerings or transfers of shares in the market, where the holding period exceeded 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 converted into taxable income and where the holding period is more than one month and less than one year (inclusive), 50% of the dividends shall be converted into 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. The taxable, subject to individual taxes, shall be calculated by China Securities Depository and Clearing Corporation Limited in accordance with the duration of holding period. Corporations of shares including securities companies will withhold the amount from individual accounts and transfer the taxes to China Securities Depository and Clearing Corporation Limited. China Securities Depository and Clearing Corporation Limited shall transfer the taxes to the listed companies within 5 working days of the next month, and the listed companies shall declare the taxes to the competent tax authorities receiving the amount within the time limit specified in the next month.

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

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

Fo non- e iden en e p i e ha eholde of A ha e e ce he abo e-men ioned QFII, li ed compani hall i hhold and pa en e p i e income 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 Q 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 i 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 compani hall i 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 i 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 ill 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 i h he PRC ip la ing a di idend a a e of lo e han 10%, ho e en e p i e and indi id al ma , o ma en , a i 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 ill be ef nded.

According to the Announcement on the Taxation Policies Concerning the Pilot Program of the Shanghai-Hong Kong Stock Connect published by the Ministry of Finance, the State Administration of Taxation and the CSRC (Cai Shui [2014] No. 81) (《財政部、國家稅務總局、中國證監會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), H-share companies shall withhold an individual income tax at the rate of 20% on dividends from the H shares of the company invested by mainland individual investors through the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect. For dividends of the shares listed on the Hong Kong Stock Exchange received by mainland securities investment funds through the Shanghai-Hong Kong Stock Connect, individual income tax shall be calculated in accordance with the above arrangement. For dividends of the shares listed on the Hong Kong Stock Exchange received by mainland enterprises investing in Hong Kong stock market through the Shanghai-Hong Kong Stock Connect, H-share companies shall not withhold income tax of dividends, and mainland enterprises investing in Hong Kong stock market shall report and pay the amounts by themselves. In principle, the dividends received by mainland investors which hold H shares for less than 12 consecutive months shall be exempted from enterprise income tax according to law.

According to the Announcement on the Taxation Policies Concerning the Pilot Program of the Shenzhen-Hong Kong Stock Connect published by the Ministry of Finance, the State Administration of Taxation and the CSRC (Cai Shui[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-share companies shall withhold an individual income tax at the rate of 20% on dividends from the H shares of the company invested by mainland individual investors through the Hong Kong Stock Exchange through the Shenzhen-Hong Kong Stock Connect. For dividends of the shares listed on the Hong Kong Stock Exchange received by mainland securities investment funds through the Shenzhen-Hong Kong Stock Connect, individual income tax shall be calculated in accordance with the above arrangement. For dividends of the shares listed on the Hong Kong Stock Exchange received by mainland enterprises investing in Hong Kong stock market through the Shenzhen-Hong Kong Stock Connect, H-share companies shall not withhold income tax of dividends, and mainland enterprises investing in Hong Kong stock market shall report and pay the amounts by themselves. In principle, the dividends received by mainland investors which hold H shares for less than 12 consecutive months could be exempted from enterprise income tax according to law.

The shareholders of the Company shall bear the relevant and/or additional liability in accordance with the above arrangement.

Dividends

Fo he i mon h ended 30 J ne 2022, he Boa d ecommended an o dina in e im di idend of RMB0.23 an pe ha e (befo e a) (he 2022 In e im Di idend) and i bjec o he app o al b he 2022 hi d e ao dina gene al mee ing of ha eholde of he Compan (2022 Thi d EGM) o be con ened. A he da e of he 2022 Thi d EGM i e o be e , he Compan ill anno nce in d e co e he de ail of he da e of clo e of egi e of membe he eco d da e and he pa men da e in a epa a e anno ncemen .

Di idend on A ha e ill be paid in RMB and di idend on H ha e ill be paid in Hong Kong dolla . The e change a e fo he di idend o be paid in Hong Kong dolla ill be he mean of he e change a e of Hong Kong dolla o RMB a anno nced b he People' Bank of China d ing he fi e b ine da p io o he da e of e ao dina gene al mee ing.

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

The Compan ' in e im e o fo he i mon h ended 30 J ne 2022 ha no been a di ed b ha been e ie ed b he Compan ' a di commi ee, comp i ing i h ee indepenen non-e ec i e Di ec o .

Consolidated Balance Sheet

RMB

Items	Note	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 borrowing	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 payable	22	**3,369,204,291.79**	2,306,910,116.65
Contract liabilities	23	**119,823,950.23**	352,681,717.14
Payroll payable	24	**52,276,720.97**	67,519,702.61
Tax payable	25	**236,427,450.22**	48,629,486.85
Other payable	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 borrowing	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 payable	32	**178,010,897.90**	
Deferred income	31	**64,503,881.87**	25,441,145.12
Deferred tax liabilities	17	**84,787,542.50**	104,216,253.83
Total non-current liabilities		**7,090,433,725.44**	2,108,285,530.28
Total liabilities		**15,558,211,038.14**	8,272,748,027.71

RMB

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

Balance Sheet of the Parent Company

RMB

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

RMB

Items	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 payables		**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
Taxes payable		**62,888,608.01**	17,775,591.40
Other payables		**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 liabilities		**–**	
Long-term payables		**–**	
Estimated liabilities		**–**	
Deferred income		**10,741,749.57**	13,423,678.16
Deferred income tax liabilities		**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 cost		**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: Gain on investment in associates and joint ventures		**3,582,923.60**	2,834,046.74
		Profit (loss) arising from change 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)
		Gain (loss) 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 the parent company			**1,002,747,876.79**	1,261,029,989.03

Items	Note	For the six months ended 30 June 2022	For the six months ended 30 June 2021
V. Other comprehensive income, net of tax		**29,889,259.45**	(1,066,315.53)
Other comprehensive income, net of tax attributable to owners of the 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 cost		**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: Gain on investment in associates and joint ventures		**2,293,819.60**	2,834,046.74
		Credit impairment loss		**(8,110,426.25)**	23,862,144.23
		Asset impairment loss		**(3,932,514.57)**	(4,325,366.00)
		Gain (loss) 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) The comprehensive income that will be reclassified to profit or loss		**(165,704.49)**	1,971,851.19
The		**(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 sale 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 charges		**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 returns 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 acquire 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 contribution		–	2,509,960,996.79
Cash received from issued bond		**3,978,000,000.00**	
Cash received from borrowing		**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 payment of borrowing		**2,208,375,500.00**	649,455,977.28
Cash paid for distribution of dividend, and profit or payment of interest		**92,732,448.31**	361,036,874.42
Cash paid relating to other financing activities	56	**496,112,910.71**	748,526,906.50
Subtotal of cash outflows		**2,797,220,859.02**	1,759,019,758.20
Net cash flow from financing activities		**5,732,704,130.07**	2,508,966,223.33
IV. Effect of foreign exchange rate changes on cash and cash equivalents		**23,638,751.01**	(6,274,196.59)
V. Net increase (decrease) in cash and cash equivalents		**1,143,094,691.88**	1,043,934,262.56
Add: Cash and cash equivalents at the beginning of the year		**2,101,730,679.46**	1,146,171,930.13
VI. Cash and cash equivalents at the end of the year		**3,244,825,371.34**	2,190,106,192.69

Statements of Cash Flow of the Parent Company

RMB

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

RMB

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

Consolidated Statements of Changes in Shareholders' Equity

RMB

Items	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) Total comprehensive income	-	-	-	-	29,889,259.45	-	-	1,002,747,876.79	-	1,032,637,136.24
(II) Contribution of shareholde	-	333,235,286.91	15,842,999.03	-	-	-	-	-	-	349,078,285.94
1. Common share contributed by owne	-	-	-	-	-	-	-	-		-
2. Contribution of capital by the holders of other equity instruments	-	333,235,286.91	-	-	-	-	-	-		333,235,286.91
3. Amount of share-based payment included in owner's equi	-	-	15,842,999.03	-	-	-	-	-	-	15,842,999.03
(III) Profit distribution	-	-	-	(1,992,200.00)	-	-	-	-	-	1,992,200.00
1. Appropriation to shareholde	-	-	-	(1,992,200.00)	-	-	-	-	-	1,992,200.00
(IV) Special reserve	-	-	-	-	-	6,350,203.03	-	-	-	6,350,203.03
1. Provision of special reserve	-	-	-	-	-	6,557,571.38	-	-	-	6,557,571.38
2. Utilization of special reserve						(207,368.35)				(207,368.35)
IV. Closing balance of the current half year	536,723,313.50	333,235,286.91	4,848,611,260.86	(30,104,000.00)	22,276,078.73	23,616,256.64	268,361,656.75	7,197,507,044.61	-	13,200,226,898.00

RMB

Items	For the six months ended 30 June 2021 Equity attributable to the owners of the parent company Paid-in capital (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 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)
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	For the six months ended 30 June 2022							
	Share capital	Other equity instruments	Capital reserve	Less: Treasury stock	Other comprehensive income	Surplus reserve	Undistributed profit	Total shareholders' equity
I. Opening balance of the current year	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) Contributions 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. Contributions of capital by holders of other equity instruments	–	333,235,286.91	–	–	–	–		333,235,286.91
3. Amount of share-based payments included in owners' equity	–	–	15,842,999.03	–	–	–	–	15,842,999.03
(III) Profit distribution	–	–	–	(1,992,200.00)	–	–	–	1,992,200.00
2. Appropriation to shareholders	–	–	–	(1,992,200.00)	–	–	–	1,992,200.00
III. Closing balance of the current half year	536,723,313.50	333,235,286.91	4,848,611,260.86	30,104,000.00	(775,619.54)	268,361,656.75	3,103,047,125.14	9,059,099,023.62

RMB

Items	For the six months ended 30 June 2021							
	Share capital	Other equity instruments	Capital reserve	Less: Treasury stock	Other comprehensive income	Special reserve	Undistributed profit	Total shareholders' equity
I. Opening balance of the current year	510,312,197.00	49,401,670.49	2,045,095,156.05	28,359,000.00	(5,964,567.44)	220,705,199.31	1,862,201,037.65	4,653,391,693.06
II. Increase/decrease for the current year								
(I) Total comprehensive income					1,971,851.19		317,696,075.01	319,667,926.20
(II) Contribution and withdrawal of capital by shareholders	26,411,116.50	(49,401,670.49)	2,767,546,281.74	9,961,000.00				2,734,594,727.75
1. Common shares contributed by owners	21,311,286.75		2,471,731,656.94	9,961,000.00				2,483,081,943.69
2. Contribution of capital by other equity instruments	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

Fla Gla G o p Co., L d. (he Compan) a e abli hed on 24 J ne 1998 i h i egi e ed add e a 1999 Y nhe Road, Xi ho Di ic , Jia ing, Zhejiang P o ince. On 29 Decembe 2005, he Compan a con e ed in o a join ock limi ed liabili compan and changed i name o Zhejiang Fla Gla & Mi o Co., L d.* (浙江福萊特玻璃鏡業股份有限公司). On 23 Ma ch 2011, he Compan a enamed a Fla Sola Gla G o p Co., L d.* (福萊特光伏玻璃集團股份有限公司) and b e en l enamed a Fla Gla G o p Co., L d.* (福萊特玻璃集團股份有限公司) on 10 Oc obe 2014.

On 26 No embe 2015, he Compan i ed 450,000,000 o e ea li ed fo eign ha e (H ha e) i h a pa al e of RMB0.25 pe ha e h o gh global p blic offe ing. On he ame da e, he Compan ' ha e e e li ed on The S ock E change of Hong Kong Limi ed.

On 23 No embe 2018, he Compan ecei ed he App o al of he Ini ial P blic Offe ing of Sha e of Fla Gla G o p Co., L d. (CSRC App o al [2018] No.1959) i ed b China Sec i ie Reg la o Commi ion, ha he Compan can i e no mo e han 150,000,000 o dina ha e (A ha e) and li on Shanghai S ock E change. On 15 Feb a 2019, he Compan i ed 150,000,000 RMB o dina ha e (A ha e) i h a pa al e of RMB0.25 pe ha e a he i e p ice of RMB2.00 pe ha e. Af e he change, he egi e ed capi al a RMB487,500,000.00.

On 11 A g 2020, in acco dance i h he P opo al on Adj ing he Li of Incen i e Pa ici an and he N mbe of Re ic ed Sha e G an ed on he Fi G an of he Compan ' 2020 A-Sha e Re ic ed Sha e Incen i e Scheme and he P opo al on he Fi G an of A-Sha e Re ic ed Sha e o Incen i e Pa ici an , he Compan g an ed e ic ed ha e o p opo ed incen i e pa ici an . A o al of 15 incen i e pa ici an b c ibed fo 4,600,000 RMB o dina ha e (A Sha e) i h a pa al e of RMB0.25 each, and he g an p ice a RMB6.23 pe ha e. Af e he comple ion of he abo emen ioned an ac ion, he egi e ed capi al of he compan af e he change a RMB488,650,000.00.

A app o ed b he China Sec i ie Reg la o Commi ion, he Compan p blicl i ed 14.50 million A ha e con e ible co po a e bond (he Con e ible Bond) wi h a pa al e of RMB100 each on 27 Ma 2020. The o al amo n of hi i ance i RMB1,450,000,000.00 and he e m i 6 ea . P an o he R le Go e ning he Li ing of S ock on Shanghai S ock E change and o he ele an eg la ion and he P o pec of A Sha e Con e ible Co po a e Bond h o gh P blic I ance of Fla Gla G o p Co., L d., he Con e ible Bond can be con e ed in o he RMB o dina ha e (A ha e) of he Compan f om 3 Decembe 2020. The ini ial con e ion p ice i RMB13.56 pe ha e. The Compan will adj he con e ion p ice ba ed on he p o pec , pon he occ ence of di ib ion of ock di idend, capi ali a ion i e, i ance of ne ha e (e cl ding he inc ea e in ha e capi al d e o he con e ible co po a e bond in hi i ance), igh i e o di ib ion of ca h di idend. On 9 No embe 2020, he Compan adj ed he con e ion p ice o RMB13.48 pe ha e ba ed on he A- ha e e ic ed ha e incen i e cheme and 2020 in e im p of i di ib ion p opo al. On 28 Jan a 2021, he Compan adj ed he con e ion p ice o RMB14.15 pe ha e d e o he non-p blic i ance of RMB o dina ha e (A ha e). D ing he pe iod f om 3 Decembe 2020 o 27 Jan a 2021, he con e ible bond of he Compan amo n ing o RMB1,358,240,000.00 we e con e ed in o 100,754,542 RMB o dina ha e (A ha e) a a con e ion p ice of RMB13.48 pe ha e. D ing he pe iod f om 28 Jan a 2021 o 29 Jan a 2021, he con e ible bond of he Compan amo n ing o RMB89,057,000.00 we e con e ed in o 6,293,565 RMB o dina ha e (A ha e) a a con e ion p ice of RMB14.15 pe ha e. D ing he pe iod f om 3 Decembe 2020 o 23 Decembe 2020, he clo ing p ice of ha e of he Compan fo a lea 15 ading da o of an 30 con ec i e ading da d ing he con e ion pe iod we e no le han 130% (130% incl i e) of he p e ailing con e ion p ice, igge ing he condi ional edemp ion e m of con e ible bond . On 23 Decembe 2020, he Re ol ion on Ea l Redemp ion of Fla Con e ible Bond b he Compan wa con ide ed and app o ed a he 28 h mee ing of he fif h e ion of he Boa d, nde which he Compan decided o e e ci e he ea l edemp ion igh of Fla Con e ible Bond , and edeemed all he Fla Con e ible Bond egi e ed on he edemp ion egi a ion da e wi h he edemp ion egi a ion da e of 29 Jan a 2021. A of 29 Jan a 2021, he con e ible bond in an amo n of RMB1,447,297,000.00 ha e been con e ed in o RMB o dina ha e (A ha e), and he c m la i e n mbe of con e ed ha e amo n ed o 107,048,107 ha e (incl ding: con e ion of 86,648,788.00 ha e in 2020, which e panded he egi e ed capi al b RMB21,662,197.00 and capi al e e e b RMB1,162,828,718.24; and con e ion of 20,399,319.00 ha e , which e panded he egi e ed capi al b RMB5,099,829.75 and capi al e e e b RMB278,934,138.94), and he non-con e ed con e ible bond of RMB2,703,000.00 ha e been edeemed b he Compan . D e o he con e ion of con e ible bond , he egi e ed capi al of he Compan inc ea ed b RMB26,762,026.75, he n mbe of ha e inc ea ed b 107,048,107 ha e and he capi al e e e inc ea ed b 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 Compan , and a o ed b he A o al of he Non-p blic I ance of Sha e of Fla Gla G o p Co., L d. (CSRC A o al [2020] No. 2648) i ed b China Sec ie Reg la o Commi ion, he Compan a pe mi ed o i e no mo e han 450,000,000 RMB o dina ha e (A ha e) b a of non-p blic i ance. A of 7 Jan a 2021, he Compan ha comple ed he non-p blic i ance of 84,545,147 RMB o dina ha e (A ha e) a a pa al e of RMB0.25 pe ha e a an i e p ice of RMB29.57 pe ha e i h he o al amo n of f nd ai ed of RMB2,499,999,996.79. The ne p oceed 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 capi al and capi al e e e, e pec i el . All pa men of b c ip ion amo n e made b ca h in Renminbi. D e o he non-p blic i ance of A ha e , he egi e ed capi al of he Compan 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 capi al e e e inc ea ed b RMB2,461,945,656.94.

On 25 Ma 2021, he Compan 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 icipan a con ide ed and a o ed o g an e ic ed ha e o h ee pa icipan . The pa icipan ac all b c ibed fo 700,000 RMB o dina ha e (A ha e), i h a pa al e of RMB0.25 pe ha e a a g an p ice of RMB14.23 pe ha e. Upon he comple ion of he abo e g an of e ic ed ha e , he egi e ed capi al of he Compan became RMB536,723,313.50.

A approved by the Approval of the Public Issuance of Convertible Bonds of Flat Glass Group Co., Ltd. (CSRC Approval [2022] No. 664) issued by China Securities Regulatory Commission and pursuant to the Prospectus of A Share Convertible Corporate Bonds through Public Issuance and the Announcement on A Share Convertible Corporate Bonds through Public Issuance of the Company, the Company publicly issued 40 million A share convertible corporate bonds with a par value of RMB100 each on 26 May 2022. The total amount of this issuance is RMB4,000,000,000.00 and the term is 6 years. The total proceeds received by the Company are RMB3,978,000,000.00 after deducting the underwriting fee of RMB20,754,716.98 and the corresponding value-added tax of RMB1,245,283.02. According to relevant regulations including the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the provisions under the Prospectus of A Share Convertible Corporate Bonds through Public Issuance, the Convertible Bonds are convertible into RMB ordinary shares (A shares) with effect from 28 November 2022 at an initial conversion price of RMB43.94 per share. The Company will adjust the conversion price based on the provisions upon the occurrence of distribution of stock dividend, capitalization issuance, issuance of new shares (excluding the increase in share capital due to the convertible corporate bonds in this issuance), right issue or distribution of cash dividend.

The principal activities of the Company and its subsidiaries (the Group) are the manufacturing and sales of glass products.

The defacto controllers of the Company are Mr. Ren Hongliang, Mr. Jiang Jinhua, Mr. Ren Zenan and Mr. Zhao Xiaofei, of whom Mr. Ren Hongliang and Mr. Jiang Jinhua are directors of the Company.

2. Scope of the Consolidated Financial Statements

On 26 August 2022, the Company's company and consolidated financial statements have been approved by the Board of Directors of the Company.

(II) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. Basis of preparation

The G o p ha implemen 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 i h he P epa a ion Con en ion of Info ma ion Di clo e b Companie Offe ing Sec i ie o he P blic No.15 Gene al P o i ion on Financial Repo 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 Companie 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 pe iod ince 30 J ne 2022 and i no a a e of an e en o condi ion ha ma ca ignifican do b on he abili o con in e a a going conce n. So he financial a emen ha e been p epa ed on a going conce n ba i .

Basis of accounting and principle of measurement

The G o p ha ado ed acc al ba i fo acco n ing mea emen . E cep 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 impai ed, co e ponding p o i ion fo impai 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 paid 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 pa men o a e ac all ecei ed d e o he a mp ion of c en obliga ion , o he con ac amo n of he c en obliga ion, o in acco dance i h he amo n of ca h o ca h e i alen e pec ed o be paid in dail ac i i ie o mee liabili ie .

Fai al e i he p ice ha o ld be ecei ed o ell an a e o paid o an fe a liabili in an o de l an ac ion be een ma ke pa icipan a he mea emen da e, ega dle of 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 fai al, e mea , emen i di ided in o h ee le el ba ed on he ob e abili of he inp , of he fai al, e and he impo ance of he inp , o he fai al, e mea , emen a a hole:

- Le el 1 inp , a e he , nadj , ed , o ed p ice of he ame a e o liabili ie in he ac i e ma ke , ha can be ob ained on he mea , emen da e.
- Le el 2 inp , a e inp , , o he han , o ed p ice incl, ded i hin Le el 1, ha a e ob e able fo he a e o liabili , ei he di ec l o indi ec l .
- Le el 3 inp , a e , nob e able inp , fo he ele an a e o liabili .

2. Going concern

The financial a emen ha e been p epa ed on a going conce n ba i .

(III) SIGNIFICANT ACCOUNTS POLICIES AND ACCOUNTING ESTIMATES

The p incipal ac i ie of he G o p a e he man, fac , ing and ale of gla p od, c . The efo e, he acco n ing policie fo ecogni ion of e en e, impai men of financial in , men , dep ecia ion of fi ed a e and amo i a ion of in angible a e a e ba ed on he cha ac e i ic of he gla man, fac , ing ind .

1. Statement of Compliance with CASBE

The financial a emen of he Comp an ha e been p epa ed in acco dance i h he CASBE, and p e en , l and comple el he con olida ed and he Comp an ' financial po i ion a 30 J ne 2022 and he con olida ed and he Comp an ' e l of ope a ion , he con olida ed and he Comp an ' change in ha eholde ' e , and he con olida ed and he Comp an ' ca h flo in he half ea 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 Comp an 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 [illegible] hich 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 [illegible] een 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 cap i al e e e, if he ha e cap i al p emi, m i in , fficien o off e he diffe ence, he e ained ea ning [illegible] ill 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 [illegible] hich he a e inc, ed.

5.2 Business combinations not involving enterprises under common control and goodwill

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

The co of combina ion i mea , ed a he agg ega e of he fai al, e , a he ac , i i ion da e, of a e gi en, liabili ie inc, ed o a , med, and e , i in , men i , ed b he ac , i e in e change fo con ol of he ac , i ee. The in e media fee inc, ed b he ac , i e in e pec of a, di ing, legal e ice , al, a ion and con , l anc e ice , e c. and o he ela ed admini a i e e pen e a ib able o he b, ine combina ion a e cha ged o p ofi o lo in he pe iod in hich he a e inc, ed.

The iden ifiable a e , liabili ie and con ingen liabili ie of he ac , i ee ha mee he ecogni ion condi ion ac , i ed b he ac , i e in a b, ine combina ion, a e mea , ed a hei fai al, e a he ac , i i ion da e.

Whe e he co of combina ion e ceed he ac , i e ' in e e in he fai al, e of he ac , i ee' iden ifiable ne a e , he diffe ence i ecogni ed a an a e a good ill and i ini ial mea , ed a co . Whe e he co of combina ion i le han he ac , i e ' in e e in he fai al, e of he ac , i ee' iden ifiable ne a e , he ac , i e fi l ea e e e he mea , emen of he fai al, e of he ac , i ee' iden ifiable a e , liabili ie and con ingen liabili ie and he mea , emen of he co of combina ion. If af e ha ea e men , he co of combina ion i ill le han he ac , i e ' in e e in he fai al, e of he ac , i ee' iden ifiable ne a e ac , i ed in he combina ion, he diffe ence i ecogni ed in p ofi o lo .

Good ill occ, ed a a e , l of combina ion hall be ecogni ed e pa a el in he con olida ed financial , a emen and mea , ed a co le acc, m, la ed impai men p o i ion.

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 over the investee that has the investor to obtain variable returns by participating in the relevant activities of the investee and is capable of affecting the amount of the investor's returns through the power over the investee. In case of changes in the relevant elements involved in the aforesaid definition of control as a result of changes in facts and circumstances, the Group will reassess.

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 statements and consolidated cash flow statements, as appropriate.

For a subsidiary acquired through business combination not involving entities 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 statements and consolidated cash flow statements, as appropriate.

Where the business combination occurs in the reporting period, subsidiaries acquired through business combination involving entities under common control of the Company being absorbed under merger basis are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when the 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 to the date when the first came under the common control of the ultimate controlling party are included in the consolidated income statements and consolidated cash flow statements, as appropriate.

The ignifican acco n ing policie and acco n ing pe iod ado ed b he b idia ie a e de e mined in acco dance i h he Compan ' nified acco n ing policie and acco n ing pe iod .

All ignifican acco n and an ac ion be een he Compan and j b idia ie and among he b idia ie a e elimina ed on con olida ion.

The po ion of a b idia ' e i ha i no a ib able o he Compan i ea ed a mino i in e e and p e en ed a mino i in e e nde ha eholde ' e i in he con olida ed balance hee . The po ion of a b idia ' ne p ofi o lo fo he pe iod a ib able o mino i in e e i p e en ed a p ofi o lo a ib able o mino i in e e nde ne p ofi in he con olida ed income a emen .

When he amo n of lo fo he pe iod a ib able o he mino i ha eholde of a b idia e ceed he mino i ha eholde ' po ion in he opening balance of o ne ' e i of he b idia , he balance i ill alloca ed again mino i in e e .

A an ac ion i acco n ed fo a an e i an ac ion hen he p cha e of mino i in e e in a b idia o he di po al of pa of e i in e men in a b idia doe no e l in he G o p lo ing con ol o e he b idia , and he ca ing amo n of e i a ib able o he o ne of he Compan and mino i ha eholde ill be adj ed o eflec he change of hei ela ed in e e in he b idia . The diffe ence be een he adj ed e i of mino i ha eholde and he fai al e of he con ide a ion paid/ ecei 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 ill be adj ed.

7. Recognition Criteria of Cash and Cash Equivalents

Ca h e i alen a e ho - e m (all d e i hin 3 mon h f om he da e of p cha e), highl li id in e men held b he G o p ha a e eadil con eible o kno n amo n of ca h and hich a e bjec o an in ignifican i k of change in al e.

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

8.1 Foreign currency business

Fo eign c enc an ac ion a e an la ed a he o e change a e on he da e of an ac ion a ini ial ecogni ion.

A he balance hee da e, fo eign c enc mone a i em a e an la ed in o RMB ing he o e change a e a he balance hee da e. E change diffe ence a i ing f om he diffe ence be ween he o e change a e o e ailing a he balance hee da e and ho e on ini ial ecogni ion o a he o e io balance hee da e a e ecogni ed in o ofi o lo fo he e iod, e ce ha : (1) e change diffe ence ela ed o ecial bo owing denomina ed in fo eign c enc eligible fo capi ali a ion hall be capi ali ed in o he co of he ela ed a e d ing he capi ali a ion e iod; (2) e change diffe ence on hedging in men fo he o e of hedging again fo eign c enc i k a e acco n ed fo ing hedge acco n ing; and (3) e change diffe ence a i ing f om change in ca ing amo n (o he han amo i ed co) of mone a i em a fai al e h o gh comp ehen i e income a e ecogni ed in o he comp ehen i e income.

Non-mone a i em denomina ed in fo eign c encie ha a e mea ed a hi o ical co a e an la ed o f nc ional c enc a he o e change a e a he da e of he an ac ion. Non-mone a i em denomina ed in fo eign c encie ha a e mea ed a fai al e a e an la ed ing he fo eign e change a e a he da e he fai al e i de e mined. The diffe ence be ween he an la ed f nc ional c enc amo n and he o iginal f nc ional c enc amo n i ea ed a change in fai al e (incl ding change in e change a e) and i ecogni ed in o ofi o lo o a o he comp ehen i e 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 .

9.1 Classification, recognition and measurement of financial assets

S, b e , en t o ini ial ecogni ion, he G o, ' financial a e of a io, gene
gene

The G o, p' p, po e of holding he financial a e i fo ading if one of he follo ing 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 i 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 a e mea ed a amo i ed co

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

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

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

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

9.1.2 Financial a e cla ified a a FVTOCI

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

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

9.1.3 Financial a e a FVTPL

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

9.2 Impairment of financial instruments

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

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

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

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

9.2.1 Significant increase in credit risk

The Group considers 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 commitment and financial guarantee contracts, the Group considers the date on which it becomes the party making the irrevocable undertaking as the initial recognition date when applying the provisions for financial instrument 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 indications of credit risk for the same financial instrument or similar financial instruments with the same expected life have changed significantly. These indications include: credit spread, credit default swap prices for bonds or loans.

(2) Whether there are internal credit rating actually or expected to be lowered.

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

(4) Whether there are actual or expected operating results of the debtor have changed significantly.

(5) Whether there are regulatory, economic or technological environment changes in which the debtor is located have 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 hen he con ac al pa men a e pa d e mo e han 30 da (incl i e).

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

9.2.2 C edi impai ed financial a e

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

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

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

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

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

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

Based on the Group's internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained externally indicates that the debtor of the financial instrument is unable to pay its creditors (including the Group) in full (without taking into account any guarantee obtained by the Group).

Irrespective of the above assessment, the Group presumes that default has occurred when the contractual payment is more than 90 days (inclusive) past due.

9.2.3 Determination of ECL

The Group's impairment mainly determines the credit loss of elated financial instruments on the basis of combination of bill receivable, financing receivable, trade receivable and other receivable. The Group divides financial instruments into different groups based on common risk features. The common credit risk features adopted by the Group include: type of financial instrument, credit risk rating, initial recognition date, etc.

The Group determines ECL of relevant financial instruments according to the following methods:

- For financial assets, the credit loss shall be the present value of the difference between the contractual cash flows to be received by the Group and the expected cash flows to be received.

- As for the financial assets with credit impairment occurred on the balance sheet date but not purchased or originated, the credit loss is the difference between the book balance of the financial asset and the present value of the estimated future cash flows discounted according to the original effective interest rate.

- For a financial guarantee contract, the credit loss is the estimated payments made by the Group for the credit loss incurred by the contract holder, less the present value of the amount expected to be collected by the Group from the contract holder, debtor or any other party.

The fac o efflec ed in he G o p' 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 ie of o ible e l ; he ime al e of mone ; he ea onable and o 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 i 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 hip 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 hip 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 hip of a financial a e , i e ain con ol of he financial a e , i o e If mo lon ne hni ion oliia ed

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

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

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

9.4.1.2 Q he financial liabili ie

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

9.4.2 De ecogni ion of financial liabili ie

The G o p de ecogni e a financial liabili (o pa of i) onl hen he nde l ing pe en obliga ion (o pa of i) i di cha ged. Whe e an ag eemen be een he G o p a bo o e and lende i igned o eplace he o iginal financial liabili and he con ac al e m of he ne financial liabili and he o iginal financial liabili a e b an iall diffe en , he G o p de ecogni ed he o iginal financial liabili and ecogni ed he ne financial liabili .

On de ecogni ion of a financial liabili in i en i e o pa iall , he diffe ence be een he ca ing amo n of he pa de ecogni ed and he con ide a ion paid (incl ding an non-ca h a e an fe ed o ne financial liabili a med) i ecogni ed in p ofi o lo fo he pe iod.

9.4.3 E i in men

E i in men a e an con ac ha e idence a e id al in e e in he a e of he G o p af e ded c ing all of i liabili ie . E i in men i ed (incl ding efinancing), ep cha ed, old o cancelled b he G o p a e ea ed a change in e i . Change in fai al e of e i in men i no ecogni ed b he G o p. T an ac ion co ela ed o e i an ac ion a e ded c ed f om e i .

The G o p ecogni e he di ib ion o holde of he e i in men a p ofi di ib ion, di idend paid do no affec o al amo n of ha eholde ' e i .

9.5 Derivative instruments and embedding derivatives

De i a i e in men incl ding fo a d fo eign e change con ac , c enc ap con ac and in e e a e ap con ac , e c. De i a i e a e ini iall mea ed a fai al e on he igning da e of he ele an con ac and b e en l mea ed a fai al e. The change in fai al e of he de i a i e a e ecogni ed in p ofi o lo fo he pe iod.

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 p e en ed in balance hee hen he G o p ha a legall enfo ceable igh o e off he ecogni ed financial a e and financial liabili ie , and he G o p in end o e le i h ne amo n , o eali e he financial a e and e le he financial liabili im l aneo l . Q he i e he financial a e and financial liabili ie ill be p 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 p hich con ain liabili ie and con e ion op ion , hall be li p on ini ial ecogni ion and ecogni ed e a a el . Of hich, con e ion op 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 po ion i de e mined a c en ma ke p ice imila o ho e of bond i ho con e ion op ion . The diffe ence be een he o e all i e p ice of con e ible bond and he fai al e of he liabili po ion hall be aken a he al e of he con e ion op 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 po 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 me hod fo de e mining e pec ed c edi lo of bill ecei able and acco n ing ea men me hod :

See 9.2 fo ele an acco n ing police .

11. Account receivables

The me hod fo de e mining e pec ed c edi lo of acco n ecei able and acco n ing ea men me hod :

See 9.2 fo ele an acco n ing police .

12. Financing receivables

Fo no e ecei able cla ified a a FVTOCI, he po ion i hin one ea (incl i e) f om he da e of ac i ion i p e en ed a financing ecei able . Fo de ail of he ele an acco n ing policie , plea e efe o 9.1, 9.2 and 9.3.

13. Other receivables

The me hod fo de e mining e pec ed c edi lo of o he ecei able and acco n ing ea men me hod :

See 9.2 fo ele an acco n ing police .

14. Inventories

14.1 Classification of inventories

The G o p' in en o ie mainl incl de a ma e ial , lo - al e con mable , o k in p og e and fini hed good , e c. In en o ie a e ini iall mea ed a co , hich comp i e p cha e co , p oce ing co and o he e pen e inc ed in b inging he in en o ie o hei c en loca ion and condi ion.

14.2 Pricing of inventories delivered

The ac , al co of in en o ie , on deli e i calc, la ed , ing he eigh 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 lo e of co and ne eali able al, e. If he ne eali able al, e i belo he co of in en o ie , a o i ion fo impai men of in en o ie i made.

Ne eali able al, e i he e ima ed elling 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 , 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 o i ion fo impai men of in en o ie i made, if he ci c, m, ance ha e io, l ca, ed in en o ie o be 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 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 ofi o lo fo he e iod.

14.4 Inventory system

The in en o em i a e e , al in en o em.

14.5 Amortization of low-value consumables

Lo - al, e con , mable a e amo i ed , ing one-off i e-off me hod.

15. Assets Held for Sale

A non-c, en a e o di po al g o, p i cla ified a a e held fo ale hen he ca ing amo, n of he a e i eco e ed p inci pall h o, gh a ale an ac ion (incl, ding an e change of non-mone a a e i h comme cial , b ance) a he han h o, gh con in, ing , e.

Non-c, en a e o di po al g o, p held fo ale a e e , i ed o a i f he follo ing condi ion : (1) an immedia e ale can be made , nde he c, en condi ion acco ding o he p ac ice of elling , ch a e o di po al g o, p in imila an ac ion ; and (2) i i highl p obable ha a ale ill occ , ha i , he G o, p ha made a e ol, ion on a ale plan and ob ained a defini e p cha e commi men , and he ale i e pec ed o be comple ed i hin one ea .

The G o, p mea , e non-c, en a e o di po al g o, p held fo ale a he lo e of ca ing amo, n and fai al, e le co , o ell. If he ca ing amo, n i highe han he ne amo, n of he fai al, e le co , o ell, he ca ing amo, n hall be i en-off o he fai al, e le co , o ell, he amo, n i en-off i ecogni ed a an impai men lo of a e and incl, ded in p ofi o lo fo he pe iod, and he p o i ion fo impai men of a e held fo ale i made im, l aneo, l . Whe e he e i an inc ea e in he ne amo, n of fai al, e le co , o ell of non-c, en a e held fo ale a he , b e , en balance hee da e, he amo, n p e io, l i en-off ho, ld be eco e ed and e e ed in he amo, n of impai men lo ecogni ed fo he a e af e being cla ified a held fo ale, and he e e ed amo, n i incl, ded in p ofi o lo fo he pe iod.

Dep ecia ion o amo i a ion hall no be made fo non-c, en a e in he non-c, en a e o di po al g o, p held fo ale. The in e e of liabili ie and o he e pen e in he di po al g o, p held fo ale hall be con in, o, l ecogni ed.

The e , i in e men in a ocia e a e cla ified in hole o in pa a a e held fo ale. The pa of , ch e , i in e men in a ocia e cla ified a held fo ale ill cea e o calc, la e , ing e , i me hod f om he da e of being cla ified a held fo ale.

16. Long-term Equity Investments

16.1 Basis of determination of joint control and significant influence

Con ol efe o he po e of in e o o e he in ee, ho enjo a iable e n b pa icipa ing in he ele an ac i ie of he in ee, and ha he abili o e he po e o e he in 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 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 e o pa icipa e in he deci ion-making of he financial and ope a ional policie of he in ee, b canno con ol o join l con ol he fo m la ion of he e policie i 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 a 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 i e nde common con ol, he inj 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 inj 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 inj 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 inj 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 pe io l held e i in e men b acco n ing ea men of e i me hod o in e men in non- ading e i in men de igna ed a a FVTOCI i no bjec o acco n ing ea men empo a il .

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

The in e media e pen e inc, ed b he ac , i e o p, cha e in e pec of a, di ing, legal e ice , al, a ion and con , l anc e ice , e c. and o he ela ed admini a i e e pen e a, ib able o he b ine combina ion a e ecogni ed in p ofi o lo in he pe 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 Comp an . A , b idia i an in e ee ha i con olled b he G o, p.

Long-e m e , i in e men acco, n ed fo , ing he co me hod a e mea , ed a ini ial in e men co . When addi ional in e men i made o he in e men i eco, ped, 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 i h he ca h di idend o p ofi di ib ion decla ed b he in e ee.

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

The G o, p' in e men in a ocia e i acco, n ed fo b e , i me hod. A ocia e efe o in e ed en i ie o hich he G o, p 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 cap 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 i h ho e of he Comp an , he financial a emen of he in e ed en i hall be adj ed in acco dance i h he acco n ing policie and pe iod of he Comp an . 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 imp ai men lo e of he an fe ed a e .

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

16.4 Disposal of long-term equity investments

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

17. Investment Properties

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

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

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

An in e men p ope i de ecogni ed pon di po al o hen he in e men p ope i pe manen l i hd a n f om e and no f e economic benefi a e e pec ed f om i di po al .

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

18. Fixed Assets

(1) Conditions of recognition

Fi ed a e a e angible a e ha a e held fo e in he 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 e placed pa i de ecogni ed. Q 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 ipmen	aigh -line dep ecia ion	4 10	5%	9.50%-23.75%
T an po a ion e ipmen	aigh -line dep ecia ion	4 5	5%	19.00%-23.75%
Q he e ipmen	aigh -line dep ecia ion	3 5	5%	19.00%-31.67%

19. Construction in Progress

Con , ç ion in p og e i mea , ed a ac , al co , which incl, de a io, con , ç ion e pendi , e inc ed d, ing he con , ç ion pe iod, capi ali ed bo owing co befo e he con , ç ion i ead fo i in ended , e and o he ele an co . Con , ç ion in p og e i no dep ecia ed. Con , ç ion in p og e i an fe ed o fi ed a e while i i ead fo i in ended , e.

20. Borrowing Costs

The bo owing co ha a e di ec l a ib able o he ac , i i ion, con , ç ion o p od, ç ion of a , alif ing a e a e capi ali ed when e pendi , e fo he a e a e being inc ed, bo owing co a e being inc ed and ac i i ie ela ing o he ac , i i ion, con , ç ion o p od, ç ion of he a e ha a e nece a o p epa e he a e fo i in ended , e o ale ha e commenced. The capi ali a ion of , alif ing a e , nde con , ç ion o p od, ç ion cea e when he a e a e ead fo hei in ended , e o ale. The emaining bo owing co a e ecogni ed a e pen e in he pe iod in which he a e inc ed.

Whe e f, nd a e bo owed , nde a pecial bo owing, he amo, n o be capi ali ed i he ac , al in e e e pen e inc ed on ha bo owing fo he pe iod le an in e e income ea ned f om depo i ing he , n, ed bo owing f, nd in o bank o an in e men income on he empo a in e men of ho e f, nd . Whe e f, nd a e bo owed , nde a gene al bo owing, he amo, n capi ali ed i de e mined b appl ing he eigh ed a e age of he e ce amo, n of c, m, la i e e pendi , e on he a e o e he pecial bo owing m, l iplied b he capi ali a ion a e of he gene al bo owing , ed. The capi ali a ion a e i de e mined ba ed on he eigh ed a e age in e e a e of he gene al bo owing . D, ing he capi ali a ion pe iod, he e change diffe ence on pecial fo eign c, enc bo owing a e all capi ali ed; he e change diffe ence on gene al-p, po e fo eign c, enc bo owing a e ecogni ed in p ofi o lo fo he pe iod.

21. Intangible assets

(1) Methods, Useful life, Impairment Test

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

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

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

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

(2) Internal research and development expenditures

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

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

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

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

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

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

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

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

22. Impairment of Long-term Assets

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

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

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

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

23. Long-term Deferred Expenses

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

24. Contract Liabilities

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

25. Employee Compensation

(1) Accounting for short-term employee compensation

In the accounting period in which an employee has rendered service, the Group recognises the short-term employee compensation actually incurred as liabilities, and includes in profit or loss for the period or related asset cost. The employee benefits given by the Group as consideration for obtaining the service rendered by employees are mainly the actual amount when actually incurred. The non-monetary employee benefits are measured at fair value.

In determining the corresponding amount of employee compensation, social security contributions, such as medical insurance, work injury insurance and maternity insurance and housing funds, as well as labor union funding and employee education expenses provided by the Group are calculated according to the prescribed provision basis and percentage during the accounting period in which the employee provides service to the Group, and the corresponding liabilities are recognised, and included in profit or loss for the period or related asset cost.

(2) Accounting for post-employment benefits

Post-employment benefits are all defined contribution plans.

In the accounting period in which an employee has rendered service, the Group recognises the amount payable under the defined contribution plan as liability, and includes in profit or loss for the period or related asset cost.

(3) Accounting for termination benefits

When the Group provides termination benefits to employee, employee compensation liabilities arising from termination benefits are recognised in profit or loss at the earlier of the following dates: when the Group cannot unilaterally withdraw termination benefits provided because of an employee termination plan or layoff proposal, or when the Group confirms the costs or expenses related to restructuring involving the payment of dismissal benefits.

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 recognized according to 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 recognized according to 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 payment or adopts any form which is unfavorable to employees to modify the terms and conditions of the share-based payment plan, according to requirements 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 vesting 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, including the remaining amount that shall be recognized during the vesting period in the profit and loss for the period immediately and recognized capital reserve. Where employees or the parties entitled to choose cannot fulfill non-vesting conditions but fulfilled during the vesting period, the Group will treat the granted equity instruments as cancelled.

28. Revenue

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

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

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

29. Government Grants

Go e nmen g an a e an fe of mone a a e and non-mone a a e f om he go e nmen o he G o p a no con ide a ion. A go e nmen g an i ecogni ed onl hen he G o p can compl i h he condi ion a aching o he g an and he G o p ill ecei e he g an .

If a go e nmen g an i in he fo m of mone a a e , i hall be mea ed a he amo n ecei ed o ecei able.

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

S ch g an a e go e nmen g an a he ela ed o fi ed a e ha e b il o ac i ed.

A go e nmen g an ela ed o a e i ecogni ed a defe ed income and incl ded in c en p ofi o lo o e he ef l life of he ela ed a e ing he aigh -line me hod.

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

A he a e di ec l ela ed o he e pen e inc ed d ing he pe iod, ch go e nmen g an a e go e nmen g an ela ed o e en e.

A go e nmen g an ela ed o e en e ed o compen a e fo ele an co , e pen e and lo e in b e en pe iod i ecogni ed a defe ed income, and i incl ded in p ofi o lo fo he pe iod di ec l o e he pe iod in hich he ele an co , e pen e o lo e a e ecogni ed. The go e nmen g an ela ed o e en e ed o compen a e fo ele an co , e pen e and lo e al ead inc ed i incl ded in p ofi o lo fo he pe iod di ec l .

The go e nmen g an ela ed o he G o p' dail ac i ie a e incl ded in o he income/off e he ele an co and e pen e acco ding o he na e of economic b ine . O he i e, go e nmen g an a e incl ded in non-ope a ing income o e pen e.

30. Deferred Income Tax Assets/Deferred Income Tax Liabilities

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

30.1 Current income tax

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

30.2 Deferred income tax assets and deferred income tax liabilities

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

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

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

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

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

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

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

30.3 Offsetting of income tax

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

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

31. Lease

Lease is defined as a contract that the lessor grants the right to use an asset to the lessee within a certain period of time in exchange for consideration.

For a contract entered into or changed after the date of initial adoption, the Group assesses whether the contract is or contains a lease on the commencement or changing date of the contract. The Group does not separate non-lease component and the consideration in the contract are changed.

31.1 The Group as lessee

31.1.1 Separation of lease

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

31.1.2 Right-of-use assets

Except for short-term lease and lease of low-value assets, the Group recognises right-of-use assets at the commencement date of the lease. The lease commencement date is the date on which the lessor provides leased assets for the use by the Group. Right-of-use assets are initially measured at cost. Such cost includes:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date, less the related amount of any lease incentive enjoyed if the lease agreement has lease incentive;
- any initial direct costs incurred by the Group; and
- any estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying assets to the condition required by the terms of the lease.

The Group accrues the depreciation for the right-of-use assets according to the regulation of the relevant depreciation regulation of Accounting Standard for Business Enterprises No. 4 — Fixed Assets. Right-of-use assets are depreciated within the remaining useful lives when the Group is reasonably certain to obtain the ownership of leased assets at the end of the lease term. The depreciation is provided during the period between the lease term and the remaining useful life of the leased asset if it is not.

The Group determines whether the right-of-use asset is impaired and performs accounting treatment for recognised impairment loss according to the relevant regulation of Accounting Standard for Business Enterprises No. 8 — Impairment of Assets.

31.1.3 Lea e liabili ie

E ce fo ho e m lea e , he G o p ini ial mea e he lea e liabili a he e en al e of lea e pa men ha a e, n paid a he lea e commencemen da e. In calc la ing he e en al e of lea e pa men , he G o p e he in e e a e implici in he lea e a di co n a e, and ado he inc emen al bo owing a e if he in e e a e implici in he lea e i no eadil de e minable.

The lea e pa men efe o he amo n paid b he G o p 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 pa men and in- b ance fi ed pa men .

The G o p calc la e he in e e e en e of lea e liabili ie fo each pe iod of he lea e e m a a fi ed pe iodic in e e a e and incl de i in p ofi and lo fo he pe 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 ipmen , he G o p 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 p cha e op ion f om he lea e commencemen da e. The G o p ill incl de he lea e pa men fo ho e m lea e in p ofi o lo fo he pe 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 ial almo all he i k and e a d of o ne hip o he le ee. All o he lea e a e cla ified a ope a ing lea e .

In addi ion o he abo e change , if he e a e o he change in he financial a e o financial liabili ie , fo hich in e e income o e pen e i de e mined b he effec i e in e e a e me hod, he G o p hall acco n fo he change ca ed b he in e e a e benchma k efo m in acco dance i h he abo e eg la ion , and hen in acco dance i h he Acco n ing S anda d fo B ine En e p i e No. 22 Recogni ion and Mea emen of Financial In men o a e he he o he change ill e l in de ecogni ion of he financial a e o financial liabili .

Acco ding o In e p e a ion No. 14, he G o p handled he ne benchma k in e e a e efo m ela ed b ine e f om 1 Jan a 2021 o he implemen a ion da e of In e p e a ion No. 14 in acco dance i h he p o i ion of In e p e a ion No. 14.

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

Acco ding o he Q&A on he Implemen a ion of he Fif h Ba ch of Acco n ing S anda d fo B ine En e p i e in 2021 i ed b he Acco n ing Depa men of he Mini of Finance on 1 No embe 2021, he G o p' managemen of good o e ice befo e he an fe of con ol o e he good o e ice o he c ome doe no con i e a ingle i em fo he pe fo mance of he c ome con ac . The an po a ion co a i ing f om he an po a ion e ice of he pe fo mance obliga ion i ega ded a he con ac pe fo mance co , and i amo i ed and incl ded in he c en p ofi and lo on he ame ba i a he ecogni ion of e en e f om good o e ice , and i li ed in he ope a ing co of he income a emen . In 2021, he abo e change in acco n ing policie e l ed in an inc ea e in ope a ing co and a dec ea e in elling e pen e of he G o p of RMB329,959,493.47, and an inc ea e in ope a ing co and a dec ea e in elling e pen e of he Compan of RMB40,049,782.23; In 2020, he G o p' ope a ing co inc ea ed and elling e pen e dec ea ed b RMB254,222,773.59, and he Compan ' ope a ing co inc ea ed and elling e pen e dec ea ed b 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 property / rental income	Note 1
Resource tax	Quantity of mining products sold	7%
Enterprise income tax (EIT)	Taxable income	Note 2
Environmental protection tax	Pollution emission	RMB1.2 to RMB1.4 per pollution equivalent

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

Note 2: EIT rate for the Company and subsidiaries:

Name	Tax rate (%)
The Company	15%
浙江福萊特玻璃有限公司 Zhejiang Fla Gla Co., Ltd.	25%
浙江嘉福玻璃有限公司 Zhejiang Jiaf Gla Co., Ltd.	15%
上海福萊特玻璃有限公司 Shanghai Fla Gla Co., Ltd	25%
安徽福萊特光伏玻璃有限公司 Anh i Fla Sola Gla Co., Ltd	15%
安徽福萊特光伏材料有限公司 Anh i Fla Sola Ma e ial Co., Ltd	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., Ltd	25%
福萊特(越南)有限公司 Fla (Vie nam) Company Limi ed	0%

Note 1: Profits before taxation not exceeding HK$2,000,000 (inclusive) is subject to a tax rate of 8.25%, while the portion of profits before taxation exceeding HK$2,000,000 is subject to a tax rate of 16.5%.

2. Tax Preferences

The Company

On 4 December 2019, the Company obtained the High Technology Enterprise Certificate (No. GR201933003682) jointly approved by the Science and Technology Department of Zhejiang Province, Zhejiang Provincial Department of Finance, Zhejiang Provincial Tax Service, State Taxation Administration for a valid period of three years, pursuant to which, the EIT rate of 15% is applied from 2019 to 2021.

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 Dep a men of Zhejiang P o ince, Zhejiang P o incial Dep a 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 hich, 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 Dep a men of Anh i P o ince, Anh i P o incial Dep a 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 hich, 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 oje (Cai h i [2012] No. 10), Jia ing Fla Ne 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 hich he fi op e 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 oje 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) Compan Limi ed i e emp ed f om EIT fo fo ea commencing f om he fi p ofi -making ea , follo ed b a 50% ed c ion in EIT fo he ne nine ea . Fla (Vie nam) Compan Limi ed ha made p ofi f om 2022.

3. DERIVATIVE FINANCIAL ASSETS

RMB

Items	Closing balance	Opening balance
Derivative financial assets which are designated hedging relationship		
Including: Forward foreign exchange contract (Note)	–	62,739.00
Total	–	62,739.00

Note: The above forward foreign exchange contract is designated as hedging instrument, and the gain or loss arising from change in fair value directly included in profit and loss for the period.

4. BILLS RECEIVABLES

(1) Bills receivables by category

RMB

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

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

RMB

Items	Amount not derecognized at the end of the half year
Endo ed bank acce ance bill	1,209,023,929.58
Di co n ed bank acce ance bill	15,547,866.84
To al	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 deb o i ion b o folio Incl ding:					
Bank acce ance bill	1,506,620,147.82	74.37	–	–	1,506,620,147.82
Comme cial acce ance bill	519,224,504.02	25.63	9,138,351.27	1.76	510,086,152.75
To al	2,025,844,651.84	/	9,138,351.27	/	2,016,706,300.57

	Opening balance				
	Book balance		Bad deb o i ion		Book al e
Cla ifica ion	Amo n	Pe cen age (%)	Amo n	Acc al Pe cen age (%)	
Bad deb o i ion b o folio Incl ding:					
Bank acce ance bill	834,875,954.38	88.58			834,875,954.38
Comme cial acce ance bill	107,583,256.08	11.42	2,711,098.05	2.52	104,872,158.03
To al	942,459,210.46	/	2,711,098.05	/	939,748,112.41

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

RMB

Name	Closing balance Bills receivables	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, p belie e ha he acce ing bank ⊠i h highe c edi a ing hold he bank acce ance bill and he e i no ignifican c edi i k, o no imp ai men allo⊠ance 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**

(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 funds	674,036.00	6,199,563.00	6,182,954.00	690,645.00
V. Education funds & labor 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 the schemes, the Group pays monthly fees to the plans at 14% and 0.5% of the employees' basic wage. Except for the above monthly paid fees, the Group does not undertake further payment obligations. The corresponding pension accrued is recognized in profit or loss in the period in which the service is rendered.

During the period from 1 January to 30 June 2022, the Group had paid a total of RMB22,916,199.62 and RMB832,313.80 to the pension insurance and unemployment insurance scheme respectively. As of 30 June 2022, the expense RMB1,605,213.26 and RMB44,585.22 had been accrued but unpaid for the pension insurance and unemployment insurance scheme. The payable 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 rental	**10,598,995.91**	9,461,877.50
City maintenance and construction tax	**3,594,770.01**	2,130,901.26
Education rental and local education rental	**2,176,228.58**	1,746,134.73
Individual income tax	**444,435.38**	643,392.80
Other	**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
Dividend payable	**791,200.00**	791,200.00
Other payable	**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 Bond	**1,380,821.92**	
Total	**7,398,469.04**	4,225,184.38

(2) Dividends payables

RMB

Items	Closing balance	Opening balance
Dividend 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
Equipment 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

As at the end of the period, the Group had no other payable 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 payable 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	
Bonds payable	**3,660,546,167.06**		SCN1.5

(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 Bond 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 Bond 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 bond (26 May 2022), and end on the maturity date of the convertible bond (28 November 2022 to 19 May 2028).

The initial conversion price of convertible corporate bond under the issuance is RMB43.94 per share. After the issuance, in case of certain events such as dividend distribution, conversion of increase of shareholders' capital, issuance of new shares (excluding an increase in the share capital as a result of conversion of the convertible corporate bond under the issuance), rights issue and distribution of cash dividend, the price of the convertible shall be adjusted accordingly. During the term of the A Share Convertible Bond under the issuance, the closing price 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' general meeting for their consideration and voting.

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

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

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

The fai al, e of he liabili componen a 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 wi ho he a ached p cha e a an . The e id al amo n a igned a he e , i componen 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 componen a follo :

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

31. DEFERRED REVENUE

RMB

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

Government grants

RMB

Items	Opening balance	Increase amount for the period	Decrease in the current period	Closing balance	Asset-related/ revenue-related
Jiaying City 2012 first batch of industrial development fund grant annual output of 170,000 tons of LOW-E glass and deep processing project 2#Float Kiln	133,333.06		100,000.02	**33,333.04**	Asset-related
Jiaying City 2012 provincial energy-saving financial grant 2 production line of furnace flue gas waste heat utilization Phase II project (with supporting construction of waste heat boiler and steam turbine generator)	190,291.55		49,999.98	**140,291.57**	Asset-related
Annual production of 15 million square meters of solar photovoltaic laminated glass expansion project	424,778.42		250,000.02	**174,778.40**	Asset-related
Jiaying City 2012 first batch of industrial development fund grant 2*600 t/d glass melting furnace flue gas waste heat power generation first phase construction (technical and information project)	83,495.42		49,999.98	**33,495.44**	Asset-related
TCO laminated conductive film project grant	603,783.23		603,783.23	**0.00**	Asset-related
Jiaying City 2012 first batch of industrial development fund bid annual output of 15 million square meters of solar photovoltaic laminated glass project 1#Photovoltaic Kiln	950,494.77		250,000.02	**700,494.75**	Asset-related

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 pg ading j em (cen al inf a ç e in e men) Fla Gla ann al p od c ion of 5.8 million a e me e LOW-E gla dee p oce ing p oje	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 p oje 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 a e hea po e gene a ion p oje g an	739,999.84		184,999.98	**554,999.86**	A e - ela ed
The fi pha e of di ib ed PV p oje con ç ion g an	4,014,720.00		167,280.00	**3,847,440.00**	A e - ela ed
The econd pha e of di ib ed PV p oje con ç ion g an	1,134,115.59		46,607.52	**1,087,508.07**	A e - ela ed
Ann al p od c ion of 5.8 million a e me e LOW-E gla dee p oce ing p oje	4,234,724.00		409,812.00	**3,824,912.00**	A e - ela ed
Ann al p od c ion of 12 million a e me e of high an pa en pho o ol aic gla p oje	1,684,065.48		174,213.72	**1,509,851.76**	A e - ela ed
G an fo back plane p oce ing o k ho i h ann al o p of 28 million a e	2,877,900.00		172,674.00	**2,705,226.00**	A e - ela ed
S b idie fo pp 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 j ionali ed, anda di ed and p 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 p omo e he an fo ma ion and pg ading of en e p i e , making economic de elo men o nd. Mo eo e , he go e nmen b idi ed en e p 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
Pa men fo ac i i ion of mining igh		**230,230,897.90**
Le : Long- e m pa men d e i hin one ea		**52,220,000.00**
Long- e m pa men d e af e one ea		**178,010,897.90**

33. SHARE CAPITAL

RMB

	Opening balance	Inc ea e o dec ea e fo he pe iod (+,-) Ne ha e I ed	Q he	Closing balance
To al ha e capi al	536,723,313.50			**536,723,313.50**

34. OTHER EQUITY INSTRUMENTS

RMB

O ding financial in men	Opening balance Nmbe	Ca ing al e	Inc ea e in he co en pe iod Nmbe	Ca ing al e	Dec ea e in he co en pe iod Nmbe	Ca ing al e	Closing balance Number	Carrying value
Con e ible co po a e 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 sale restriction for the first grant of the 2020 Restricted A Share Incentive Scheme for the second unlocking period, and the relevant shares have been 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. Other comprehensive income that will not be reclassified into profit or loss after tax						-
II. Other comprehensive income that will be reclassified into profit or loss after tax	(7,613,180.72)	29,889,259.45		29,889,259.45		**22,276,078.73**
Exchange difference on foreign currency financial statement translation	(4,685,441.82)	29,586,440.51		29,586,440.51		**24,900,998.69**
Change in fair value of financing receivable	(2,927,738.90)	302,818.94		302,818.94		**(2,624,919.96)**
Total other comprehensive 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 region (excluding the mainland of China)	1,165,341,157.52
Europe	101,446,157.93
North America	128,647,285.93
Other	12,529,207.22

(3) Performance obligations

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

43. SELLING EXPENSES

RMB

Items	Amount for the period	Amount for the previous 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 amortization	**12,678.08**	4,459.85
Other	**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 the previous period
Employee remuneration and benefit	**67,324,035.28**	68,897,778.55
Depreciation and amortization	**14,925,107.74**	10,538,835.21
Green and environmental protection expense	**5,829,406.63**	3,592,433.81
Labor cost	**8,149,166.34**	4,361,248.05
Office expense	**4,722,203.38**	4,143,592.54
Travelling expense	**1,148,929.54**	1,023,170.67
Intermediary agency service fee	**9,125,268.49**	1,998,236.41
Transportation expense	**1,122,452.13**	1,105,866.39
Repair and maintenance fee	**362,943.45**	188,692.64
Other	**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 emoluments and benefits	**55,813,432.48**	39,118,507.52
Direct material costs	**165,135,312.47**	134,017,800.27
Depreciation and amortization	**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 amortization	**6,742,063.25**	6,234,579.97
Government grant	**31,622,824.40**	3,049,188.99
Total	**40,868,360.92**	12,336,592.31

48. INVESTMENT INCOME (LOSS)

RMB

Items	Amount for the period	Amount for last period
Income from long-term equity investment under equity method	**3,582,923.60**	2,834,046.74
Investment income from disposal of financial assets	**450,000.00**	7,842,906.41
Derivative instrument (including the portion of hedging relation ship)	**166,920.00**	9,504,060.00
Including: Forward foreign exchange contract investment income	**166,920.00**	9,504,060.00
Investment income from entrusted 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, pe iod
De i a i e, ool i ho, , he pecified hedging ela ion hip		
Incl, ding: Fo a d fo eign e change con ac	**(139,297.35)**	769,335.76
Fo eign e change op 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, pe iod
C edi imp ai men gain (lo e) on bill ecei able	**(6,427,253.22)**	(751,658.54)
C edi imp 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	Amount for last period
Inventory impairment loss	**(6,723,522.16)**	(4,329,681.98)
Total	**(6,723,522.16)**	(4,329,681.98)

52. GAINS (LOSS) ON DISPOSAL OF ASSET

RMB

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

53. NON-OPERATING INCOME

RMB

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

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

54. NON-OPERATING EXPENSES

RMB

Items	Amount for the period	Amount for last period	Non-recurring profit and loss in the current period
External donation	**2,153,838.80**	96,215.63	2,153,838.80
Other	**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 tax expense 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 statutory tax rate of 15%	**164,609,825.15**
Effect of subsidiaries' different tax rate	**12,564,367.57**
Effect of non-deductible cost, expense and loss	**2,629,649.13**
Effect of non-taxable income	**(367,398.64)**
Effect on making offset (offset) of income tax for last period	**(34,612,628.53)**
Tax effect on tax incentive	**(20,921,010.36)**
Effect of use of deductible loss on previous unrecognised deferred income tax asset	**(1,335,061.98)**
Effect of deductible temporary difference or deductible loss of unrecognised deferred tax asset in the period	**3,950,073.84**
Change in opening balance of deferred tax asset/liability due to change in tax rate	**–**
Effect on research and development cost 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	Amount in the last period
Government grant	**80,744,688.79**	10,133,431.20
Interest income	**25,931,363.85**	21,301,664.66
Margin	**15,827,360.46**	220,000.00
Other	**1,278,512.69**	2,502,872.22
Total	**123,781,925.79**	34,157,968.08

(2) Other cash paid and related to operating activities

RMB

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

(3) Other cash received and related to investment activities

RMB

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

(5) Other cash received and related to fundraising activities

RMB

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

(6) Other cash paid and related to fundraising activities

RMB

Items	Amount in the current period	Amount in the last period
Payment of restricted monetary fund	**495,034,111.04**	730,523,947.73
Charge 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 loss (gain)	**28,631,879.47**	(30,496,077.35)
Investment property depreciation	**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
Amortization of intangible assets	**242,066,854.07**	11,906,352.80
Amortization of long-term prepaid expenses	**1,261,756.85**	1,145,392.36
Loss for disposal of fixed assets, intangible assets and other long-term assets (gain)	**9,150,998.74**	950,017.12
Fair value change loss (gain)	**3,660,869.06**	160,041.62
Financial expenses	**150,868,000.63**	34,644,318.71
Investment gain	**(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 receivable (decrease)	**(2,370,476,466.47)**	(855,995,548.19)
Increase in operating payable	**708,230,611.01**	391,916,423.87
Other	**15,451,138.81**	11,475,363.71
Net cash flow 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 fund	**778,425,138.48**	Bill deposits, etc.
Financing receivable	**39,882,313.71**	Pledged to obtain credit facilities
Investment properties	**18,086,495.83**	Pledged to obtain credit facilities
Fixed assets	**2,446,307,991.66**	Pledged to obtain credit facilities
Intangible assets	**320,919,034.69**	Pledged 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
Cash at bank and on hand			
Including: 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
Total			542,646,885.89
Trade receivable			
Including: 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
Total			583,855,140.92
Other receivable			
Including: HKD	3,970.00	0.8552	3,395.10
Total			3,395.10
Trade payable			
Including: USD	3,146,630.69	6.7114	21,118,297.21
EUR	87,854.51	7.0084	615,719.56
Total			21,734,016.77
Borrowing			
Including: USD	187,462,098.79	6.7114	1,258,133,129.80
Total			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 p i e , o inc ea e in e men , g an ed b Feng ang Co, n fo c, l i a ing ne d i e o p omo e en e p i e an fo ma ion and , pg ading and high- , ali economic de elopmen	A e	Defe ed e en, e	41,204,800.00
Re a d fo di idend en e p i e , o comp e e fo con ib, ion, g an ed b Feng ang Co, n fo c, l i a ing ne d i e o p omo e en e p i e an fo ma ion and , pg ading and high- , ali economic de elopmen	Re en, e	Q he e en, e	21,302,900.00
E , ipmen , 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 elopmen g, ided b he cen al go e nmen in 2022	Re en, e	Q he e en, e	3,000,000.00

Items	Asset-related/ revenue-related	Listed items	Amount for the year
Di ib ed PV po e gene a ion p ojec g an	Re en e	Q he e en e	2,503,473.27
S ecial incen i e fo accele a ing he de elo men of fo eign ade en e p i e	Re en e	Q he e en e	2,099,000.00
S b idie fo , ppo ing he de elo men of he obo ind	A e	Defe ed e en e	1,000,000.00
Re a d fo iden ifica ion of m nici al ind and info ma ion f nd ingle champion b Jia ing Econom and Info ma ion B ea in 2022	Re en e	Q he e en e	750,000.00
Ref nd income f om handling fee fo indi id al income a	Re en e	Q he e en e	613,400.32
S bjec c l i a ion , b idie of he m nici al e ice ind de elo men and g ide f nd	Re en e	Q he e en e	519,000.00
Ann al g een man fac , ing ecial f nd p ojec b Jia ing Econom and Info ma ion B ea in 2021	Re en e	Q he e en e	500,000.00
S b idie in ca h nde he ann al p efe en ial ea men olic fo en e p i e	Re en e	Q he e en e	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 elopmen Zone	Re en, e	Q 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 - p of Jia ing Econom and Info ma ion B, ea,	Re en, e	Q he e en, e	200,000.00
Q he	Re en, e	Q he e en, e / non-ope 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 p 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	The basisT2T(date)Tj0 Tw 7dn

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

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

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

The Compan held he 15 h mee ing of he i h e ion of he boa d of di ec o on 13 Feb a 2022, d ing hich e ie ed and app o ed he Re ol ion on he Ac i i ion no Con i ing a Majo A e Reo gani a ion and he Te mina ion P oced e of he Majo a e Reo gani a ion and he Re ol ion on he Compan ' Ac i i ion of 100% E i of Anh i Dah a O ien al Mining Co., L d.* held b Anh i Feng ha Mining G o p Co., L d.* and 100% E i In e e of Anh i Sanli Mining Co., L d.*, acco ding o hich, he Compan a app o ed o p cha e 100% e i of Anh i Dah a O ien al Mining Co., L d.* (Dah a Mining) held b Anh i Feng ha Mining G o p Co., L d. and 100% e i in e e of Anh i Sanli Mining Co., L d.* b pa ing ca h and nde aking liabili ie , i h a o al an ac ion p ice of RMB3,343,947,600. Fo de ail , plea e efe o he Anno ncemen on he Ac i i ion of 100% E i of Anh i Dah a O ien al Mining Co., L d. and 100% E i of Anh i Sanli Mining Co., L d. b Fla Gla G o p Co., L d. (Annnn pi 930.5 2p Co GN0.5 (o)0.5 (n. anli ining.TjE/T1 1MTf90 -208778 9 73.7008 240.372 T m[(A(2))-00%3.7(Co)pbinaion

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

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

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

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

	Anhui Sanli Mining Co., Ltd.	
	Fair value on the acquisition date	Carrying amount on the acquisition date
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 i 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

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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 ope 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, ope a ion and main enance of ne ene g o e plan		100	E abli hmen
4.3	Anh i Fla S ol Chain Managemen Co., LTD.	Anh i	Anh i	S ol chain managemen e ice		100	E abli hmen
5	Anh i Fla Sola Ma e ial Co., L d.	Anh i	Anh i	Mine ope 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 Ne Ene g Technolog Co., L d.	Zhejiang	Zhejiang	In e men con e ion, ope a ion and main enance of ne ene g po e 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 elo men Co., LTD	Shanghai	Shanghai	Re ea ch and de elo men and p omo ion e ice fo ne ma e ial and ne 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
Associate:		
Total interested book value	**74,269,507.82**	19,948,888.40
Listed total number calculated by shareholding percentage		
Net profit	**3,582,923.60**	2,834,046.74
Other comprehensive income	**–**	
Total comprehensive income	**3,582,923.60**	2,834,046.74

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

There exist 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 investment of associates.

8. RISKS RELATED TO FINANCIAL INSTRUMENTS

A the end of the half ea , majo financial in , men of the G o, p incl, de: ca h a bank and on hand, de i a i e financial a e , bill ecei able , ade ecei able , o he ecei able , de i a i e financial liabili ie , bill pa able and ade pa able , and o he ecei able , lea e liabili ie and bo o ing . De ail of each financial in , men a e e o, below:

RMB

Item	Closing balance	Opening balance
Financial a e		
Ca h a bank and on hand	**4,023,250,509.82**	2,842,677,267.48
T ading financial a e	**700,000,000.00**	200,000,000.00
De i a i e financial a e	**–**	62,739.00
Bill ecei able	**2,016,706,300.57**	939,748,112.41
T ade ecei able	**2,713,330,450.16**	1,105,759,571.75
Financing ecei able	**596,244,502.28**	531,196,547.78
O he ecei able	**53,523,216.63**	54,999,617.97
To al	**10,103,054,979.46**	5,674,443,856.39
Financial liabili ie		
De i a i e financial liabili ie	**3,598,130.06**	
Bill pa able	**967,943,844.79**	1,036,982,577.72
T ade pa able	**3,369,204,291.79**	2,306,910,116.65
O he pa able	**673,276,780.43**	132,439,232.65
Bond pa able	**3,660,546,167.06**	
Lea e liabili ie (incl, ding d, e i hin one ea)	**11,320,751.04**	11,516,621.85
Long- e m pa able (incl, ding d, e i hin one ea)	**230,230,897.90**	
Bo o ing	**6,072,079,465.68**	4,142,134,668.01
To al	**14,988,200,328.75**	7,629,983,216.88

The i k ela ed o financial in , men and he i k managemen policie fo i k mi iga ion of he G o, p a e a ed a follo ing. The managemen of he Compan ill managemen and , pe i e, he e i k e po , e in o de o en , e ha p ope mea , e a e aken e pedi io, l .

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 at a low level, and to maximise benefits for shareholders and other investors. Based on these objectives, the basic strategies to confirm and analyse all potential risks related to the Group, to 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 activities are financial risks due to changes in interest rates and foreign exchange rates. The Group believes that the above risks regarding the area of the manner in which these are managed and measured have not been changed compared to the previous era.

1.1.1. Foreign exchange risk

Foreign exchange risks refer to the risk of losses arising from the exchange rate. The operating environments of the Company and its major subsidiaries in China and Vietnam which use functional currencies 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 sterling foreign exchange risk.

As at 30 June 2022, the Group's foreign currency assets and liabilities are listed below. The foreign exchange risks arising from these 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
Cash and cash equivalents	**542,646,885.89**	646,162,060.99
Trade receivables	**583,855,140.92**	264,346,799.86
Other receivables	**3,395.10**	3,245.87
Trade payables	**21,734,016.77**	44,332,571.48
Other	**–**	602,570.50
Borrowing	**1,258,133,129.80**	1,285,319,483.63

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

1.1.2. Interest rate risk

The Group's risk to the changes in cash flows of financial instruments arising from changes in interest rates primarily related to floating rate bank borrowings and floating rate bank deposits. As at 30 June 2022, the Group's floating borrowings amounted to RMB4,991,348,129.80 (31 December 2021: RMB3,442,726,983.63). The management of the Group closely monitors interest rate risk. The Group's policies to maintain the floating rate of the borrowings which ho[illegible] an arrangement with interest rate swap agreements.

1.2 Credit risk

As at 30 June 2022, the maximum credit risk exposure that may result in a loss of the Group's financial assets incurred by the failure of the counterparties to perform its obligations and the financial guarantees provided by the Group (without taking into consideration of available collateral or other credit enhancements), specifically: cash at bank and on hand, bills receivable, trade receivables, trade receivables financing, other receivables, etc., and deliberate financial assets that have not included in the scope of impairment assessments, etc. As the balance sheet date, the carrying amount of the Group's financial assets have represented maximum credit risk exposure.

In order to reduce credit risk, the Group has established a team responsible for determining the credit limits and conducting credit approval. At the same time, the Group has performed monitoring procedures to ensure that necessary measures are taken to recover overdue claims. In addition, the Group reviews the recoverable amount of each balance sheet date to ensure adequate provision for impairment losses has been made for the irrecoverable amounts. As a result, the management of the Group believes that the credit risk undertaken by the Group has been significantly reduced.

The Group's cash at bank and on hand are deposited in banks with high credit rating, so cash at bank and on hand is subject to low credit risk.

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

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 mitigates the impact of fluctuations in cash flows. The management of the Group closely monitors the liquidity situation and efforts to have efficient 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

As at the end of the period, the Group endorsed bill receivable classified as financing receivable of RMB1,308,273,481.00 (As at the end of last year: RMB1,493.899,701.86) to its suppliers to pay the accounts payable; discounted bill receivable of RMB157,656,990.53 (As at the end of last year: RMB154,836,626.87) to banks to obtain cash funds. The Group believes that the risks and rewards of the ownership of such endorsed or discounted bill receivable have been substantially transferred to the suppliers or discounting banks, therefore derecognised endorsed or discounted bill receivable. If the acceptor cannot cash such notes according to relevant laws and regulations of China, the Group is held jointly liable for such bill receivable. The Group believes that as the acceptor is of good reputation, the risk of the acceptor's failure to cash the notes upon maturity is. As at the end of the period, if the acceptor fails to cash such notes upon maturity, i.e. the Group's remaining endorsement or discount amount that the Group holds payable to the suppliers or discounting banks in respect of such endorsed or discounted notes. For all the bill receivable endorsed or discounted to banks, the maturity is within 1 year after the end of reporting year.

As at the end of the period, the Group endorsed the amount paid in advance under bill receivable of RMB1,209,023,929.58 (As at the end of last year: RMB662,916,166.12) to its suppliers as the account payable, and discounted bill receivable of RMB15,547,866.84 (As at the end of last year: RMB6,790,000.00) to banks to obtain cash funds. The Group believes that it has retained substantially all risk and rewards of the ownership of such endorsed or discounted bill receivable (including elevant risk of default), therefore continues to recognise such endorsed or discounted bill receivable as well as the carrying amount of elevant account payable has have been repaid. After the endorsement or discounting of bill receivable, the Group does not retain any right of use, such endorsed or discounted note, including selling, transferring or pledging such endorsed or discounted note to any third party.

3. CAPITAL MANAGEMENT

The Group manages capital by optimising the structure of liabilities and shareholders' returns to ensure that the Group maintains stable access to capital within the Group maintains operation while maximising shareholders' return.

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

The Group is not subject to any externally 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 procedures 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 management p 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 item continuing to be measured at the level 1 fair value refers to the investment with fair value quoted in the active market.

(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	Valuation technique	Main input value
Derivative financial assets (forward foreign exchange contract)	**76,558.35**	Discounted cash flow method	Forward exchange rate, discount rate
Trading financial assets (Foreign exchange option contract)	**3,521,571.71**	Discounted cash flow method	Forward exchange rate, discount rate

(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
Trading financial assets (bank wealth management product)	**700,000,000.00**	Discounted cash flow method	Forward exchange rate, discount rate	3.70%
Financing receivable				

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 pl 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 Comp an
Feng ang Hongding Po Co., L d. (鳳陽鴻鼎港務有限公司)	Con olled b one of he ac al con olle of he Comp an

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 service	**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 material	**113,681,503.02**	30,494,318.68

Note: Jiaxing Gas became an associate of the Group in June 2021. Therefore, the increased amount of related party transaction during the last accounting period represents the amount of transaction occurred after Jiaxing Gas became an associate of the Group, nil in 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**	

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

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

The 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, e 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- 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.

Unj : 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 Tc	23.432	

2. Equity settled share-based payments

RMB

	Restricted A Share Incentive Scheme for 2020	Share option incentive scheme 2021
Method for determining the fair value at the grant date	Open market quotation of the grant date	Black-Scholes Model

12. COMMITMENTS AND CONTINGENCIES

1. Significant Matters of Commitments

As of the balance sheet date, the issuable principal amount of long-term loan contracts signed by the Group is as follows:

RMB

Items	Closing balance	Opening balance
Contracted but not confirmed in the financial statements		
Building long-term loan 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, a chiefly alkali glass segment, floating glass segment and mining products segment. These reporting segments are based on product categories. The main products covered by each of the Group's reporting segments are PV glass, household glass, a chiefly alkali glass, floating glass and mining products. The management of the Group regularly analyzes the operating results of these segments to decide on the resources to be allocated to them and to evaluate their performance. The total asset amount does not include the assets and liabilities of the parent company and operating segments.

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

(2) Segment report information

RMB

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

14. NOTES TO THE STATEMENTS OF THE PARENT COMPANY

1. TRADE RECEIVABLE

(1) Disclosed by the aging

RMB

Aging	Closing balance
Within 1 year	**946,141,641.60**
1 2 year	**21,768,719.73**
2 3 year	**1,100,733.39**
Over 3 year	**1,868,381.21**
Total	**970,879,475.93**

Cla ifica ion	Opening balance Book balance Amo n	 Pe cen age (%)	 Bad deb o i ion Amo n	 Acc al Pe cen age (%)	 Book al e
Bad deb o i ion b po folio					
Incl ding:					
Lo i k	163,791,056.47	44.02			163,791,056.47
No mal	151,140,825.52	40.62	3,808,748.80	2.52	147,332,076.72
Conce ned	48,127,930.42	12.93	11,657,475.13	24.22	36,470,455.29
Lo	9,035,293.16	2.43	9,035,293.16	100.00	
To al	372,095,105.57	/	24,501,517.09	/	347,593,588.48

Bad deb o i ion b po folio

RMB

Name	Closing balance Trade receivables	 Bad debt provision	 Provision percentage (%)
Lo i k	**260,082,532.32**	**–**	**–**
No mal	**654,902,993.87**	**11,526,292.69**	**1.76**
Conce ned	**53,921,147.75**	**20,307,227.08**	**37.66**
Lo	**1,972,801.99**	**1,972,801.99**	**100.00**
To al	**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		Closing balance
		Provision	Reversal	
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

As 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 loss of other 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
Dividends receivable	**148,731,538.16**	800,000,000.00
Other receivables	**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) Q 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
Q he	**263,519.62**	263,087.11
To al	**1,594,052,533.27**	1,037,334,934.64

(3) Details of top five receivables with the closing balance classified by the nature of the borrowers

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

(2) Investment in joint venture and associate

RMB

Investees	Opening balance	In e, men, gain and lo ecogni ed , nde, he e , j 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
Q he b, ine	**255,958,513.04**	**230,936,762.36**	172,047,060.48	133,865,447.59
To, al	**2,364,194,413.72**	**1,951,593,318.84**	2,016,966,902.46	1,538,006,914.04

(2) Revenue from contract

RMB

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

5. INVESTMENT INCOME

RMB

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

Supplementary Information

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

RMB

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

2. RETURN ON EQUITY AND EARNING PER SHARE

The calculation form of the return on equity and earning per share 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 Asset 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