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福萊特玻璃集團股份有限公司

Flat Glass Group Co., Ltd.

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

(Stock code: 6865)

THIRD QUARTERLY REPORT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

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

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

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

The audit committee of the Company has reviewed the unaudited results of the Group for the third quarter ended 30 September 2022.

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

1. IMPORTANT NOTICE

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

2. KEY FINANCIALS

2.1 Major financial statements items and financial indicators

Unit: RMB

For the
three months
from 1 July

Items

	As at 30 September 2022	As at 31 December 2021	Increase/decrease compared to the end of last year (%)
Total assets	29,898,936,014.85	20,082,917,100.50	48.88
Equity attributable to owners' of the Company	13,748,265,000.38	11,810,169,072.79	16.41

Note: The “reporting period” means the three months from 1 July 2022 to 30 September 2022. The same applies to the below.

2.2 Non-recurring item

	<i>Unit: RMB</i>	
Items	For the three months from 1 July 2022 to 30 September 2022	For the nine months ended 30 September 2022
Gains/(losses) on disposal of non-current assets	-196,894.43	-9,347,893.17
Government grants recorded as other income, except for government grants that are closely related to the Company's business or given at a fixed quota or amount in accordance with government policies	10,556,155.98	49,121,254.43
Apart from hedging instruments relating to the normal operations of the Company, profit or loss from change in fair value of held-for-trading financial assets and held-for-trading financial liabilities, and investment income from disposal of held-for-trading financial assets, held-for-trading financial liabilities and available for-sale financial assets	-2,613,544.65	1,664,244.41
Other non-operating income/ (expenses) other than above	786,885.50	-188,972.62
Less: Effects of income tax	1,243,468.63	6,292,970.52
Total	7,289,133.77	34,955,662.53

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

✓Applicable Not Applicable

Items	Increase/ decrease (%)	Main reasons for the changes
Operating revenue – for the reporting period	69.33	Mainly due to the increase in sales volume resulted from the release of new production capacity of PV glass, which was partially offset by the decrease in average sales price
Operating revenue – from beginning of the year to the end of the reporting period	76.96	Mainly due to the increase in sales volume resulted from the release of new production capacity of PV glass, which was partially offset by the decrease in average sales price
Net profit attributable to owners of the parent – from beginning of the year to the end of the reporting period	-12.38	Mainly due to the decrease in the average sales price of PV glass and significant increase in the cost of raw materials and energy
Net profit attributable to owners of the parent after deducting one-off non-operating items – from beginning of the year to the end of the reporting period	-12.69	Mainly due to the decrease in the average sales price of PV glass and significant increase in the cost of raw materials and energy
Net cash flow from operating activities – from beginning of the year to the end of the reporting period	219.10	Mainly due to the increase in cash inflows from operating activities
Basic earnings per share – from beginning of the year to the end of the reporting period	-12.50	Mainly due to the decrease in net profit attributable to equity owner of the Company
Diluted earnings per share – from beginning of the year to the end of the reporting period	-13.75	Mainly due to the decrease in net profit attributable to equity owner of the Company
Total assets – as at the end of the reporting period	48.88	Mainly due to the proceeds of A share convertible bonds, the increase of fixed assets and the increase in mining rights resulting in the increase of current assets and non-current assets
Equity attributable to owners of the parent – as at the end of the reporting period	16.41	Mainly due to the increase in undistributed profit

3. SHAREHOLDERS' INFORMATION

3.1 Total number of ordinary shareholders and preferred shareholders with voting rights resumed and shareholding of the top ten shareholders

Unit: share

Total number of ordinary shareholders at end of the reporting period (shareholder)		51,777	Total number of preferred shareholders with voting rights resumed at end of the reporting period (if any)		Nil	
Shareholding of top ten shareholders						
		Shareholding as at the period end	Percentage (%)	Restricted shareholding	Pledge, mark or locked-up Status	Number
Name of shareholders	Nature of shareholders					
HKSCC Nominees Limited 香港中央結算（代理人）有限公司	Foreign legal person	449,942,880	20.96	0	Unknown	
Ruan Hongliang	Domestic natural person	439,358,400	20.46	0	Pledge	21,000,000
Ruan Zeyun	Domestic natural person	350,532,000	16.33	0	Nil	
Jiang Jinhua	Domestic natural person	324,081,600	15.10	0	Nil	
Zheng Wenrong	Domestic natural person	46,801,800	2.18	0	Nil	
Zhu Quanming	Domestic natural person	31,201,200	1.45	0	Pledge	10,850,000
Shen Fuquan	Domestic natural person	31,201,200	1.45	0	Nil	
HKSCC Nominees Limited	Foreign legal person	24,258,725	1.13	0	Nil	
Shanghai Pudong Development Bank Co., Ltd. – GF High-end Manufacturing Stock-type Initiating Securities Investment Fund	Domestic non-state-owned legal person	22,291,991	1.04	0	Nil	
Shanghai Ruiyang Investment Management Co., LTD. – Ruiyang Emerging Growth Private Equity Investment Fund	Domestic non-state-owned legal person	20,500,041	0.95	0	Nil	

Shareholdings of top ten unrestricted shareholders

Name of shareholders	Number of unrestricted tradable shares held	Class of shares and number	
		Class	Number
HKSCC Nominees Limited 香港中央結算（代理人）有限公司	449,942,880	Overseas listed foreign shares	449,942,880
Ruan Hongliang	439,358,400	RMB ordinary shares	439,358,400
Ruan Zeyun	350,532,000	RMB ordinary shares	350,532,000
Jiang Jinhua	324,081,600	RMB ordinary shares	324,081,600
Zheng Wenrong	46,801,800	RMB ordinary shares	46,801,800
Zhu Quanming	31,201,200	RMB ordinary shares	31,201,200
Shen Fuquan	31,201,200	RMB ordinary shares	31,201,200
HKSCC Nominees Limited 香港中央結算有限公司	24,258,725	RMB ordinary shares	24,258,725
Shanghai Pudong Development Bank Co., Ltd. – GF High-end Manufacturing Stock-type Initiating Securities Investment Fund	22,291,991	RMB ordinary shares	22,291,991
Shanghai Ruiyang Investment Management Co., LTD. – Ruiyang Emerging Growth Private Equity Investment Fund	20,500,041	RMB ordinary shares	20,500,041
Details relating to the related relationship of the Above shareholders or the parties acting in concert	Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Zeyun and Mr. Zhao Xiaofei are parties acting in concert. Mr. Zhao Xiaofei held 4,800,000 A shares. 485,000 H Shares held by Mr. Ruan Hongliang, 973,000 H Shares held by Ms. Ruan Zeyun and 111,000 H Shares held by Jiang Jinhua have been calculated within HKSCC Nominees Limited.		
Explanations on top ten shareholders and top ten shareholders not subject to restrictions on sale participating in margin financing and securities lending and refinancing businesses (if any)	The shareholder of the company, Shanghai Ruiyang Investment Management Co., LTD. – Ruiyang Emerging Growth Private Equity Investment Fund, holds 20,500,041 shares of the Company through the credit securities account.		

- Note 1:* HKSCC Nominees Limited is the nominee holder on behalf of the non-registered shareholders of the H shares of the Company.
- Note 2:* The shares under Hong Kong Securities Clearing Company Limited are held by the non-registered shareholders of the Shanghai Stock Connect.
- Note 3:* The shareholding listed here was extracted from the register of members of the Company as at 30 September 2022.
- Note 4:* As the Shares could be used as underlying securities for margin financing and securities lending, the shareholdings of the Shareholders are the aggregate of all the Shares and interests held in ordinary securities accounts and credit securities accounts.

4. QUARTERLY FINANCIAL STATEMENTS

4.1 Financial Statements

Consolidated Balance Sheet As at 30 September 2022

Prepared by Flat Glass Group Co., Ltd.

Unit: RMB Type of audit: unaudited

Items	As at 30 September 2022	As at 31 December 2021
Current assets:		
Cash at bank and on hand	3,142,143,264.45	2,842,677,267.48
Trading financial assets	600,000,000.00	200,000,000.00
Derivative financial assets		62,739.00
Notes receivables	2,400,444,702.90	939,748,112.41
Receivables	2,736,215,671.67	1,105,759,571.75
Financing receivables	376,854,207.78	531,196,547.78
Advance payment	486,562,541.65	692,261,958.13
Other receivables	93,346,420.55	54,999,617.97
Inventories	1,739,662,944.96	2,276,469,528.29
Other current assets	125,249,226.22	255,127,082.80
Total current assets	11,700,478,980.18	8,898,302,425.61
Non-current assets:		
Long-term equity investment	79,733,309.10	71,530,334.22
Investment properties	17,728,628.23	18,802,231.03
Fixed asset	9,130,187,893.87	6,316,279,511.19
Construction in progress	2,763,868,631.40	3,067,207,867.50
Right-of-use asset	176,635,308.94	170,070,872.22
Intangible assets	3,927,877,856.66	662,708,796.08
Long-term prepaid expenses	12,774,470.86	6,948,461.94
Deferred tax assets	3,373,135.73	4,162,665.30
Other non-current assets	2,086,277,799.88	866,903,935.41
Total non-current assets	18,198,457,034.67	11,184,614,674.89
Total assets	29,898,936,014.85	20,082,917,100.50

Items	As at 30 September 2022	As at 31 December 2021
Current liabilities:		
Short-term borrowings	3,014,599,770.84	1,860,696,500.00
Derivative financial liabilities	1,988,999.38	
Notes payables	788,782,888.60	1,036,982,577.72
Payables	3,499,002,629.32	2,306,910,116.65
Contract liabilities	97,838,409.48	352,681,717.14
Payroll payables	55,943,765.17	67,519,702.61
Tax payables	206,094,915.94	48,629,486.85
Other payables	660,648,558.58	136,664,417.03
Including: Interests payable	12,722,918.80	4,225,184.38
Dividends payable	791,200.00	791,200.00
Non-current liabilities due within one year	911,465,973.12	310,100,070.52
Other current assets	5,887,550.77	44,277,908.91
Total current liabilities	9,242,253,461.20	6,164,462,497.43
Non-current liabilities:		
Long-term borrowings	2,930,500,000.00	1,967,748,428.04
Bonds payables	3,691,450,030.09	
Lease liability	10,797,484.71	10,879,703.29
Long-term payables	130,893,939.13	
Deferred income	61,451,408.83	25,441,145.12
Deferred income tax liability	83,324,690.51	104,216,253.83
Total non-current liabilities	6,908,417,553.27	2,108,285,530.28
Total liabilities	16,150,671,014.47	8,272,748,027.71
Owner's equity:		
Share capital	536,723,313.50	536,723,313.50
Other equity instrument	333,235,286.91	
Capital surplus	4,856,664,055.94	4,832,768,261.83
Less: Treasury stock	24,570,200.00	32,096,200.00
Other comprehensive income	52,793,093.24	-7,613,180.72
Special reserve	26,003,465.64	17,266,053.61
Surplus reserve	268,361,656.75	268,361,656.75
Undistributed profit	7,699,054,328.40	6,194,759,167.82
Total equity attributable to owners of the parent company	13,748,265,000.38	11,810,169,072.79
Total owner's equity	13,748,265,000.38	11,810,169,072.79
Total liabilities and owners' equity	29,898,936,014.85	20,082,917,100.50

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

Consolidated Income Statement
For the nine months ended 30 September 2022

Prepared by Flat Glass Group Co., Ltd.

Unit: RMB Type of audit: unaudited

Items	For the nine months ended 30 September 2022	For the nine months ended 30 September 2021
I. Total operating income	11,214,719,651.52	6,337,267,597.37
Including: Operating revenue	11,214,719,651.52	6,337,267,597.37
II. Total operating costs	9,574,049,667.44	4,467,865,886.88
Including: Operating costs	8,738,029,621.04	3,890,993,469.39
Taxes and surcharges	82,256,801.26	30,340,609.54
Selling expense	73,587,579.22	83,327,908.51
General and administrative expenses	199,827,695.16	155,345,617.83
Research and development expenses	384,913,278.71	303,236,157.80
Financial expenses	95,434,692.05	4,622,123.81
Including: Interest expenses	207,418,003.35	57,728,223.46
Interest income	50,496,142.95	36,210,850.21
Add: Other income	53,739,204.17	40,213,585.39
Investment income (loss stated with "-")	4,159,230.91	25,236,719.77
Including: Gains on investment in associates and joint ventures	4,546,724.88	3,009,980.60
Profit arising from changes in fair value (loss stated with "-")	-2,051,738.38	-1,744,629.89
Loss on credit impairment (loss stated with "-")	-32,903,007.18	20,451,405.33
Loss on assets impairment (loss stated with "-")	-3,998,363.16	-12,371,307.56
Gains on disposal of assets (loss stated with "-")	-9,347,893.17	3,349,838.44
III. Operating profit (loss expressed with "-")	1,650,267,417.27	1,944,537,321.97
Add: Non-operating income	2,144,086.36	4,816,984.44
Less: Non-operating expenses	2,333,058.98	1,140,211.48
IV. Total profit (total loss expressed with "-")	1,650,078,444.65	1,948,214,094.93
Less: Income tax expense	145,783,284.07	231,362,074.78

Items	For the nine months ended 30 September 2022	For the nine months ended 30 September 2021
V. Net profit (net loss expressed with “-”)	1,504,295,160.58	1,716,852,020.15
(I) Classified on a going concern basis		
1. Net profit from continuing operation (net loss stated with “-”)	1,504,295,160.58	1,716,852,020.15
(II) Classified by attribution of the ownership		
1. Net profit attributed to shareholders of parent company (net loss expressed with “-”)	1,504,295,160.58	1,716,852,020.15
VI. Other comprehensive income, net of tax	60,406,273.96	11,557,675.03
(I) Net amount of other comprehensive income after tax attributable to the shareholders of parent company	60,406,273.96	11,557,675.03
1. Other comprehensive income to be not reclassified to profit or loss		-966,722.50
(1) Changes in fair value of other equity instruments		-966,722.50
2. Other comprehensive income to be reclassified to profit or loss	60,406,273.96	12,524,397.53
(1) Conversion difference of foreign currency statement	59,064,604.46	11,684,218.40
(2) Other	1,341,669.50	840,179.13
VII. Total comprehensive income	1,564,701,434.54	1,728,409,695.18
(I) Total comprehensive income attribute to parent company	1,564,701,434.54	1,728,409,695.18
VIII. Earnings per share		
(I) Basic earnings per share	0.70	0.80
(II) Diluted earnings per share	0.69	0.80

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

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

Consolidated Statement of Cash Flow
For the nine months ended 30 September 2022

Prepared by Flat Glass Group Co., Ltd.

Unit: RMB Type of audit: unaudited

Items	For the nine months ended 30 September 2022	For the nine months ended 30 September 2021
I. Cash flow from operating activities:		
Cash received from sale of goods or rendering of services	5,556,000,426.87	3,591,585,177.90
Cash received from refunds of taxes	96,824,370.26	197,912,768.86
Cash received relating to other operating activities	155,879,423.24	75,748,711.99
Subtotal of cash inflows from operating activities	5,808,704,220.37	3,865,246,658.75
Cash paid for goods and services	3,366,148,830.75	3,333,427,352.56
Cash paid to and on behalf of employee	502,750,256.06	314,813,682.34
Cash paid for payments of taxes and surcharges	438,184,843.15	480,501,670.95
Cash paid relating to other operating activities	429,231,381.79	636,932,897.83
Subtotal of cash outflows from operating activities	4,736,315,311.75	4,765,675,603.68
Net cash flow from operating activities	1,072,388,908.62	-900,428,944.93
II. Cash flow from investing activities		
Cash receipts from disposal of investments	300,000,000.00	2,050,000,000.00
Cash received from disposal of investments	2,200,396.03	23,273,837.86
Net cash received from disposal of fixed assets, intangible assets and other long-term equity investment	8,910,560.01	13,467,268.65
Cash received relating to investing activities	24,892,731.52	67,161,439.65
Subtotal of cash inflows from investing activities	336,003,687.56	2,153,902,546.16
Cash paid to purchase fixed assets, intangible assets and other long-term assets payment	3,990,976,529.63	2,980,745,217.52
Cash paid to investment	704,500,000.00	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	56,578,874.38	25,679,856.10
Subtotal of cash outflows from investing activities	7,556,021,074.85	5,056,425,073.62
Net cash flow from investing activities	- 7,220,017,387.29	-2,902,522,527.46

Items	For the nine months ended 30 September 2022	For the nine months ended 30 September 2021
III. Cash flow from financing activities:		
Cash received from capital contribution		2,509,960,996.79
Cash received from issued bonds	3,978,000,000.00	
Cash received from borrowings	5,491,891,470.84	3,102,378,042.43
Cash received relating to other financing activities	1,145,381,098.42	784,405,415.17
Subtotal of cash inflows from financing activities	10,615,272,569.26	6,396,744,454.39
Cash paid for payment of borrowings	2,949,994,600.00	997,501,414.78
Cash paid for distribution of dividends, and profits or payment of interest	142,003,967.60	384,806,224.98
Cash paid relating to other financing activities	1,184,910,480.15	1,164,450,702.67
Subtotal of cash outflows from financing activities	4,276,909,047.75	2,546,758,342.43
Net cash flow from financing activities	6,338,363,521.51	3,849,986,111.96
IV. Effect of foreign exchange rate changes on cash and cash equivalents	67,571,959.41	-4,099,811.18
V. Net increase in cash and cash equivalents	258,307,002.25	42,934,828.39
Add: cash and cash equivalents at beginning of period	2,101,730,679.46	1,146,171,930.13
VI. Cash and cash equivalents at end of period	2,360,037,681.71	1,189,106,758.52

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

Jiaxing, Zhejiang Province, People's Republic of China
27 October 2022

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