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福莱特玻璃集团股份有限公司

Flat Glass Group Co., Ltd.

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

(Stock code: 6865)

FIRST QUARTERLY REPORT FOR THE THREE MONTHS ENDED 31 MARCH 2023

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

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

The audit committee of the Company has reviewed the unaudited results of the Group for the first quarter ended 31 March 2023.

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

2. KEY FINANCIALS

2.1 Major financial statements items and financial indicators

| Items | <i>Unit: RMB</i> | |
|---|---|--|
| | For the three months ended 31 March 2023 | Increase/ decrease compared to the same period of last year (%) |
| Revenue | 5,364,942,648.25 | 52.90 |
| Net profit attributable to equity owners of the Company | 511,450,441.35 | 17.11 |
| Net profit attributable to equity owners of the Company including non-recurring items | 498,446,883.05 | 18.76 |
| Net cash inflow/(outflow) from operating activities | -480,910,166.55 | -185.70 |
| Basic earnings per share (RMB) | 0.24 | 20.00 |
| Diluted earnings per share (RMB) | 0.24 | 20.00 |
| Weighted average return on equity (%) | 3.58 | decrease 1.38 percentage points |

| | As at 31 March 2023 | As at 31 March 2022 | Increase/decrease compared to the end of last year (%) |
|--|------------------------|------------------------|---|
| Total assets | 34,007,955,599.71 | 32,381,722,606.05 | 5.02 |
| Equity attributable to owners' of the Company | 14,535,558,742.89 | 14,032,447,213.17 | 3.59 |

2.2 Non-recurring item

Unit: RMB

| Items | For the three months ended 31 March 2023 |
|---|---|
| Gains/(losses) on disposal of non-current assets | -171,643.20 |
| 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 | 12,642,277.00 |
| 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 | 171,504.38 |
| Other non-operating income/(expenses) other than above | 361,420.12 |
| Less: Effects of income tax | -1,968,043.28 |
| Total | 11,035,515.02 |

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 |
|---|---------------------------|--|
| Trade receivables | 39.35 | Mainly due to the significant increase in operating revenue resulting in an increase in trade receivables |
| Other payables | -31.19 | Mainly due to the payment of part of the acquisition cost for the period |
| Non-current liabilities due within one year | -36.00 | Mainly due to the repayment of long-term borrowings due within one year |
| Operating revenue | 52.90 | Mainly due to the increase in sales of PV glass of the Company as a result of the release of new production capacity of PV glass and the growth of demand of PV industry |
| Operating costs | 58.74 | Mainly due to the increase in sales of PV glass and the high raw materials and energy costs |
| Taxes and surcharges | 139.37 | Mainly due to the increase in resource taxes |
| Selling expense | 76.13 | Mainly due to the increase in sales expenses as a result of the increase in sales of the main products |
| Research and development expenses | 56.35 | Mainly due to the increase in R&D projects, including the ultra-thin glass, the technology to improve transmittance for maintaining market competitiveness, and the self-produced equipment for optimizing production process |
| Financial expenses | 156.62 | Mainly due to the increase in bank borrowings as a result of the acquisition of Sanli Mining and Dahua Mining by the Company, the increase in working capital requirements, and the increase in bond interest as a result of the non-public offering of A-share convertible bonds by the Company |
| Loss on credit impairment | -38.14 | Mainly due to the increase in credit impairment provision as a result of the increase in trade receivables |
| Net cash flow from operating activities | -185.70 | Mainly due to the higher increase in cash outflows from operating activities than the increase in cash inflows from operating activities |
| Net cash flow from investing activities | -80.14 | Mainly due to the lower decrease in cash outflows from investment activities than the decrease in cash inflows from investment activities |
| Net cash flow from financing activities | -51.32 | Mainly due to the increase in cash outflows from financing activities and the decrease in cash inflows from financing activities |

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) | 50,158 | Total number of preferred shareholders with voting rights resumed at end of the reporting period (if any) | Nil |
|--|--------|---|-----|

Shareholding of top ten shareholders

| Name of shareholders | Nature of shareholders | Shareholding | Percentage (%) | Restricted shareholding | Pledge, mark or locked-up Status | Number |
|--|---------------------------------------|--------------|----------------|-------------------------|----------------------------------|------------|
| HKSCC NOMINEES LIMITED | | | | | | |
| 香港中央結算(代理人)有限公司 | Other | 449,943,880 | 20.96 | 0 | Unknown | |
| Ruan Hongliang | Domestic natural person | 439,358,400 | 20.46 | 0 | Pledge | 21,000,000 |
| Ruan Ze un | Domestic natural person | 350,532,000 | 16.33 | 0 | Pledge | 6,211,500 |
| 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 | 7,850,000 |
| Shen Fuquan | Domestic natural person | 31,201,200 | 1.45 | 0 | Nil | |
| Shanghai Rui ang Investment Management Co., LTD. | | | | | | |
| Rui ang Emerging Growth Private Equit Investment Fund | Domestic non-state-owned legal person | 28,000,000 | 1.30 | 0 | Nil | |
| Hong Kong Securities Clearing Compan Limited | | | | | | |
| | Other | 25,151,468 | 1.17 | 0 | Nil | |
| Shanghai Pudong Development Bank Co., Ltd. | | | | | | |
| GF High-end Manufacturing Stock-t pe Initiating Securities Investment Fund | Domestic non-state-owned legal person | 24,033,531 | 1.12 | 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 | 449,943,880 | Overseas listed foreign shares | 449,943,880 |
| Ruan Hongliang | 439,358,400 | RMB Ordinar shares | 439,358,400 |
| Ruan Ze un | 350,532,000 | RMB Ordinar shares | 350,532,000 |
| Jiang Jinhua | 324,081,600 | RMB Ordinar shares | 324,081,600 |
| Zheng Wenrong | 46,801,800 | RMB Ordinar shares | 46,801,800 |
| Zhu Quanming | 31,201,200 | RMB Ordinar shares | 31,201,200 |
| Shen Fuquan | 31,201,200 | RMB Ordinar shares | 31,201,200 |
| Shanghai Rui ang Investment Management Co., LTD. Rui ang Emerging Growth Private Equit Investment Fund | 28,000,000 | RMB Ordinar shares | 28,000,000 |
| Hong Kong Securities Clearing Compan Limited | 25,151,468 | RMB Ordinar shares | 25,151,468 |
| Shanghai Pudong Development Bank Co., Ltd. GF High-end Manufacturing Stock-t pe Initiating Securities Investment Fund | 24,033,531 | RMB Ordinar shares | 24,033,531 |
| Details relating to the related relationship of the Above shareholders or the parties acting in concert | Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Ze un and Mr. Zhao Xiaofei are parties acting in concert. Mr. Zhao Xiaofei held 4,800,000 A -1. (antship o9 I828110 Growth Pri,un | | |

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

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

Note 3: The shareholding listed here was extracted from the register of members of the Company as at 31 March 2023.

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

4. OTHER REMINDERS

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

Applicable Not Applicable

1. Non-public Issuance of A Shares

On 1 June 2022, the Board has approved the proposed non-public issuance of A shares which was also approved by shareholders of the Company at the 2022 first extraordinary general meeting, the 2022 first A share class meeting and the 2022 first H share class meeting held on 29 Jul 2022. In November 2022, the Company received the Approval in Relation to the Non-public Issuance of Shares by Flat Glass Group Co., Ltd. (Zheng Jian Xu Ke [2022] No. 2742)– (《關於核准福萊特玻璃集團股份有限公司非公開發行股票的批覆》(證監許可[2022]2742號)) from the CSRC, which approved the Company's proposed non-public Issuance of not more than 509,068,000 new A shares. As of the date of this report, the proposed non-public issuance of A shares has not been completed.

5. QUARTERLY FINANCIAL STATEMENTS

5.1 Financial Statements

Consolidated Balance Sheet As at 31 March 2023

Prepared by Flat Glass Group Co., Ltd.

Unit: RMB Type of audit: unaudited

| Items | As at 31 March 2023 | As at 31 December 2022 |
|-----------------------------|---------------------------|------------------------------|
| Current assets: | | |
| Cash at bank and on hand | 3,287,021,323.13 | 2,932,152,844.19 |
| Trading financial assets | 2,000,000.00 | 2,000,000.00 |
| Bills receivable | 2,309,902,664.03 | 2,505,753,674.34 |
| Trade receivables | 3,917,317,599.69 | 2,811,090,070.19 |
| Financing receivables | 1,000,568,347.14 | 784,825,969.52 |
| Advance payment | 521,013,139.93 | 578,012,656.23 |
| Other receivables | 127,475,656.68 | 101,299,773.96 |
| Inventories | 2,047,286,598.81 | 2,396,316,964.60 |
| Assets held for sale | | 35,107,159.30 |
| Other current assets | 235,947,099.92 | 234,733,656.64 |
| Total current assets | 13,448,532,429.33 | 12,381,292,768.97 |
| Non-current assets: | | |
| Long-term equity investment | 85,351,568.29 | 82,753,089.96 |
| Investment properties | 21,839,628.71 | 17,370,760.63 |
| Fixed assets | 11,845,973,433.27 | 11,225,965,058.08 |
| Construction in progress | 1,644,900,554.16 | 1,874,354,593.74 |
| Right-of-use assets | 191,615,687.33 | 194,194,008.63 |
| Intangible assets | 3,625,996,739.87 | 3,783,656,023.65 |
| Long-term prepaid expenses | 25,444,353.16 | 15,689,934.37 |
| Deferred tax assets | 121,047,581.31 | 92,555,237.76 |
| Other non-current assets | 2,997,253,624.28 | 2,713,891,130.26 |
| Total non-current assets | | |

| Items | As at 31 March 2023 | As at 31 December 2022 |
|---|---------------------------|------------------------------|
| Current liabilities: | | |
| Short-term borrowings | 3,771,199,573.16 | 3,095,354,079.23 |
| Derivative financial liabilities | 129,039.60 | 1,765,968.98 |
| Bills payable | 1,164,039,020.05 | 964,727,516.59 |
| Trade payables | 3,989,764,924.01 | 4,100,044,464.81 |
| Contract liabilities | 99,052,896.75 | 115,048,763.64 |
| Payroll payables | 69,127,420.60 | 102,797,701.22 |
| Tax payables | 210,720,305.81 | 186,516,829.00 |
| Other payables | 451,070,619.18 | 655,490,858.12 |
| Including: Interests payable | 23,372,088.32 | 16,887,442.02 |
| Dividends payable | 1,357,000 | 2,737,023.00 |
| Non-current liabilities due within one year | 833,384,886.04 | 1,302,218,275.31 |
| Other current liabilities | 5,169,514.70 | 9,449,715.18 |
| Total current liabilities | 10,593,658,199.90 | 10,533,414,172.08 |
| Non-current liabilities: | | |
| Long-term borrowings | 4,871,867,500.00 | 3,889,070,000.00 |
| Bonds payable | 3,629,896,018.14 | 3,588,678,749.97 |
| Lease liabilities | 12,583,416.29 | 11,926,193.55 |
| Long-term payables | 133,013,319.55 | 137,660,340.97 |
| Estimated liabilities | 6,457,941.49 | 6,457,941.49 |
| Deferred income | 55,666,428.54 | 58,535,568.54 |
| Deferred income tax liabilities | 169,254,032.91 | 123,532,426.28 |
| Total non-current liabilities | 8,878,738,656.92 | 7,815,861,220.80 |
| Total liabilities | 19,472,396,856.82 | 18,349,275,392.88 |
| Owner's equity: | | |
| Share capital | 536,723,541.75 | 536,723,491.75 |
| Other equity instruments | 491,730,474.25 | 491,731,580.66 |
| Capital surplus | 4,869,881,909.93 | 4,864,749,251.17 |
| Less: Treasury stock | 23,806,600.00 | 23,806,600.00 |
| Other comprehensive income | 25,059,891.18 | 42,350,277.12 |
| Special reserve | 32,403,279.85 | 28,583,407.89 |
| Surplus reserve | 268,361,745.88 | 268,361,745.88 |
| Undistributed profit | 8,335,204,500.05 | 7,823,754,058.70 |
| Total equity attributable to owners of the parent company | 14,535,558,742.89 | 14,032,447,213.17 |
| Total owner's equity | 14,535,558,742.89 | 14,032,447,213.17 |
| Total liabilities and owners' equity | 34,007,955,599.71 | 32,381,722,606.05 |

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

Consolidated Income Statement
For the three months ended 31 March 2023

Prepared by Flat Glass Group Co., Ltd.

Unit: RMB Type of audit: unaudited

| Items | For the three months ended 31 March 2023 | For the three months ended 31 March 2022 |
|--|--|--|
| I. Total operating income | 5,364,942,648.25 | 3,508,900,799.31 |
| Including: Operating revenue | 5,364,942,648.25 | 3,508,900,799.31 |
| II. Total operating costs | 4,806,492,315.72 | 3,005,516,512.21 |
| Including: Operating costs | 4,374,100,179.43 | 2,755,595,927.67 |
| Taxes and surcharges | 44,340,179.71 | 18,523,954.63 |
| Selling expenses | 33,644,181.92 | 19,101,929.99 |
| General and administrative expenses | 70,302,701.97 | 62,226,393.68 |
| Research and development expenses | 157,495,810.85 | 100,731,583.77 |
| Financial expenses | 126,609,261.84 | 49,336,722.47 |
| Including: Interest expenses | 126,402,704.15 | 51,267,676.34 |
| Interest income | 11,074,034.89 | 11,896,510.31 |
| Add: Other income | 21,151,563.69 | 26,817,979.28 |
| Investment income (loss stated with --) | 1,133,053.33 | 1,384,631.12 |
| Including: investment income from associates and joint ventures | 2,598,478.33 | 935,321.12 |
| Profit arising from changes in fair value (loss stated with --) | 1,636,929.38 | -129,400.05 |
| Loss on credit impairment (loss stated with --) | -19,809,439.28 | -32,021,445.12 |
| Loss on assets impairment (loss stated with --) | -2,361,766.51 | 2,292,690.55 |
| Gains on disposal of assets (loss stated with --) | -171,643.20 | -6,373,937.67 |
| III. Operating profit (loss expressed with "-") | 560,029,029.94 | 495,354,805.21 |
| Add: Non-operating income | 403,771.64 | 1,045,284.15 |
| Less: Non-operating expenses | 42,351.52 | 1,005,700.17 |
| IV. Total profit (total loss expressed with "-") | 560,390,450.06 | 495,394,389.19 |
| Less: Income tax expense | 48,940,008.71 | 58,684,096.91 |

| Items | For the three months ended 31 March 2023 | For the three months ended 31 March 2022 |
|---|--|--|
| V. Net profit (net loss expressed with “-”) | 511,450,441.35 | 436,710,292.28 |
| (I) Classified on a going concern basis | | |
| 1. Net profit from continuing operation | | |
| (net loss stated with --) | 511,450,441.35 | 436,710,292.28 |
| (II) Classified by attribution of the ownership | | |
| 1. Net profit attributed to shareholders of parent company | | |
| (net loss expressed with --) | 511,450,441.35 | 436,710,292.28 |
| VI. Other comprehensive income, net of tax | -17,290,385.94 | -11,274,093.02 |
| (I) Net amount of other comprehensive income after tax attributable to the shareholders of parent company | -17,290,385.94 | -11,274,093.02 |
| 1. Other comprehensive income to be reclassified to profit or loss | -17,290,385.94 | -11,274,093.02 |
| (1) Conversion difference of foreign currency statement | -11,272,468.90 | -12,352,432.99 |
| (2) Other | -6,017,917.04 | 1,078,339.97 |
| VII. Total comprehensive income | 494,160,055.41 | 425,436,199.26 |
| (I) Total comprehensive income attributable to parent company | 494,160,055.41 | 425,436,199.26 |
| VIII. Earnings per share | | |
| Basic earnings per share | 0.24 | 0.20 |
| Diluted earnings per share | 0.24 | 0.20 |

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

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

Consolidated Statement of Cash Flow
For the three months ended 31 March 2023

Prepared by Flat Glass Group Co., Ltd.

Unit: RMB Type of audit: unaudited

| Items | For the three months ended 31 March 2023 | For the three months ended 31 March 2022 |
|--|---|---|
| I. Cash flow from operating activities: | | |
| Cash received from sale of goods or rendering of services | 2,198,277,389.09 | 1,439,899,627.73 |
| Cash received from refunds of taxes | 123,555,740.69 | 34,928,849.66 |
| Cash received relating to other operating activities | 41,726,153.15 | 82,420,433.72 |
| Subtotal of cash inflows from operating activities | 2,363,559,282.93 | 1,557,248,911.11 |
| Cash paid for goods and services | 2,208,704,611.52 | 615,891,923.73 |
| Cash paid to and on behalf of employees | 236,920,117.82 | 171,960,338.71 |
| Cash paid for payments of taxes and surcharges | 205,512,724.02 | 167,346,712.52 |
| Cash paid relating to other operating activities | 193,331,996.12 | 40,869,295.83 |
| Subtotal of cash outflows from operating activities | 2,844,469,449.48 | 996,068,270.79 |
| Net cash flow from operating activities | -480,910,166.55 | 561,180,640.32 |
| II. Cash flow from investing activities: | | |
| Cash receipts from disposal of investments | | 200,000,000.00 |
| Cash received from disposal of investments | 129,375.00 | 449,310.00 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term equity investment | 20,323,073.15 | 1,828,263.23 |
| Cash received relating to investing activities | 200,000.02 | |
| Subtotal of cash inflows from investing activities | 20,652,448.17 | 202,277,573.23 |
| Cash paid to purchase fixed assets, intangible assets and other long-term assets payment | 693,814,800.18 | 1,109,291,690.20 |
| Net cash paid for acquisition of subsidiaries and other operating | | 2,803,965,670.84 |
| Cash paid relating to other investing activities | 69,463,746.11 | 28,537,468.51 |
| Subtotal of cash outflows from investing activities | 763,278,546.29 | 3,941,794,829.55 |
| Net cash flow from investing activities | -742,626,098.12 | -3,739,517,256.32 |

| Items | For the three months ended 31 March 2023 | For the three months ended 31 March 2022 |
|---|--|--|
| III. Cash flow from financing activities: | | |
| Cash received from borrowings | 2,961,821,937.96 | 3,164,829,200.00 |
| Cash received relating to other financing activities | 149,256,031.87 | 80,777,844.62 |
| Subtotal of cash inflows from financing activities | 3,111,077,969.83 | 3,245,607,044.62 |
| Cash paid for payment of borrowings | 1,422,071,077.00 | 550,675,500.00 |
| Cash paid for distribution of dividends, and profits or payment of interest | 83,324,944.86 | 44,128,364.15 |
| Cash paid relating to other financing activities | 361,811,455.87 | 95,688,533.27 |
| Subtotal of cash outflows from financing activities | 1,867,207,477.73 | 690,492,397.42 |
| Net cash flow from financing activities | 1,243,870,492.10 | 2,555,114,647.20 |
| IV. Effect of foreign exchange rate changes on cash and cash equivalents | 55,719,181.42 | -2,864,621.57 |
| V. Net increase in cash and cash equivalents | 76,053,408.85 | -626,086,590.37 |
| Add: cash and cash equivalents at beginning of period | 2,319,081,464.51 | 2,101,730,679.46 |
| VI. Cash and cash equivalents at end of period | 2,395,134,873.36 | 1,475,644,089.09 |

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
24 April 2023

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.