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The Company is devoted to developing and maintaining continuous relationship and effective communications with shareholders and investors. To strengthen relationships and enhance communications, the Company has established the following communication channels:

(i) An occasion shall be arranged for shareholders of the Company at the annual general meeting for putting forward their opinions and exchanging views with the Board. Directors shall be present in person at the annual general meeting and answer shareholders' questions;

(ii) Where possible, the interim performance and yearly performance shall be issued early to enable shareholders of the Company to better understood the performance and business operations of the Group;

(iii) The Company also publishes all corporate correspondence on the Company's website www.flatgroup.com.cn; and

(iv) Shareholders may raise any enquiries and proposals to the Board by either directly raising questions at general meetings or providing written notice of such enquiries or proposals for the attention of Ms. Ruan Zeyun, the company secretary, at the principal place of business of the Company situated at 1999 Yunhe Road, Xiuzhou District, Jiaxing, Zhejiang Province, PRC or via e-mail to flat@flatgroup.com.cn.

E E A, C A A E E

The Environmental, Social and Governance Report for the Reporting Period has been published individually on 29 March 2021.

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The Directors are pleased to present this annual report and audited consolidated financial statements of the Group for FY2020.

E E E CE, EA A E A C A ACE B E

The Company was established in the PRC and has its registered office and headquarters at 1999 Yunhe Road, Xiuzhou District, Jiaxing, Zhejiang Province, the PRC. Its principal place of business in Hong Kong is Unit 6, 11/F, Prosperity Place 6 Shing Yip Street, Kwun Tong Kowloon, Hong Kong (effective from 15 June 2020).

C A AC E

The principal activities of the Group are manufacturing and sale of photovoltaic glass products, float glass products, architectural glass products, household glass products and other types of relevant products in the PRC. The principal activities and other particulars of the subsidiaries are set out in note (VI) 40 to the financial statements.

B A E

Please refer to note V to the financial statements in this annual report for details of the subsidiaries as at 31 December 2020.

A C A A E E

The profit of the Group for FY2020 and the state of the Company's and the Group's affairs as at that date are set out in the consolidated financial statements on pages 58 to 69 of this annual report.

The Group's business review during FY2020 and material factors underlying its results and financial position are set out in the "Management Discussion and Analysis" section of this annual report.

E E E

Details of movements in reserves of the Company and the Group are set out in the consolidated statement of changes in equity.

A C A A

A summary of the published results and of the assets and liabilities of the Group for the latest five financial years is set out on page 6 of this annual report. This summary does not form part of the audited consolidated financial statements of the Group for FY2020.

E , A A E E

Details of movements in property, plant and equipment of the Group during FY2020 are set out in note (VI) 14 to the financial statements.

E A E C

The payment and the amount of any dividends, if paid, will depend on the Group's results of operations, cash flows, financial condition, statutory and regulatory restrictions on such payment of dividends, future prospects and other factors that the Company may consider relevant. The declaration, payment and amount of dividends will be subject to the Company's discretion. Dividends may be paid only out of the Group's distributable profits as permitted under the relevant laws. To the extent profits are distributed as dividends, such portion of profits will not be available to be

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The Group is subject to various PRC environmental laws and regulations for the production and sales of its PV glass, float glass, household glass and architectural glass products, which impose standards on the emission and treatment of pollutants created during the manufacturing process, and are required to obtain environmental protection assessment approval and acceptance from the relevant government authorities in the PRC for the operation of the production facilities. The Group is also subject to various PRC laws and regulations in relation to its mine. As a result, the Group is required to obtain permits, licenses and consents, such as the mining permit for its mining activities and the production safety permit for its manufacturing operations. Any unfavorable changes in the scope of these laws and regulations, or application and interpretation of these laws and regulations, may limit or restrict its production capacity or ability or its manufacturing operation, or increase the costs in pollution control or safety improvement, or otherwise increase its cost, which may materially and adversely affect the Group's business and operations. If the Group fails to comply with

E E A

E

The Group maintains a good relationship with its employees and provides trainings to employees. New joiners must attend mandatory in-house training. Furthermore, employees may attend external trainings such as trainings for manufacturing management, quality control management and human resource management. Remuneration of employees is reviewed periodically by reference to the market rate. After considering performance of the Group and job performance of specific employees, the Group may pay them discretionary bonus.

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

S

The main raw materials of the Group include fuel, silica sand and soda ash. The Group does not rely on any one single raw material supplier. The Group generally enters into legally binding long-term agreements with its fuel and silica sand suppliers in order to ensure smooth production operation.

Aggregate purchases from the Group's largest and five largest suppliers accounted for 8.31% and 36.31%, respectively, of the Group's total purchases for FY2020.

C

The Group has established and maintained strong and stable relationships with its customers, with a majority of the top ten customers having had a relationship of five years or above with the Group. The Group's PV glass customers are primarily domestic and overseas PV module manufacturers, whereas its float glass customers are primarily domestic and overseas glass processing manufacturers and domestic glass wholesalers. In addition, the Group sells household glass products to domestic and overseas furniture manufacturers and processing companies and multinational furniture retailers, and sell architectural glass products to domestic and overseas architectural contractors, domestic architectural glass processing companies and domestic construction companies.

During FY2020, aggregate sales to the Group's largest and five largest customers accounted for 18.13% and 59.20%, respectively, of the Group's total revenue for the year.

At no time during the Reporting Period under review had the Directors, the supervisors of the Company and their close associates or any shareholder of the Company (who or which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had any interest in the Group's five largest customers or suppliers.

C A CE A E A

Since the Company is established and conducts its operations mainly in the PRC, its H shares are listed on the Stock Exchange, and subsequent to the year ended 31 December 2020. A shares are listed on the Shanghai Stock Exchange. During FY2020 and up to the date of this annual report, the Company had materially complied with the relevant laws and regulations in the PRC and Hong Kong including relating to its establishment and operations, and the rules of the relevant Stock Exchange.

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BA B

Details of bank borrowings of the Company and its subsidiaries as at 31 December 2020 are set out in note (VI) 20, 28 and 29 to the financial statements.

A E CA A

Details of movements in the share capital of the Company during FY2020 are set out in note (VI) 33 to the financial statements.

C E C B C A

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company, the Company has maintained the prescribed public float under the Listing Rules from 1 January 2020 to 31 December 2020 and at all times up to the date of this annual report.

E-E E

Pursuant to the Articles of Association and the laws of the PRC, the Company is not subject to any pre-emptive rights requiring it to propose new issues to its existing shareholders in proportion to their shareholdings.

C A E, A E E E C A E EC E

CSRC Main Board Issuance Approval Committee (中國證監會主板發行審核委員會) reviewed the application of the Company for the proposed issuance of A share convertible bonds on 9 January 2020. According to the result of the review published on the website of CSRC, the Company's application for the proposed issuance of A share convertible bonds has been approved and written approval from CSRC was received by the Company. Such public issuance of A Share convertible bonds was in an aggregate par value of RMB1.45 billion with a term of six years; The issuance of A share convertible bonds was completed in June 2020. The A share convertible bonds under this issuance were with a nominal value of RMB100 and issued at par. The subscription funds for the A share convertible bonds under this issuance totaled RMB1,450,000,000.00. After deducting the issuance fee of RMB8,578,301.90, the net funds raised were RMB1,441,421,698.10. As at the date of redemption registration (29 January 2021), the Company's A Share convertible bonds in the accumulated nominal value of RMB1,447,297,00 had been converted into the Shares of the Company, representing 99.81% of total A Share convertible bonds issued; and the number of Shares converted by such convertible bonds is 107,048,107 Shares, representing 5.48% of the total issued Shares of the Company before conversion (2 December 2020), of which 107,048,107 Shares were converted during the period from 3 December 2020 to 29 January 2020. Since 1 February 2021, the A Share convertible bonds has ceased trading and share conversion, and the outstanding A Share convertible bonds of RMB2,703,000 has been frozen. According to the data provided by CSDC Shanghai Branch, 27,030 convertible bonds were redeemed by the Company, at a total redemption amount of RMB2,710,406.22, which was paid on 1 February 2021. The Company's "Flat Convertible Bonds" (bond code:113035) (conversion code:191035) was delisted on Shanghai Stock Exchange on 1 February 2021.

Except as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities since 1 January 2020 up to and including 31 December 2020.

EC

For the year ended 31 December 2020 and up to the date of this annual report, the Directors and Supervisors of the Company in office are shown as below:

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

Mr. Cui Xiaozhong
Ms. Hua Fulan
Mr. Ng Ki Hung

Mr. Zheng Wenrong *(Chairman of the Board of Supervisors)*
Mr. Shen Fuquan
Mr. Zhu Quanming
Ms. Niu Liping
Ms. Zhang Huizhen

The Company has received, from each of the independent non-executive Directors, an annual confirmation of their independence pursuant to Rule 3.13 of the Listing Rules and considers that all of the independent non-executive Directors are independent of the Company.

B A E EC , E A E A A E E

Biographical details of Directors, supervisors and senior management of the Company are set out on pages 18 to 25 of this annual report.

EC ' A E A E E A AC , A A E E A C AC A A E CA E A E ' B E

No transactions, arrangements and contracts of significance between the Company or any of its subsidiaries and its controlling shareholders or any of its subsidiaries, was a party, or in which a Director or supervisors of the Company and an entity connected to any of the Directors or supervisors of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the Reporting Period.

E CE C AC EC A E

All the Directors retired and were re-elected at 2018 First extraordinary general meeting for a term of three years ending on the expiration of the term of the 5th session of the Board, subject to his or her retirement and re-election at annual general meeting in accordance with the Articles of Association. Each of the executive Directors has entered into a service contract with the Company and each of the independent non-executive Directors has entered into a letter of appointment in November 2018 with a term of three years which will expire in November 2021.

Save as disclosed above, none of the Directors or supervisors of the Company has entered into any service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

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As at 31 December 2020, the interests and short positions of the Directors, supervisors and the chief executive of the Company in the shares (the "Shares"), underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which the Directors or the chief executive were taken or deemed to have under such provisions) and the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in the Listing Rules, were as follows:

				A	
		C			C
Directors					
Mr. Ruan Hongliang[3]	1,118,772,000	A Shares	Beneficial owner and parties acting in concert	70.31%	54.81%
	779,000	H Shares	Beneficial owner and parties acting in concert	0.17%	0.04%
Ms. Jiang Jinhua[3]	1,118,772,000	A Shares	Beneficial owner and parties acting in concert	70.31%	54.81%
	779,000	H Shares	Parties acting in concert	0.17%	0.04%
Mr. Wei Yezhong	17,334,000	A Shares	Beneficial owner	1.09%	0.85%
Mr. Shen Qifu	11,556,000	A Shares	Beneficial owner	0.73%	0.57%
Supervisors					
Mr. Zheng Wenrong	52,002,000	A Shares	Beneficial owner	3.27%	2.55%
Mr. Shen Fuquan	34,668,000	A Shares	Beneficial owner	2.18%	1.70%
Mr. Zhu Quanming	34,668,000	A Shares	Beneficial owner	2.18%	1.70%

Notes:

(1) The calculation is based on the total number of 1,591,248,788 A Shares or 450,000,000 H Shares of the Company in issue as at 31 December 2020.

(2) The calculation is based on the total number of 1,591,248,788 A Shares and the total number of 450,000,000 H Shares (i.e. a total of 2,041,248,788 Shares) in issue as at 31 December 2020.

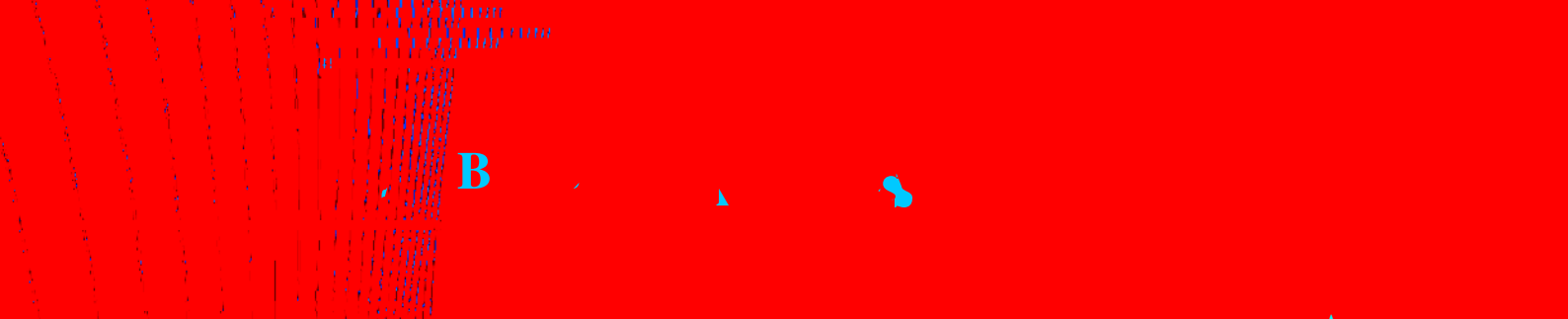
(3) Mr. Ruan Hongliang is the spouse of Ms. Jiang Jinhua. As at 31 December 2020, Mr. Ruan Hongliang owns 439,358,400 A Shares and 419,000 H Shares. Ms. Jiang Jinhua owns 324,081,600 A Shares. Ms. Ruan Zeyun is the spouse of Mr. Zhao Xiaofei, and the daughter of Mr. Ruan Hongliang and Ms. Jiang Jinhua. Ms. Ruan Zeyun owns 350,532,000 A Shares and 360,000 H Shares. Mr. Zhao Xiaofei owns 4,800,000 A Shares. In addition, pursuant to a concert party agreement dated 19 September 2016 entered into among Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Zeyun and Mr. Zhao Xiaofei, each of Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Zeyun and Mr. Zhao Xiaofei is considered to be interested in 1,118,772,000 A Shares and 779,000 H Shares under the SFO.

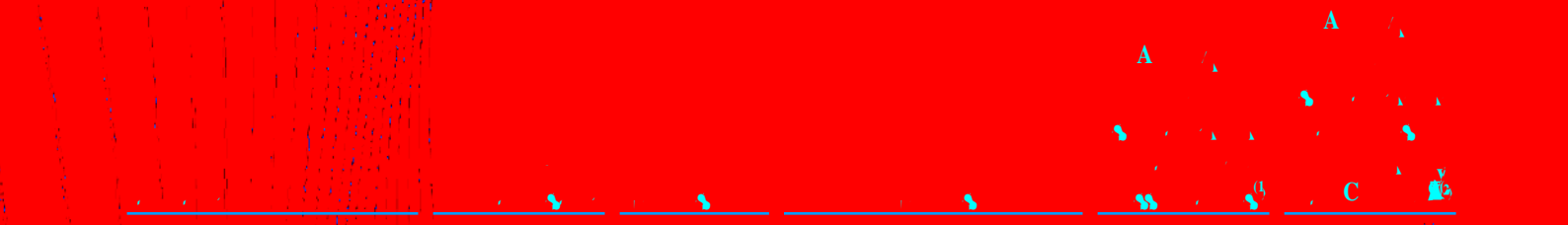
Save as disclosed above, as at 31 December 2020, to the knowledge of the Company, none of the Directors or supervisors and the chief executive of the Company had or was deemed under the SFO to have any interests or short positions in any of the Shares or the underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which 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 the Divisions 7 and 8 of Part XV of the SFO or to be notified to the Company and the Stock Exchange pursuant to the Model Code.

E E A B A A E E

As at 31 December 2020, the persons or corporations, other than the Directors, supervisors and the chief executive of the Company, who had an interest or short position in the Shares, underlying Shares or debentures of the Company which were required to be disclosed to the Company under the provisions of Division 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:

				A	
				A	
				(1)	C (2)
Ms. Ruan Zeyun[3]	1,118,772,000	A Shares	Beneficial owner and parties acting in concert	70.31%	54.81%
	779,000	H Shares		0.17%	0.04%
Mr. Zhao Xiaofei[3]	1,118,772,000	A Shares	Beneficial owner and parties acting in concert	70.31%	54.81%
	779,000	H Shares		0.17%	0.04%
Citigroup Inc.[4]	40,045,471(L)	H Shares	Interest of controlled corporation	8.89%(L)	1.96% (L)
	19,801,999(S)			4.40%(S)	0.97% (S)
	19,965,839(P)			4.43%(P)	0.98% (P)
JPMorgan Chase & Co.[5]	35,971,687(L)	H Shares	Interest of controlled corporation	7.99%(L)	1.76% (L)
	8,420,290(S)			1.87%(S)	0.41%(S)
	9,603,217(P)			2.13%(P)	0.47%(P)
Pacific Asset Management Co., Ltd.	31,525,000(L)	H Shares	investment manager	7.01%(L)	1.54%(L)
Shanghai Greenwoods Asset Management Company Limited[6]	27,042,000(L)	H Shares	investment manager	6.01%	1.32%
Xizang Jingning Corporate Management Company Limited[6]	27,042,000(L)	H Shares	Interest of controlled corporation	6.01%	1.32%
CICC Pucheng Investment Co., Ltd.	23,870,000(L)	H Shares	Beneficial interest	5.30%	1.17%





The Bank of New York Mellon Corporation[7]	22,807,660(L)	H Shares	Interest of controlled corporation	5.07%(L)	1.12%(L)
	20,649,660(P)			4.59%(P)	1.01% (P)
China International Capital Corporation Limited[8]	22,573,000(L)	H Shares	Interest of controlled corporation	5.02%	1.11%

Notes:

(1) The calculation is based on the total number of 1,591,248,788 A Shares or 450,000,000 H Shares, as the case may be, in issue as at 31 December 2020.

(2) The calculation is based on the total number of 1,591,248,788 A Shares and the total number of 450,000,000 H Shares (i.e. a total of 2,041,248,788 Shares) in issue as at 31 December 2020.

(3) Mr. Ruan Hongliang is the spouse of Ms. Jiang Jinhua. As at 31 December 2020, Mr. Ruan Hongliang owns 439,358,400 A Shares and 419,000 H Shares. Ms. Jiang Jinhua owns 324,081,600 A Shares. Ms. Ruan Zeyun is the spouse of Mr. Zhao Xiaofei, the daughter of Mr. Ruan Hongliang and Ms. Jiang Jinhua. Ms. Ruan Zeyun owns 350,532,000 A Shares and 360,000 H Shares. Mr. Zhao Xiaofei owns 4,800,000 A Shares. In addition, pursuant to a concert party agreement dated 19 September 2016 entered into among Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Zeyun and Mr. Zhao Xiaofei, each of Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Zeyun and Mr. Zhao Xiaofei jointly owned 1,118,772,000 A Shares and 779,000 H Shares under the SFO.

(4) Citigroup Global Markets Holdings Inc. and Citicorp LLC are owed as to 100% by Citigroup Inc., Citibank N. A. is owed as to 100% by Citicorp LLC. Citigroup Financial Products Inc. is owed as to 100% by Citigroup Global Markets Holdings Inc. Citigroup Global Markets Inc is owed as to 100% by Citigroup Financial Products Inc.. Citigroup Global Markets Europe Finance Limited is owed as to 100% by Citigroup Financial Products Inc.. Citigroup Global Markets (International) Finance GmbH is owed as to 100% by Citigroup Global Markets Europe Finance Limited. Citigroup Global Markets Holdings Bahamas Limited is owed as to 50.21% by Citigroup Global Markets (International) Finance GmbH. Citigroup Global Markets Holdings Bahamas Limited is owed as to 49.62% by Citigroup Financial Products Inc.. Citigroup Global Markets Limited is owed as to 100% by Citigroup Global Markets Holdings Bahamas Limited.

(5) JPMorgan Chase Bank, National Association is owed as to 100% by JPMorgan Chase & Co.. J.P. Morgan International Finance Limited and JPMORGAN CHASE BANK, N.A. – LONDON BRANCH are owed as to JPMorgan Chase Bank, National Association. J.P. MORGAN CAPITAL HOLDINGS LIMITED is owed as to 100% by J.P. Morgan International Finance Limited. J.P. MORGAN SECURITIES PLC is owed as to 100% by J.P. MORGAN CAPITAL HOLDINGS LIMITED. JPMorgan Chase Holdings LLC is owed as to 100% by JPMorgan Chase & Co.. J.P. Morgan Broker-Dealer Holdings Inc and JPMorgan Asset Management Holdings Inc. are owed as to 100% by JPMorgan Chase Holdings LLC. J.P. Morgan Securities LLC is owed as to 100% by J.P. Morgan Broker-Dealer Holdings Inc.. JPMORGAN ASSET MANAGEMENT INTERNATIONAL LIMITED is owed as to 100% by JPMorgan Asset Management Holdings Inc.. JPMORGAN ASSET MANAGEMENT (UK) LIMITED is owed as to 100% by JPMORGAN ASSET MANAGEMENT INTERNATIONAL LIMITED. China International Fund Management Co., Ltd. is owed as to 49% by JPMORGAN ASSET MANAGEMENT (UK) LIMITED. JPMorgan Asset Management (Asia) Inc is owed as to 100% by JPMorgan Asset Management Holdings Inc.. JPMorgan Asset Management (Asia Pacific) Limited is owed as to 99.99% by JPMorgan Asset Management (Asia) Inc and JPMorgan Asset Management (Taiwan) Limited is owed as to 100% by JPMorgan Asset Management (Asia) Inc.

(6) Shanghai Greenwoods Asset Management Company Limited is owed as to 100% by Xizang Jingning Corporate Management Company Limited.

(7) The Bank of New York Mellon is owed as to 100% by The Bank of New York Mellon Corporation.

(8) China International Capital Corporation (Hong Kong) Limited is owed as to 100% by China International Capital Corporation Limited. CICC Financial Holdings Limited is owed as to 100% by China International Capital Corporation (Hong Kong). CICC Financial Trading Limited is owed as to 100% by CICC Financial Holdings Limited. CICC Pucheng Investment Co., Ltd. is owed as to 100% by China International Capital Corporation Limited. China International Capital Corporation Hong Kong Securities Limited is owed as to 100% by China International Capital Corporation (Hong Kong) Limited.

Save as disclosed above, as at 31 December 2020, so far as is known to the Directors, there is no other person (other than the Directors, supervisors or the chief executive of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the company and the Stock Exchange under the provisions of Division 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.

[illegible]

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or in existence during the year ended 31 December 2020.

[illegible]

Save as disclosed in note IX to the financial statements, no contract of significance to which the Company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a Director or supervisor of the Company or an entity connected with a Director or supervisor had a material interest, subsisted at the end of the year or at any time during the year ended 31 December 2020.

[illegible]

The related party transactions in relation to the emoluments of Directors, Supervisors and employees are connected transactions exempt from reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.95 of the Listing Rules. Save for the continuing connected transactions as disclosed in "Continuing Connected Transactions" below, the related party transactions conducted during the year under review as disclosed in note IX to the financial statement of the Group were either transactions not falling under the definition of connected transaction or continuing connected transactions as defined in chapter 14A of the Listing Rules or connected transactions exempt from reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules.

[illegible]

Certain related party transactions as disclosed in note IX to the financial statements also constituted continuing connected transactions under the Listing Rules and are required to be disclosed in accordance with Chapter 14A of the Listing Rules.

[illegible]

Jiaxing Yihe Investment Co., Limited ("嘉興市義和投資有限公司") ("Jiaxing Yihe") is wholly-owned by Ms. Ruan Zeyun, one of the controlling shareholders of the Company and daughter of Mr. Ruan Hongliang (the chairman and executive Director of the Company) and Ms. Jiang Jinhua (an executive Director), thus an associate of Ms. Ruan Zeyun and a connected person of the Company under Rule 14A.07 of the Listing Rules.

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On 11 December 2019, the Company, as tenant, entered into the tenancy agreement with Jiaxing Yihe, as landlord, pursuant to which Jiaxing Yihe agreed to lease premises to the Company for a term of one year commencing from 1 January 2020 and ending on 31 December 2020 at the rent of 685,199.76 per month. The three connected 6-storey M-shaped buildings will be used as dormitories for the Group's employees, and two 5-storey factories will be used as the Group's temporary maintenance, assembling and storage of equipment. The rent payable under tenancy agreement was determined by the parties after arm's length negotiations with reference to, among other things, the prevailing market rental price of comparable properties in close proximity to Premises for similar use in Jiaxing City, in particular those in the same industrial park.

C

The independent non-executive Directors have reviewed these continuing connected transactions and confirmed that such transactions were:

(1) entered into in the ordinary and usual course of business of the Group;

(2) conducted either on normal commercial terms or better; and

(3) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

A

The Company's auditor, Deloitte Touche Tohmatsu Certified Public Accountants LLP (德勤華永會計師事務所(特殊普通合夥)), was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group in this annual report in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

C E B E

None of the Directors and their associates had any interest in any competing business with the Company or any of its subsidiaries during the year ended 31 December 2020.

C A CE -C E E A

Each of Mr. Ruan Hongliang, Ms. Jiang Jinhua and Ms. Ruan Zeyun has confirmed to the Company that he/she has complied with the non-competition undertaking given by them to the Company pursuant to the deed of non-competition dated 16 October 2015. The independent non-executive Directors of the Company have reviewed the status of compliance and enforcement of the non-competition undertaking and confirmed that all the undertakings thereunder have been complied with throughout the period from 1 January 2020 up to and including 31 December 2020.

A A E E EC A E C A E A E EBE E

At no time during the year ended 31 December 2020 were rights to acquire benefits by means of acquisition of shares in or debentures of the Company granted to any Director or supervisors of the Company or their respective spouses or minor children, or were such rights exercised by them, or was the Company, its holding company or any of its subsidiaries

B

The current session of the board of supervisors of the Company (the "Board of Supervisors") is comprised of five supervisors, namely Mr. Zheng Wenrong, Mr. Shen Fuquan, Mr. Zhu Quanming, Ms. Niu Liping and Ms. Zhang Huizhen.

In the year ended 31 December 2020, for the Company's long-term interests and shareholders' interests, the Board of Supervisors acted in strict compliance with relevant laws, regulations, rules, regulatory documents, the Articles of Association and the Listing Rules and earnestly performed their duties of supervision over the activities of the Directors

4.

The Board of Supervisors has reviewed the Group's 2020 consolidated financial statements, supervised and monitored the Group's implementation of relevant financial policies and legislations as well as details of the Group's assets, financial income and expenditure. It is of the opinion that the Group's 2020 consolidated financial statements truly and completely reflect the financial position and operating results of the Group.

Chairman of the Board of Supervisors

Jiaxing, Zhejiang, the PRC
29 March 2021

Our main audit procedures for the key audit matters related to the cut-off of revenue recognition of the above PV glass include:

(1) Obtain an understanding of the key internal control related to the cut-off of sales revenue recognition for PV glass, evaluate the design and implementation of the relevant internal control, and test the effectiveness of its operation;

(2) Check the sales contracts of major customers and interview with the management, identify the contract terms related to the transfer time of control of goods and examine the book entry in accordance with the terms of the contract, and verify whether the time point of revenue recognition of Flat Group is in line with the provisions of accounting standards for business enterprises;

(3) Obtain the delivery records for a transaction cycle prior to the balance sheet date, For export sales, we conducted sampling inspection of customs declarations or cargo receipt records for export sales according to different trade patterns. For domestic sales, we sent the confirmations to the transport companies to confirm the receipt status of goods or tested the receipt records of the good by sample; and

(4) Perform cut-off tests on the revenue of the last transaction cycle after the balance sheet date,and check supporting documents related to revenue recognition including receipt records and customs declarations. In addition, we also took into account whether there were major post-sales recalls and assessed their impacts on the financial statements.

4. E I A

The management of Flat Group is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our audit reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

5. E B E A A E E A E C A E E A CE E A C A A E R

The management of Flat Group is responsible for the preparation of the financial statements that give a fair view in accordance with the accounting standards for business enterprises, and designing, implementing and maintaining the necessary internal controls so that the financial statements are free from material misstatement due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Flat Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern assumption unless the management either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Flat Group's financial reporting process.

6. C A' E B E E A E A C A A E E

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement due to fraud or error, and to issue audit reports containing audit opinions. Reasonable assurance is a high- level assurance, but it does not guarantee that the audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. At the same time, we also:

(1) Identify and assess the risks of material misstatement of the financial statements due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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(5) Evaluate the overall presentation (including the disclosures), structure and content of the financial statements, and whether the financial statements represent the relevant transactions and events in a manner that achieves fair presentation.

(6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Flat Group to express an audit opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide a statement to those charged with governance that we have complied with relevant ethical requirements regarding independence, and communicate with those charged with governance all relationships and other matters that may reasonably be considered to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements in 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Certified Public Accountants LLP
Shanghai, China

Chinese certified public accountant:
(engagement partner)

Chinese certified public accountant:

29 March 2021

RMB

	NOTE (6)	31 202 0	31 December 2019
C			
Cash at bank and on hand	1	1,589,967,013.69	613,000,364.84
Trading financial assets	2	400,000,000.00	–
Derivative financial assets	3	1,445,666.57	1,117,793.99
Bills receivable	4	546,772,640.17	1,976,383,235.76
Trade receivables	5	1,388,373,649.20	1,107,245,636.40
Financing receivables	6	684,530,748.37	–
Advance payment	7	363,154,384.40	93,183,465.96
Other receivables	8	24,267,677.88	3,684,181.68
Inventories	9	479,395,186.67	483,619,647.17	
Other current assets	10	91,369,716.90	174,510,375.27
		5,569,276,683.85	4,452,744,701.07
Long-term equity investments	11	13,914,841.66	–
Other equity instrument investment	12	53,970,165.00	–
Investment properties	13	20,233,701.43	21,665,171.83
Fixed assets	14	3,333,698,217.15	3,070,665,219.42
Construction in progress	15	1,937,151,385.42	936,828,544.14
Right-of-use asset	16	173,805,076,226	188,930,554.53
Intangible assets	17	529,570,040.37	427,130,471.49
Long-term prepaid expenses		5,175,651.56	6,935,053.37
Deferred tax assets	18	25,990,515.11	18,458,589.23
Other non-current assets	19	603,014,147.21	268,922,264.83
		6,696,523,691.17	4,939,535,868.84
		12,265,800,375.02	9,392,280,569.91

The notes are an integral part of the financial statements.

The financial statements on pages 58 to 256 are signed by:

Legal Representative: Chief Financial Officer: Chief Accountant:

RMB

	NOTE (6)	31 2020	31 December 2019
C			
Short-term borrowings	20	617,402,035.00	1,316,277,482.79
Derivative financial liabilities	21		917,754.01
Bills payables	22	713,571,260.89	338,562,948.43
Trade payables	23	1,294,643,492,26	1,854,705,642.59
Contract liabilities	24	91,178,042,21	24,993,817.16
Payroll payable	25	48,938,953.78	31,758,290.80
Tax payable	26	303,432,110.05	129,352,280.77
Other payables	27	100,815,515.00	45,543,202.52
Non-current liabilities due within one year	28	160,819,952.95	711,977,777.21
		3,330,801,362.14	4,454,089,196.28
-			
Long-term borrowings	29	1,375,011,882.07	281,902,410.30
Bonds payables	30	236,681,991.63	–
Lease liabilities	31	11,508,090.39	11,016,173.42
Deferred income	32	33,039,484.74	45,408,644.70
Deferred tax liabilities	18	44,014,924,20	86,975,757.21
		1,700,256,373.03	425,302,985.63
		5,031,057,735.17	4,879,392,181.91
Share capital	33	510,312,197.00	487,500,000.00
Other equity instruments	34	49,401,670.49	–
Capital reserve	35	2,045,095,156.05	839,115,113.41
Less: Treasury stock	33	(28,359,000.00)	–
Other comprehensive income	36	(26,338,876.15)	5,935,642.83
Special reserve	37	14,369,931.38	11,810,858.31
Surplus reserve	38	220,705,199.31	193,555,355.70
Undistributed profit	39	4,449,556,361.77	2,974,971,417.75
Total equity attributable to shareholders of the parent company		7,234,742,639.85	4,512,888,388.00
Minority interests			–
		7,234,742,639.85	4,512,888,388.00
		12,265,800,375.02	9,392,280,569.91

The notes are an integral part of the financial statements.

The financial statements on pages 58 to 256 are signed by:

Legal Representative: Chief Financial Officer: Chief Accountant:

B C

31 December 2020

RMB

	NOTE (14)	31 2020	31 December 2019
C			
Cash at bank and on hand	1	299,567,786.91	223,564,789.23
Derivative financial assets	2		379,492.22
Bills receivable	3	488,505,596.47	1,567,902,478.98
Trade receivables	4	588,347,375.06	778,907,971.16
Financing receivables	5	633,026,500.88	–
Advance payment	6	39,787,487.32	45,197,178.86
Other receivables	7	682,247,356.05	356,091,353.75
Inventories	8	179,788,994.03	209,640,163.73
Other current assets	9	17,020.44	9,673,749.05

RMB

	NOTE (14)	31 2020	31 December 2019
C			
Short-term borrowings	16	140,391,130.00	736,237,118.11
Bills payables	17		190,000,000.00
Trade payables	18	604,274,221.67	1,483,614,555.57
Contract liabilities	19	58,126,632.90	17,454,654.26
Payroll payable	20	25,684,776.32	18,089,920.60
Tax payable	21	64,209,186.23	53,925,402.29
Other payables	22	1,647,392,704.28	338,332,869.33
		2,540,078,651.40	2,837,654,520.16
-			
Long-term borrowings	23	235,000,000.00	–
Bonds payables		236,681,991.63	–
Deferred income	24	23,487,048.57	34,543,339.29
-		495,169,040.20	34,543,339.29
		3,035,247,691.60	2,872,197,859.45
Share capital		510,312,197.00	487,500,000.00
Other equity instruments		49,401,670.49	–
Capital reserve		2,045,095,156.05	839,115,113.41
Less: Treasury stock		(28,359,000.00)	–
Other comprehensive income	25	(5,964,567.44)	–
Surplus reserve		220,705,199.31	193,555,355.70
Undistributed profit	26	1,862,201,037.65	1,744,901,445.14
		4,653,391,693.06	3,265,071,914.25
		7,688,639,384.66	6,137,269,773.70

The notes are an integral part of the financial statements.

The financial statements on pages 58 to 256 are signed by:

Legal Representative: Chief Financial Officer: Chief Accountant:

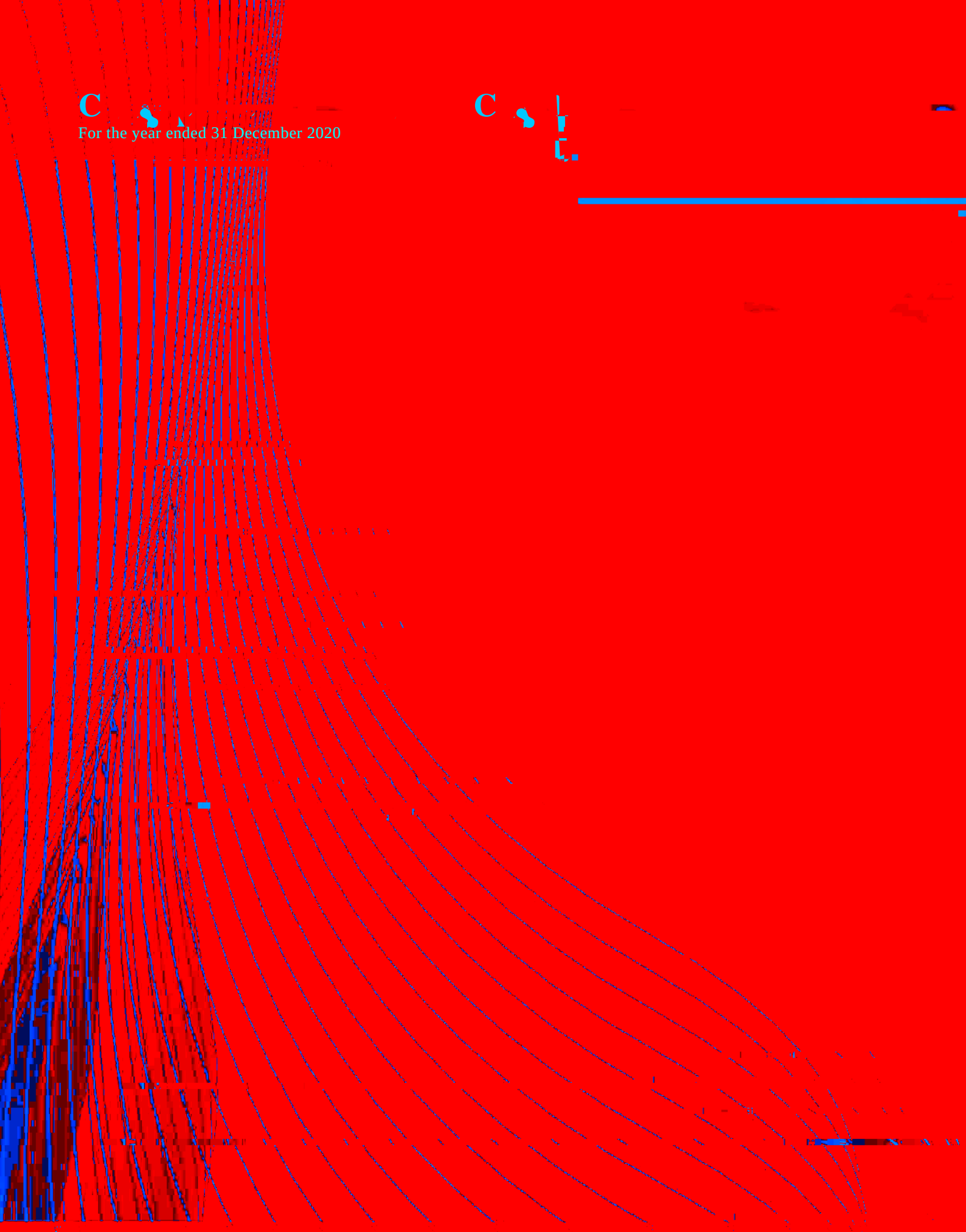
C

For the year ended 31 December 2020

RMB

	NOTE (6)	A	Amount incurred in the previous year
	40	6,260,417,792.26	4,806,804,020.96
Less: Operating costs	40	3,346,641,311.75	3,289,735,511.36
Taxes and surcharges	41	61,083,688.80	35,026,838.85
Selling expenses	42	301,854,852.77	255,112,912.72
General and administrative expenses	43	172,349,032.43	121,498,560.29
Research and development expenses	44	284,717,812.81	204,151,559.30
Financial expenses	45	141,528,692.18	53,129,460.34
Including: Interest expenses		80,273,151.69	65,388,264.94
Interest income		16,412,291.81	17,902,429.34
Add: Other income	46	25,471,233.82	30,189,426.63
Investment income	47	5,675,836.26	6,908,081.15
Profit (loss) arising from changes in fair value		2,614,841.66	–
Including: Gains on investment in associates	48	1,245,626.59	(5,234,350.32)
Credit impairment loss	49	(29,914,991.88)	(12,816,559.04)
Asset impairment loss	50	(71,783,469.77)	(14,697,934.51)
Losses on disposal of asset	51	(18,018,346.26)	(6,541,402.98)
		1,864,918,290.28	845,956,439.03
Add: Non-operating income	52	12,889,216.85	16,897,963.68
Less: Non-operating expenses	53	3,899,465.44	

RMB



RMB

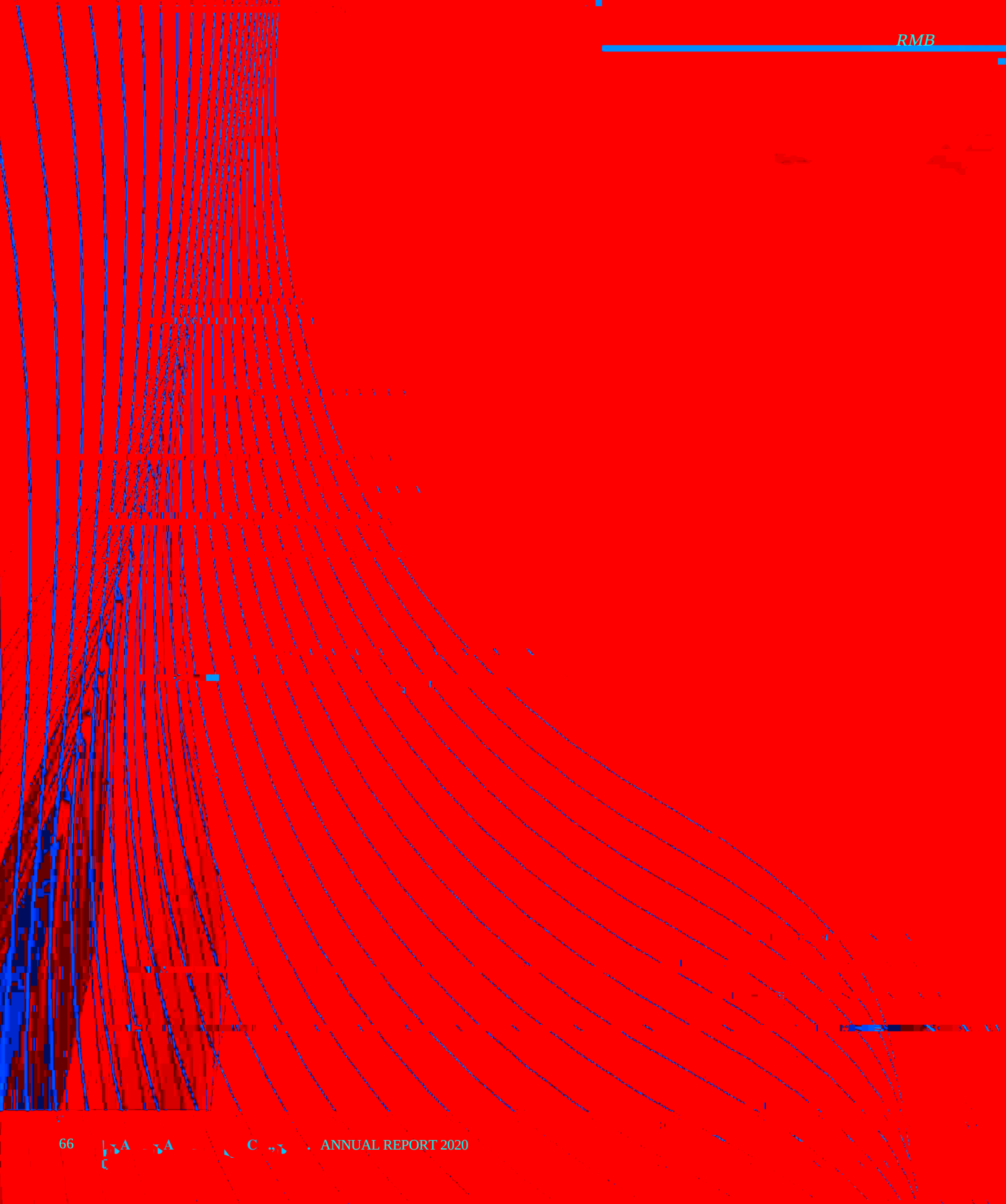
	NOTE (14)	A	Amount incurred in the previous year
. C			
Cash received from sale of goods or rendering of services		2,930,691,103.16	3,257,963,652.31
Cash received from refunds of taxes		19,189,989.89	41,213,278.68
Cash received relating to other operating activities	43 (1)	15,936,272,.92	26,491,352.92
		2,965,817,365.97	3,325,668,283.91
Cash paid for goods and services		2,805,718,498.72	2,682,566,982.27
Cash paid to and on behalf of employee		156,730,320.57	146,295,174.43
Cash paid for payments of taxes and surcharges		92,327,401.58	46,139,814.03
Cash paid relating to other operating activities	43(2)	189,974,122.64	160,943,583.75
		3,244,750,343.51	3,035,945,554.48
		(278,932,977.54)	289,722,729.43
. C			
Cash received from returns on investments			1,759,200.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		11,397,687.32	3,093,989.93
Cash received relating to other investing activities	43(3)	258,179,396.36	246,772,690.36
		269,577,083.68	251,625,880.29
Cash paid to purchase fixed assets, intangible assets and other long-term assets		287,276,684.06	184,514,117.79
Cash paid for investments		800,000.00	257,000,000.00
Cash paid relating to other investing activities	43(4)	2,126,958,214.27	338,217,053.07
		2,415,034,898.33	779,731,170.86
		(2,145,457,814.65)	(528,105,290.57)
. C			
Cash received from capital contribution		28,658,000.00	269,700,000.00
Cash received from bonds issuing		1,444,025,000.00	–
Cash received from borrowings		669,967,570.88	1,064,410,735.92
Cash received relating to other financing activities	43(5)	1,369,267,749.36	168,683,559.31
		3,511,918,320.24	1,502,794,295.23
Cash paid for payment of borrowings		764,468,760.28	656,619,995.68
Cash paid for distribution of dividends, and profits or payment of interest		163,436,592.51	176,772,652.43
Cash paid relating to other financing activities	43(6)	126,294,817.74	444,513,969.81
		1,054,200,170.53	1,277,906,617.92
		2,457,718,149.71	224,887,677.31
. E			
		(3,696,195.31)	623,827.56
. ( )		29,631,162.21	(12,871,056.27)
Add: Cash and cash equivalents at the beginning of the year		158,928,035.19	171,799,091.46
. C		188,559,197.40	158,928,035.19

The notes are an integral part of the financial statements.

The financial statements on pages 58 to 256 are signed by:

Legal Representative: Chief Financial Officer: Chief Accountant:

RMB



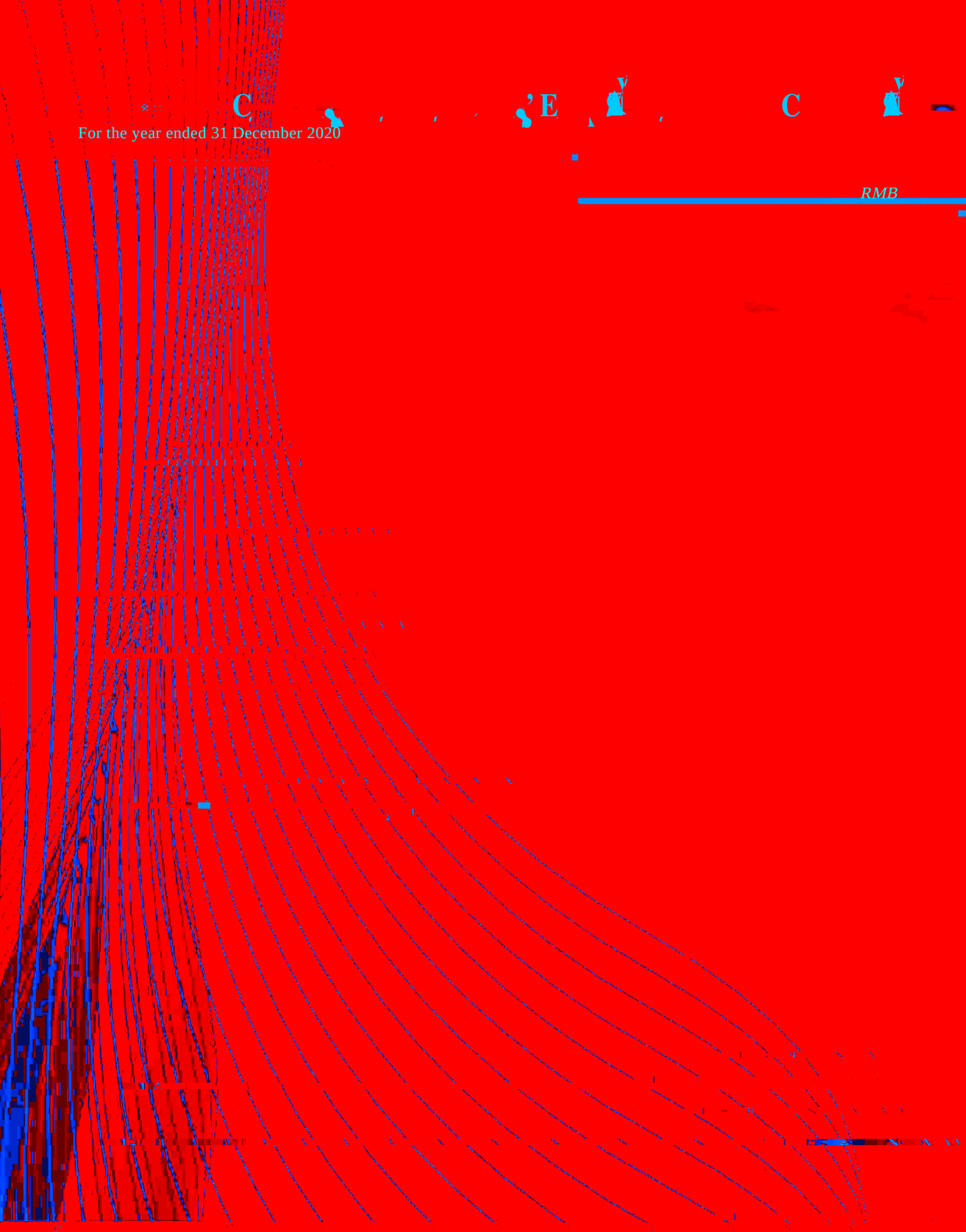
RMB

	The last year							
	Equity attributable to the owners of the parent company							
Items	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Minority interests	Total shareholders' equity
I. Opening balance of the last year	450,000,000.00	622,230,162.41	(4,685,190.57)	9,425,627.41	168,158,907.37	2,423,524,157.41	–	3,668,653,664.03
II. Increase/decrease for the current year								
(I) Total comprehensive income	–	–	10,620,833.40	–	–	717,243,708.67	–	727,864,542.07
(II) Contribution of shareholders	37,500,000.00	216,884,951.00	–	–	–	–	–	254,384,951.00
1. Common shares contributed by owners	37,500,000.00	216,884,951.00	–	–	–	–	–	254,384,951.00
(III) Profit distribution	–	–	–	–	25,396,448.33	(165,796,448.33)	–	(140,400,000.00)
1. Appropriation to surplus reserve	–	–	–	–	25,396,448.33	(25,396,448.33)	–	–
2. Appropriation to shareholders	–	–	–	–	–	(140,400,000.00)	–	(140,400,000.00)
(IV) Special reserve	–	–	–	2,385,230.90	–	–	–	2,385,230.90
1. Provision of special reserves	–	–	–	2,385,230.90	–	–	–	2,385,230.90
III. Closing balance of the last year								

C E C

For the year ended 31 December 2020

RMB



RMB

Items	The last year				
	Share capital	Capital reserve	Surplus reserve	Undistributed profit	Total shareholders' equity
I. Opening balance of the last year	450,000,000.00	622,230,162.41	168,158,907.37	1,656,733,410.15	2,897,122,479.93
II. Increase/decrease for the current year					
(I) Total comprehensive income	–	–	–	253,964,483.32	253,964,483.32
(II) Contribution and withdrawal of capital by shareholders	37,500,000.00	216,884,951.00	–	–	254,384,951.00
1. Common shares contributed by owners	37,500,000.00	216,884,951.00	–	–	254,384,951.00
(III) Profit distribution	–	–	25,396,448.33	(165,796,448.33)	(140,400,000.00)
1. Appropriation to surplus reserve	–	–	25,396,448.33	(25,396,448.33)	–
2. Appropriation to shareholders	–	–	–	(140,400,000.00)	(140,400,000.00)
III. Closing balance of the last year	487,500,000.00	839,115,113.41	193,555,355.70	1,744,901,445.14	3,265,071,914.25

The notes are an integral part of the financial statements.

The financial statements on pages 58 to 256 are signed by:

Legal Representative: Chief Financial Officer: Chief Accountant:

( ) C A E A

1. C

Flat Glass Group Co., Ltd. (the "Company") was established on 24 June 1998 with its registered address at 1999 Yunhe Road, Xiuzhou District, Jiaxing, Zhejiang Province. On 29 December 2005, the Company was converted into a joint stock limited liability company and changed its name to Zhejiang Flat Glass & Mirror Co., Ltd.* (浙江福萊特玻璃鏡業股份有限公司). On 23 March 2011, the Company was renamed as Flat Solar Glass Group Co., Ltd.* (福萊特光伏玻璃集團股份有限公司) and subsequently renamed as Flat Glass Group Co., Ltd.* (福萊特玻璃集團股份有限公司) on 10 October 2014.

On 26 November 2015, the Company issued 450,000,000 overseas listed foreign shares (H shares) with a par value of RMB0.25 per share through global public offering. On the same date, the Company's shares were listed on The Stock Exchange of Hong Kong Limited.

On 23 November 2018, the Company received the Approval of the Initial Public Offering of Shares of Flat Glass Group Co., Ltd. (CSRC Approval [2018] No.1959) issued by China Securities Regulatory Commission, that the Company can issue no more than 150,000,000 ordinary shares (A shares) and list on Shanghai Stock Exchange. On 15 February 2019, the Company issued 150,000,000 RMB ordinary shares (A shares) with a par value of RMB0.25 per share at the issue price of RMB2.00 per share. After the change, the registered capital was RMB487,500,000.00.

On 11 August 2020, in accordance with the "Proposal on Adjusting the List of Incentive Participants and the Number of Restricted Shares Granted on the First Grant of the Company's 2020 A-Share Restricted Share Incentive Scheme" and the "Proposal on the First Grant of A-Share Restricted Shares to Incentive Participants", the Company granted restricted shares to proposed incentive participants. A total of 15 incentive participants subscribed for 4,600,000 RMB ordinary shares (A Shares) with a par value of RMB0.25 each, and the grant price was RMB6.23 per share. After the completion of the abovementioned transaction, the registered capital of the company after the change was RMB488,650,000.00.

As approved by the China Securities Regulatory Commission, the Company publicly issued 14.50 million A share convertible corporate bonds (the "Convertible Bonds") with a par value of RMB100 each on 27 May

(I) C A E A (Continued)

1. C (Continued)

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

The de facto controllers of the Company are Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Zeyun and Mr. Zhao Xiaofei, of whom Mr. Ruan Hongliang and Ms. Jiang Jinhua are directors of the Company.

2. C

On 29 March 2021, the Company's company and consolidated financial statements have been approved by the Board of Directors of the Company.

Details of the scope of consolidated financial statements are set out in Note (V) "Interests in other entities" to the financial statements.

(II) BA E A A A C A A E E

B

The Group has implemented the Accounting Standards for Business Enterprises and other relevant regulations issued by the Ministry of Finance (hereinafter referred to as the "CASBE") and has also disclosed relevant financial information in accordance with the Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No.15 − General Provisions on Financial Reporting (revised in 2014). In addition, the financial statements also include disclosures required by the Companies Ordinance and the Listing Rules of the stock exchange of Hong Kong.

The Group has assessed the ability to continue as a going concern for a 12-month period since 31 December 2020 and is not aware of any events or conditions that may cast significant doubt upon the ability to continue as a going concern. So the financial statements have been prepared on a going concern basis.

B

The Group has adopted accrual basis for accounting measurement. Except some financial instruments are measured at fair value, the financial statements are based on historical cost. If the assets are impaired, corresponding provisions for impairment shall be made according to relevant regulations.

Under the historical cost convention, assets are measured at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of acquisition. Liabilities are measured according to the amount of payment or assets actually received due to the assumption of current obligations, or the contract amount of the current obligation, or in accordance with the amount of cash or cash equivalents expected to be paid in daily activities to meet liabilities.

(...) BA ... E A A ... A C A ... A E E ... (Continued)

B ... (Continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using valuation technique. Fair value measured and disclosed in the financial statements are determined according to the above basis.

The fair value measurement is divided into three levels based on the observability of the inputs of the fair value and the importance of the inputs to the fair value measurement as a whole:

- Level 1 inputs are the unadjusted quoted prices of the same assets or liabilities in the active market that can be obtained on the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the relevant asset or liability.

( ) CA ACC ... C E A ACC ... E A E

The principal activities of the Group are the manufacturing and sales of glass products. Therefore, the accounting policies for recognition of revenue, impairment of financial instruments, depreciation of fixed assets and amortization of intangible assets are based on the characteristics of the glass manufacturing industry. For details please refer to Notes III, 25, III, 9, III, 15 and III, 18.

1. C ... CA BE

The financial statements of the Company have been prepared in accordance with the CASBE, and present truly and completely the consolidated and the Company's financial position as at 31 December 2020 and the consolidated and the Company's results of operations, the consolidated and the Company's changes in shareholders' equity and the consolidated and the Company's cash flows in 2020.

2. A ...

The accounting year of the Group is the calendar year, i.e. from 1 January to 31 December of each year.

3. C ...

Operating cycle refers to the period from the purchase of assets used for processing to the realization of cash com12 m Twhsach year. 3.

(Continued)

6. Consolidation

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

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

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

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

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving enterprises under common control or the party being absorbed under merger by absorption are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party.

6. C (Continued)

A transaction is accounted for as an equity transaction when the purchase of minority interest in a subsidiary or the disposal of part of equity investment in a subsidiary does not result in the Group losing control over the subsidiary, and the carrying amount of equity attributable to the owner of the Company and minority shareholders will be adjusted to reflect the changes of their related interests in the subsidiary. The difference between the adjusted equity of minority shareholders and the fair value of the consideration paid/received is adjusted to capital reserve. If the capital reserve is insufficient to offset the difference, the retained earnings will be adjusted.

7. C C C E

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are short-term, highly liquid investments held by the Group that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

8. B C C

8.1

Foreign currency transactions are translated at the spot exchange rate on the date of transaction at initial recognition.

At the balance sheet date, foreign currency monetary items are translated into RMB using the spot exchange rates at the balance sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the balance sheet date and those on initial recognition or at the previous balance sheet date are recognised in profit or loss for the period, except that: (1) exchange differences related to special borrowings denominated in foreign currency eligible for capitalization shall be capitalized into the cost of the related assets during the capitalization period; (2) exchange differences on hedging instruments for the purpose of hedging against foreign currency risk are accounted for using hedge accounting; and (3) exchange differences arising from changes in carrying amount (other than amortised cost) of monetary items at fair value through comprehensive income are recognised in other comprehensive income.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated to functional currency at the spot exchange rate at the date of the transaction. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the foreign exchange rate at the date the fair value is determined. The difference between the translated functional currency amount and the original functional currency amount is treated as changes in fair value (including changes in exchange rates) and is recognised in profit or loss or as other comprehensive income.

(Continued)

8. (Continued)

8.2

For the purpose of preparing the consolidated financial statements, the foreign currency financial statements of overseas operations are translated into RMB financial statements using the following method: all assets and liabilities in the balance sheet are translated at the spot exchange rate at the balance sheet date; equity items converted at the spot exchange rate at the time of occurrence; all items in the income statement and items reflecting the amount of profit distribution are translated at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions; the difference between assets and the sum of liabilities and shareholders' equity after translation is recognised in other comprehensive income and included in shareholders' equity.

Cash flows arising from a transaction in foreign currency and the cash flows of a foreign subsidiary are translated at an exchange rate which approximates the spot exchange rate on the date of the cash flows. The effect of exchange rate changes on cash and cash equivalents is regarded as a reconciliation item and presented separately in the statement of cash flows as "effect of exchange rate changes on cash and cash equivalents".

The opening balances and the actual figures of prior year are presented at the translated amounts in the prior year's financial statements.

9.

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

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

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

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

9. (Continued)

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

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

9.1 C

Subsequent to initial recognition, the Group's financial assets of various categories are subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL").

If the contractual terms of the financial asset stipulate that the cash flows generated on a specific date are solely payments of the principal and the interest on the principal amount outstanding and the financial asset is managed by the Group in a business model aimed at collecting contractual cash flows, the Group shall classify the financial asset into the financial asset measured at amortised cost. Such financial assets mainly include cash and bank balances, bills receivable and receivables, other receivables, etc.

If the contractual terms of the financial asset stipulate that the cash flows generated on a specific date are solely payments of the principal and the interest on the principal amount outstanding and the financial asset is managed by the Group in a business model aimed at both collecting contractual cash flows and selling such financial assets, the Group shall classify the financial asset into the financial asset at FVTOCI. These financial assets were classified as bills receivable at fair value through other comprehensive income when obtaining, and presented under receivables financing.

On initial recognition, the Group may, based on an individual financial asset, irrevocably designate a non-tradable equity instrument investment other than contingent consideration recognised in business combination not involving enterprises under common control as financial asset at FVTOCI. Such financial assets are presented as other equity instrument investments.

The Group's purpose of holding the financial assets is for trading if one of the following conditions is satisfied:

- The purpose of acquiring the financial assets is to sell the assets in the near future.
- The relevant financial assets are part of a portfolio of identified financial instruments that are centrally managed on initial recognition, and there is objective evidence of actually a recent short-term profit-taking model.
- The relevant financial assets are derivatives, except for derivatives defined under financial guarantee contracts and derivatives designated as effective hedging instruments.

( ) CA ACC C E A ACC E A E (Continued)

9. (Continued)

9.1 C (Continued)

Financial assets at FVTPL include financial assets classified as at FVTPL and financial assets designated as at FVTPL.

- Financial assets that do not meet the classification criteria for financial assets at amortised cost or financial assets at FVTOCI are classified as financial assets at FVTPL.
- On initial recognition, the Group may irrevocably designate a financial asset as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch or when the criteria for the hybrid contract with embedded derivatives are met.

Except for derivative financial assets, financial assets at FVTPL are presented as held-for-trading financial assets.

9.1.1 Financial assets measured at amortised cost

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

The Group recognises interest income on financial assets measured at amortised cost using the effective interest method. The Group determines the interest income based on the carrying amount inte14 (interest methooun measured at am byy)0.5 (FVTPL if)0.daodc.-1.3 Td[(ie)0. (interest methoIbyy)0 theT

9. (Continued)

9.1 (*Continued*)

9.1.2 Financial assets classified as at FVTOCI

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

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

9.1.3 Financial assets at FVTPL

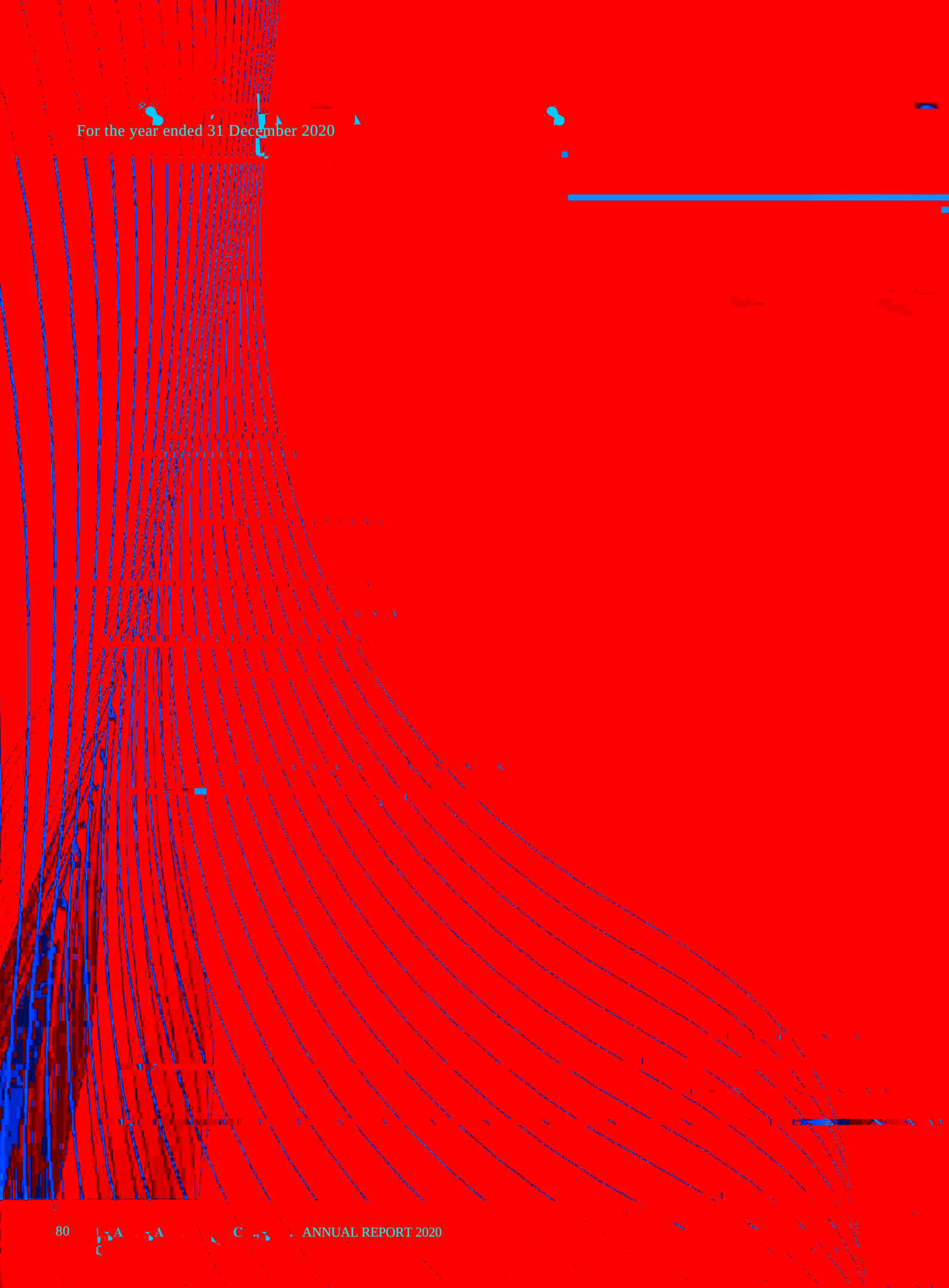
Financial assets at FVTPL shall be subsequently measured at fair value. Gains or losses from change in fair value and dividends and interest income related to such financial assets shall be recognised in profit or loss.

9.2

The Group performs impairment accounting for financial assets measured at amortised cost and financial assets at FVTOCI based on expected credit losses ("ECL") and recognises loss allowance.

The group measures the loss reserves of all commercial acceptance, bills receivable and trade receivable formed due to the income standard in accordance with the amount equivalent to lifetime ECL.

For other financial instruments, except for purchased or originated credit impaired financial assets, at each balance sheet date, the Group assesses changes in credit risk of relevant financial instruments since initial recognition. If the credit risk on the financial instrument has increased significantly since initial recognition, the Group measures its loss allowance at an amount equal to lifetime ECL of the financial instrument. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to next 12-month ECL of the financial instrument. Except for financial assets measured at FVTOCI, the increased or reversed amount of credit loss provision shall be included in profit and loss for the period as impairment loss or gain.



9. | (Continued)

9 (Continued)

9.2.1 Significant increase in credit risk (Continued)

Irrespective of a significant increase in credit risk since above assessment, the credit risk of the financial instrument is considered to have increased significantly when the contractual payments are past due more than 30 days (inclusive).

As at the balance sheet date, if the Group judges that the financial instrument solely has lower credit risk, the Group will assume that the credit risk of the financial instrument has not significantly increased since initial recognition. If the default risk of a financial instrument is low, and the borrower is highly capable of meeting its contract cash flow obligations in short term, the financial instrument is considered to have a lower credit risk even if there is a negative change in the economic situation and operating environment over a longer period of time, but it may not necessarily reduce the borrower's performance of its contract cash obligations.

9.2.2 Credit impaired financial assets

A financial asset is credit impaired when one or more events that have an adverse impact on the estimated future cash flows of the financial asset occurred. Evidence that a financial asset is credit impaired includes the following observable information:

(1) Significant financial difficulty of the issuer or the debtor;

(2) The debtor breaches the contract, such as default or overdue on interest or principal payment;

(3) The creditor, for economic or contractual reasons relating to the financial difficulties of the debtor, granted to the debtor a concession that the creditor would not otherwise consider;

(4) The debtor is likely to enter bankruptcy or other financial reorganization;

(5) The active market for the financial asset disappeared due to the financial difficulties of the issuer or the debtor.

Based on the Group's internal credit risk management, the Group considers an event of default occurs when information proposed 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 guarantees obtained by the Group).

Irrespective of the above assessment, the Group presumes that default has occurred when the contractual payments for a financial instrument are past due for more than 90 days (inclusive).

9. (Continued)

9.2 *(Continued)*

9.2.3 Determination of ECL

The Group uses impairment matrix to determine the credit loss of related financial instruments on the basis of combination of bills receivable, financing receivables, trade receivable and other receivables. 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 instruments, 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 flow to be received by the Group and the expected cash flow to be received.
- As for the financial assets with credit impairment occurred on the balance sheet date but not purchased or generated, the credit loss is the difference between the book balance of the financial assets and the present value of the estimated future cash flow discounted at the original effective interest rate.
- For a financial guarantee contract, the credit loss is the estimated payment made by the Group for the credit loss incurred by the contract holder, less the present value of the difference between the amount expected to be collected by the Group from the contract holder, debtor or any other party.

The factors reflected in the Group's methods of measuring ECL of financial instruments include: the unbiased probability weighted average amount determined by evaluating a series of possible results; the time value of money; the reasonable and supportable information about past events, current situation and future economic situation forecast that is available without undue costs or efforts on the balance sheet date.

9.2.4 Write-down of financial assets

When the Group no longer reasonably expects that the contractual cash flow of the financial assets can be recovered in whole or in part, the book balance of the financial assets shall be written down

9. | (Continued)

9.3

A financial asset is derecognised when one of the following conditions is met: (1) the contractual rights to receive the cash flows from the financial asset expire; (2) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset has been transferred to the transferee; or (3) the financial asset has been transferred, although the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it does not retain control over the financial asset.

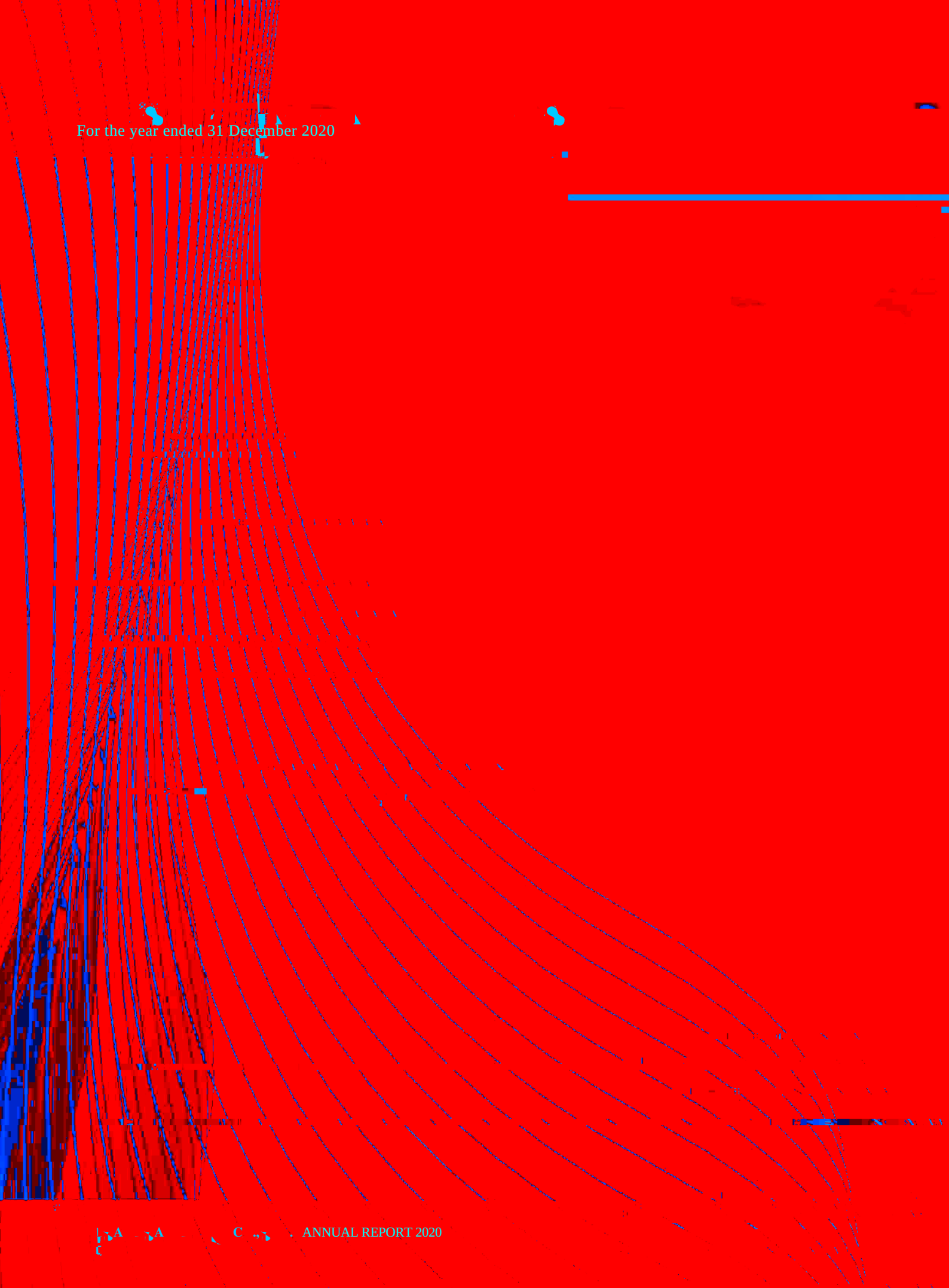
If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, it retains control of the financial asset, it recognises the financial asset to the extent of its continuing involvement in the transferred financial asset and recognises the related liability accordingly. The Group measures the related liabilities in the following ways:

- If the transferred financial asset is measured at amortised cost, the carrying amount of the related liability is the carrying amount of the continuing involvement in the transferred financial asset less the amortised cost of the rights retained by the Group (if the Group retains the rights due to the transfer of the financial asset) plus the amortised cost of the obligations assumed by the Group (if the Group assumes the obligations due to the transfer of the financial asset), and the related liability is not designated as financial liability at FVTPL.

- If the transferred financial asset is measured at fair value, the carrying amount of the related liability is the carrying amount of the continuing involvement in the transferred financial asset less the fair value of the rights retained by the Group (if the Group retains the rights due to the transfer of the financial asset) plus the fair value of the obligations assumed by the Group (if the Group assumes the obligations due to the transfer of the financial asset), the fair value of the rights and the obligations shall be the fair value at the time of measurement on an independent basis.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, especially for a financial asset classified at amortised cost and financial asset classified as at FVTOCI, the difference between the carrying amount of the financial asset transferred and the sum of the consideration received from the transfer and any cumulative gain or loss that has been previously recognised in other comprehensive income is recognised in profit or loss for the period. While regarding non-trading equity instruments designated as at FVTOCI by the Group, cumulative gains or losses previously recognised in other comprehensive income are transferred and included in retained earnings.

For the year ended 31 December 2020



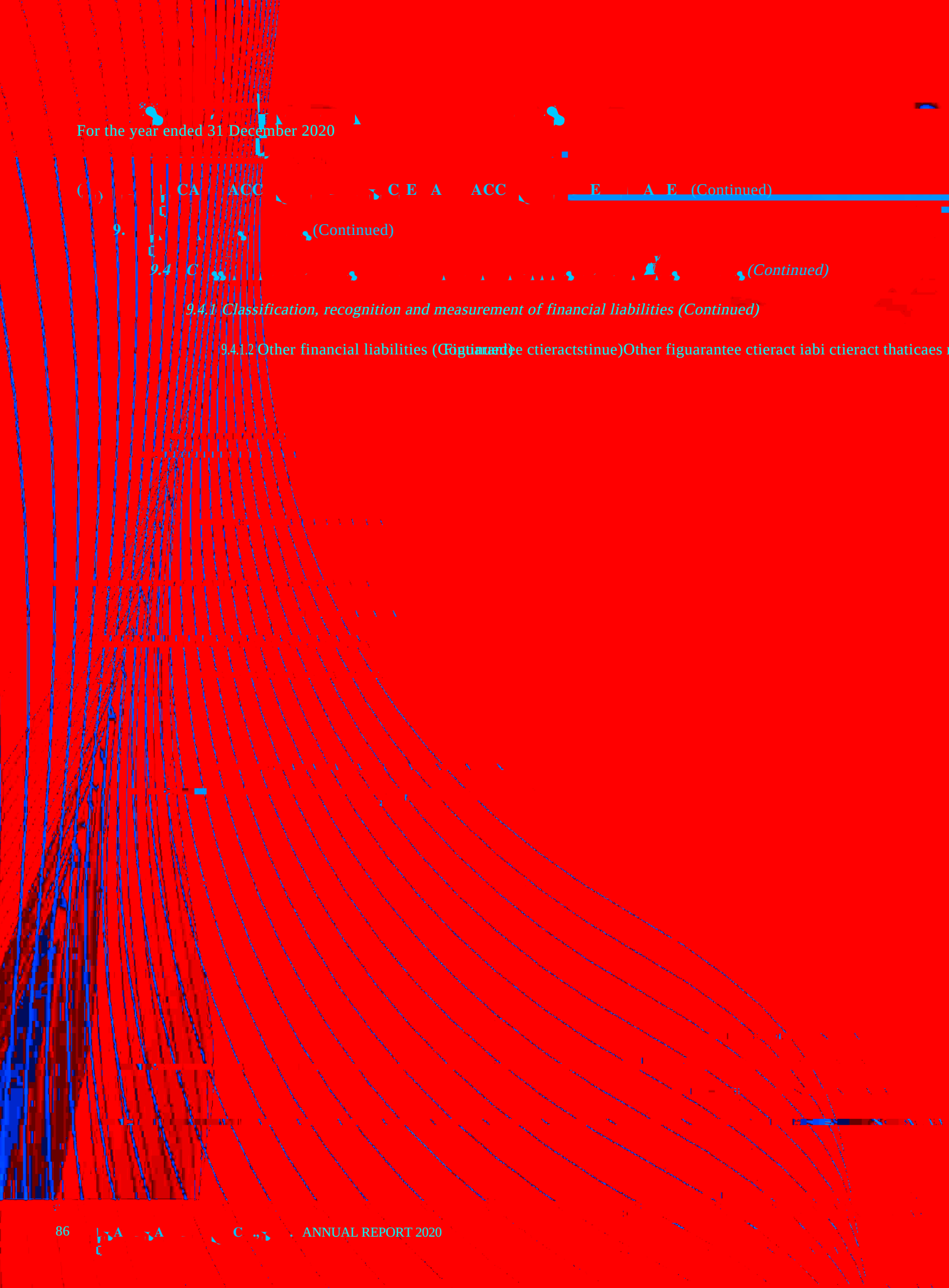
( ) CA ACC C E A ACC E A E (Continued)

9. (Continued)

9.4 C *(Continued)*

9.4.1 Classification, recognition and measurement of financial liabilities (Continued)

9.4.1.2 Other financial liabilities (Continued) Other figuarantee ctieract iabi ctieract thaticaes



9. | (Continued)

9.5

Derivative instruments including forward foreign exchange contracts, currency swap contracts and interest rate swap contracts, etc. Derivatives are initially measured at fair value on the signing dates of the relevant contracts and subsequently measured at fair value. The changes in fair value of the derivatives are recognised in profit or loss for the period.

For the hybrid contract comprised of embedded derivatives and master contract, if the master contract belongs to financial assets, the Group shall apply the hybrid contract as a whole to the accounting standards on the classification of financial assets rather than split embedded derivatives from the hybrid contract.

The Group will split the embed derivatives from the hybrid contract to treat as a stand-alone derivative instrument if the master contract included in the hybrid contract does not belong to financial assets, and the following conditions are met:

(1) The economic characteristics of the embedded derivatives are not closely related to the economic characteristics and risk of the master contract.

(2) The stand-alone instrument which has the same terms of embedded derivatives conforms to the definition of derivative instruments.

(3) The hybrid contract is not measured at fair value through profit or loss for the period.

Where an embedded derivative is split from a hybrid contract, the Group performs accounting treatment for the master contract of the hybrid contract in accordance with applicable accounting standards. Where the Group is unable to measure the fair value of an embedded derivative reliably in accordance with the terms and conditions of the embedded derivative, the fair value of such embedded derivative is determined as the difference between the fair value of the hybrid contract and that of the master contract. Where the fair value of such embedded derivative on the acquisition date or the subsequent balance sheet dates is still unable to be measured separately, the Group designates the hybrid contract in a whole into the financial instrument at fair value through profit or loss for the period.

9.6

Financial assets and financial liabilities are offset and the net amount is presented in balance sheet when the Group has a legally enforceable right to set off the recognised financial assets and financial liabilities, and the Group intends to settle with net amount, or realise the financial asset and settle the financial liability simultaneously. Otherwise, the financial assets and financial liabilities will be presented separately in balance sheet and will not be mutually set off.

(III) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (Continued)

9. FINANCIAL INSTRUMENTS (Continued)

9.7 Convertible bonds

The convertible bonds issued by the Group which contain liabilities and conversion options, shall be split upon initial recognition and recognised separately. Of which, conversion options for settlement of fixed amount of cash or other financial assets in exchange for fixed amount of self-equity instruments is accounted for as equity instruments.

On initial recognition, the fair value of the liability portion is determined at current market prices similar to those of bonds without conversion options. The difference between the overall issue price of convertible bonds and the fair value of the liability portion shall be taken as the value of the conversion options of the bondholders to convert the bonds into equity instruments and recorded in other equity instruments.

In the subsequent measurement, the liability portion of convertible bonds are measured at amortised cost using the effective interest rate method. The value of the conversion option divided into equity instruments continues to be retained in the equity instruments. No loss or gain is incurred when a convertible bond expires or is converted.

The transaction costs incurred in issuing convertible bonds shall be apportioned between the liability component and the equity component according to their respective fair value. Transaction costs related to the equity component are directly recorded in the equity instruments; transaction costs related to the liability component are recorded in the carrying amount of the liability and amortized over the term of the convertible bonds using the effective interest rate method.

10.

For notes receivable classified as at FVTOCI, the portion within one year (inclusive) from the date of acquisition is presented as financing receivables. For details of the relevant accounting policies, please refer to Note (III) 9.1, 9.2 and 9.3.

11.

11.1 C

The Group's inventories mainly include raw materials, low-value consumables, works in progress and finished goods, etc. Inventories are initially measured at cost, which comprises purchase costs, processing costs and other expenses incurred in bringing the inventories to their current location and condition.

11.2

The actual cost of inventories upon delivery is calculated using the weighted average method.

11.3

At the balance sheet date, inventories are measured at the lower of cost and net realisable value. If the net realisable value is below the cost of inventories, a provision for impairment of inventories is made.

Net realisable value is the estimated selling price of inventories in the ordinary course of business less the estimated costs to completion, estimated selling expenses and related taxes. Net realisable value of inventories is determined on the basis of clear evidence obtained, taking into account the purpose of holding inventories and the effect of events after the balance sheet date.

Provision for impairment of inventories is made based on the excess of cost over net realisable value of individual inventory item.

After the provision for impairment of inventories is made, if the circumstances that previously caused inventories to be written-off no longer exist so that the net realisable value of inventories is higher than their carrying amount, the original provision for impairment of inventories is reversed and the reversed amount is recognised in profit or loss for the period.

11.4

The inventory system is a perpetual inventory system.

11.5 A -

Low-value consumables are amortised using one-off write-off method.

(Continued)

12. Assets held for sale

A non-current asset or disposal group is classified as asset held for sale when the carrying amount of the asset is recovered principally through a sale transaction (including an exchange of non-monetary assets with commercial substance) rather than through continuing use.

Non-current assets or disposal groups held for sale are required to satisfy the following conditions: (1) an immediate sale can be made under the current conditions according to the practice of selling such assets or disposal groups in similar transactions; and (2) it is highly probable that a sale will occur, that is, the Group has made a resolution on a sale plan and obtained a definite purchase commitment, and the sale is expected to be completed within one year.

The Group measures non-current assets or disposal groups held for sale at the lower of carrying amount and fair value less costs to sell. If the carrying amount is higher than the net amount of the fair value less costs to sell, the carrying amount shall be written-off to the fair value less costs to sell, the amount written-off is recognised as an impairment loss of assets and included in profit or loss for the period, and the provision for impairment of assets held for sale is made simultaneously. Where there is an increase in the net amount of fair value less costs to sell of non-current assets held for sale at the subsequent balance sheet date, the amount previously written-off should be recovered and reversed in the amount of impairment loss recognised for the assets after being classified as held for sale, and the reversed amount is included in profit or loss for the period.

Depreciation or amortization shall not be made for non-current assets in the non-current assets or disposal groups held for sale. The interest of liabilities and other expenses in the disposal groups held for sale shall be continuously recognised.

The equity investments in associates are classified in whole or in part as assets held for sale. The part of such equity investments in associates classified as held for sale will cease to calculate using equity method from the date of being classified as held for sale.

13. E

13.1 B

Control refers to the power of investor over the investee, who enjoys variable returns by participating in the relevant activities of the investee, and has the ability to use the power over the investee to influence the amount of returns. Joint control refers to the joint control over an arrangement according to relevant agreements, and the related activities of the arrangement can only be decided after the consensus of the parties sharing the control. Significant influence refers to the power to participate in the decision-making of the financial and operational policies of the investee, but cannot control or jointly control the formulation of these policies with other parties. In determining whether it is possible to exercise control over or exert significant influence over the invested entities, it has taken into account the potential voting right factors such as the current convertible bonds and the current executable warrants of the invested entities held by the investor and other parties.

13. E (Continued)

13.2

For a long-term equity investment acquired through a business combination involving enterprises under common control, the initial investment cost is the attributable share of the carrying amount of the owners' equity of the acquiree in the consolidated financial statements of the ultimate controlling party at the date of combination. The difference between the initial investment cost of a long-term equity investment and the carrying amount of cash paid, non-cash assets transferred and liabilities assumed is adjusted to capital reserve. If the capital reserve is insufficient to offset the difference, the retained earnings shall be adjusted. Where the consideration of the combination is satisfied by the issue of equity securities, the initial investment cost is the attributable share of the carrying amount of the owners' equity of the acquiree in the consolidated financial statements of the ultimate controlling party at the date of combination, and the total nominal value of the shares issued is recognised as share capital. The difference between the initial investment cost of a long-term equity investment and the total nominal value of the shares issued is adjusted to capital reserve. If the capital reserve is insufficient to offset the difference, the retained earnings shall be adjusted.

For a long-term equity investment acquired through a business combination not involving enterprises under common control, the initial investment cost is the combination cost at the date of acquisition.

The intermediary expenses incurred by the acquirer or purchaser in respect of auditing, legal services, valuation and consultancy services, etc. and other related administrative expenses attributable to the business combination are recognised in profit or loss in the period in which they are incurred.

The long-term equity investment acquired other than through a business combination is initially measured at its cost.

13.3

13.3.1 Long-term equity investments accounted for using the cost method

Long-term equity investments in subsidiaries are accounted for using the cost method in the financial statements of the Company. A subsidiary is an investee that is controlled by the Group.

Long-term equity investments accounted for using the cost method are measured at initial investment cost. When additional investment is made or the investment is recouped, the cost of the long-term equity investment is adjusted accordingly. The current investment income is recognised in accordance with the cash dividends or profit distributions declared by the investee.

( ) CA ACC C E A ACC E A E (Continued)

13. - E (Continued)

13.3 (Continued)

13.3.2 *Long-term equity investment accounted for by equity method*

The Group's investment in associates is accounted for by equity method. Associates refer to invested entities to which the Group can exert a significant influence.

When adopting equity method accounting, if the initial investment cost of long-term equity investment exceeds the share of the fair value of identifiable net assets of the invested entity at the investment date, no adjustment shall be made to the initial investment cost of long-term equity investment. If the initial investment cost is less than the share of the fair value of identifiable net assets of the invested entity at the investment date, the difference shall be charged to current profit or loss, and the long-term equity investment cost shall be adjusted at the same time.

When adopting equity method accounting, the investment income and other comprehensive income shall be recognised separately according to the share of net profit or loss and other comprehensive income realised by the invested entity, and the carrying amount of long-term equity investment shall be adjusted at the same time; the carrying amount of long-term equity investment shall be reduced accordingly by calculating the portion to be enjoyed according to the profit or cash dividend declared by the invested entity; the carrying amount of long-term equity investment shall be adjusted and included in the capital reserve for other changes in the owner's rights and interests of the invested entity except net profit or loss, other comprehensive income and profit distribution. When recognising the share of the net profit or loss of the invested entity, the net profit of the invested entity shall be adjusted and recognised on the basis of the fair value of the identifiable assets of the invested entity at the acquisition date. If the accounting policies and periods adopted by the invested entity are inconsistent with those of the Company, the financial statements of the invested entity shall be adjusted in accordance with the accounting policies and period of the Company. The investment income and other comprehensive income shall be recognised accordingly. For transactions between the Group and associates, the assets invested or sold do not constitute business, and the unrealised gains and losses of internal transactions are offset by the shareholding attributable to the Group. On this basis, the investment gains and losses are recognised. However, the unrealised internal transaction losses between the Group and the invested entity shall not be offset if they belong to the impairment losses of the transferred assets.

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

13.4

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

14.

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

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

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

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

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

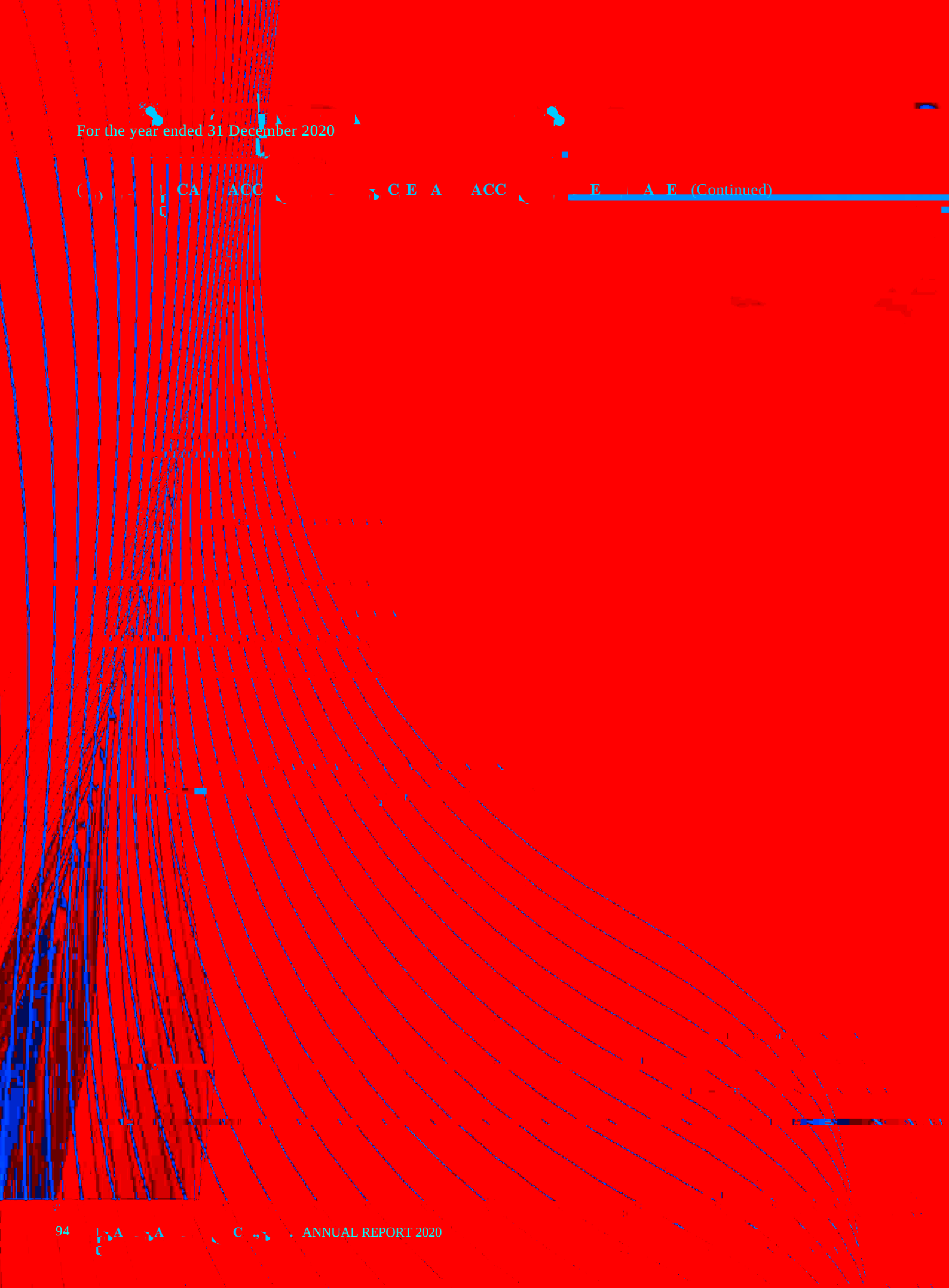
15. A

15.1 C

Fixed assets are tangible assets that are held for use in the production of goods or supply of services, for rental to others, or for administrative purposes and have a useful life of more than one accounting year. A fixed asset is recognised only when the economic benefits associated with the asset are probable to flow to the Group and the cost of the asset can be measured reliably. Fixed assets are initially measured at cost.

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset if it is probable that the economic benefits associated with the asset will flow to the Group and the cost of the asset can

( ) CA ACC C E A ACC E A E (Continued)



17. B C

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying

(Continued)

18. (Continued)

18.2

Expenditures incurred in the research stage are recognised in profit or loss for the period.

Expenditures incurred in the development stage are recognised as intangible assets only when all of the following conditions are satisfied, and the expenditures in the development stage that does not meet all of the following conditions are recognized in profit or loss for the period:

(1) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

(2) The intention to complete the intangible asset and use or sell it;

(3) The way in which the intangible asset generates economic benefits, including the ability to prove that there is a market for the product produced using the intangible asset or the intangible asset itself has a market, and prove its usefulness if the intangible asset will be used internally;

(4) Adequate technical, financial and other resources to complete the development of the intangible asset and to use or sell the intangible asset;

(5) The ability to measure reliably the expenditures attributable to the intangible asset during its development.

If the expenditures cannot be distinguished between the research stage and development stage, the Group recognises all of them in profit or loss for the period. The cost of the intangible asset formed by internal development activities only includes the total expenditure incurred from the time when the capitalization conditions are met to the time when the intangible asset reaches the intended purpose. The expenditures that have been expensed into profit and loss before the capitalization conditions are met for the same intangible asset in the development process will not be adjusted.

19. A

The Group assesses at each balance sheet date whether there is any indication that long-term equity investments, investment properties, fixed assets, construction in progress measured using the cost method and intangible assets with finite useful lives may be impaired. If an impairment indication exists, the recoverable amount is estimated. Intangible assets with indefinite useful life and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that the assets may be impaired.

If the estimated recoverable amount of an asset is based on a single asset and it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of the asset group shall be determined on the basis of the asset group to which the asset belongs. The recoverable amount is the higher of an asset's or asset Group's fair value less costs of disposal and the present value of the estimated future cash flows.

If the recoverable amount of an asset is less than its carrying amount, a provision for impairment of the asset is made based on the difference and recognised in profit or loss for the period.

An impairment loss once recognised shall not be reversed in a subsequent accounting period.

20. E

Long-term deferred expenses are expenses which have incurred but shall be amortised over the current period and subsequent periods of more than one year. Long-term deferred expenses are amortised evenly over the estimated benefit period.

21. C

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract assets and contract liabilities under common contract are presented on a net basis.

22. E C

22.1 A

In the accounting period in which an employee has rendered services, the Group recognises the short-term employee compensation actually incurred as liabilities, and includes in profit or loss for the period or related asset costs. The employee benefits expenses incurred by the Group are recognised in profit or loss for the period or related asset costs based on the actual amount when actually incurred. The non-monetary employee benefits expenses 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 labour union running expenses and employee education expenses provided by the Group are calculated according to the prescribed provision bases and percentages during the accounting period in which the employees provide services to the Group, and the corresponding liabilities are recognised, and included in profit or loss for the period or related asset costs.

(Continued)

22. (Continued)

22.2

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 a liability, and includes in profit or loss for the period or related asset costs.

22.3

When the Group provides termination benefits to employees, 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 the termination benefits provided because of an employee termination plan or a layoff proposal, or when the Group confirms the costs or expenses related to the restructuring involving the payment of dismiss benefits.

23.

Obligations related to product quality guarantee contingencies are recognised as provisions when the Group has a current obligation, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

On the balance sheet date, provision shall be measured at the best estimate of the expenditure for settling the current obligation, taking into account the risk and uncertainty and time value of money and other factors related to the contingencies. Where the effect of the time value of money is material, the best estimate of the expenditure is determined by discounting the expected future cash outflows.

24.

The Group's share-based payments are transactions in which equity instruments are granted to employees in exchange for services rendered by employees or for the assumption of liabilities based on equity instruments. The Group's share-based payments are equity-settled share-based payments.

24. (Continued)

24.1 E

Equity-settled share-based payments to employees

Equity-settled share-based payments to employees in exchange for services rendered by employees are measured at the fair value of the equity instruments granted to employees at the grant date.

At each balance sheet date during the pending period, the Group, based on the latest subsequent information such as the latest update on the change in the number of entitled employees, makes best estimates to adjust the expected number of equity instruments that can be vested. The effect of the above estimate is included in relevant costs or expenses for the period and the capital reserve is adjusted accordingly.

24.2 A

(Continued)

25.

The Group's revenue is mainly derived from the sales of glass products, which mainly include photovoltaic glass, household glass, architectural glass, float glass and mining products, etc. Revenue from other business mainly represents rental income from properties and sales income of materials.

The Group recognises revenue based on the transaction price allocated to such performance obligation when a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. A performance obligation represents the commitment that a good and service that is distinct shall be transferred by the Group to the customer. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to a customer.

For the performance obligations to be performed during a certain period of time, the Group recognises revenue over time by reference to the progress of a performance obligation if one of the following criteria is met: (1) the customer receives and consumes the economic benefits brought by the Group while performing obligations; (2) the customer can control the goods under construction during the performance of the Group; (3) the goods produced during the performance of the Group have irreplaceable uses, and the Group has the right to receive payment for the part of the completed performance so far throughout the contract period. Otherwise, the Group will recognise revenue at the time point when the customer obtains control over relevant goods or services.

26.

Government grants are transfer of monetary assets and non-monetary assets from the government to the Group at no consideration. A government grant is recognised only when the Group can comply with the conditions attaching to the grant and the Group will receive the grant.

If a government grant is in the form of monetary asset, it shall be measured at the amount received or receivable.

26.1

For details, please see Note (VI)32 for the Group's government grants related to assets. Such grants are government grants as they related to fixed assets that were built or acquired.

A government grant related to assets is recognised as deferred income and included in current profit or loss over the useful life of the related asset using the straight-line method.

26. (Continued)

262

Please refer to Note (VI) 61 for details of the grants related to revenue of the Group. As they are directly related to the expenses incurred during the period, such government grants are government grants related to revenue.

A government grant related to revenue used to compensate for relevant costs, expenses and losses in subsequent periods is recognised as deferred income, and is included in profit or loss for the period directly over the periods in which the relevant costs, expenses or losses are recognised. The government grants related to revenue used to compensate for relevant costs, expenses and losses already incurred is included in profit or loss for the period directly.

The government grants related to the Group's daily activities are included in other income/offset the relevant costs and expenses according to the nature of economic business. Otherwise, government grants are included in non-operating income or expense.

27. E

Pursuant to the requirements of the Administrative Measures for the Withdrawal and Use of Safety Production Expenses of Enterprises issued by the Ministry of Finance and the State Administration of Work Safety, the Group has made provision for safety production expenses of RMB2 per ton based on the output of raw ore of open-pit non-metallic mines. The safety production expenses are specifically used for the improvement, transformation and maintenance of the Group's safety production conditions.

The provision for safety production expenses is directly included in the cost of the relevant products or the expenses for the period, and is presented separately in the "special reserve" item under the owners' equity. When safety production expenses is being used according to the prescribed scope, the expense expenditure is used to directly offset against "special reserve"; as for the capital expenditure, the expenditure incurred is firstly collected through "construction in progress" item and recognised as fixed assets when the safety project is completed and ready for its intended use; at the same time, the "special reserve" will be written down based on the cost of the fixed asset formed and the accumulated depreciation of the same amount will be recognised, no depreciation will be provided for the fixed assets in subsequent periods.

(Continued)

28. Income tax

Income tax expenses comprise current income tax expense and deferred income tax expense.

28.1 Current tax

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

28.2 Deferred tax

For temporary differences between the carrying amount of certain assets or liabilities and their tax base, or between the carrying amount of those items that are not recognised as assets or liabilities but the tax base can be determined according to tax laws and their tax base, deferred income tax assets and deferred income tax liabilities are recognised using the balance sheet liability method.

Deferred income tax is generally recognised for all temporary differences. However, as for deductible temporary differences, deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. In addition, for temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction (not a business combination) that affects neither the accounting profit nor taxable profit (or deductible loss) at the time of transaction, no deferred tax asset or liability is recognised.

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

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

28. A (Continued)

28.2 A (Continued)

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

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

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the tax rateome tax expensesd deferre.Anytaxsh5 ( )nts at eacty;x nonat it is probab beensehat sufficia0.012 Tw 0 -

(Continued)

29. (Continued)

29.1

29.1.1 *Separation of leases*

For a contract that contains one or more lease or non-lease components, the Group separates each individual lease component from non-lease components 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.

29.1.2 *Right-of-use assets*

Except for short-term leases and leases of low value assets, the Group recognises right-of-use assets at the commencement date of the lease. The lease commencement date refers to the starting date for the lessor to provide leased assets for use by the Group. Right-of-use assets are initially measured at cost. Such cost includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less the relative amount of any lease incentives enjoyed if there are lease incentives;
- any initial direct costs incurred by the Group;
- an 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 asset to the condition required by the terms of the lease.

The Group accrues depreciation for the right-of-use assets according to the relevant depreciation regulations of Accounting Standards 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 lives of the leased assets if it is not.

The Group determines whether the right-of-use assets are impaired and performs accounting treatment for recognised impairment loss according to the relevant regulations of Accounting Standard for Business Enterprise No. 8 − Impairment of Assets.

29. (Continued)

29.1 (Continued)

29.1.3 Lease liabilities

Except for short-term leases, the Group initially measures the lease liability at the present value of lease payments that are unpaid at the lease commencement date. In calculating the present value of lease payments, the Group uses the interest rate implicit in the lease as discount rate, and adopts the incremental borrowing rate if the interest rate implicit in the lease is not readily determinable.

The lease payments refer to the amount paid by the Group to the lessor in relation to the right to use the leased asset during the lease term, including:

- fixed payments and in-substance fixed payments, less the relevant amount of any lease incentives if there are lease incentives;
- variable lease payment that are based on an index or a rate;
- the exercise price of a purchase option reasonably certain to be exercised by the Group;
- required payments that the lease term reflects for the Group exercising the option to terminate;
- estimated payable amounts based on the residual value guarantees provided by the Group.

The Group calculates the interest expense of lease liabilities for each period of the lease term at a fixed periodic interest rate and includes it in profit and loss for the period or related asset costs after the lease commencement date.

29.1.4 Short-term leases and low-value leases

For short-term leases of machinery and equipment, the Group chooses the right-of-use assets and lease liabilities that are not certain to use. Short-term lease is defined as a lease has a lease term of no more than 12 months and excludes a purchase option from the lease commencement date. The Group will include the lease payments for short-term leases in profit or loss for the period or related asset costs using the straight-line method.

(Continued)

29. (Continued)

29.2

29.2.1 Classification of leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially almost all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

29.2.3

The Group recognises lease payments for operating leases as rental income by using the straight-line method in each period of the lease term. Initial direct costs related to the Group's operating leases are capitalised when incurred, are allocated on the same basis as rental income over the lease term and are charged to profit or loss for the period in stages.

30.

In the process of applying the accounting policies, which are described in the notes above, the Group is required to make judgments, estimates and assumptions about the carrying amount of items in the financial statements that cannot be measured accurately, due to the inherent uncertainties of the operating activities. These judgments, estimates and assumptions are based on historical experiences of the Group's management as well as other factors that are considered to be relevant. The actual results may be different from the estimates of the Group.

The Group regularly reviews the above judgments, estimates and assumptions on the basis of going concern. Where the changes in accounting estimates only affect the period of change, the impact is recognised in the period of change. Where the changes affect both current and future periods, the impact is recognised in the period of the change and future periods.

At the balance sheet date, key assumptions and uncertainties in accounting estimates that are probable to cause a material adjustment to the carrying amount of assets and liabilities are mainly:

The Group applies significant accounting estimates when assessing the expected recoverable amount of trade receivables, and assesses expected credit losses and calculates credit impairment with reference to the historical default, current credit risk status and forecast of future economic status. As at 31 December 2020, expected credit losses of trade receivables of the Group was RMB81,253,434.19 (as at 31 December 2019: RMB50,357,104.89).

30. C A A A E (Continued)

The management of the Group regularly reviews whether there are any indications of impairment for fixed assets and recognises an impairment loss if the carrying amount of an asset is lower than its recoverable amount. The Group conducts impairment test on fixed assets whenever there is an indication that the fixed assets may be impaired. The recoverable amount is the higher of an asset's fair value less costs of disposal and the present value of its future cash flows. In determining the recoverable amount of fixed assets, the management of the Group has taken into account factors including future profitability, growth rate and discount rate, etc. As at 31 December 2020, the balance of the Group's provision for impairment of fixed assets was RMB59,162,130.14 (as at 31 December 2019: RMB16,093,080.60).

As at 31 December 2020, the Group has recognised deferred income tax assets of RMB25,900,515.11 (as at 31 December 2019: RMB18,458,589.23) which are included in the balance sheet. Deferred income tax assets arise from the actual profits and temporary differences are mainly based on the actual tax rates utilized in the upcoming years. In cases where the actual future profits generated are less than expected, a reversal of deferred income tax assets recognised may arise, which would be recognised in the income statement for the period in which such a reversal takes place. In the opinion of the management of the Group, it is uncertain whether it is probable that sufficient taxable profits will be available in the future for certain subsidiaries, and therefore, as at 31 December 2020, the deductible losses and other temporary differences in relation to the unrecognised deferred income tax assets amounted to RMB79,303,336.30 in aggregate (as at 31 December 2019: RMB27,982,696.03).

1.

Value-added tax (VAT)	Taxable value-added amount (the tax payable is calculated on the taxable sales amount multiplied by the applicable tax rate (output-VAT) less deductible input-VAT for the current period)	13%
Urban maintenance and construction tax	Turnover tax payment	7%
Education surcharge	Turnover tax payment	3%
Local educational surcharges	Turnover tax payment	2%
Property tax	Cost of properties/rental income	Note 1
Resources tax	Quantity of mining products sold	7%
Enterprise income tax (EIT)	Taxable income	Note 2
Environmental protection tax	Pollutant emissions	RMB1.2 or RMB1.4 per pollutant equivalent

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

Note 2: EIT rates for the Company and subsidiaries:

The Company	15%
浙江福萊特玻璃有限公司 Zhejiang Flat Glass Co., Ltd.	25%
浙江嘉福玻璃有限公司 Zhejiang Jiafu Glass Co., Ltd.	15%
上海福萊特玻璃有限公司 Shanghai Flat Glass Co., Ltd.	25%
安徽福萊特光伏玻璃有限公司 Anhui Flat Solar Glass Co., Ltd.	15%
安徽福萊特光伏材料有限公司 Anhui Flat Solar Material Co., Ltd.	25%
福萊特(香港)有限公司 Flat (Hong Kong) Limited	16.5%
嘉興福萊特新能源科技有限公司 Jiaxing Flat New Energy Technology Co., Ltd.	12.5%
福萊特(越南)有限公司 Flat (Vietnam) Company Limited	0%
福萊特(香港)投資有限公司 Flat (Hong Kong) Investment Limited	16.5%
福萊特(嘉興)進出口貿易有限公司 Flat (Jiaxing) Import and Export Trade Limited	25%
鳳陽福萊特天然氣管道有限公司 Fengyang Flat Natural Gas Pipeline Co., Ltd.	25%

2·

, C

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.

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On 4 December 2019, Zhejiang Jiafu Glass Co., Ltd. obtained the "High Technology Enterprise Certificate" (No. GR201933001492) 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.

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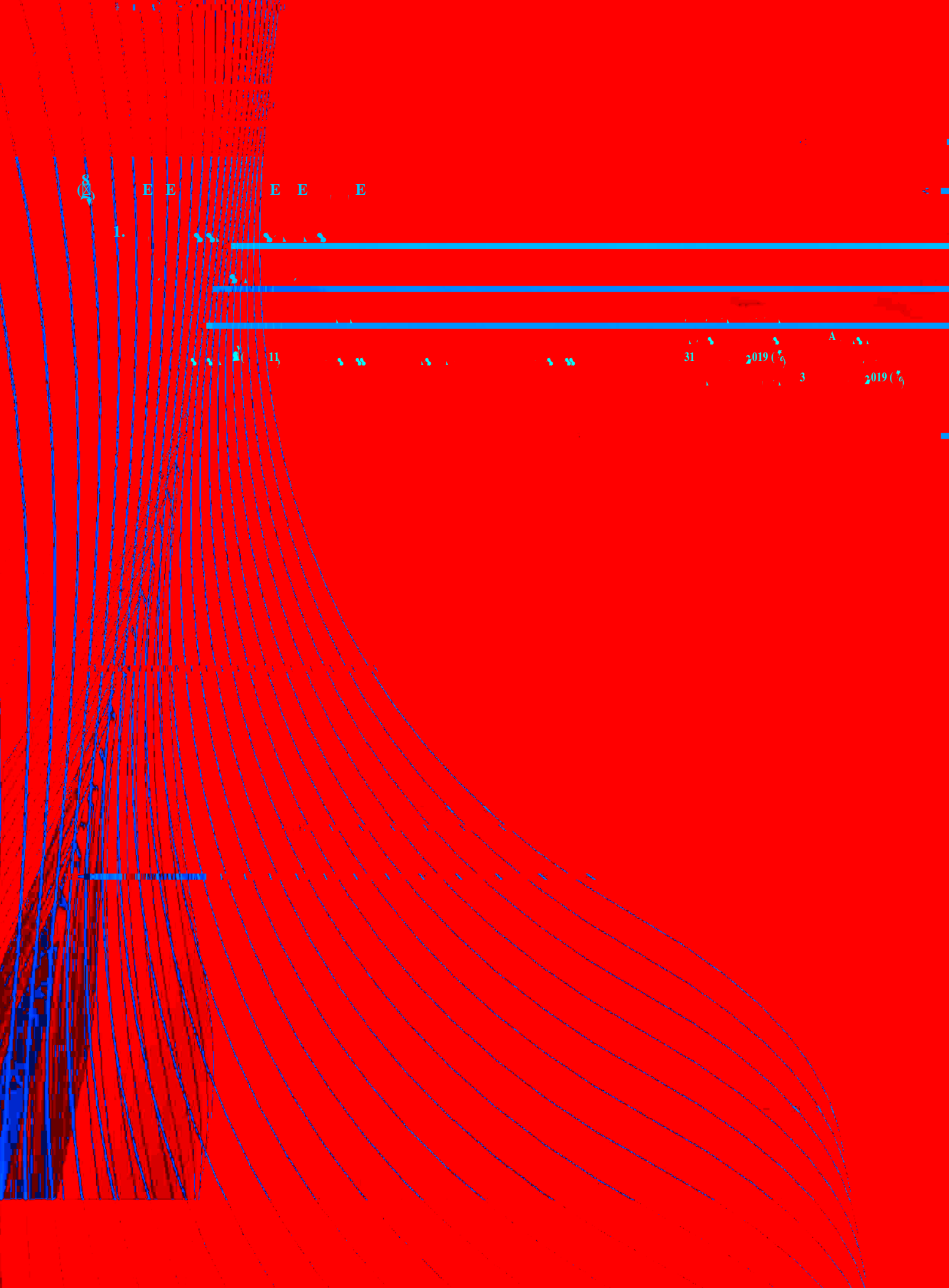

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JiaXing Kaihong Flat Supply Chain Management Co., Ltd.* (嘉興凱鴻福來特供應鏈管理有限公司) ("Kaihong Flat")	Zhejiang	Zhejiang	Transportation of goods	40	Equity method
Fengyang PetroChina Kunlun Gas Co., Ltd.* (鳳陽中石油昆侖燃氣有限公司) ("Kunlun Gas")	Anhui	Anhui	Installation, sales and operation of natural gas pipelines	35	Equity method

8 E E C A E A C A A E E

1. C B

RMB

		C	
		C	B
Cash on hand:			
RMB			17,673.90
Cash at bank:			
RMB			627,174,299.81
US dollars	73,572,615.60	6.5249	480,053,961.74
Euro	1,779,048.96	8.0250	14,276,867.91
Yen	97,644,876.00	0.0632	6,174,671.39
Australian dollars	300,325.40	5.0163	1,506,522.30
Hong Kong dollars	167,585.13	0.8416	141,046.35
Pound	3,995.13	8.8903	35,517.90
Vietnamese Dong	59,163,138,811.00	0.0003	16,791,368.83
Other cash at bank and on hand:			
RMB			443,794,856.80
US dollars	32.98	6.5249	215.19
Yen	12.00	0.0632	0.76
Swiss Franc	1.46	7.4006	10.81
Total			1,589,967,013.69
Including: total amount deposited abroad			379,200,657.97

(Continued)

1. (Continued)

RMB

	Opening balance		
	Foreign currency amount	Conversion rate	RMB amount
Cash on hand:			
RMB	–	–	20,326.96
Cash at bank:			
RMB	–	–	9,820,020,326.92

2.

RMB

	Closing balance	Opening balance
Financial assets at fair value through profit or loss:		
Bank wealth management products	**400,000,000.00**	–
Total	**400,000,000.00**	–

Reversed for the year

3.

RMB

	Closing balance	Opening balance
Derivative financial asset without specified hedging relationship	**1,445,666.57**	1,117,793.99
Including: Forward foreign exchange contract (Note)	**1,445,666.57**	666,463.87
Interest rate swap contract		379,492.22
Foreign exchange option contract		71,837.90
Total	**1,445,666.57**	1,117,793.99

Note: The unexpired forward foreign exchange contracts is not designated as hedging instruments, and the gains or losses arising from changes in fair value are directly included in profit and loss for the period.

(All amounts are expressed in RMB unless otherwise stated) (Continued)

4. Bills receivable

(1) Bills receivable by category

RMB

	Closing balance	Opening balance
Bank acceptance bills	**545,166,435.99**	1,905,783,818.43
Commercial acceptance bills	**1,606,204.18**	72,633,145.40
Less: credit loss provision		2,033,728.07
Total	**546,772,640.17**	1,976,383,235.76

(2) Bills receivable pledged by the Company at the end of the year

RMB

	[illegible]
Bank acceptance bills	62,301,314.55
Commercial acceptance bills	–
Total	62,301,314.55

4. (Continued)

(3)

RMB

		Amounts not derecognized at the beginning of the year
Endorsed bank acceptance bills (Note)	**395,214,640.80**	1,040,614,593.75
Discounted bank acceptance bills (Note)	**1,000,000.00**	341,723,029.12
Total	**396,214,640.80**	1,382,337,622.87

Note: The above bills receivable that have been endorsed or discounted but not yet due at the balance sheet date have not been derecognized.

(4) At the end of the year, the Group had no bills transferred to trade receivables due to the drawer's failure to perform.

(5)

RMB

Credit loss provision by portfolio					
Including:					
Bank acceptance bills	**545,166,435.99**	**99.71**			**545,166,435.99**
Commercial acceptance bills	**1,606,204.18**	**0.29**			**1,606,204.18**
Total	**546,772,640.17**	**100.00**			**546,772,640.17**

(X) E E C A E A C A A E E (Continued)

4. B (Continued)

(5 (Continued)

	Opening balance				
	Book balance		Credit loss provision		
C	Amount	Percentage (%)	Amount	Accrual Percentage (%)	Book value
Credit loss provision by portfolio					
Including:					
Bank acceptance bills	1,905,783,818.43	96.33	–	–	1,905,783,818.43
Commercial acceptance bills	72,633,145.40	3.67	2,033,728.07	2.80	70,599,417.33
Total	1,978,416,963.83	100.00	2,033,728.07		1,976,383,235.76

Bills receivable with credit loss provision by portfolio

RMB

		C		Opening balance		
	B	C	A	Book balance	Credit loss provision	Accrual Percentage (%)
Low risk	545,166,435.99			1,905,783,818.43	–	–
Normal	1,606,[illegible]04.18			72,633,145.40	2,033,728.07	2.80
Total	546,77[illegible],640.17			1,978,416,963.83	2,033,728.07	

The Group believes that the acceptance bank of bank acceptances bills held by the Group has relatively higher credit rating, therefore, there is no significant credit risk and no impairment allowance is made.

8. E E C A E | A C A A E E (Continued)

4. B (Continued)

(9) C

RMB

C	Changes in amount for the year				
	Opening balance	Provided	Transferred	Written off	C
Normal	2,033,728.07	–	2,033,728.07	–	
Total	2,033,728.07	–	2,033,728.07	–	

5.

(Continued)

5. (Continued)

RMB

	At the beginning of the year				
	Amount	Percentage (%)	Credit loss provision	Percentage (%)	Book value
Account receivable excluding components for significant financing	1,469,627,083.39	100.00	81,253,434.19	5.53	1,388,373,649.20
Total	1,469,627,083.39	100.00	81,253,434.19	5.53	1,388,373,649.20

	At the beginning of the year				
	Amount	Percentage (%)	Credit loss provision	Percentage (%)	Book value
Account receivable excluding components for significant financing	1,157,602,741.29	100.00	50,357,104.89	4.35	1,107,245,636.40
Total	1,157,602,741.29	100.00	50,357,104.89	4.35	1,107,245,636.40

The Group always measures the loss provision of receivables at an amount equal to the lifetime expected

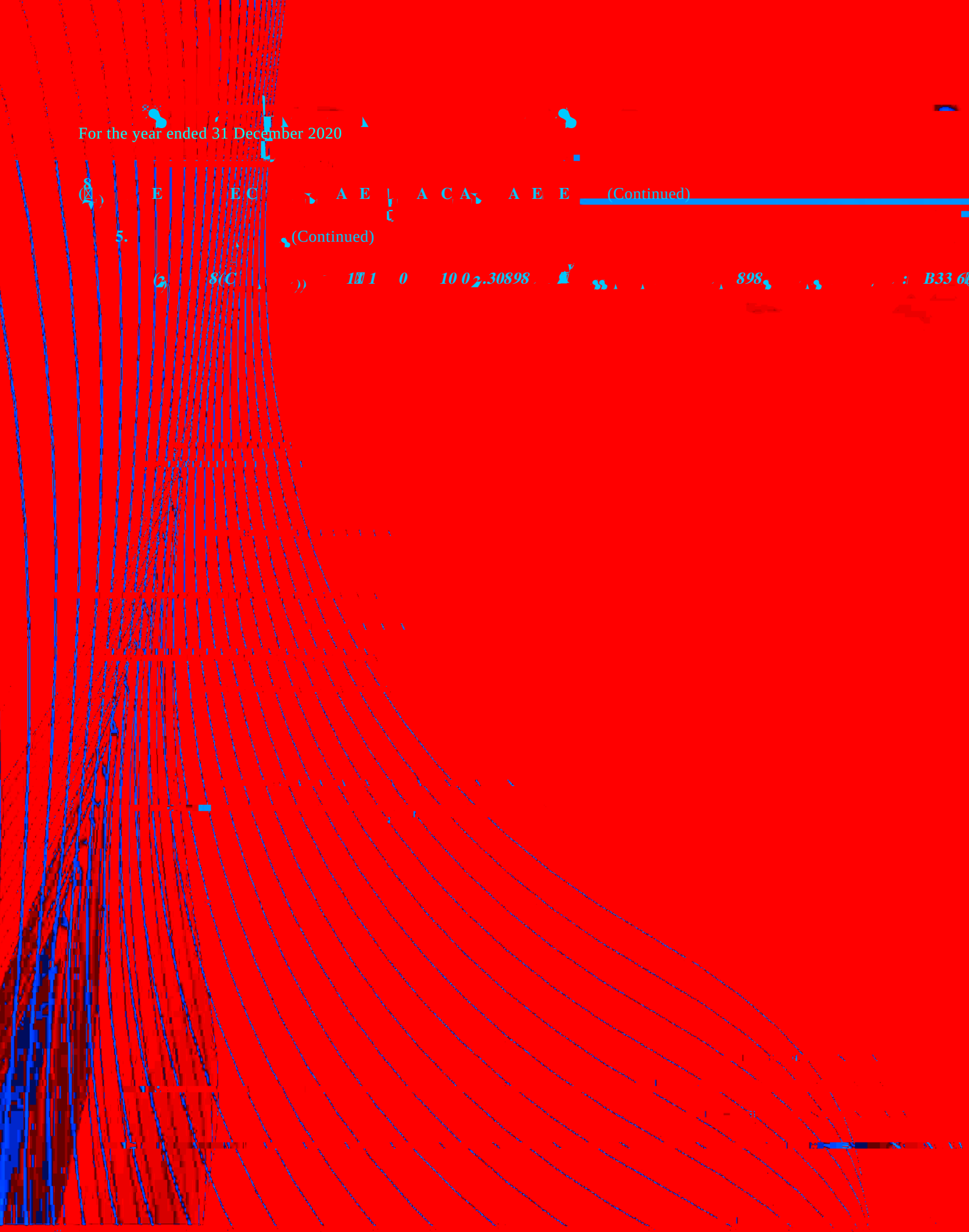
5. (Continued)

: (Continued)

	1	1 2	2 3	3	
Normal					
ECL rate	2.84 %	2.84 %	2.84 %	2.84 %	
Trade receivables	1,369,486,563.41				1,369,486,563.41
ECL	38,910,526.79				38,910,526.79
Concerned					
ECL rate	14.72 %	83.91 %	100.00 %	100.00 %	
Trade receivables	62,104,088.04	30,065,427.35	795,125.49		92,964,640.88
ECL	9,144,710.63	25,227,192.18	795,125.49		35,167,028.30
Loss					
ECL rate	100.00 %	100.00 %	100.00 %	100.00 %	
Trade receivables				7,175,879.10	7,175,879.10
ECL				7,175,879.10	7,175,879.10
Total					
Trade receivables	1,431,590,651.45	30,065,427.35	795,125.49	7,175,879.10	1,469,627,083.39
ECL	48,055,237.42	25,227,192.18	795,125.49	7,175,879.10	81,253,434.19

(Continued)

5. (Continued)



5. (Continued)

(3) C

RMB

C	EC ( )	EC ( )	
Balance at 1 January 2020	**41,619,151.82**	**8,737,953.07**	**50,357,104.89**
Changes of the opening balance in the period:			
− Transferred to not credit impaired	**459,683.32**	**(459,683.32)**	
Provision for the year	**35,418,096.72**		**35,418,096.72**
Reversed for the year	**(3,419,376.77)**		**(3,419,376.77)**
Transfers out due to derecognized financial assets (including direct write-down)		**(1,102,390.65)**	**(1,102,390.65)**
Balance at 31 December 2020	**74,077,555.09**	**7,175,879.10**	**81,253,434.19**

(4)

RMB

	A
Receivables actually written off	1,102,390.65

(5)

At the end of the year, the top five trade receivables of the Group with the closing balances classified by the borrowers amounted to RMB1,097,833,934.72 (as at the end of the previous year: RMB728,885,564.42), accounting for 74.70% (as at the end of the previous year: 62.97%) of the total balance of trade receivables and the provision for credit losses of top five trade receivables amounted to RMB30,739,350.17 (as at the end of the previous year: RMB20,408,795.80).

(Continued)

6.

RMB

		Opening balance
Bank acceptance bills	**684,530,748.37**	–

In the current year, the Company has made classification on bank acceptance bills, and separately managed bank acceptance bills issued by banks with higher credit rating, so as to endorse or discount them when necessary. Since the business model of holding these specific bank acceptance bills aims at both collecting contractual cash flows and selling such financial assets, they are classified as financial assets at FVTOCI, and are listed as financing receivables.

On 31 December 2020, the Group measured the bad debt provision according to the lifetime ECL. The Group believes that there is no significant credit risk in the bank acceptance bills held by it, and there will be no significant loss due to bank default.

(1)

RMB

Cost	**691,547,886.53**
Fair value	**684,530,748.37**
Accumulated changes in fair value included in other comprehensive income	**(7,017,138.16)**

(2)

RMB

Bank acceptance bills	**188,205,389.77**

(8) E E C A E A C A A E E (Continued)

6. (Continued)

(Continued)

8.

		RMB
	C	Opening balance

8. (Continued)

(3)

The Group always measures the loss provision of other receivables at an amount equal to the lifetime ECL and calculates its ECL based on the comparison table of credit risk rating and default loss rate. According to the Group's assessment of credit risk, there is no significant difference in the loss of different customer segments, therefore there is no further distinction between different customer segments when calculating the loss provision according to the credit rating.

RMB

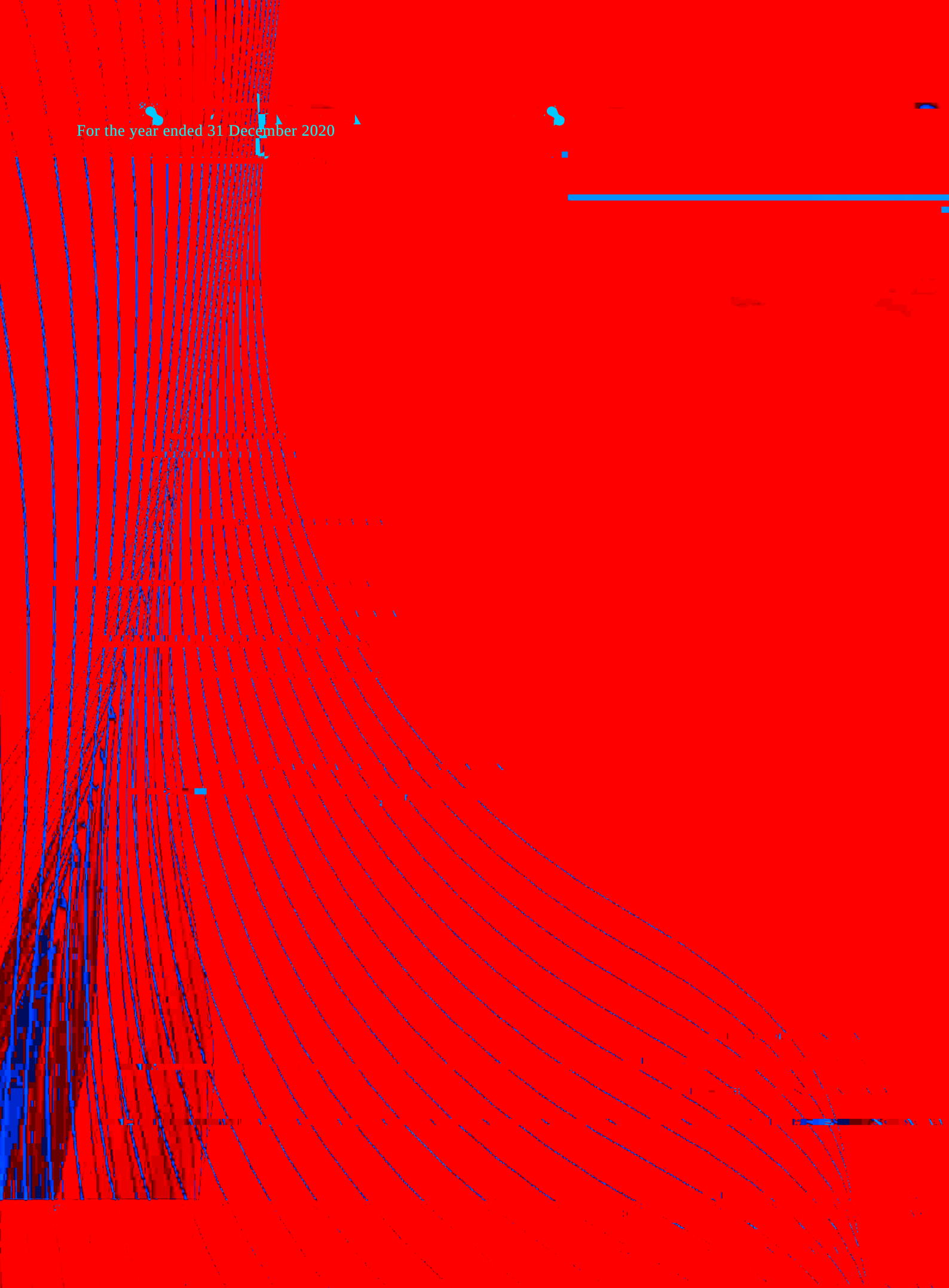
Credit risk rating		C	C
Low risk	**0.00 %**	**24,267,677.88**	
Loss	**100.00 %**	**50,000.00**	**50,000.00**
Total		**24,317,677.88**	**50,000.00**

RMB

Credit risk rating	Default loss rate	Opening balance Other receivables	Credit loss provision
Low risk	0.00%	3,684,181.68	–
Loss	100.00%	100,000.00	100,000.00
Total		3,784,181.68	100,000.00

The default loss rate is calculated based on the actual credit loss experience of the past three years, and adjusted according to the differences among the economic conditions during the historical data collection period, the current economic conditions and the economic conditions within the expected life assumed by the Group.

For the year ended 31 December 2020



9.

(1)

RMB

		C	
	B		B
Raw materials	211,978,779.74		211,978,779.74
Low-valued consumables	86,711,647.41	4,093,734.58	82,617,912.83
Work in progress	48,255,479.71		48,255,479.71
Finished goods	137,448,604.16	905,589.77	136,543,014.39
Total	484,394,511.02	4,999,324.35	479,395,186.67

Items	Book balance	Opening balance Impairment provision	Book value
Raw materials	240,823,561.93	–	

(Continued)

10. [illegible]

RMB

	[illegible]	Opening balance
Value-added tax recoverable	**73,386,905.13**	113,055,099.76
Export tax rebate	**17,55[illegible],947.[illegible]9**	5,265,275.24
Prepaid rent	**41[illegible],844.04**	5,022,209.84
Prepaid income tax		46,103,407.17
Prepaid import tax		5,064,383.26
Others	**17,0[illegible]0.44**	–
Total	**91,369,716.90**	174,510,375.27

11. [illegible]

RMB

12. E

(1)

(Continued)

13.

RMB

. B			
1. Opening and closing balance	27,486,623.54	7,525,892.36	35,012,515.90
. A			
1. Opening balance	11,874,887.19	1,472,456.88	13,347,344.07
2. Amount increased in the current year	1,267,864.08	163,606.32	1,431,470.40
(1) Provided or amortized	1,267,864.08	163,606.32	1,431,470.40
3. Closing balance	13,142,751.27	1,636,063.20	14,778,814.47
. B			
1. Closing book value	14,343,872.27	5,889,829.16	20,233,701.43
2. Opening book value	15,611,736.35	6,053,435.48	21,665,171.83

The ownership of houses and buildings and land use rights with a net value of RMB20,233,701.43 at the end of the current year (at the end of previous year: RMB21,665,171.83) was pledged to obtain loans.

All fixed assets under operating lease of the Group are investment properties.

The investment properties held by the Group is listed in the balance sheet at the amount of the book value less accumulated amortization and impairment provision. At the end of the current year, according to the evaluation of qualified independent professional valuers, the fair value of the Group's investment properties amounted to RMB66,974,400.00 (at the end of previous year: RMB 64,656,167.00).

Fair value is recognized according to cost method and market method. The cost method is adopted for the evaluation of houses and buildings, that is, under the premise of continuous use, the replacement cost is determined based on the current market value of the assets to be rebuilt, and the survey newness rate is determined through site investigation and comprehensive technical analysis, and the comprehensive newness rate is determined by combining the newness rate of the service life method, so as to calculate the evaluation value of houses and buildings. Market method is adopted for evaluation of land use rights. Under the same market conditions, according to the principle of substitution, the market method compares the land to be evaluated with the similar land transaction cases that have been transacted in a relatively recent period and revises the land to be evaluated according to the known price of the latter and the difference of the transaction situation, date, regional factors, remaining service life of the land so the unit land price at the time of land evaluation is acquired, then the total land price of land use right is obtained.

When estimating the fair value of investment properties, the best use of investment properties is its current use. The valuation method adopted has not changed.

14.

RMB

. B					
1. Opening balance	1,178,743,301.38	3,115,887,972.66	52,306,864.62	44,640,593.63	4,391,578,732.29
2. Amount increased in the current year	116,509,618.29	606,093,156.21	14,645,042.56	6,438,474.92	743,686,291.98
(1) Purchase	12,984,634.42	29,724,962.49	12,970,625.48	2,178,000.56	57,858,222.95
(2) Transferred from construction in progress	103,524,983.87	576,368,193.72	1,674,417.08	4,260,474.36	685,828,069.03
3.Amount decreased in the current year	–	(246,976,008.30)	(269,230.77)	(5,668,136.57)	(252,913,375.64)
(1) Disposal or scrap	–	(128,267,856.48)	(269,230.77)	(5,668,136.57)	(134,205,223.82)
(2) Transferred to construction in progress	–	(118,708,151.82)	–	–	(118,708,151.82)
4. Exchange differences on foreign currency financial statements translation	–	(11,859.32)	(16,862.13)	–	(28,721.45)
5. Closing balance	1,295,252,919.67	3,474,993,261.25	66,665,814.28	45,410,931.98	4,882,322,927.18
. A					
1. Opening balance	292,611,549.81	937,428,463.41	37,854,207.95	36,926,211.10	1,304,820,432.27
2. Amount increased in the current year	56,884,959.80	299,773,645.16	5,981,133.23	3,723,114.96	366,362,853.15
(1) Provision	56,884,959.80	299,773,645.16	5,981,133.23	3,723,114.96	366,362,853.15
3. Amount decreased in the current year	–	(176,086,596.30)	(255,769.23)	(5,366,031.11)	(181,708,396.64)
(1) Disposal or scrap	–	(93,299,429.97)	(255,769.23)	(5,366,031.11)	(98,921,230.31)
(2) Transferred to construction in progress	–	(82,787,166.33)	–	–	(82,787,166.33)
4. Exchange differences on foreign currency financial statements translation	–	(545.83)	(11,502.48)	(260.58)	(12,308.89)
balance	349,496,509.61	1,061,114,966.44	43,568,069.47	35,283,034.37	1,489,462,579.89
g balance	–	15,974,759.99	–	118,320.61	16,093,080.60
increased in					
ent year	–	68,297,615.03	275,923.26	91,795.15	68,665,333.44
on	–	68,297,615.03	275,923.26	91,795.15	68,665,333.44
decreased in					
ent year	–	(25,477,963.29)	–	(118,320.61)	(25,596,283.90)
al or scrap	–	(12,145,187.34)	–	(118,320.61)	(12,263,507.95)
erred to construction in ss	–	(13,332,775.95)	–	–	(13,332,775.95)
balance	–	58,794,411.73	275,923.26	91,795.15	59,162,130.14
balance of book value	945,756,410.06	2,355,083,883.08	22,821,821.55	10,036,102.46	3,333,698,217.15
g balance of book value	886,131,751.57	2,162,484,749.26	14,452,656.67	7,596,061.92	3,070,665,219.42

At the end of the current year, the fixed assets with a book value of RMB1,549,733,966.49 (at the end of previous year: RMB1,612,140,382.99), were used as collateral for short-term borrowings and long-term borrowings.

See Notes (VI) 20 and 29 for short-term and long-term borrowings.

(Continued)

14. (Continued)

(2) *A*

RMB

	B	A		
Machinery and equipment	8,292,131.46	2,728,761.44	5,563,370.02	–
Other equipment	268,037.61	225,506.25	42,531.36	–
Total	8,560,169.07	2,954,267.69	5,605,901.38	–

At the end of the current year, the Group's idle fixed assets included the fixed assets of the Company and its subsidiary, Zhejiang Jiafu. The Group considers that the above idle assets are no longer suitable for future production needs, and the management makes provision for impairment of related assets in accordance with the lower of the book value and the recoverable amount.

(3) At the end of the year, there were no fixed assets of the Group without property rights certificates.

RMB

	B	
Insulating workshop (north)	12,147,211.18	The title certificate is still in process

15. C

(1)

RMB

	C	Opening balance
Construction in progress	**1,914,760,672.93**	928,857,629.12
Engineering materials	**22,390,712.49**	7,970,915.02
Total	**1,937,151,385.42**	936,828,544.14

(8) E E C A E A C A A E E (Continued)

15. C (Continued)

(2) ***C***

a. Construction in progress

RMB

(X) E E C A E A C A A E E (Continued)

15. C (Continued)

(2) C (Continued)

b. Changes in major construction projects in progress in the current year

RMB

B						C			A	C	
Vietnam Flat PV glass production line	1,500,000,000.00	546,333,600.58	786,554,750.29	–	–	1,332,893,350.87	89%	89%	94,757,638.78	21,718,637.46	2.69%	Self-funds/Special borrowings
Annual output of 750,000 tons of PV cover glass project	1,751,683,600.00	1,245,283.02	338,760,508.55	–	–	340,005,791.57	19%	19%	29,813,592.05	29,813,592.05	4.71%	Convertible bonds
PV phase I cold repair project	260,000,000.00	–	98,453,731.93	17,802,573.11	5,771,870.42	110,494,434.62	42%	42%	–	–	–	Self-funds
110KV transformer substations project	80,000,000.00	–	42,388,491.05	–	–	42,388,491.05	53%	53%	–	–	–	Self-funds
Annual production of 42 million square meters of PV backplane project	861,600,000.00	76,250,671.39	30,586,065.00	–	70,839,381.24	35,997,355.15	12%	12%	–	–	–	Self-funds
Cold repair project of the second line of float glass process	200,000,000.00	37,389,452.51	156,026,159.19	–	180,196,076.63	13,219,535.07	97%	97%	–	–	–	Self-funds
Jiulu phase I cold repair project	370,000,000.00	243,069,979.16	118,291,991.23	–	359,549,234.23	840,459.94	97%	97%	–	–	–	Self-funds
Anhui Flat annual output of 900,000 tons of PV cover glass project	1,390,000,000.00	16,043,897.48	300,299.40	–	16,344,196.88	–	100%	100%	49,544,370.60	–	–	Self-funds/Special borrowings

c. At the end of the current year, there was no indication of impairment of the Group's construction in progress, so no provision for impairment was made.

(3) E

RMB

	C	Opening balance
Specialized equipment		1,308,403.19
Others	22,390,712.49	6,662,511.83
Total	22,390,712.49	7,970,915.02

16.

. B	
1. Opening balance	201,430,039.79
2. Amount increased in the current year	307,587.95
(1) Increased	307,587.95
3. Exchange differences on foreign currency financial statements translation	(11,465,999.43)
4. Closing balance	190,271,628.31
. A	
1. Opening balance	12,499,485.26
2. Amount increased in the current period	4,857,170.49
(1) Provision	4,857,170.49
3. Exchange differences on foreign currency financial statements translation	(890,053.70)
4. Closing balance	16,466,602.05
. B	
1. Closing balance of book value	173,805,026.26
2. Opening balance of book value	188,930,554.53

Other notes:

The Group leased, including the lands and infrastructures in Vietnam, with terms ranging from 29 to 42 years.

The short-term lease expenses included in the simplified processing of current profit and loss for the year were RMB10,620,628.36 (end of the previous year: RMB5,954,646.58).

The total cash outflow related to leases for the year was RMB 6,673,072.19(end of the previous year: RMB15,067,742.62)

(Continued)

17.

RMB

			(Note 1)	(Note 2)		
.B						
1. Opening balance	335,114,610.92	30,418,912.45	232,964,000.00	7,595,886.72	606,093,410.09
2. Amount increased in the current year	134,343,157.50	8,909.59	–	–	134,352,067.09
3. Closing balance	469,457,768.42	30,427,822.04	232,964,000.00	7,595,886.72	740,445,477.18
.A					
1. Opening balance	48,203,614.67	23,440,576.28	106,225,779.18	1,092,968.47	178,962,938.60
2. Amount increased in the current year	8,380,930.46	2,300,611.76	19,356,784.61	1,874,171.38	31,912,498.21
(1) Provision	8,380,930.46	2,300,611.76	19,356,784.61	1,874,171.38	31,912,498.21
3. Closing balance	56,584,545.13	25,741,188.04	125,582,563.79	2,967,139.85	210,875,436.81
.B					
1. Closing balance of book value	412,873,223.29	4,686,634.00	107,381,436.21	4,628,746.87	529,570,040.37
2. Opening balance of book	286,910,996.25	6,978,336.17	126,738,220.82	6,502,918.25	427,130,471.49

18. [illegible]

(1) [illegible]

RMB

Items	[illegible]	[illegible]	Opening balance Deductible temporary difference	Opening balance Deferred tax assets
Provision for asset impairment	**64,161,454.49**	**9,640,751.87**	19,789,995.29	2,994,291.49
Credit impairment losses	**81,303,434.19**	**13,376,610.46**	52,490,832.96	9,428,329.37
Deferred revenue	**33,039,484.74**	**5,295,812.37**	45,408,644.70	7,087,020.10
Deductible losses			27,969,454.38	6,992,363.60
Depreciation difference for fixed assets	**29,585,538.31**	**4,437,830.75**	27,390,091.61	4,108,513.74
Share payment	**15,643,324.40**	**2,346,498.66**	–	–
Profit and loss arising from changes in fair value	**7,017,138.16**	**1,052,570.72**	179,452.24	44,863.06
Sub-total	**230,750,374.29**	**36,150,074.83**	173,228,471.18	30,655,381.36

(2) [illegible]

RMB

[illegible]	[illegible]	[illegible]	Opening balance Taxable temporary differences	Opening balance Deferred tax liabilities
Property revaluation arising from conversion to a joint stock company	**13,717,191.97**	**2,057,578.80**	14,915,897.34	2,237,384.60
Accelerated depreciation of fixed assets	**278,401,586.08**	**41,760,237.91**	343,648,763.73	80,333,711.71
Trial production cost	**66,635,003.81**	**9,995,250.57**	74,254,329.85	16,544,529.20
Profit and loss arising from changes in fair value	**1,445,666.57**	**361,416.64**	379,492.22	56,923.83
Sub-total	**360,199,448.43**	**54,174,483.92**	433,198,483.14	99,172,549.34

(Continued)

18. (Continued)

(3)

RMB

			Opening balance Offset amount of deferred tax assets and liabilities at the end of the period	deferred tax assets or liabilities after offsetting
Deferred tax assets	10,159,559.72	25,990,515.11	12,196,792.13	18,458,589.23
Deferred tax liabilities	10,159,559.72	44,014,924.20	12,196,792.13	86,975,757.21

(4)

RMB

		Opening balance
Deductible losses	78,222,599.22	26,474,183.91
Others	1,080,737.08	1,508,512.12
Total	79,303,336.30	27,982,696.03

18. (Continued)

(5)

RMB

		Opening balance
2020		2,070,947.48
2021	5,383,141.31	5,383,141.32
2022	2,253,828.56	2,253,828.56
2023	5,267,794.80	5,267,794.80
2024	11,498,471.76	11,498,471.75
2025	53,819,362.79	–
Total	78,222,599.22	26,474,183.91

19. -

RMB

		Opening balance
Construction prepayment	603,014,147.21	266,522,264.83
Prepaid land deposit		2,400,000.00
Total	603,014,147.21	268,922,264.83

(X) E E C A E A C A E E (Continued)

20. B

RMB

	C	Opening balance
Mortgaged borrowings (Note)	**429,391,130.00**	672,776,859.40
Bill discounting borrowings	**1,000,000.00**	341,723,029.12
Credit borrowings	**187,010,905.00**	301,777,594.27
Total	**617,402,035.00**	1,316,277,482.79

Note: For the types and amount of the asset of the mortgaged borrowings, please refer to the Notes (VI), 13, 14 and 17.

At the end of the current year, the Group had no short-term borrowings that were overdue.

The annual interest rate of the above borrowings in current year is from 1.25% to 4.35% (last year: from 2.75% to 4.35%).

21.

RMB

		Fair value at the beginning of the year
Derivative financial liabilities without specified hedging relationship		
– Foreign exchange option contract		917,754.01
Total		917,754.01

22. B

RMB

		Fair value at the beginning of the year
Bank acceptance bills	**713,571,260.89**	338,562,948.43
Total	**713,571,260.89**	338,562,948.43

23.

(1)

RMB

	C	Opening balance
Trade payables	7,25,162,337.22	1,224,384,872.92
Construction costs payable	569,481,155.04	630,320,769.67
Total	1,294,643,492.26	1,854,705,642.59

(2) A

RMB

Items	C	Opening balance
Within 1 year	1,242,930,837.07	1,838,367,474.37
1–2 years	40,910,901.01	10,823,771.97
2–3 years	5,481,412.12	1,735,881.92
Over 3 years	5,320,342.06	3,778,514.33
Total	1,294,643,492.26	1,854,705,642.59

(3) 1

RMB

	C	
Construction costs payable	37,480,243.11	Project warranty has not yet expired and been repaid
Trade payables	12,751,512.09	The payable is for a product quality dispute, and payment will be made after the dispute is resolved
Total	50,231,755.20	

(X) E E C A E A C A E E (Continued)

24. C

(1)

RMB

	C	Opening balance
Goods payment	**91,178,042.21**	24,993,817.16

(2) The amount of revenue included in the book value of contract liabilities at the beginning of the year recognized in the current year amounted to RMB24,993,817.16.

(3) According to the contract, the Group shall deliver the products to the customer's designated location or the goods shall be picked up by the customer. The product is still controlled by the Group before the customer acceptance confirmation. Only when the customer receives the product and the qualified acceptance has been made, the control right of the product is transferred to the customer. The Group fulfills the performance obligations stipulated in the contract, and at this time, have the right to receive the contracted amount for the products provided, then the Group, at this point in time, recognise the income. When the customer initially purchases the goods, the Group will recognise the transaction price as the contract liabilities until the customer obtains control of the goods.

25.

(1)

RMB

	Opening balance	Increase in the current year	Decrease in the current year	C
1. Short-term remuneration	30,736,466.16	322,683,940.28	305,299,401.50	**48,121,004.94**
2. Post-employment welfare – Defined contribution plan	1,021,824.64	11,283,458.90	11,487,334.70	**817,948.84**
Total	31,758,290.80	333,967,399.18	316,786,736.20	**48,938,953.78**

25. (Continued)

(2)

RMB

	Opening balance	Increase in the current year	Decrease in the current year	Closing balance
I. Wages or salaries, bonuses, allowances and subsidies	26,787,951.72	282,327,016.66	263,145,115.79	**45,969,852.59**
II. Staff welfare	–	13,414,075.15	13,414,075.15	
III. Social insurance	626,144.17	11,560,435.46	11,414,312.45	**772,267.18**
Including: Medical insurance	544,236.00	10,267,137.24	10,154,172.43	**657,200.81**
Work-related injury insurance	46,537.67	889,771.91	859,902.08	**76,407.50**
Maternity insurance	35,370.50	403,526.31	400,237.94	**38,658.87**
IV. Housing funds	633,192.44	9,187,872.08	9,210,045.52	**611,019.00**
V. Labor education & union	2,689,177.83	6,194,540.93	8,115,852.59	**767,866.17**
Total	30,736,466.16	322,683,940.28	305,299,401.50	**48,121,004.94**

(3)

RMB

	Opening balance	Increase in the current year	Decrease in the current year	Closing balance
1. Basic pension insurance	986,454.14	10,882,816.83	11,079,662.43	**789,608.54**
2. Unemployment insurance	35,370.50	400,642.07	407,672.27	**28,340.30**
Total	1,021,824.64	11,283,458.90	11,487,334.70	**817,948.84**

(Continued)

25. (Continued)

(Continued)

Defined contribution plan:

The Group participates in pension insurance and unemployment insurance schemes established by government agencies as required. According to these schemes, the Group pays monthly fees to these plans at 14% and 0.5% of the employees' basic wages. Except for the above monthly paid fees, the Group does not undertake further payment obligations. The corresponding expenses are recognised in profit or loss in the period in which they are incurred.

During the year, the Group shall pay a total of RMB10,882,816.83 and RMB400,642.07 (2019: RMB18,418,773.28 and RMB1,058,588.91) to the pension insurance and unemployment insurance schemes respectively. As of 31 December 2020, RMB789,608.54 and RMB28,340.30 had been accrued but unpaid for the pension insurance and unemployment insurance schemes, respectively. Such payables were contributed after the reporting period.

26.

RMB

	C	Opening balance
Enterprise income tax	**211,526,135.88**	86,893,499.25
VAT	**62,394,735.41**	25,664,110.89
Land use tax	**9,436,202.79**	2,002,730.01
Property tax	**6,612,738.39**	756,264.31
Urban maintenance and construction tax	**5,655,015.78**	4,531,456.38
Education surcharge and local educational surcharges	**4,921,641.59**	3,419,497.34
Individual income tax	**1,222,786.16**	4,411,541.98
Others	**1,662,854.05**	1,673,180.61
Total	**303,432,110.05**	129,352,280.77

E E C A E | A C A A E E (Continued)

27. [illegible]

Listing of items:

RMB

	C	Opening balance
Interest payable	**2,856,171.00**	4,831,749.01
Dividends payables	**299,000.00**	–
Other payables	**97,660,344.00**	40,711,453.51
Total	**100,815,515.00**	45,543,202.52

(1) [illegible]

RMB

	C	Opening balance
Interest for long-term borrowings with interest paid in installment and principal paid due to maturity	**1,547,587.53**	893,964.04
Interest payable for short-term borrowings	**647,870.68**	3,937,784.97
Interest payable on convertible bonds	**660,712.79**	–
Total	**2,856,171.00**	4,831,749.01

(2) [illegible]

RMB

	C	Opening balance
Dividends on ordinary shares	**299,000.00**	–
Total	**299,000.00**	–

(X) E E C A E A C A E E (Continued)

27. (Continued)

(3)

RMB

	C	Opening balance
Warranty	42,285,711.92	16,714,600.00
Transportation premium	21,651,934.27	18,207,409.63
Restricted share incentive schemes (Note)	28,359,000.00	–
Intermediary agency service fee		779,816.51
Others	5,363,697.81	5,009,627.37
Total	97,660,344.00	40,711,453.51

At the end of the year, the Group had no other payables with an ageing of more than one year and a significant amount.

Note: It represents the subscription amount of restricted shares paid by the participants to the Company after the Company granted the restricted shares to the employees. The Company recognized full liabilities for the repurchase obligations of restricted shares and included them in the treasury stock. Please refer to Note (X) for the details of grant of restricted shares.

28. -C

RMB

	C	Opening balance
Long-term borrowings due within 1 year (Note (VI) 29)	160,819,952.95	711,977,777.21
Total	160,819,952.95	711,977,777.21

29. [illegible]

(1) [illegible]

RMB

	[illegible]	Opening balance
Pledged borrowings (Note 1)	**1,161,760,623.96**	711,977,777.21
Secured borrowings (Note 2)	**374,071,211.06**	281,902,410.30
Less: Pledged borrowings due within 1 year	**146,810,250.00**	711,977,777.21
Less: Secured borrowings due within 1 year	**14,009,702.95**	–
	1,375,011,882.07	281,902,410.30

Note 1: The pledged assets of the pledge borrowings are the equity interest of Flat (Vietnam).

Note 2: For the types and amounts of secured assets of secured loans, please refer to the Notes (VI), 13, 14 and 17.

(2) [illegible]

RMB

Items	[illegible]	Opening balance
1 to 2 years	**418,682,008.11**	43,297,504.16
2 to 5 years	**956,329,873.96**	238,604,906.14
Total	**1,375,011,882.07**	281,902,410.30

(3) [illegible]

The interest rate of the above borrowings was between 2.69% and 4.90% (previous year: between 4.75% and 5.10%).

(Continued)

30. B

(1) B

RMB

	C	Opening balance
Bonds payables	2,36,681,991.63	–
Total	2,36,681,991.63	–

(2) C

RMB

Name of bond	Issuing date	Term of the bond	Issue amount	Opening balance	Issuance for the current year	Accrued interests at par value	Amortization of premium/ discount	Conversion for the current year	C
Flat convertible bond	2020-05-27	6 years	1,450,000,000.00	–	1,187,332,132.29	3,092,883.53	29,813,592.05	977,370,849.18	2,36,681,991.63

30. (Continued)

(3)

Approved by CSRC Approval [2020] No. 294, the Group issued 14.5 million convertible bonds with a nominal value of RMB100 on 27 May 2020. The annual coupon rate shall be 0.4% in the first year, 0.6% in the second year, 1% in the third year, 1.5% in the fourth year, 1.8% in the fifth year and 2% in the sixth year. The payment method that interest shall be paid on an annual basis shall be adopted and the principal shall be repaid and the interest for the last year shall be paid. The term of the A Share Convertible Corporate Bonds under the issuance shall be six years from the date of the issuance, namely 27 May 2020 to 26 May 2026. The conversion period of the A Share Convertible Bonds under the issuance shall commence on the first trading day immediately following the expiry of the six-month period after the date of the issuance of the convertible bonds (i.e. 2 June 2020), and end on the maturity date of the convertible bonds (i.e. 3 December 2020 to 26 May 2026).

The initial conversion price of convertible corporate bonds under the issuance is RMB13.56 per share. After the issuance, in case of certain events such as distribution of share dividends, conversion or increase of share capital, issuance of new shares (excluding any increase in the share capital as a result of conversion of the convertible corporate bonds under the issuance), rights issue and distribution of cash dividends, the price of the convertible shares shall be adjusted accordingly. During the term of the A Share Convertible Corporate Bonds under the issuance, the closing prices of shares of the Company on at least 15 trading days out of any 30 consecutive trading days are lower than 90% of the prevailing conversion price, the Board is entitled to propose a downward adjustment to the conversion price and submit it to the Shareholders at the Shareholders' general meetings and A/H shareholders class meeting for their consideration and voting.

Within five trading days upon the maturity of the A Share Convertible Corporate Bonds under the issuance, the Company will redeem all outstanding A Share Convertible Corporate Bonds that are not converted into shares at 115% (including the interest for the final interest accrual year) of the par value of the A Share Convertible Corporate Bonds with the holders of the A Share Convertible Corporate Bonds.

During the conversion period, the Company has the right to redeem all or part of the A Share Convertible Bonds which have not been converted into shares based on the par value plus the accrued interest then in case of where the closing prices of A Shares of the Company for at least 20 trading days out of any 30 consecutive trading days are no less than 130% (including 130%) of the prevailing conversion price or where the balance of the outstanding A Share Convertible Bonds under the issuance is lower than RMB30 million.

The fair value of the liability component was estimated at the issue date using an equivalent market interest rate for a similar bond without the attached purchase warrants. The residual amount was assigned as the equity component and included in shareholders' equity.

(Continued)

30. (Continued)

(Continued)

According to the relevant terms under the Prospectus on the Public Issuance of the A Share Convertible Corporate Bonds of Flat Glass Group Co., Ltd., after the issuance of "Flat Convertible Bonds", in case of certain events such as distribution of share dividends, conversion or increase of share capital, issuance of new shares (excluding any increase in the share capital as a result of conversion of the convertible corporate bonds under the issuance), rights issue and distribution of cash dividends, the price of the convertible shares shall be adjusted according to the relevant formula. After the issuance of "Flat Convertible Bonds", the Company made issuance of new shares and distribution of share dividends: on 11 August 2020, the Company granted restricted shares to the proposed participants. A total of 15 participants actually subscribed for 4,600,000 RMB ordinary shares (A shares), with a par value of RMB0.25 per share at a grant price of RMB6.23 per share. The equity incentive grant registration changed the total share capital of the Company from 1,950 million shares to 1,954.6 million shares; on 9 October 2020, the Company distributed cash dividend of RMB0.65 (tax included) to all shareholders for every 10 shares, with the total profit distribution of RMB127,049,000.00. Therefore, on 9 November 2020, the Company revised the conversion price of "Flat Convertible Bonds" to RMB13.48 per share.

As of 31 December 2020, a total of "Flat Convertible Bonds" of RMB1,168,082,000.00 have been converted into corporate bonds with the number of shares converted of 86,648,788.00.

31.

RMB

		Opening balance
Lease liabilities	**11,508,090.39**	

(Continued)

32. (Continued)

RMB

TCO ultra-white conductive film project grant	3,510,862.91	–	1,500,000.00	2,010,862.91	Asset-related
Jiaxing City 2012 first batch of industrial development fund subsidy – annual output of 15 million square meters of solar photovoltaic ultra- white glass project 1# photovoltaic kiln	1,950,494.85	–	500,000.04	1,450,494.81	Asset-related
2014 industrial transformation and upgrading items (central infrastructure investment) Flat Glass annual production of 5.8 million square meters LOW-E glass deep processing project	4,650,000.00	–	930,000.00	3,720,000.00	Asset-related
Glass melting furnace flue gas denitrification technology project grant	7,026,110.69	–	1,173,333.48	5,852,777.21	Asset-related
Jiaxing Finance Bureau 2011 glass melting furnace flue gas waste heat power generation project grant	1,479,999.80	–	370,000.00	1,109,999.80	Asset-related
The first phase of distributed PV related project construction grant	4,683,840.00	–	334,560.00	4,349,280.00	Asset-related
The second phase of distributed PV related project construction grant	1,320,545.67	–	93,215.04	1,227,330.63	Asset-related
Annual production of 5.8 million square meters LOW-E glass deep processing project	5,873,972.00	–	819,624.00	5,054,348.00	Asset-related
Annual production of 12 million square meters of high transparent photovoltaic glass project	2,380,920.32	–	348,427.40	2,032,492.92	Asset-related
Total	45,408,644.70	–	12,369,159.96	33,039,484.74	

33.

RMB

	Opening balance	Changes for the year		
		New shares issued (Note 1)	Conversion of convertible bonds (Note 2)	
Total share capital	487,500,000.00	1,150,000.00	21,662,197.00	510,312,197.00

(8) E E C A E | A C A A E E (Continued)

33. C (Continued)

RMB

	Opening balance	Increase for the year (Note 1)	Decrease for the year (Note 3)	C
Share-based payment	–	28,658,000.00	299,000.00	**28,359,000.00**
Total	–	28,658,000.00	299,000.00	**28,359,000.00**

Note 1: The Company granted restricted shares to proposed participants pursuant to the Resolution on Adjusting the List of Participants and the Number of Restricted Shares Granted in the First Grant in 2020 Restricted A Share Incentive Plan of the Company, and the Resolution on the First Grant of Restricted A Shares to the Participants on 11 August 2020. A total of 15 participants have actually subscribed for 4,600,000 RMB ordinary shares (A shares), with a par value of RMB0.25 per share at a grant price of RMB6.23 per share. After the completion of the above transaction, the share capital increased by RMB1,150,000.00 and the treasury stock increased by RMB28,658,000.00.

Note 2: See Note (VI). 30 for conversion of the convertible bonds.

Note 3: On 9 November 2020, the Company implemented the interim profit distribution plan for 2020 and distributed cash dividends to shareholders (including holders of restricted shares). After the completion of the above transaction, the treasury stock decreased by RMB299,000.00 accordingly.

(X) E E C A E A C A E E (Continued)

34.

RMB

	Opening balance		Increase in the current year		Decrease in the current year		C	C
	Number	Carrying value	Number	Carrying value	Number	Carrying value		
Convertible corporate bonds	–	–	14,500,000.00	254,089,565.81	11,680,820.00	204,687,895.32	2,819,180.00	49,401,670.49

Note: Other equity instruments comprise of the equity from the convertible corporate bonds issued for the current year, and please refer to Note (VI). 30.

35. C

RMB

	Opening balance	Increase in the current year	Decrease in the current year	C
Share premium (Note 1)	839,115,113.41	1,190,336,718.24	–	2,029,451,831.65
Other capital reserve (Note 2)	–	15,643,324.40	–	15,643,324.40
Total	839,115,113.41	1,205,980,042.64	–	2,045,095,156.05

Note 1: Increase in the share premium for the current year mainly represented: (1) the total amount paid by participants of RMB28,658,000.00 for the grant of restricted shares to the participants in the current year, of which share capital of RMB1,150,000.00 and capital reserve of RMB27,508,000.00 were included. (2) Details of convertible bonds for the current year are set out in Note VI. (30) and the capital reserve (share premium) increased by RMB1,162,828,718.24.

Note 2: Other capital reserves for the current year increased by RMB15,643,324.40, among which, according to the fair value of restricted shares on the grant date, the service fees provided by employees in the current period were included in the relevant cost expense of RMB15,643,324.40.

36. C

RMB

	Amount incurred in the current year					
	Opening balance	Amount before income tax incurred in the current year	Less: Income tax expense	Amount attributable to the Company after income tax	Amount attributable to minority shareholders after income tax	C
I. Other comprehensive income that will not be reclassified into profit or loss afterwards	–	(3,217,914.84)	–	(3,217,914.84)	–	(3,217,914.84)
– Changes in fair value of other equity instrument investments	–	(3,217,914.84)	–	(3,217,914.84)	–	(3,217,914.84)
II. Other comprehensive income that will be reclassified into profit or loss afterwards	5,935,642.83	(30,109,174.86)	(1,052,570.72)	(29,056,604.14)	–	(23,120,961.31)
– Exchange differences on foreign currency financial statements translation	5,935,642.83	(23,092,036.70)	–	(23,092,036.70)	–	(17,156,393.87)
– Changes in fair value of financing receivables	–	(7,017,138.16)	(1,052,570.72)	(5,964,567.44)		(5,964,567.44)
Total	5,935,642.83	(33,327,089.70)	(1,052,570.72)	(32,274,518.98)	–	(26,338,876.15)

37.

RMB

	Opening balance	Increase for the year	Decrease for the year	C
Safety production costs	11,810,858.31	2,559,073.07	–	14,369,931.38
Total	11,810,858.31	2,559,073.07	–	14,369,931.38

38.

RMB

	Opening balance	Increase for the year	Decrease for the year	C
Statutory surplus reserve	193,555,355.70	27,149,843.61	–	220,705,199.31
Total	193,555,355.70	27,149,843.61	–	220,705,199.31

Note: Surplus reserve is accrued according to the Company's Articles of Association or with the approval from the Board. The statutory surplus reserve can be used to cover the Company's losses or to increase the share capital.

(Continued)

39.

RMB

	A	Amount for the last year
Opening balance of the undistributed profit	**2,974,971,417.75**	2,423,524,157.41
Add: Net profit attributable to shareholders of the parent company in the current year	**1,628,783,787.63**	717,243,708.67
Less: Accrual of statutory surplus reserves	**27,149,843.61**	25,396,448.33
Dividends payable (Note 1)	**127,049,000.00**	140,400,000.00
Closing balance of the undistributed profit (Note 2)	**4,449,556,361.77**	2,974,971,417.75

Note 1: As proposed by the 22nd Meeting of the 5th session of the Board held on 4 August 2020 and approved by the resolution of the 2020 Second Extraordinary General Meeting held on 9 October 2020, the Company distributed cash dividend of RMB0.65 (tax included) to all shareholders for every 10 shares based on the total share capital on the date of equity registration at the time of profit distribution, with the total profit distribution of RMB127,049,000.00.

Note 2: The undistributed profit at the end of the year included the legal surplus reserve of RMB96,524,662.64 (2019: RMB34,159,547.69) accrued by the subsidiaries of the Company in the current year.

40.

RMB

	A	C	Amount for last year Revenue	Cost
Main business	**6,222,273,153.93**	**3,343,827,5556,-A7746 (50**	**9755,886,6-5.40**	**(6,222,273,153.9279**

(Continued)

40. (Continued)

(Continued)

By selling manner:

RMB

Items	PV glass	Household glass	Architectural glass	Float glass	Mining product	Other business	Total
Selling manners							
Direct sales	5,196,699,8[illegible]7.50	[illegible],466,336.81	470,538,760.63	48,70[illegible],686.18	63,783,515.00	38,144,195.85	6,110,335,3[illegible]1.97
Dealers	[illegible]8,974,570.8[illegible]	34,071,109.77	60,085,746.54	[illegible]6,950,600.68		44[illegible].48	150,08[illegible],470.[illegible]9
Total	5[illegible]5,674,398.3[illegible]	[illegible]6,537,446.58	530,6[illegible]4,507.17	75,653[illegible]86.86	63,783,515.00	38,144,638.33	6[illegible]60,417,79[illegible]6

RMB

Items	PV glass	Household glass	Architectural glass	Float glass	Mining product	Other business	Total
				Amount for last year			
Selling manners							
Direct sales	3,720,491,533.97	307,903,160.93	389,244,726.93	112,606,248.08	49,629,587.50	50,917,338.56	4,630,792,595.97
Dealers	27,212,147.09	28,442,945.58	61,909,770.78	58,446,561.54	–	–	176,011,424.99
Total	3,747,703,681.06	336,346,106.51	451,154,497.71	171,052,809.62	49,629,587.50	50,917,338.56	4,806,804,020.96

(3)

The Group's main business activities are the production and sales of glass products. The Group shall ship the product to the customer's designated location or the product shall be picked up by the customer. The product is still controlled by the Group before the customer's acceptance confirmation. Only when the customer receives the product and the qualified acceptance is made, the control of the product is transferred to the customer and the Group recognises the revenue. After the customer makes the acceptance, the customer has full rights to decide th selling manner and price of the goods, and assumes the primary responsibility and the risk of loss associated with the goods. The Group requires dealer customers to fully prepay the purchase payment before the delivery of the goods, and the normal credit period for direct sales customers is 30 to 120 days after the acceptance of the goods.

The estimated contract period of the Group's sales contract does not exceed one year, so the transaction price allocated to the remaining performance obligation is not disclosed.

41.

RMB

	Amount	Amount for last year
Land use tax	17,128,580.99	5,800,753.20
Urban construction tax	12,622,468.96	7,219,030.48
Education surcharge and local educational surcharges	10,654,543.54	5,277,983.67
Property tax	10,293,250.16	7,850,936.80
Resource tax	4,464,846.05	3,677,434.31
Stamp duty	2,245,219.00	1,733,015.60
Special fund for water conservancy construction	1,757,930.61	1,236,914.07
Environmental protection tax	1,656,773.40	2,163,104.52
Others	260,076.09	67,666.20
Total	61,083,688.80	35,026,838.85

42.

RMB

	Amount	Amount for last year
Transportation expenses	254,222,773.59	227,906,923.86
Pallet expenses	26,833,227.50	8,931,949.78
Employee compensation and welfare	10,563,544.00	8,974,779.72
Marketing expenses	6,021,170.99	6,822,694.20
Depreciation and amortization		
	10,656,773.40	67,666,20

(Continued)

43.

RMB

	Amount	Amount for last year
Employee remuneration and benefits	69,771,843.00	58,087,652.05
Depreciation and amortization	22,035,717.88	15,945,363.90
Equity settled share-based payment	15,643,324.40	–
Decoration cost	12,187,614.24	184,164.25
Intermediary agency service fee	8,881,925.13	10,244,395.45
Greening and environmental protection costs	6,765,192.91	6,916,472.04
Office expenses	4,656,885.24	5,158,138.42
Traveling expenses	3,657,963.25	2,540,323.06
Rent expenses	3,384,980.10	2,866,576.97
Labor costs	3,351,866.39	3,874,595.92
Audit expense	3,000,000.00	2,700,000.00
Transportation expenses	2,479,975.45	2,384,514.32
Entertainment expenses	1,350,902.74	1,873,078.04
Repair and maintenance fee	193,781.02	585,615.80
Others	14,987,060.68	8,137,670.07
Total	172,349,032.43	121,498,560.29

44.

RMB

	Amount	Amount for last year
Employee remuneration and benefits	191,584,338.99	128,193,474.91
Direct material costs	58,966,609.13	54,643,946.27
Depreciation and amortization	21,574,545.93	17,073,030.11
Others	12,592,318.76	4,241,108.01
Total	284,717,812.81	204,151,559.30

(Continued)

45. E

		RMB
	A	Amount for last year
Interest expenses	80,273,151.69	65,388,264.94
Less: Interest income	16,412,291.81	17,902,429.34
Handling fee	2,317,334.00	2,116,641.03
Exchange losses	75,350,491 ,05 2,98 40 9 8.504 0	(2,11 2,38,8

(Continued)

48. A C

RMB

	A	Amount for last year
Derivative tools without the specified hedging relationship	**1,245,626.59**	(5,234,350.32)
– Losses arising from changes in fair value of interest rate swap contract	**(379,492.22)**	(2,839,854.11)
– Gains (losses) arising from changes in fair value of forward foreign exchange contracts	**779,202.70**	(1,548,580.10)
– Gains (losses) arising from changes in fair value of foreign exchange option contracts	**845,916.11**	(845,916.11)
Total	**1,245,626.59**	(5,234,350.32)

49. C

RMB

	A	Amount for last year
Credit impairment losses on bills receivable	**2,033,728.07**	(1,909,618.30)
Credit impairment losses on trade receivables	**(31,998,719.95)**	(10,806,940.74)
Credit impairment losses on other receivables	**50,000.00**	(100,000.00)
Total	**(29,914,991.88)**	(12,816,559.04)

50. A

RMB

	A	Amount for last year
Inventory impairment losses	**(3,118,136.33)**	(2,444,410.60)
Impairment losses fixed assets	**(68,665,333.44)**	(12,253,523.91)
Total	**(71,783,469.77)**	(14,697,934.51)

51. [illegible]

RMB

	A[illegible]	Amount for last year
Gains on disposal of fixed assets	**1,329,253.30**	478,903.28
Losses on disposal of fixed assets	**(19,347,599.56)**	(7,020,306.26)
Total	**(18,018,346.26)**	(6,541,402.98)

52. [illegible]

RMB

	A[illegible]	Amount for last year
Government grants (Note (VI) 61)	**9,060,785.16**	14,482,137.47
Others	**3,828,431.69**	2,415,826.21
Total	**12,889,216.85**	16,897,963.68

53. [illegible]

RMB

	A[illegible]	Amount for last year
Public welfare donations	**3,371,547.10**	45,000.00
Others	**527,918.34**	139,158.59
Total	**3,899,465.44**	184,158.59

(X) E E C A E A C A E E (Continued)

54. E

RMB

	A	Amount for last year
Current period income tax expenses	**294,112,587.56**	59,967,199.67
Income taxes repaid (refunded) for the last year	**451,854.67**	(2,063,581.01)
Deferred income tax expenses	**(49,440,188.17)**	87,522,916.79
Total	**245,124,254.06**	145,426,535.45

The Group was not subject to profit tax as it had no taxable profit in Hong Kong during the year.

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

RMB

	A	Amount for last year
Total profits	**1,873,908,041.69**	862,670,244.12
Income tax expense calculated at tax rate of 15% (2019: 15%)	**281,086,206.24**	129,400,536.62
Effect of subsidiaries to adapt different tax rates	**7,669,245.65**	51,571,682.68
Effect of non-deductible costs, expenses and losses	**4,646,051.43**	622,253.54
Effects of non-taxable income	**(39,226,225)**	–
Repayment (refund) of the income tax for last period	**451,854.67**	(2,063,581.01)
Tax effect on tax incentives)	**(1,671,607.26)**	(7,728,962.16)
Effect of deductible losses and deductible temporary difference of unrecognized deferred tax assets in the period	**11,414,082.25**	2,467,850.79
Changes in opening balances of deferred tax assets/liabilities due to the change in tax rate	**(34,187,403.39)**	–
Effect on research and development costs plus deduction	**(23,891,949.28)**	(28,843,245.01)
Income tax expenses	**245,124,254.06**	145,426,535.45

(Continued)

55.

RMB

	Amount	Amount for last year
Raw materials used	3,011,592,698.96	2,820,770,731.08
Changes in inventories of finished goods work-in-progress goods	(28,540,625.60)	(185,005.68)
Employee benefits expenses	333,967,399.18	293,375,254.85
Equity-settled share-based payments	15,643,324.40	–
Depreciation and amortization expenses	406,719,294.44	333,701,397.47
Financial expenses	141,528,692.18	53,129,460.34
Transportation expenses	254,222,773.59	227,906,923.86
Audit fee	3,000,000.00	2,700,000.00
Non-deductible value-added tax		151,774.63
Asset impairment losses	71,783,469.77	14,697,934.51
Credit impairment losses	29,914,991.88	12,816,559.04
Taxes and surcharges	61,083,688.80	35,026,838.85
Other expenses	108,958,144.79	192,077,467.46
Total costs and expenses	4,409,873,852.39	3,986,169,336.41

56.

For the purpose of calculating basic earnings per share, net profit for the current period attributable to ordinary shareholders of the parent company is as follows:

RMB

	Amount	Amount for last year
Net profit for the current period attributable to ordinary shareholders of the parent company	1,628,783,787.63	717,243,708.67
Less: cash dividends distributed in the current year to the holders of restricted shares expected to be unlocked in the future	299,000.00	–
Net profit attributable to the ordinary shareholders of the parent company for the current period for the purpose of the basic earnings per share	1,628,484,787.63	717,243,708.67

(X) E E C A E A C A E E (Continued)

56. C B E E (Continued)

For the purpose of calculating basic earnings per share, the denominator is the weighted average number of outstanding ordinary shares and its calculation process is as follows:

Share

	A	Amount for last year
Number of ordinary shares outstanding at the beginning of the year	**1,950,000,000**	1,800,000,000
Add: Weighted number of ordinary shares of the year	**7,220,732**	125,000,000
Weighted number of outstanding ordinary shares at the end of the year	**1,957,220,732**	1,925,000,000

When calculating diluted earnings per share, the net profit attributable to ordinary shareholders of the parent company for the current period is:

RMB

	A	Amount for last year
Net profit attributable to the ordinary shareholders of the parent company for the current period for the purpose of the earnings per share	**1,628,484,787.63**	717,243,708.67
Add: cash dividends distributed in the current year to the holders of restricted shares expected to be unlocked in the future	**299,000.00**	–
The calculation of the diluted earnings per share of net profit attributable to the ordinary shareholders of the parent company for the current period	**1,628,783,787.63**	717,243,708.67

For the purpose of the diluted earnings per share is as follows:

Unit: Share

	A	Amount for last year
Weighted number of ordinary shares outstanding at the end of the year for the purpose of earnings per share	**1,957,220,732**	1,925,000,000
Add: the impact on the weight number of the employee share incentive schemes of the Group	**607,685**	–
Add: the impact on the weight number of the convertible corporate bonds of the Group	**55,526,548**	–
Weighted number of ordinary shares outstanding as at the end of the year	**2,013,354,965**	1,925,000,000

57.

(1)

RMB

(X) E E C A E A C A E E (Continued)

57. C (Continued)

(4)

RMB

	A	Amount for last year
Payment of restricted monetary funds	**111,220,723.45**	95,799,657.78
Cash paid for investment losses	**7,198,465.40**	1,364,111.32
Project margin	**305,600.00**	4,990,000.00
Total	**118,724,788.85**	102,153,769.10

(5)

RMB

	A	Amount for last year
Recovery of restricted monetary funds	**255,660,791.32**	277,454,484.32
Total	**255,660,791.32**	277,454,484.32

(6)

RMB

	A	Amount for last year
Payment of restricted monetary funds	**554,536,065.30**	291,837,608.59
Issuance fees of convertible corporate bonds	**2,794,000.00**	–
A-share listing fee		4,473,114.11
Total	**557,330,065.30**	296,310,722.70

58.

(1)

RMB

		Amount for last year
(1) Adjust net profit to cash flow from operating activities		
Net profit	1,628,783,787.63	717,243,708.67
Add: Asset impairment provision	71,783,469.77	14,697,934.51
Credit impairment losses	29,914,991.88	12,816,559.04
Investment property amortization	1,431,470.40	1,431,470.40
Depreciation of fixed assets	366,362,853.15	302,765,562.87
Depreciation of right-of-use assets	4,857,170.49	4,558,308.33
Amortization of long-term fees	31,912,498.21	24,946,055.87
Amortization of intangible assets	2,155,302.19	–
Losses for disposal of fixed assets, intangible assets and other long-term assets	18,018,346.26	6,541,402.98
(Gains) losses on fair value change	(12,456,26.59)	5,234,350.32
Financial expenses	80,273,151.69	65,388,264.94
Investment gains	(5,675,836.26)	(6,908,081.15)
(Increase)/decrease in deferred income tax assets	(6,479,355.16)	547,159.58
Decrease (increase) in deferred income tax liabilities		

(X) E E C A E A C A A E E (Continued)

58. C (Continued)

(2) C

RMB

	C	Opening balance
1. Cash	**1,146,171,930.13**	479,068,091.59
Including: Cash on hand	**17,673.90**	20,326.96
Blank deposit available for payment	**1,146,154,256.23**	479,047,764.63
Other monetary funds available for payment		–
2. Cash equivalents		–
Cash and cash equivalents at the end of the year	**1,146,171,930.13**	479,068,091.59

59. A

RMB

	B	
Monetary funds	443,795,083.56	Bills deposits, etc.
Bills receivable	62,301,314.55	Pledged to bank to obtain credit facilities

60.

Cash at bank and on hand			
Including: USD	73,57[illegible],648.58	6.5[illegible]49	480,054,176.93
EUR	1,779,048.96	8.0[illegible]50	14,[illegible]76,867.91
JPY	97,644,888.00	0.063[illegible]	6,174,67[illegible].15
AUD	300,3[illegible]5.40	5.0163	1,506,5[illegible],.30
HKD	167,585.13	0.8416	141,046.35
GBP	3,995.13	8.8903	35,517.90
CHF	1.46	7.4006	10.81
Total			50[illegible],188,814.35
Trade receivables			
Including: USD	55,050,356.75	6.5[illegible]49	359,185,698.15
EUR	1,043,841.[illegible]4	8.0[illegible]50	8,376,8[illegible]5.95
AUD	79,053.30	5.0163	396,555.07
Total			367,959,079.17
Other receivables			
Including: HKD	3,970.00	0.8416	3,341.31
Total			3,341.31
Trade payables			
Including: USD	7,040,967.61	6.5[illegible]49	45,941,609.58
EUR	79,000.00	8.0[illegible]50	633,975.00
Total			46,575,584.58
Borrowings			
Including: USD	195[illegible]00,333.95	6.5[illegible]49	1,[illegible]73,66[illegible],658.96
Total			1,[illegible]73,66[illegible],658.96

(X) E E C A E A C A E E (Continued)

61.

RMB

A	A		A
Distributed PV power generation project grant	Revenue	Other revenues	7,815,127.04
Social insurance grant	Revenue	Other revenues/non-operating revenue	5,024,355.00
Industrial development grant	Revenue	Non-operating revenue	3,568,572.00
Listing reward	Revenue	Non-operating revenue	2,000,000.00
Foreign trade reward and subsidy	Revenue	Non-operating revenue	1,017,100.00
Refund income from handling fee for individual income tax	Revenue	Other revenues	302,137.25
Other	Revenue	Other revenues/non-operating revenue	2,435,567.73
Total			22,162,859.02
Including: Government grands included into current period profit or loss			22,162,859.02

62. A

Revenue from operating leases for the year amounted to RMB7,046,989.32 (last year: RMB6,949,488.96). Total undiscounted lease receipts in each of the five accounting years after the balance sheet date and in subsequent years are as follows:

RMB

	C	Opening balance
Undiscounted lease receipts:		
1 year after the balance sheet date	**7,164,439.12**	7,046,989.32
2 years after the balance sheet date	**7,399,338.77**	7,164,439.12
3 years after the balance sheet date	**7,522,661.08**	7,399,338.77
4 years after the balance sheet date	**7,769,305.70**	7,522,661.08
5 years after the balance sheet date	**3,237,210.71**	7,769,305.70
Subsequent years		3,237,210.71
Total	**33,092,955.38**	40,139,944.70

[illegible]

At the end of the year, major financial instruments of the Group include: cash at bank and on hand, held-for-trading financial assets, derivative financial asset, bills receivable and trade receivables, receivables financing, other receivables, other equity instrument investments, derivative financial liabilities, bills payable and trade payables, other payables, lease liabilities, bonds payable and borrowings. Details of each financial instrument are set out below:

RMB

[illegible]	C [illegible]	Opening balance
Financial asset		
Cash at bank and on hand	**1,589,967,013.69**	613,000,364.84
Held-for-trading financial assets	**400,000,000.00**	–
Derivative financial asset	**1,445,666.57**	1,117,793.99
Bills receivable	**546,772,640.17**	1,976,383,235.76
Trade receivables	**1,388,373,649.20**	1,107,245,636.40
Receivables financing	**684,530,748.37**	–
Other receivables	**24,267,677.88**	3,684,181.68
Other equity instrument investments	**53,970,165.00**	–
Total	**4,689,327,560.88**	3,701,431,212.67
Financial liabilities		
Derivative financial liabilities		917,754.01
Bills payable	**713,571,260.89**	338,562,948.43
Trade payables	**1,294,643,492.26**	1,854,705,642.59
Other payables	**97,660,344.00**	40,711,453.51
Bonds payable	**236,681,991.63**	–
Lease liabilities	**11,508,090.39**	11,016,173.42
Borrowings	**2,156,090,041.02**	2,314,989,419.31
Total	**4,510,155,220.19**	4,560,903,391.27

(Continued)

1.

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

1.1

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

1.1.1. Foreign exchange risk

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

As at 31 December 2020, the Group's foreign currency assets and liabilities are set out below. The foreign exchange risk arising from the assets and liabilities of these foreign currency balances (see Notes (VI), 60) may impact the Group's operating results.

	RMB
C	Opening balance

1. (Continued)

1.1 (Continued)

1.1.1. Foreign exchange risk (Continued)

Sensitivity analysis of foreign exchange risk

The following table details the sensitivity of this Group to 5% of the change of foreign exchanges rate from functional currency of related group entities (including: RMB and VND) to other foreign currencies. Internal reports to senior management adopt such ratio of 5% which represents the estimation of the management on the possible changes of foreign exchange rate. The Group's foreign exchange risk sensitivity analysis at the reporting date includes only monetary items denominated in foreign currencies and does not consider the impact of the derivative financial instruments purchased. Positive refers to an increase in profit before tax due to exchange rate changes, and negative refers to a decrease in profit before tax due to exchange rate changes.

RMB

				Amount for last year	
				Impact on Profit before tax	Impact on Shareholder's equity
Entities using RMB as functional currency					
USD	Appreciation of 5% against RMB	(3,343,331.71)	(3,343,331.71)	(19,532,578.13)	(19,532,578.13)
USD	Depreciation of 5% against RMB	3,343,331.71	3,343,331.71	19,532,578.13	19,532,578.13
EUR	Appreciation of 5% against RMB	1,100,985.94	1,100,985.94	1,449,115.38	1,449,115.38
EUR	Depreciation of 5% against RMB	(1,100,985.94)	(1,100,985.94)	(1,449,115.38)	(1,449,115.38)
JPY	Appreciation of 5% against RMB	308,733.61	308,733.61	267,814.40	267,814.40
JPY	Depreciation of 5% against RMB	(308,733.61)	(308,733.61)	(267,814.40)	(267,814.40)
HKD	Appreciation of 5% against RMB	7,219.38	7,219.38	3,166.61	3,166.61
HKD	Depreciation of 5% against RMB	(7,219.38)	(7,219.38)	(3,166.61)	(3,166.61)
GBP	Appreciation of 5% against RMB	1,775.90	1,775.90	1,852.80	1,852.80
GBP	Depreciation of 5% against RMB	(1,775.90)	(1,775.90)	(1,852.80)	(1,852.80)
AUD	Appreciation of 5% against RMB	95,153.87	95,153.87	3,299.45	3,299.45
AUD	Depreciation of 5% against RMB	(95,153.87)	(95,153.87)	(3,299.45)	(3,299.45)
Entities using VND as functional currency					
USD	Appreciation of 5% against VND	8,325,112.04	8,325,112.04	664,193.93	664,193.93
USD	Depreciation of 5% against VND	(8,325,112.04)	(8,325,112.04)	(664,193.93)	(664,193.93)

The management of the Group believes that the foreign exchange risk at the end of the year did not reflect the annual foreign exchange risk, and the sensitivity analysis did not reflect the inherent foreign exchange risk.

(Continued)

1. (Continued)

1.1 (Continued)

1.1.2. Interest rate risk

The Group's risks to the changes in cash flows of financial instruments arising from changes in interest rates is primarily related to floating rate bank borrowings and floating rate bank deposits. As at 31 December 2020, the Group's floating borrowings amounted to RMB1,987,233,870.02 (31 December 2019: RMB1,523,254,636.60) (please refer to Notes (VI), 20 and 29). The management of the Group closely monitors interest rate risk. The Group's policy is to maintain the floating interest rate of these loans. At present, there is no interest rate swap arrangement.

Sensitivity analysis of interest rate risk

The sensitivity analysis below is prepared based on the interest rate risk faced by non-derivative instruments at the end of each reporting period and the changes in regulations at the beginning of the relevant financial yean7.5 (e)0.5 ( )0.5 (f)0.5 v7es(a ( )- durJ-0period and the c6 Tanges(for the end of et

1. (Continued)

12 C

As at 31 December 2020, the maximum credit risk exposure that may cause the Group's credit losses is mainly due to the loss of the Group's financial assets caused by the failure of the other party to perform its obligations and the financial guarantees undertaken by the Group (without considering available collateral or other credit enhancements), specifically: cash at bank and on hand (Note (VI), 1), bills receivable (Note (VI), 4), trade receivables (Notes (VI), 5) financing receivables (Note (VI), 6) other receivables (Note (VI)), 8), etc., and derivative financial assets that are not included in the scope of

(Continued)

(Continued)

1.3

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

According to the term to maturity of non-discounted and remaining contract obligations, the financial liabilities held by the Group are analyzed as below:

RMB

Short-term borrowings	198,056,007.10	431,691,725.00			
Bills payable	275,509,726.74	438,061,534.15			
Trade payables	1,294,643,492.26				
Other payables	100,590,355.28				
Long-term borrowings	11,517,591.67	189,524,125.88	450,564,836.89	980,226,190.31	
Bonds payables	282,578,712.79				
Lease liabilities			661,809.63	2,647,238.52	21,839,717.79
Total	2,162,895,885.79	1,059,277,385.03	451,226,646.52	982,873,428.83	21,839,717.79

At the end of the year, the Group endorsed bills receivable classified as financing receivables of RMB706,981,322.62 (At the end of last year: RMB0.00) to its suppliers to pay the accounts payable; discounted bills receivable of RMB408,650,239.78 (At the end of last year: RMB0.00) to bank to obtain currency funds. The Group believes that the risk and rewards of the ownership of such endorsed or discounted bills receivable have been substantially transferred to the supplier or discounting bank, therefore derecognized such endorsed or discounted bills receivable. If the acceptor can't cash such notes, according to relevant laws and regulations of China, the Group is held jointly liable for such bills receivable. The Group believes that as the acceptor is of good reputation, there is minor risk of the acceptor's failure to cash the notes upon maturity. At the end of the year, if the acceptor fails to cash such notes upon maturity, i.e. the Group's maximum exposure to loss is equivalent to the amount that the Group should pay the supplier or discounting bank in respect of such endorsed or discounted notes. For all the bills receivable endorsed to suppliers or discounted to bank, the maturity is within 1 year after the end of reporting year.

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A C A E A A A E E (Continued)

3. C

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

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

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

The Group manages and adjusts the capital structure based on changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust dividends to shareholders or obtain additionaltions. Ia

	1,w	1,w	
	684,7o0,748.37	684,7o0,748.37	
	53,970,165.00		53,970,165.00

A

750 (18 1 -0.0 5 3 .863 0 (53,970,165.00 8.879 0 (1,085,976,41

750 (18 1 0 8.455 0.15 (0.0 5 - 65 3.479 - 15 (1,1

C E A A E (Continued)

3. A C

RMB

	31 2020	Valuation techniques	Main input value
Derivative financial assets − forward foreign exchange contracts	**1,445,666.57**	Discounted cash flow method	Forward exchange rate, discount rate
Trading financial assets − bank wealth management products	**400,000,000.00**	Discounted cash flow method	Expected rate of return of products, discount rate
Financing receivables	**684,530,748.37**	Discounted cash flow method	Expected discount rate

4. A

The book value of financial assets and financial liabilities that the Group does not consider to be measured at fair value is similar to the fair value.

( ) E A E A E A E A E A A AC

1.

The actual controllers of the Group are Mr. Ruan Hongliang, Ms. Jiang Jinhua, Ms. Ruan Zeyun and Mr. Zhao Xiaofei.

2.

( ) E A E A E A E A E A A AC

4.

E	
Jiaxing Yihe Investment Co., Ltd. (Note)	Controlled by one of the actual controllers of the Company
Fengyang Hongding Port Co., Ltd.	Controlled by one of the actual controllers of the Company

Note: Jiaxing Yihe Machinery Co., Ltd. changed its name into Jiaxing Yihe Investment Co., Ltd. on 5 August 2020.

5.

(1)

RMB

	C	A	Amount for last year
Jiaxing Yihe Investment Co., Ltd.	Sales of goods		11,698.89
Kaihong Flat	Sales of goods	85,357.25	–
Total		85,357.25	11,698.89

(2)

RMB

	C	A	Amount for last year
Kaihong Flat	Accepting labor service	106,860,521.43	
Total		106,860,521.43	

5. (Continued)

(3)

RMB

Amount for last year	C	A	Amount for last year
382,31.5 C			

(3)
(3)

(Continued)

6.

RMB

		C	Opening balance
Trade receivables	Jiaxing Yihe Investment Co., Ltd.		1,453,110.99
Other receivables	Jiaxing Yihe Investment Co., Ltd.	**2,000,000.00**	2,000,000.00
Other current assets	Jiaxing Yihe Investment Co., Ltd.		4,609,365.80
Other current assets	Fengyang Hongding Port Co., Ltd.	**412,844.04**	412,844.04
Total		**412,844.04**	5,022,209.84
Trade payables	Kaihong Flat	**33,784,993.00**	
Trade payables	Jiaxing Yihe Investment Co., Ltd	**4,972.35**	–
Total		**33,789,965.35**	–

( ) E A E A E A E A A AC (Continued)

7.

2020

RMB

59.0581 15.328 0.45 8

(1)

( ) E A E A E A E A E A A AC (Continued)

7. (Continued)

One of the top five highest paid employees this year is a director (previous year: two), and his/her remuneration has been reflected in Directors' salaries. The salaries of the other four members (last year: three) are as follows:

RMB

Total of last year

1.

Pursuant to the Resolution on Restricted A Share Incentive Scheme for 2020 of Flat Glass Group Co., Ltd. (Draft) and its Summary ("Restricted A Share Incentive Scheme For 2020"), the Resolution on Assessment Management Measures for the Implementation of the Restricted A Share Incentive Scheme for 2020 of Flat Glass Group Co., Ltd. as considered and approved at the 16th meeting of the fifth session of the Board held by the Company on 29 April 2020, the Resolution on Restricted A Share Incentive Scheme for 2020 of Flat Glass Group Co., Ltd. (Draft) and its Summary and the Resolution on Assessment Management Measures for the Implementation of the Restricted A Share Incentive Scheme for 2020 of Flat Glass Group Co., Ltd. as considered and approved at the 2019 Annual General Meeting, 2020 first A shareholders class meeting and 2020 first H shareholders class meeting and the Resolution on Adjusting the List of Participants and the Number of Restricted Shares Granted in the First Grant in Restricted A Share Incentive Scheme for 2020 of the Company and the Resolution on the First Grant of Restricted A Shares to the Participants as considered and approved at the 23rd meeting the fifth session of the Board held by the Company on 11 August 2020. The first grant date of restricted shares was 11 August 2020. A total of 15 participants actually subscribed for 4,600,000 RMB ordinary shares (A shares), with a par value of RMB0.25 per share at a grant price of RMB6.23 per share. As of 12 August 2020, the Company has received a total of RMB28,658,000.00 paid by 15 participants to subscribe for 4,600,000 ordinary shares (A shares). The sales restriction period of each batch of restricted shares in the Restricted A Share Incentive Scheme For 2020 is 12 months, 24 months, 36 months, 48 months and 60 months from the date of completion of the first grant registration. The Company shall repurchase and cancel the restricted shares that have not applied for lifting the restrictions within the agreed period or that cannot be lifted due to the failure to meet the conditions for lifting the restrictions. The repurchase price is the grant price.

Share

	A
	20 0
Total equity instruments outstanding at the beginning of the year	
Total equity instruments granted by the Company for the current period	4,600,000
Total equity instruments outstanding at the end of the year	4,600,000
Range of exercise price in respect of share options outstanding at the end of the year	B6.23
Remaining contract terms in respect of share options outstanding at the end of the year	A 4.5

( ) A E-BA E A E (Continued)

2. E

RMB

	A 2020
Method for determining the fair value as at the grant date	50 % C
Basis for determining the number of equity instruments with exercisable rights	A 2020 C
Reasons for significant differences of estimate between the current year and the previous period	
Cumulative amount of equity settled share-based payment recognized into capital reserves	15,643,3 4.40
Total recognized fees of share-based payment settled in equity in the current year	15,643,3 4.40

C C E A C E C E

1. C

C C

As of the balance sheet date, the irrevocable purchase of long-term assets contracts signed by the Group is as follows:

RMB

	C	Opening balance
Contracted but not confirmed in the financial statements Purchase − Build long-term asset commitments	2,950,5 ,163.05	1,332,163,932.86

2. C

The Group does not have any significant contingencies that need to be disclosed.

( ) E E A E E BA A CE EE A E

1. 2020

The Company intends to distribute profits to entire shareholders. This profit distribution is based on the total shares as at the registration date of shareholding for profit distribution for 2020. A cash dividend of RMB1.5 (tax inclusive) for every ten Shares will be distributed. Based on total shares of the Company at present, a total of cash dividend of RMB321,928,988.10 (tax inclusive) will be distributed. Total shares for actual cash dividend will be based on the total shares as at the registration date of shareholding for the Company to implement profit distribution plan in the future. If there are any changes in the total shares as at the registration date of shareholding, the distribution will be made on the principle of maintaining the amount of distribution per share.

2. - B (A

As considered at the 20th meeting of the fifth session of the Board, 2020 first extraordinary general meeting, 2020 second A shareholders class meeting and 2020 second H shareholders class meeting of the Company, and approved by the Approval of the Non-public Issuance of Shares of Flat Glass Group Co., Ltd. (CSRC Approval [2020] No. 2648) issued by China Securities Regulatory Commission, the Company was permitted to issue not more than 450,000,000 RMB ordinary shares (A shares) by way of non-public issuance at a par value of RMB0.25 per share. As of 7 January 2021, the Company has completed the non-public issuance of 84,545,147 A shares at an issue price of RMB29.57 per share with the total amount of funds raised of RMB2,499,999,996.79.

3 E

During the period from 3 December 2020 to 23 December 2020, the closing prices of shares of the Company during at least 15 trading days out of any 30 consecutive trading days during the conversion period are no less than 130% (130% inclusive) of the prevailing conversion price, triggeringnd of RMB1.5ilie, CS less

According to the internal organizational structure, management requirements and internal reporting system of the Group, the Group's operating activities are divided into five operating segments. Based on the operating segments, the Group has identified five reporting segments, namely the PV glass segment, the household glass segment, architectural glass segment, float glass segment and mining products segment. These reporting segments are based on product categories. The main products provided by each of the Group's reporting segments are PV glass, household glass, architectural glass, float glass and mining products. The management of the Group regularly evaluates the operating results of these segments to determine the resources to be allocated to them and to evaluate their performance. The evaluation does not include the review of the assets and liabilities of the operating segments.

Transfer transactions between segments are measured on the basis of actual transaction prices, and segment revenue and segment expenses are determined based on the actual revenue and expenses of each segment.

RMB

I. Segment operating revenue	5,225,674,398.32	326,537,446.58	530,624,507.17	75,653,286.86	63,783,515.00	38,144,638.33		6,260,417,792.26
Segment operating costs	2,643,738,349.50	238,091,546.49	382,647,279.86	51,385,888.54	27,964,453.31	2,813,794.05		3,346,641,311.75
Segment profit	2,581,936,048.82	88,445,900.09	147,977,227.31	24,267,398.32	35,819,061.69	35,330,844.28		2,913,776,480.51
Adjusted items:								
Less: Taxes and surcharges								61,083,688.80
Selling expenses								301,854,852.77
Administrative expenses								172,349,032.43
Research and development expenses								284,717,812.81
Financial expenses								141,528,692.18
Including: Interest expense								80,273,151.69
Interest income								16,412,291.81
Add: Other income								25,471,233.82
Investment income								5,675,836.26
Including: Gains on investment in associates								2,614,841.66
Profit (losses) arising from changes in fair value								1,245,626.59
Credit impairment losses								(29,914,991.88)
Asset impairment losses								(71,783,469.77)
Losses on disposal of assets								(18,018,346.26)
II. Operating profit								1,864,918,290.28
Add: Non-operating income								12,889,216.85
Less: Non-operating expenses								3,899,465.44
III. Total profit								1,873,908,041.69
Less: Income tax expense								245,124,254.06
IV. Net profit								1,628,783,787.63

( ) E I CA A E (Continued)

1. (Continued)

(4) (Continued)

RMB

	Amount for last year							
	PV glass	Household glass	Architectural glass	Float glass	Mining products	Other business	Mutual offset among segments	Total
Segment operating revenue	3,747,703,681.06	336,346,106.51	451,154,497.71	171,052,809.62	49,629,587.50	50,917,338.56	-	4,806,804,020.96
Segment operating costs	2,515,980,409.12	241,795,397.27	351,742,312.74	149,793,961.57	20,665,582.29	9,757,848.37	-	3,289,735,511.36
Segment profit	1,231,723,271.94	94,550,709.24	99,412,184.97	21,258,848.05	28,964,005.21	41,159,490.19	-	1,517,068,509.60
Adjusted items:								
Less: Taxes and surcharges								35,026,838.85
Selling expenses								255,112,912.72
Administrative expenses								121,498,560.29
Research and development expenses								204,151,559.30
Financial expenses								53,129,460.34
Including: Interest expense								65,388,264.94
Interest income								17,902,429.34
Add: other income								30,189,426.63
Investment income								6,908,081.15
Profit (losses) arising from changes in fair value								(5,234,350.32)
Credit impairment losses								(12,816,559.04)
Asset impairment losses								(14,697,934.51)
Losses on disposal of assets								(6,541,402.98)
II. Operating profit								845,956,439.03
Add: Non-operating income								16,897,963.68
Less: Non-operating expenses								184,158.59
III. Total profit								862,670,244.12
Less: Income tax expense								145,426,535.45
IV. Net profit								717,243,708.67

( ) E CA A E (Continued)

C

1. (Continued)

2

RMB

	A	Amount for last year
PRC	**4,451,797,460.85**	3,320,177,089.51
Asia (excluding the PRC and Japan)	**1,342,878,079.39**	959,545,036.27
Europe	**188,748,992,29**	208,606,597.97
North America	**253,658,246.74**	292,487,649.64
Others	**23,335,012.99**	25,987,647.57
Total	**6,260,417,792.26**	4,806,804,020.96

(3

RMB

	C	Opening balance
PRC	**5,215,696,539.55**	4,129,546,767.41
Vietnam	**1,462,379,796,25**	791,530,512.20
Total	**6,678,076,335.80**	4,921,077,279.61

Note: The above non-current assets do not include deferred income tax assets.

The management of the Group does not evaluate the assets and liabilities of the above operating segments, hence no the assets and liabilities of the above reporting segments were not disclosed.

1. (Continued)

(4

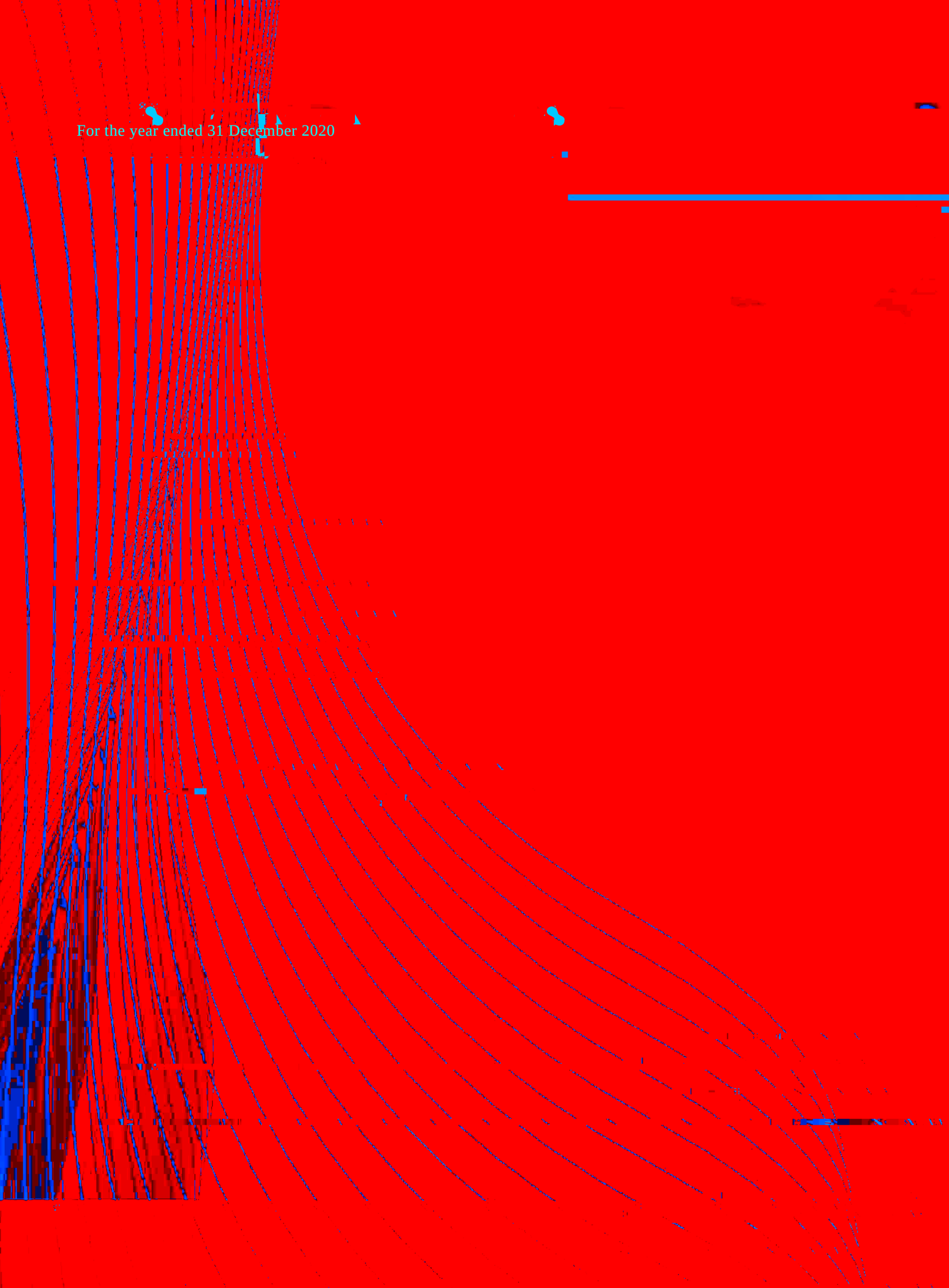
In 2020, the income from LONGI Group, Jinko Solar and Hanwha Group, the main customers for PV glass segment, amounted to RMB1,134,938,203.37, RMB1,080,557,488.96 and RMB645,200,898.34, accounting for 18%, 17% and 10% of the Group's operating revenue respectively, while in 2019 the income of Hanwha Group and Risen, the main customers for PV glass segment, amounted to RMB641,813,367.62 and RMB533,316,570.25 respectively, accounting for 13% and 11% of the Group's operating revenue respectively.

2.

RMB

	A	Amount for last year
Employees' salaries (including directors' salaries)	**338,567,264.66**	275,196,481.57
Basic pension insurance	**11,283,458.90**	18,418,773.28
Total employees' salaries	**349,850,723.56**	293,615,254.85
Audit fee	**3,000,000.00**	2,700,000.00
Depreciation and amortization (included in operating cost, selling expenses, administrative expenses and research and development expenses)	**406,323,394.06**	333,701,397.47
Leases	**10,620,628.36**	5,954,646.58
Inventory selling costs	**3,337,631,519.91**	3,289,735,511.36
Provision for impairment of inventories	**3,210,721.16**	2,444,410.60

For the year ended 31 December 2020



1. C B (Continued)

RMB

Items	Opening balance		
	Foreign currency amounts	Translation exchange rate	RMB amounts

(Continued)

2.

RMB

	Closing balance	Opening balance
Derivative financial asset without specified hedging relationship		
Including: Interest rate swap contract (Note)		379,492.22
Total		379,492.22

Note: Unexpired interest rate swap contracts and forward foreign exchange contracts are not designated as hedging instruments. Gains or losses arising from changes in fair value are directly included in the current profit and loss.

3. Bills receivable

(1) Bills receivable presented by category

RMB

	Closing balance	Opening balance
Bank acceptance bills	488,013,132.29	1,541,318,278.98
Commercial acceptance bills	492,464.18	27,350,000.00
Less: Provision for credit impairment losses		765,800.00
Total	488,505,596.47	1,567,902,478.98

(2) Bills receivable pledged by the Company at the end of the year

RMB

	Amount pledged at the end of the year
Bank acceptance bills	61,301,314.55
Commercial acceptance bills	
Total	61,301,314.55

3. B (Continued)

(3) B C

RMB

	Not de-recognized at the beginning of the year
Endorsed bank acceptance bills (Note)	339,317,437.10	877,271,493.97
Discounted bank acceptance bills (Note)	1,000,000.00	260,605,919.15
Total	340,317,437.10	1,137,877,413.12

Note: The above bills receivable that have been endorsed or discounted but not yet due at the balance sheet date were not de-recognized.

(4) At the end of the year, the Group had no bills transferred to accounts receivable due to the drawer's non-performance.

(5)

RMB

Provision for credit loss based by portfolio					
Including:					
Bank acceptance bills	488,013,132.29	99.90			488,013,132.29
Commercial acceptance bills	492,464.18	0.10			492,464.18
Total	488,505,596.47	100.00			488,505,596.47

(Continued)

3. (Continued)

(Continued)

RMB

Items	Opening balance				
	Book balance		Credit loss provision		
	Amount	Percentage (%)	Amount	Provision percentage (%)	Book value
Provision for credit loss based by portfolio					
Including:					
Bank acceptance bills	1,541,318,278.98	98.26	–	–	1,541,318,278.98
Commercial acceptance bills	27,350,000.00	1.74	765,800.00	2.80	26,584,200.00
Total	1,568,668,278.98	100.00	765,800.00		1,567,902,478.98

Bills receivable of provision for credit loss based by portfolio

RMB

	B	C C (
Low risk	**488,013,132.29**	
Normal	**492,464.18**	
Total	**488,505,596.47**	

The Group believes that the accepting bank's acceptance bill owns a high credit rating and there is no significant credit risk. Therefore, no provision for credit losses is made.

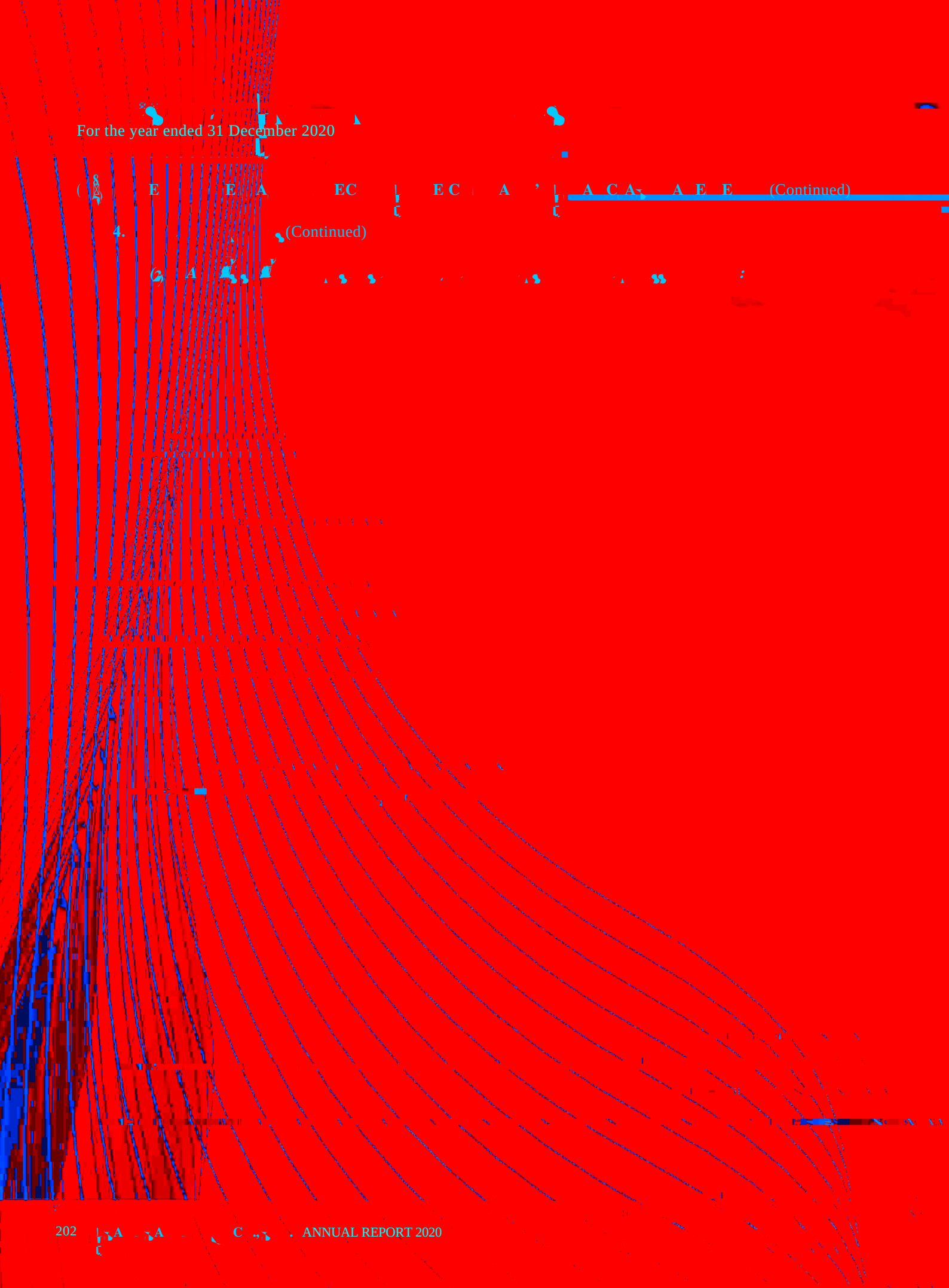
3. B (Continued)

(9 C

RMB

Items	Opening balance	Changes for the year			
		Provision	Reversal	Written-off	C
Normal	765,800.00	–	765,800.00	–	

4. (Continued)



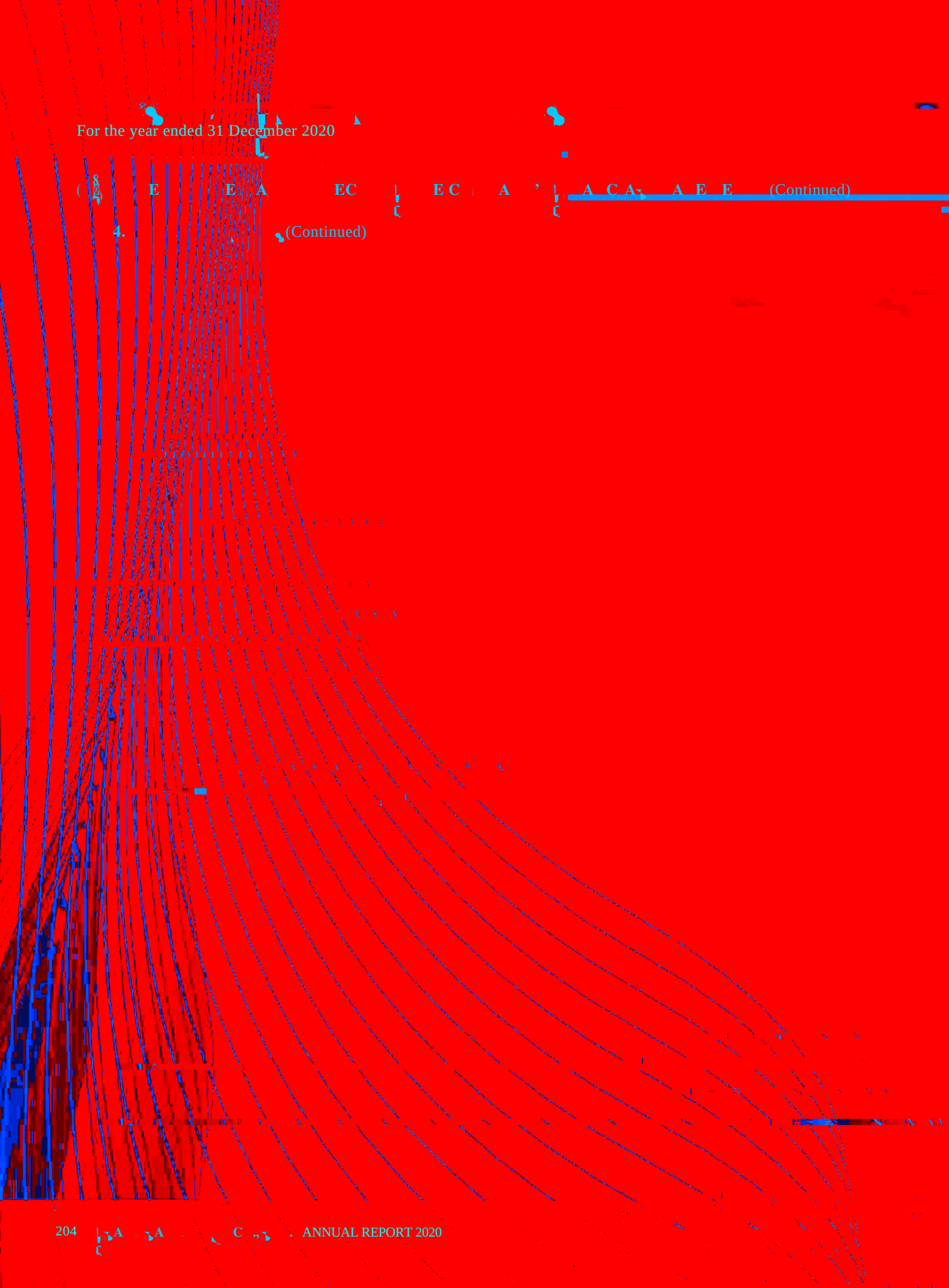
4. (Continued)

: (Continued)

RMB

C	1	1 2	C 2 3	3	
Low risk					
Expected credit loss rate					
Trade receivables	30,551,291.18				30,551,291.18
Expected credit loss					
Normal					
Expected credit loss rate	2.84%	2.84%	2.84%	2.84%	
Trade receivables	515,108,502.43				515,108,502.43
Expected credit loss	14,987,941.08				14,987,941.08
Concern					
Expected credit loss rate	14.72%	83.91%	100.00%	100.00%	
Trade receivables	62,092,802.09	29,361,580.32	230,108.49		91,684,490.90
Expected credit loss	9,142,249.17	24,636,610.71	230,108.49		34,008,968.37
Loss					
Expected credit loss rate	100.00%	100.00%	100.00%	100.00%	
Trade receivables				2,350,984.84	2,350,984.84
Expected credit loss				2,350,984.84	2,350,984.84
Total					
Trade receivables	607,752,595.70	29,361,580.32	230,108.49	2,350,984.84	639,695,269.35
Expected credit loss	24,130,190.25	24,636,610.71	230,108.49	2,350,984.84	51,347,894.29

4. (Continued)



4. (Continued)

(3) C

RMB

Stage 2
Lifetime ECL

(Continued)

5.

RMB

		Opening balance
Bank acceptance bills	**633,026,500.88**	–

During the year, the Company managed the bank acceptance bills through classification. The Company managed separately the bank acceptance bills issued by the bank with higher credit rating for endorsing or discounting when necessary. Due to the business model of holding these specific bank acceptance bills aims at collecting the contract cash flow and selling these financial assets, such bank acceptance bills are classified as financial assets at fair value through other comprehensive profit or loss, presented under receivables financing.

On 31 December 2020, the Company measured the bad debt provision according to the o lifetime ECL. The Company believes that there is no significant credit risk in the bank acceptance bill held by it, and there will be no significant loss due to bank default.

(1)

RMB

Costs	**640,043,639.04**
Fair value	**633,026,500.88**
Accumulated changes in fair value included in other comprehensive income	**(7,017,138.16)**

(2)

RMB

Trade receivables financing	**173,715,764.96**

5. (Continued)

(3)

RMB

Endorsed bank acceptance bills (Note)	359,072,597.51
Discounted bank acceptance bills (Note)	408,650,239.78
Total	767,722,837.29

Note: The above-mentioned endorsed or discounted bank acceptance bills that had not expired on the balance sheet date were derecognized.

6.

(1)

(Continued)

7.

RMB

	Closing balance	Opening balance
Other receivables	682,247,356.05	356,091,353.75
Total	682,247,356.05	356,091,353.75

(

RMB

Aging	Closing balance	Closing balance	(%)
Within 1 year	663,907,422.57		
1–2 years	18,175,933.48		
2–3 years	20,000.00		
Over 3 years	194,000.00	50,000.00	25.77

7. (Continued)

(3)

At the end of the year,the Company always measures the impairment allowance for other receivable at an amount equal to lifetime ECL for the entire life period, and calculates its expected credit losses based on the comparison table for credit risk rating and default loss rate.According to the Company's assessment on the credit risk, the losses incurred by different customer groups are not significantly different. Therefore, when calculating the impairment allowance based on credit risk, different customer groups are not further distinguished.

RMB

C		C	C
Low risk	0.00 %	682,247,356.05	
Loss	100.00 %	50,000.00	50,000.00
Total		682,297,356.05	50,000.00

RMB

Credit risk ratings	Probability of loss given default	Opening balance Trade receivables	Credit loss provisions
Low risk	0.00%	356,091,353.75	–
LossLow r 0%			

(Continued)

7. (Continued)

(4) C

RMB

Credit loss provisions	1 EC	2 EC ( )	3 EC ( )	
Balance at 1 January 2020			100,000.00	100,000.00
Changes in balance at the beginning of the year:				
Reversed in the year			(50,000.00)	(50,000.00)
Balance at 31 December 2020			50,000.00	50,000.00

(5)

RMB

Name	Relationship with the Company	Amounts	Percentage of the total trade receivables (%)	Closing balance of credit loss provision
Flat Import & Export	Subsidiary	359,591,362.05	52.71	–
Flat (Hong Kong)	Subsidiary	258,937,443.43	37.95	–
Anhui Flat Material	Subsidiary	61,000,000.00	8.94	–
Jiaxing Yihe Investment Co., Ltd.	Related party	2,000,000.00	0.29	–
Flat (Vietnam)	Subsidiary	158,695.03	0.02	–
Total		681,687,500.51	99.91	–

8.

(

RMB

(Continued)

9. (Continued)

RMB

Items	Opening balance

11.

(3)

RMB

	Houses and buildings	Machinery and equipment	Transportation equipment	Other equipment

11. Fixed assets (Continued)

(1) Fixed assets (Continued)

At the end of the year, the fixed assets with a book value of RMB186,124,226.73 (at the end of last year: RMB201,193,709.77) were used as collateral for short-term borrowings.

See Note (XIV). 16 and 23 for short-term and long-term borrowings.

(2) At the end of year, the Group had no temporarily idle fixed assets.

(3) At the end of year, the Group had no fixed assets without property right certificate.

RMB

	B	
Insulating workshop (north)	12,147,211.18	The title certificate is still in process

12. C

(1)

RMB

	C	Opening balance
Construction in progress	**276,283,585.56**	163,515,476.68
Engineering materials	**17,005,201.88**	131,894.56
Total	**293,288,787.44**	163,647,371.24

12. C (Continued)

(2) C

RMB

	B	C	
PV phase I cold repair project	110,494,434.62		110,494,434.62
110KV transformer substation project	42,388,491.05		42,388,491.05
Annual production of 42 million square meters of PV backplane project	35,997,355.15		35,997,355.15
Cold repair project of the second line of float glass process	13,219,535.07		13,219,535.07
Self-manufactured equipment (Vietnam Flat PV glass production line)	13,451,351.72		13,451,351.72
Self-manufactured equipment (annual output of 750,000 tons of PV cover glass project)	28,965,032.91		28,965,032.91
Equipment to be installed and others	31,767,385.04		31,767,385.04
Total	276,283,585.56		276,283,585.56

RMB

	Book balance	Opening balance Impairment provision	Net book amount
Annual production of 42 million square meters of PV backplane project	76,250,671.39	–	76,250,671.39
Cold repair project of the second line of float glass process	37,389,452.50	–	37,389,452.50
Self-manufactured equipment (Vietnam Flat PV glass production line)	30,967,780.66	–	30,967,780.66
Self-manufactured equipment (Anhui Flat			

annual [( )-750 (float glass process)]TJ-0.025 0o( )]TJ0.75 Tw 0annual [( )-750 (float glass pr-1.25 Td(Tw 20.

thers

(E E A EC E C A ' A C A- A E E (Continued)

12. C (Continued)

(3 C

RMB

Project name	Budget	Opening amount	Amount decreased in the year	Transfer amount from fixed assets in the year	Transfer amount from fixed assets in the year	Transfer into others in the year	Closing balance	Project cumulative investment accounted for the proportion of the budget	Project progress	Accumulated amount of interest capitalization	Including: the amount of interest capitalization in the year	Capitalization rate of interest in the year (%)	Sources of funds
PV phase I cold repair project	260,000,000.00	-	98,463,731.93	17,802,573.11	-	5,771,870.42	110,494,434.62	42%	42%	-	-	-	Self-funds
110KV transformer substation project	80,000,000.00	-	42,388,491.05	-	-	-	42,388,491.05	53%	53%	-	-	-	Self-funds
Annual production of 42 million square meters of PV backplane project	861,600,000.00	76,250,671.39	30,586,065.00	-	70,839,381.24	-	35,997,355.15	12%	12%	-	-	-	Self-funds
Cold repair project of the second line of float glass process	200,000,000.00	37,389,452.51	156,026,159.19	-	180,196,076.63	-	13,219,535.07	97%	97%	-	-	-	Self-funds

(4 The Company did not note any indicators of impairment; therefore there is no provision for impairment losses for construction in progress.

13. A

RMB

	Land use right	Emission rights	Software	Total
I. Original carrying amount				
1. Opening balance	192,410,029.82	22,989,542.45	7,595,886.72	222,995,458.99
2. Amount increased in the year	74,109,787.50	8,909.59	–	74,118,697.09
3. Closing balance	266,519,817.32	22,998,452.04	7,595,886.72	297,114,156.08
II. Accumulated amortization				
1. Opening balance	32,695,065.33	18,502,655.89	1,092,968.47	52,290,689.69
2. Amount increased in the year	4,481,277.04	1,390,521.56	1,874,171.38	7,745,969.98
(1) Provision	4,481,277.04	1,390,521.56	1,874,171.38	7,745,969.98
3. Closing balance	37,176,342.37	19,893,177.45	2,967,139.85	60,036,659.67
III. Book value				
1. Closing balance of book value	229,343,474.95	3,105,274.59	4,628,746.87	237,077,496.41
2. Opening balance of book value	159,714,964.49	4,486,886.56	6,502,918.25	170,704,769.30

At the end of the year,the land use right with the net value of RMB133,689,341.98 (at end of last year: RMB136,927,806.30) was used for mortgages to obtain borrowings

14. A

(

RMB

	C		Opening balance	
			Deductible temporary difference	Deferred tax assets
Provision for asset impairment	58,406,896.09	8,761,034.41	17,323,568.65	2,598,535.30
Provision for Credit losses	51,397,894.29	7,709,684.14	34,350,680.19	5,152,602.03
Deferred revenue	23,487,048.57	3,523,057.29	34,543,339.29	5,181,500.89
Depreciation difference for fixed assets	29,585,538.31	4,437,830.75	27,390,091.61	4,108,513.74
Share-based payments	15,643,324.40	2,346,498.66	–	–
Profit and loss arising from changes in fair value	7,017,138.16	1,052,570.72	–	–
Subtotal	185,537,839.82	27,830,675348	, 0.17.829	

(Continued)

14. (Continued)

(3)

RMB

	Opening balance		Offset amount of deferred tax assets and liabilities at the end of the year	Closing balance of deferred tax assets or liabilities after offsetting
Deferred tax assets	5,649,198.06	22,181,477.91	10,662,027.27	6,379,124.69
Deferred tax liabilities	5,649,198.06		10,662,027.27	–

15.

RMB

		Opening balance
Current accounts of subsidiaries (Note)	2,046,622,573.69	520,297,150.88
Construction prepayment	114,884,662.18	47,108,350.06
Total	2,161,507,235.87	567,405,500.94

Note: The amounts were lent by the Company to its subsidiaries Anhui Flat Material, Anhui Flat Glass, Flat (Vietnam)and Flat New Energy.

16. - B

RMB

C	C	Opening balance
Mortgaged borrowings (Note 1)	**50,000,000.00**	297,038,150.32
Guaranteed and mortgaged borrowings (Note 1 and Note 2)	**89,391,130.00**	99,738,709.08
Bill discounting borrowings	**1,000,000.00**	259,460,258.71
Guaranteed borrowings (Note 2)		80,000,000.00
Total	**140,391,130.00**	736,237,118.11

Note 1: For the classification and amount of the asset of the secured borrowings, please refer to the Note (XIV), Note11 and Note 13.

Note 2: At the end of the year, bank loans of RMB89,391,130.00 (at the end of last year: RMB179,738,709.08) were guaranteed by Anhui PV Glass and Zhejiang Jiafu.

At the end of the year, the Company had no short-term borrowings that were overdue.

The annual interest rate of the above borrowings in the year is from 1.27% to 4.35% (in last year: 2.75% to 4.35%).

17. B

RMB

C	C	Opening balance
Bank acceptance bills		190,000,000.00
Total		190,000,000.00

(Continued)

18.

(1)

RMB

	Closing balance	Opening balance
Trade payables	513,393,391.72	1,389,793,093.22
Construction costs payable	90,880,829.95	93,821,462.35
Total	604,274,221.67	1,483,614,555.57

(2) Ageing analysis (based on invoice date):

RMB

	Closing balance	Opening balance
Within 1 year	592,761,052.68	1,480,347,657.63
1–2 years	8,334,186.04	1,823,903.14
2–3 years	1,756,793.18	513,252.77
Over 3 years	1,422,189.77	929,742.03
Total	604,274,221.67	1,483,614,555.57

Significant trade payables with ageing over 1 year:

RMB

	Closing balance	Reasons of outstanding or carry-over
Construction costs payable	1,847,415.89	Project warranty has not yet expired and been repaid
Trade payables	9,665,753.10	The payable is for a product quality dispute, and payment will be made after the dispute is resolved
Total	11,513,168.99	

19. C

(1)

RMB

C	C	Opening balance
Goods payment	58,126,632.90	17,454,654.26
Total	58,126,632.90	17,454,654.26

(2) The amount of revenue recognized during the year including the book value of contract liabilities at the beginning of the year was RMB17,454,654.26.

(3) According to the contract, the Company shall deliver the products to the customer's designated location or the goods shall be picked up by the customer. The product is still controlled by the Group before the customer acceptance confirmation. Only when the customer receives the product and the qualified acceptance has been made, the control right of the product is transferred to the customer. The Company fulfills the performance obligations stipulated in the contract, and at this time, have the right to receive the contracted amount for the products provided, then the Company, at this point in time, recognise the income. When the customer initially purchases the goods, the Company will recognise the transaction price as the contract liabilities until the customer obtains control of the goods.

20.

(1)

RMB

20. (Continued)

(3) *(Continued)*

The Company should pay a total of RMB8,198,598.24 and RMB292,807.09 to the pension insurance and unemployment insurance schemes (2019: RMB8,065,709.40 and RMB721,429.45) respectively. At the end of the year, the Company still had RMB793,528.40 and RMB28,340.30 payables that had

22. (Continued)

(1)

RMB

	Closing balance	Opening balance
Interest for long-term borrowings with interest paid in installment and principal paid due to maturity	25,159.72	–
Interest payable for short-term borrowings	90,870.22	3,117,026.88
Bond interest payable	660,712.79	–
Interest payable to subsidiaries		1,395,871.73
Total	976,742.73	4,512,898.61

(2)

RMB

	Closing balance	Opening balance
Dividend for ordinary shares	299,000.00	–
Total	299,000.00	–

23. (Continued)

(2)

	Closing balance	Opening balance
1 to 2 years		–
2 to 5 years	**235,000,000.00**	–
Total	**235,000,000.00**	–

(3)

The interest rate of the above borrowings was between 3.70% and 4.35%.

24.

RMB

Closing balance	Opening balance	Amount increased in the year	Amount decreased in the year	Closing balance
Government grants	34,543,339.29	–	11,056,290.72	**23,487,048.57**
	34,543,339.29	–	11,056,290.72	**23,487,048.57**

24. (Continued)

Projects of government grants:

	Opening balance	Amount increased in the year	Amount included in other income in the year	A	Related to assets/ related to revenue
Jiaxing City 2011 supported major investment item – TCO ultra-white conductive film project grant 1#Float Kiln	5,500,000.00	–	3,000,000.00	**2,500,000.00**	Related to assets
Zhejiang Finance Department 2011 industrial transformation and upgrading technical transformation grant – annual output of 170,000 tons of solar thin film battery ultra- white conductive film glass and deep processing project 1 #PV kiln	366,666.69	–	200,000.00	**166,666.69**	Related to assets
Jiaxing City 2011 industrial development fund grant-production of 170,000 tons of solar thin film battery ultra-white conductive film glass and deep processing project 1# photovoltaic kiln	366,666.69	–	200,000.00	**166,666.69**	Related to assets
Jiaxing City 2009 supported major investment items – TCO ultra-white conductive film project grant 1#Float Kiln	3,666,666.63	–	2,000,000.00	**1,666,666.63**	Related to assets
Jiaxing 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	533,333.14	–	200,000.04	**333,333.10**	Related to assets
Jiaxing City 2012 provincial energy-saving financial grant – 2 production lines of furnace flue gas waste heat utilization Phase II project with supporting construction of waste heat boilers and steam turbine generator sets	390,291.47	–	99,999.96	**290,291.51**	Related to assets
Annual production of 15 million square meters of solar photovoltaic ultra-white glass expansion project	1,424,778.50	–	500,000.04	**924,778.46**	Related to assets
Jiaxing City 2012 first batch of industrial development fund grant –2*600t/d glass melting furnace flue gas waste heat power generation first phase construction's technical transformation project	283,495.34	–	99,999.96	**183,495.38**	Related to assets
TCO ultra-white conductive film project grant	3,510,862.91	–	1,500,000.00	**2,010,862.91**	Related to assets

(Continued)

24. (Continued)

RMB

	Opening balance	Amount increased in the year	Amount included in other income in the year		Related to assets/ related to revenue
Jiaxing City 2012 first batch of industrial development fund subsidy–annual output of 15 million square meters of solar photovoltaic ultra-white glass project 1# photovoltaic kiln	1,950,494.85	–	500,000.04	**1,450,494.81**	Related to assets
2014 industrial transformation and upgrading items (central infrastructure investment) Flat Glass annual production of 5.8 million square meters LOW-E glass deep processing project	4,650,000.00	–	930,000.00	**3,720,000.00**	Related to assets
Glass melting furnace flue gas denitrification technology project grant	6,026,111.07	–	1,006,666.68	**5,019,444.39**	Related to assets
Annual production of 5.8 million square meters LOW-E glass deep processing project	5,873,972.00	–	819,624.00	**5,054,348.00**	Related to assets
Total	34,543,339.29	–	11,056,290.72	**23,487,048.57**	

25.

RMB

		Amount incurred in the current year				
		Amount before income tax incurred in the current year	Less: Income tax expense	Amount attributable to the Company after income tax	Amount attributable to minority shareholders after income tax	
I. Other comprehensive income that will not be reclassified into profit or loss afterwards	–	–	–	–	–	
II. Other comprehensive income that will be reclassified into profit or loss afterwards	–	(7,017,138.16)	(1,052,570.72)	(5,964,567.44)		**(5,964,567.44)**
– Changes in fair value of financing receivables	–	(7,017,138.16)	(1,052,570.72)	(5,964,567.44)		**(5,964,567.44)**
Total	–	(7,017,138.16)	(1,052,570.72)	(5,964,567.44)		**(5,964,567.44)**

26. [illegible]

RMB

	A	Amount for last year
Undistributed profit at the beginning of the year	**1,744,901,445.14**	1,656,733,410.15
Add: Net profit	**271,498,436.12**	253,964,483.32
Less: Accrual of statutory surplus reserves	**27,149,843.61**	25,396,448.33
Dividend payable on ordinary shares	**127,049,000.00**	140,400,000.00
Undistributed profit at the end of the year	**1,862,201,037.65**	1,744,901,445.14

27. [illegible] C

(1) [illegible]

RMB

	A	C	Amount for last year Revenue	Cost
Main business	**4,258,627,637.07**	**3,491,923,789.75**	3,390,797,857.59	2,873,986,059.67
Other business	**294,856,428.36**	**229,057,879.76**	200,741,150.44	127,011,398.07
Total	**4,553,484,065.43**	**3,720,981,669.51**	3,591,539,008.03	3,000,997,457.74

Note: The Company's operating revenue is recognized at a certain point in time.

(E E A EC E C A ' A C A A E E (Continued)

27. C (Continued)

Disaggregation of operating income − source of revenue

RMB

Main business area						
China	2,994,3[illegible]3,142.9[illegible]	145,606,886,[illegible]5	5[illegible]7,916,369,[illegible]0	1[illegible]0,053,470.50	[illegible]94,856,4[illegible]8.36	4,08[illegible],756,[illegible]97.[illegible]3
Other Asian countries and regions (excluding China)	465,617,510.73	4[illegible]9,[illegible]1[illegible].68	1,801,995.91			467,848,719.3[illegible]
North America			197,449,[illegible]			197,449,[illegible]
Others	1[illegible]4,911.85		[illegible],556,687.81			[illegible],681,599.66
Total	3,460,065,565.50	146,036,098.93	53[illegible],47[illegible],50[illegible].14	1[illegible]0,053,470.50	[illegible]94,856,4[illegible]8.36	4,553,484,065.43

RMB

Amount for lasn 327.5112.11 Tf-0.023.476 - 0 Tw 12g25 s7.5112.

27. C (Continued)

(2) (Continued)

Disaggregation of operating income − Methods of sales

RMB

Methods of sales						
Direct sales	3,460,043,331.60	140,454,570.83	47,386,755.60	93,102,869.82	294,855,985.88	4,460,843,513.73
Dealer customers	22,233.90	5,581,527.10	60,085,746.54	26,950,600.68	442.48	92,640,551.70
Total	3,460,065,565.50	146,036,098.93	532,472,502.14	120,053,470.50	294,856,428.36	4,553,484,065.43

RMB

Amount for last year						
Items	PV glass	Household glass	Architectural glass	Float glass	Other business	Total

27. (Continued)

(3)

The Company's main business activities are the production and sales of glass products. The Company shall ship the product to the customer's designated location or the product shall be picked up by the

29. [illegible]

RMB

[illegible]	[illegible]	Amount for last year
Transportation expenses	**61,307,718.11**	56,975,061.15
Employee compensation and welfare	**9,106,580.05**	7,362,166.89
Depreciation and amortization	**20,533.91**	12,305.44
Others	**3,201,996.73**	4,580,423.24
Total	**73,636,828.80**	68,929,956.72

30. [illegible]

RMB

[illegible]	[illegible]	Amount for last year
Employee remuneration and benefits	**42,184,296.48**	35,975,531.61
Equity settled share-based payment	**15,643,324.40**	–
Decoration cost	**11,833,939.74**	–
Depreciation and amortization	**7,262,776.86**	6,001,769.32st

(Continued)

31.

RMB

	Amount	Amount for last year
Direct material costs	**93,381,871.98**	57,014,035.18
Employee remuneration and benefits	**37,676,330.94**	31,536,866.27
Depreciation and amortization	**7,725,200.56**	7,299,200.70
Others	**6,650,328.03**	4,224,912.57
Total	**145,433,731.51**	100,075,014.72

32.

RMB

	Amount	Amount for last year
Interest expenses	**58,260,295.56**	31,980,999.88
Less: Interest income	**5,119,750.54**	12,524,684.44
Handling fee	**785,473.62**	750,345.60
Exchange gains and losses	**27,287,523.03**	7,704,498.84
Total	**79,213,541.67**	27,911,159.88

33.

RMB

	Amount	Amount for last year
Deferred income amortization	**11,056,290.72**	11,056,290.71
Social security subsidy	**3,751,395.62**	5,305,659.25
Tax handling fee refund income	**232,734.29**	–
Total	**15,040,420.63**	16,361,949.96

34.

RMB

	Amount	Amount for last year
1. Derivative tools without the specified hedging relationship	(6,903,465.40)	471,707.68
Interest rate swap contract investment losses	(6,903,465.40)	(991,092.32)
Forward foreign exchange contract investment gains		1,462,800.00
2. Gain from long-term equity investment under the equity method	2,614,841.66	–
Total	(4,288,623.74)	471,707.68

35.

RMB

	Amount	Amount for last year
Derivative tools without the specified hedging relationship	(379,492.22)	(3,852,732.49)
Losses arising from changes in fair value of interest rate swap contract	(379,492.22)	(2,839,854.11)
Losses arising from changes in fair value of forward foreign exchange contracts		(1,012,878.38)
Total	(379,492.22)	(3,852,732.49)

36.

RMB

	Amount	Amount for last year
Bills receivable credit impairment losses	765,800.00	(765,800.00)
Trade receivables credit impairment losses	(18,193,691.48)	(14,599,540.85)
Other receivables credit impairment losses	50,000.00	(100,000.00)
Total	(17,377,891.48)	(15,465,340.85)

(Continued)

37.

RMB

	Amount for last year

40. - E

RMB

	A	Amount for last year
Charitable donation expenses	2,220,000.00	45,000.00
Others	291,423.80	55,000.00
Total	2,511,423.80	100,000.00

41. E

RMB

	A	Amount for last year
Income tax expenses for the period	54,230,422.05	27,654,393.07
Repayment (refund) income tax for the last year	2,907,788.31	(678,861.71)
Deferred income tax expenses	(14,749,782.50)	4,502,875.12
Total	42,388,427.86	31,478,406.48

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

RMB

	A	Amount for last year
Total profits	313,886,863.98	285,442,889.80
Income tax expense calculated at tax rate of 15% (2019:15%)	47,083,029.60	42,816,433.47
Effect of non-deductible costs, expenses and losses	4,590,469.10	599,273.88
Tax effect of tax-exempt income)	(392,226.25)	–

(Continued)

42.

RMB

	Amount	Amount for last year
Consumed raw materials	**3,587,236,065.91**	2,800,348,272.15
Changes in finished goods and work in process inventory	**12,822,719.21**	(19,741,913.53)
Employee remuneration expenses	**164,325,176.29**	149,420,168.35
Equity settled share-based payment	**15,643,324.40**	–
Depreciation and amortization expenses	**156,514,823.27**	161,607,858.31
Finance expenses	**79,213,541.67**	27,911,159.88
Transportation expenses	**61,307,718.11**	56,975,061.15
Audit fee	**3,000,000.00**	2,700,000.00
Asset impairment losses	**68,495,338.01**	14,697,934.51
Credit impairment losses	**17,377,891.48**	15,465,340.85
Taxes and surcharges	**22,889,998.05**	15,520,516.48
Other expenses	**48,689,715.30**	95,348,990.71
Total	**4,237,516,311.70**	3,320,253,388.86

43.

RMB

	Amount	Amount for last year
Government grants related to income	**8,029,755.91**	11,609,659.25
Interest income	**5,119,750.54**	12,524,684.44
Operating margin		300,000.00
Commission		55,000.00
Others	**2,786,766.47**	2,002,009.23
Total	**15,936,272.92**	26,491,352.92

(Continued)

43. (Continued)

(4)

RMB

	Amount	Amount for last year
Funds borrowed to subsidiary	**2,008,528,425.42**	238,903,844.36
Payment of restricted monetary funds	**111,220,723.45**	93,535,716.39
Cash paid for investment losses	**6,903,465.40**	1,287,492.32
Project margin	**305,600.00**	4,490,000.00
Total	**2,126,958,214.27**	338,217,053.07

(5)

RMB

	Amount	Amount for last year
Funds borrowed from subsidiaries	**1,323,008,430.76**	29,460,657.26
Recovery of restricted monetary funds	**46,259,318.60**	139,222,902.05
Total	**1,369,267,749.36**	168,683,559.31

(6)

RMB

	Amount	Amount for last year
Payment of restricted monetary funds	**81,643,617.74**	128,443,255.70
Repayment of funds borrowed from subsidiaries	**41,857,200.00**	311,597,600.00
Expenses on issuance of convertible corporate bonds	**2,794,000.00**	–
A-share listing fee		4,473,114.11
Total	**126,294,817.74**	444,513,969.81

(Continued)

44.

(1)

RMB

	Amount for last year

(1) Adjust net profit to cash flow from operating activities

N1 Tf-0.025j/T10 1 Tf27.1 0 m.417271,498,43812r the yearProvisy informass-1.impairflow state-0.025j/T10

(Continued)

44. (Continued)

RMB

	Closing balance	Opening balance
I. Cash	**188,559,197.40**	158,928,035.19
Including: Cash on hand	**13,313.83**	13,313.83
Blank deposit available for payment	**188,545,883.57**	158,914,721.36
Other monetary funds available for payment		–
II. Cash equivalents		–
Cash and cash equivalents at the end of the year	**188,559,197.40**	158,928,035.19

45.

RMB

	Closing balance	Reasons for restriction
Monetary funds	**111,008,589.51**	Bills deposits, etc.
Bills receivable	**62,301,314.55**	Pledged to bank to obtain credit facilities
Financing receivables	**173,715,764.96**	Pledged to bank to obtain credit facilities
Fixed assets	**186,124,226.73**	Pledged to bank to obtain credit facilities
Intangible assets	**133,689,341.98**	Pledge to bank to obtain credit facilities
Total	**666,839,237.73**	

46.

RMB

Items	Asset-related/ revenue-related	Listed items	A
Social security subsidy	Revenue	Other revenues	3,751,395.62
listing incentive fees	Revenue	Non-operating revenue	2,000,000.00
Industrial development subsidy	Revenue	Non-operating revenue	1,250,226.00
Refund income from handling fee for individual income tax	Revenue	Other revenues	232,734.29
Others	Revenue	Non-operating revenue	795,400.00
Total			8,029,755.91
Including: Government subsidies included in the period profit and loss			8,029,755.91

47.

C

Except for the subsidiaries mentioned in Note (V), for details of other related parties of the Company, please refer to Note (IX).

(Continued)

47. (Continued)

(2)

1) *Sales of goods*

RMB

Related parties	Content of the related party transaction	Amount	Amount for last year
Flat (Hong Kong)	Sales	196,522,358.87	359,880,616.34
Zhejiang Flat	Sales	193,725,480.33	166,181,174.81
Shanghai Flat	Sales		19,356,946.26
Zhejiang Jiafu	Sales	169,455,153.58	97,472,108.04
Anhui Flat Glass	Sales	48,197,254.28	40,036,484.23
Flat Import & Export	Sales	18,451,467.95	33,431,321.78
Flat (Vietnam)	Sales	167,463.25	1,153,972.12
Kaihong Flat	Sales	165.93	–
Jiaxing Yihe Investment Co., Ltd.	Sales		11,698.89
Total		626,519,344.19	717,524,322.47

47. (Continued)

(2) *(Continued)*

2) Purchase of goods

RMB

Related parties	Content of the related party transaction	Amount	Amount for last year
Anhui Flat Glass	Purchase of raw materials	**1,605,655,045.67**	1,302,244,515.30
Zhejiang Jiafu	Purchase of raw materials	**827,049,236.58**	189,148,626.71
Flat (Hong Kong)	Purchase of raw materials	**178,544.52**	6,395,752.57
Flat New Energy	Purchase of raw materials	**5,928,829.35**	6,185,026.98
Zhejiang Flat	Purchase of raw materials	**1,594,550.83**	1,311,840.70
Kaihong Flat (Note)	Accepting labor service	**34,074,047.01**	
Total		**2,474,480,253.96**	1,505,285,762.26

(3)

The Company as the lessor:

RMB

Lessee name	Type of leased asset	Amount	Amount for last year Recognized rental incomes
Zhejiang Flat	Houses	**6,035,622.85**	476,190.48

(E E A EC E C A ' A C A A E E (Continued)

47. (Continued)

(3) *(Continued)*

The Company as the lessee:

RMB

Lessor name	Type of leased asset	A	Amount for last year Recognized rental expenses
Jiaxing Yihe Investment Co., Ltd.	Houses	**7,817,581.90**	4,304,772.24

(4)

RMB

Related party	Content of the related party transaction	A	Amount for last year
Zhejiang Jiafu	Procurement of fixed assets and engineering materials	**547,847.12**	1,616,045.88
Zhejiang Flat	Procurement of fixed assets and engineering materials	**1,004,581.54**	–
Anhui Flat Glass	Procurement of fixed assets and engineering materials	**2,800,168.14**	–
Total		**4,352,596.80**	1,616,045.88

47. (Continued)

(5) *A*

RMB

	Related parties	C	Opening balance
Trade receivables	Zhejiang Flat		

47. (Continued)

(g) B

RMB

Particulars	Expiry date	Commencement date	Repayment amount	Amount borrowed to	
Interest free with no fixed term of repayment	Nil	Nil		14,380,000.00	Anhui Flat Material
Fixed rate at 4.75%	2025-01-16	2020-01-02		100,000,000.00	Anhui Flat Glass
Fixed rate at 4.75%	2022-6-30	2018-07-01	–	–	Anhui Flat Glass
Interest free with no fixed term of repayment	Nil	Nil		1,444,025,000.00	Anhui Flat Glass
Interest free with no fixed term of repayment	Nil	Nil	17,699,577.19		Flat New Energy
Interest free with no fixed term of repayment	Nil	Nil	3,511,304.97		Flat (Vietnam)
Interest free with no fixed term of repayment	Nil	Nil	135,098,615.16		Zhejiang Jiafu
Interest free with no fixed term of repayment	Nil	Nil		191,185,981.99	Flat Import & Export
Interest free with no fixed term of repayment	Nil	Nil		17,516,143.43	Flat (Hong Kong)
Fixed rate at 2.5%	2021-03-09	2020-03-10		78,298,800.00	Flat (Hong Kong)

(Continued)

47. (Continued)

(7) B

RMB

	Amount borrowed	Repayment amount	Commencement date	Expiry date		Particulars
	41,857,200.00	8,297 0	1,263	1,904,941.570	9,251 0.154.174	0.025 5.69 -40 0
Flat (Hong Kong)	–	41,857,200.00	2018-05-15	2020-05-14		Fixed rate 0 0lars

47. (Continued)

(9)

RMB

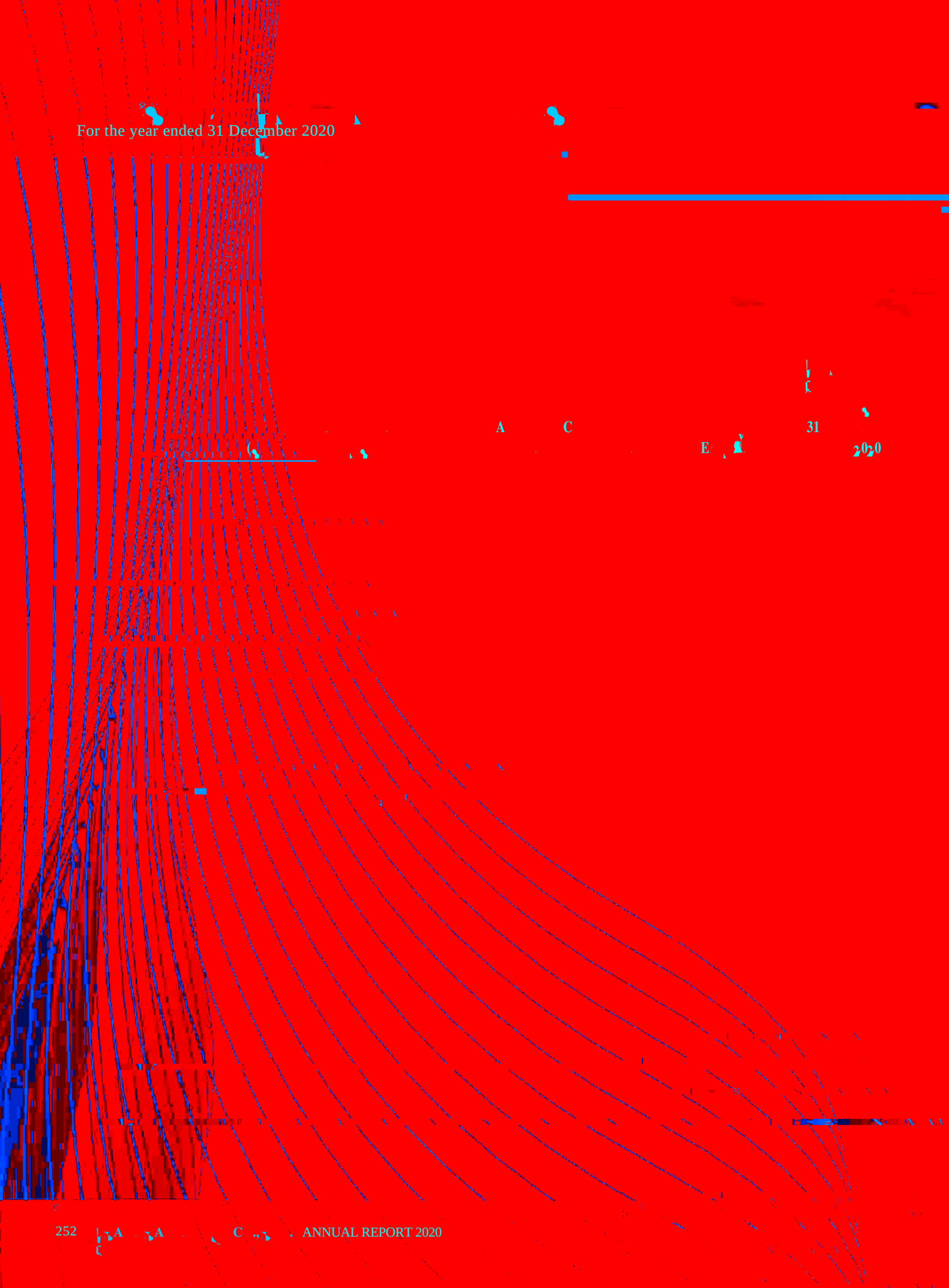
Related party	Content of the related party transaction	Amount	Amount for last year
Flat (Hong Kong)	borrowing funds	179,600.62	3,937,103.47

(10)

RMB

(		A	C	E	31 2020
Zhejiang Jiafu	The Company	27,904,800.00	2019-08-07	2020-08-01	Yes
Zhejiang Jiafu	The Company	7,773,417.81	2019-09-09	2020-03-06	Yes
Zhejiang Jiafu	The Company	8,250,891.25	2019-10-16	2020-04-13	Yes
Zhejiang Jiafu	The Company	55,809,600.00	2019-10-24	2020-10-23	Yes
Zhejiang Jiafu	The Company	50,000,000.00	2019-01-31	2020-01-21	Yes
Zhejiang Jiafu	The Company	30,000,000.00	2019-08-20	2020-08-19	Yes
Zhejiang Jiafu	The Company	9,578,553.20	2020-02-19	2020-08-17	Yes
Zhejiang Jiafu	The Company	2,335,914.20	2020-02-19	2020-08-17	Yes
Anhui Flat Glass	The Company	39,149,400.00	2020-02-17	2021-02-10	No
Anhui Flat Glass	The Company	50,241,730.00	2020-02-27	2021-02-25	No
Zhejiang Jiafu	The Company	19,574,700.00	2020-03-31	2020-12-16	Yes
Zhejiang Jiafu	The Company	80,000,000.00	2020-12-28	2023-12-27	No
Zhejiang Jiafu	The Company	90,000,000.00	2020-11-16	2023-11-15	No

For the year ended 31 December 2020



(Continued)

47. (Continued)

(11)

RMB

		A	C	E	31 2020
The Company	Zhejiang Jiafu	29,500,000.00	2019-02-22	2020-02-21	Yes
The Company	Zhejiang Jiafu	30,000,000.00	2019-07-19	2020-07-18	Yes
The Company	Zhejiang Jiafu	50,000,000.00	2019-12-12	2020-08-01	Yes
The Company	Zhejiang Jiafu	45,348,055.00	2020-03-30	2020-10-10	Yes
The Company	Zhejiang Jiafu	31,810,500.00	2020-03-31	2020-05-28	Yes
The Company	Zhejiang Jiafu	79,500,000.00	2020-07-21	2021-07-21	No
The Company	Zhejiang Jiafu	5,000,000.00	2020-11-24	2021-10-29	No
The Company	Zhejiang Flat	22,510,905.00	2020-09-18	2021-03-17	Yes
The Company	Anhui Flat Glass	6,000,000.00	2019-01-24	2020-01-22	Yes
The Company	Anhui Flat Glass	40,000,000.00	2019-01-29	2020-01-28	Yes
The Company	Anhui Flat Glass	50,000,000.00	2019-03-27	2020-03-27	Yes
The Company	Anhui Flat Glass	29,000,000.00	2019-10-28	2020-04-27	Yes
The Company	Anhui Flat Glass	100,000,000.00	2019-11-20	2020-11-20	Yes
The Company	Anhui Flat Glass	4,000,000.00	2017-05-04	2022-12-25	No
The Company	Anhui Flat Glass	9,756,056.00	2017-06-09	2022-12-25	No
The Company	Anhui Flat Glass	31,597,604.03	2017-07-14	2022-12-25	No
The Company	Anhui Flat Glass	9,461,900.00	2017-05-04	2021-12-25	No
The Company	Anhui Flat Glass	14,009,702.95	2017-09-18	2021-04-01	No
The Company	Anhui Flat Glass	14,413,700.00	2018-02-05	2022-04-01	No
The Company	Anhui Flat Glass	6,107,203.21	2018-02-26	2021-04-01	No
The Company	Anhui Flat Glass	7,523,628.00	2018-03-12	2021-12-25	No
The Company	Anhui Flat Glass	6,195,070.00	2018-03-21	2021-12-25	No

(Continued)

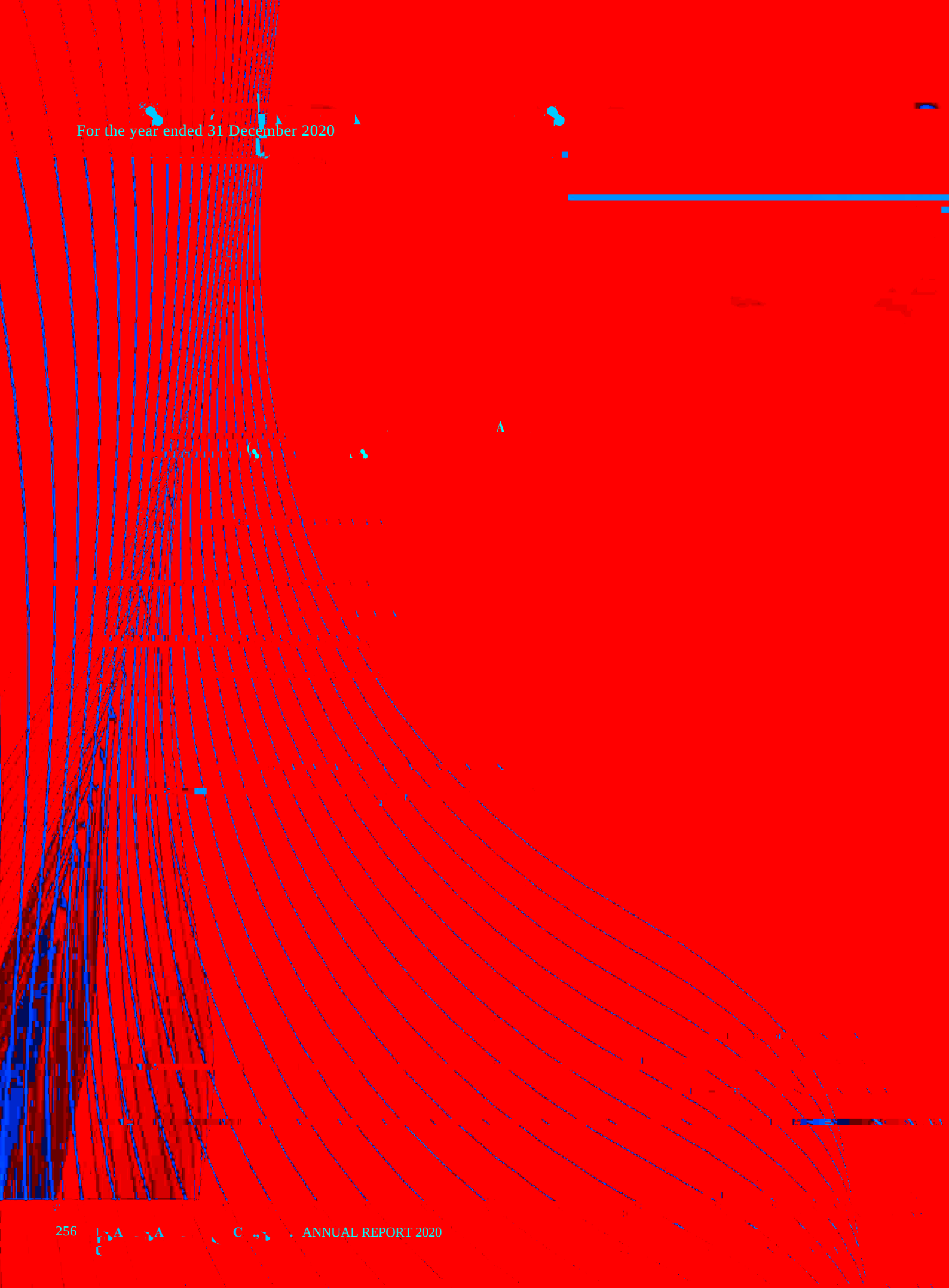
47. (Continued)

(1) (Continued)

RMB

The Company	Anhui Flat Glass	1,000,000.00	2017-05-04	2022-12-25	No
The Company	Anhui Flat Glass	4,060,214.00	2017-05-04	2022-12-25	No
The Company	Anhui Flat Glass	7,443,700.00	2017-05-04	2022-12-25	No
The Company	Anhui Flat Glass	4,106,000.00	2017-05-04	2022-12-25	No
The Company	Anhui Flat Glass	6,910,195.00	2017-05-04	2022-12-25	No
The Company	Anhui Flat Glass	17,470,000.00	2017-05-04	2022-12-25	No
The Company	Anhui Flat Glass	4,999,288.64	2017-05-04	2022-12-25	No
The Company	Anhui Flat Glass	4,985,810.47	2018-02-09	2022-12-25	No
The Company	Anhui Flat Glass	4,900,000.00	2018-08-30	2022-12-30	No
The Company	Anhui Flat Glass	21,302,338.00	2019-09-19	2022-12-09	No
The Company	Anhui Flat Glass	50,000,000.00	2019-03-27	2022-12-20	No
The Company	Anhui Flat Glass	50,000,000.00	2019-04-08	2022-06-20	No
The Company	Anhui Flat Glass	40,000,000.00	2020-01-09	2020-07-23	Yes
The Company	Anhui Flat Glass	100,000,000.00	2020-01-17	2020-12-16	Yes
The Company	Anhui Flat Glass	50,000,000.00	2020-01-20	2020-10-16	Yes
The Company	Anhui Flat Glass	50,000,000.00	2020-03-02	2020-11-27	Yes
The Company	Anhui Flat Glass	50,000,000.00	2020-04-02	2021-04-01	No
The Company	Anhui Flat Glass	80,000,000.00	2020-04-24	2021-01-18	No
The Company	Anhui Flat Glass	70,000,000.00	2020-07-24	2021-07-23	No
The Company	Anhui Flat Glass	70,000,000.00	2020-08-04	2021-08-03	No
The Company	Anhui Flat Glass	150,000,000.00	2020-12-21	2021-12-17	No
The Company	Flat (Hong Kong)	711,977,777.21	2017-10-23	2020-09-19	Yes
The Company	Flat (Hong Kong)	1,161,760,623.96	2020-05-06	2023-03-20	No

The Company	Zhejiang Jiafu	49,500,000.00	2018-06-22	2019-06-19	Yes
The Company	Zhejiang Jiafu	27,317,200.00	2018-08-08	2019-08-06	Yes
The Company	Zhejiang Jiafu	12,000,000.00	2018-09-13	2019-09-10	Yes
The Company	Zhejiang Jiafu	30,000,000.00	2019-01-02	2019-07-02	Yes
The Company	Zhejiang Jiafu	49,500,000.00	2019-04-23	2019-12-09	Yes
The Company	Zhejiang Jiafu	19,533,360.00	2019-06-21	2019-12-17	Yes
The Company	Zhejiang Jiafu	20,000,000.00	2019-11-20	2019-12-11	Yes
The Company	Zhejiang Jiafu	29,500,000.00	2019-02-22	2020-02-21	Yes
The Company	Zhejiang Jiafu	30,000,000.00	2019-07-19	2020-07-18	Yes
The Company	Zhejiang Jiafu	50,000,000.00	2019-12-12	2020-08-01	Yes
The Company	Anhui Flat Glass	6,000,000.00	2019-01-24	2020-01-22	Yes
The Company	Anhui Flat Glass	40,000,000.00	2019-01-29	2020-01-28	Yes
The Company	Anhui Flat Glass	50,000,000.00	2019-03-27	2020-03-27	Yes
The Company	Anhui Flat Glass	29,000,000.00	2019-10-28	2020-04-27	Yes
The Company	Anhui Flat Glass	100,000,000.00	2019-11-20	2020-11-20	Yes
The Company	Anhui Flat Glass	19,999,550.00	2019-04-02	2019-09-26	Yes
The Company	Anhui Flat Glass	4,000,000.00	2017-05-04	2022-12-25	No
The Company	Anhui Flat Glass	9,756,056.00	2017-06-09	2022-12-25	No
The Company	Anhui Flat Glass	31,597,604.03	2017-07-14	2022-12-25	No
The Company	Anhui Flat Glass	9,461,900.00	2017-05-04	2021-12-25	No
The Company	Anhui Flat Glass	07-14	2022620202-02		



1. E A - A

The calculation form of the details of extra-ordinary profit or loss is prepared in accordance with the relevant provisions of Public Issuance of Securities Companies Information Disclosure and Compilation Rules Interpretative Announcement No. 1 − Extra-ordinary Profit or Loss (CSRC Announcement [2008] No. 43) issued by the China Securities Regulatory Commission.

RMB

Losses on disposal of non-current assets	(18,018,346.26)
Government grants recorded in current profit or loss (except for government grants closely associated with the business of the Company in fixed amount or fixed quantity according to national policies) (Note)	26,414,754.69
Apart from hedging instruments relating to the normal operations of the Company,	

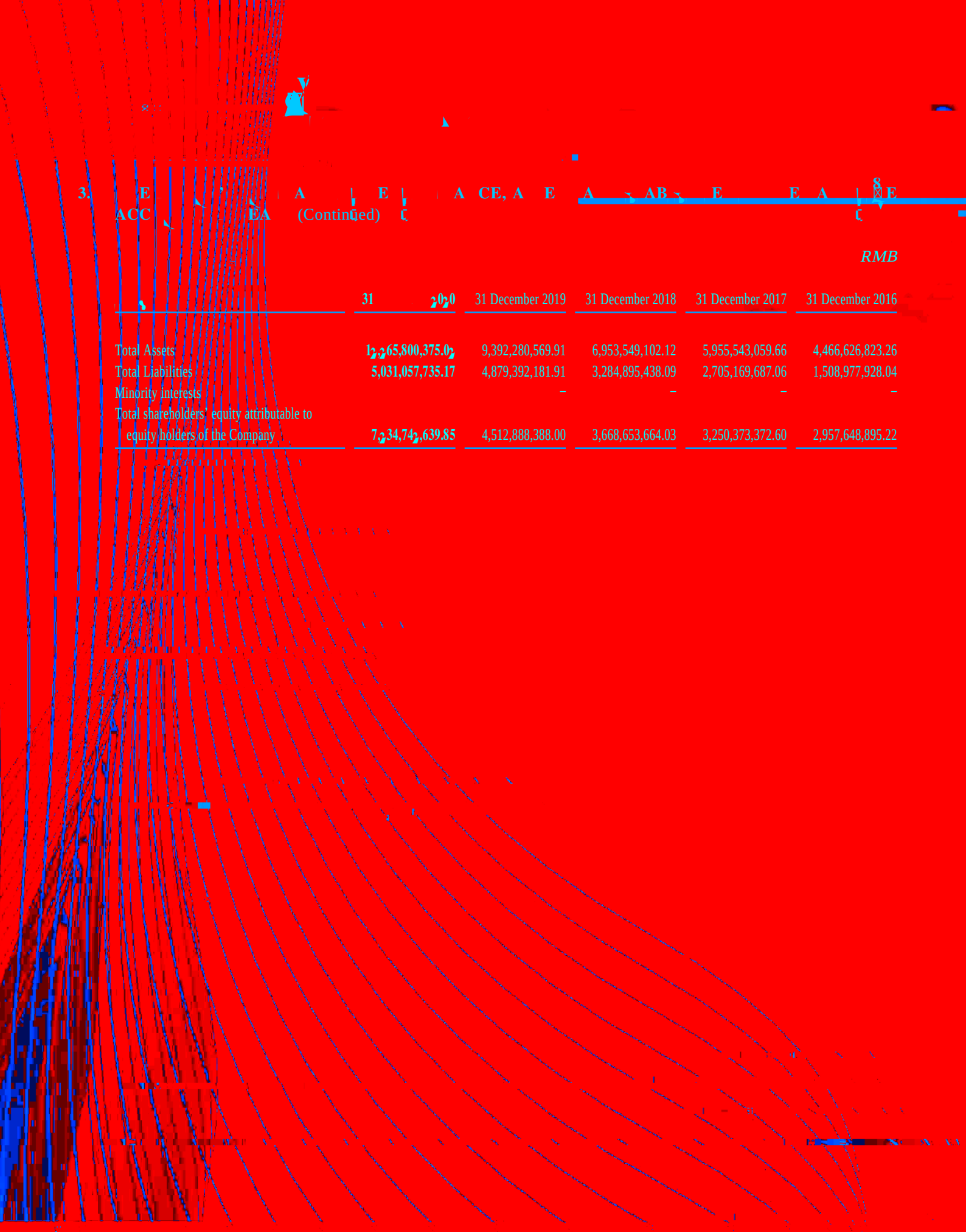
2. E E A EA E A E

The calculation form of the return on equity and earnings per share is prepared in accordance with the relevant provisions of Public Issuance of Securities Companies Information Disclosure and Compilation Rules No. 09 –

3. E A E A CE. A E A AB E E A E ACC EA

RMB

	2020	2019	2018	2017	2016
	6,260,417,792.26	4,806,804,020.96	3,063,802,709.44	2,991,497,043.77	2,967,520,841.88
Less: Operating costs	3,346,641,311.75	3,289,735,511.36	2,232,762,168.05	2,127,998,095.84	1,842,360,309.46
Taxes and surcharges	61,083,688.80	35,026,838.85	28,635,983.23	35,302,715.51	34,696,184.55
Selling expenses	301,854,852.77	255,112,912.72	128,327,434.68	137,513,244.60	107,564,939.56
Administrative expenses	172,349,032.43	121,498,560.29	117,786,385.22	102,913,558.25	107,703,991.34
Research and development expenses	284,717,812.81	204,151,559.30	113,246,196.64	96,131,544.21	103,201,559.48
Finance expenses	141,528,692.18	53,129,460.34	1,611,581.32	28,490,124.09	4,418,415.20
Including: Interest expense	80,273,151.69	65,388,264.94	25,791,618.68	10,718,343.36	28,124,478.30
Interest income	16,412,291.81	17,902,429.34	18,599,358.49	9,233,927.69	6,072,449.32
Add: Other revenues	25,471,233.82	30,189,426.63	24,929,136.86	27,057,294.77	
Investment income (loss)	5,675,836.26	6,908,081.15	(16,191,214.96)	(306,840.71)	(1,984,653.85)
Including: Gains on investment in associates	2,614,841.66	–	–	–	–
Gains (losses) from changes in fair values	1,245,626.59	(5,234,350.32)	13,259,290.30	(7,072,909.14)	(751,990.86)
Credit impairment losses)	(29,914,991.88)	(12,816,559.04)	(7,363,612.81)		
Asset impairment losses (gains))	(71,783,469.77)	(14,697,934.51)	(2,589,390.06)	8,955,619.51	(69,529,094.56)
(Losses) gains on disposal of assets	(18,018,346.26)	(6,541,402.98)	5,040,070.63	(146,163.71)	(5,157,704.64)
	1,864,918,290.28	845,956,439.03	458,517,240.26	491,634,761.99	690,151,998.38
Add: Non-operating income	12,889,216.85	16,897,963.68	7,757,924.37	4,777,548.10	43,732,103.14
Less: Non-operating expense	3,899,465.44	184,158.59	129,905.64	558,280.15	4,098,113.88
	1,873,908,041.69	862,670,244.12	466,145,258.99	495,854,029.94	729,785,987.64
Less: Income tax expenses	245,124,254.06	145,426,535.45	58,830,542.68	69,327,266.91	126,507,459.50
	1,628,783,787.63	717,243,708.67	407,314,716.31	426,526,763.03	603,278,528.14
Net profit attributable to owners of the Company	1,628,783,787.63	717,243,708.67	407,314,716.31	426,526,763.03	603,278,528.14
Profit or loss attributable to minority interests		–	–	–	–
	(32,274,518.98)	10,620,833.40	11,271,623.87	(23,386,283.63)	7,429,469.19
Other comprehensive income (net of tax) attributable to owners of the parent company	(32,274,518.98)	10,620,833.40	11,271,623.87	(23,386,283.63)	7,429,469.19
(I) Other comprehensive income that will not be reclassified to profit or loss	(3,217,914.84)	–	–	–	–
– Changes in fair value of other equity instrument investments	(3,217,914.84)	–	–	–	–
(II) Other comprehensive income that will be reclassified to profit or loss	(29,056,604.14)	10,620,833.40	11,271,623.87	(23,386,283.63)	7,429,469.19
– Translation differences in foreign currency financial statements	(23,092,036.70)	10,620,833.40	11,271,623.87	(23,386,283.63)	7,429,469.19
– Changes in fair value of accounts receivable financing	(5,964,567.44)				
Other comprehensive income (net of tax) attributable to minority interests		–	–	–	
	1,596,509,268.65	727,864,542.07	418,586,340.18	403,140,479.40	610,707,997.33
Total comprehensive income attributable to owners of the Company	1,596,509,268.65	727,864,542.07	418,586,340.18	403,140,479.40	610,707,997.33
Other comprehensive income attributable to minority interests		–	–	–	–
E :					
(I) Basic earnings per share	0.83	0.37	0.23	0.24	0.34
(II) Diluted earnings per share	0.81	N/A	N/A	N/A	N/A



3. [illegible] (Continued)

RMB

	31 [illegible]20	31 December 2019	31 December 2018	31 December 2017	31 December 2016
Total Assets	**12,265,800,375.02**	9,392,280,569.91	6,953,549,102.12	5,955,543,059.66	4,466,626,823.26
Total Liabilities	**5,031,057,735.17**	4,879,392,181.91	3,284,895,438.09	2,705,169,687.06	1,508,977,928.04
Minority interests		–	–	–	–
Total shareholders' equity attributable to equity holders of the Company	**7,234,742,639.85**	4,512,888,388.00	3,668,653,664.03	3,250,373,372.60	2,957,648,895.22