福萊特玻璃集團股份有限公司

Flat Glass Group Co., Ltd.

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

(stock code: 6865)

FIRST QUARTERLY REPORT FOR THE THREE MONTHS ENDED 31 MARCH 2020

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

Pursuant to the regulations of the China Securities Regulatory Commission, the Company is required to publish a quarterly report for each of the first and third quarters. This quarterly report was prepared in accordance with the relevant requirements in relation to information disclosure of quarterly reports of listed companies issued by China Securities Regulatory Commission.

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

The Audit Committee of the Company has reviewed the unaudited results of the Group for the first quarter ended 31 March 2020.

The contents of this quarterly report are consistent with the announcement published on the Shanghai Stock Exchange.

1. IMPORTANT NOTICE

1.1 The board of directors, the supervisory committee, directors, supervisors and senior management of Flat Glass Group Co., Ltd. (the "Company" together with its subsidiaries, collectively referred to as the "Group") warrant that the information contained in the quarterly report are true, accurate and complete, and there are no false statements, misleading representations or material omissions, and are jointly and severally responsible for the liabilities of the Company.

1.2 All directors of the Company have attended the board meeting to approve this quarterly report.

1.3 Ruan Hongliang (legal representative of the Company), Jiang Weijie (person-in-charge of accounting affairs) and Jin Huiping (person-in-charge of the accounting department) warrant that the truthfulness, accuracy and completeness of the content of this quarterly report.

1.4 The first quarterly report of the Company is unaudited.

2. GENERAL INFORMATION

2.1 Key financials

Unit: RMB

	As at 31 March 2020	As at 31 December 2019	Increase/decrease compared to end of last year %
Total assets	9,570,563,151.90	9,392,280,569.91	1.90
Equity attributable to owners' of the Company	4,726,571,657.34	4,512,888,388.00	4.73

	For the three months ended 31 March 2020	For the three months ended 31 March 2019	Increase/decrease compared to the same period of last year %
Net cash inflow/(outflow) from operating activities	99,771,857.93	206,219,332.36	51.62

	For the three months ended 31 March 2020	For the three months ended 31 March 2019	Increase/decrease compared to the same period of last year %
Revenue	1,203,086,382.75	931,669,709.63	29.13
Net profit attributable to equity owners of the Company	215,166,975.36	109,214,788.73	97.01
Net profit attributable to equity owners of the Company excluding nonrecurring items	208,906,472.93	97,346,860.13	114.60
Weighted average return on equity (%)	4.66	2.87	1.79
Basic earnings per share (RMB)	0.11	0.06	83.33
Diluted earnings per share (RMB)	N/A	N/A	

Non-recurring item

√ Applicable ☐ Not Applicable

Unit: RMB

Items	For the three months ended 31 March 2020
Gains/(losses) on disposal of non-current assets	25,692.54
Government grants recorded as other income, except for government grants that are closely related to the Company's business or given at a fixed quota or amount in accordance with government policies	9,499,525.18
Apart from hedging instruments relating to the normal operations of the Company, profit or loss from change in fair value of held-for-trading financial assets and held-for-trading financial liabilities, and investment income from disposal of held-for-trading financial assets, held-fortrading financial liabilities and available for-sale financial assets	302,308.27
Other non-operating income/(expenses) other than above	-2,491,031.16
Effects of income tax	-1,075,992.40
Total	6,260,502.43

2.2 Total number of shareholders, the shareholding of top ten shareholders and top ten tradable shareholders (or unrestricted shareholders) as at the end of the reporting period

Unit: share

Total number of shareholders (shareholder)						28,376
		Shareholding of top ten shareholders				
Name of shareholders (in full)	Shareholding as at the period end	Percentage (%)	Restricted shareholding	Pledge or locked-up Status	Pledge or locked-up Number	Nature of shareholders
HKSCC Nominees Limited 香港中央結算(代理人)有限公司	454,685,223	23.32	0	Unknown	0	Overseas legal person
Ruan Hongliang	439,358,400	22.53	439,358,400	Nil	0	Domestic natural person
Ruan Zeyun	350,532,000	17.98	350,532,000	Nil	0	Domestic natural person
Jiang Jinhua	324,081,600	16.62	324,081,600	Pledge	126,000,000	Domestic natural person
Zheng Wenrong	57,780,000	2.96	52,002,000	Nil	0	Domestic natural person
Zhu Quanming	38,520,000	1.98	34,668,000	Nil	0	Domestic natural person
Shen Fuquan	38,520,000	1.98	34,668,000	Nil	0	Domestic natural person
Wei Yezhong	19,260,000	0.99	17,334,000	Nil	0	Domestic natural person
Tao Hongqiang	15,408,000	0.79	15,408,000	Nil	0	Domestic natural person
Shen Qifu	12,840,000	0.66	11,556,000	Nil	0	Domestic natural person
Wei Zhiming	12,840,000	0.66	11,556,000	Nil	0	Domestic natural person
Tao Hongzhu	12,840,000	0.66	12,840,000	Nil	0	Domestic natural person

Shareholdings of top ten unrestricted shareholders

Name of shareholders	Number of unrestricted tradable shares held	Class of shares and number	
		Class	Number
HKSCC Nominees Limited 香港中央結算(代理人)有限公司	449,838,800	Overseas listed foreign shares	449,838,800
HKSCC Nominees Limited 香港中央結算(代理人)有限公司	4,846,423	RMB ordinary shares	4,846,423
Zheng Wenrong	57,780,000	RMB ordinary shares	57,780,000
Zhu Quanming	38,520,000	RMB ordinary shares	38,520,000
Shen Fuquan	38,520,000	RMB ordinary shares	38,520,000
Wei Yezhong	19,260,000	RMB ordinary shares	19,260,000
Shen Qifu	12,840,000	RMB ordinary shares	12,840,000
Wei Zhiming	12,840,000	RMB ordinary shares	12,840,000
Kuwait government investment authority—own funds 科威特政府投資局－自有資金	8,335,632	Other	8,335,632
Pan Rongguan	5,778,000	RMB ordinary shares	5,778,000
National social security fund 全國社保基金－四組	5,306,757	RMB ordinary shares	5,306,757
Details relating to the related relationship of the above shareholders or the parties acting in concert	Ruan Hongliang, Jiang Jinhua, Ruan Zeyun and Zhao Xiaofei are parties acting in concert and Zhao Xiaofei held 4,800,000 shares. 419,000 H Shares held by Mr. Ruan Hongliang have been calculated within HKSCC Nominees Limited.		
Explanatory statement regarding the restored voting rights and shareholdings of holders of preference shares	Nil		

2.3 Total number of and top ten holders of preference shares and their unrestricted shareholdings as at the end of the reporting period.

□ Applicable √ Not Applicable

3. SIGNIFICANT EVENTS

3.1 Significant changes in major financial statements items and financial indicators and the reasons thereof

√ Applicable ☐ Not Applicable

1. Significant changes in balance sheet items and the reasons thereof as at the end of reporting period

Items	As at 31 March 2020	As at 1 January 2020	Increase/decrease compared to end of last year %
Derivative financial asset	17,310.49	1,117,793.99	-98.45%
Long-term equity investment	800,000.00	-	-
Deferred income tax assets	26,816,009.57	18,458,589.23	45.28%
Short-term borrowing	1,715,226,418.83	1,316,277,482.79	30.31%
Derivative financial liabilities	1,330,378.78	917,754.01	44.96%
Payroll payable	19,231,002.69	31,758,290.80	-39.45%
Interest payables	2,357,108.52	4,831,749.01	-51.22%
Other comprehensive income	3,552,005.78	5,935,642.83	-40.16%

(1) Derivative financial asset: mainly due to changes in fair value of derivative financial assets and a portion of derivative financial assets was due.

(2) Long-term equity investment: mainly due to the new shareholding increase of the Company in Jiaxing Kaihong Flat Supply Chain Management Co., Ltd.(嘉興凱鴻福萊特供應鏈管理有限公司), representing 40% of its registered capital.

(3) Deferred income tax assets: mainly due to the increase of provision for bad debts and loss on assets impairment during the period.

(4) Short-term borrowing: mainly due to the increase of short-term borrowings to meet the liquidity requirements of production and operation.

(5) Derivative financial liabilities: mainly due to changes in fair value of derivative financial assets.

(6) Payroll payable: mainly due to the payment of the year-end bonus accrued for the previous year during the period.

(7) Interest payables: mainly due to the repayment of due borrowings which needed to repay principal and pay interest upon expiry during the period.

(8) Other comprehensive income: mainly due to foreign exchange differences arising from changes in exchange rate.

2. ***Significant changes in income statement items and the reasons thereof during the reporting period***

Items	**As at 31 March 2020**	**As at 1 January 2020**	**Increase/decrease compared to end of last year %**
Tax payment and surplus	8,124,683.23	5,150,297.04	57.75%
Selling expense	69,822,027.62	42,415,162.74	64.62%
Other income	7,311,059.23	4,576,952.23	59.74%
Investment income	1,210,800.00	6,513,528.06	-81.41%
Profit arising from changes in fair value	-1,513,108.27	-5,148,783.98	-70.61%
Credit impairment loss	-36,492,853.22	-5,133,637.79	610.86%
Capital impairment loss	-13,468,328.93	-564,021.01	2287.91%
Gains one disposal of assets	25,692.54	811,559.63	-96.83%
Non-operating income	4,102,435.28	6,992,410.37	-41.33%
Non-operating expense	3,268,271.28	40,000.00	8070.68%
Income tax expense	52,693,983.34	26,946,423.77	95.55%

(1) Tax payment and surplus: mainly due to the increase of tax payment as a result of increase of revenue from sales.

(2) Selling expense: mainly due to the increase of transportation costs as a result of increase of sales volume.

(3) Other income: mainly due to the receipt of some social security refunds by the Company.

(4) Investment income: mainly due to the decrease of gains on disposal of derivative financial instruments during the period.

(5) Profit arising from changes in fair value: mainly due to the fluctuation decrease of derivative financial instruments during the period.

(6) Credit impairment loss: mainly due to the increase of individual provision for bad debts for some clients.

(7) Capital impairment loss: mainly due to the planning of the cold-repair for photovoltaic furnaces.

(8) Gains one disposal of assets: mainly due to the decrease of fixed assets disposed during the period.

(9) Non-operating income: mainly due to the decrease of government subsidies included in the non-operating income during the period.

(10) Non-operating expense: mainly due to the increase of public donations for the COVID-19 epidemic.

(11) Income tax expense: mainly due to the increase of income tax as a result of increased total profit.

3. Significant changes in cash flow items and the reasons thereof during the reporting period

Items	**As at 31 March 2020**	**As at 1 January 2020**	**Increase/decrease compared to end of last year %**
Net Cash flow from operating activities	99,771,857.93	206,219,332.36	-51.62%
Cash flow from financing activities	261,132,204.49	408,776,838.75	-36.12%
Effect of foreign exchange rate changes on cash and cash equivalents	4,771,177.05	-4,632,648.32	-202.99%

(1) Net Cash flow from operating activities: mainly due to the increase of expenditures on the purchases of raw materials, fuels and taxation during the period.

(2) Cash flow from financing activities: mainly due to the increase of cash outflow as a result of repayment of debts during the period.

(3) Effect of foreign exchange rate changes on cash and cash equivalents: mainly due to the changes in foreign currency exchange rate.

3.2 Analysis of significant events and their impact and solution

√ Applicable ☐ Not Applicable

3.2.1 Proposed issuance of A share convertible bonds

On 19 April 2019, the Company has announced the plan to issue A share convertible bonds in the PRC for a total amount of not more than RMB1,450.0 million ("A Share Convertible Bonds") which are convertible into new A shares of the Company ("A Shares"). The proposal in relation to the public issuance of A Share Convertible Bonds was considered and approved at the 2018 annual general meeting, the 2019 first A shareholders class meeting, and the 2019 first H shareholders class meeting of the Company held on 24 June 2019. On 25 February 2020, the Company has announced that it has obtained the Approval of the Public Issuance of Convertible Corporate Bonds of Flat Glass Group Co., Ltd. (CSRC Approval [2020] No.294) issued by China Securities Regulatory Commission in relation to, among other matters, the approval of the Company's public issuance of A Share Convertible Bonds in an aggregate par value of RMB1,450.0 million with a term of six years.

3.3 Uncompleted Performance of Overdue Undertaking for the Reporting Period

☐ Applicable √ Not Applicable

3.4 Warnings on the Forecast of Possible Losses or Substantial Year-on-Year Changes to be Recorded in Cumulative Net Profit from Beginning of the Year to the End of the Next Reporting Period and the Underlying Reasons.

☐ Applicable √ Not Applicable

Name of the Company	Flat Glass Group Co., Ltd.
Legal representative	Ruan Hongliang
Date	17 April 2020

4. APPENDIX

4.1 Financial Statements

Consolidated Balance Sheet
As at 31 March 2020

Prepared by Flat Glass Group Co., Ltd.

Unit: RMB *Type of audit: unaudited*

Item	As at 31 March 2020	As at 31 December 2019
Current assets:		
Cash at bank and on hand	721,961,497.54	613,000,364.84
Derivative financial assets	17,310.49	1,117,793.99
Notes receivable	1,804,837,822.71	1,976,383,235.76
Receivables	1,132,038,681.90	1,107,245,636.40
Advance payment	114,888,575.73	93,183,465.96
Other receivables	3,830,106.83	3,684,181.68
Inventories	612,937,959.03	483,619,647.17
Other current assets	161,534,782.48	174,510,375.27
Total current assets	4,552,046,736.71	4,452,744,701.07
Non-current assets:		
Investment properties	800,000.00	
Investment properties	21,307,304.23	21,665,171.83
Fixed asset	2,984,863,311.12	3,070,665,219.42
Construction in progress	1,093,364,523.31	936,828,544.14
Right-of-use assets	187,204,276.79	188,930,554.53
Intangible assets	477,649,700.76	427,130,471.49
Long-term prepaid expenses	6,393,980.02	6,935,053.37
Deferred tax assets	26,816,009.57	18,458,589.23
Other non-current assets	220,117,309.39	268,922,264.83
Total non-current assets	5,018,516,415.19	4,939,535,868.84
Total assets	9,570,563,151.90	9,392,280,569.91

Item	As at 31 March 2020	As at 31 December 2019
Current liabilities:		
Short-term borrowings	1,715,226,418.83	1,316,277,482.79
Derivative financial liabilities	1,330,378.78	917,754.01
Notes payable and accounts payable	398,372,132.58	338,562,948.43
Payables	1,493,839,516.69	1,854,705,642.59
Contract liabilities	21,036,667.92	24,993,817.16
Payroll payable	19,231,002.69	31,758,290.80
Tax payable	96,996,973.06	129,352,280.77
Other payables	42,186,522.51	45,543,202.52
Interest payables	2,357,108.52	4,831,749.01
Non-current liabilities due within one year	662,312,378.76	711,977,777.21
Total current liabilities	4,450,531,991.82	4,454,089,196.28
Non-current liabilities:		
Long-term borrowings	255,700,072.30	281,902,410.30
Lease liability	11,305,609.37	11,016,173.42
Deferred income	42,316,354.71	45,408,644.70
Deferred income tax liability	84,137,466.36	86,975,757.21
Total non-current liabilities	393,459,502.74	425,302,985.63
Total liabilities	4,843,991,494.56	4,879,392,181.91
Owner's equity:		
Share capital	487,500,000.00	487,500,000.00
Capital surplus	839,115,113.41	839,115,113.41
Other comprehensive income	3,552,005.78	5,935,642.83
Special reserve	12,710,789.34	11,810,858.31
Surplus reserve	193,555,355.70	193,555,355.70
Undistributed profit	3,190,138,393.11	2,974,971,417.75
Total equity attributable to owners of the parent company	4,726,571,657.34	4,512,888,388.00
Total owner's equity	4,726,571,657.34	4,512,888,388.00
Total liabilities and owners' equity	9,570,563,151.90	9,392,280,569.91

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

Parent Company Balance Sheet
As at 31 March 2020

Prepared by Flat Glass Group Co., Ltd.

Unit: RMB Type of audit: unaudited

Items	As at 31 March 2020	As at 31 December 2019
Current assets:		
Cash at bank and on hand	285,806,363.73	223,564,789.23
Derivative financial assets		379,492.22
Notes receivable	1,492,210,544.03	1,567,902,478.98
Receivables	835,292,816.95	778,907,971.16
Advance payment	78,630,550.33	45,197,178.86
Other receivables	437,607,334.08	356,091,353.75
Inventories	272,198,906.47	209,640,163.73
Other current assets	8,820,864.97	9,673,749.05
Total current assets	3,410,567,380.56	3,191,357,176.98
Non-current assets:		
Long-term equity investment	1,043,937,343.00	1,043,137,343.00
Fixed assets	951,566,689.62	994,488,315.18
Construction in progress	170,487,944.64	163,647,371.24
Intangible assets	168,909,916.34	170,704,769.30
Long-term prepaid expenses	103,433.65	150,172.37
Deferred income tax assets	14,778,956.49	6,379,124.69
Other non-current assets	551,018,568.23	567,405,500.94
Total non-current assets	2,900,802,851.97	2,945,912,596.72
Total assets	6,311,370,232.53	6,137,269,773.70
Current liabilities:		
Short-term borrowings	915,277,836.66	736,237,118.11
Derivative financial liabilities	104,615.71	
Notes payable and accounts payable	200,351,327.30	190,000,000
Payables	1,499,965,740.21	1,483,614,555.57
Contract liabilities	17,101,023.01	17,454,654.26
Payroll payable	9,891,098.75	18,089,920.60
Tax payable	18,757,900.23	53,925,402.29
Other payables	319,712,073.47	338,332,869.33
Interest payables	1,721,205.06	4,512,898.61
Total current liabilities	2,981,161,615.34	2,837,654,520.16

Items	As at 31 March 2020	As at 31 December 2019
Non-current liabilities:		
Deferred revenue	31,779,266.61	34,543,339.29
Total non-current liabilities	31,779,266.61	34,543,339.29
Total liabilities	3,012,940,881.95	2,872,197,859.45
Owners' equity:		
Share capital	487,500,000.00	487,500,000.00
Capital surplus	839,115,113.41	839,115,113.41
Surplus reserve	193,555,355.70	193,555,355.70
Undistributed profit	1,778,258,881.47	1,744,901,445.14
Total owners' equity	3,298,429,350.58	3,265,071,914.25
Total liabilities and owners' equity	6,311,370,232.53	6,137,269,773.70

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

Consolidated Income Statement
For the three months ended 31 March 2020

Prepared by Flat Glass Group Co., Ltd.

Unit: RMB Type of audit: unaudited

Items	For the three months ended 31 March 2020	For the three months ended 31 March 2019
I. Total operating income	1,203,086,382.75	931,669,709.63
Including: Operating revenue	1,203,086,382.75	931,669,709.63
II. Total operating costs	893,132,849.40	803,516,504.64
Including: Operating costs	723,266,881.24	668,279,228.31
Taxes and surcharges	8,124,683.23	5,150,297.04
Selling expense	69,822,027.62	42,415,162.74
General and administrative expenses	25,824,774.32	26,607,521.91
Research and development expenses	43,556,604.83	40,329,984.52
Financial expenses	22,537,878.16	20,734,310.12
Including: Interest expenses	19,578,896.87	14,717,871.56
Interest income	888,511.14	4,219,621.72
Add: Other income	7,311,059.23	4,576,952.23
Investment income (loss stated with“-”)	1,210,800.00	6,513,528.06
Profit arising from changes in fair value (loss stated with “-”)	-1,513,108.27	-5,148,783.98
Loss on credit impairment (loss stated with“-”)	-36,492,853.22	-5,133,637.79
Loss on assets impairment (loss stated with“-”)	-13,468,328.93	-564,021.01
Gains on disposal of assets (loss stated with“-”)	25,692.54	811,559.63
III. Operating profit (loss expressed with“-”)	267,026,794.70	129,208,802.13
Add: Non-operating income	4,102,435.28	6,992,410.37
Less: Non-operating expenses	3,268,271.28	40,000.00
IV. Total profit (total loss expressed with “-”)	267,860,958.70	136,161,212.50
Less: Income tax expense	52,693,983.34	26,946,423.77
V. Net profit (net loss expressed with “-”)	215,166,975.36	109,214,788.73
Net profit of continuing operating (net loss expressed with “-”)	215,166,975.36	109,214,788.73

Items	For the three months ended 31 March 2020	For the three months ended 31 March 2019
VI. Other comprehensive income, net of tax	-2,383,637.05	-10,872,854.92
(I) Net amount of other comprehensive income after tax attributable to the shareholders of parent company	-2,383,637.05	-10,872,854.92
1. Other comprehensive income to be reclassified to profit or loss	-2,383,637.05	-10,872,854.92
(1) Conversion difference of foreign currency statement	-2,383,637.05	-10,872,854.92
VII. Total comprehensive income	212,783,338.31	98,341,993.81
(I) Total comprehensive income attribute to parent company	212,783,338.31	98,341,993.81
VIII. Earnings per share		
Basic earnings per share	0.11	0.06
Diluted earnings per share	N/A	N/A

For the business combination under common control effected in the current period, the net profit recognized by the merged party before the combination was RMB 0, and the net profit recognized by the merged party in the previous period was RMB0.

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

Parent Company Income Statement
For the three months ended 31 March 2020

Prepared by Flat Glass Group Co., Ltd.

Unit: RMB Type of audit: unaudited

Items	For the three months ended 31 March 2020	For the three months ended 31 March 2019
I. Total operating income	891,245,450.86	631,037,149.33
Less: Operating costs	738,042,234.67	523,779,435.43
Taxes and surcharges	2,408,034.76	1,823,318.89
Selling expense	21,423,415.59	11,605,049.97
General and administrative expenses	14,966,419.65	15,083,107.51
Research and development expenses	23,243,955.27	25,700,787.38
Financial expenses	7,847,274.99	2,124,592.83
Including: Interest expenses	8,339,479.56	6,861,521.56
Interest income	551,232.65	3,272,055.20
Add: Other income	4,615,845.49	2,772,610.44
Investment income (loss stated with"-")		1,759,200.00
Profit arising from changes in fair value (loss stated with "-")	-484,107.93	-4,232,224.71
Loss on credit impairment (loss stated with"-")	-39,644,888.71	-3,774,769.77
Loss on assets impairment (loss stated with"-")	-13,370,479.22	-465,855.15
II. Operating profit (loss expressed with"-")	34,430,485.56	46,979,818.13
Add: Non-operating income	3,876,360.12	754,891.88
Less: Non-operating expenses	2,206,178.00	40,000.00
III. Total profit(total loss expressed with"-")	36,100,667.68	47,694,710.01
Less: income tax expense	2,743,231.35	5,329,155.26
IV. Net profit(net profit expressed with"-")	33,357,436.33	42,365,554.75
Net profit of continuing operating (net loss expressed with"-")	33,357,436.33	42,365,554.75
V. Total comprehensive income	33,357,436.33	42,365,554.75

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

Consolidated Statement of Cash Flow
For the three months ended 31 March 2020

Prepared by Flat Glass Group Co., Ltd.

Unit: RMB *Type of audit: unaudited*

Items	For the three months ended 31 March 2020	For the three months ended 31 March 2019
I. Cash flow from operating activities:		
Cash received from sale of goods or rendering of services	1,296,603,528.04	998,015,437.96
Cash received from refunds of taxes	43,454,244.04	11,236,302.19
Cash received relating to other operating activities	43,489,715.66	15,345,888.40
Subtotal of cash inflows	1,383,547,487.74	1,024,597,628.55
Cash paid for goods and services	998,571，869.06	639,262,054.15
Cash paid to and on behalf of employee	87,655,340.88	70,006,447.38
Cash paid for payments of taxes and surcharges	94,679,710.27	29,025,816.70
Cash paid relating to other operating activities	102,868,709.60	80,083,977.96
Subtotal of cash outflows	1,283,775,629.81	818,378,296.19
Net cash flow from operating activities	99,771,857.93	206,219,332.36
II. Cash flow from investing activities		
Cash received from disposal of investments	1,210,800.00	7,543,790.47
Net cash received from disposal of fixed assets, intangible assets and other long-term equity investment	164,435.87	4,799,404.50
Cash received relating to investing activities	77,538,510.60	73,104,997.02
Subtotal of cash inflows	78,913,746.47	85,448,191.99
Cash paid to purchase fixed assets, intangible assets and other long-term assets payment	265，260,104.22	429,255,292.61
Cash paid to investment	800,000.00	
Cash paid relating to other investing activities	178,042,604.93	82,891,168.59
Subtotal of cash outflows	444,102,709.15	512,146,461.20
Net cash flow from investing activities	-365,188,962.68	-426,698,269.21

Items	For the three months ended 31 March 2020	For the three months ended 31 March 2019
III. Cash flow from financing activities:		
Cash received from capital contribution		269,700,000.00
Cash received from borrowings	866,149,945.15	401,439,836.16
Cash received relating to other financing activities	44,887,379.70	71,697,629.81
Subtotal of cash inflows	911,037,324.85	742,837,465.97
Cash paid for payment of borrowings	555,110,097.11	211,795,706.65
Cash paid for distribution of dividends, and profits or payment of interest	19,555,269.42	26,139,764.03
Cash paid relating to other financing activities	75,239,753.83	96,125,156.54
Subtotal of cash outflows	649,905,120.36	334,060,627.22
Net cash flow from financing activities	261,132,204.49	408,776,838.75
IV. Effect of foreign exchange rate changes on cash and cash equivalents	4,771,177.05	-4,632,648.32
V. Net increase in cash and cash equivalents	486,276.79	183,665,253.58
Add:cash and cash equivalents at beginning of period	479,068,091.59	528,750,004.08
VI. Cash and cash equivalents at end of period	479,554,368.38	712,415,257.66

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

Parent company Statement of Cash Flow
For the three months ended 31 March 2020

Prepared by Flat Glass Group Co., Ltd.

Unit: RMB   Type of audit: unaudited

Items	For the three months ended 31 March 2020	For the three months ended 31 March 2019
I. Cash flow from operating activities:		
Cash received from sale of goods or rendering of services	838,603,576.28	683,259,301.85
Cash received from refunds of taxes	10,169,458.38	482,205.80
Cash received relating to other operating activities	6,523,365.58	3,504,010.75
Subtotal of cash inflows	855,296,400.24	687,245,518.40
Cash paid for goods and services	730,298,678.22	577,876,908.18
Cash paid to and on behalf of employee	47,110,988.56	38,207,165.00
Cash paid for payments of taxes and surcharges	43,774,154.67	14,362,763.58
Cash paid relating to other operating activities	41,254,998.06	35,075,607.72
Subtotal of cash outflows	862,438,819.51	665,522,444.48
Net cash flow from operating activities	-7,142,419.27	21,723,073.92
II. Cash flow from investing activities		
Cash received from disposal of investments		1,759,200.00
Net cash received from disposal of fixed assets, intangible assets and other long-term equity investment		5,598.29
Cash received relating to investing activities	83,538,510.60	17,762,222.24
Subtotal of cash inflows	83,538,510.60	19,527,020.53
Cash paid to purchase fixed assets, intangible assets and other long-term assets payment	7,654,980.53	44,143,766.33
Cash paid to investment	800,000.00	
Cash paid relating to other investing activities	237,512,235.44	372,319,782.85
Subtotal of cash outflows	245,967,215.97	416,463,549.18
Net cash flow from investing activities	-162,428,705.37	-396,936,528.65

Items	For the three months ended 31 March 2020	For the three months ended 31 March 2019
III. Cash flow from financing activities:		
Cash received from capital contribution		269,700,000.00
Cash received from borrowings	492,492,404.26	192,239,836.16
Cash received relating to other financing activities	15,013,350.26	149,716,000.36
Subtotal of cash inflows	507,505,754.52	611,655,836.52
Cash paid for payment of borrowings	313,451,685.71	181,958,157.43
Cash paid for distribution of dividends, and profits or payment of interest	11,131,173.11	10,434,340.48
Cash paid relating to other financing activities	25,686,082.91	82,648,085.09
Subtotal of cash outflows	350,268,941.73	275,040,583.00
Net cash flow from financing activities	157,236,812.79	336,615,253.52
IV. Effect of foreign exchange rate changes on cash and cash equivalents	1,286,038.68	-1,204,699.38
V. Net increase in cash and cash equivalents	-11,048,273.17	-39,802,900.59
Add:cash and cash equivalents at beginning of period	158,928,035.19	171,799,091.46
VI. Cash and cash equivalents at end of period	147,879,762.02	131,996,190.87

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

4.2 Audit Report

□ Applicable √ Not Applicable

Jiaxing, Zhejiang Province, People's Republic of China, 17 April 2020

As at the date of this announcement, the executive directors of the Company are Mr. Ruan Hongliang, Ms. Jiang Jinhua, Mr. Wei Yezhong and Mr. Shen Qifu, and the independent non-executive directors of the Company are Mr. Cui Xiaozhong,Ms. Hua Fulan and Mr. Ng Ki Hung.