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福萊特玻璃集團股份有限公司

Flat Glass Group Co., Ltd.

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

(stock code: 6865)

**THIRD QUARTERLY REPORT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019**

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 third quarter ended 30 September 2019.

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

1. IMPORTANT NOTICE

- 1.1** The board of directors, the supervisory committee, directors, supervisors and senior management of 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 third quarterly report of the Company is unaudited.

2. GENERAL INFORMATION

2.1 Key financials

			<i>Unit: RMB</i>
	As at 30 September 2019	As at 31 December 2018	Increase/decrease compared to end of last year %
Total assets	8,540,494,658.97	6,953,549,102.12	22.82
Equity attributable to owner's of the Company	4,361,344,897.82	3,668,653,664.03	18.88
	For the nine months ended 30 September 2019	For the nine months ended 30 September 2018	Increase/decrease compared to the same period of last year %
Net cash inflow/(outflow) from operating activities	215,296,633.48	323,257,456.69	-33.40
	For the nine months ended 30 September 2019	For the nine months ended 30 September 2018	Increase/decrease compared to the same period of last year %
Revenue	3,380,557,421.4	2,258,017,033.23	49.71
Net profit attributable to equity owner of the Company	507,523,407.12	289,876,191.39	75.08
Net profit attributable to equity owner of the Company excluding non- recurring items	477,219,919.89	273,726,498.75	74.34

	As at 30 September 2019	As at 31 December 2018	Increase/decrease compared to end of last year %
Weighted average return on equity (%)	12.38	8.54	3.84
Basic earnings per share (RMB)	0.26	0.16	62.5
Diluted earnings per share	Nil	Nil	

Non-recurring item

√ Applicable □ Not Applicable

	<i>Unit: RMB</i>	
	For the three months from 1 July to 30 September 2019	For the nine months ended 30 September 2019
Items		
Gains/(losses) on disposal of non-current assets	615,186.12	2,051,506.42
Government grants recorded as other income, expect 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	7,382,775.56	32,628,023.49
Apart from hedging instruments relating to the normal operations of the Company, profit or loss from change in fair value of held-for-trading financial assets and held-for-trading financial liabilities, and investment income from disposal of held-for-trading financial assets, held-for-trading financial liabilities and available for-sale financial assets	-3,412,213.55	373,337.40
Other non-operating income/(expenses) other than above	1,004,610.68	2,237,573.8
Effects of income tax	-818,648.55	-6,986,953.88
Total	4,771,710.26	30,303,487.23

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

36,738

Total number of shareholders(shareholder)

Name of shareholders (in full)	Shareholding at the end of period	Percentage (%)	Shareholding of top ten shareholders			Nature of shareholders
			Restricted shareholding	Pledge or locked-up Status	Number	
HKSCC Nominees Limited 香港中央結算(代理人) 有限公司	452,028,128	23.18	0	Unknown		Unknown
Ruan Hongliang	439,358,400	22.53	439,358,400	Nil		Domestic natural person
Ruan Zeyun	350,532,000	17.98	350,532,000	Nil		Domestic natural person
Jiang Jinhua	324,081,600	16.62	324,081,600	Nil		Domestic natural person
Zheng Wenrong	57,780,000	2.96	57,780,000	Nil		Domestic natural person
Zhu Quanming	38,520,000	1.98	38,520,000	Nil		Domestic natural person
Shen Fuquan	38,520,000	1.98	38,520,000	Nil		Domestic natural person
Wei Yezhong	19,260,000	0.99	19,260,000	Nil		Domestic natural person
Tao Hongqiang	15,408,000	0.79	15,408,000	Nil		Domestic natural person
Wei Zhiming	12,840,000	0.66	12,840,000	Nil		Domestic natural person
Shen Qifu	12,840,000	0.66	12,840,000	Nil		Domestic natural person
Tao Hongzhu	12,840,000	0.66	12,840,000	Nil		Domestic natural person

Shareholding of top ten unrestricted shareholders

Name of shareholders	Number of unrestricted tradable shares held	Class and number of shares	
		Class	Number
HKSCC Nominees Limited 香港中央結算(代理人)有限公司	449,832,800	Overseas listed foreign shares	449,832,800
HKSCC Nominees Limited 香港中央結算(代理人)有限公司	2,195,328	RMB ordinary shares	2,195,328
China Merchants Bank Co., Ltd. – Fuguo Science and Technology Innovation Theme Closed Operation for 3 Years Flexible Allocation of Hybrid Securities Investment Fund (招商銀行股份有限公司－富國科創 主題3年封閉運作靈活配置混合型 證券投資基金)	3,101,100	RMB ordinary shares	3,101,100
Bank of China Limited – Dacheng Small and Medium-sized Mixed Securities Investment Fund (LOF) (中國銀行股份有限 公司－大成中小盤混合型證券 投資基金(LOF))	2,260,400	RMB ordinary shares	2,260,400
China Construction Bank Corporation Limited – Fuguo Science and Technology Innovation Flexible Allocation of Hybrid Securities Investment Fund (中國建設銀行 股份有限公司－富國科技創新靈活 配置混合型證券投資基金)	2,247,500	RMB ordinary shares	2,247,500
Bank of China – Merchants Vanguard Securities Investment Fund (中國銀行－招商先鋒證券 投資基金)	1,580,818	RMB ordinary shares	1,580,818
Industrial and Commercial Bank of China Limited – Fuguo High-tech Industry Hybrid Securities Investment Fund (中國工商銀行 股份有限公司－富國高新技術產業 混合型證券投資基金)	1,411,400	RMB ordinary shares	1,411,400

Shareholding of top ten unrestricted shareholders

Name of shareholders	Number of unrestricted tradable shares held	Class and number of shares	
		Class	Number
Shanghai PingAn HeDing Investment&Management Co.,Ltd – PingAn HeDing* Congrong Macro Hedge No.2 Private Equity Investment Fund (上海平安闔鼎 投資管理有限責任公司－平安 闔鼎*從容宏觀對沖2號私募證券 投資基金)	1,396,000	RMB ordinary shares	1,396,000
Ji Wenxing	1,377,700	RMB ordinary shares	1,377,700
Shanghai Congrong Investment Management Co., Ltd. – Congrong Macro Hedge No.3 Private Equity Investment Fund (上海從容投資 管理有限公司－從容宏觀對沖3號 私募證券投資基金)	1,180,481	RMB ordinary shares	1,180,481
Shanghai Congrong Investment Management Co., Ltd. – Congrong All-Weather Phase I Private Equity Investment Fund (上海從容投資 管理有限公司－從容全天候1期 私募證券投資基金)	894,900	RMB ordinary shares	894,900
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.		
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 IMPORTANT NOTICE

3.1 Significant changes in major financial statements item and financial indicators and the reason thereof.

☒ Applicable ☐ Not Applicable

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

Unit: RMB

Items	As at 30 September 2019	As at 31 December 2018	Increase/ decrease %	Main reasons for the changes
Derivative financial asset	1,530,469.22	6,172,390.30	-75.20	Mainly due to changes in fair value of derivative financial assets at the end of the period
Bills receivables	1,663,588,563.44	911,294,531.23	82.55	Mainly due to the increase in the amount of endorsed bills receivables at the end of the period
Trade receivables	1,088,108,246.69	821,195,179.32	32.50	Mainly due to the expansion of sales scale
Other receivables	2,093,178.48	1,296,794.21	61.41	Mainly due to the increase in margin receivable
Fixed asset	3,080,490,177.69	2,166,275,875.65	42.20	Mainly due to the transfer of construction projects under construction to fixed assets during the period
Construction in progress	659,634,022.48	962,570,065.48	-31.47	Mainly due to the transfer of construction in progress to fixed assets during the period
Deferred tax assets	451,071.19	19,005,748.81	-97.63	Mainly due to the reduction of temporary differences
Short-term borrowing	975,047,568.27	450,399,136.69	116.49	Mainly due to the increase in short-term borrowings at the end of the period
Derivative financial liabilities	4,062,014.99	738,000.00	450.41	Mainly due to changes in the fair value of derivative financial liabilities at the end of the period

Items	As at 30 September 2019	As at 31 December 2018	Increase/ decrease %	Main reasons for the changes
Payables	1,637,603,909.78	1,216,541,204.11	34.61	Mainly due to the increase in the balance payables to suppliers at the end of the current period
Contract liabilities	22,497,610.01	14,042,379.21	60.21	Mainly due to the increase of receipts in advance from customers at the end of the period
Tax payables	113,011,886.17	81,681,336.98	38.36	Mainly due to the increase of enterprise income tax payable at the end of the period
Other payables	53,443,437.77	38,681,381.51	38.16	Mainly due to the increase in margin payable at the end of the period
Including: interest payables	3,656,537.18	1,562,660.53	133.99	Mainly due to an increase in interest payables at the end of the period
Non-current liabilities within one year	795,793,660.70	188,738,000.00	321.64	Mainly due to the long-term borrowings will be due within one year
Long-term borrowings	281,612,410.30	989,439,412.61	-71.54	Mainly due to the long-term borrowings will be due within one year
Capital surplus	839,115,113.41	622,230,162.41	34.86	Mainly due to the premium of A-share issuance
Other comprehensive income	11,983,450.07	-4,685,190.57	355.77	Mainly due to foreign currency translation differences caused by exchange rate changes

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

Unit: RMB

Items	As at 30 September 2019	As at 30 September 2018	Increase/ decrease %	Main reasons for the changes
Operating revenue	3,380,557,421.40	2,258,017,033.23	49.71	Mainly due to the expansion of sales of PV glass
Operating cost	2,360,515,329.24	1,658,795,444.96	42.3	Mainly due to the growth of total operating income and operating costs in the same direction
Selling expense	169,769,281.84	86,195,726.39	96.96	Mainly due to the increase in sales volume of principle products, resulting in an increase in sales freight
Research and development expense	142,059,127.55	80,864,649.05	75.68	Mainly due to new research and development projects

Items	As at 30 September 2019	As at 30 September 2018	Increase/ decrease %	Main reasons for the changes
Financial expense	38,487,074.84	-6,619,683.30	681.4	Mainly due to an increase in interest expenses due to an increase in short-term borrowing and exchange losses due to changes in foreign exchange rates
Other income	25,307,656.37	18,248,627.43	38.68	Mainly as a result of the increase in income-related government subsidies received in the current period
Investment income	8,339,273.47	-16,523,599.78	150.47	Mainly due to the disposal of derivative financial instruments during the current period
Profit arising from changes in fair value	-7,965,936.07	10,274,474.91	-177.53	Mainly due to changes in the fair value of derivative financial instruments during the current period
Credit impairment loss	5,823,978.31	-8,997,798.52	164.73	Mainly due to recovery of credit impairment losses
Impairment of financial asset	786,062.67	-1,720,676.40	145.68	Mainly due to recovery of impairment of inventory depreciation provision
Gains on disposal of assets	2,051,506.42	-102,037.99	2110.53	Mainly due to gains on disposal of fixed assets
Non-operating income	12,526,741.97	5,949,743.39	110.54	Mainly as a result of the increase in government subsidies
Non-operating expense	183,367.62	79,714.46	130.03	Mainly due to increased expenditure on public donations
Income tax expense	107,278,095.90	50,371,665.51	112.97	Mainly attributable to the increase in total profit during the current period

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

Unit: RMB

Items	As at 30 September 2019	As at 30 September 2018	Increase/ decrease %	Main reasons for the changes
Net Cash flow from operating activities	215,296,633.48	323,257,456.69	-33.40	Mainly due to the increase in cash payments for goods purchased and services received, as well as other cash payments related to operating activities

3.2 Analysis of significant events and their impact and solution

☒ Applicable ☐ Not Applicable

The resolution of *Report on the Company's Compliance of the Conditions for the Proposed Issuance of A Share Convertible Bonds, A Share Convertible Bonds Issuance Plan* and other resolutions relating to the issuance of A share convertible bonds were approved at the 2018 Annual Meeting, 2019 First A Shareholders' Class Meeting and 2019 First H Shareholders' Class Meeting held on 24 June 2019.

On 6 September 2019, the Company received *the Acceptance Notice of the Application for Administration Permission (No. 192383)* issued by the China Securities Regulatory Commission (hereinafter referred to as "CSRC"). The CSRC has examined the application materials for administrative permission submitted by the Company and decided to accept the application for administrative permission because the application materials are complete and conform to the legal form.

On 24 October 2019, the Company received *the Notice of Feedback from the CSRC on First Examination Report of the Application for Administration Permission Project (No. 192383)* issued by the CSRC. The Company and relevant intermediaries will follow the requirements of the above notice to make a written reply in time and submit the relevant materials to the administration permission acceptance department of the CSRC.

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	

4. APPENDIX

4.1 Financial Statements

Consolidated Balance Sheet As at 30 September 2019

Prepared by Flat Glass Group Co., Ltd.

Items	Unit:RMB Type of audit:unaudited	
	As at 30 September 2019	As at 31 December 2018
Current assets:		
Cash at bank and on hand	532,255,940.96	683,018,973.73
Derivative financial asset	1,530,469.22	6,172,390.3
Bills receivables	1,663,588,563.44	911,294,531.23
Accounts receivables	1,088,108,246.69	821,195,179.32
Advance payment	66,251,360.79	65,474,835.88
Other receivable	2,093,178.48	1,296,794.21
Inventories	480,330,278.66	377,123,199.96
Other current assets	144,405,936.73	181,666,205.48
Total current assets	3,978,563,974.97	3,047,242,110.11
Non-current assets:		
Investment properties	22,023,039.43	23,096,642.23
Fixed assets	3,080,490,177.69	2,166,275,875.65
Construction in progress	659,634,022.48	962,570,065.48
Intangible assets	600,254,336.23	536,809,851.25
Long-term prepaid expense	2,264,385.63	2,777,526.55
Deferred income tax assets	451,071.19	19,005,748.81
Other non-current assets	196,813,651.35	195,771,282.04
Total non-current assets	4,561,930,684	3,906,306,992.01
Total assets	8,540,494,658.97	6,953,549,102.12

Items	As at 30 September 2019	As at 31 December 2018
Current liabilities:		
Short-term borrowings	975,047,568.27	450,399,136.69
Derivative financial liabilities	4,062,014.99	738,000
Bills payables	228,029,739.82	219,832,038.07
Accounts payables	1,637,603,909.78	1,216,541,204.11
Contract liabilities	22,497,610.01	14,042,379.21
Payroll payables	19,546,588.65	26,225,994.20
Tax payables	113,011,886.17	81,681,336.98
Other payables	53,443,437.77	38,681,381.51
Including: Interest payables	3,656,537.18	1,562,660.53
Non-current liabilities due within one year	795,793,660.70	188,738,000.00
Total current liabilities	3,849,036,416.16	2,236,879,470.77
Non-current liabilities:		
Long-term borrowings	281,612,410.30	989,439,412.61
Deferred income	48,500,934.69	58,576,554.71
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	330,113,344.99	1,048,015,967.32
Total liabilities	4,179,149,761.15	3,284,895,438.09
Owner's Equity		
Share capital	487,500,000.00	450,000,000.00
Capital surplus	839,115,113.41	622,230,162.41
Other comprehensive income	11,983,450.07	-4,685,190.57
Special reserve	11,289,862.43	9,425,627.41
Surplus reserve	168,158,907.37	168,158,907.37
Undistributed profit	2,843,297,564.54	2,423,524,157.41
Equity attributable to owners of the parent company	4,361,344,897.82	3,668,653,664.03
Total owner's equity	4,361,344,897.82	3,668,653,664.03
Total liabilities and owner's equity	8,540,494,658.97	6,953,549,102.12

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 30 September 2019

Prepared by Flat Glass Group Co., Ltd.

Items	<i>Unit: RMB Type of audit: unaudited</i>	
	As at 30 September 2019	As at 31 December 2018
Current assets:		
Cash at bank and on hand	215,302,593.64	248,453,770.98
Derivative financial asset	1,530,469.22	4,970,224.71
Bills receivables	1,308,718,062.71	774,398,067.88
Accounts receivables	643,513,637.77	502,280,814.30
Advance payment	32,418,942.28	39,136,580.02
Other receivable	272,009,039.29	115,299,644.49
Inventories	221,776,505.30	162,383,851.02
Other current assets	5,558,925.90	24,941,889.24
Total current assets	2,700,828,176.11	1,871,864,842.64
Non-current assets:		
Long-term equity investment	1,043,137,343.00	786,137,343.00
Fixed assets	1,090,353,378.87	927,127,844.80
Construction in progress	98,997,681.09	243,785,148.44
Intangible assets	165,847,063.78	131,628,507.77
Long-term prepaid expense	210,657.38	265,068.34
Deferred income tax assets	1,408,530.87	10,881,999.81
Other non-current assets	314,701,307.67	788,994,654.72
Total non-current assets	2,714,655,962.66	2,888,820,566.88
Total assets	5,415,484,138.77	4,760,685,409.52
Current liabilities:		
Short-term borrowings	668,626,338.3	328,446,377.87
Derivative financial liabilities	738,000	
Bills payables	90,140,099.23	88,051,988.88
Accounts payables	840,287,499.26	745,246,372.34
Contract liabilities	9,428,609.37	4,662,060.73
Payroll payables	9,404,273.93	14,964,926.68
Tax payables	25,740,547.54	3,721,807.65
Other payables	497,500,464.58	632,131,765.44
Including: interest payables	9,998,892.28	9,851,014.20
Total current liabilities	2,141,127,832.21	1,817,963,299.59

Items	As at 30 September 2019	As at 31 December 2018
Non-current liabilities:		
Deferred income	37,307,411.97	45,599,630.00
Total non-current liabilities	37,307,411.97	45,599,630.00
Total liabilities	2,178,435,244.18	1,863,562,929.59
Owner's equity		
Share capital	487,500,000.00	450,000,000.00
Capital surplus	839,115,113.41	622,230,162.41
Surplus reserve	168,158,907.37	168,158,907.37
Undistributed profit	1,742,274,873.81	1,656,733,410.15
Total owner's equity	3,237,048,894.59	2,897,122,479.93
Total liabilities and owner's equity	5,415,484,138.77	4,760,685,409.52

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

Consolidated Income Statement
As at 30 September 2019

Prepared by Flat Glass Group Co., Ltd.

Items	Unit: RMB Type of audit: unaudited			
	For the three months ended 30 September 2019	For the three months ended 30 September 2018	For the nine months ended 30 September 2019	For the nine months ended 30 September 2018
I. Total Operating income	1,345,921,851.92	795,605,301.13	3,380,557,421.40	2,258,017,033.23
Including: Operating income	1,345,921,851.92	795,605,301.13	3,380,557,421.40	2,258,017,033.23
II. Total operating costs	1,060,694,159.17	705,156,192.18	2,812,441,833.90	1,924,818,194.91
Including: Operating cost	898,716,670.65	614,657,164.66	2,360,515,329.24	1,658,795,444.96
Tax and surcharges	7,672,930.28	4,868,137.10	20,273,492.31	19,510,936.66
Selling expenses	73,782,139.74	38,503,081.40	169,769,281.84	86,195,726.39
Administrative expense	29,020,632.92	32,495,968.52	81,337,528.12	86,071,121.15
Research and development expense	37,668,122.94	31,046,247.58	142,059,127.55	80,864,649.05
Financial expense	13,833,662.64	-16,414,407.08	38,487,074.84	-6,619,683.30
Including: Interest expense	16,632,107.09	9,273,171.09	48,022,209.18	16,514,246.99
Interest income	4,311,743.89	6,228,875.51	14,857,788.01	14,441,637.58
Add: Other income	5,237,197.17	7,058,681.74	25,307,656.37	18,248,627.43
Investment income (loss stated with "-")	1,399,677.22	-2,179,367.72	8,339,273.47	-16,523,599.78
Profit arising from fair value (loss stated with "-")	-4,811,890.77	-460,314.50	-7,965,936.07	10,274,474.91
Credit impairment loss (loss stated with "-")	11,346,226.85	-1,934,197.19	5,823,978.31	-8,997,798.52
Asset impairment loss (loss stated with "-")	1,067,909.32	-612,376.14	786,062.67	-1,720,676.40
Asset disposal income (loss stated with "-")	615,186.12	41,894.46	2,051,506.42	-102,037.99
III. Operating profit (loss stated with "-")	300,081,998.66	92,363,429.60	602,458,128.67	334,377,827.97
Add: non-operating income	4,450,839.64	317,999.83	12,526,741.97	5,949,743.39
Less: non-operating expenses	138,131.39	38,739.34	183,367.62	79,714.46
IV. Total profit (total loss stated with "-")	304,394,706.91	92,642,690.09	614,801,503.02	340,247,856.90
Less: Income tax expense	58,290,786.69	15,651,629.80	107,278,095.90	50,371,665.51
V. Net profit (net loss stated with "-")	246,103,920.22	76,991,060.29	507,523,407.12	289,876,191.39
1. Classified on a going concern basis				
Net profit from continuing operation (net loss stated with "-")	246,103,920.22	76,991,060.29	507,523,407.12	289,876,191.39
2. Classified according to ownership				
Attributable to equity owners of the parent company (net loss stated with "-")	246,103,920.22	76,991,060.29	507,523,407.12	289,876,191.39

Items	For the three months ended 30 September 2019	For the three months ended 30 September 2018	For the nine months ended 30 September 2019	For the nine months ended 30 September 2018
VI. Other comprehensive income, net of tax	18,885,005.60	16,328,923.36	16,668,640.64	17,440,125.71
Other comprehensive income, net of tax attributed to owner's of parent company	18,885,005.60	16,328,923.36	16,668,640.64	17,440,125.71
Other comprehensive income which will be reclassified to gain or loss	18,885,005.60	16,328,923.36	16,668,640.64	17,440,125.71
Exchange differences on foreign currency financial statements translation	18,885,005.60	16,328,923.36	16,668,640.64	17,440,125.71
VII. Total comprehensive income	264,988,925.82	93,319,983.65	524,192,047.76	307,316,317.10
Attributable to owners' of the Company	264,988,925.82	93,319,983.65	524,192,047.76	307,316,317.10
VIII. Earnings per share				
Basic earnings per share	0.12	0.04	0.26	0.16
Diluted earnings per share	Nil	Nil	Nil	Nil

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 RMB 0.

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

Parent Company Income Statement
As at 30 September 2019

Prepared by Flat Glass Group Co., Ltd.

Items	Unit: RMB Type of audit: unaudited			
	For the three months ended 30 September 2019	For the three months ended 30 September 2018	For the nine months ended 30 September 2019	For the nine months ended 30 September 2018
I. Operating income	977,087,431.41	576,526,141.27	2,464,476,954.09	1,551,976,385.29
Less: Operating costs	816,871,510.97	501,612,096.85	2,094,804,188.56	1,213,194,990.57
Tax and surcharges	3,289,576.52	1,623,441.66	7,781,212.78	8,333,931.94
Selling expenses	15,094,491.76	17,887,822.01	42,883,862.82	43,040,877.88
Administrative expenses	16,205,652.97	18,906,064.27	51,819,461.41	53,186,073.62
Research and development expense	13,925,559.13	25,163,474.98	63,773,986.25	58,898,296.69
Financial expense	14,700,329.74	12,067,160.55	24,570,835.90	25,740,953.81
Including: Interest expense	8,932,686.85	1,098,449.71	23,119,496.27	11,670,677.66
Interest income	2,228,168.35	4,884,029.83	9,894,872.14	10,063,462.02
Add: Other income	2,764,072.68	2,559,167.04	13,597,877.28	7,677,500.40
Investment income (loss stated with "-")	-1,875,871.48	1,759,200.00	44,294,846.65	
Profit arising from fair value (loss stated with "-")	-852,830.11	-181,638.86	-2,701,755.49	4,834,850.55
Credit impairment loss (loss stated with "-")	3,612,489.81	1,510,900.92	-691,532.11	-3,443,298.56
Asset impairment loss (loss stated with "-")	1,021,374.41	-356,538.49	528,917.42	-1,453,479.93
Asset disposal income (loss stated with "-")	-5,411.79	23,239.71	88,107.57	23,037.81
II. Operating profit (loss stated with "-")	103,540,005.32	945,339.79	191,424,221.04	201,514,717.70
Add: non-operating income	3,157,422.62	275,679.81	4,775,449.23	4,994,565.84
Less: non-operating expenses	55,000.00	30,000.00	100,000.00	30,000.00
III. Total profit (total loss stated with "-")	106,642,427.94	1,191,019.60	196,099,670.27	206,479,283.54
Less: Income tax expense	15,311,258.32	-3,668,320.94	22,808,206.61	14,927,023.96
IV. Net profit (net loss stated with "-")	91,331,169.62	4,859,340.54	173,291,463.66	191,552,259.58
V. Total comprehensive income	91,331,169.62	4,859,340.54	173,291,463.66	191,552,259.58

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
As at 30 September 2019

Prepared by Flat Glass Group Co., Ltd.

Items	<i>Unit: RMB Type of audit: unaudited</i>	
	For the nine months ended 30 September 2019	For the nine months ended 30 September 2018
I. Cash flow from operating activities:		
Cash received from sale of goods or rendering of services	2,930,594,614.90	2,355,251,659.67
Cash received from refunds of taxes	100,864,899.39	43,679,110.08
Cash received relating to other operating activities	95,646,906.90	33,718,908.31
Subtotal of cash inflows	3,127,106,421.19	2,432,649,678.06
Cash paid for goods and services	2,314,290,096.85	1,625,293,279.37
Cash paid to and on behalf of employee	205,456,921.18	190,489,430.64
Cash paid for payments of taxes	104,296,075.77	129,716,334.16
Cash paid relating to other operating activities	287,766,693.91	163,893,177.20
Subtotal of cash outflows	2,911,809,787.71	2,109,392,221.37
Net cash flow from operating activities	215,296,633.48	323,257,456.69
II. Cash flow from investing activities:		
Cash received from disposal of investments	4,200,000.00	
Cash received from income of investment	8,404,473.47	2,275,088.92
Net cash received from disposal of fixed assets, intangible assets and other long-term equity investment	4,592,156.72	233,602.21
Cash received relating to other investing activities	72,404,253.35	67,612,495.44
Subtotal of cash inflows	85,400,883.54	74,321,186.57
Cash paid to purchase fixed assets, intangible assets and other long-term equity investments	825,687,601.91	855,007,627.97
Cash paid relating to other investing activities	166,402,121.82	125,406,059.59
Subtotal of cash outflows	992,089,723.73	980,413,687.56
Net cash flow from investing activities	-906,688,840.19	-906,092,500.99
III. Cash flow from financing activities:		
Cash received from capital contribution	267,000,000.00	
Cash received from borrowings	1,176,729,568.74	881,455,041.28
Cash received relating to other financing activities	144,451,653.98	258,147,229.04
Subtotal of cash inflows	1,588,181,222.72	1,139,602,270.32
Cash paid for payment of borrowings	784,479,528.65	464,693,017.89
Cash paid for distribution of dividends, and profits or payment of interest	158,015,911.08	51,694,536.02
Cash paid relating to other financing activities	179,305,746.60	226,940,071.50
Subtotal of cash outflows	1,121,801,186.33	743,327,625.41
Net cash flow from financing activities	466,380,036.39	396,274,644.91

Items	For the nine months ended 30 September 2019	For the nine months ended 30 September 2018
IV. Effect of foreign exchange rate changes on cash and cash equivalents	5,247,563.18	19,356,664.31
V. Net increase in cash and cash equivalents	-219,764,607.14	-167,203,735.08
Add: cash and cash equivalents at beginning of period	528,750,004.08	949,647,190.42
VI. Cash and cash equivalents at end of period	308,985,396.94	782,443,455.34

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

**Parent Statement of Cash Flow
As at 30 September 2019**

Prepared by Flat Glass Group Co., Ltd.

Items	<i>Unit: RMB Type of audit: unaudited</i>	
	For the nine months ended 30 September 2019	For the nine months ended 30 September 2018
I. Cash flow from operating activities:		
Cash received from sale of goods or rendering of services	2,078,687,372.52	1,931,306,812.87
Cash received from refunds of taxes	32,708,390.80	10,224,768.74
Cash received relating to other operating activities	20,092,359.86	12,502,482.01
Subtotal of cash inflows	2,131,488,123.18	1,954,034,063.62
Cash paid for goods and services	2,176,807,681.21	1,243,783,993.47
Cash paid to and on behalf of employee	109,026,480.85	123,452,108.45
Cash paid for payments of taxes	21,338,895.99	94,639,517.78
Cash paid relating to other operating activities	103,814,742.98	73,014,294.96
Subtotal of cash outflows	2,410,987,801.03	1,534,889,914.66
Net cash flow from operating activities	-279,499,677.85	419,144,148.96
II. Cash flow from investing activities:		
Cash received from disposal of investments	1,759,200.00	52,285,550.00
Net cash received from disposal of fixed assets, intangible assets and other long-term equity investment	112,430.12	2,823,839.21
Cash received relating to other investing activities	409,610,893.71	126,388,873.36
Subtotal of cash inflows	411,482,523.83	181,498,262.57
Cash paid to purchase fixed assets, intangible assets and other long-term equity investments	99,983,294.87	197,727,816.99
Cash paid to investment	257,000,000.00	238,982,321.00
Cash paid relating to other investing activities	267,098,523.17	339,554,406.25
Subtotal of cash outflows	624,081,818.04	776,264,544.24
Net cash flow from investing activities	-212,599,294.21	-594,766,281.67

Items	For the nine months ended 30 September 2019	For the nine months ended 30 September 2018
III. Cash flow from financing activities:		
Cash received from capital contribution	267,000,000	
Cash received from borrowings	591,545,343.28	244,723,707.22
Cash received relating to other financing activities	167,875,049.24	646,953,480.81
Subtotal of cash inflows	1,026,420,392.52	891,677,188.03
Cash paid for payment of borrowings	251,365,382.85	298,519,650.00
Cash paid for distribution of dividends, and profits or payment of interest	110,721,618.19	16,911,672.53
Cash paid relating to other financing activities	258,145,225.23	263,700,922.29
Subtotal of cash outflows	620,232,226.27	579,132,244.82
Net cash flow from financing activities	406,188,166.25	312,544,943.21
IV. Effect of foreign exchange rate changes on cash and cash equivalents	451,910.48	5,033,256.53
V. Net increase in cash and cash equivalents	-85,458,895.33	141,956,067.03
Add: cash and cash equivalents at beginning of period	171,799,091.46	176,663,254.34
VI. Cash and cash equivalents at end of period	86,340,196.13	318,619,321.37

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, 24 October 2019

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.