*H g K g E cha ge a d Clea i g Li ied a d The S ck E cha ge f H g K g Li ied ake e s sibili f he c e s f his a ce e , ake e e se a i as i s acc ac c le e ess a d e ss l dis clai a liabili ha s e e f a l ss h s e e a is i g f i elia ce he h le a a f he c e s f his a ce e .*

**Solarg Holdings Limited**
**陽 股有限公司**
*(Inc ated in Islands with limited liability)*
**( ode: 757)**

# ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

## FINANCIAL HIGHLIGHTS

| | Six Months Ended 30 June | | |
|---|---|---|---|
| | **2022** | 2021 | Cha ge |
| | ***RMB million*** | *RMB illi* | |
| Re e e | **3,147.0** | 2,820.6 | +11.6% |
| P fi a ib able s f he a e | **67.7** | 61.3 | +10.4% |
| Ea i gs e sha e Ba sic | **RMB2.04 cents** | RMB1.86 ce s | +9.7% |

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*a 30 J e 2022*

| | *N , e s* | **At 30 June 2022 *RMB'000* (Unaudited)** | A 31 Dece be 2021 *RMB'000* (A di ed) |
|---|---|---|---|
| **Non-current assets** | | | |
| P , e , la a d g i e | *8* | **1,959,189** | 1,901,125 |
| L , g e e a e s a d , he ecei able s | | **30,539** | 17,211 |
| Righ - f- s e ass e s | | **240,537** | 238,563 |
| I e s e s i ass , cia e s | | **200** | 200 |
| F i i e s e s de s ig a ed a fai al e h , gh , he c , ehe s i e i c , e | | **190** | 190 |
| Defe ed a ass e s | | **6,675** | 9,065 |
| | | **2,237,330** | 2,166,354 |
| **Current assets** | | | |
| I e , ie s | | **761,541** | 459,439 |
| T ade a d bill s ecei able s | *9* | **1,675,462** | 1,794,155 |
| C , ac ass e s | *10* | **231,597** | 159,049 |
| P e a e s, , he ecei able s a d , he ass e s | *11* | **531,240** | 521,292 |
| C e a ec , e able | | **4,954** | 7,744 |
| Fi a cial ass e s a fai al e h , gh , fi , l ss | | **697** | |
| Pledged de s i s | | **1,090,571** | 751,278 |
| Ca s h a d ca s h g i ale s | | **500,882** | 431,861 |
| | | **4,796,944** | 4,124,818 |
| **Current liabilities** | | | |
| De i a i e fi a cial i s e s | | **10,623** | |
| I e e s -bea i g ba k a d , he b , , i g s | | **1,991,109** | 1,915,279 |
| T ade a d bill s a able s | *12* | **2,404,650** | 2,242,716 |
| O he a able s a d acc al s | *13* | **458,443** | 543,866 |
| C , ac liabili ie s | | **246,514** | 141,083 |
| C e a a able | | **32,770** | 25,629 |
| P , i s i , | *14* | **1,336** | 4,700 |
| C e , i , f lea s e liabili ie s | | **27,816** | 20,270 |
| | | **5,173,261** | 4,893,543 |
| **Net current liabilities** | | **(376,317)** | (768,725) |
| **Total assets less current liabilities** | | **1,861,013** | 1,397,629 |

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*a 30 J e 2022 (c , i ed)*

| | Note | At 30 June 2022 RMB'000 (Unaudited) | A 31 Dece be 2021 RMB'000 (A di ed) |
|---|---|---|---|
| **Non-current liabilities** | | | |
| C , e ible b , d$_s$ | | **245,133** | |
| I e e$_s$ -bea i g ba k a d , he b , , i g$_s$ | | **377,084** | 209,670 |
| Defe ed a liabili ie$_s$ | | **2,760** | 2,418 |
| Defe ed i c , e | | **241,664** | 258,065 |
| Lea$_s$e liabili ie$_s$ | | **70,834** | 73,592 |
| P , i$_s$i , | *14* | **135,120** | 181,605 |
| | | **1,072,595** | 725,350 |
| **NET ASSETS** | | **788,418** | 672,279 |
| **EQUITY** | | | |
| **Equity attributable to equity holders of the parent** | | | |

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

*f r he s i r h s e ded 30 J e 2022 a di ed*

| | Six months ended 30 June | |
|---|---|---|
| | **2022** | 2021 |
| | ***RMB'000*** | *RMB'000* |
| **Cash generated from operations** | **316,154** | 313,512 |
| Ta aid | **(4,819)** | (6,650) |
| **Net cash flows generated from operating activities** | **311,335** | 306,862 |
| **Net cash flows used in investing activities** | **(320,685)** | (101,738) |
| **Net cash flows generated from/(used in) financing activities** | **80,438** | (292,255) |
| **Net increase/(decrease) in cash and cash equivalents** | **71,088** | (87,131) |
| **Effect of exchange rate changes** | **(2,067)** | 1,469 |
| **Cash and cash equivalents at 1 January** | **431,861** | 456,265 |
| **Cash and cash equivalents at 30 June** | **500,882** | 370,603 |

## NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

### 1. BASIS OF PREPARATION

The se i ei c , de sed c , s , lida ed fi a cial s a e e s f , he si , hs e ded 30 J e 2022 a e e a ed i acc , da ce i h H , g K , g Acc , i g S a da d ( HKAS ) 34 I e i Fi a cial Re , i g. The i e i c , de sed c , s , lida ed fi a cial s a e e s d , , i cl de all he i f , a i , a d dis cl , s es g i ed i he a al fi a cial s a e e s a d s h , ld be ead i c , j c i , i h he a al fi a cial s a e e s f , he ea e ded 31 Dece be 2021, hich ha e bee e a ed i acc , da ce i h H , g K , g Fi a cial Re , i g S a da ds ( HKFRSs ).

As a 30 J e 2022, he G , 's c e liabili ies e ceeded i s c e assesb RMB376,317,000. The li idi , f he G , is i a il de e de , i s abili , ai ai ad g a e cash fl , s f , , e a i , s, , e e i s sh , - e ba k l , a s a d , , b ai ad g a e e e al fi a ci g , s , i s , ki g ca ial a d ee i s , bliga i , s a d c , i e s he he bec , e d e.

The G , has ca ied , a e ie , f i s cash fl , f , ecas f , he el e , hs e di g 30 J e 2023. Based , s ch f , ecas , he di ec , s belie e ha ad g a e s , ces , f li idi e is , f d he G , 's , ki g ca ial a d ca ial e e di e g i e e s, a d , ee i s sh , - e deb , bliga i , s a d , he liabili ies a d c , i e s as he bec , e d e i he el e , hs e di g 30 J e 2023. I e a i g he cash fl , f , ecas , a age e has c , side ed his , ical cash g i e e s , f he G , , as ell as , he ke fac , s, i cl di g ilised ba ki g facili ies as a 30 J e 2022 f , he G , 's aj , ba ks i h a a , , f RMB2,248,744,000, hich ill e i e , 31 Dece be 2023.

Based , he ab , e fac , s, he di ec , s a e c , fide ha he G , ill ha e s fficie f di g , e able he G , , , e a e as a g i g c , ce a d ee i s fi a cial bliga i , s as a d he he fall d e f , a leas el e , hs f , he e , i g da e. Acc , di gl , he i e i c , s lida ed fi a cial s a e e s ha e bee e a ed , a g i g c , ce bas is.

### 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The acc , i g licies ad , ed i he e a a i , f he i e i c , de sed c , s lida ed fi a cial s a e e s a e c , sis e i h h se a lied i he e a a i , f he G , 's a al c , s lida ed fi a cial s a e e s f , he ea e ded 31 Dece be 2021, e ce f , he ad , i , f he f ll , i g e is ed H , g K , g Fi a cial Re , i g S a da ds ( HKFRSs ) f , he fi s i e f , he c e e i d's fi a cial i f , a i , .

| | |
|---|---|
| A e d e s , HKFRS 3 | *Refe e ce , he C , ce al F a e , k* |
| A e d e , HKFRS 16 | *C , id-19-Rela ed Re C , ces i , s be , d 30 J e 2021* |
| A e d e s , HKAS 16 | *P , e , Pla a d E i e : P ceeds bef , e I e ded U se* |
| A e d e s , HKAS 37 | *O e , s C , ac s C s f F lfilli g a C , ac* |
| A al I , e e s , HKFRSs 2018 2020 | *A e d e s , HKFRS 1, HKFRS 9, Ill s a i e E a les acc , a i g HKFRS 16, a d HKAS 41* |

The a e a d i ac f he e i ed HKFRS a e de c ibed bel :

(a) A e d e , HKFRS 3 e lace a efe e ce he e i , F a e k f, he P e a a i, a d P e e a i, f Fi a cial S a e e i h a efe e ce he C ce al F a e k f, Fi a cial Re i g i ed i J e 2018 i h, ig ifica 1 cha gi g i g ie e . The a e d e al , add HKFRS 3 a e ce i , i ec g i i, i ci le f, a e i , efe he C ce al F a e k , de e ie ha c , i e a a e , a liabili . The e ce i , ecifie ha , f, liabili ie a d c , i ge liabili ie ha , ld be i hi he c , e f HKAS 37 , HK(IFRIC)-I 21 if he e e i c ed e a a el a he ha a ed i a b i e c , bi a i , a e i a l i g HKFRS 3 h, ld efe , HKAS 37 , HK(IFRIC)-I 21 ec ie el i ead f he C ce al F a e k. F he e, he a e d e cla if ha c , i ge a e d , alif f, ec g i i, a he a i i, da e. The G , ha a lied he a e d e , ec ie el , b i e c , bi a i , ha cc ed , , af e 1 Ja a 2022. A he e e e , c , i ge a e , liabili ie a d c , i ge liabili ie i hi he c , e f he a e d e a i i g i he b i e c , bi a i , ha cc ed d i g he ei d, he a e d e did , ha e a i ac , he fi a cial i i , a d e f, a ce f he G , .

(b) A e d e , HKAS 16 hibi a e i f, ded c i g f, he c f a ie f , e , la a d i e a ceed f, elli g ie d ced hile b i gi g ha a e , he l ca i, a d c , di i, ece a f, i , be ca able f , e a i g i he a e i e ded b a age e . I ead, a e i ec g i e he ceed f, elli g a ch ie , a d he c f h e ie , i fi , l . The G , ha a lied he a e d e e ec ie el , ie f , e , la a d i e ade a ailable f, e , , af e 1 Ja a 2021. Si ce he e a , ale f ie d ced hile aki g , e , la a d i e a ailable f, e , , af e 1 Ja a 2021, he a e d e did , ha e a i ac , he fi a cial i i , , e f, a ce f he G , .

(c) A e d e , HKAS 37 cla if ha f, he e f a e e i g he he a c, ac i , e , de HKAS 37, he c f lfilli g he c, ac c, i e he c , ha ela e di ec l , he c, ac . C , ha ela e di ec l , a c, ac i cl de b, h he i c e e al c , f lfilli g ha c, ac (e.g., di ec lab, a d a e ial ) a d a all ca i, f, he c , ha ela e di ec l , f lfilli g ha c, ac (e.g., a all ca i, f he de ecia i, cha ge f, a ie f , e , la a d i e ed i f lfilli g he c, ac a ell a c, ac a age e a d e i i, c , ). Ge e al a d ad i i a ie c , d , , ela e di ec l , a c, ac a d a e e cl ded le he a e e lici l cha geable , he c, e a de he c, ac . The G , ha a lied he a e d e e ec ie el , c, ac f, hich i ha , e f lfilled all i ligai , a 1 Ja a 2022 a d , , e , c, ac e e ide ified. The ef, e, he a e d e did , ha e a i ac , he fi a cial i i , , e f, a ce f he G , .

(d) A al I , e e , HKFRS 2018 2020 e , a e d e , HKFRS 1, HKFRS 9,

2022. As the effective date of the Group's financial liabilities during the period, the adoption of the Amendment had no material impact on the financial position of the Group.

HKFRS 16 Leases: Lease liability in a sale and leaseback – Amendments to HKFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments had no material impact on the financial position of the Group.

## 3. SEGMENT REPORTING

In a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker for the purposes of resource allocation and performance assessment, the Group has identified four reportable segments as follows: (i) the manufacturing of, trading of, and provision of processing services for electrical appliances/safety and related products (Segment A); (ii) the manufacturing and trading of household electrical cords (Segment B); (iii) the construction and operation of hydroelectric power stations (Segment C); and (iv) the manufacturing of semiconductor cells and others (Segment D).

### (a) Segment results, assets and liabilities

For the purpose of assessing segment performance and allocating resources between segments, the Group's chief operating decision maker monitors the results, assets and liabilities attributable to each reportable segment on the basis as the amounts are reported in the Group's financial statements. Information regarding the Group's reportable segments as provided to the Group's chief operating decision maker for the period is set out below:

| | Six months ended 30 June | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Segment A | | Segment B | | Segment C | | Segment D | | Total | |
| | **2022** | 2021 | **2022** | 2021 | **2022** | 2021 | | | | |

**(c) Geographic information**

The following table presents revenue information of the Group's reportable segments by geographical location. The geographical location of customers is based on the location of the customers.

| | Six months ended 30 June | |
|---|---|---|
| | **2022** | 2021 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) |
| Mainland China (place of domicile) | **2,298,342** | 2,410,015 |
| Export sales | | |
| Japan | **659,148** | 358,639 |
| Western Asia | **111,325** | |
| Europe | **49,171** | 14,128 |
| South Asia | **28,805** | 37,811 |
| Others | **169** | 30 |
| Sub-total | **848,618** | 410,608 |
| Total | **3,146,960** | 2,820,623 |

## 4. OTHER INCOME AND GAINS, NET

| | Six months ended 30 June | |
|---|---|---|
| | **2022** | 2021 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) |
| **Other income** | | |
| Government grants | **37,026** | 37,353 |
| Interest income from bank deposits | **18,781** | 2,573 |
| | **55,807** | 39,926 |
| **Other gains, net** | | |
| Net foreign exchange gain/(loss) | **994** | (398) |
| Net gains on disposal of property, plant and equipment | **131** | 8,131 |
| Gain from sales of raw materials | **17,862** | 8,597 |
| Gain on disposal of a subsidiary | **1,713** | |
| Gain on acquisition of a subsidiary | **1,512** | |
| Fair value losses on financial assets | **(2,717)** | |
| Others | **9,192** | 6,983 |
| | **28,687** | 23,313 |
| | **84,494** | 63,239 |

## 5. PROFIT BEFORE TAX

The G ’s fi bef e a is a i ed a af e cha gi g/(c edi i g):

| | Six months ended 30 June | |
|---|---|---|
| | **2022** | 2021 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (U a di ed) |
| Sala ies, age a d he be efi s | **149,172** | 117,824 |
| De ecia i f igh - f- se a sse s | **10,854** | 6,417 |
| De ecia i f e , la a d i e | **144,519** | 131,642 |
| Re e sal f i e-d f i e ies | **(2,404)** | (10,631) |
| I ai e fi es e i a ss cia e | **1,000** | |
| Resea ch a d de el e c s s | **16,430** | 34,855 |
| (Re e sal f i si )/ i si f a a (N e 14) | **(49,265)** | 5,382 |
| I ai e l sse s ade ecei able s a d c ac a sse s | **860** | 9,314 |
| Gai di s sal f e , la a d i e | **(131)** | (8,131) |
| Gai di s sal f a s b sidia | **(1,713)** | |
| Gai a i si i f a s b sidia | **(1,512)** | |
| Fai al e l sse s fi a cial i s e s | **2,717** | |
| C s f i e ies s ld* | **2,593,219** | 2,402,550 |
| C s f se ices e de ed* | **286,669** | 46,557 |

* I cl ded i c s fi e ies s ld a d c s f se ices e de ed, a s f RMB144,597,000 a d RMB210,866,000 i agg ega e f he si h s e ded 30 J e 2022 a d 2021, es ec i el , ela i g s aff c s s a d de ecia i hich a e al s i cl ded i he es ec i e al a s di scl sed se a a el ab e f each f hese es f e ses.

## 6. INCOME TAX EXPENSE

| | Six months ended 30 June | |
|---|---|---|
| | **2022** | 2021 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (U a di ed) |
| **Current tax — the PRC** | | |
| P isi f he e i d | **29,243** | 50,268 |
| P isi adj s e i es ec f i ea s | **(15,117)** | (3,997) |
| | **14,126** | 46,271 |
| **Deferred tax** | **2,732** | (1,697) |
| I c e a e ese f he e i d | **16,858** | 44,574 |

The ageing analysis of trade and bills receivables (net of allowance for doubtful debts) at the end of the reporting period based on the invoice date is as follows:

| | As at 30 June 2022 *RMB'000* (Unaudited) | As at 31 December 2021 *RMB'000* (Audited) |
|---|---|---|
| Within 1 year | **1,629,814** | 1,733,506 |
| 1 to 2 years | **25,440** | 31,686 |
| 2 to 3 years | **2,635** | 24,338 |
| 3 to 4 years | **16,684** | 3,582 |
| 4 to 5 years | **889** | 966 |
| Over 5 years | **—** | 77 |
| | **1,675,462** | 1,794,155 |

The Group normally allows an average credit period of 30 to 90 days for its customers. However, certain long-established sales, trade receivables are granted longer credit periods of up to 180 days depending on the customers' credit history with the relevant sales.

As at 30 June 2022, bills receivable amounting to RMB346,145,000 (31 December 2021: RMB345,882,000), among which pledged deposits amounting to RMB938,753,000 (31 December 2021: RMB567,529,000) had been pledged as security for issuing bills payables amounting to RMB1,401,934,000 (31 December 2021: RMB1,315,712,000).

## 10. CONTRACT ASSETS

| | As at 30 June |
|---|---|
| | **2022** |
| | ***RMB'000*** |
| | **(Unaudited)** |

## 11. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

| | As at 30 June 2022 *RMB'000* (Unaudited) | As at 31 December 2021 *RMB'000* (Audited) |
|---|---|---|
| Prepayments for materials | **352,076** | 314,445 |
| Deductible value-added tax | **63,414** | 100,291 |
| Other receivables | **115,750** | 106,556 |
| Less: Impairment | **—** | |
| | **531,240** | 521,292 |

## 12. TRADE AND BILLS PAYABLES

| | As at 30 June 2022 *RMB'000* (Unaudited) | As at 31 December 2021 *RMB'000* (Audited) |
|---|---|---|
| Trade payables | **1,002,716** | 927,004 |
| Bills payable | **1,401,934** | 1,315,712 |
| | **2,404,650** | 2,242,716 |

(a) The aging analysis of trade and bills payables at the end of the reporting period based on the invoice date is as follows:

| | As at 30 June 2022 *RMB'000* (Unaudited) | As at 31 December 2021 *RMB'000* (Audited) |
|---|---|---|
| Within 1 month | **698,002** | 785,573 |
| 1 to 3 months | **932,639** | 712,362 |
| 4 to 6 months | **444,479** | 645,239 |
| 7 to 12 months | **254,099** | 65,245 |
| Over 1 year | **75,431** | 34,297 |
| | **2,404,650** | 2,242,716 |

(b) As at 30 June 2022, the Group's bills payable of RMB1,401,934,000 (31 December 2021: RMB1,315,712,000) were secured by the Group's bills receivable of RMB346,145,000 (31 December 2021: RMB345,882,000) (Note 9) and the Group's pledged deposits of RMB938,753,000 (31 December 2021: RMB567,529,000).

## 13. OTHER PAYABLES AND ACCRUALS

| | As at 30 June 2022 *RMB'000* (Unaudited) | As at 31 December 2021 *RMB'000* (Audited) |
|---|---|---|
| Other payables and accrued expenses | **406,601** | 512,511 |
| Other payables | **46,238** | 31,217 |
| Dividends payable | **5,604** | 138 |
| | **458,443** | 543,866 |

## 14. PROVISION

The Group's historical warranty terms typically last for 2-year, 5-year or above for major defects in material and workmanship, and 10-year, 25-year or above for structural defects in relation to certain projects. The Group has obligations to repair or replace defective products during the warranty periods. The Group maintains provisions to cover potential liabilities that could arise from these warranties.

The Group began selling historical warranty terms in the year of 2010. During the year, the Group has continued engaging in sales by virtue of historical statistics of quality claims for selling historical warranty terms, the Group has made adequate quality claims provisions for structural defects in relation to certain projects and 10% and 20% for the date of receipt of defects in material and workmanship.

In order to ensure adequate provisions of financial positions and operating results of the Group, the Group reviewed its accounting estimates for the provisions for warranties of 1% or 0.625% in accordance with HKAS, based on the technical assessment made by the Company's management, as well as of the effect caused by the accounting estimates adopted by the companies in the industry. The Company obtained the approval from 26 August 2022 for the Company's board of directors had adopted this change for 1 January 2022.

If there are changes in accounting estimates, the provisions would [illegible]

## MANAGEMENT DISCUSSION AND ANALYSIS

### Operations Review

#### *Operations Summary*

Clea a d e e able e e g ha$_s$ bec$_{,}$ e a e e d $_{,}$f he $_{,}$ld. Wi h a ell-de el$_{,}$ed ech $_{,}$l$_{,}$g , h$_{,}$ $_{,}$ $_{,}$l aic $_{,}$ e i$_s$ $_{,}$ he e e able e e g i h he g ea e$_s$ de el$_{,}$ e $_{,}$e ial a d he l$_{,}$ e$_s$ c$_{,}$s c$_{,}$ a ed i h he i fla ed f$_{,}$ss il f el ice$_s$, $_s$ $_{,}$ he a id g $_{,}$ h i de a d f$_{,}$ h$_{,}$ $_{,}$ $_{,}$l aic $_{,}$d c $_s$ i he f e ill be i e i able. The G $_{,}$ f$_{,}$c $_s$e$_s$ $_{,}$ he a fac i g a d $_s$ale$_s$ $_{,}$f $_s$ ea

C e l , he G ′ ha$_{s}$ $_{s}$e he ′ e ba$_{s}$e, ′ i g$_{s}$ la ′ $_{s}$ a eg , i h Ji1h ′ i Lia ′ i g a$_{s}$ he ba$_{s}$e, Q ji g i Y a a d Ya che g i Jia g$_{s}$ a$_{s}$ ′ $_{s}$ide i g$_{s}$. A$_{s}$ a he e d ′f J e 2022, he ′al a al ′d c i ′ ca aci ′f ′ ′d c i ′ ba$_{s}$e$_{s}$ e e 6.2 GW ′f ′ ′c $_{s}$ alli e $_{s}$ilic ′ i g ′, 4.5 GW ′f ′ ′c $_{s}$ alli e $_{s}$ilic ′

Maj r c s r e s f e e al s ale s f r c s alli e s ilic r afe s i cl ded la ge- s cale h r r l aic cell a fac e s a d h ge s a e- r ed e e i s e s i Chi a.

The G r ' s d c i r ba s e f r c s alli e s ilic r i g r a d r c s alli e

## Operation Strategy

With the advancement of hydraulic production technology in the past years, the production costs have declined. Since entering the 21st century, hydraulic application has reached the age of digitization, and electronic products gained more advantages in the field. In these years, production related equipment also gained more attention in technological development. Therefore, since 2018, the Group has been investing and upgrading automatic production lines, high-efficiency production capacity. Massive cheap grade production capacity and high-efficiency production capacity have been realized.

M , e , e , he G , i s al s , ca i g , a be f e s ea ch jec s f , TOPC , d le s a d BIPV d c s , ai i g , g ade he a ss d c i , ech l g f TOPC , d le s a d BIPV d c s , s , a s , e a d he a ke s ale s f c , e s , di g d c s .

L , ki g ahead, gi e (a) leadi g ech l gical c s ad a age s a d la ge-s1e d c li e s i h highe ba gai i g , e , he G , ill be able , c , i e , gai he a ke s ha e; (b) he aj , d c i , ba s e i h a l , e elec ici c s s a d , e fa , able d c i , e i , e i h lic s , , he G , ill be able , s ig ifica l ed ce he d c i , c s ; (c) he G , c , i e s , e a d l , -c s , high-efficie c e d c i , ca aci h , gh , e efi ed d c i , ce ss , a d he e i s i g d c i , ca aci ha s al s , bee g aded a d a s f , ed, a d achie ed s able , e a i , , hich ca f he de , s a e he ad a age s f ec , , ie s f s cale,

***Selling and distribution expenses***

Selli g a d di$_s$ ib i, e e $_s$e$_s$ ai l c, i$_s$ed e i al ha dli g cha ge$_s$,

***Inventory turnover days***

The G ,  ha$_s$ bee f,c $_s$i g i$_s$ eff, $_s$ i  ai$_s$i g he i e ,  ,e a d l, e i g he i e ,  ,e da $_s$ i ,de ,  i iga e he i$_s$k ,f a id decli e i e , ice$_s$ ca $_s$ed b c, i , $_s$ ech ,l,gical ad a ce e ,f h, , ,l aic ,d c $_s$, a d a he $_s$a e i e, ed ci g he backl,g ,f f d$_s$ a d f he $_s$ e g he he G , 's , e a i, , ki g ca i al. I ,de ,a ,id he i ac ,f ice fl c a i, $_s$ ,f a a d a ilia a e ial$_s$, he G , he ef, e i c ea$_s$ed he $_s$afe $_s$ ,ck le el ,f i e , ie$_s$. I addi i, , a i c ea$_s$e a , ,f a a e ial$_s$ e e cha$_s$ed , c, e i h he ili$_s$a i, ,f e high-efficie ,d c i, ca aci . The ef, e, he i e , , e da $_s$ ,f he e i,d i c ea$_s$ed , 38 da $_s$ (31 Dece be 2021 : 26 da $_s$).

***Trade receivables turnover days***

The $_s$ale$_s$ ,f h, , ,l aic ,d le$_s$ acc, ed f, ab, 72% ,f he G , 's , e all $_s$ale$_s$ f, he e i,d. Acc, di g , he $_s$ a da d e $_s$ ,f he i d $_s$ 's ,d le $_s$ale$_s$ c, ac $_s$, he ec, e ,f ,d le ecei able$_s$ de e d$_s$ , he c, $_s$ c i, ,g e$_{ss}$ ,f he h, , ,l aic , e la . F, i $_s$ a ce, $_s$, e ade ecei able$_s$ ca , l be ec, e ed af e he c $_s$ , e 's h, , ,l aic , e la i$_s$ c, ec ed , he g id. The ef, e, he ade ecei able$_s$  , e da $_s$ ,f ,d le b $_s$i e$_{ss}$ a e ge e all l, ge . F he , e, he $_s$ale$_s$ a , ,f h, , ,l aic ,d le$_s$ acc, ed f, a ela i el high , , i, ,f he , al $_s$ale$_s$ a , ,f ha f, he $_s$i , h$_s$ e ded 30 J e 2022, a d ,$_s$ ,f h,$_s$e ade ecei able$_s$ e e e , be d e; a$_s$ a e$_s$ l , highe ade ecei able$_s$  , e da $_s$ a$_s$ , ed. T ade ecei able$_s$  , e da $_s$ f, he e i,d ha$_s$ i c ea$_s$ed , 110 da $_s$ (31 Dece be 2021 : 98 da $_s$), b i$_s$ $_s$ ill a a ea$_s$ , able le el.

***Trade payables turnover days***

The  ade a able$_s$  , e da  a$_s$ 145 da $_s$ f, he e i,d, hich a$_s$ $_s$ig ifica l highe c, a i g , 123 da $_s$ a$_s$ a 31 Dece be 2021. The ai ea$_s$ , a$_s$ ha he

***Liquidity and financial resources***

The i ci al s ce s f ki g ca i al f he G d i g he e i d e e ca s h f ba k a d he b i g s. A s a 30 J e 2022, he c e a i (c e a ss e s di ided b c e liabili ie s) f he G a s 0.93 (31 Dece be 2021 : 0.84). The G had e b i g s f a i a el RMB776.7 illi a s a 30 J e 2022 (31 Dece be 2021 : RMB941.8 illi ), i cl di g ca s h a ba k a d ha d f RMB500.9 illi (31 Dece be 2021 : RMB431.9 illi ), ledged de s i s f RMB1,090.6 illi (31 Dece be 2021 : RMB751.3 illi ), ba k a d he l a s d e i hi e ea f RMB1,991.1 illi (31 Dece be 2021 : RMB1,915.3 illi ) a d -c e ba k a d he l a s f RMB377.1 illi (31 Dece be 2021 : RMB209.7 illi ). The e deb g i a i ( e deb di ided b al g i ) a s 98.5% (31 Dece be 2021 : 140.1%).

***Earnings before interest, taxes, depreciation and amortisation***

D i g he e i d, he G 's ea i g s bef e i e e s , a e s, de ecia i a d a i s a i ( EBITDA ) a s a i a el RMB373.1 illi (11.9% f he e e e) (c e s di g e i d f 2021 : a i a el RMB364.0 illi , 12.9% f he e e e). The ai ea s f he i c ea s e i EBITDA a s a ib ed he i c ea s e i e e e a d e e s al f i s i f a a d i g he e i d.

***Net cash inflow from operating activities***

The G c i ed i e s a d g ade he e i s i g d c i ca aci hich, ge he i h he ec e ie s f s cale eflec ed i high-efficie c d c i ca aci , e s led i a i c ea s e i e a i g fi . The e ca s h i fl f e a i g ac i i ie s i c ea s ed f a i a el RMB306.9 illi i he fi s half f 2021 a i a el RMB311.3 illi f he e i d, e e s e i g a g h a e f 1.4%.

***Foreign currency risk***

The G i s e sed f eig c e c i s k i a il h gh s ale s a d cha s e s, ca s h, ba k de s i s a d ba k l a s ha a e de i a ed i a c e c he ha he f c i al c e c , Re i bi, f he e a i s hich he ela e. The c e cie s gi i g i s e hi s i s k a e i a il he US D lla a d E . The Di ec s d e ec a sig ifica i ac f he cha ge i e cha ge a e s s ice he G s e s ade ecei able s i f eig c e cie s ecei ed f f eig c s e s se le f eig l a s a d ade a able s i f eig c e cie s hich a all i iga e s he e cha ge a e i s k. I addi i , he G ill c side he diffe e ce i i e e s a e s a d fl c a i s i he e cha ge a e s f f eig c e c de i a ed a d l cal c e c - de i a ed l a bala ce, a d s e e i ie s i iga e he i s k h gh l - i s k f a d e cha ge ag ee e s, i de s ike a bala ce be ee he e s e he a ia i s i i e e s c s s a d fl c a i s i f eig e cha ge a e s.

***Convertible Bonds***

As a re able a d clea e e g s , ce, i es ec f h , , l aic , e ge e a i , he ad , g id a i a be a ai f l cha ge, b he e ec ed e l s i e g , h i he a ke af e eachi g g id a i ill , ide a , , i f , he i d s . P s i i g i self as a leadi g s lie f , c s alli e s ilic , i g , s / afe s a d h , , l aic d les, he G , is f ll e a ed b el i g , is e is i g ad a ages a d ill d , i s s , , e b ace he l , g- e , is i g s ec f , he h , , l aic i d s , hel achie e he g al f ca b , e ali i 2060 i Chi a a d c , ib e , he s s ai able de el , e f he gl bal e i , e .

## DIVIDEND

The Di ec , s d , , ec , e d he a e f a i e i di ide d f , he s i , h s e ded 30 J e 2022 (f , he s i , h s e ded 30 J e 2021: Nil).

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### Corporate Governance

The C , a has c , lied i h he g i e e s s e , i he C , , a e G , e a ce C de as s e , i A e di 14 , he Li s i g R les h , gh , he s i , h s e ded 30 J e 2022.

### Model Code for Securities Transactions by Directors

The C , a has ad , ed he M del C de f , Sec i ies T a s ac i , s b Di ec , s f Li s ed I ss e s ( he M del C de ) as s e , i A e di 10 , he Li s i g R les as he c de f c , d c ega di g s ec i ies a s ac i , s b he Di ec , s. S ecific e g i ies ha e bee ade b he C , a , c , fi ha all Di ec , s ha e c , lied i h he M del C de f , he s i , h s e ded 30 J e 2022.

### Audit Committee

The a di c , i ee f he C , a , c , is i g h ee i de e de , -e ec i e Di ec , s, has e ie ed he acc , i g i ci les a d ac ices ad , ed b he G , a d s ch a e s as i e al c , l s a d fi a cial e , i g i h he a age e f he C , a , i cl di g he e ie f he i e i es l s f , he s i , h s e ded 30 J e 2022.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Nei he he C , a , , a f i s s b s idia ies cha s ed, edee ed , s ld a f he C , a 's li s ed s ec i ies d i g he s i , h s e ded 30 J e 2022 a d , he da e f his a , ce e .

## EVENTS AFTER THE REPORTING PERIOD

O 29 A il 2022, Q ji g Ya gg a g (a s b s idia f he C , a ) a d G , ai J a Sec i ie s C , ., L d. (國泰君安証券股份有限公司)( G , ai J a ) e e ed i , a s e ice ag ee e ( he Se ice Ag ee e ), s a , hich G , ai J a ha s ag eed , lace, , a be s -eff , ba s i s , , 27,138,643 Q ji g Sha e s , i e s , s a d he a , f ceed s , be ai s ed , ld be , , e ha RMB460,000,000 ( he Ca i al I jec i , ). The Se ice Ag ee e , he Ca i al I jec i , a d he a s ac i , s c , e la ed he e de a e s bjec , a , al b he s ha eh lde s f he C , a , hich a s b ai ed a a e a , di a ge e al ee i g f he C , a held , 17 A g s 2022. C , le i , f he Ca i al I jec i , i s s bjec , he f lfil e f he ele a c , di i , s ecede . F , f he de ail s , he Se ice Ag ee e a d he Ca i al I jec i , , lea s e efe , (i) he a , ce e a d he ci c la f he C , a da ed 29 A il 2022 a d 29 J l 2022, e s ec i el ; a d (ii) he ll e s l s